

Ekin Road Options Appraisal

FINAL REPORT (STAGE 2 AND 2B)

Cambridge City Council

14th May 2024

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2 EXECUTIVE SUMMARY

2.1 Introduction and project background

The Ekin Road Estate (“the Estate”) is a local authority estate comprising 122 homes (maisonettes, flats, bungalows and houses) situated in East Barnwell in Cambridge. East Barnwell is a mixed residential and commercial area with retail, educational and industrial uses close by. The Ekin Road Estate itself comprises of a mix of traditional and non-traditional ‘Easiform’ construction buildings that are in a fair condition, benefitting from essential maintenance works. However, the buildings do not meet the current standards that are applied to new developments with many of the units having ongoing maintenance problems and structural issues.

In 2021, Cambridge City Council (‘the Council’) informed residents of a review into the condition of the Ekin Road Estate to understand the issues affecting leaseholders and tenants which identified Ekin Road as an estate to be considered for redevelopment in a report presented at the City Council’s Housing Scrutiny Committee in September 2021. Since then, the Council has been exploring potential options for the Estate and in June 2022 began a resident engagement process.

In June 2023, JLL was appointed to assess the potential options in a two-stage approach. Options ranged from minimal changes through to refurbishment, partial redevelopment, or full redevelopment of the site. During the summer of 2023, JLL began Stage 1: a thorough review of the site and assessment of the options by considering the potential economic, social, environmental, financial, and strategic benefits. Three shortlisted options were identified which were presented to residents and the Housing Scrutiny Committee in September 2023 (Appendix J).

From September 2023 onwards, JLL conducted further, detailed analysis of the three shortlisted options to determine their viability. Alongside the analysis, residents were engaged with to find out their views on the three shortlisted options, their current homes, and their general wellbeing in order to complete an independent survey that informed the evaluation process. This resulted in the Stage 2 Report, published in February 2024

Following an internal Council review of the report’s recommendations and considering feedback from public consultation the Council engaged their partners and presented an alternative house-led option to be evaluated.

This Stage 2b Report incorporates the full Stage 2 evaluation, updated to include the evaluation of the new option.

2.2 The Case for Change

The 122 existing homes in their current form require improvements with the estate classified as being in a fair condition. However, there are ongoing maintenance problems, some structural issues and aspects of noncompliance with new build regulations for sustainability, accessibility and health and safety meaning the accommodation on the estate falls below the standard desired by the Council. Therefore, there are a number of key factors which are driving the case for changes. These are outlined further in the report.

2.3 The Options Assessed

After initially evaluating seven options for the estate, three options were shortlisted and taken forward for further evaluation in Stage 2.

The three options considered for the Estate as part of the Stage 2 Report were:

- Option 1: Refurbishment of the existing council housing across all building types. The leasehold flats and maisonettes would also be included in the refurbishment programme, but the freehold houses would not take part
- Option 2: Partial Redevelopment and refurbishment of the Estate. The majority of the houses are retained with some refurbished and the remainder of the estate is redeveloped into new build housing and flats
- Option 3: Full redevelopment of the estate including the re-provision of existing Social Rented affordable housing

Sub-scenarios with different tenure mixes were explored as part of the Financial and Management Cases.

The Stage 2 Report concluded that Option 3 (Full Redevelopment) with 100% affordable housing is the “least-worst” financial option whilst achieving [all / most] of the other Critical Success Factors. It noted that the viability of the option must be seriously considered due to the financial deficit produced and it was recommended that alternative options should be considered in conjunction with the Council’s partners.

Given the outcome of the Stage 2 assessment of the options the Council put forward an alternative proposal and consulted on emerging designs that would increase the number of 3- or 4-bed family homes compared to what is currently available on the estate. The consultation proposal showed a comprehensive redevelopment of the estate. Following further assessment and consideration of the consultation responses the option put forward for evaluation in this report is:

- Option 4: a house-led option involving the redevelopment of 108 homes and refurbishment of 7 of the 14 retained homes on the Estate.

2.4 Options Appraisal Methodology

This report incorporates the full evaluation from Stage 2, updated to include the new option 4. The HM Treasury Green Book Approach has been used which builds upon the Stage 1 methodology that incorporated the strategic alignment, economic and social value alignment, lifecycle carbon impact and financial performance.

The HM Treasury Green Book Approach is used to appraise projects by assessing the costs, benefits and risks in a five-case model:

- The Strategic Case sets out the key Council policies specifically related to residential properties which were incorporated into a set of Critical Success Factors (“CSF”) in which the preferred option must meet. The Case for Change is also presented to demonstrate the current situation and the rationale for intervention. This was framed in the context of the findings from the resident engagement, planning and economic considerations.
- The Economic Case qualitatively evaluates the options against the CSFs and a rating of either Green (Good), Amber (Acceptable) or Red (Unacceptable) has been provided to reflect each option’s ability to deliver the CSFs identified in the strategic case. Additionally, options for delivery and phasing have been qualitatively evaluated. A Benefit-Cost analysis was calculated for each option with an output above 1 indicating the benefits outweigh the costs. This allowed for each option to be assessed in terms of its ability to deliver social value through broader social and economic benefits.
- The Commercial Case builds upon the evaluation of the delivery models in the Economic Case, to outline the preferred method to successfully deliver each option. The commercial mechanisms of delivering each option via the selected delivery model will also be detailed.
- The Financial Case assesses the financial impact of each option on the Council budget in terms of the cost of both capital and revenue. The cost of development/refurbishment for each option is also determined as well as any consideration of funding.
- The Management Case outlines the project management, governance, and risk management of the delivery of each option via the selected delivery route. This case also outlines the assumed phasing and how it will work.

Alongside the HM Treasury Green Book Approach, supporting documents have been created to support the five cases and inform the recommendation. These include:

- **Ekin Road Resident Survey**

Feedback from the Resident Survey (Appendix A) was analysed to identify common themes, trends and issues raised by residents. These findings are important to gain insight into the preferences and needs of the residents which can be incorporated into the Strategic Case to identify additional issues on the estate. This will support in understanding their priorities in relation to the proposals which in turn will inform the evaluation process in the Economic Case.

- **JLL Development Options Assessment**

A Development Options Assessment (Appendix I) has been conducted by the JLL Affordable Housing and Building Consultancy teams to assess the financial feasibility of each option. This analysis assisted in determining the preferred option. In Stage 2, Market led (98x Social Rented homes with the rest being private units) and 100% affordable housing scenarios (98x Social Rented units with the additional private units converted to Affordable Rent) for Option 2 (partial) and Option 3 (full) were assessed alongside the refurbishment option using Argus Developer appraisal software to calculate the deficit/surplus arising from each option.

- **JLL Ekin Road EPC Improvement Study**

An EPC Improvement Study (Appendix B) was produced to detail the potential works needed to improve the EPC ratings of the properties located on the Estate. This will inform the sustainability improvements required in the refurbishment option to improve the energy performance of each building typology. In understanding these improvements, the JLL team was able to assess the refurbishment option's ability to bring the buildings up to the standard of the Cambridge City Council Sustainability Housing Design Guide.

- **JLL Ekin Road Estate Refurbishment Feasibility Assessment**

The JLL Building Consultancy team assessed the technical and financial viability of refurbishing the Estate (Appendix H), to achieve the same standard as the redevelopment scheme, in alignment with Cambridge City Council's Sustainability Housing Design Guide and a life cycle expectation that makes the scheme viable. Inspections of the Estate were conducted alongside additional concrete testing carried out by Curtins Consultancy to report on the condition of both the traditional and non-traditional 'Easiform' construction buildings on the estate (Appendix AH). This will establish the overall life expectancies of each building type as well as the improvements required to improve their current condition.

- **Public Consultation Survey**

Feedback from the public consultation following publication of the alternative scheme full redevelopment scheme (Appendix AL) was analysed to identify common themes, trends and issues

expressed by residents and the general public in relation to the emerging designs. The general sentiment, preferences and requirements of residents and the general public were incorporated into the Strategic Case and informed the evaluation process.

Through carrying out additional studies, assessments and surveys, an informed decision can be made regarding the viability of the options.

2.5 Appraisal Outcomes

2.5.1 The Strategic Case

The Strategic Case confirms there remains a case for change. Based on technical reports and qualitative data received from surveys, the estate in its current form and layout would benefit from upgrading despite some of it being in a fair condition.

There are general issues in relation to mould and condensation, fire safety, health and wellbeing, accessibility and incidents of anti-social behaviour. The traditionally constructed properties (houses, bungalows and maisonettes) are in fair condition with improvements carried out on a cyclical basis. However, the non-traditionally constructed flats have been identified as having exceeded their design/ useful life with signs of cracking, poor thermal integrity and risk of structural degradation from the effects of carbonation. Many residents have stated they are experiencing mould and condensation problems that is impacting their health and wellbeing. This issue was also noted in the other building types.

In the absence of any redevelopment, significant investment would be required to improve the accommodation across the estate to align with the Council's objectives of providing high-quality homes and address the condition, safety, sustainability and accessibility issues.

2.5.2 The Economic Case

The Economic Case analyses each option against the 11 agreed Critical Success Factors (CSFs) to determine their ability to deliver the Council's objectives.

In Stage 2 three options were evaluated, and the following conclusions were made:

- Option 1 (Refurbishment) has four red flags and has been discounted as a viable option. This option offers short-term energy and repair improvements, but fails to fully address the wider issues, scoring poorly in the Benefits Cost Ratio (BCR).
- Option 2 (Partial Redevelopment) has no red flags and can achieve six CSFs fully and five partially through improvements in housing quality, safety, and green outdoor space. The 100% affordable housing option has the highest BCR result of 1.64. However, the market led scheme BCR was below 1, primarily based on the cost of investment. Retaining and building around the existing

houses in this option would result in a fragmented estate in terms of design and quality and fewer homes to meet housing demand. Whilst the maximum housing unit uplift would not be achieved, there are benefits from this option for residents, the wider community, and the Council.

- Option 3 (Full Redevelopment) has the potential to achieve the most CSFs (8 fully, 3 partially) by delivering a comprehensive transformation of the estate that includes the provision of modern, high-quality housing that meets sustainability standards for all residents on the Estate. Although there could be immediate positive and negative impacts on the residents' health and wellbeing from decanting, long-term benefits include improved housing conditions for existing tenants who exercise their right to return or residents who find a new home of a higher quality and better condition than their current home. Residents who will live on the estate following redevelopment will benefit from safety, accessibility improvements, better housing design and quality and improved placemaking with a new green outdoor space on the estate. The result would be a cohesive, modern estate with high-quality housing for all. This option demonstrates a positive BCR of 1.44 for the market led option and 1.29 for the 100% affordable housing option. While this BCR result is slightly lower than the partial redevelopment 100% affordable housing option due to the higher costs, there is an ability to deliver some benefits in return for this. A unified estate can be created with a greater number of new, high-quality accommodation, more amenities, and new public realms. The benefits could have wider-reaching impacts as the increased housing capacity allows for more households to be housed on the estate.

In Stage 2b, Option 4 (house-led) has been analysed using the same approach and concluded that there is an opportunity to achieve six of the CSFs. The strategic objectives of the Council can be met whilst delivering more 3 and 4 bed homes for families and retaining the south houses. This option still allows for the transformation of the estate from a "traditional" urban and architectural design perspective, the south houses and the urban block can be integrated within the overall arrangements of the new layout to form a cohesive, successful urban design. Therefore, a new, integrated estate can be created that provides improvements in the long-term health and wellbeing of residents, meets local housing needs and improves housing conditions while mitigating some of the immediate disruptions associated with a full estate decant. Furthermore, a suitable level of benefits can be created as indicated by the 1.66 BCR result for the economy. This indicates option 4 can deliver an estate transformation, making it a viable alternate option from an economic perspective.

2.5.3 The Commercial Case

The Commercial Case sets out the commercial arrangements for delivering each option.

In Stage 2, the assumed delivery route for the three options were as follows:

- Option 1: Refurbishment option – Cambridge City Council self-delivers via contractors.

- Option 2: Partial redevelopment option – Procuring a development partner to deliver the development elements and contractors for the refurbishment work.
- Option 3: Full redevelopment option – A joint venture partnership.

In Stage 2b, it has been assumed the commercial delivery model for Option 4 is a blend of a developer for the redevelopment elements alongside contractors for the refurbishment work.

These delivery routes offer an acceptable level of control for the Council that ensures the Council's vision and objectives are met. The Council has the capacity in-house to self-deliver refurbishment projects of this scale using suitably experienced contractors procured through a competitive tendering process. However, using a joint venture partnership allows the Council to leverage the expertise and resource of a joint venture partner to deliver large-scale redevelopment schemes efficiently and to a high quality that aligns with sustainability and design standards. By utilising a joint venture structure, the delivery can also be accelerated.

2.5.4 The Financial Case

The Financial Case assesses the financial viability of the options through the Development Options Assessment. At this stage, Options 2 (partial) and 3 (full) were divided into two sub-scenarios to consider tenure mix:

- Market-led Partial Redevelopment Option
- 100% Affordable Housing Partial Redevelopment Option
- Market-led Full Redevelopment Option
- 100% Affordable Housing Full Redevelopment Option

The results from Stage 2 indicated Option 3 (full) with 100% affordable provides the “least-worst” financial outcome (-£16,063,546), with all options resulting in a financial deficit. This option has a lower deficit than the market-led equivalent due primarily to accessing grant funding however it reduces the financial exposure and risk to the Council. Net cost per affordable housing unit is therefore lower and the financial burden on the Council can be reduced.

In Stage 2b, Option 4 (house-led) has been modelled and resulted in a deficit of -£16,314,102. This compares to the base case scenario of refurbishing the existing properties which resulted in a deficit of £21,365,171 (see February 2024 report). Accordingly, Option 4 results in a £5,051,069 financial improvement over the base case. Whilst this is still a significant deficit, wider benefits should also be acknowledged.

2.5.5 The Management Case

The Management Case establishes the robust arrangements for the successful delivery, monitoring and evaluation of the project.

For all options considered in Stage 2 and 2b, arrangements including planning, phasing, decanting and vacant possession are all required for delivery. However, each option has its own level of complexity meaning there are nuances in their delivery:

- The Stage 2 analysis identified the Option 2 (partial) and Option 3 (full) require significant decanting and multiple phases for delivery. Option 1 (refurbishment) also has a phased decanting but in alignment with a rolling refurbishment programme. This includes the acquisition of the leasehold flats to conduct works to the structure of the blocks and common parts. It has been assumed third party owned, freehold houses, will be excluded from the refurbishment work and remain in occupation throughout.
- In Stage 2b, the same principles were applied for the refurbishment of the south houses in Option 4 whereby only council owned houses would be refurbished. For the redevelopment of the rest of the estate, it has been assumed decanting would follow the rolling delivery programme.

Despite the nuances, all options require clear project management and governance to support the implementation of each option. This includes effective decision making and progress reviews within the selected delivery mechanisms:

- For options involving redevelopment, a joint venture partnership should deliver the redevelopment elements of the scheme. A clear governance structure with the selected development partner is needed that aligns under the Council's objectives and has equal representatives from both parties.
- For refurbishment work, a strong governance process is required that benefits from the internal governance process and resourcing already within the Council.

Risks associated with each option have been identified with the risks increasing with the higher degree of redevelopment. However, through proactive risk management these risks can be mitigated to allow the Council to implement the preferred option efficiently, in line with best practice to ensure a positive outcome for residents.

2.6 Conclusion

Based on the outcomes of the evaluation of the options considered, Option 3: Full Redevelopment (with 100% affordable housing) performed best. It most closely aligned with the Council's strategic objectives and

vision whilst addressing the current issues on the estate. This option would fully achieve the highest number of Critical Success Factors (CSFs) with 8 out of 11. It can result in the highest number of additional units and provides the greatest improvement in the quality, accessibility, and safety of housing across the whole estate, along with additional green outdoor space. This option also results in the lowest financial deficit to the Council.

However, it was viewed as the “least-worst” option as the financial viability of the option must be seriously considered. The Stage 2 report recommended that the Council should examine the affordability and financial risk of this option in relation to the Housing Revenue Account (HRA) against a backdrop of building cost inflation and higher interest rate environment.

With this in mind, the Stage 2 report recommended that alternate development and/ or delivery options should be explored with a development partner should this option prove not to be financially viable for Cambridge City Council. This led to the development of the alternative scheme (option 4: ‘house-led’ which has been evaluated in Stage 2b).

The Stage 2b evaluation of Option 4 (incorporating affordable housing) results in similar outcomes in terms of achieving positive CSF scores, BCR return and financial viability.

The Stage 2b option, whilst not producing the same number of additional units, still positively impacts the quantum of units and materially increases the number of habitable rooms on the estate by providing 3 and 4 bed family units urgently required by the Council. The nearby East Barnwell development that is providing 120 all affordable flats also means that Option 4 provides diversity in accommodation offerings whilst aligning with the broader neighbourhood stock.

Although Option 4 still results in a financial deficit of -£16,314,102, it is seen as lower risk as a market-led scheme will attract a development partner to share the risk/ rewards. The Stage 2 “least worst” option’s deficit (Option 3: Full Redevelopment with 100% affordable housing), which was also £16m, was calculated assuming grant funding would be received. However this grant funding (£20m) is not guaranteed, and if the application had been unsuccessful would have significantly increased the Council’s financial burden to £36m. Under the Stage 2b option, there is no grant funding, so this risk is not applicable.

Ultimately, the current condition of the flats and maisonettes mean that a do-nothing scenario is not a viable option for the Council to consider. Of the options evaluated as part of Stage 2 and Stage 2b, Option 4 consisting of a redevelopment of 108 homes and refurbishment on 7 of the 14 retained homes on the Ekin Road Estate into a house led scheme which incorporates mixed tenure and retains the houses on the South is the preferable option. However, once again, this option will need to be assessed in relation to the HRA and the Council’s risk appetite.

3 THE STRATEGIC CASE

3.1 Introduction

The Strategic Case sets the requirement for the transformation of the Ekin Road Estate by reconfirming the case for change. The basis for this case remains fit for purpose, aligning with the Cambridge City Council wider strategic objectives as outlined in its “One Cambridge – Fair for All” vision statement. It also considers feedback from residents which identifies the issues currently present on the estate.

Based on the case for change, planning considerations and resident feedback, it will be determined if there is still an opportunity to deliver the Council’s vision and development objectives whilst factoring in the needs and sentiments of the residents.

3.1.1 Strategic Context

The Ekin Road Estate is situated within the East Barnwell area of Cambridge with residential, retail, educational and industrial uses close by. The existing estate comprises of six flat blocks each containing 12 flats as well as 32 semi-detached houses, 10 bungalows and 8 maisonettes. In total there are 122 units built in the typical 1950s-1970s style.

For this report, we have adopted the tenure mix outlined in the Potter Raper report¹ to allow for consistency across reports. In August 2020, the Ekin Road Estate comprised of:

Type	Council	Leasehold / Freehold	Total
Flats	62	10	72
Maisonettes	5	3	8
Bungalows	10	0	10
Houses	21	11	32
Total	98	24	

3.2 Council Key Objectives

When identifying and evaluating the options under consideration for the Ekin Road Estate it is essential to understand the broader strategic objectives of the Council and in particular the housing strategy. Reviewing

¹ Potter Raper Options Appraisals Report (August 2020)

Cambridge's vision and understanding their core requirements is essential to determine the Critical Success Factors used to assess these options.

3.2.1 Cambridge's Vision

Cambridge City Council has a clear vision to lead a united city, 'One Cambridge – Fair for All'², in which economic dynamism and prosperity are combined with social justice and equality.

In line with this vision, the Council has developed its Corporate Plan for 2022-2027³ which sets out 4 key priorities over the next 5 years. These four key priorities for 2022 to 2027 are:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030;
- Tackling poverty and inequality and helping people in the greatest need;
- Building a new generation of council and affordable homes and reducing homelessness; and
- Modernising the council to lead a greener city that is fair for all.

3.2.2 Cambridge's Core Requirements

The Greater Cambridge Housing Strategy 2019-2023⁴ identifies the following strategic objectives related to housing:

- 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; and
- Working with key partners to innovate and maximise available resources.

² Cambridge City Council Corporate Plan 2022-2027 [available at: <https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>]

³ Cambridge City Council Corporate Plan 2022-2027 [available at: <https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>]

⁴ Greater Cambridge Housing Strategy 2019-2023 [available at: <https://www.scambs.gov.uk/media/19971/greater-cambridge-housing-strategy-2019-2023.pdf>]

There has since been a new housing strategy for 2024 to 2029 which sets out the strategic direction and priorities in relation to new and existing homes and communities⁵. This strategy is currently out for consultation.

3.2.3 Sustainability and Social Value

Cambridge City Council has a clear vision to create a Cambridge that cares for the planet⁶. This vision statement states they will take robust action to tackle the local and global threat of climate change, both internally and in partnership with local organisations and residents, and to minimise its environmental impact by cutting carbon, waste, and pollution.

3.3 Engagement with residents

The Cambridge City Council Code of Best Practice⁷ on Consultation defines the resident consultation as the active participation of local residents and community groups in the decisions that affect their lives. To ensure that the evaluation of the options is holistic and considers all relevant stakeholders, there has been a range of engagement and consultation with Ekin Road residents in accordance with the Code of Best Practice on Consultation and associated the Council and Local Government Association's "Gunning Principles"⁸. Openness, accessibility and inclusivity, and transparency and accountability were adhered to throughout the engagement with the residents. The aim was to share information and provide a forum to voice their thoughts and opinions on the proposed options, through the following methods:

- Regular letters to all households;
- Regular Liaison Group meetings;
- Drop in events;
- Regular website updates;
- Events such as participating in community events; and
- Printed material held in the local library.

The Liaison Group met regularly where the Council kept residents engaged to ensure residents were heard throughout the process. These sessions were not decision-making groups but rather opportunities for the Council to report on progress and for residents to feedback on the information provided.

⁵ Greater Cambridge Housing Strategy 2024-2029 [available at: <https://www.cambridge.gov.uk/media/bg3hic2u/greater-cambridge-housing-strategy-2024-29.pdf>]

⁶ Cambridge City Council: Our Vision [available at: <https://www.cambridge.gov.uk/our-vision>]

⁷ Cambridge City Council, Code of Best Practice on Consultation and Community Engagement, [available at: <https://www.cambridge.gov.uk/media/7144/consultation-and-community-engagement-code-of-best-practice.pdf>]

⁸ Local Government Association, The Gunning Principles, [available at: <https://www.local.gov.uk/sites/default/files/documents/The%20Gunning%20Principles.pdf>]

3.3.1 June-Sept 2022 Residents' Survey

Initial resident engagement was conducted from June to September 2022. The Council engaged with residents of the estate in June 2022 to conduct a resident survey. The initial public consultation event was held on the 8th June 2022. This resulted in 112 people attending in person, 11 webinar attendees, 2,771 website views and 63 survey responses.

Key findings from the stage 1 survey consultation provided insight into the current state of the Ekin Road Estate⁹. Summary findings included:

- 46.2% of respondents believing their current home meets their requirements, 30.8% responding their homes do not meet their requirements and 23.1% saying they were 'unsure'.
- 35.8% of respondents wanting new public spaces and other improvements including improved security (22.0%), improved connectivity (6.6%) and other (35.8%) such as better insulation, improve accessibility and reduced anti-social behaviour.
- Residents liking: the lack of traffic on the Estate; the GP surgery; and connectivity.
- Residents disliking: the security; parking; accessibility; damp/ mould; and energy inefficiency in the buildings.

Overall, out of the 63 survey responses, 58.1% strongly agreed Ekin Road needs redevelopment, 19.4% 'agreed', and 6.5% responded 'strongly disagree' and 4.8% said 'disagree'. 4.8% and 6.5% of residents who responded to the survey said 'neutral' or 'unsure' respectively. 33.9% of respondents said they would return to the Estate after redevelopment.

Although, over half of the estate were in support of redevelopment, there were some residents who disagreed. Following consultation resident groups have formed. An option appraisal supported by additional consultation would enable the Council to arrive to an informed, evidence-based preferred option.

3.3.2 Resident groups

JLL has acknowledged that across the estate, there are different resident groups which have emerged. Cambridge City Council has worked with these groups and passed on communications and statements to JLL to ensure transparency throughout.

One group is the "Save Ekin Road" Community Group. The group is a resident group, formed following the June to September 2022 survey, who are opposed to the development but has since revised their statement, calling for the 72 flats to be demolished while retaining all 32 houses. The group considered the survey "inadequate", "problematic", and "extremely leading". Cambridge City Council

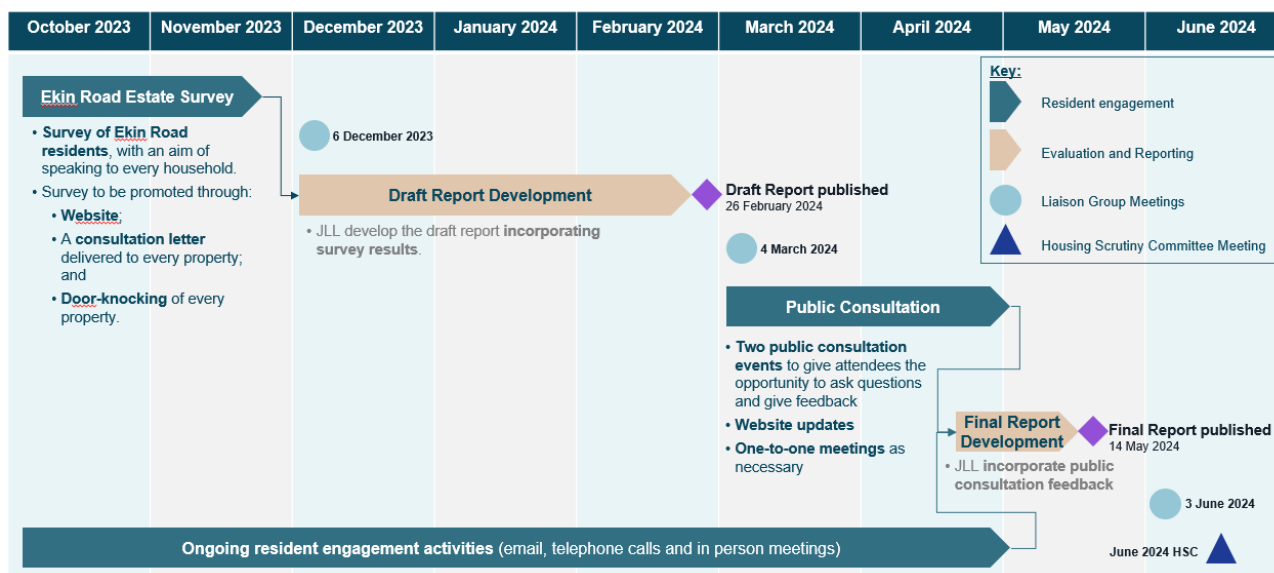
⁹ Ekin Road Resident Questionnaire Final Report (14th September 2022)

have worked with the group and shared their statements with JLL, so they are aware of all opinions. However, it is not known as to the extent of the membership of the “Save Ekin Road” Community Group on the estate.

Other groups on the estate have also been acknowledged. The Council has met with 85 householders (69 council tenants, 10 leaseholders and freeholders) including one who acts as a collective voice for the tenants in the flats. This group formed in recent months. Other residents have acted individually raising queries with the Council. All groups have been considered so all residents are treated fairly with their opinions recognised as part of the options appraisal.

3.3.3 Stage 2 Residents’ Survey

As part of JLL’s work in Stage 2 to assess the three shortlisted options for the future of the Ekin Road Estate, an independent resident consultation was conducted to engage with residents to encourage active participation in sharing their view regarding the decisions that affects their lives. JLL appointed Marengo Communications, an independent specialist public consultation company, to act independently to conduct a two-staged, comprehensive resident engagement to support the technical work. A resident engagement plan was created and published to ensure all residents had an opportunity to voice their thoughts about the three options for the estate. The resident engagement plan is detailed in the diagram below¹⁰.



As part of the resident engagement, a community survey was conducted with subsequent door knocking sessions. When engaging with residents via the selected consultation methods, Marengo Communications maintained alignment with the Council’s guiding principles and the Local Government Association’s “Gunning Principles” for undertaking consultation and community

¹⁰ JLL Resident Engagement Plan 2023

engagement. Marengo Communications ensured openness, accessibility and inclusivity, and transparency and accountability to deliver a legitimate consultation that provided results for JLL that accurately represented the view of the residents.

The aim of the survey was to listen and learn by engaging in meaningful dialogue with residents including those people who have already attended liaison groups and drop-in events and those who have not. This ensured all residents' voices are listened to and in doing so, it allowed JLL and the Council to understand the needs of the residents which will help ensure the preferred option selected through the technical work is providing the outcome that residents need. As well as the survey, residents were given the option to provide further views confidentially to members of the Marengo team in person during the door knocking exercise or via a phonenumber. Alternatively, residents were invited to arrange in-person appointments with Council officers at a local venue.

Completed surveys were returned from 63 households on the estate, representing a response rate of 52% of total households. Out of the total number of units per tenure, the response rates were 56% of Council tenants, 60% of leaseholders and 70% of freeholders.

Key feedback received from residents during the Stage 2 Residents' Survey (Appendix A) indicated:

- Many residents experiencing issues relating to the condition of their homes;
- Some residents having accessibility and overcrowding problems;
- Differing personal experiences living on the estate, with some enjoying living there while others have experienced instances of conflict with neighbours and anti-social behaviour; and
- A minority of residents have family/support networks in the area.

Based on these findings, many residents, particularly those in the flat blocks, are unhappy with their current living conditions. Many residents (42 respondents) are experiencing issues with mould, damp, condensation as well as accessibility issues (17 respondents) and overcrowding. 43 respondents communicated discontent in regard to personal safety with issues of anti-social behaviour occurring on the estate while 22 expressed there's a lack of available open spaces. This suggests the buildings may not be fit for purpose and therefore increasing in the quality of council accommodation was the second most important priority for residents.

In relation to the future of the Ekin Road Estate, the majority of residents believe there is a need to prioritise increasing the quality of Council accommodation, improving sustainability to assist in decreasing energy bills and reducing crime.

57% of responding households to the survey expressed support for a redevelopment of the estate, with some in opposition (41%). 49% of responding households voiced a preference for a full

redevelopment, while 24% preferred partial redevelopment. 27% responded with no preference. However, from further analysis of the results, it must be noted the strong support for redevelopment is primarily from the responding leaseholders (83%) and Council tenants (62%). Among the responding freehold houses there is a high level of opposition to redevelopment (72%). This group of residents want to preserve their homes and community.

Despite the split in preferences, there is a common consensus on a feeling of uncertainty with residents indicating a prompt decision on the way forward is in the best interest for the residents and the wider community.

Ultimately, whilst there are dispersed views on the estate regarding what the future of the estate will look like, many believe the current living conditions are not up to standard from a health and wellbeing perspective due to the issues expressed in the survey. This highlights the need for these issues to be properly addressed through one of the options.

For full details and results from the survey, please refer to Appendix A of this report.

3.3.4 Public Consultation

Further public consultation was carried throughout March and April 2024 following on from earlier consultation carried out by Marengo Communications on behalf of the Council. The objective of this further consultation process is to engage residents and the general public with an interest in the Estate by sharing emerging designs of the proposed housing-led redevelopment and inviting feedback for consideration and to inform a final decision, which will be taken by the Council's Housing Scrutiny Committee.

This consultation process which formally closed on 3 May 2024 consisted of two in-person public events and an online webinar, for stakeholders, residents, businesses and the wider community. Invitation flyers were posted to 426 addresses (both residential and business) on and surrounding Ekin Road. In total, 59 people attended the in-person events and 22 logged in to view the online webinar. The emerging designs of the proposed redevelopment were shared and feedback gathered was captured to inform design development.

In addition, residents, members of the wider community and other interested stakeholders were encouraged to complete a form to provide structured feedback. Feedback forms could be completed in-person or online. 111 feedback forms were collected during the public consultation period through the following methods:

- 21 responses were received through feedback forms completed at the exhibition events.
- 90 responses were received through postal and online submission.

Respondents were asked their postcodes to understand who was taking part. 107 respondents provided a valid full or partial postcode. This showed feedback was received from a range of postcodes including local residents of Ekin Road and Ekin Walk, but also from addresses further afield.

Key quantitative feedback includes:

- A strong majority (76%) of total respondents supported the approach of building lower, prioritising delivering more family homes while 14% preferred an approach of building higher, prioritising density and maximising the number of homes on the site. The residents of Ekin Road/Ekin Walk broadly mirrored these preferences with 76% preferring to prioritise more family homes, 15% indicating a priority for maximising density and 9% did not answer the question.
- Half of total respondents 55 (50%) did not support the emerging designs for Ekin Road, 37 (33%) respondents did support the emerging designs and 14 (13%) respondents were neutral on the subject. Specifically, the residents of Ekin Road/Ekin Walk were more favourable with 29 (44%) supporting the emerging proposals, 25 (38%) opposing them, 9 (14%) neutral, and 3 (4%) not answering the question.
- The majority of total respondents 62 (56%) did not support the wider proposals for investing in Abbey Ward while 34 (30%) respondents did support the proposals. Feedback from Ekin Road/Ekin Walk residents was more mixed, with 27 (41%) in support, 29 (44%) opposing, 9 (14%) neutral, and 1 (1%) not answering the question.

Additional qualitative feedback was recorded and coded to identify common themes. Firstly, residents were asked about their thoughts about the proposals to redevelop Ekin Road. The most common theme from the responses to this question was a desire to see the flats demolished (27 of total respondents, 17 of which live on the estate), alongside comments about their condition no longer being fit for purpose (15 of total respondents). Example responses for this theme include:

- “I like that Council is proposing options to take down the flats on Ekin Rd, as they are in serious need of replacement”.
- “The flats are in need of change. Multiple homes have issues with mould, damp, low temperatures inside and not able to retain heat.”

Support for the concept of full redevelopment was also expressed by 21 of total respondents, 10 of whom live on the estate. Key comments include “redevelopment is an excellent idea” and “there seems to be several viable solutions. I prefer the full redevelopment option.”

The next question asked respondents what they would change about the proposals to redevelop Ekin Road. As well as answering what they would change about the proposals, many respondents used this question to express concerns. Key themes from this question included:

- A desire to retain the houses on the estate, expressed by 47 (42%) of total respondents, of which 27 came from Ekin Road/Ekin Walk. This feedback was received both from respondents giving postcodes within Ekin Road, and also from respondents beyond the estate. Key responses include “I think the Council should seek a development option that retains all those semi-detached houses.”
- 15 respondents (14%) expressed objection to redevelopment of the estate in principle. 5 of these respondents live on the Ekin Road Estate.
- Other themes raised include wanting more parking, concerns raised around phasing of the redevelopment or relocation of tenants, wanting more play areas, and issues relating to height of new proposed homes and/or overlooking.

Finally, there was an option for any other comments about the proposal to redevelop Ekin Road. The most prominent theme was a preference for retaining the houses on the estate (38 respondents) with responses including “the residents in the houses should be allowed to hold on to their existing houses”. Another key theme was the problems with the flats and the need for their demolition (19 respondents).

For full details and results from the public consultation, please refer to Appendix AL of this report.

The above findings from the public consultation have been used to inform the evaluation process during Stage 2b of this report.

3.4 The Case for Change

When examining the Council’s vision and objectives with the feedback from the resident engagement, the Ekin Road Estate in its current form and layout requires improvement. There are several key themes that are driving the case for change which remain unchanged.

These are outlined below.

3.4.1 Maintenance Concerns

Several investigations have been carried out to determine the condition of the buildings on the estate.

- **Potter Raper Options Appraisal Report**

In August 2020 an initial option appraisal regarding the future of the Ekin Road Estate was conducted by Potter Raper. The report assessed the current condition and suitable options

regarding maintenance requirements, as well as the possibility for incorporating energy reducing measures and redevelopment options.

Areas of concern identified either through the Potter Raper Report¹¹ include:

- **Carbonation of concrete** – The flats are Easiform Type 2 construction, typically defined as non-traditional construction. Easiform Type 2 construction has not been designated 'defective' under the Housing Defects Act 1984 (Part XVI Housing Act 1985) but these structures can have the common inherent defect of all Pre-Cast Reinforced (PRC) structures whereby the carbonation of concrete may cause structural issues that could impact the health and safety of flat residents.
- **Structural movement** – Specific structural issues to the rear of each flat block were noted with evidence of structural movement around and above the rear doorway and extensive cracking observed.
- **Balustrade heights** – There are issues of noncompliance with the current Building Regulations Part K and Housing Health and Safety Rating Systems in relation to the height of the balustrades on the internal staircases, landings, and external balconies of the flat blocks and the internal staircases in the maisonettes. This issue was critical to resolve so has already been addressed as part of urgent Council work.
- **Asbestos** – All the flat blocks have asbestos containing materials. These materials are in good condition but would require encapsulation or removal if affected by proposed works.
- **Carbon monoxide detection** – None of the flats, houses and bungalows inspected during the first investigation contained carbon monoxide detection which poses a health and safety concern to residents.

Other issues identified in initial investigations include:

- **Drainage** – In a separate investigation in 2019 it was identified there were numerous issues with the main drains and storm drains to the rear of the flat blocks due to root ingress.

¹¹ Potter Raper Options Appraisals Report (August 2020)

- **Leaks and water damage** – The responsive repairs team at the Council have had reports of leaks in almost every flat on the estate which has sometimes caused further damage and mould in the properties.

The initial investigations concluded all the building typologies on the estate are in a fair standard and have an anticipated remaining life of in excess of 30 years, if maintained to their present standard. The report noted the flats would require considerable investment to ensure a life span similar to those of the houses.

There were some issues of non-compliance, some of which were essential to address for the safety of residents during the period of the options appraisal. Alongside the necessary repairs to ensure the buildings remain compliant with current safety standards, there is a requirement to carry out day-to-day repairs and planned replacements of elements which have reached the end of their serviceable life. This is a cost to the Council and leaseholders depending on the tenure, but it is required in order to maintain the buildings in their current condition.

- **JLL Ekin Road Estate Refurbishment Feasibility Assessment**

In October 2023, JLL Building Consultancy were engaged to carry out further investigations to establish the current standard and expected life expectancy of each building typology by inspecting and reporting on the condition of the traditional construction building archetypes. Inspections were conducted in one property from each of the four archetypes on the estate. Below lists the findings from their report (Appendix H) on each building type that was inspected. Please note it cannot be assumed findings are applicable across all units for each building type.

- **Bungalow**

The pitched roof has been renewed since the time of construction and appears to be generally sound although some of the detailing to the dry verge requires attention. The chimney also appears sound besides some minor cracking to the cement flaunching. The PVCU fascia board and ventilated soffit to the front and rear evaluations are in good condition but there are some stepped cracks to the front corner of the building despite repairs. Internally, the plaster boarding appears sound although many of the joints have cracked. The resident has complained that the flank wall is cold, but there is no evidence that this property has received retrospective cavity insulation and so we would recommend that this is installed.

- **House**

Both the roof and chimney appeared in sound condition. The walls also appeared straight and plumb. However, penetrating damp into ground floor w.c., caused by backfall on concrete when planter was infilled was noted. The front porch canopy was also in a poor condition being covered with moss and lichen so some of the paint was flaking, indicating that moisture may be penetrating the concrete. Internally, the plasterboard appeared sound although many of the plasterboard joints had cracked.

- **Flat**

Externally, the roof had been renewed since time of construction so appeared sound. The chimney stack was also plumb and sound. However, the tarmac paving and drying areas are in poor condition and require replacements. Internally, some of the glazing sealed units have failed.

- **Maisonette**

The roof appeared sound with no defects. There was evidence of retrospective cavity insulation being installed despite the age of construction. Internally, the ceiling appears in sound condition.

The report concluded the houses, bungalows, and maisonettes are of traditional construction with most likely strip foundations, uninsulated concrete ground floor slab, cavity walls and cut timber roofs. Windows and doors have been replaced in the past although these are now at the end of their economic life and repairs will likely increase over the coming years if not replaced. The roof tiles on the house and bungalow inspected have been replaced, although this is not typical of those archetypes. Internally, the house and bungalow are in fair condition and kitchens have been renewed since construction. The Ekin Walk flats are of later construction than the houses and bungalows and have some storey height window frames, and tiled pitched roofs. Windows and doors have been replaced since construction and again these are at the end of their economic life.

- **Curtins Ekin Road Estate Structural Survey**

Alongside the JLL Building Consultancy's work, Curtins Consulting were also engaged to carry out structural investigations of the non-traditional flats on Ekin Road through a high-level, non-intrusive survey. The Curtins report (Appendix AH) acknowledged that in 2019, Millward Integrated Engineering Consultants carried out a visual inspection to assess the condition of the six blocks and identified cracked concrete on external walls and balconies. Intrusive tests were also conducted to check for the depth of concrete cover to reinforcement

and carbonation depths. The tests concluded the depth of carbonation was found to be greater than the cover to reinforcement in the majority of the test locations, indicating a high risk of corrosion due to carbonation. For the chloride content tests, the balcony edge beams in two blocks showed a moderate risk of chloride induced corrosion while the rest of the blocks showed low risk of chloride induced corrosion.

There were widespread repairs carried out to all six flat blocks to address cracks caused by the corrosion of the steel reinforcement. The repairs done in 2019 appear to have generally been carried out successfully to a high standard, but similar problems have occurred in the intervening five years. Curtins observed new defects during their inspections including:

- The presence of diagonal cracking in the render beneath windows / window boxes at all levels across the six buildings. In some locations there has been deterioration to window surrounds, with spalling of concrete and exposed reinforcement visible. There is section loss and corrosion to the underside of the external store roof slabs, along with cracks in the masonry wall of the main building which supports these roof slabs.
- Common reports of water ingress, damp, and cosmetic cracks in plaster finishes. Water ingress around windows is one of the routes by which water is entering the concrete walls and causing the steel reinforcement to corrode. No damage to the primary structural frame of the building was observed.

Based on these findings, it was concluded the embedded steel reinforcement is no longer adequately protected from corrosion. This is in part due to the age of the building, as carbonation of the concrete is well advanced which removes protective alkaline zone around the steel. While this alone does not cause corrosion, the scale of issues in both 2019 and the present day indicates widespread water ingress in the concrete frame. The rate of corrosion is unpredictable, and it might take several years for it to cause cracking.

The buildings are also not suitable for installing external wall insulation. Installing external wall insulation to the buildings would mean that the outer leaf of the concrete construction is permanently enclosed so future defects would not be visible nor accessible. Given there is a high degree of certainty that there is ongoing corrosion throughout each block, which can lead to further cracking and, if left unattended, spalling, and potential instability, it is not practicable to install external wall insulation.

To conclude, based on all the investigations, internally and externally, the traditional construction properties have been kept in fair order with improvements carried out on a cyclical basis. Some of the cyclical works may be ad-hoc. Generally, the traditional building structures and envelope raise no

concerns, with only minor defects noted that would generally be considered catch-up repairs or maintenance. There was some historic movement in the gable end wall of the bungalow surveyed but this has been repaired with only some minor cracking reoccurring. Improvements can be done to improve aesthetic, bring all homes to a good standard of repair, and improve energy efficiency. This should extend the life expectancy of those buildings in the longer term. However, the non-traditional construction flats are at the end of their useful life. During the resident engagement and the survey many residents have stated that they are experiencing issues in their current living conditions which is impacting upon their health and wellbeing. In terms of long-term planning, Curtins concluded demolition is the most appropriate solution for redevelopment of the estate. In the short term, if the buildings are to be kept in operation for a lengthy period, another programme of repair works should be considered. Investment would be needed to improve the standard of the flat blocks. Therefore, the current condition of the buildings does not align with the Council’s requirement to deliver a high standard of design, quality and energy efficiency in new homes and communities.

3.4.2 Fire Safety Concerns

Cambridge City Council carried out Fire Risk Assessments in 2022¹². There are a total of five risk levels ranging from Trivial Risk to Intolerable Risk with Tolerable Risk ranked number two on the scale. Tolerable Risk is defined as requiring no major additional fire precautions. However, there might be a need for reasonably practicable improvements that involve minor or limited cost.

The following fire risk concerns have been identified:

Assessed Properties	Risk Grading	Impacted Sections requiring action
1-4 & 5-8 Ekin Walk	Tolerable Risk	Housekeeping, Means of Escape and Measures to limit fire spread and development
5-7B & 9-11B Ekin Road	Tolerable Risk	Arson, Housekeeping, Means of Escape and Measures to limit fire spread and development.
18-20B & 22-24B Ekin Road	Tolerable Risk	Arson, Housekeeping, Means of Escape and Measures to limit fire spread and development.

¹² Cambridge City Council Housing Services, Regulatory Reform (Fire Safety) Order 2005 Fire Risk Assessment (November/December 2022)

Assessed Properties	Risk Grading	Impacted Sections requiring action
25-27B & 29-31B	Tolerable Risk	Arson, Housekeeping, Emergency Escape Lighting, Means of Escape and Measures to limit fire spread and development.
26-28B & 30-32B Ekin Road	Tolerable Risk	Arson, Housekeeping, Means of Escape and Measures to limit fire spread and development
61-63B & 65-67B Ekin Road	Tolerable Risk	Arson, Housekeeping, Emergency Escape Lighting, Means of Escape and Measures to limit fire spread and development.
89-91B & 93-95B Ekin Road	Tolerable Risk	Arson., Housekeeping, Emergency Escape Lighting, Means of Escape and Measures to limit fire spread and development

There are also issues with the compliance with current safety standards in particular of Building Regulations Part B Emergency Egress¹³. The flat blocks and houses' bedroom window openings fail to comply due to the non-compliant openable areas. The windows on Ekin Walk are within the window replacement programme 2028 and 2029. Whilst there is no requirement to bring the building up to current building regulations, these findings demonstrate where the buildings fall short of current standards.

Additionally, in a small number of flats, the kitchen doors are missing or non-fire related and there is an isolated occurrence of a missing smoke seal on the entrance door and non-fire related glazing. In terms of the maisonettes, the undersides of the stairs lacked suitable fire rated materials.

3.4.3 Health and Wellbeing Concerns

There are several health and wellbeing concerns on the estate caused by the living conditions, the anti-social behaviour and the uncertainty relating to the estate's future.

Some of the following themes have emerged which are impacting on residents' health and wellbeing:

- **Condition of accommodation**

As mentioned in section 3.5.1, there are maintenance concerns regarding specific structural issues to the rear of the flat blocks and elements of non-compliance within some of the buildings,

¹³ Potter Raper Options Appraisals Report (August 2020)

which may directly impact the safety and enjoyment of the buildings by its residents and their visitors.

During the ongoing resident engagement and in the Stage 2 Survey, many residents have voiced their concerns surrounding the severity of the issue of damp, mould, and condensation in their homes. This sentiment was further mirrored in the subsequent public consultation where a need to improve current living standards was flagged. Many are worried about the impact this will have upon both their and their children's health. Due to the level of concern regarding the condensation related issues on the estate, a specialised team has been created by the Council to handle cases. As of January 2024, the Damp, Mould, Condensation (DMC) team have reported 18 reports of condensation related mould in different properties on the estate since 9th December 2022¹⁴.

- **External areas**

Around the current estate, there are poor amenities for residents to use and enjoy with only small areas of grass in the centre of the estate that is surrounded by parking and adjacent to Wadloes Road. Residents have indicated in both the Stage 2 survey and public consultation that they would like to see more green space to provide areas for their children to play. The current configuration of the estate limits the ability to create larger amenity spaces for residents, locals and those moving through the estate which can negatively impact their health and wellbeing as there is a lack of sufficient outdoor space to enjoy.

- **Anti-social behaviour**

The current layout of the estate means there are a number of alleyways and circulation routes with low visibility on the estate. This does not meet Secured by Design Gold Standard that would be applied to a new development and therefore indicates there is room for improvement. There is also poor legibility for a pedestrian on the estate because of the number of dead ends and poor visibility in alleyways due to the lack of lightning. This is a security concern as these areas can be prone to anti-social behaviour which directly impacts the safety and enjoyment of the residents and their visitors. Some residents have communicated feeling unsafe on the estate with instances of anti-social behaviour in these areas being noted by residents and the Council. In the resident survey, drug dealing was noted as a significant problem on the estate, particularly in these low visibility areas such as the garages.

¹⁴ Cambridge City Council DMC Team Report

From 1st October 2021 to date, there have been numerous incidents reported to the local police detailed in the table below¹⁵:

Category of crime/ incident	Abbey Ward	Ekin Road Estate including Ekin Walk
Criminal Damage	246	7
Robbery	31	2
Theft from person	15	2
Bicycle Theft	128	0
Theft other (incl. shoplifting)	401	3
Theft from a vehicle	124	1
Theft of a vehicle	74	0
Public Order	267	4
Burglary Business	48	0
Burglary Dwelling	86	4
Possession of drugs	37	2
Trafficking of drugs	35	0
Possession of weapons	25	1
Violence (including stalking)	822	28
Arson	10	1
Vehicle Nuisance	84	1
Rowdy Nuisance	285	3
TOTAL	2,718	59

It is important to note that Ekin Road / Ekin Walk are within a busy area in terms of crime and anti-social behaviour so it is possible additional incidents reported to the Council may have not been reported to the police so are therefore not reflected in the figures above.

Based on these figures in relation to the number of people in each area, the Ekin Road Estate has a crime rate (number of incidents per person) of 19.34% compared to 25.21% in Abbey Ward. *(Note: it has been assumed there is an average of 2.5 people per household on the Ekin Road Estate).*

There is also a known issue of fly tipping on the estate that has been reported by the estates service team.

- **Uncertainty around the future of the estate**

Some residents have communicated feeling uncertain and concerned about the future of the Ekin Road Estate. Responses from the Stage 2 Resident Survey shows that the mental health of some residents is being impacted by the decision process. There is uncertainty and stress around the redevelopment options, the prospect of moving and the potential loss of community.

¹⁵ Cambridge Police Statistics

The local GP surgery has felt the impacts of the deprivation and health and wellbeing issues in the local area which includes the Ekin Road Estate. The area in which the Ekin Road Estate is located has an IMD of 40.29¹⁶. IMD also known as the Indices of Multiple Deprivation is the official measure of relative deprivation for small areas in England based on the number of domains. This shows there is a high level of deprivation in the area. As a result of the deprivation levels, Ditton Walk Surgery have had to look to increase their financial investment per patient to handle the increase in residents' issues. Four additional consulting rooms have also been created for additional staff to work from and increase patient access. A report on poor housing by BRE concluded improvements in the home to make it healthy and safe has long-term benefits for residents and society including health and wellbeing benefits and a reduction in direct care¹⁷. Based on this, it could be assumed improvements on the Ekin Road Estate could improve the health and wellbeing of local residents and therefore decrease the number of residents visiting the GP surgery.

3.4.4 Sustainability Concerns

The current buildings were developed in the 1950s-1970s and are not aligned with the Council's vision of being a net zero carbon council by 2030 and delivering sustainable housing solutions.

A review of the EPC ratings of the current units was conducted by Potter Raper and concluded an EPC rating of Band C for the existing flats, houses, and bungalows. B and C was noted as a good score for this type of property.

Cambridge City Council have proposed to potentially improve EPC ratings of existing properties to Band B¹⁸. Additionally, there is a target to reach a minimum of EPC C (B where possible) in at least 140 Council Properties that are currently EPC D or below. Therefore, the EPC ratings of the existing buildings do not meet the desired EPC rating by the Council. This is impacting the operating carbon of the buildings and the energy costs that are being incurred by the residents. 41 residents selected improving sustainability as the top priority for the Ekin Road Estate in the resident survey with many listing specific sustainability improvements such as insulation. Many are also experiencing problems relating to temperature control, mould, damp, and condensation.

3.4.5 Accessibility

The maisonettes and flat blocks are not currently accessible to Part M4 Category 2 or above¹⁹. Part M4 Category 2 refers to accessible and adaptable dwellings that meet the needs of occupants with differing needs including some older or disabled people. Category 3 refers to wheelchair user

¹⁶ Cambridgeshire and Peterborough ICS

¹⁷ BRE, The Cost of Poor Housing in England 2021

¹⁸ Cambridge City Council Climate Change Strategy Action Plan 2021-2026

¹⁹ HM Government, The Building Regulations 2010: Access and use of buildings

dwelling whereby dwellings should have reasonable provisions for people to gain access and use the dwelling as well as make adaptations to meet the needs of occupants. Currently, the flats are only accessible by communal staircases and there is no lift option. This has been noted by residents during the door knocking and the Stage 2 Survey as some residents with mobility issues are struggling to access their homes via stairs. Therefore, the current accessibility of the maisonette and flat blocks is below the desired standard, and this is impacting the accessibility and movement of a wide range of people around the buildings. While improving accessibility was a low-ranking priority for residents in the resident survey, it is important these issues are addressed to ensure housing is accessible to all.

Accessibility around the estate is poor with a lack of legibility²⁰. This is due to the current routes having dead ends, bad visibility, and poor connections through the estate because of ambiguously defined routes and estate lines. The frontage along Wadloes Road was also indistinct. The current layout of the estate is therefore limiting legibility and wayfinding within the estate making accessibility for both residents and their visitors poor. Additionally, existing paths and hardstanding to the communal entrances and garden areas throughout the estate are uneven, containing potential trip hazards. While the circulation paths around the estate are County Highway owned, the paths leading to the flats are the responsibility of the city and will be replaced as part of the refurbishment work if the flats remain.

3.5 Planning

Based on the case for change, this section details the planning context that must be considered to facilitate the change.

3.5.1 Locality

The estate is located within a part of Cambridge that is characterised by low rise residential developments. The three storey flat blocks that exist on the current estate are some of the few examples of taller residential buildings located in the area. The scale of the majority houses in the area are two storeys. The scale and massing of the estate will be important in both the context of character, housing provision and residential amenity.

As shown in the image below, the estate has buildings adjacent to its southern, eastern, and northern boundaries. Residential developments exist to the north and east so the relationship the estate shares with the existing developments will be a constraint. However, there are already residential buildings on the estate neighbouring this boundary. Commercial buildings are located to the south of the estate meaning the relationship between the commercial buildings and the residential homes on the estate

²⁰ BPTW, Pre-App 4 Presentation (June 2022)

will need to be assessed. It should also be noted that vehicle access to the residential buildings on Ekin Close will need to be maintained so this is also a key construction consideration.



3.5.2 Green space

There are a number of existing trees in various conditions on the estate. There are no Category A trees but there are 12 Category B trees and 37 Category C trees as shown in the image below from BPTW²¹. Consideration is needed for the existing trees on the estate when assessing the options. The Green Corridor running along the west side of the estate must also be retained and improved. The existing buildings do not make a positive contribution to improving the green corridors, biodiversity and connectivity across the estate given their current position and layout. Therefore, there are opportunities presented from redevelopment of the estate to make improvements in these areas including the provision of additional green space.

(Note: the number of trees is estimated, subject to confirmation from Landscape Architect and discussions with Cambridge City Council Tree Officers)

²¹ BPTW, Capacity Studies F – Success factor Assessment (January 2024)



3.5.3 Affordable Housing

The Cambridge Local Plan states on sites with a capacity of 15 dwellings or more, a minimum of 40% of affordable housing should be provided on-site²².

3.5.4 Development options and constraints

If the entire estate is developed, there will be greater opportunities to accommodate taller buildings especially to the south of the estate. A partial redevelopment option will likely cause limitations in terms of where buildings can be located and how tall they can be. There must also be a consideration of potential overlooking of properties and private gardens.

There are many significant opportunities presented from the redevelopment of the estate. The existing buildings have issues in terms of quality of accommodation and accessibility inside the buildings which can be addressed.

3.6 Scope

Based on the case for change and within the planning context, there is a need to improve the current condition of the Ekin Road Estate. The scope of this report is to identify the best way forward for the Ekin Road Estate that aligns with Cambridge's vision and objectives as well as the needs of residents.

From the long list of seven options, a two staged evaluation approach has been conducted. Options ranging from minimal changes through to refurbishment, partial redevelopment, or full redevelopment of the estate were considered. These options were initially assessed in Stage 1 through an assessment that qualitatively assessed each option from an economic, environmental, financial, and strategic perspective. The outcome

²² Cambridge City Council, Cambridge Local Plan 2018

of this assessment was a shortlist of three options. The three shortlisted options were further assessed as part of the Stage 2 report to evaluate their viability which resulted in a subsequent Stage 2b evaluation to ultimately determine the recommended option. This report will cover the Stage 2 and 2b evaluation.

3.6.1 Stage 1

In order to address the case for change, a long list of options was generated by Cambridge City Council with the support of the architects BPTW and planning consultants Carter Jonas.

The long list of seven options included:

- **Option 1 – Do Nothing**

No additional capital work done to the buildings to address concerns, however there will be a continuation with standard ongoing maintenance and repairs (under decent homes).

- **Option 2 – Retain the buildings in existing form and undertake essential repairs and retrofitting**

The repairs include structural, fire related works, ventilation, rainwater pipe diversion, pipe maintenance, asbestos removal, and lifetime maintenance costs to all buildings. Net Zero retrofitting will address the energy performance, sustainability standards and could include loft insulation, PV panels, and accessibility in the buildings.

- **Option 3- Partial Redevelopment involving the demolition of the flats only**

The flats will be demolished and redeveloped to be replaced with new high-quality homes consisting of houses and stacked maisonettes.

- **Option 4 – Partial Redevelopment involving the retention of all houses**

The existing flats, bungalows, and maisonettes will be demolished to provide new high-quality homes consisting of low to midrise houses and maisonettes as well as potentially some midrise flat blocks to the west. A new pedestrian route to the southwest should address anti-social behaviour concerns.

- **Option 5 – Partial Redevelopment involving the retention of most of the houses**

The houses to the south, north and some to the east will be retained. The existing flats, bungalows, maisonettes, and central houses will be demolished to provide new low to midrise blocks as well as potentially some midrise flat blocks to the east. A new central green amenity will be provided.

- **Option 6 – Partial Redevelopment involving the retention of house to the south and east**

All buildings, apart from the houses to the south and east of the estate, will be demolished to provide new high-quality homes consisting of houses and stacked maisonettes. This option will also provide new additional parking and amenities as well as a central green space with areas of play.

- **Option 7 – Full Redevelopment**

Demolish all buildings on the estate to provide new buildings of various heights including houses and flats. The roads will be realigned to provide new green routes as well as a potential central green space and area for play, enhancing the amenities.

3.6.1.1 Evaluation of Long-list

An evaluation matrix comprising 11 Critical Success Factors derived from the Council's vision and development objectives assessed the viability of the longlist options from an economic, social, environmental, financial, and strategic perspective along with the associated benefits and impacts. The results from Stage 1 were as follows:

- **Option 1**

Option 1 was considered unviable as it is not feasible to maintain the estate in its current condition due to the ongoing issues with stock not meeting modern standards, particularly in relation to condition and sustainability. The maintenance costs on these units are also increasing and many flat blocks are nearing end of life meaning significant improvements were required. This option was discounted as it was unable to facilitate these improvements.

- **Option 2**

Option 2 (comprehensive refurbishment) had the potential to address ongoing maintenance issues as well as provide some improvements in the condition, and energy performance of buildings which aligns with some of the CSFs. Therefore, option 2 was selected for further assessment as the new baseline.

- **Options 3 & 4**

Options 3 and 4 were concluded not viable as these options are not able to provide substantial benefits for residents and the local community in terms of housing condition, quality and health and wellbeing by retaining the majority of buildings. Although it is possible to address the issues in the flat blocks, the limitations of infill development such as space constraints on the estate, inconsistent housing conditions and existing infrastructure make it challenging to

achieve comprehensive improvements across the entire estate. There is an inability to fully maximise the number of additional units to provide new homes in the area as well as enhance placemaking throughout the estate and improve housing condition, design, and quality for all. By not comprehensively implementing these improvements, the broader, long-term benefits for residents and the local community are restricted and the Council's strategic objectives are not suitably met.

- **Option 5 & 6**

The choice to further assess an option which requires the removal of the central houses was selected due to the ability to provide an overall positive transformation of the estate across the building types.

While the conditions of the houses are fair, the properties are not to the standard and condition of new builds and fail to meet sustainability standards. Therefore, through redeveloping the majority of units, there is an overall improvement in the quality, condition, and sustainability of homes. This redevelopment would also allow for a significant number of additional new units to be provided in return for the removal of the eight central houses, creating more homes in the local area that meet people's needs and ease housing demand. Issues regarding overlooking and overshadowing would be resolved through redevelopment as there is an ability to open up the estate through incorporating a new central green space for residents to enjoy. Retaining the central houses would have implications on the layout and design of the estate, impacting the estate's overall development capacity. In a flat-led scheme, retained houses in other locations were considered to have less impact on the overall design and layout of the estate, and therefore not materially hinder the overall development capacity. In all, the partial redevelopment option that retains the majority of houses could provide long-term positive impacts on residents and the wider community and thus indicated potential viability that required further assessment. Based on these findings, it was concluded option 5 was excluded during Stage 1. However, a follow-up assessment was required to determine the impact of a flat-led and housing-led scheme on the resultant net gain of houses from the removal of north four houses.

- **Option 7**

Option 7 was shortlisted because it has the potential to fully achieve a significant number of the CSFs through providing comprehensive improvements across the estate. The option benefits from the ability to maximise height and massing based on the relationship between the estate and neighbouring buildings and alter the layout of the estate. These modifications will both significantly increase the number of additional units on the estate by removing the

outer houses but also provide new amenities in the form of a large open green space for residents and the community to enjoy. Therefore, redevelopment has resultant benefits for both those living on the estate and within the local community. To exclude, this option would hinder the opportunities to comprehensively address the issues on the estate, achieve significant overall estate improvements for residents and create wider-reaching benefits in the local community. This option was therefore selected for further assessment.

3.6.2 Stage 2

A long list of seven options were evaluated within the Stage 1 report which should be referred to for full details. The report concluded three options should be shortlisted for further evaluation within the Stage 2 Report. The three shortlisted options were:

- **Option 1: Retain the buildings and refurbish the existing Council housing**

Under this option refurbishment work will be carried out to all leasehold and tenants' units on the estate. The assumption has been taken that the 11 freehold houses are excluded from the refurbishment work. The refurbishment work includes general repairs and improvements to improve their condition as well as sustainability upgrades to align with the Cambridge Sustainability Housing Design Guide.

- **Option 2: Partial Redevelopment and refurbishment involving the retention of the majority of houses and the remainder of the estate is redeveloped**

The partial redevelopment option involves the redevelopment of the majority of the estate to provide 153 new build units while retaining the 24 outer houses of which the 14 council houses will be refurbished.

A revised partial redevelopment option was created where all buildings apart from the houses to the north, east and south of the site will be demolished to provide new high-quality homes consisting of houses and stacked maisonettes. The existing Social Rented affordable housing will be re-provided.



- **Option 3: Full Redevelopment of the estate**

This option will involve demolishing all buildings on the estate to provide new buildings of various heights including houses and flats. New green routes as well as a central green space and area for play will be created to enhance the amenities on the estate.



3.6.2.1 Evaluation of the shortlisted options

Using the HM Treasury Green Book Approach, the three shortlisted options were evaluated within the five-case model. It was concluded the full redevelopment option with 100% affordable housing is the “least-worst” option and the financial viability of the option must be seriously considered. The Council should examine the affordability and risk of this option in relation to the Housing Revenue Account (HRA) against a backdrop of building cost inflation and higher interest rate environment.

With this in mind, alternate development or delivery options should be explored with a development partner should this option prove not to be financially viable for Cambridge City Council.

3.6.3 Stage 2b

As the Stage 2 Report concluded the need to explore alternate development or delivery options, the Council approached BPTW to propose alternate options. The previous options had been flat lead schemes to maximise number of units. The emerging design proposed was a house-led option that would increase the number of 3 and 4-bed family homes compared to what is currently available on the estate. This would support current residents some of whom are currently in overcrowded 1 and 2-bed flats to have opportunities to access larger family homes in the area. The result will be fewer but larger council homes, replacing all of the of habitable rooms to meet local housing need. A mixed tenure approach would also reduce the financial risk to the Council and support a balanced community. This was taken to public consultation to gather public feedback.

The public consultation showed there was broad support among all respondents for building lower, prioritising family homes but there was a prominent desire (42%) to retain the houses on the estate. Noting the desire for retaining houses where possible, the following option was drawn up by BPTW. The option is a house-led option involving the redevelopment of the majority of the estate to provide 131 new build units while retaining the 14 south houses of which the 7 council houses will be refurbished. The scheme is also mixed tenure.



The option proposes to retain the south houses only as BPTW indicates from both “traditional” urban and architectural design perspectives, the south houses and the urban block can be integrated within the overall arrangements of the new emerging layout to form a cohesive, successful urban design that complements the wider new, contemporary architectural language proposed. Consideration was given to the view that all the houses should be retained. However, to facilitate the necessary site arrangements and urban design required, the redevelopment of the east, north and central houses is considered required for the following reasons²³:

²³ BPTW, Urban Design Narrative, 2024

- Redevelopment of the north houses allows for new plot boundaries and frontages which enable the primary east west street to move northwards by approximately 10 metres which creates more space for the central urban blocks. This allows for approximately three homes per urban block (i.e 15-18 homes increase across the site). Therefore, retention of the four north houses would restrict reorganisation and improvement to the urban block.
- The eight central houses would restrict the reorganisation and improvement to the rest of the urban block should the north houses be removed, and the primary east west street move northwards. It would result in deep front gardens and a misalignment to the surrounding new houses adjacent to them as they would be designed to a more efficient and tighter arrangement. Additionally, there would be restrictions in the creation of a focal point building to act as a wayfinding point and the provision of a key public amenity should the central houses be retained.
- With the adjacent apartment block demolished, should the six east houses be retained, especially given the irregular plot boundary to house number 23 and angle of the site boundary, there is a very limited opportunity to propose an efficient arrangement of homes in place of the flat block. The eastern area also presents an opportunity to better connect the passageways to the southeast of the site to Ekin Close and re-provide the quantum of open space.

For BPTW's commentary on the urban design narrative for this new house-led option, please refer to Appendix AK.

JLL was instructed to appraise the option using the five-case model outlined in the HM Treasury Green Book Approach. This follows the same approach that was applied to the Stage 1 and 2 reports. Option 4 (house-led) has been evaluated within Stage 2b of this report.

3.7 Constraints

During the evaluation processes in both Stage 2 and 2b, the following constraints bear a weighting in impacting the strategic context for assessing a scheme's viability and deliverability so therefore must be acknowledged and considered as part of the evaluation.

3.7.1 Economic Context

- **Affordability in Cambridge**

Cambridge is an expensive place to buy or rent a home. Based on JLL's Residential Report²⁴, houses prices in Cambridge are £565,016 which is significantly above the national average of

²⁴ JLL Residential Report 2023

£284,950. The area with a 1-mile radius of the estate is below the Cambridge average at £455,723, but this is still above the national average. As a result, there is an issue of housing affordability in Cambridge. Many households are experiencing difficulty in finding affordable homes in the area and there is a growing affordability gap where middle income households are being pushed out of the market due to limited housing options for home ownership or in the private rented sectors. In the area there is also a high demand for affordable 3 and 4 bed houses. Therefore, there is a risk of not being able to house local people or attract and retain workforce within Cambridge. This could have a knock-on effect on the city's economic growth as housing and affordability are key constraints to economic growth in the city.

The city is also experiencing limited availability of development sites meaning a large proportion of new homes need to be built on existing council housing land.

- **Economic Conditions in the UK**

More broadly, the ongoing conflict in Ukraine continues to disrupt global markets, resulting in a destabilised economic environment driven primarily by higher energy costs and supply chain issues. This has directly affected the UK as higher inflation and increasing interest rates are impacting the affordability of goods and services for households, leaving many households with lower disposable incomes. The high interest rates are also hindering mortgage affordability causing market activity to decline with a drop in sales and house prices. In terms of the rental market, the growing gap between supply and demand is resulting in rents increasing.

Building costs are forecasted to rise by just over 3% in the year to Q4 2024, while tender prices are expected to increase by just over 2% in the same period²⁵.

The assessment of the viability and affordability will account for this economic context.

3.7.2 Viability

A key component of this report is to determine the delivery, achievability and financial returns from the scheme in line with the Critical Success Factors.

3.7.3 Affordability

It is important to consider the affordability in the context of Cambridge City Council's overall financial position. The affordability component is focused on determining if the costs related to the scheme are affordable to the Council in terms of capital outflows and operating costs.

²⁵ BCIS, BCIS Building Forecast, [available at: <https://bcis.co.uk/news/bcis-construction-industry-forecast/#:~:text=Building%20costs%20are%20forecast%20to,in%20the%20beginning%20of%202024.>]

3.7.4 Funding

Aligned to Affordability, this constraint looks at the sources of public and private funding that the Council may access to fund any development. We will look to define the different types of funding available for the scheme.

3.7.5 Requirement to Repurchase

Given not all the units on the estate are Council-owned, the Council will look to acquire properties through a process of agreement. Full compensation will be offered to property owners as though a Compulsory Purchase Order (CPO) were in place. To date the Council has been able to reach agreement without having to enforce compulsory purchase orders. This will be considered as part of the deliverability assessment for each option.

3.8 Conclusion

The Strategic Case has confirmed there is a case for change to meet the Council's strategic objectives which remains unchanged. The Ekin Road Estate in its current form and layout requires improvement. There are general issues in relation to the buildings' standards, health, and wellbeing as well as anti-social behaviour and accessibility across the estate.

Internally and externally, the properties have been kept in fair order with improvements carried out on a cyclical basis. There were only some minor defects noted about the traditional construction buildings' structures that would generally be considered catch-up repairs or maintenance. The non-traditional construction flats on Ekin Road have reached the end of their useful life. There are structural issues that are causing cracks, poor thermal integrity and are at risk of structural degradation from the effects of carbonation. Additionally, some residents experience accessibility issues in the flats due to the lack of a lift. Many properties across the estate are also having issues with condensation and mould which are impacting residents' health and wellbeing.

Further maintenance and improvement are required for each archetype to improve aesthetic, increase energy efficiency, and bring all homes to a good standard of repair by addressing the current issues. This should extend the life expectancy of the buildings in the longer term, but investment would be needed.

The broader strategic objectives of the Council are not being met with the estate in its current form. This highlights the need for issues to be properly addressed through the transformation of the Ekin Road Estate that provides new homes, better land use and improved placemaking while resolving issues regarding housing condition and quality. It is important that the preferred option ensures the estate is fit for purpose in the long term and fulfils the needs of the residents and the Council.

4 THE ECONOMIC CASE

4.1 Introduction

The Economic Case summarises the options that are being considered in response to the scope identified in the Strategic Case. Each option is evaluated to determine their ability to deliver the Council’s vision and objectives and provide net value to society whilst factoring in the needs and sentiments of the residents. The Economic Case also assesses the wider benefits arising from each option. This includes exploring the quantitative social and economic benefits on the basis of “additionality” as well as the broader sustainability impact.

The three options assessed in Stage 2 are covered in sections 4.2 - 4.4. Option 4 (house-led) (Stage 2b) is covered in sections 4.5 - 4.8.

4.2 Critical Success Factors (CSF) and Evaluation Methodology

The Critical Success Factors are the key elements that need to be achieved for the scheme to be considered a success in light of the key issues driving the case for change at the estate, and the wider strategic objectives of the Council. The CSFs remain fit for purpose and so are therefore unchanged from both the Stage 1 and 2 Reports.

The methodology taken for each CSF remains unchanged. The Critical Success Factors are tied to the broader Cambridge vision and development objectives, namely:

#	Critical Success Factors	Evaluation Methodology
1	Increasing the number of homes	Determine the volume change in the delivery of homes per option by examining the capacity, layout, and height of the buildings for each option.
2	Diversify the housing market and accelerate delivery	Determine the ratio of council and market homes delivered to the housing market per option by aligning with the Cambridge housing demand.
3	High standard of design and quality for the homes and communities	By using the recommended high standard of design, determine which option provides the ability to meet the required standard and the cost associated with each to assess the viability.
4	Improve housing condition	The current condition of the buildings on the Estate will be used as a baseline to compare each option’s proposed new building

#	Critical Success Factors	Evaluation Methodology
		condition to determine the level of improvement.
5	Innovate and maximise available resources	Determine which option will make the best use of the resources on the land in a sustainable way to enhance biodiversity, reduce water consumption and improve air quality.
6	Meet energy efficiency criteria to align with Net Zero Carbon ambitions	Determine which option best achieves the Council's Net Zero Carbon ambitions and the standards outlined in the Sustainable Housing Design Guide through making improvements in energy efficiency, design and Net Zero retrofit.
7	Reduce planned and preventative maintenance costs	Compare the current and predicted future maintenance costs produced from each option alongside any costs to achieve the reduction.
8	Provide an accessible, safe, and secure environment	Compare each option's layout and design of the Estate and its buildings to determine their ability to secure Secured by Design Gold Standard Certification and provide an accessible, safe, and secure environment for the residents and community.
9	Comply with current fire safety standards	Determine each option's ability to comply with the latest fire safety requirements through examining the proposed buildings' design, safety features and accessibility.
10	Improve resident amenities and community benefits	Compare each option's placemaking strategy and ability to improve the amenities on the Estate and the accessibility for the residents and community both in the buildings and around the Estate.
11	Improve the health and wellbeing of residents	Assess each option's ability to improve the health and wellbeing of the residents, through providing open green spaces, accessibility, and healthy living environments, whilst also examining the impacts on the community.

4.3 Stage 2 – Approach to appraising the shortlisted options

The shortlisted options considered within the Stage 2 Report were evaluated using the following three key categories which have been assessed in a linear process:

- Critical success factor Evaluation – choices in terms of specifications and coverage of the options in relation to the CSFs (the “what”)
- Implementation Evaluation – choices in terms of the phasing (the “when”)
- Delivery Evaluation – choices in terms of method of delivery (the “how”)

4.3.1 Critical success factor Evaluation

Each of the three options were further assessed against the equally weighted CSFs as part of an evaluation matrix that uses a qualitative assessment on a RAG basis:

- R = Red – Indicates that under this scenario, the CSF will not be met and that it falls materially short of meeting this requirement
- A = Amber – Indicates that the CSF meets, or falls just below the requirement, but that it does not materially impact the overall decision
- G = Green – Indicates that the YCSF requirement has been met or exceeded.

It is necessary to evaluate each option against the CSFs to ensure the preferred option successfully delivers the objectives. The number of flags has been used as the primary assessment regarding the options' ability to meet the required standard.

4.3.1.1 Option 1: Refurbishment

#	Critical success factor	Options Response
1	The buildings should positively contribute to increasing the delivery of homes, and in particular affordable housing	This option maintains the status quo. The number of units does not increase, so while this does not negatively contribute to this CSF, there is an inability to meet housing demands and needs through this option.
2	The buildings should contribute to diversifying the housing market and accelerating housing delivery	This option maintains the status quo meaning there is no diversification in the housing market which does not positively or negatively contribute to this CSF. As a result, there is an inability to provide the right type of homes to meet housing needs through this option.
3	The buildings should achieve a high standard of design and quality of new homes and communities	Refurbishment will contribute some improvements to the buildings' internal quality and design, but structurally, the design of the buildings will remain unchanged. This means the ability to incorporate lifts in the flat blocks is challenging.
4	The buildings should improve housing conditions and making best use of existing facility	The buildings' condition will be improved via refurbishment by making best use of the existing buildings. Some improvements in condition can be achieved from ongoing repairs but the extent of repair work required will not solve the overall condition of the buildings. Even with refurbishment work, the long-term condition and standard of accommodation is likely to deteriorate

#	Critical success factor	Options Response
		and could require redevelopment in the future.
5	Working with key partners to innovate and maximise available resources	There will be limited innovation through the refurbishment work. However, all trees will be retained meaning there should be a lower impact on the biodiversity of the estate.
6	The buildings should meet the required energy efficiency criteria that aligns with Cambridge's ambition to have net zero carbon housing stock by 2030 and reduce energy usage for residents	Most properties will experience an uplift in EPC rating through the installation of sustainability features including LED lighting, double-glazed windows, heat pumps systems and mechanical ventilation for each property. Solar PVs are proposed for all buildings, but the number of PVs will vary by property type which can have an impact on EPC ratings. Additional loft insulation will also be added but the inability to install external wall insulation on the flats will impact their thermal efficiency. Therefore, the flats' EPC rating will not improve and align with the Council's low carbon ambitions.
7	The building should result in a reduction of planned and preventative maintenance costs compared to the current level	All planned maintenance will need to be carried out as part of the refurbishment work. However, by refurbishing the units there should result in a reduction in ongoing maintenance costs.
8	The buildings should provide a safe and secure environment for all residents and visitors	While the security of buildings can be improved, given the layout is not altered, areas such as alleyways, dead ends and garages that are conducive of anti-social behaviour may remain. Therefore, there would be little reduction in anti-social behaviour from refurbishment.
9	The building should be bought up to standard in terms of fire safety compliance	Any fire safety compliance issues within the buildings will be addressed as part of essential works.
10	The buildings should provide improved resident amenities and wider community benefits	The current amenities including the number of parking space and minimal open green space will not be improved through refurbishment as the layout of the estate is unchanged.
11	Improve the health and wellbeing of residents	The improvements to residents' health and wellbeing cannot be maximised through refurbishment. The need to decant residents in order to achieve refurbishment will impact residents' health and wellbeing due to the stress of moving. While there would be some improvements in the condition of units which would have associated health and wellbeing improvements, the ability to bring about

#	Critical success factor	Options Response
		significant long-term improvements is limited.

4.3.1.2 Option 2: Partial Redevelopment

#	Critical success factor	Options Response
1	The buildings should positively contribute to increasing the delivery of homes, and in particular affordable housing	There is considerable improvement in the number of units provided increasing the number of units from 122 to 177 units on the estate of which 153 new units will be provided which has a positive impact on housing options in the area. By demolishing the central 8 houses, additional homes for individuals or families can be provided as there is a better use of land. However, the relationship between the new build units and existing houses means height and density cannot be maximised.
2	The buildings should contribute to diversifying the housing market and accelerating housing delivery	There is a replacement of housing units with some additionality and diversification as a greater number of 3 bed units (flats, and terrace houses) can be provided to meet housing needs. This will help support a wider range of demographics including young people who find it difficult to get onto the housing ladder. The provision of additional accessible homes will also support older people as well as those with mobility issues. However, the increase in flats provided by this option does not meet the need for affordable 3 and 4 bed houses in the area. There is also a risk the area will be oversaturated by affordable flats given the East Barnwell site, located across the road from Ekin Road, will provide c.120 affordable flats.
3	The buildings should achieve a high standard of design and quality of new homes and communities	The new builds will likely be of a high standard of design and quality which will help better accommodate more residents in high-quality housing. The new units will be built to modern home standards and Cambridge City Council's Sustainability Housing Design Guidelines. Through improving the design and quality of buildings, residents' living experiences within the buildings will improve as a result. Aspects such as lifts which are desired by some residents can be incorporated more easily.

#	Critical success factor	Options Response
4	The buildings improve housing conditions and making best use of existing facility	Redevelopment of the majority of the estate will improve housing conditions in most units. All new builds will be constructed to modern day standards meaning on average across the estate there is overall a positive uplift in terms of housing standard for residents.
5	Working with key partners to innovate and maximise available resources	There are some opportunities to innovate and maximise resources in the redeveloped buildings. This option also maintains all category B trees, and plants over 30 new trees in varying types and sizes across the development. New trees are also proposed to the existing green verge along Wadloes Road to continue the line of existing planting. There is an inability to innovate and incorporate biodiverse roofs to create a balance between PV's and biodiversity within the estate. However, circa 12 category C trees will need to be removed on the estate.
6	The buildings should meet the required energy efficiency criteria that aligns with Cambridge's ambition to have net zero carbon housing stock by 2030 and reduce energy usage for residents	All redeveloped buildings will be built to a standard that aligns with the Cambridge Sustainability Housing Design Guide and the Council's low carbon ambitions. All undeveloped units will receive sustainability improvements during refurbishment work. This includes the installation of PV panels, mechanical ventilation, LED lighting and space heating and domestic hot water via heat pumps. This will support improving the energy efficiency of units which in turn could lower residents' energy bills.
7	The buildings should result in a reduction of planned and preventative maintenance costs compared to the current level	It is assumed the general maintenance of redeveloped units will be lower than retained units but one-off maintenance payments for sustainable features will be higher. The retained houses will require ongoing maintenance and should eventually reach end of life.
8	The buildings should provide a safe and secure environment for all residents and visitors	The redesigned layout and orientation of the buildings and estate will create natural surveillance on all sides and over public spaces. Alleyways will be opened up with a small green space and garages, courtyards and dead ends to the west and centre of the estate will be removed, thus reducing the areas prone to anti-social behaviour. New and improved external lighting across the estate will also improve

#	Critical success factor	Options Response
		resident safety. Legibility can be increased through opening up the alleyways, extending roads to connect to the green verges along Wadloes Road and the new central green space that will increase connections between access points.
9	The building should be bought up to standard in terms of fire safety compliance	The redeveloped units will be built in accordance with the latest fire safety regulations and any fire safety compliance issues in the remaining buildings can be addressed as part of essential works.
10	The buildings should provide improved Resident amenities and wider community benefits	By redeveloping the centre of the estate, new amenities can be incorporated as well as improvements to the existing connections through the estate that will enhance the availability to local facilities for residents. New central green space, tree lined green corridor routes to the south of the estate that incorporate play elements and biodiverse green roofs on the flat blocks can be provided. This alongside appropriate height and massing will improve community amenities, resolve issues of overlooking and open the estate to the wider community and connect adjacent public spaces.
11	Improve the health and wellbeing of residents	The decanting of residents will be required which can induce stress and uncertainty as well as disrupt the community established on the estate. This will have knock-on impacts that can directly affect current residents' health and wellbeing. However, to minimise the associated impacts, residents who are decanted will be supported through the Council's decanting process. Existing residents could move to accommodation with improved living conditions, thus potentially having a positive effect on their health and wellbeing. Those living on the estate following redevelopment will benefit from improvements in housing condition, accessibility, wayfinding and open space which should create long-term health and wellbeing improvements.

4.3.1.3 Option 3: Full Redevelopment

#	Critical success factor	Options Response
1	The buildings should positively contribute to increasing the delivery of homes, and in particular affordable housing	There is a significant increase in the number of units on the estate, increasing from 122 to 236 units, thus providing new housing stock in the market to help reduce housing demand in the area. By demolishing the 24 outer houses, a significant number of additional units can be delivered in its place. By completely redeveloping, height and massing can be maximised on the estate to facilitate greater development capacity.
2	The buildings should contribute to diversifying the housing market and accelerating housing delivery	Full redevelopment will provide the greatest variety of new flats and houses to the local housing market. Some of this will be replacement but there is a significant amount of diversification from the additional units provided. These new units will be the right type of housing to meet people's housing needs. A large number are flats which will help support a wider range of demographics including young people who find it difficult to get onto the housing ladder. The provision of additional accessible homes will also support older people as well as those with mobility issues. However, the increase in flats provided by this option does not meet the need for affordable 3 and 4 bed houses in the area. There is also a risk the area will be oversaturated by affordable flats given the East Barnwell site, located across the road from Ekin Road, will provide c.120 affordable flats.
3	The buildings should achieve a high standard of design and quality of new homes and communities	All units on the estate will be new builds of a high standard of design and quality which will allow all residents living on the estate to benefit from more high-quality housing that better accommodates their needs. The homes will be built to modern home standards and Cambridge City Council's Sustainability Housing Design Guidelines. Through improving the design and quality of buildings, resident's living experiences within the buildings will improve as a result. Aspects such as lifts which are desired by some residents can be incorporated more easily.
4	The buildings should improve housing conditions and making best use of existing facility	Redevelopment of the entire estate will improve housing conditions for all units on the estate. All units will be new build,

#	Critical success factor	Options Response
		constructed to modern day standards meaning there is uplift in terms of housing standard for all residents on the estate.
5	Working with key partners to innovate and maximise available resources	Full redevelopment should provide opportunities for innovation, but it is assumed resources cannot be fully re-used. There is a small number of trees removed from estate, but all category B tree will remain. This allows the mature tree filled landscape to be utilised by placing homes within it. New trees will be planted throughout the estate in the pocket gardens and the public realm. The species selected will be resilient to climate change, visually interesting and support biodiversity.
6	The buildings should meet the required energy efficiency criteria that aligns with Cambridge's ambition to have net zero carbon housing stock by 2030 and reduce energy usage for residents	All buildings on the estate will be built to a standard that aligns with the Cambridge Sustainability Housing Design Guide and the Council's low carbon ambitions. This will support improving the energy efficiency of units which in turn could lower residents' energy bills.
7	The buildings should result in a reduction of planned and preventative maintenance costs compared to the current level	General maintenance of the new builds will be required but it is likely to be lower than the current buildings on the estate. However, the specialised sustainability maintenance could be higher.
8	The buildings should provide a safe and secure environment for all residents and visitors	Safety around the estate should improve through increased surveillance, secure boundary treatment to provide secure block access and removal of anti-social prone area such as alleyways and garages. Gateway buildings will help improve legibility and wayfinding while the orientation of the new buildings provides natural surveillance over the central green to provide a safe public realm for residents.
9	The building should be bought up to standard in terms of fire safety compliance	All buildings on the estate will be built in alignment with the latest fire safety regulations.
10	The buildings should provide improved resident amenities and wider community benefits	By redeveloping the whole estate, there is a greater ability to provide more extensive amenities and community benefits. A larger central green, play area and green walk. The linking green routes will increase not only biodiversity on the estate but provide additional open space and clear cycle and pedestrian paths for residents and visitors. These green routes will also be car-free so residents and the

#	Critical success factor	Options Response
		community can safely and easily get to and enjoy.
11	Improve the health and wellbeing of residents	This option requires the full decanting of residents which will impact current residents' health and wellbeing due to the associated stress and uncertainty from moving that will impact resident's lives. As well as the loss of their home, residents could lose their community and support networks. To minimise the associated impacts, the Council has a comprehensive decanting process to support tenants in finding a new home. Homeowners will also be supported throughout the process. Therefore, this option ultimately has a significant short-term impact on current residents but creates future long-term improvements across the whole estate. Both new and existing residents' health and wellbeing could benefit in the long-term from improved living conditions. There will also be improvements in accessibility, outdoor space, and safety which will have positive impacts.

The critical success factor evaluation uses the 11 Critical Success Factors identified from the strategic objectives and vision of the Council to assess the three shortlisted options on a qualitative basis. The summary of the overall RAG for the shortlisted options is summarised in the table below.

#	Critical success factor	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)
1	The buildings should positively contribute to increasing the delivery of homes, and in particular affordable housing	Red	Yellow	Green
2	The buildings should contribute to diversifying the housing market and accelerating housing delivery	Red	Yellow	Yellow
3	The buildings should achieve a high standard of design and quality of new homes and communities	Yellow	Green	Green
4	The buildings should improve housing conditions and making best use of existing facility	Yellow	Green	Green

#	Critical success factor	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)
5	Working with key partners to innovate and maximise available resources	Yellow	Yellow	Yellow
6	The buildings should meet the required energy efficiency criteria that aligns with Cambridge's ambition to have net zero carbon housing stock by 2030 and reduce energy usage for residents	Yellow	Green	Green
7	The buildings should result in a reduction of planned and preventative maintenance costs compared to the current level	Yellow	Yellow	Green
8	The buildings should provide a safe and secure environment for all residents and visitors	Red	Green	Green
9	The building should be bought up to standard in terms of fire safety compliance	Green	Green	Green
10	The buildings should provide improved resident amenities and wider community benefits	Red	Green	Green
11	Improve the health and wellbeing of residents	Yellow	Yellow	Yellow

Based on the strategic analysis of each option against the CSFs, Option 1 (Refurbishment) has four red flags and has been discounted as a viable option. By retaining all buildings, it would comprise the potential opportunities on the estate to improve the number of units, the diversification of the housing market and the quality and condition of homes across the estate. While the buildings would have improved energy performance and some improvements in condition from refurbishment work, the extent of the work required will not solve the overall condition of the buildings, particularly in the flat blocks which are at the end of their useful life. This would impact residents' health and wellbeing. Refurbishment has a small impact on residents' health and wellbeing from decanting but in the long term, issues relating to health and wellbeing will remain.

Option 2 (Partial Redevelopment) has no red flags and can achieve six CSFs fully and five partially through improving the overall condition and quality on the estate through redeveloping the majority of units and refurbishing the retained houses to a better standard. Though it must be noted, at some point in the future the retained units will reach end of life and may require redevelopment. Redevelopment of the majority of the estate can support wider placemaking improvements by provisioning a larger outdoor space for residents and removing some of the areas prone to anti-social

behaviour including the dead-ends and alleyways. By removing these areas, not only would safety improve on the estate but also wayfinding and legibility. However, there were some limitations from the exclusion of the outer low-density buildings as infill development limits the overall house gains on the estate and therefore the extent of the benefits for residents and the wider community.

Option 3 (Full Redevelopment) has the potential to achieve the most CSFs (8 fully, 3 partially). Full redevelopment has the greatest immediate impact on the health and wellbeing of residents due to the need for decanting. This will be a positive impact for some (who are keen to move) and a negative impact for others (who do not want to move). Once a decision is made, residents will be able to move, ending the uncertainty surrounding redevelopment and the residents who are decanted will be supported throughout the process. The long-term health and wellbeing impacts are positive due to the ability to provide a complete, positive transformation of the estate. All buildings would be redeveloped into modern, high-quality housing that meet the needs of residents from a quality, sustainability, and accessibility perspective by aligning with the Cambridge Sustainable Housing Design Guide. New resident amenities and improved safety can be provided across the estate through a new large outdoor space for residents and the wider community to enjoy and the removal of areas prone to anti-social behaviour. This would have an overall positive impact on long-term health and wellbeing for both residents and the wider community. The limitation of the full redevelopment option is the need to decant residents, but support would be provided to help with relocation and minimise disruption.

4.3.2 Implementation Evaluation

There are two options to consider for the implementation of the three shortlisted options. It is assumed both partial and full redevelopment should be phased in the same manner.

The phasing options are:

Option 1 (Refurbishment)		Options 2 (Partial) & 3 (Full)	
<u>Single Phase:</u>	<u>Multiple Phases:</u>	<u>Single Phase:</u>	<u>Multiple Phases:</u>
All the required services could be delivered in a rolling programme	Refurbishment completed in separate phases	All the required services could be delivered within one, single phase of the project.	Phased redevelopment in two stages

To determine the viability of the implementation options, we considered the advantages and disadvantages.

4.3.2.1 Option 1: Refurbishment

Phasing Options	Advantages	Disadvantages
Single Phase	<ul style="list-style-type: none"> • There is a timing advantage of delivering the scheme in one phase as the speed of delivery will most likely be quickest with this option compared to the Council's current maintenance programme. • There could be cost efficiencies as a quicker rolling programme could have lower overall costs. • Ability to refurbish multiple units alongside one another to reduce disruption and shorten the timeline of delivery. • Potential ability to use completed blocks as permanent accommodation for tenants. 	<ul style="list-style-type: none"> • There is a risk of a lack of availability of suitable housing. • Potential lack of available of construction workers to carry out all the work within a single timeframe. • Some of the part of the estate may not be available for refurbishment at the same time as others. • Potentially longer vacant periods for properties meaning there is a risk of rent loss and vandalism/theft
Multiple Phases	<ul style="list-style-type: none"> • A phased approach would enable work to begin on vacant parts of the estate while more work can be done to unlock other parts of the estate for refurbishment. • A longer-phased decanting of residents allows for the opportunity to use completed blocks as permanent accommodation for residents. This will allow some residents to remain on the estate, thus decreasing the impacts of decanting. 	<ul style="list-style-type: none"> • There may be negative implications for existing tenants who will remain on the estate while the other phases are being delivered. • Some of the estate may remain undeveloped for some time which could cause issues from residents who want to move. • Longer construction timeline with each phase requiring separate pre-construction processes.

It was assumed the refurbishment option should be completed in a single phase. Opting for a single phase in a rolling programme allows for a quicker delivery compared to the Council's current maintenance programme which will improve cost-effectiveness and minimises long-term disruption. All refurbishment work required for a building could be completed at the same time so the timeframe can reduce. Tenant relocation would be required given the type of refurbishment work, but it can be aligned with the refurbishment programme which could allow some residents to be decanted within the estate. Therefore, not only is the rolling programme the faster option but also minimises work costs and inflation and provides lower long-term disruption to residents. To ensure the estate is ready for work to commence, appropriate time prior should be given to ensure residents are successfully decanted. There should be a suitable stock of properties in the Cambridge area available at the time to facilitate decanting. Ultimately, choosing a single-phase refurbishment is a strategic decision that optimises efficiency while prioritising the needs of residents.

4.3.2.2 Options 2 & 3: Redevelopment

Phasing Options	Advantages	Disadvantages
Single Phase	<ul style="list-style-type: none"> • The timing advantage of delivering the scheme in one phase as the speed of delivery to the end state will most likely be quickest with this option. • In an all-affordable redevelopment scheme, there is a stronger ability to secure full grant funding in a single all-affordable phase. • There would be cost efficiencies as a single phased redevelopment scheme could have lower overall costs compared to a phased approach. • Reduced disruption as a single phased approach will have a shorter timeline 	<ul style="list-style-type: none"> • Greater peak funding and debt costs through the presence of high upfront costs. • Limited ability to successfully decant all residents in the same period as there could be a risk of a lack of available housing. • Availability of construction workers to carry out all the work within a single timeframe cannot be guaranteed. • Some parts of the estate would not be available for redevelopment at the same time as others due to tenure. This can cause delays in work commencement due to the need to secure a vacant possession. • Constraints on providing access to Ekin Close for the duration of the work. • Risk of oversupplying the market with market homes in a full redevelopment market-led scheme which can lower the profitability of the scheme.

Phasing Options	Advantages	Disadvantages
Multiple Phases	<ul style="list-style-type: none"> • Potential cross-subsidy across the estate whereby the value achieved from the first phase can enable the delivery of the second phase. • Some parts of the estate may not be available to redevelop immediately due to existing tenancies, decanting constraints and accessibility to Ekin Close. A phase approach would enable the work to begin on parts of the estate that can be redeveloped immediately while more work can be done to unlock other parts of the estate. • Greater flexibility for the Council and development partner • There will be a lower impact to Ekin Close as only one phase of the work would impact access. • A phased approach allows for a phased decant of residents. • Ability to decant residents into the completed buildings from phase so residents can remain on the estate. • Dispersing costs for the Council and development partner so peak funding and debt should be lower. • Ability to achieve greater unit pricing uplift in the second phase. 	<ul style="list-style-type: none"> • There may be negative implications for residents who are part of phase 2 as they may have to remain on the estate while the other phase is being brought forward for delivery. • Some of the estate may remain undeveloped for some time which could cause issues for residents who want to move. • Coordination complexities given the scale of the project – effective coordination and communication across the stakeholders is required. • Disruption issues could arise with the undeveloped adjacent properties. • Potential heightened security risk for residents who are part of the later phases. • Longer construction timeline with each phase requiring separate pre-construction processes.

A phased redevelopment was assumed as it offers the advantage of greater flexibility for the Council and developer in the project timeline if some areas of the estate are not ready for redevelopment while prioritising resident decanting. This would minimise disruption and impact on residents and the surrounding properties such as Ekin Close. Residents can be decanted in phases meaning there is potential to be decanted into completed units from phase 1, thus minimising the number of residents leaving the estate. This could reduce the impacts on residents while allowing for lower costs and greater unit price uplift. Costs can be dispersed and units in phase 2 could achieve a higher value, thus allowing for a more sustainable financial model. Therefore, from a practicality and financial perspective, a phased approach to the development options was preferred.

4.3.3 Delivery Evaluation

There are a range of delivery routes available for Cambridge City Council to deliver the shortlisted options. Delivery routes were divided into redevelopment and refurbishment as it is assumed

regardless of which shortlisted options is selected, the delivery model for redevelopment and/or refurbishment elements are the same.

Options 2 (Partial) & 3 (Full)			Option 1 (Refurbishment)
1	2	3	1
Cambridge City Council self-deliver via procuring a contractor	Joint Venture (JV) with a development partner	Disposal of the land to a developer	Cambridge City Council manage the contractors

4.3.3.1 Options 2 & 3: Redevelopment Route

The three proposed delivery routes for the redevelopment options were evaluated against 10 key criteria:

	Critical factor	success	CCC Self-deliver	JV partnership	Disposal	Commentary
1	Cost burden on Cambridge City Council <i>What is the cost burden on Cambridge City Council?</i>					<p>Schemes delivered in-house with Cambridge City Council have been delivered at a lower cost, but required significant management input from the Council which was not reflective in the cost burden.</p> <p>In a JV partnership, Cambridge City Council would share the cost with the development partner. The Council would not have to cashflow the planning risk, nor provide any running costs. The JV partner would provide the forward funding to progress planning and design as well as the cost of delivery.</p> <p>Disposing of the land would have the lowest cost burden on the Council.</p>

	Critical success factor	CCC Self-deliver	JV partnership	Disposal	Commentary
2	<p>Housing Objectives</p> <p><i>How well does each route achieve Cambridge City Council Housing objectives?</i></p>				<p>Using a development partner via a JV partnership will ensure alignment with Cambridge City Council's housing objectives through the greater certainty in the scheme's design and housing mix.</p> <p>Self-delivering could mean the Council achieve a higher percentage of their housing objectives due to the level of control and input allowed in the scheme's design, but this is subject to viability.</p> <p>Disposing of the land to a developer would reduce the Council's input into the outcome of the scheme.</p>
3	<p>Cambridge City Council Control</p> <p><i>How much control does Cambridge City Council maintain?</i></p>				<p>Schemes delivered in-house allow Cambridge City Council to maintain full control of the development and its outcome which would allow the Council to achieve their objectives and vision for the estate.</p> <p>A JV partnership offers the Council a satisfactory level of control over the scheme through collaboration with the development partner over the scheme.</p> <p>Disposing of land to a developer would reduce control over planning, timings and the type of scheme delivery.</p>
4	<p>Planning Risk</p>				<p>In the event of self-delivery Cambridge City Council would hold all the planning risks of the development.</p>

	Critical success factor	CCC Self-deliver	JV partnership	Disposal	Commentary
	<i>What level of planning risk will Cambridge City Council have?</i>				<p>Through forming a JV partnership with a development partner, the planning risk would be shared, and the Council could benefit from commercial risk management delivered by the development partner.</p> <p>Disposing the land would carry no planning risk unless the Council retained the land.</p>
5	<p>Development Risk</p> <p><i>What level of development risk will Cambridge City Council have?</i></p>				<p>In the event of self-delivery Cambridge City Council would hold all the development risks.</p> <p>Through using a JV, the development risk would be shared with the development partner as both parties would be involved in the management of the scheme's delivery.</p> <p>Disposing of the land would carry no development risk for the Council.</p>
6	<p>Resourcing / expertise</p> <p><i>What level of resource would Cambridge City Council have access to?</i></p>			N/A	<p>Self-delivering hinders the Council's ability to benefit from a development partner's expertise in the pre-contract stage as they may have to take on a degree of design liability for works prior.</p> <p>In terms of in-house expertise, the capacity of the Council has self-developed, but the past projects have been small scale and required a substantial level of management resource throughout the development process. By forming a JV partnership with a development partner, Cambridge City Council and the Housing Development Agency (HDA) can benefit from</p>

	Critical success factor	CCC Self-deliver	JV partnership	Disposal	Commentary
					<p>their commercial and delivery expertise as well as resourcing for the project.</p> <p>The need for accessing skills when disposing of land is not applicable.</p>
7	<p>Speed of delivery</p> <p><i>How fast can the scheme be delivered?</i></p>				<p>Self-delivering or using a JV partnership could require a procurement process which can be complex and time consuming. This could impact delivery.</p> <p>Disposing of the land would provide little certainty over delivery and timescales. There could also be an issue if a CPO is required because of an inability to demonstrate delivery.</p>
8	<p>Return (profit share)</p> <p><i>What profit share will Cambridge City Council receive?</i></p>				<p>Both a JV partnership and self-delivery provides development profits of varying degrees upon the completion of the scheme.</p> <p>In a 50:50 JV partnership with a development partner, Cambridge City Council would receive a proportion of the development profit while self-delivery would allow all development profits to be retained within the Council.</p> <p>Disposing of the land could provide an opportunity to share an element of the profit depending on the agreement with the development partner.</p> <p>However, if the scheme produced a deficit for the</p>

	Critical success factor	CCC Self-deliver	JV partnership	Disposal	Commentary
					parties, a profit share is not applicable.
9	Return (land receipts) <i>What land receipts will Cambridge City Council receive?</i>				<p>Depending on the JV partnership structure, the Council may receive a land receipt.</p> <p>Disposing of the land typically means the developer would purchase the land in return for a receipt.</p> <p>Self-delivering and retaining the land as Council-owned would not produce a land receipt for the Council.</p>
10	Market appetite <i>How strong is the market appetite for the project?</i>				<p>There is a strong market appetite across the three options as development land in Cambridge is scarce. This means the Council are in a strong position to either dispose of the land or secure a development partner.</p> <p>In the event of self-delivering the project, there would also be strong appetite from contractors to be involved in the development of the units.</p>

Key: Unfavourable (Red), Some favourability (Amber), Favourable (Green)

Using a JV with a development partner has been assumed as the delivery option for the Council. This delivery route allows the Council to share the risk and delivery liability with the development partner, who would be responsible for the resourcing, funding, and delivery of the scheme in alignment with the Council's objectives and vision. The Council can also benefit from the development partner's expertise and experience to both develop their inhouse capabilities and work in conjunction with the Council's experience in supporting resident decanting. This allows for accelerated development and delivery while minimising council risk. The Council would also be

able to retain a satisfactory level of control and have certainty in the scheme's design, delivery, and timing while receiving returns in the form of a land receipt and a share of the development profit depending on the final scheme. Therefore, for options requiring redevelopment, a joint venture with a development partner is the assumed delivery route due to the lack of control over the development outcome by disposing of the land and the inability for the Council to self-deliver a project of this nature.

4.3.3.2 Option 1: Refurbishment Route

It has been assumed Option 1 would be delivered by the Council who can self-manage the refurbishment work using contractors. As this is the standard delivery route used for all council maintenance and refurbishment work, this delivery route did not require evaluation. For full details regarding how the refurbishment option would be delivered by the Council please refer to the Commercial Case.

4.3.4 Environmental Impact Appraisal – Carbon Assessment

Given CSF 6 relates to delivering energy efficiency criteria, new zero housing stock and reducing energy usage and sustainability was identified as top priority for residents in the survey, a separate carbon assessment has been conducted. This section provides a deeper dive into how the different options within Stage 2 were able to deliver on this CSF.

When assessing the environmental impact of the different options, an analysis was prepared using JLL's Carbon Twin Track methodology which considers all aspects of embodied carbon and operational carbon and attaches a financial number to this carbon to indicate not only the absolute carbon impact, but also the financial impact.

When examining the delivery of environmental value and its impacts for the different options, the Sustainable Housing Design Guide and Checklist as the recommended standard that outlines the requirements for a sustainable development. The opportunities and constraints of providing a sustainable development has been examined from a practical and financial perspective.

The three options have been modelled and appraised for absolute carbon emissions, carbon emissions per housing unit and carbon cost.

4.3.4.1 Assumptions

The below table documents the key assumptions that were used in preparing the carbon analysis:

Scenario	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)	Commentary
Units	122	177	236	Breakdown by unit type
Area (m ²)	7,472	12,763	16,986	Residential floor area for refurbishment based on sampled EPCs. Accommodation schedules used for Residential floor area in other scenarios
Energy Intensity (kWh/m ²)	144	60	49	Blended energy intensity based on predicted EPCs for refurbished and new units
Area Refurbished (m ²)	6,614	1,092	0	Assumed that all retained buildings were refurbished except for freehold houses
Embodied Carbon (kgCO ₂ e/m ²) Refurbishment	330			Refurbishment targets MEP, Internal Finishes and Façade – assumed 33% of whole building embodied carbon (LETI Embodied Carbon Primer, Figure 8.2) built to 2021 Good Practice Benchmark (1,000 kgCO ₂ e/m ² – RIBA 2030 Climate Challenge)
Area Developed (sqm)	0	10,891	16,986	Floor area for all new buildings
Embodied Carbon (kgCO ₂ e/m ²) Development	800			New builds assumed to be built to a RIBA 2025 Target Standard (800 kgCO ₂ e/m ² – RIBA 2030 Climate Challenge)
Electricity Emission Factors (kgCO ₂ e/kWh)	<ul style="list-style-type: none"> • 0.207 • 0.01792 			UK Government GHG Conversion Factors for Company Reporting 2023: <ul style="list-style-type: none"> • Grid Electricity • Transmission & Distribution Losses
Electricity Price (p/kWh)	34			Average UK Electricity (34p) and Gas Price (10p) Electricity rate has been used for analysis
Carbon Price Low (£/tonne)	95			GLA London Plan
Carbon Price High (£/tonne)	121			HM Treasury Green Book

Floor areas and energy intensity for existing units calculated based on sampled representative EPCs:

- Flats: 18a Ekin Road (241 kWh/m²)
- Houses: 41 Ekin Road (240 kWh/m²)
- Bungalows: 83 Ekin Road (238 kWh/m²)
- Maisonettes: 3 Ekin Walk (207 kWh/m²)

New building floor areas aligned to accommodation schedules for each scenario.

Energy intensity for refurbished units have been calculated on predicted EPCs ratings aligned with modelled building improvements:

- Flats: EPC C73 (179 kWh/m²)
- Houses: EPC B91 (41 kWh/m²)
- Bungalows: EPC A95 (17 kWh/m²)
- Maisonettes: EPC B83 (127 kWh/m²)

It is noteworthy that the energy intensity for Flats and Maisonettes is significantly higher than that of houses and bungalows, which is largely due to ability to install PVs on the roofs of Houses and Bungalows. Furthermore, due to the smaller roof area to floor area ratio of multi-floor buildings, the impact of PVs for each unit's energy efficiency is limited.

For new buildings, the energy intensity has been aligned with the performance of recent developments built to a similar standard:

- Houses: EPC A90 (33 kWh/m²) – blended representative EPCs for Five Tree Court 1-12
- Flats: EPC B86 (55 kWh/m²) – blended representative EPCs for Tottenhoe Court 29, 30 and 31

Operational energy consumption was calculated based on the above energy intensity assumptions applied to the floor areas in each scenario. Operational energy consumption was converted into location-based carbon emissions using UK Government GHG Conversion Factors for Company Reporting 2023. The Government's 'Environmental reporting guidelines' require that Scope 2 electricity emissions are reported using location-based emission factors, therefore the specific electricity tariff (market-based emissions) to be procured for this development was not included in these calculations. While the emission factors used for this appraisal are specific to 2023, it is understood that the grid will continue to decarbonise, and the operational emissions of the scheme will continue to decrease year-on-year. However, this projected decarbonisation of the grid will affect the operational emissions for all options equally and will not have a significant impact on the appraisal.

Whole life embodied carbon assumed to be 330 kgCO₂e/m² for refurbishments, and 800 kgCO₂e/m² for new developments. The benchmark for refurbishments has been developed by assuming that a portion of the building equivalent to 33% of the whole life embodied carbon (MEP, internal finishes and façade) will be redeveloped to RIBA 2021 good practice benchmark standard. The benchmark for new developments is in line with the assumption that sustainable methodologies will be used and materials will be retained on site where possible in alignment to RIBA 2025 target for residential buildings. The benchmarks have been chosen based on the best information available at this stage and will need to be recalculated at every stage of the development and upon completion in order to determine accurate figures – design choices, material availability and other factors will cause variations to embodied carbon figures throughout the development process.

4.3.4.2 Environmental analysis

When calculating the cost of carbon, we could not find published data on what the Council’s cost of carbon is, so we used two comparative rates. The first is the Greater London Authority rate of £95/tonne and the second is the HM Treasury Green Book rate of £121/tonne.

Keeping embodied carbon low during the development phase is difficult and all of this carbon would need to be offset for a Net Zero construction. In contrast, operational carbon can be eliminated by using exclusively renewable sources of electricity.

Operational energy over the 30-year period is also included in the below analysis and shows similar trends in the level of decrease across the different scenarios.

It was assumed that for both Option 1 and Option 2, the Freehold Houses will remain untouched. Refurbishing these houses has the potential to yield up to 15% additional operational carbon savings at the expense of more embodied carbon.

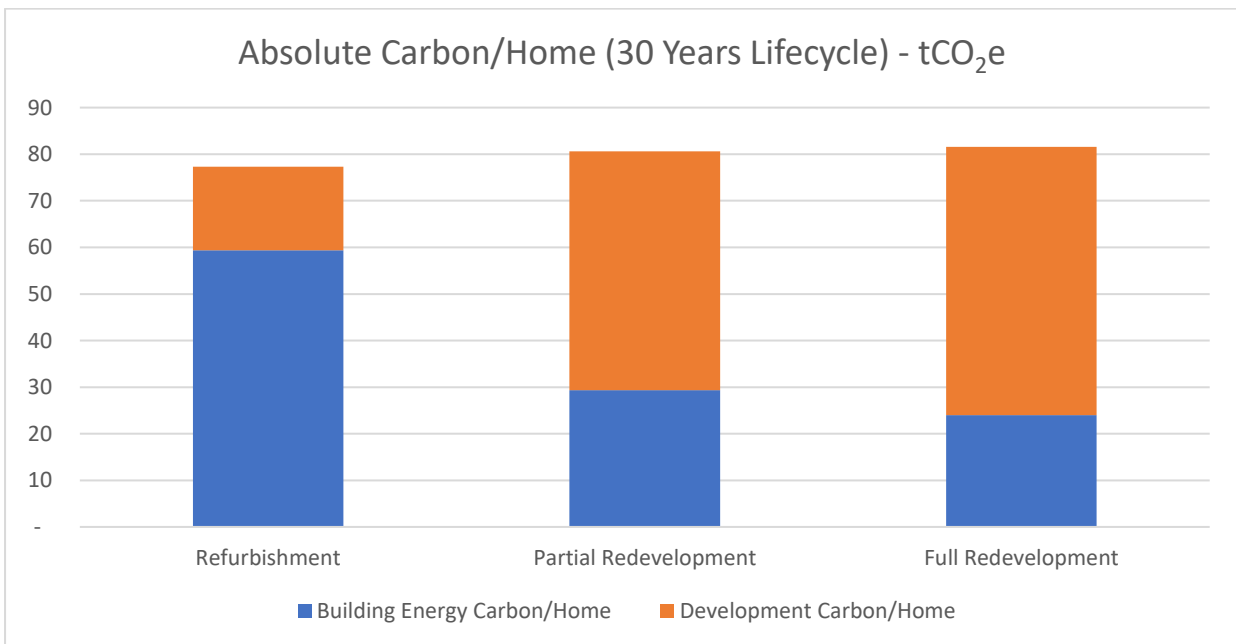
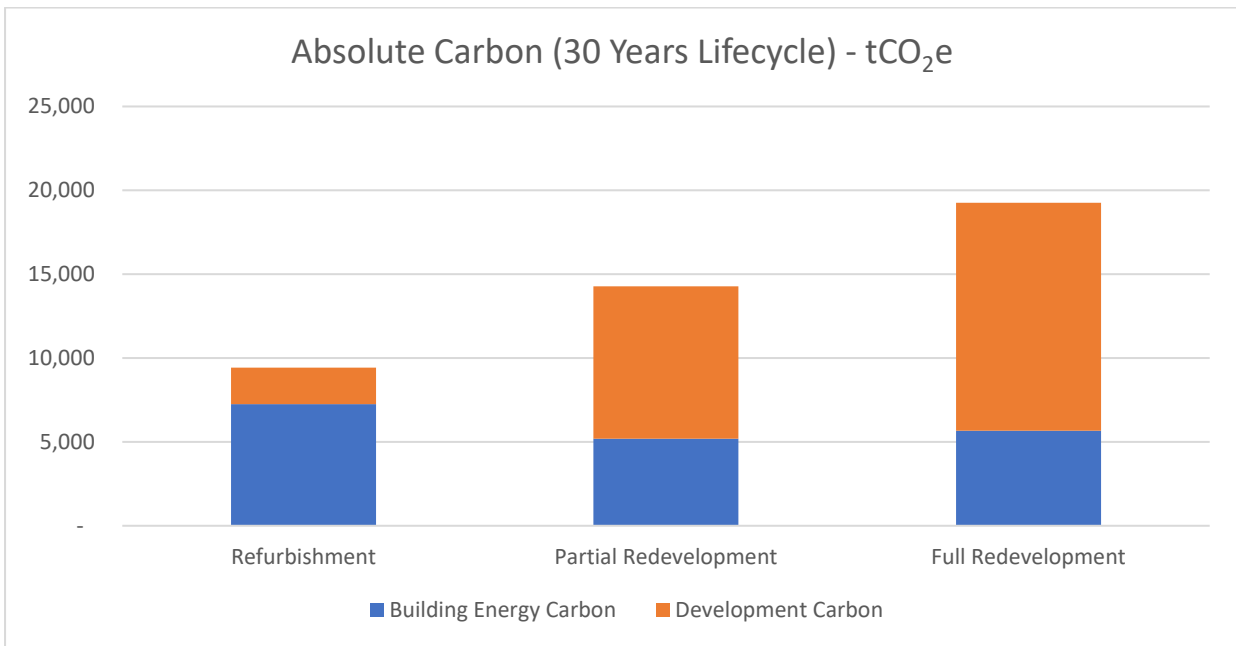
4.3.4.3 30-year model

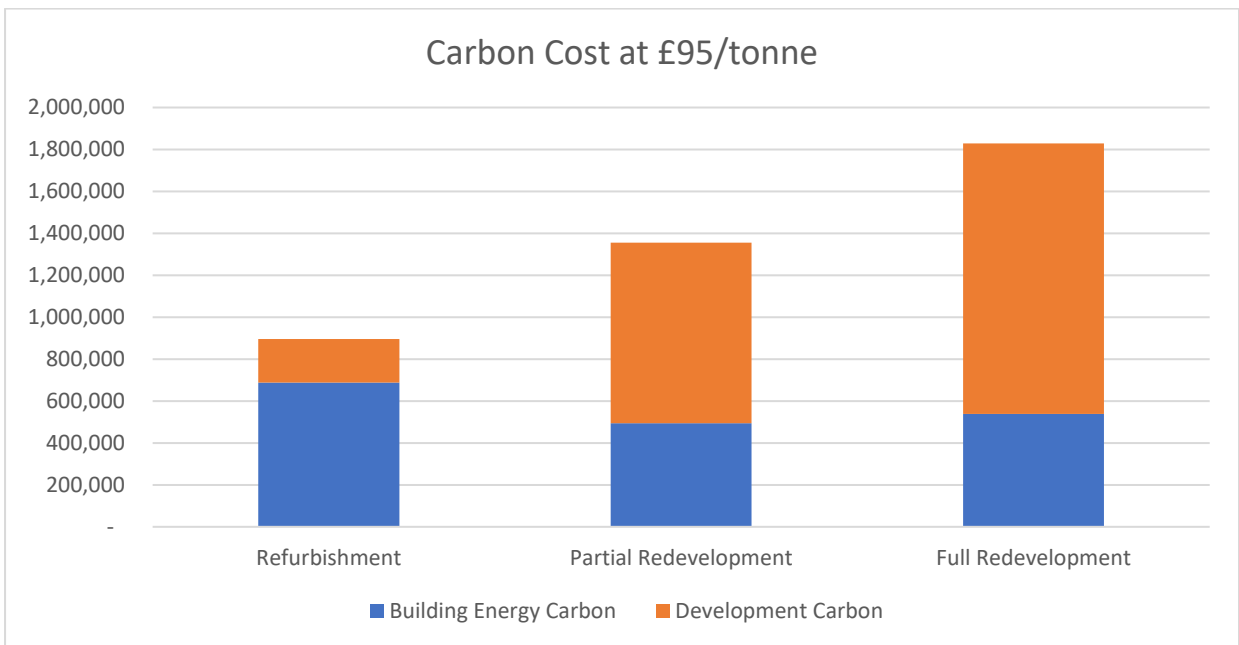
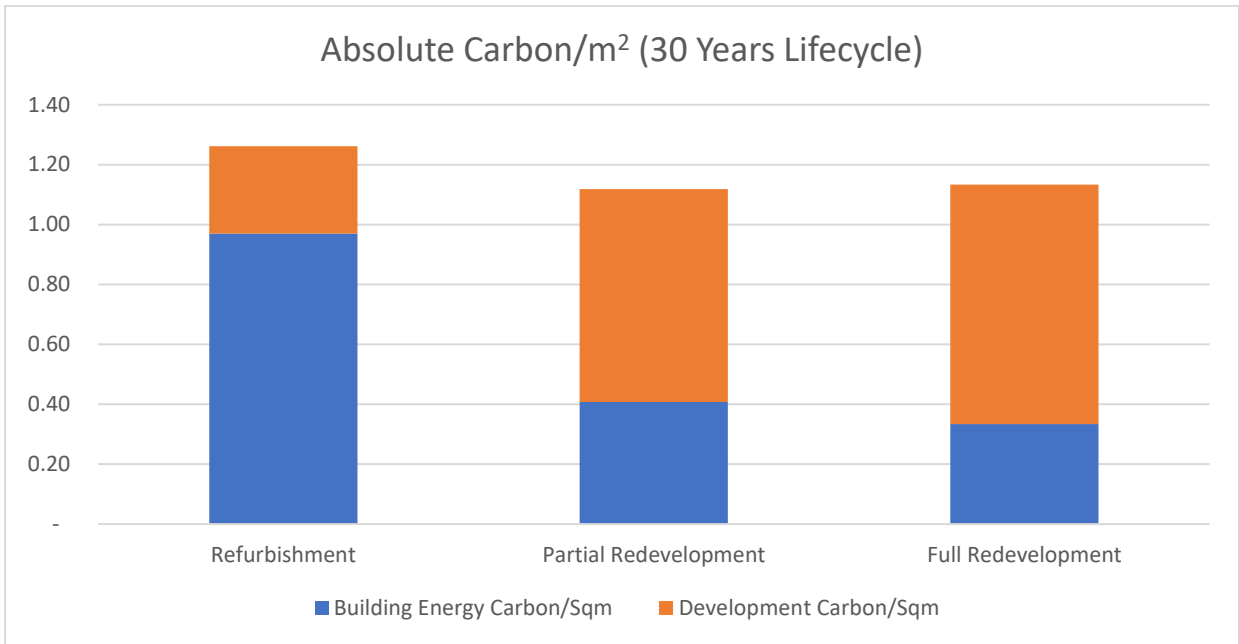
Absolute Carbon (tCO₂e)	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)
Building Energy Carbon	7,245	5,199	5,666
Development Embodied Carbon	2,183	9,073	13,589
Total Carbon (tCO₂e)	9,428	14,272	19,255

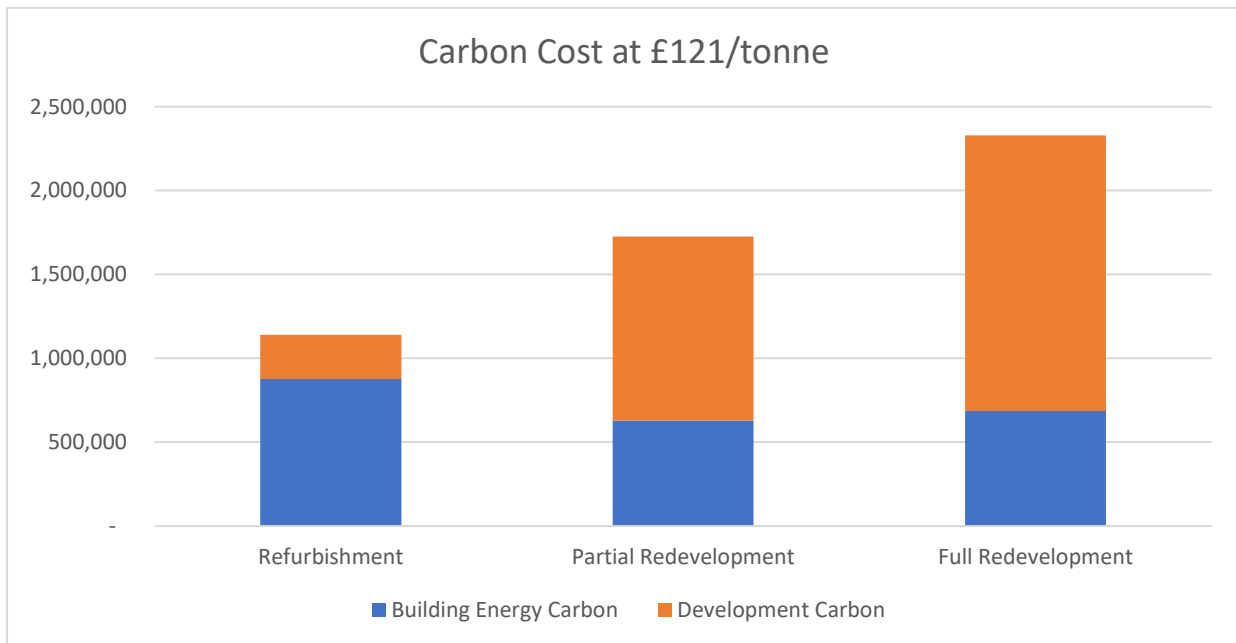
Carbon/Unit (tCO₂e)	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)
Building Energy Carbon	59	29	24

Development Embodied Carbon	18	51	58
Total Carbon (tCO₂e)	77	81	82

Carbon/m² (tCO₂e)	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)
Building Energy Carbon	0.97	0.41	0.33
Development Embodied Carbon	0.29	0.71	0.80
Total Carbon (tCO₂e)	1.26	1.12	1.13







Energy Cost (£)	Option 1 (Refurbishment) £'000	Option 2 (Partial) £'000	Option 3 (Full) £'000
Operational Energy	10,953	4,883	3,998
Savings over Base Cost	7,568	13,052	13,333

4.3.4.4 Carbon Impact Summary

- **Option 1: Refurbishment**

This is the lowest absolute carbon option due to the relatively low embodied carbon profile combined with energy efficiency improvements, especially to Houses and Bungalows where installation of rooftop PVs significantly improve operational energy figures. However, while the Flats and Maisonettes also benefit from significant energy efficiency improvements, energy intensity remains high. This option also does not provide any additional homes as no new units are incorporated.

- **Option 2: Partial Redevelopment**

Partial Redevelopment is the middle option with regards to absolute carbon. Both in absolute terms and per unit, this option offers significant operational improvement due to further reductions in energy intensity for Flats when compared to refurbishment while offering a large increase in housing units within the development. This option, however, will have a much higher embodied carbon footprint due to the large number of new units being developed.

- **Option 3: Full Redevelopment**

This option produces the highest absolute carbon figures, largely due to the increase in housing units created. This option has a slightly lower absolute carbon footprint per unit and per floor area to Partial Redevelopment but has a slightly higher embodied carbon footprint due to the % of new buildings on the estate. This option produces the highest number of housing units with the lowest operational carbon footprint per unit of all options. Due to the high number of new units being developed, this option has the highest embodied carbon footprint and the highest absolute carbon footprint overall.

- **Overall Carbon Impact Assessment**

The balance of highly efficient homes will have a positive effect due to increasing the number of carbon-efficient housing units within the Council. Refurbishing or redeveloping houses will have a very positive operational carbon impact due to the roof area available to install PVs. New Flats will provide a high number of energy efficient housing units but will not be able to achieve the same energy efficiency as Houses due to the limited rooftop area available to install PVs. Overall, Option 3 produces the best operational carbon performance and the highest amount of residential floor area while compromising on embodied carbon and producing a marginally higher footprint per unit than Option 2. Both Option 2 (partial and Option 3 (full) produce a better overall result per floor area.

4.4 Benefits Cost Appraisal

A Benefits Cost Ratio (BCR) is a tool that has been adopted from HM Treasury's appraisal guidance and looks at the public sector and broader economy benefits. The BCR is a ratio used to summarise the overall relationship between the relative costs and benefits of each shortlisted option as each differs in timing, risk, cost and benefit delivery. If a project has a BCR greater than 1, the project is expected to deliver positive social value with the costs being outweighed by the benefits.

4.4.1 Stage 1 – BCR Analysis

In Stage 1, a high-level benefit-cost analysis was conducted to identify the high-level public sector and broader economy benefits and the associated beneficiaries. Through the consideration of additionality over what is current being provided and redevelopments that includes social housing, three benefit themes were identified:

- Social – health and wellbeing and anti-social behaviour improvements
- Economic – job creation, land receipts, infrastructure uplift, and energy costs
- Environmental – biodiversity, operating carbon, and energy efficiency improvements

There are both quantitative and qualitative benefits within each theme. Some benefits are for the 'all economy' and others are for the public pursue. The definitions of these benefit types are detailed below:

- All Economy – benefits that will directly affect the local Cambridge economy and potentially have a multiplier effect on the wider economy.
- Public Purse – benefits generated that will directly benefit Council or the National Government by taxation or other means.

4.4.2 Stage 2 – BCR Analysis

In Stage 2, an in-depth benefit-cost analysis was conducted that includes the calculation of the BCR. The BCR analysis includes:

- An assumptions log that drives the cost benefit analysis for socio-economic benefits
- A cost benefit analysis considering the deadweight (do nothing/minimum) scenario and the additionality (incremental benefits), leakage, substitution, multiplier and displacement of the options
- The BCR result
- Sensitivity analysis and optimism bias to demonstrate impact of changes to cost inputs/benefit outputs.

The principle taken was one of additionality. The rationale behind this approach is that the Ekin Road Estate in its current form and layout requires improvement and no longer represents the best possible accommodation offering for residents. Therefore, the improvements provided by each option are based on addressing the current issues on the estate and providing additional wider benefits such as providing additional homes for people. It is anticipated that any additional units created will be backfilled by existing demand in the residential market.

4.4.2.1 Quantitative Benefits

The high-level benefit themes identified in Stage 1 have been developed to identify specific benefits within each theme. In calculating the specific benefits, we used benchmarks and local market data as well as the expertise of the JLL Residential team to align our assumptions.

The quantitative benefits included in this analysis are:

- Additional Council Tax Receipts

- Increase in local spend from workers during the duration of the works
- Increase in local spend from new residents
- SDLT and proceeds from the sale of new homes
- Rental income from new units
- Increase in land values of the surrounding areas
- Reduction in damp related health costs
- Reduction in anti-social behaviour
- Grant receipts

These benefits were considered over a 30-year period. The table below summarises the result of the BCR analysis for each of the shortlisted options, categorising the benefits into two types: All Economy and Public Purse. The two categories of benefits are combined and highlighted in the BCR calculations. The benefits for each option are then divided by the estimated development cost for each option to determine the ratio.

4.4.2.2 BCR Calculations

Separate BCR calculations were prepared for each of the three options (including calculations for Affordable and Market) for the partial and full development options.

• Option 1: Refurbishment BCR

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
1	Employment generation from construction	Job creation related to contractors appointed for the site development	All Economy	972,494	972,494
		Income Tax and NI Contributions based on under 65-year-old employee	Public Purse	551,252	551,252
2	Reduction in Damp related health costs	Insulating the flats and upgrading windows will reduce damp and the related NHS and society costs as a result	Public Purse	142,961	142,961
Total value of benefits				1,666,707	1,666,707
Present value of All Economy benefits				2,435,524	4,772,434
Present value of Public Purse benefits				1,504,034	3,840,944
Present value of Costs				27,731,165	27,731,165

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
BCR for All Economy				0.09	0.17
BCR for Public Purse				0.05	0.14

• **Option 2: Partial Redevelopment Affordable Housing BCR**

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit	
1	Increase in Council Tax receipts	Assumed that the increase in the condition and quality of units will result in additional units that have to pay Council Tax	RIBA 2025 consumption target x current electricity price less current consumption EPC E level	All Economy	806,623	4,964,678
2	Reduction in anti-social behaviour	The antisocial behaviour is resulting in additional cleaning costs which will be reduced in the new development.	Current cost per unit per annum x 5%	Public Purse	80,583	495,981
3	Employment Creation	Job creation related to contractors appointed for the site development	Assumed 50% of net salary of c.£40k will be spent locally	All Economy	2,654,542	2,654,542
			Income Tax and NI Contributions based on under 65-year-old employee	Public Purse	1,504,710	1,504,710
		Assumed additional homes will have economically active adults spending money in the local economy	1.5 economically active people per additional home spending 50% in the local economy and all new people living on the estate will be originally non-local people	All Economy	6,483,877	30,527,816
4	Reduction in Damp related health costs	Insulating the flats and upgrading windows will reduce damp and the related NHS and society costs as a result	A reduction in damp, prevalent in the flats and bungalows, will reduce the related NHS and Society costs related to illness caused by damp conditions in poor quality housing.	Public Purse	146,690	146,690
5	Uplift in land value of surrounding units	The improvement in the condition and quality of units will cause an uplift in land value	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	All Economy	1,523,731	1,523,731

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit	
	of surrounding properties					
6	Grant receipts	Grants from Homes England for new or replacement units in an affordable housing scheme	Assumed Council will receive sale receipts from the market units	Public Purse	12,810,265	12,810,265
7	Rental Income	Rental income from the additional units	Assumed the additional units will have a £ average rental income per unit	Public Purse	7,802,094	41,645,298
Total value of benefits						
Present value of All Economy benefits				33,813,116	96,273,711	
Present value of Public Purse benefits				23,150,966	61,567,622	
Present value of Costs				57,584,793	58,679,741	
BCR for All Economy				0.59	1.64	
BCR for Public Purse				0.40	1.05	

- **Option 2: Partial Redevelopment Market BCR**

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit	
1	Increase in Council Tax receipts	The additional units will generate additional Council Tax receipts	New build houses will pay CT Band D and new flats will pay CT band C	Public Purse	995,085	5,153,140
2	Reduction in anti-social behaviour	The antisocial behaviour is resulting in additional cleaning costs which will be reduced in the new development.	Current cost per unit per annum x 5%	Public Purse	201,627	617,025
3	Employment Creation	Job creation related to contractors appointed for the site development	Assumed 50% of net salary of c.£40k will be spent locally	All Economy	3,308,199	3,308,199
			Income Tax and NI Contributions based on under 65-year-old employee	Public Purse	937,616	937,616
		Assumed additional homes will have economically active adults spending money in the local economy	1.5 economically active people per additional home spending 50% in the local economy and all new people living on the estate will be originally non-local people	All Economy	-	-

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
4	Stamp Duty from sales	Assumed Stamp Duty is payable on all market sales units	Assumed the better-quality units will not require as much ongoing maintenance	Public Purse	543,117	543,117
5	Reduction in Damp related health costs	A reduction in damp, prevalent in the flats and bungalows, will reduce the related NHS and Society costs related to illness caused by damp conditions in poor quality housing.	A reduction in damp, prevalent in the flats and bungalows, will reduce the related NHS and Society costs related to illness caused by damp conditions in poor quality housing.	Public Purse	334,638	334,638
6	Uplift in land value of surrounding units	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	All Economy	3,017,585	3,017,585
7	Proceeds from sale	Assumed Council will receive sale receipts from the market units	Assumed Council will receive sale receipts from the market units	Public Purse	13,216,119	13,216,119
8	Rental Income	Assumed the additional units will have an increased rental income per week	Assumed the additional units will have an increased rental income per week	Public Purse	7,802,094	41,645,298
Total value of benefits					30,356,080	68,772,737
Present value of All Economy benefits					26,435,533	46,019,146
Present value of Public Purse benefits					20,792,153	40,375,765
Present value of Costs					58,283,570	58,283,570
BCR for All Economy					0.44	0.78
BCR for Public Purse					0.35	0.69

- **Option 3: Full Redevelopment Affordable Housing BCR**

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
1	Increase in Council Tax receipts	Assumed that the increase in the condition and quality of units will result in additional units that have to pay Council Tax	New build houses will pay CT Band D and new flats will pay CT band C	Public Purse	1,714,698	9,152,559

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
2	Reduction in anti-social behaviour	The antisocial behaviour is resulting in additional cleaning costs which will be reduced in the new development.	Current cost per unit per annum x 5%	Public Purse	96,364	514,362
3	Employment Creation	Job creation related to contractors appointed for the site development	Assumed 50% of net salary of c.£40k will be spent locally	All Economy	2,479,859	2,479,859
			Income Tax and NI Contributions based on under 65-year-old employee	Public Purse	1,405,692	1,405,692
		Local job creation from the increase in the number of economically active people living on the estate	1.5 economically active people per additional home spending in the local economy and all new people living on the estate will be originally non-local people	All Economy	9,667,814	59,504,342
4	Maintenance Costs	The improvement in the condition and quality of units will reduce ongoing maintenance costs	Assumed the better-quality units will not require as much ongoing maintenance	Public Purse	-	-
5	Reduction in Damp related health costs	Insulating the flats and upgrading windows will reduce damp and the related NHS and society costs as a result	A reduction in damp, prevalent in the flats and bungalows, will reduce the related NHS and Society costs related to illness caused by damp conditions in poor quality housing.	Public Purse	148,000	148,000
6	Uplift in land value of surrounding units	The improvement in the condition and quality of units will cause an uplift in land value of surrounding properties	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	All Economy	1,504,928	1,504,928

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
7	Rental Income	Rental income from the additional units	Assumed the additional units will have a rental income per week	Public Purse	14,306,090	78,992,707
10	Grants received	Rental income from the additional units	Assumed the additional units will have a rental income per week	Public Purse	20,811,106	20,811,106
Total value of benefits					52,134,553	174,513,557
Present value of All Economy benefits					45,274,824	107,659,821
Present value of Public Purse benefits					34,115,285	71,095,175
Present value of Costs					81,060,840	83,235,095
BCR for All Economy					0.56	1.29
BCR for Public Purse					0.42	0.85

- **Option 3: Full Redevelopment Market BCR**

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
1	Increase in Council Tax receipts	Assumed that the increase in the condition and quality of units will result in additional units that have to pay Council Tax	New build houses will pay CT Band D and new flats will pay CT band C	Public Purse	1,442,875	8,880,735
2	Reduction in anti-social behaviour	The antisocial behaviour is resulting in additional cleaning costs which will be reduced in the new development.	5% of annual maintenance cost is for ASB	Public Purse	81,088	499,086
3	Employment Creation	Development contractor jobs	Estimated 50 local contractors on an average salary of £40,580 for 3 years of which 50% is spent in the local economy	All Economy	4,959,719	4,959,719
			£5600.20 tax and £3361.20 NI	Public Purse	1,405,692	1,405,692
		Local job creation from the increase in the number of economically active people living on the estate	1.5 economically active people per additional home spending in the local economy and all new people living on the estate	All Economy	9,667,814	59,504,342

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit	
		will be originally non-local people				
4	Stamp Duty	There will be Stamp Duty receipts for the public purse on all sales	Payable at current rates on a non-first-time buyer rate	Public Purse	1,007,572	1,007,572
5	Reduction in Damp related health costs	Insulating the flats and upgrading windows will reduce damp and the related NHS and society costs as a result	NHS and Society cost of damp related conditions was £1,276.85 (2018), escalated at CPI to £1,511.46 in 2023 per unit	Public Purse	448,938	448,938
6	Uplift in land value of surrounding units	The improvement in the condition and quality of units will cause an uplift in land value of surrounding properties	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	All Economy	1,504,928	1,504,928
7	Proceeds from sale	Sale of units post development	Assumed all sale receipts will be received by the Council	Public Purse	53,194,452	53,194,452
8	Rental Income	Rental income from the additional units	Assumed the additional units will have a increased rental income per week	Public Purse	12,347,648	77,034,265
Total value of benefits				86,060,726	208,439,730	
Present value of All Economy benefits				74,678,151	137,063,147	
Present value of Public Purse benefits				61,223,636	98,203,527	
Present value of Costs				95,143,219	95,143,219	
BCR for All Economy				0.78	1.44	
BCR for Public Purse				0.64	1.03	

BCR summary and optimism bias

		Base	Low	Medium	High
Refurbishment	All Economy 10 year	0.09	0.08	0.07	0.06
	All Economy 30 year	0.17	0.16	0.14	0.13
	Public Purse 10 year	0.05	0.05	0.05	0.04
	Public Purse 30 year	0.14	0.13	0.12	0.10

		Base	Low	Medium	High
Partial Development Affordable Housing	All Economy 10 year	0.59	0.57	0.53	0.49
	All Economy 30 year	1.64	1.58	1.47	1.36
	Public Purse 10 year	0.40	0.39	0.36	0.34
	Public Purse 30 year	1.05	1.00	0.92	0.83
Partial Development Market	All Economy 10 year	0.45	0.42	0.39	0.35
	All Economy 30 year	0.79	0.75	0.71	0.65
	Public Purse 10 year	0.36	0.33	0.30	0.28
	Public Purse 30 year	0.69	0.66	0.62	0.58
Full Development Affordable Housing	All Economy 10 year	0.56	0.52	0.49	0.45
	All Economy 30 year	1.29	1.18	1.09	0.97
	Public Purse 10 year	0.42	0.40	0.38	0.35
	Public Purse 30 year	0.85	0.79	0.73	0.67
Full Development Market	All Economy 10 year	0.78	0.75	0.69	0.63
	All Economy 30 year	1.44	1.40	1.31	1.23
	Public Purse 10 year	0.64	0.61	0.56	0.51
	Public Purse 30 year	1.03	1.00	0.93	0.87

The above table indicates that none of the options deliver a favourable BCR result over a 10-year period. The refurbishment option delivers the lowest BCR return across all time frames and optimism biases.

Over a 30-year period, for both Option 2 (partial) and Option 3 (full) including a full affordable scheme, which is primarily driven by the increased grant receipts, deliver favourable BCR results. The most favourable option is option 3 (partial) with 100% affordable housing which has a BCR of 1.64 for the all economy and 1.05 for the public purse. The option 3 (full) with 100% affordable housing also performs well with a 1.29 BCR result for the all economy. The market lead full development option has a BCR result above 1 for the all economy and shows a more positive public purse impact as a result of Stamp Duty receipts on the sales. Whereas the partial redevelopment market-led option fails to achieve a favourable BCR result above 1.

4.4.3 Qualitative Benefits

In addition to the quantitative benefits included in the sub-section above, there are a number of qualitative benefits which have not yet been quantified. Not all of these qualitative benefits are applicable to all of the shortlisted options. The qualitative benefits include:

- **Long term health and wellbeing of residents**

Through improving the quality and condition of homes on the estate as well as incorporating new public realms on the estate, the long term physical and mental wellbeing of residents will increase. Physical wellbeing is achieved through the minimisation of the presence of mould, damp and

condensation in homes which is impacting some residents' health. The addition of new outdoor public realms will help improve both the physical and mental health of residents through the additional exercise benefits from the pedestrian routes and the biophilic benefits from being outside more in the fresh air, surrounded by plants and nature. This is expected to put less pressure and financial burden on local NHS providers. Health and wellbeing improvements can reduce the number of lost workdays as well as the number of hospital visits – both having a positive effect.

- **Local Population Growth**

The higher net additional homes on the estate will have a direct impact on the local population levels as more residents move to the area. This could have a knock-on effect on local economic growth, local infrastructure, and amenity improvements.

- **Improvement in biodiversity and air quality**

The provision of new green space of varying sizes as well as the replacement and addition of new trees on the estate can support improvements in the estate's biodiversity. There could also be air quality improvements in the surrounding area by the increase in the number of trees.

- **Indirect carbon benefits or carbon benefits outside the estate boundary**

The creation of additional homes in the redevelopment options will provide opportunities for residents outside of the estate boundary to move into more efficient homes reducing carbon impact in the broader community. Additionally, the improved estate accessibility and local amenities (e.g., green space, pedestrian and cycle access) may reduce the driving needs for the residents meaning the levels of carbon emitted by residents will decrease.

- **Provision of more affordable housing in the area**

Depending on the selected option, the potential creation of additional affordable housing in the local area will relieve pressures on the Council's housing list as well as provides more permanent homes for more local people in the area.

4.5 Stage 2b – Approach to appraising Option 4

Option 4 (house-led) has been evaluated using the same approach as Stage 2. Based on this, it is likely the option will be delivered by a blend of a JV partnership and contractors on a rolling basis manner so, there is no need to conduct a full implementation and delivery evaluation.

A full critical success factor evaluation has been conducted for Option 4.

4.5.1 Critical success factor Evaluation

#	Critical success factor	Options Response
1	The buildings should positively contribute to increasing the delivery of homes, and in particular affordable housing	This option increases the number of units across the estate (including new and retained) to 145 of which 131 of these are new units. The increase in units also reflects a change in habitable affordable rooms from 272 to 274 rooms. However, the number of affordable units decreases from 91 to 71 (including new and retained). Therefore, there is an ability to accommodate fewer but larger households. The blended tenure of the scheme includes 50% of the estate will be affordable housing units.
2	The buildings should contribute to diversifying the housing market and accelerating housing delivery	The Council has specified that there is a shortage of 3 and 4 bed family affordable housing homes in Cambridge. This option addresses this requirement by increasing the number of 3 and 4 bed units on the estate whilst still providing diversity by provisioning some flats and maisonettes. More widely, the local area surrounding Ekin Road generally comprises houses but the 100+ unit 100% affordable flat scheme almost adjacent to the estate can complement the proposed housing mix in Option 4 and therefore contributes to diversity.
3	The buildings should achieve a high standard of design and quality of new homes and communities	This option should deliver new homes that will be built to modern home standards aligned to Cambridge City Council's Sustainability Housing Design Guidelines.
4	The buildings should improve housing conditions	This option should improve the housing condition in the majority of the homes on the estate which are currently (primarily flats, maisonettes and bungalows) that do not align with the required Cambridge standard.
5	Working with key partners to innovate and maximise available resources	This option may provide opportunities for innovation within the current building and planning requirements. In terms of existing infrastructure and attributes, a small number of trees may be removed however all category B trees are likely to remain, providing a mature tree filled landscape to be utilised by placing homes within. New trees will also be planted alongside the mature trees. However, due to the current design of the scheme, the road will need to be altered

#	Critical success factor	Options Response
		which limited the ability to maximise the existing resources on the estate. Additionally, due to the type of materials, complexity and cost it is unlikely that many building resources will be reused in the new development.
6	The buildings should meet the required energy efficiency criteria that aligns with Cambridge's ambition to have net zero carbon housing stock by 2030 and reduce energy usage for residents	All new homes will be built to a standard that aligns with the Cambridge Sustainability Housing Design Guide and the Council's low carbon ambitions. It is assumed retained council homes will also be refurbished in alignment with the Design Guide. This should support improving the energy efficiency of units which in turn could lower residents' energy bills.
7	The buildings should result in a reduction of planned and preventative maintenance costs compared to the current level	General maintenance of the new builds will be required but it is likely to be lower than the current buildings on the estate. The buildings and equipment will also be subject to warranties which should reduce replacement and repair costs in the short to medium term. However, the specialised sustainability equipment may require higher maintenance costs and the retained units will likely require more costly and frequent maintenance.
8	The buildings should provide a safe and secure environment for all residents and visitors	Safety around the estate may be improved as the orientation of the new houses should provide a greater natural surveillance and create a more welcoming entrance to the site by having the new houses directly overlooking the site entrance. The option also proposes new homes orientated north south which faces onto Ekin Close to provide increased natural surveillance and activity while bringing the houses of Ekin Close into the neighbourhood. Areas prone to anti-social behaviour, such as the alleyways and central garage area would be removed, and secure boundary treatment and block access (for the flats) should provide additional security.
9	The building should be bought up to standard in terms of fire safety compliance	All buildings on the estate will be improved in alignment with the latest fire safety regulations.
10	The buildings should provide improved resident amenities and wider community benefits	By redeveloping the majority of the estate, there is some improvement to the open spaces on the estate for residents to enjoy. There will be a new green link as well as a new pocket park to the southeast of the

#	Critical success factor	Options Response
		<p>estate. The green space to the northeast will also be retained.</p> <p>While the overall increase in the amount of green space and number of trees is low, the flow of circulation routes and the new spaces will be useable outdoor space for residents to enjoy which should make the estate feel more connected and foster a community feel.</p>
11	Improve the health and wellbeing of residents	<p>This option requires the decanting of residents which may negatively impact current residents' health and wellbeing due to the associated stress and uncertainty from moving. As well as moving out of their current home, some residents may potentially lose their sense of community and support networks.</p> <p>To minimise these potential associated impacts, the Council has a comprehensive decanting process to support tenants in finding their new home. Current homeowners will also be supported throughout the process. Although this option is likely to have a significant short-term impact on current residents, it is expected to create future long-term improvements across the whole estate. As a result, returning and new residents' health and wellbeing is ultimately likely to benefit in the long-term from the improved living conditions including improved accessibility, outdoor space, and safety.</p>

Based on the critical success factor evaluation, Option 4 (house-led) can transform the estate, providing improvements in a range of CSFs whilst still retaining the south houses. There is an overall improvement in the condition, quality and design of units on the estate with the majority of units being redeveloped in alignment with modern home standards and the retained council houses being refurbished. Some additional green space can be provided including a green link, pocket park and additional trees due to the ability to reconfigure the layout of the estate. This will help the estate feel more connected and foster a community feel. Whilst this option is not producing the same number of additional units, it still positively impacts the quantum of units and increases the number of habitable rooms on the estate by providing 3 and 4 bed family units urgently required by the Council. From a “traditional” urban design perspective, the south houses can also be integrated within the overall arrangements of the new layout to form a cohesive, successful urban design.

4.6 Stage 2b – Delivery Evaluation

A full delivery evaluation is not required as it has been assumed a rolling delivery programme is required to meet the needs of decanting and efficiency of construction.

4.7 Stage 2b – Environmental Impact Appraisal – Carbon Assessment

To determine Option 4’s ability to deliver CSF 6, an analysis was prepared using JLL’s Carbon Twin Track methodology which considers all aspects of embodied carbon and operational carbon and attaches a financial number to this carbon to indicate not only the absolute carbon impact, but also the financial impact.

The same principles as the Stage 2 Report have been applied. When examining the delivery of environmental value and its impacts for the different options, the Sustainable Housing Design Guide and Checklist has been used as the recommended standard that outlines the requirements for a sustainable development.

The opportunities and constraints of providing a sustainable development has been examined from a practical and financial perspective.

Option 4 and the baseline scenario have been modelled and appraised for absolute carbon emissions, carbon emissions per housing unit and carbon cost.

4.7.1.1 Assumptions

The below table documents the key assumptions that were used in preparing the carbon analysis:

Scenario	Baseline (refurbishment)	Option 4 (House-led)	Commentary
Units	122	145	Breakdown by unit type
Area (m²)	7,472	14,069	Residential floor area for refurbishment based on sampled EPCs. Accommodation schedules used for Residential floor area in other scenarios
Energy Intensity (kWh/m²)	144	45	Blended energy intensity based on predicted EPCs for refurbished and new units
Area Refurbished (m²)	6,614	546	Assumed that all retained buildings were refurbished except for freehold houses
Embodied Carbon (kgCO₂e/m²) Refurbishment	330		Refurbishment targets MEP, Internal Finishes and Façade – assumed 33% of whole building embodied carbon (LETI Embodied Carbon Primer, Figure 8.2) built to 2021 Good Practice Benchmark

Scenario	Baseline (refurbishment)	Option 4 (House-led)	Commentary
			(1,000 kgCO ₂ e/m ² – RIBA 2030 Climate Challenge)
Area Developed (sqm)	0	12,977	Floor area for all new buildings
Embodied Carbon (kgCO ₂ e/m ²) Development	800		New builds assumed to be built to a RIBA 2025 Target Standard (800 kgCO ₂ e/m ² – RIBA 2030 Climate Challenge)
Electricity Emission Factors (kgCO ₂ e/kWh)	<ul style="list-style-type: none"> 0.207 0.01792 		UK Government GHG Conversion Factors for Company Reporting 2023: <ul style="list-style-type: none"> Grid Electricity Transmission & Distribution Losses
Electricity Price (p/kWh)	34		Average UK Electricity (34p) and Gas Price (10p) Electricity rate has been used for analysis
Carbon Price Low (£/tonne)	95		GLA London Plan
Carbon Price High (£/tonne)	121		HM Treasury Green Book

All other assumptions are unchanged from the Stage 2 Report. Please refer back to Section 4.3.5 for the full list of assumptions used in the calculations.

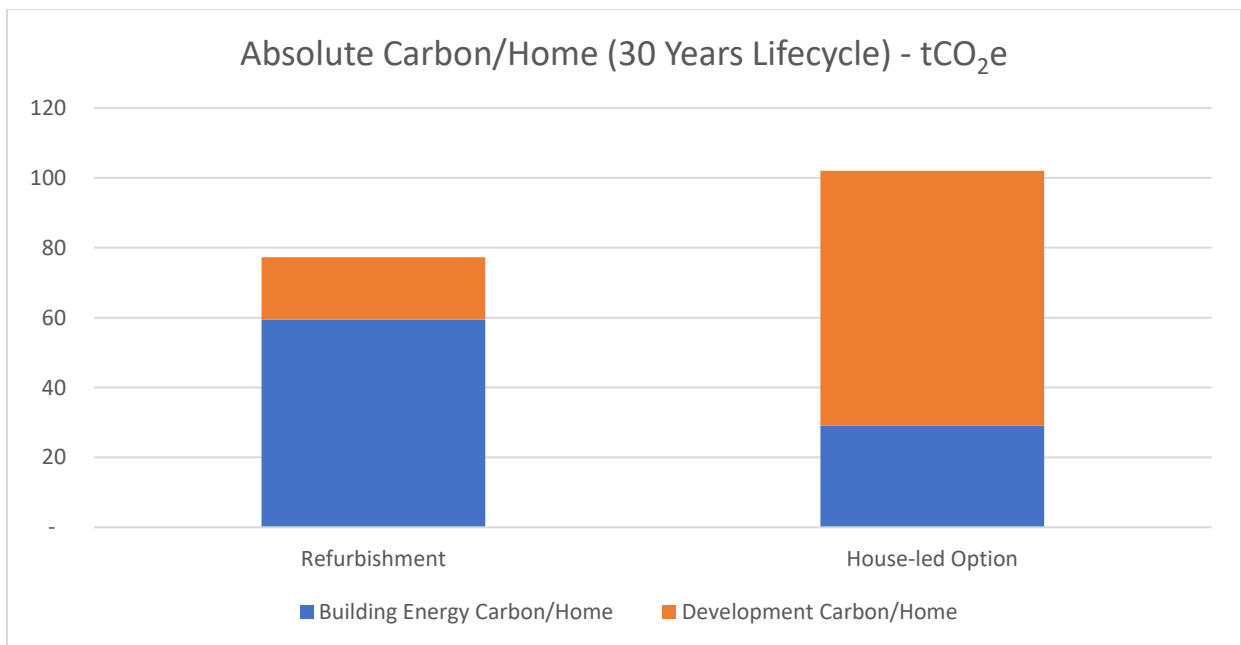
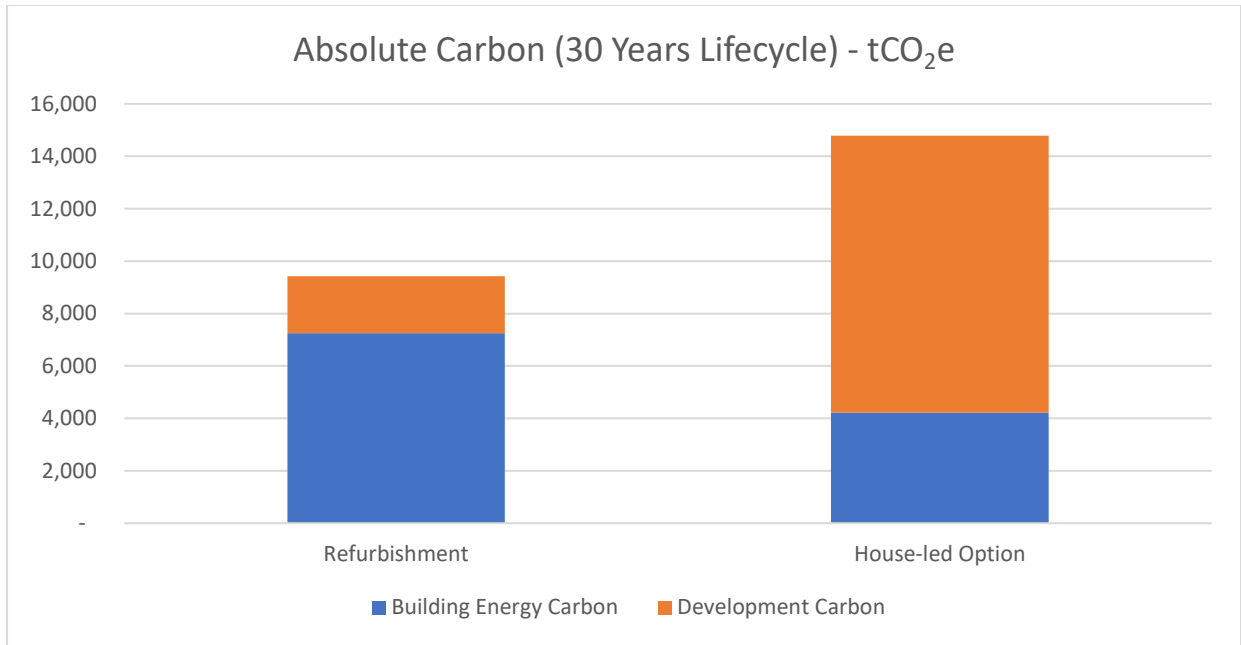
4.7.1.2 Environmental analysis

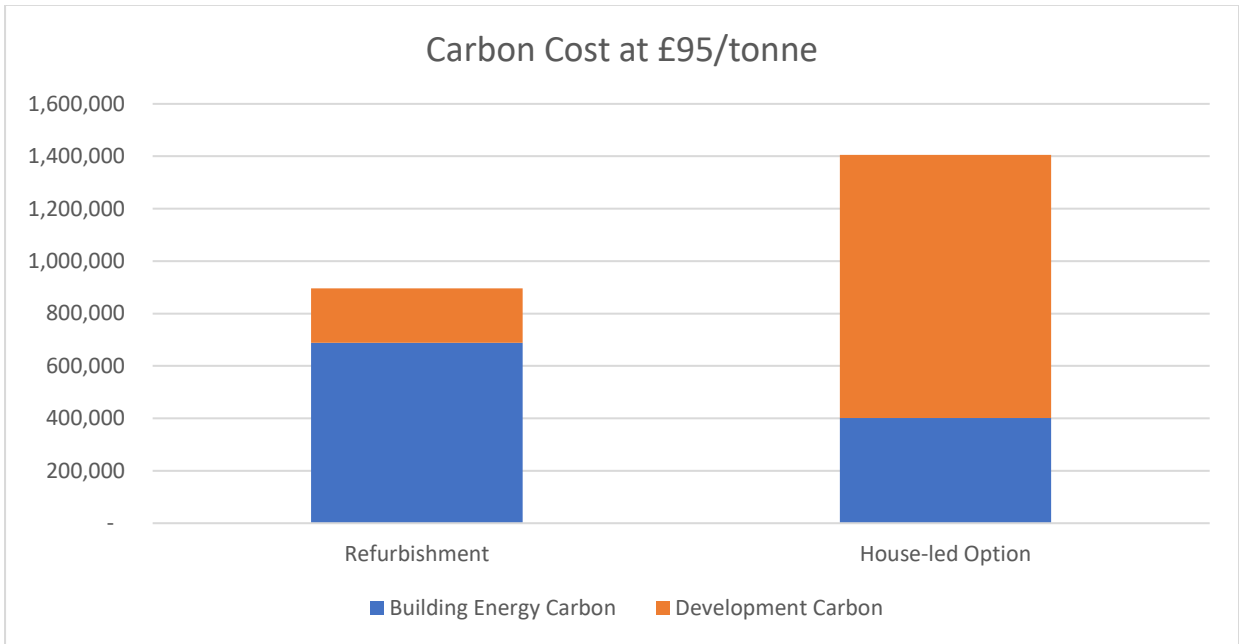
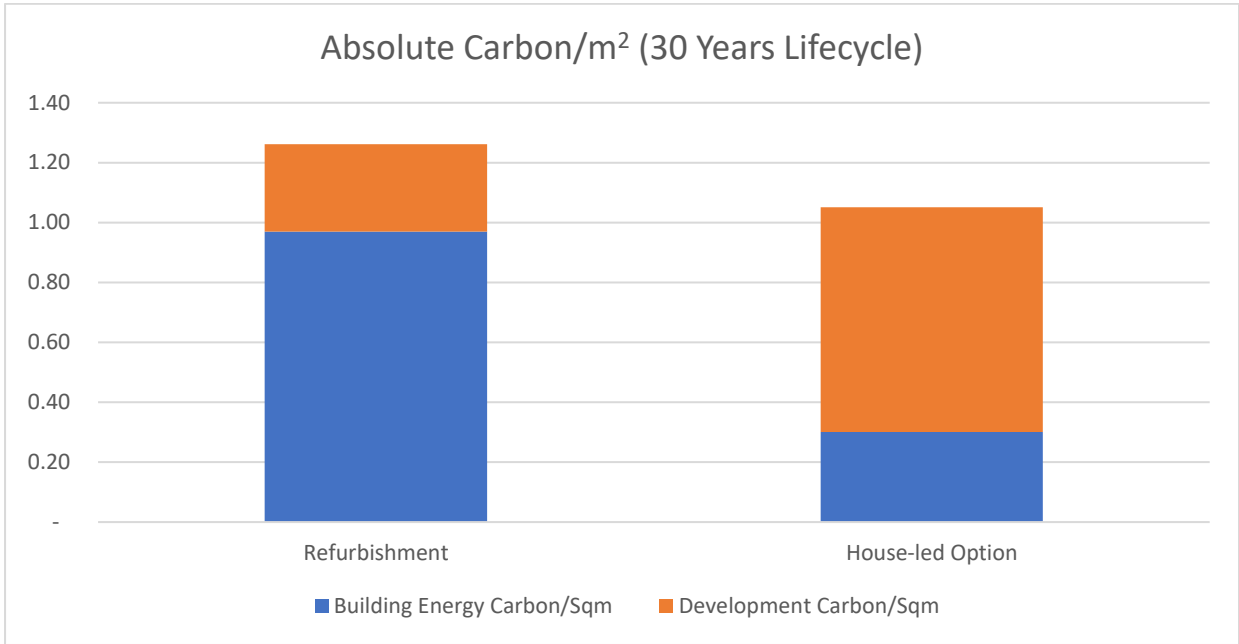
4.7.1.3 30-year model

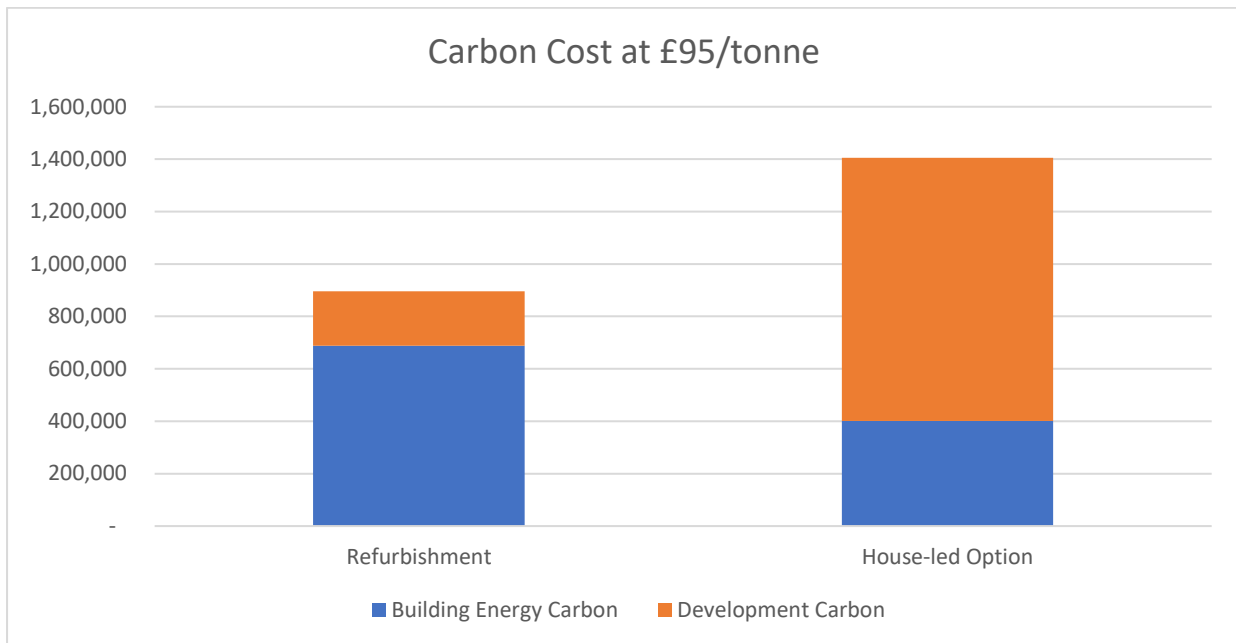
Absolute Carbon (tCO ₂ e)	Baseline (Refurbishment)	Option 4 (House-led)
Building Energy Carbon	7,245	4,266
Development Embodied Carbon	2,183	10,562
Total Carbon (tCO₂e)	9,428	14,788

Carbon/Unit (tCO ₂ e)	Baseline (Refurbishment)	Option 4 (House-led)
Building Energy Carbon	59	29
Development Embodied Carbon	18	73
Total Carbon (tCO₂e)	77	102

Carbon/m ² (tCO ₂ e)	Baseline (Refurbishment)	Option (House-led)	4
Building Energy Carbon	0.97	0.30	
Development Embodied Carbon	0.29	0.75	
Total Carbon (tCO₂e)	1.26	1.05	







Energy Cost (£)	Baseline (Refurbishment) £'000	Option 4 (House-led) £'000
Operational Energy	10,953	3,600
Savings over Base Cost	7,568	14,271

4.7.1.4 Carbon Impact Summary

- **Baseline: Refurbishment**

This is the lowest absolute carbon option due to the relatively low embodied carbon profile combined with energy efficiency improvements, especially to Houses and Bungalows where installation of rooftop PVs significantly improve operational energy figures. However, while the Flats and Maisonettes also benefit from significant energy efficiency improvements, energy intensity remains high. This option also does not provide any additional homes as no new units are created.

- **Option 4: house-led**

Option 4 is the higher carbon option with regards to total absolute carbon (operational and development) when compared to the baseline. However, both in absolute terms and per unit, this option offers significant operational improvement due to further reductions in energy

intensity for flats when compared to refurbishment while offering a significant increase in housing units within the development. This option, however, will have a much higher embodied carbon footprint due to the large number of new units being developed. This in turn makes this the best option for carbon per floor area, which demonstrates the efficiency of the new housing units.

- **Overall Carbon Impact Assessment**

The balance of highly efficient homes will have a positive effect due to increasing the number of carbon-efficient housing units within the Council. Refurbishing or redeveloping houses will have a very positive operational carbon impact due to the roof area available to install PVs. New Flats will provide a high number of energy efficient housing units but will not be able to achieve the same energy efficiency as Houses due to the limited rooftop area available to install PVs. As such, Option 4 can utilise the increased roof area available to install PVs and achieve higher operational efficiency. Overall, Option 4 produces the best operational carbon performance and carbon per sqm but compromises on the embodied carbon, resulting in a higher footprint per unit than the baseline (refurbishment). This is because Option 4 has more larger units, significantly increasing the residential floor area provided.

4.8 Stage 2b – BCR Analysis

In Stage 2b, an in-depth benefit-cost analysis has been conducted in the same manner in which the Stage 2 BCR Analysis was carried out.

The table below summarises the BCR calculations for Option 4.

Benefit Theme		Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit
1	Increase in Council Tax receipts	Assumed that the increase in the condition and quality of units will result in additional units that have to pay Council Tax	New build houses will pay CT Band D and new flats will pay CT band C	Public Purse	848,682	4,530,018
2	Reduction in anti-social behaviour	The antisocial behaviour is resulting in additional cleaning costs which will be reduced in the new development.	5% of annual maintenance cost is for ASB	Public Purse	592,066	3,160,274
3	Employment Creation	Development contractor jobs	Estimated 50 local contractors on an average salary of	All Economy	3,282,825	3,282,825

Benefit Theme	Hypothesis	Assumptions	Benefit Type	10 Y Benefit	30 Y Benefit	
		£40,580 for 3 years of which 50% is spent in the local economy				
		£5600.20 tax and £3361.20 NI	Public Purse	930,424	930,424	
	Local job creation from the increase in the number of economically active people living on the estate	1.5 economically active people per additional home spending in the local economy and all new people living on the estate will be originally non-local people	All Economy	17,773,541	94,869,965	
4	Stamp Duty	There will be Stamp Duty receipts for the public purse on all sales	Payable at current rates on a non-first-time buyer rate	Public Purse	953,437	953,437
5	Reduction in Damp related health costs	Insulating the flats and upgrading windows will reduce damp and the related NHS and society costs as a result	NHS and Society cost of damp related conditions was £1,276.85 (2018), escalated at CPI to £1,511.46 in 2023 per unit	Public Purse	225,775	225,775
6	Uplift in land value of surrounding units	The improvement in the condition and quality of units will cause an uplift in land value of surrounding properties	Assumed 50% of the households with 1 mile are within 750m of the estate and will benefit from a 3% value uplift	All Economy	1,483,527	1,483,527
7	Proceeds from sale	Sale of units post development	Assumed all sale receipts will be received by the Council	Public Purse	13,216,119	13,216,119
8	Rental Income	Rental income from the additional units	Assumed the additional units will have a increased rental income per week	Public Purse	7,890,860	42,119,102
Total value of benefits				47,197,256	164,771,466	
Present value of All Economy benefits				39,907,143	99,842,806	
Present value of Public Purse benefits				21,329,991	41,964,303	
Present value of Costs				59,984,143	59,984,143	
BCR for All Economy				0.67	1.66	
BCR for Public Purse				0.36	0.70	

BCR summary and optimism bias

		Base	Low	Medium	High	
Option (house-led)	4	All Economy 10 year	0.67	0.63	0.58	0.53
		All Economy 30 year	1.66	1.60	1.49	1.38
		Public Purse 10 year	0.36	0.32	0.29	0.26
		Public Purse 30 year	0.70	0.65	0.59	0.52

The above table indicates that Option 4: House-led is not able to deliver a favourable BCR result over a 10-year period for both all economy and the public purse.

Over a 30-year period, Option 4 delivers a favourable BCR result for all economy as it has a BCR of 1.66, effectively delivering £1.66 in value for every £1 spent. The BCR the public purse has a BCR of 0.70. Ultimately, this reflects that Option 4 should be considered an investment by the Council into the broader community as it prioritises broader benefits over its own return.

4.9 Conclusion

The Economic Case evaluates the options to determine their ability to deliver the Council's vision and objectives and provide net value to society.

In Stage 2 the three shortlisted options were evaluated from an economic perspective. The Economic Case for Stage 2 concluded the following:

- Option 1 (Refurbishment) has four red flags and has been discounted as a viable option. The refurbishment would enhance the condition of the majority of units and improve energy performance of most buildings' except for the flats. In doing so, residents would experience small short-term health and wellbeing improvements. However, this option does not provide any additional homes nor adequately address the inherent shortcomings of the buildings, particularly the flat blocks that are at the end of their [design/useful] life. Therefore, while there would be a small short-term improvement in health and wellbeing from the upgrade in the condition of the housing, long-term issues would persist. The BCR for the refurbishment option is poor at 0.09 pence received for every £1 spent over 10 years and 0.17 over 30 years. Based on this, although the refurbishment option may offer some improvements, it also limits the ability to provide additional homes and significantly enhance living conditions to align with the Council's vision.
- Option 2 (Partial Redevelopment) has no red flags and can achieve six CSFs fully and five partially by improving the average condition and quality of housing on the estate. Out of the 11 CSFs, 6 can be fully achieved. The majority of units would be redeveloped to modern building standards, and the retained council houses would undergo refurbishment in alignment

with the Cambridge Sustainable Housing Design Guide. While there are potential short-term health and wellbeing impacts from decanting, efforts will be made to minimise disruption and bring about significant long-term benefits. Long-term benefits include new resident amenities, improved safety and better living conditions. However, there are limitations in terms of excluding the outer low-density buildings as it could create a lack of cohesion across the estate and less housing can be delivered. Therefore, the opportunity to meet Cambridge's housing demand and create more homes for people is hindered.

- Option 3 (Full Redevelopment) has the potential to achieve the most CSFs (8 fully, 3 partially). While it may have the greatest potential immediate impact on residents' health and wellbeing due to the need for decanting, the long-term benefits are substantial. This option would enable a comprehensive positive transformation of the whole estate, as all the buildings are redeveloped into modern, high-quality housing that aligns with the Cambridge Sustainable Housing Design Guide. This would create a modern, cohesive estate with improved amenity space and safety for residents. More residents would benefit from these improvements as the lack of constraints from infill development allows the greatest uplift in the number of units on the estate. By ultimately redeveloping the whole estate, the Council can deliver on its strategic objectives, provide the highest level of benefits and create a community feel for its residents. The extent of the benefit creation in return for the investment is demonstrated through the 1.29 (affordable) and 1.44 (market lead) full development BCR result over a 30-year period.

Overall, Stage 2 concluded Option 3 (Full Redevelopment) provides the greatest opportunity to achieve a positive transformation of the estate, aligning with strategic objectives while delivering long-term benefits for residents.

Stage 2b evaluates Option 4 (house-led) using the same approach as Stage 2. Based on the strategic alignment with CSFs, the BCR and carbon assessment, the Economic Case for Stage 2b concludes the following:

- Option 4 (house-led) presents an opportunity to fully achieve six CSFs and deliver the strategic objectives of the Council while providing benefits for residents and the local community. This option still allows for the transformation of the estate because a cohesive, successful urban design can still be delivered whilst mitigating some of the immediate disruptions associated with a full estate decant. The short-term impact on resident health and wellbeing would be lowered. Furthermore, the option can positively impact the quantum and quality of units, materially increase the number of habitable rooms and provide new resident amenities which at the present time is limited due to the estate's layout. As a result, Option 4 can address the local housing demand, foster a sense of community and improve long-term resident health and wellbeing on the estate. Taking all the associated benefits into

account, a 1.66 BCR result for the 'all economy' was produced showing there is still a value of benefits provided for the Council in return for every £1 spent.

Overall, the economic evaluation in Stage 2b concludes Option 4 (house-led) can still deliver on the strategic objectives, while retaining the south houses and balancing the needs of the residents and local community. This option reduces the number of people decanted, thus minimising the immediate impact on residents. Furthermore, a suitable level of benefits can be produced. When compared to the current state, Option 4 can deliver an estate transformation that achieve the Council's strategic objectives and enhances the quality of life in the estate.

5 THE COMMERCIAL CASE

5.2 Introduction

The Commercial Case concerns the commercial strategy and arrangements relating to the delivery of the services and assets that are required by each option. The purpose is to demonstrate each option's ability to result in a deliverable scheme. The commercial dimension feeds into the costs, risk management and timing in the other cases.

The commercial arrangements for Options 1 to 3 which were examined within Stage 2 will be presented first, followed by the commercial analysis of the new house-led option in Stage 2b.

5.3 Stage 2 – Commercial Delivery Model for the shortlisted options

This section confirmed the preferred commercial delivery model for the options in Stage 2 and how each delivery model works in terms of processes.

- **Option 1: Refurbishment**

As outlined in the Economic Case, the preferred delivery model for the refurbishment option is for Cambridge City Council to self-deliver the project by managing the contractors that will be carrying out the refurbishment work on the Ekin Road Estate. Given the scale and nature of the refurbishment option, Cambridge City Council will be required to procure a contractor to carry out the work. This will require a tendering and procurement process.

- **Options 2 & 3: Partial and Full Redevelopment**

It is assumed options involving redevelopment are best delivered through a joint venture partnership with a development partner. In this instance it is assumed Cambridge City Council would procure a developer to form a JV partnership and deliver the development with both parties sharing the risk and rewards that are generated.

Option 3 (full) would be fully delivered through a joint venture partnership while Option 2 (partial) would involve using a developer to deliver the development elements of the scheme while the refurbishment work would be carried out alongside by contractors procured through a tendering process.

For all-affordable schemes, a joint venture partnership should still be used but the development partner could be procured through a framework.

5.4 Procurement Strategy

Should the Council need to go out to tender for either a development partner or contractor, there are requirements to comply with the current Public Contract Regulation when carrying out a procurement for a council service. The procurement strategy aims to²⁶:

- Make all contracts accessible;
- Ensure all contracts deliver the needs of the community;
- Support small to medium enterprises by simplifying and standardising the process;
- Encourage spending in the local economy; and
- Ensure the Council receive value for money.

5.4.1 Procurement Process

The standard practice in alignment with Public Contract Regulations and EU compliance is to use an open tender process. This process is designed to ensure that there is a robust methodology for the selection of bidders and the award of the contract to the successful bidder. Using a competitive market process will ensure the preferred bidder has the correct expertise and experience to meet the Council's requirements in successfully delivering a project that aligns with the vision and Critical Success Factors.

Within the regulations, the contract would be advertised to allow any interested parties to submit a tender and complete a tender evaluation. The tenders are reviewed and evaluated for completeness and compliance with the specification and the Council's stated requirements²⁷. Each tender submission would be evaluated and scored on the following factors:

- Price: price considerations in terms of the lowest cost.
- Quality: identify how the tender will address various elements of the specification and the skills and experience of the supplier.

Once the tender evaluation is completed and a preferred bidder is identified, Cambridge City Council would inform all bidders at the same time through the portal.

²⁶ Cambridge City Council, Procurement and Contracts [available at: <https://www.cambridge.gov.uk/procurement-and-contracts#:~:text=Guided%20by%20our%20procurement%20strategy,the%20needs%20of%20the%20community>]

²⁷ Cambridge City Council, How we evaluate tender submissions, [available at: <https://www.cambridge.gov.uk/how-we-evaluate-tender-submissions#:~:text=All%20submissions%20will%20be%20reviewed,provide%20the%20greatest%20economic%20advantage.>]

5.4.2 The Cambridge Investment Partnership (CIP)

Cambridge City Council is experienced in delivering schemes through a JV structure as they already have a strong track record of a successful JV partnership. In January 2017 Cambridge City Council established a mechanism for the development and delivery of sites: a joint venture (JV) partnership called the Cambridge Investment Partnership (CIP). The CIP agreement is an equal 50:50 Limited Liability Partnership (LLP) between Cambridge City Council and Hill Investment Partnerships on a 20-year member's agreement. In the Members Agreement²⁸, there are four agreed objectives of CIP that must be met:

- Investment in the development of land to create successful new places that meet both the financial objectives (primarily a revenue return) and social objectives of the Cambridge City Council (particularly housing that is affordable and is needed locally), provided always that the individual sites may be developed to meet either financial or social objectives;
- Improve the use of Council assets and those of other Public Sector Bodies in the Cambridge, or Cambridge wide, area;
- Maximise financial return through enhanced asset value;
- Provide a return to the Investment Partners commensurate to their investment and the level of risk in respect to such investment.

CIP aims to meet the Council's key objectives in line with planning policy. As a result, CIP became the main vehicle to support addressing the housing shortage across Cambridge by building high-quality, brand-new council homes and market sale homes.

The principle of the agreement underpinning the partnership is that both partners will share any development risk and uplift from a scheme equally²⁹. Each partner shares the profits in proportion to the value of their input³⁰. For the Council, benefits include a capital receipt for the land as well as a portion of the profits which is highly beneficial in a time of economic constraint. As well as the financial benefits, the Council benefit from Hill's expertise and resource. CIP also provides early scheme appraisals to bring forward new opportunities as well as commercial input in finding sites and mixed tenure developments. This has supported the ability for the Council to deliver schemes at an accelerated pace. To date, there has been a strong track record of supporting the delivery of the 'devolution 500' programme in Cambridge³¹. The 500 programme would not have been delivered at the pace it did without CIP. Based on the success of the 500 programme, a new programme was

²⁸ Cambridge City Council, Agreement Relating to Cambridge City Partnership LLP 2019

²⁹ HSC Report on Development Programme 2021

³⁰ Cambridge City Council, Cambridge Investment Partnership (CIP) Land Transactions 2017 Document [available at: <https://democracy.cambridge.gov.uk/documents/b11083/Cambridge%20Investment%20Partnership%20CIP%20Land%20Transactions%2009th-Oct-2017%2017.00%20Strategy%20and%20Resource.pdf?T=9>]

³¹ HSC Report on Development Programme 2021

announced in 2021 to deliver an additional 1,000 council homes³². Through completing several projects in the Cambridge area via CIP, there is an ability to have ongoing learning and development within the partnership and Cambridge City Council can maintain satisfactory levels of control to ensure value for money and the delivery of high-quality developments.

5.5 Stage 2b – Commercial Delivery Model for Option 4 (house-led)

This section confirms the preferred commercial delivery model for Option 4 (house-led) and how the delivery model works in terms of processes.

It is assumed, given the option has redevelopment elements, the same principles as Stage 2 can be applied. The scheme could be delivered through a joint venture (JV) partnership with a development partner. In this instance it is assumed Cambridge City Council would procure a developer to form a JV partnership to deliver the development elements of the scheme. Additionally, as the south houses will be retained in this option, it is assumed the refurbishment work of the south council houses will be refurbished by contractors procured through a tendering process by the Council.

Section 5.4 relating to procurement and the Cambridge Investment Partnership are applicable to Option 4. The procurement of the development partner and contractors would be done via standard practice in alignment with Public Contract Regulations and EU Compliance. The Cambridge Investment Partnership (CIP) could also be an option for the delivery for Option 4.

5.6 Conclusion

The Commercial Case outlines the commercial arrangements to support the delivery of the evaluated options.

In Stage 2, it was agreed the assumed commercial delivery routes were as follows:

- Option 1: Refurbishment – Cambridge City Council self-delivers via contractors
- Option 2: Partial Redevelopment – a blended mix of using a developer for the redevelopment and contractors for the refurbishment work
- Option 3: Full Redevelopment – A JV partnership

In Stage 2b, it has been assumed the commercial delivery model for Option 4 (house-led) is a blend of a developer for the redevelopment elements alongside contractors for the refurbishment work.

All of the delivery options would provide the Council with an acceptable level of control over delivery and timings whilst ensuring the Council's vision and Critical Success Factors are suitably met. By maintaining satisfactory control and leveraging resources and expertise, delivery can be executed effectively to result in a successful transformation of the estate.

³² HSC Report on Development Programme 2021

The Council has the capacity in-house to manage and deliver projects using contractors. This commercial process can be used to deliver the refurbishment works as a competitive market process can be undertaken to ensure Council vision fulfilment, local economic spending, and value for money. The outcome is the procurement of a suitable contractor with the correct knowledge and experience to support the Council in delivering a project that meets their requirements.

While it is important to develop in-house expertise, the ability to deliver redevelopment work of this scale and nature within the Council requires the support of a development partner through a joint venture partnership. This would enable the Council to manage and share the risk and reward while benefitting from the developer's expertise and delivering a scheme aligned with their objectives.

The Council already has an established joint venture partnership set up which could be used to deliver the scheme. The Cambridge Investment Partnership supports the delivery of new council and market homes in Cambridge. The 50:50 Limited Liability Partnership is a 20-year partnership with Hill Partnerships. Hill are a well-established developer who already has a track record of delivering high quality developments that align with the requirements of the Council and delivered at an accelerated pace, to a high quality and design standard.

6 THE FINANCIAL CASE

6.1 Introduction

The Financial Case incorporates a detailed set of market development appraisals aligned with a set of agreed assumptions. The purpose of this case is to build upon the work conducted in Stage 1 and 2. The content of this case has been prepared specifically to support feasibility discussions by producing a residual deficit/surplus for each option. A cost per unit has also been calculated along with a comparison with the base case which in this instance is Option 1 (refurbishment) as this is the minimum the Council must do to address the issues on the estate. All development appraisals (Appendices C-G) were carried out by the JLL Affordable Housing Team.

All RICS members inputting into this financial assessment have acted objectively, impartially, without interference and with reference to all appropriate available sources of information. Furthermore, in preparing this report, no performance related or contingent fees have been agreed.

The calculations in this case do not comprise a valuation and therefore has not been produced in accordance with the RICS Valuation Standards – Global Standards 2022 or the RICS Valuation – Global Standards 2022 – UK national supplement (The RICS Red Book UK National Supplement): effective 22 January 2022. The advice contained in this case cannot be used for purposes other than those mentioned, including loan security purposes and may not be used or duplicated without the prior written consent of JLL.

Firstly, this case will present the full financial analysis from Stage 2 for Options 1 to 3, after which it will examine the new house-led option.

6.2 Stage 2 – Approach and Rationale

We have considered, in an open book format, the financial feasibility of:

- Option 1: Refurbishment of the existing Council housing

The proposed refurbishment scenario comprises the refurbishment of all leasehold and tenanted flats and houses. Whilst the estate houses 122 properties, the 11 freehold houses are assumed not to take part in the refurbishment. As such the remaining 111 properties will be refurbished with the existing 98x Social Rented units would be retained as per their current tenure with 13x leasehold interests acquired to facilitate the refurbishment of the flat and maisonette blocks and sold once refurbished.

- Option 2: Partial Redevelopment and refurbishment of the estate (also referred to as hybrid) –

This option involves the redevelopment of the majority of the estate to provide 153x newbuild apartments with the retention 24x existing houses, of which 14x Council houses will be refurbished.

- Option 3: Full redevelopment of the estate – including the re-provision of existing Social Rented affordable housing.

The two development led options have been appraised on both a market led and 100% affordable housing basis:

- With respect to the market led partial redevelopment option, it is assumed that the existing 98x Social Rented homes would need to be re-provided equating to approximately 58% of the scheme. In the 100% affordable housing option the 98x units would be re-provided with the additional private units converted to Affordable Rent. We have assumed that the retained houses would remain in their current tenure with only the Council houses refurbished:

	Market Appraisal			100% AH Appraisal		
	Phase 1	Phase 2	Refurb	Phase 1	Phase 2	Refurb
Social Rented	36	48		36	48	
Affordable Rented				57	12	
Private	57	12				
Refurbished Houses			14			14
Total	93	60	14	93	60	14

- With respect to the market led, full redevelopment option, it is assumed that the existing 98x Social Rented homes would need to be re-provided equating to approximately 42% of the scheme. In the 100% affordable housing option the 98x units would be re-provided with the additional private units converted to Affordable Rent.

	Market Appraisal		100% AH Appraisal	
	Phase 1	Phase 2	Phase 1	Phase 2
Social Rented	62	36	62	36
Affordable Rented			60	78
Private	60	78		

	Market Appraisal		100% AH Appraisal	
Total	122	114	122	114

Costs, values, and timescales associated with the delivery of the scenarios have been considered in detail and supported by specialist input from third party consultants where appropriate. Values and costs are current day and non-inflationary. The development appraisals have been modelled using recognised development appraisal software – Argus Developer. We have undertaken an appraisal for each scenario to demonstrate the residual surplus or less each scenario achieves.

For applicable options, the appraisals also factor in grant funding where available. A detailed development appraisal was deemed appropriate for this analysis as we are conducting a detailed assessment that comprehensively evaluates the shortlisted options from a strategic, economic, financial, commercial and management perspective. A separate viability study will need to be conducted by the Council/CIP.

For each scenario the following steps were conducted:

- Determine the number of units provided by each option
- Assume tenure split of completed units
- Calculate the residual value and timings of revenue
- Determine the level of grant funding available
- Estimate conceptual development costs and timings
- Calculate decant and land acquisition costs for the affected units
- Determine associated disposal costs, fees and finance

For full details of the development appraisals conducted to support this case, please refer to Appendices C-G of this paper. The final report can be found in Appendix I.

6.3 Stage 2 – Values and Assumptions

To determine the values of the building types post redevelopment/refurbishment, the JLL Building Consultancy team have spoken to a number of local agents who know the Ekin Road surrounding area well, and who have described the location as ‘run-down’ and ‘desperately in need of regeneration’. In addition, there is limited achieved data for new build properties in the wider area, with the exception of Knight’s Park. As such second-hand stock in the local area and local agents’ opinions have been relied upon.

6.3.1 New Build Private Values

	Value per unit type	£psf
Flats		
1 beds*	£310,000	£561 psf
2 beds	£390,000	£507 psf
3 beds	£465,000	£495 psf
Houses		
3 beds	£500,000	£489 psf
4 beds	£565,000	£409 psf

**the 1 bed value has been adopted on the assumption these units will not benefit from a parking space.*

At the time of calculating these values, the team was not provided with detailed floor plans for the proposed units so average values per unit type has been applied.

Based on the assumptions above, the private sales revenue for Option 3 (full) is summarised below:

Beds	Type	£/unit	No. of units Phase 1	Total Phase 1 Revenue	No. of units Phase 2	Total Phase 2 Revenue
1	Flat	£310,000	18	£5,580,000	25	£7,750,000
2	Flat	£390,000	28	£10,920,000	24	£9,360,000
3	Flat	£465,000	0	£0	10	£4,650,000
3	House	£500,000	10	£5,000,000	12	£6,000,000
4	House	£565,000	4	£2,260,000	7	£3,955,000
Sub-total			60	£23,760,000	78	£31,715,000
Total			138		£55,475,000	

Based on the assumptions, the private sales revenue for Option 2 (partial) is summarised below:

Beds	Type	£/unit	No Phase 1	Total Phase 1	No Phase 2	Total Phase 2
1	Flat	£310,000	24	£7,440,000	0	£0
2	Flat	£375,000	23	£8,625,000	0	£0
3	Flat	£450,000	3	£1,350,000	0	£0
3	House	£500,000	4	£2,000,000	9	£4,500,000
4	House	£565,000	3	£1,695,000	3	£1,695,000
	Parking (Flats)	£15,000	18	£270,000	0	£0
	Extra Parking (Houses)	£20,000	2	£40,000	0	£0
Sub Total			57	£21,420,000	12	£6,195,000
Total			69	£27,615,000		

6.3.2 Refurbished Private Values

It has been assumed to deliver Option 1: Refurbishment, it will be necessary to acquire 13 leasehold interests to allow the blocks and units in which they reside to be refurbished. Once refurbished the units will be sold on the open market or offered back to the market value to the leaseholders.

These properties will be of a higher standard compared to the existing stock, but they do not comprise new build properties so adjustments to values have been made. A 30% discount to the above unit values has been applied to deliver an aggregate value of £3,082,857.

6.3.3 Existing Refurbished Social Rent Values

The JLL Affordable Housing and Building Consultancy team have prepared a package price assessment of the existing refurbished rental properties on the basis of Existing Use Social Housing (EUV-SH). A valuation of the portfolio using fully explicit discounted cashflow models, over a 50-year period, with the net income in the final year capitalised into perpetuity was conducted.

The assumptions taken for this valuation are as follows:

	Assumption
Rental value (average one bed pw)	£106.49

	Assumption
Rental value (average two bed pw)	£123.63
Rental value (average three bed pw)	£137.51
Discount Rate Income	6.0% (excluding flats) 6.5% (flats only)
Management costs	£550
Management cost growth inflator	0.5%
Day to day costs	£350
Planned & Cyclical costs (98x units)	£5,515
Planned & Cyclical costs (14x houses)	£3,905
Rental income growth (All years real)	1.0%
Bad debts and voids (% of gross income)	2.5%

Based upon these assumptions we have arrived at the following package prices:

- Option 2: Partial Redevelopment / Partial Refurb (Houses) - £1,250,000 equating to circa £89,000 per unit
- Option 3: Full Refurbishment (All) – £3,970,000 equating to circa £34,000 per unit

6.3.4 New Build Social Rent Values

A valuation of the proposed affordable housing using the DCF model was conducted to arrive at a 'package price' equating to the amount a Registered Provider would pay a developer for the delivery of the Social Rent units. A formula set out by Homes England was used which applies a 70% weighting to relative average county annual earnings and a 30% weighting to relative capital values (EUUV, as at January 1999), with an adjustment factor for the number of bedrooms in the respective properties.

In order to assess the social rent values, we have opined average unrestricted market values for the Social Rent units, assuming they are delivered to a lower level of specification than the private units.

The assumptions used for the calculations of values were as follows:

	Social Rent
Target Rent (per week)	1 Bed flat: £117

Social Rent	
	2 Bed flat: £134
	3 Bed flat: £155
	3 Bed house: £159
	4 Bed house: £177
Management, major repairs, and maintenance (pcm)	£1,500
Voids and Bad debts (%)	2%
Rental income growth (All years real)	1.0%
Discount Rate (%)	5.25%

Based on these assumptions the following new build social rent values were calculated:

	Option 3 (Full)		Option 2 (Partial)	
	Market	100% AH	Market	100% AH
Phase 1	£7,995,000	£7,995,000	£4,155,000	£4,155,000
Phase 2	£5,045,000	£5,045,000	£6,415,000	£6,415,000
Total	£13,040,000	£13,040,000	£10,570,000	£10,570,000

The above averages to approximately £184 psf or £133,000 per unit which the teams consider commensurate with the level of value of similar affordable housing offerings.

6.3.5 Affordable Rent Values

For options 2 and 3, there is a scenario with 100% affordable housing provision. In this instance, the private tenure units become Affordable Rent units set at 80% Market Rent.

A valuation of the proposed affordable housing using the DCF model to arrive at a 'package price' equating to the amount a Registered Provider would pay a developer for the delivery of the additional affordable units (excluding grant) was conducted.

In order to assess the capital values, we have opined average unrestricted market rental values for the Affordable Rent units, assuming they are delivered to a similar level of specification to the private units.

The valuation assumptions are detailed below:

Assumptions	
Affordable Rent (per week)	1 Bed flat: £249
	2 Bed flat: £277
	3 Bed flat: £323
	3 Bed house: £351
	4 Bed house: £406
Service Charge	£2.50 psf
Management, major repairs, and maintenance	£1,500
Voids and Bad debts (%)	3.00%
Discount Rate (%)	5.5%

It was also assumed all affordable rent units are unrestricted by tenure and are delivered to a lower level of specification than the private units.

Based on these assumptions the following values were determined:

	Option 2 (Partial)		Option 3 (Full)	
	Market	100% AH	Market	100% AH
Phase 1	N/A	£13,970,000	N/A	£15,970,000
Phase 2	N/A	£3,850,000	N/A	£21,345,000
Total	£0	£17,820,000	£0	£37,315,000

The above averages to approximately £328 psf or £266,000 per unit which the teams consider commensurate with the level of value of similar affordable housing offerings.

6.3.6 Other Assumptions: Car Parking

Based on the following information from BPTW or the car parking allowance on the estate:

Unit Type	Option 2 (Partial)	Option 3 (Full)
Houses	25 spaces (1 per house)	39 spaces (1 per house)
Flats	55 spaces	84 spaces

The following explicit assumptions regarding the parking provision, have been made:

- All houses have one allocated space;
- All three bed flats have one allocated space;
- 52 x 2B4P flats have one allocated space; and
- 3 x 2B3P wheelchair accessible units have one allocated space.

6.3.7 Construction Costs

A cost plan for the refurbishment and new build construction costs for each scenario where relevant. All costs provided are inclusive of contractors OHP/Margin, preliminaries and, in relation to refurbishment, VAT. Allowances for contingency and professional fees have been made.

Summaries of the totals (exclusive of contingency and professional fees) can be found below:

	Refurbishment Costs	New Build Costs	Total
Option 1 (Refurbishment)	£16,989,894 (£195 psf)	N/A	£16,989,894
Option 2 (Partial Redevelopment)	£2,896,885 (£156 psf)	£44,690,000 (£298 psf)	£47,586,885
Option 3 (Full Redevelopment)	N/A	£66,520,000 (£285 psf)	£66,520,000

6.4 Stage 2 – Contingency

A 5% contingency across the new build construction costs and a 10% contingency for the refurbishment costs has been adopted. A higher contingency for refurbishment costs was adopted to reflect a higher degree of uncertainty.

6.5 Stage 2 – Professional Fees

It is normal to see professional fees in the order of 8% to 12% of the net construction costs with the adopted percentage depending upon the type of project, site, scale and complexity of the proposals. A 10% fee for all refurbishment costs has been applied, and 7% fees have been applied to the new build elements reflecting the inclusion of 3% novated fees within the new build costs themselves. No novated fees have been included in the refurbishment costs.

6.6 Stage 2 – Appraisal Assumptions

The following assumptions have been applied to all development appraisals. The assumptions are based on available information, market conditions and professional judgement at the time of the appraisal.

Cost	Assumption
Acquisition Cost	Notional land cost of £1 No other allowances
Planning Contributions	No CIL* S106 Contributions: £3,750 per unit above the existing 122 units: <ul style="list-style-type: none"> ○ Refurbishment: £0 ○ Redevelopment: £435,000 ○ Partial: £116,450
Decant Costs	Home loss Payment: £8,100 per Council tenant Decant Payment: £1,250 per Council tenant Assumed 20% of tenants will return and require a double decanting payment Assumed these costs are paid over 6 months prior to construction for redevelopment Assumed these costs are paid on a rolling basis for refurbishment
Buy Back Costs	1 Bed Flat: £215,000 2 Bed Flat: £280,000 3 Bed House: £402,000 4 Bed House: £467,000 10% home loss, 5% disturbance and 1% legal and valuation fees have been assumed Assumed these costs are paid 6 months prior to construction of each new build phase
Marketing Costs	1% for private units

Cost	Assumption
Disposal Costs	Private Sale Agent: 2%
	Affordable Sales Agent: 1%
	Private Sales Legal: £1,000 per unit
	Affordable Sales Legal: 0.5%
Finance	7% on a notional 100% debt basis
Developer return/profit requirement	Not included

*we understand CIL is not currently adopted within Cambridge City Council's jurisdiction so allowances have not been made for these costs in either options 2 or 3.

6.7 Stage 2 – Funding

The shortlisted options all require significant capital investment to successfully deliver them. Some funding options are available, but this will depend on the level of affordable housing in the scheme, the delivery route and availability of funding. A combination of grant funding and direct council investment has been assumed.

6.7.1 Direct Council Investment

- HRA Resources

HRA (Housing Revenue Account) Resources direct from the Council can be used to fund redevelopment work. A part of the HRA resources is Right to Buy Receipts. Councils hold Right to Buy receipts under the retention agreement with the Department for Levelling Up, Housing and Communities (DLUHC) which must be spent within 5 years of their original receipt date. The receipts can be used to fund a maximum of 40% of the cost of any new affordable unit. The use of Right to Buy receipts has been considered which could provide significantly more funding than Homes England grant. We understand that while this could be applied to the scheme, projected RTB funds have already been allocated to other developments in the City and therefore we have discounted this for the purposes of our assessment.

6.7.2 Grant Funding

- Homes England

The Council should liaise and prepare bids where appropriate to submit when funding streams/grants become available particularly around affordable housing.

A 100% affordable housing provision should be eligible to Homes England grant, applicable to both the additional Affordable Rented and replacement Social Rented units. We have been advised of the likely grant rates by Cambridge which accords with our expectation.

The expected revenue for both scenarios is summarised below:

	Option 2 (Partial)		Option 3 (Full)	
	Phase 1	Phase 2	Phase 1	Phase 2
Social Rent Unit No	36	48	62	36
Grant @ £95k /un	£3,420,000	£4,560,000	£5,890,000	£3,420,000
Aff Rent Unit No	56	13	60	108
Grant @ £60k /un	£3,640,000	£845,000	£3,900,000	£7,020,000
Sub-Total	£7,060,000	£5,405,000	£9,790,000	£10,440,000
Total Grant	£12,465,000		£20,230,000	

Based upon Homes England guidance we have assumed the following funding profile for each phase:

- 40% on notional site acquisition
- 35% start of construction
- 25% on practical completion

However, Homes England Grant funding cannot be granted until planning permission is secured, therefore the Council is actively bidding through continuous market engagement with Homes England to support securing funding.

• **Other Grant Funding**

Other grant funding could be used to support funding the refurbishment work. However, the availability of applicable funding varies depending on the time so therefore it is not guaranteed grant funding can be secured. Given this grant funding is not currently known, it has not been factored into the calculations.

6.8 Stage 2 – Results

After conducting individual development appraisals on each scenario for the three shortlisted options, a summary of the results and input is provided below:

Appraisal Inputs	Inputs	Option 2				
		Option 1 (Refurbishment)	Partial Dev - Market Led	Partial Dev - 100% Affordable	Full Dev - Market Led	Full Dev - 100% Affordable
Unit Numbers	Private	13	69	167	138	236
	Affordable	98	98	0	98	0
	Total	111	167	167	236	236
Revenue						
Private Sales	1 Bed Flat - £310,000					
	2 Bed Flat - £390,000					
	3 Bed Flat - £465,000	£3,082,857	£27,615,000	£0	£55,475,000	£0
	3 Bed House - £500,000					
	4 Bed House - £565,000					
Affordable Housing	Social Rent - £184psf / £133k per un					
	Aff. Rent - £327 psf / £266k per un Existing Refurb (All) - £34k/unit Existing Refurb (Houses) - £89k/unit	£3,352,000	£10,570,000	£29,640,000	£13,040,000	£50,355,000
Grant	£95,000 per Social Rent unit £60,000 per Affordable Rent unit	£0	£0	£12,465,000	£0	£20,230,000
Total Revenue		£6,434,857	£38,185,000	£42,105,000	£68,515,000	£70,585,000
Costs						
Fixed Cost	Land Notional Price	-£1	-£1	-£1	-£1	-£1
Decant + Buy Back Costs	Home loss (Tenant) - £8,100/un					
	Decant Disbursements - £1,250/un Buy Backs - £215k to £467k per unit Home loss (Owner) - 10% Disturbance - 5% Legals / Valuation - 1%	-£4,784,800	-£5,575,920	-£5,575,920	-£9,912,520	-£9,912,520

Appraisal Inputs	Inputs	Option 1 (Refurbishment)	Option 2		Option 3	
			Partial Dev - Market Led	Partial Dev - 100% Affordable	Full Dev - Market Led	Full Dev - 100% Affordable
Construction Costs	Equating to: Refurb - £195 psf GIA Full Development - £285 psf GIA Hybrid - £283 psf GIA	-£16,989,894	-£47,586,885	-£47,586,885	-£66,520,000	-£66,520,000
Contingency	5% (on construction) 10% (on refurbishment)	-£1,698,989	-£2,524,188	-£2,524,188	-£3,326,000	-£3,326,000
Professional Fees	7% (on construction costs) 10% (on refurbishment)	-£1,868,888	-£3,603,372	-£3,603,372	-£4,889,220	-£4,889,220
Financial Contributions	S.106 (£3,750 per additional unit)	£0	-£116,450	-£116,450	-£435,000	-£435,000
Disposal Costs	Marketing – 1% Sales Agents – 2% Sales Legals – £800-£1500 per unit Affordable Agents – 1% Affordable Legal – 0.5%	-£162,266	-£1,074,750	-£444,600	-£1,997,850	-£755,325
Finance	Debit Rate (100%) – 7.00%	-£2,295,192	-£4,718,100	-£1,455,081	-£8,086,611	-£810,481
Total Cost		-£27,800,030	-£65,199,666	-£61,306,497	-£95,167,202	-£86,648,547
Deficit / Surplus		-£21,365,171	-£25,764,667	-£19,201,497	-£26,652,202	-£16,063,546
Difference to Base case		[Base case]	-£4,399,496	£2,163,674	-£5,287,031	£5,301,625
Cost per AH unit		-£218,012	-£262,905	-£114,979	-£271,961	-£68,066
Cost per extra AH unit		N/A	N/A	-£278,283	N/A	-£116,403

6.9 Stage 2b – Approach and Rationale

We have considered, in an open book format, the financial feasibility of:

- Option 4 (house-led):

The proposed option comprises the retention of 14 existing family houses at the Southern boundary of the site and the demolition and redevelopment of the remaining estate. 131 new

build flats, maisonettes and houses are to be provided, weighted towards larger family houses (75%). Including the existing homes a total of 145 homes will be provided at Ekin Road, of which 77% will be larger homes. Of the existing houses being retained, the 7 Council owned homes will be refurbished with the 7 freehold houses remaining in private ownership. It is assumed that these units would not take part in the redevelopment or refurbishment.

The proposed new build units are summarised below:

Type	No.
1b2p Flat	13
2b4p Flat	8
2b4p Maisonette	6
3b5p Maisonette	6
3b5p House	44
3B6P House	28
4B6P House	3
4B7P House	23
	131

Within this, we have been advised that the existing social rent units will be re-provided on a habitable room basis, totalling 64 units overall. The table below summarises this provision.

Unit	Number	Habitable Rooms
1b2p Flat	13	26
2b4p Flat	8	32
2b4p Maisonette	6	24
3b5p Maisonette	6	30
3b5p House	22	110
3B6P House	2	10
4B6P House	3	18
4B7P House	4	24
Total	64	274

Therefore, the remaining 67 units will be private tenure as detailed below.

Unit	Number
3b5p House	22
3B6P House	26
4B6P House	0
4B7P House	19

We have used the same approach as Stage 2 whereby development appraisals have been modelled using recognised development appraisal software – Argus Developer, to demonstrate the residual surplus or less that Option 4 achieves.

For full details of the development appraisals, please refer to Appendix AM. The final report can be found in Appendix AN.

6.10 Stage 2b – Values and Assumptions

6.10.1 New Build Private Values

We have not been provided with detailed floor plans for the proposed units. As such, we have established an average value per unit type. We summarise these values below:

	Value per unit type	£psf
Flats		
1 beds	£310,000	£522 psf
2 beds	£375,000	£462 psf
Maisonettes		
2 beds	£390,000	£430
3 beds	£460,000	£411
Houses		
3 beds**	£455,000 - £525,000	£411-£451psf
4 beds	£535,000 - £605,000	£413 psf

* A number of the affordable 3 bedroom houses are also assumed not to benefit from a parking space

Values above are reflective of assumed parking allocations. Houses with an integral garage have a premium of £25,000 applied and a £40,000 premium for those with a separate garage.

Due to the location being over 2 miles from Cambridge City Centre, agents stressed the importance of parking spaces available at the scheme, and also noted the uplift in value if the scheme is to have allocated off-road parking and/or garages. Additionally, agents commented that should the private units not benefit from parking then there would likely be a sizeable reduction in the achievable sales values and rate of sale.

For comparable evidence please refer to our full report dated February 2024

6.10.2 Refurbished Social

Please refer to our main report dated February 2024 for our full methodology. We have adopted the unit values above but made adjustments for specification. We provide a full summary of our assumptions below:

Rental value (average three bed pw)	£131.33
Discount Rate Income	6.0%
Management costs	£550
Management cost growth inflator	0.5%
Day to day costs	£350
Planned & Cyclical costs (14x houses)	£3,905
Rental income growth (All years real)	1.0%
Bad debts and voids (% of gross income)	2.5%

Based upon these assumptions we have arrived at £640,000 equating to approximately £80,000 per unit.

6.10.3 New Build Social Rent Values

Please refer to our main report dated February 2024 for our full methodology.

We provide a full summary of our assumptions below:

Social Rent	
Target Rent (per week)	1 Bed flat: £116

Social Rent	
	2 Bed flat/maisonette: £133/£136
	3 Bed maisonette: £155
	3 Bed house: £158
	4 Bed house: £179
Management, major repairs, and maintenance (pcm)	£1,500
Voids and Bad debts (%)	2%
Rental income growth (All years real)	1.0%
Discount Rate (%)	5%

Based upon these assumptions we have arrived at a package price of £9,760,000, equating to £163 psf and circa £152,500 per unit.

6.10.4 Other Assumptions

We understand that 103 parking spaces will be available. Of these 'spaces' 33 comprise garages or off-street parking. We have been advised to assume 10% visitor parking will be provided from the on-street parking spaces. The remainder will be allocated to the private and affordable housing. The table below details the proposed parking:

Parking Spaces	
57	On street to be allocated
13	Visitors
33	Garages / off street
103	Total Spaces

A number of Private units have the benefit of a garage or off-street parking. We have been advised to assume that the remaining units have the benefit of one allocated on-street parking space. We summarise the split below:

Private		
No	Type	Parking
21	Houses	Garages / Off street

Private		
46	Houses	On street space
67	Units	

With respect to the affordable housing 5 dwellings have a garage. We have assumed that the 11 remaining on-street parking spaces would be allocated to the houses. We summarise the split assumed below:

Affordable		
No	Type	Parking
21	Flats	None
12	Maisonettes	None
5	Houses	Garage
11	Houses	Allocated space
15	Houses	None
64	Units	

25% of affordable units therefore benefit from a parking space or a garage.

6.10.5 Stage 2b – Construction Costs

We have been provided with construction costs for Option 4.

All costs provided are inclusive of contractors OHP/Margin, preliminaries, sustainability improvements, novated fees (new build only) and, in relation to refurbishment, VAT. We have made our own allowances for contingency and professional fees (see below).

We summarise the totals (exclusive of contingency and developer professional fees) below:

Option 4 (House-led)	
Refurbishment Costs	£1,691,517
New Build Costs	£44,056,000
Total	£45,747,517

A copy of the construction cost plan is included at Appendix 6.

6.11 Stage 2b – Contingency

We have adopted a 5% contingency across the new build construction costs and a 10% contingency for the refurbishment costs to reflect a higher degree of uncertainty.

6.12 Stage 2b – Professional Fees

We would normally expect to see total professional fees in the order of 8% to 12% of the net construction costs with the adopted percentage depending upon the type of project, site, scale and complexity of the proposals. We have applied a 10% fee for all refurbishment costs. As the redevelopment now comprises a housing led scheme we have applied 5% professional fees to the new build elements reflecting the inclusion of 3% novated fees within the new build costs themselves. No novated fees have been included in the refurbishment costs.

6.13 Stage 2b – Appraisal Assumptions

The following assumptions have been applied to the development appraisal in line with the assumption used in Stage 2:

Cost	Assumption
Acquisition Cost	Notional land cost of £1
	No other allowances
Planning Contributions	No CIL*
	S106 Contributions: £3,750 per unit above the existing 122 units.
Decant Costs	Home loss Payment: £8,100 per Council tenant
	Decant Payment: £1,250 per Council tenant
	Assumed 20% of tenants will return and require a double decanting payment
	Assumed these costs are paid over 6 months prior to construction for redevelopment
Buy Back Costs	Assumed these costs are paid on a rolling basis for refurbishment
	1 Bed Flat: £215,000
	2 Bed Flat: £280,000
	3 Bed House: £402,000
	4 Bed House: £467,000

Cost	Assumption
	10% home loss, 5% disturbance and 1% legal and valuation fees have been assumed
	Assumed these costs are paid 6 months prior to construction of each new build phase
Marketing Costs	1% for private units
	Private Sale Agent: 2%
	Affordable Sales Agent: 1%
Disposal Costs	Private Sales Legal: £1,000 per unit
	Affordable Sales Legal: 0.5%
Finance	7% on a notional 100% debt basis
Developer return/profit requirement	Not included

6.14 Stage 2b – Results

We have undertaken a development appraisal using Argus Developer to test the financial viability of Option 4. This is then compared to the Base case of a full refurbishment as detailed in our February 2024 report. Additionally, a summarised breakdown is provided below:

Appraisal Inputs	Inputs	Amount
Revenue		
Open Market	<ul style="list-style-type: none"> 3 Bed House: £500,000-£525,000 4 Bed House: £565,000-£605,000 	£35,465,000
Affordable (New)	Social Rent - £163psf / £152k per un	£9,760,000
Affordable (Refurbished)	Existing Refurb (Houses) - £80k/unit	£640,000
Costs		
Acquisition Costs	Nominal	-£1
Decant & Buy Back Costs	Homeloss (Tenant) - £8,100/un Decant Disbursements - £1,250/un Buy Backs - £215k to £467k per unit Homeloss (Owner) – 10% Disturbance – 5% Legals / Valuation – 1%	-£7,818,336

Appraisal Inputs	Inputs	Amount
Construction Costs	Equating to £288 psf / £366k per unit	-£44,060,000
Refurbishment Costs	Equating to £241k per unit	-£1,691,517
Contingency	5% (on construction costs) 10% (on refurbishment)	-£2,372,152
Professional Fees	5% (on construction costs) 10% (on refurbishment)	-£ 2,313,150
Disposal Costs	Marketing – 1% Private sales agents – 2% Affordable sales agents- 1% Sales Legal – 0.5% (Affordable) and £1,000 per unit (Private)	-£1,277,350
Financial Planning Contributions	S106 (£3,750 per additional unit)	-£33,750
Finance	7% Debit Rate	-£2,612,846
Deficit / Surplus		-£16,314,102
Difference to Basecase		£5,051,069
Cost per AH unit		-£254,908

6.15 Conclusion

The Financial Case has assessed the financial viability of the options.

- **Stage 2**

In Stage 2, the three shortlisted options were evaluated, and a high-level summary of each appraisal can be found in the table below which demonstrates the residual surplus or less each scenario achieves. The surplus/deficit that can be achieved reflects the financial outcome of each scenario, highlighting the potential financial viability or shortfall associated with each option.

Appraisal Inputs	Option 1:	Option 2:		Option 3:	
	Refurbishment	Partial Dev - Market Led	Partial Dev - 100% Affordable	Full Dev - Market Led	Full Dev - 100% Affordable
Revenue	£6,434,857	£38,185,000	£42,105,000	£68,515,000	£70,585,000
Costs	-£27,800,030	-£52,236,456	-£49,051,377	-£95,167,202	-£86,648,547
=					
Surplus / Deficit	-£21,365,171	-£25,764,667	-£19,201,497	-£26,652,202	-£16,063,546
Difference to Base case	[Base case]	-£4,399,496	£2,163,674	-£5,287,031	£5,301,625
Cost per AH unit	-£218,012	-£262,905	-£114,979	-£271,961	-£68,066
Cost extra per AH unit	N/A	N/A	-£278,283	N/A	-£116,403

Each of the development options assessed results in a loss. The best, or least worst, performing option is Option 3 (full) with 100% affordable housing at -£16,063,546, with the partial 100% affordable housing closely following at -£19,201,497. Although the cost per unit is noticeably higher compared to refurbishment, these options have a lower deficit than its market equivalent and offer an attractive proposition to leverage access to grant funding to provide more units. The number of units provisioned on the estate can be maximised at a lower deficit.

Market led appraisal results are worse at -£26,652,202 and -£25,764,667 with Option 1 (refurbishment) sitting between these at -£21,365,171. We consider that this is due to the relatively low market values in comparison to construction costs and lack of grant funding for the existing 98x Social Rented units in this scenario. This suggests these options may pose a financial challenge for delivering affordable housing in the city.

Notwithstanding the above, a 'do nothing' scenario is not an option with the 'base case' scenario being the refurbishment of the existing estate at -£21,365,171. Consequently, a more appropriate barometer of financial performance is a comparison to this appraisal and the other options. The 100% affordable housing options results in improvements of £5,301,625 for Option 3 (full) and £2,163,674 for Option 2 (partial).

An alternative form of analysis is the cost in terms of affordable housing provision and additional provision over the existing 98x units. Option 3 (full) with 100% Affordable equates to -£116,403 per additional affordable unit and -£68,066 per affordable unit (including the 98x re-provided Social Rented units). By comparison the partial redevelopment options equates to -£262,905 and -£114,979 per unit respectively which is considerably more expensive. Therefore, from a financial perspective, Option 3 (full) with 100% affordable housing is the least-worst performing option to meet housing demands and the issue of affordability in Cambridge.

- **Stage 2b**

The assessment of Option 4 (house-led) has been undertaken to inform Cambridge City Council as to its expected financial performance. The proposed scheme results in a deficit of -£16,314,102. This compares to the base case scenario of refurbishing the existing properties which resulted in a deficit of -£21,365,171 (see February 2024 report). Accordingly, Option 4 (house-led) results in a £5,051,069 improvement in comparison to the base case.

7 THE MANAGEMENT CASE

7.2 Introduction

The Management Case aims to demonstrate the robust arrangements in place for the delivery, monitoring and evaluation of the options in order to show how each option could be delivered and managed in accordance with best practice. This will support in determining the capability of each option in being delivered successfully.

The Management Case is divided into two sections: Stage 2 and 2b. Firstly, the full evaluation from Stage 2 has been incorporated followed by new analysis of the management arrangements for the new house-led option in Stage 2b. The risks associated with the options have also been collated in both stages.

It has been assumed that the following sections from Stage 2 are applicable to Option 4 (house-led) in Stage 2b so do not require further analysis:

- Contract management: all laws, regulations and responsibilities outlined in Stage 2 are applicable to Option 4.
- Governance and project management: As with Options 2 and 3 in Stage 2, the house-led option is likely to require the same typical joint venture governance structure.
- Contingency Arrangements and Plans: Contingency allowances have been factored into all aspects of the illustrative financial and BCR models for Option 4.

7.3 Stage 2 – Deliverability

Any preferred option must be a well-considered deliverable project. To demonstrate the deliverability of each option, the following elements must be considered to facilitate their delivery.

7.3.1 Planning

In all shortlisted options it was assumed planning permission is required:

- **Option 1: Refurbishment**

It has been assumed planning consent would be required for elements on the outside of the buildings, such as the installation of PV panels, air source heat pumps, and external wall insulation. Any other external work such as roof replacement, and window replacement would also qualify to require planning permission. This can be delivered in a single package of repair works requiring the submission of a planning application.

- **Options 2 & 3: Partial and Full Redevelopment**

The approach to securing planning permission would be based on compliance with local and national requirements and early, continual involvement with the local planning authority regarding affordable housing, biodiversity, open space, flood, and water. Specifically relating to the provision of affordable housing, there is a need for a minimum of 40% of the buildings in new housing developments over a certain size to be classed as affordable. This includes the replacement of the current provision of affordable housing on an estate. In the case of the Ekin Road Estate, there is a minimum requirement of re-providing the 98 social rented units which equates to approximately 58% of the partial redevelopment scheme and 42% of the full scheme. This ensures a like-for-like replacement of social rented units. These figures form one of the scenarios for the partial and full redevelopment options. However, a 100% affordable housing scenario was also assessed which aligns with planning requirements. In this scenario, the 98 social rented units will be re-provided with the additional private units converted to Affordable Rent.

7.3.2 Phasing

As outlined in the Economic Case, we assessed the three shortlisted options in terms of their implementation method: a single or multi-phased delivery.

- **Option 1: Refurbishment**

A single phase through a rolling programme of works has been assumed as the implementation method for option 1. Buildings would be decanted and refurbished together which could allow some residents to be decanted in the estate depending on the timing within the programme. A rolling programme would enable greater control over the works and less disruption for residents. A detailed programme and timescales for refurbishment will be determined at a later stage.

- **Option 2: Partial Redevelopment**

The partial redevelopment option involves the redevelopment of the majority of the estate to provide 153 new build apartments while retaining the 24 existing houses, of which 14 are Council houses that will be refurbished. The houses to remain are the ones denoted under the grey lines below and include Odd Nos 1-23 Ekin Road, 33-59 Ekin Road, and 97-99 Ekin Road. It is assumed the retained houses excluding the freeholders will be refurbished on a rolling basis alongside ongoing construction and maintenance work conducted on the estate. It has been assumed the freehold houses will not take part in the refurbishment programme and therefore do not form part

of this option. Based on the Economic Case, it has been determined for Option 2 (partial), two phases will be required as shown below:



In alignment with the phased decant and demolition plan, construction will follow the same plan as shown in the estate map below:



In total, it has been assumed based on the phasing plans outlined, the following provision of tenure would be provided per phase. It has been assumed the retained houses will remain in their existing tenure.

	Market Appraisal		100% AH Appraisal		Refurbishment
	Phase 1	Phase 2	Phase 1	Phase 2	
Social Rented	36	48	36	48	-
Affordable Rented	-	-	57	12	-
Private	57	12	-	-	-

	Market Appraisal		100% AH Appraisal		Refurbishment
	Phase 1	Phase 2	Phase 1	Phase 2	
Refurbished Houses	-	-	-	-	14
Total	93	60	93	60	14

- **Option 3: Full Redevelopment**

The full redevelopment option involves the redevelopment of all buildings on the estate to provide 236 new build units. The proposed accommodation will be a mixture of flatted blocks containing one-, two- and three-bedroom flats, alongside three- and four-bedroom houses. Overall, 197 flats and 39 houses are proposed.

The delivery of the redevelopment would be done in two phases as shown in the phasing demolition plan below:



In alignment with the phasing demolition plan, the construction would be done in two phases as shown below:



The two development led options have been appraised on both a market led and 100% affordable housing basis. Local planning policy requires a provision of 40% affordable housing. With respect to the market led full redevelopment scenario it is assumed that the existing 98x Social Rented homes would need to be re-provided equating to approximately 42% of the scheme. In the 100% affordable housing scenario the 98x units would be re-provided with the additional private units converted to Affordable Rent. The split of units per phase and tenure is detailed below:

	Market Appraisal		100% AH Appraisal	
	Phase 1	Phase 2	Phase 1	Phase 2
Social Rented	62	36	62	36
Affordable Rented	-	-	60	78
Private	60	78	-	-
Total	122	114	122	114

7.3.3 Decanting

In all three shortlisted options it was assumed decanting is required due to the duration of the works.

- **Option 1: Refurbishment**

The refurbishment option would require a phased decant with a right to return for residents on the estate. A phased decanting involves groups of residents being decanted at different stage in line with the rolling programme of the refurbishment.

- The council tenants impacted by decanting would be prioritised for finding a new home on Homes Link. They will be able to select from Cambridge City Council’s existing house stock in the area. The Council recognise that moving home can be a disruptive and stressful experience so assistance throughout the process will be provided to ensure residents are supported and reassured. This aims to minimise the impacts of moving on residents’ health and wellbeing.
- For leaseholders, it is assumed the Council would purchase and refurbish the properties. Depending on the result of negotiations CPO proceedings may be required.
- It is assumed freeholders are excluded from the refurbishment work.

- **Option 2: Partial Redevelopment**

The partial redevelopment option would require decanting on a phased basis in alignment with the development phases and refurbishment programme:

- Council tenants in properties marked for redevelopment would be decanted in two phases in alignment with the construction phases. Like the refurbishment option, these tenants would be prioritised for finding new homes on Homes Link.
- Given the scale of the works we envisage the leasehold interests that are part of redevelopment would be purchased by the Council and depending on the result of negotiations CPO proceedings may be required.
- In relation to the retained houses, it is assumed that the freehold houses would not take part in the refurbishment and the Council tenants in the 14 retained houses will be decanted on a rolling basis to allow refurbishment work.

- **Option 3: Full Redevelopment**

For the full redevelopment option, all residents would be decanted in two phases in alignment with the two-phased demolition and construction plan. The Council has considerable experience working with tenant and leasehold households throughout the moving process. During the decant process, the Council aim to do what is best for each family based on their individual circumstances and needs.

- The Council will carry out a needs assessment for all Council tenants. Tenants are given the highest banding on the Home-link choice-based lettings system and support is provided to register and access the system on an ongoing basis. Tenants are able to bid on properties of their choosing and there is no limit as to how many properties are viewed. Council tenants are able to choose from the available housing stock meaning it could be possible for a household to stay close to schools, GPs, and other amenities. Financial assistance is provided with an initial payment of £1,250 to help with moving costs or the Council can make arrangements on the tenant's behalf, particularly if they are more vulnerable. A further statutory compensation payment is payable of £7,800. Special consideration is given to those tenants who require adapted properties, and these will be arranged in advance of a tenant moving, with full involvement of an OT and social care where applicable. To reduce the stress of moving, additional support can be provided in terms of helping with the change of address, mail redirection, and coordinating with other agencies to manage the transition. Regular communication and support can also be offered. In many cases, once tenants have relocated it is unlikely, they will move back to the estate as many are happy with their new homes.
- Homeowners have the reassurance of an independent market valuation that can be arranged by the Council or with a RICS surveyor of their choosing. Once agreed, support is provided throughout the lease / property surrender process in terms of the conveyance and finding

another property. Further payments are made to cover legal costs, stamp duty land tax, mortgage redemption fees and the various incidental moving costs.

7.3.4 Compulsory Purchase Order

If engagement from leaseholder and freeholders during the negotiation process is unsuccessful, a Compulsory Purchase Order (“CPO”) process would begin. A CPO is a tool that public-sector organisations can use to obtain land or property compulsory³³. Compulsory Purchase should be seen as a last resort by the Council, to be used only when all other options have failed. It should never be a first option, and meaningful attempts to negotiate must be demonstrated. However, government guidance supports the use of compulsory purchase to secure redevelopment or to improve substandard or defective properties. It recognises that, due to the time taken to make and confirm a compulsory purchase order, it may be appropriate to run the compulsory purchase process in parallel with other efforts to acquire interests through agreement such as negotiations. This also demonstrates the seriousness of the Council and can help progress the acquisition process by showing the Council are willing to be open and treat the concerns of those who are affected with respect. If compulsory purchase powers are used, all those affected will be entitled to compensation..

7.3.5 Vacant Possession

The Council would be required to obtain vacant possession and to transfer the land for development for options 2 and 3, depending on the joint venture structure used. The development partner may also have a role to play in securing vacant possession e.g., the carrying out of demolition works (where needed) but the Council would be responsible for carrying out the decanting of residents.

7.3.6 Viability

The financial viability of all three options has been set out in the Financial Case of this report. Please refer to section 6 for full details.

7.4 Stage 2 – Programme

An indicative programme was assumed. Following approval of the preferred option and the appointment of a delivery partner (development partner or contractor) a full programme with finalised timescales will be developed collaboratively between the Council and the delivery partner.

7.4.1 Development Programme

The JLL Building Consultancy team have assumed the following development programme. It has been advised that refurbishment of all existing properties can be reasonable completed within 3 years

³³ Cambridge City Council, CPO [available at: [https://www.cambridge.gov.uk/compulsory-purchase-orders#:~:text=A%20compulsory%20purchase%20order%20\(CPO,the%20consent%20of%20the%20owner.](https://www.cambridge.gov.uk/compulsory-purchase-orders#:~:text=A%20compulsory%20purchase%20order%20(CPO,the%20consent%20of%20the%20owner.)]

(36 months). A refurbishment programme of the houses within the partial redevelopment option could be completed in one year (12 months). As planning would only be required for specific parts, it is assumed any planning applications would run alongside the procurement of the contractor and would be in place by the time it is required. Based on this assumption, a 3-month preconstruction period to tender and appoint contractors has been allowed. A notional sale of the affordable housing has been modelled on a monthly basis over the construction period deferred 3 months to account for the timings of hand backs.

With respect to the new build elements the BCIS duration calculator has been used in order to assess the likely development timings, split out by phase. We have adopted 9 months to gain planning permission and 6 months preconstruction. The second phase pre-construction period is extended to ensure a suitable construction delay and that sales of each phase do not overlap. We have assumed a sales rate of 4 per unit pcm starting approximately 18 months into construction as the first blocks or houses complete. Sales of the new build affordable housing in each scenario has been modelled on a traditional golden brick basis with 30% of revenue received 3 months after start of the relevant phase with the remaining capital value S-curved over the construction period.

Below is a summary of the development timings that have been assumed for each scenario:

	Duration (months)					
	Option 1 (Refurbishment)	Option 3 (Full)		Option 2 (Partial)		Refurb
		Phase 1	Phase 2	Phase 1	Phase 2	
Purchase	0	0	0	0	0	0
Planning	0	9	9	9	9	0
Pre-Construction	3	6	24	6	22	3
Construction	36	24	21	22	21	12
Sale	36	15	19	14	3	12
Total	75	54	73	51	55	21

(Note: overlapping timings)

7.5 Stage 2 – Contract Management

The management of contracts during the delivery period should be overseen by Cambridge City Council, led by its procurement team to ensure compliance with the necessary laws and regulations while protecting the Council from risk. As outlined in the Cambridge City Council Constitution³⁴, the contracts manager is typically responsible for:

- ensuring that the contract is carried out in accordance with its terms and conditions;
- monitoring the supplier's performance, compliance with standards and policies
- monitoring cost and Best Value requirements, risk management
- monitoring equalities and sustainability data, where appropriate;
- monitoring user satisfaction;
- ensuring any minor changes to the contract are agreed and approved before they are carried out;
- monitoring sub-contracting
- in consultation with Legal Services and the Chief Financial Officer, consenting to sub-contracts, assignment or novation to new suppliers

During the contract, the delivery partner should be required to attend review meetings and provide reports in accordance with the contract and specification. Any amendments to the specification or terms of the contract should be agreed and detailed in the contract. This ensures the Council and the delivery partner work cooperatively with effective communication throughout. If this proves unsuccessful, the Council can apply a principle of escalation in preference to a legal intervention.

Specific terms and specification of the contract will be finalised as part of the delivery partner's appointment.

7.6 Stage 2 – Governance and Project Management

It is important to establish strong governance and project management to ensure the programme is delivered on time and in line with best practice. This section outlines the governance and project management needed for each shortlisted option.

³⁴ Cambridge City Council, Constitution, [available at: <https://www.cambridge.gov.uk/media/hqblcz3j/constitution.pdf>]

7.6.1 Option 1: Refurbishment

The refurbishment option is to be self-managed by the Council and delivered through a procured contractor. The different streams of work required for this option would be managed by separate teams within the Council³⁵:

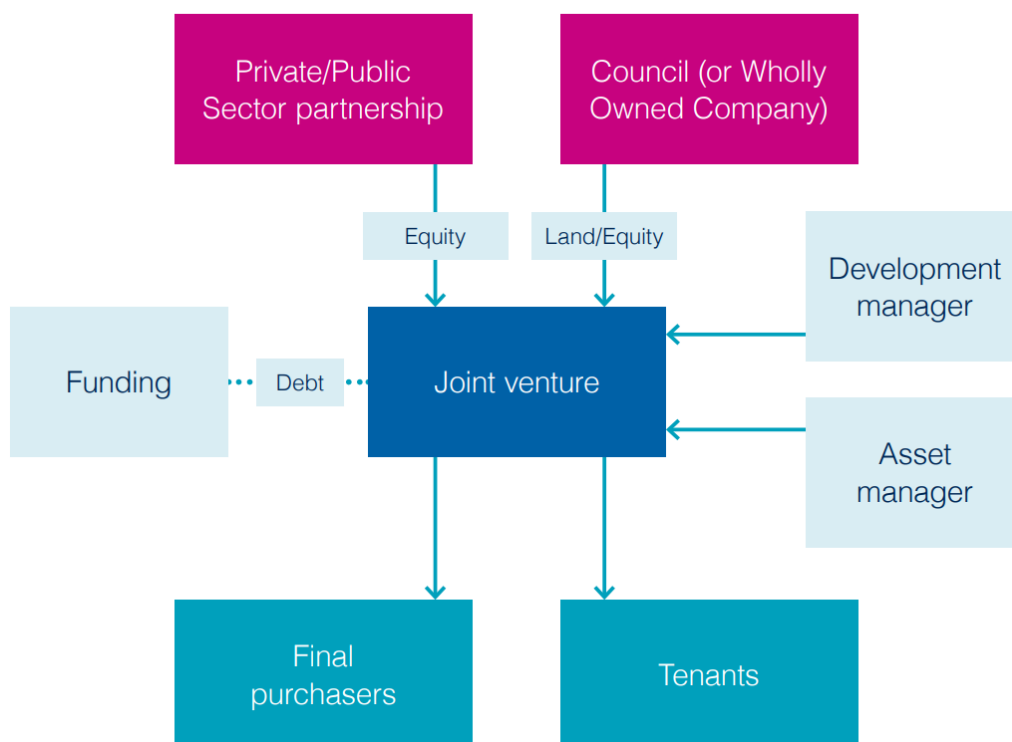
- Procurement work is managed by the Estates and Facilities team, working closely with the Strategic Procurement Team.
- The management of contracts during the delivery period is led by the Council's procurement team to ensure compliance with the necessary laws and regulations while protecting the Council from risk.
- External contractors is managed by the Estates and Facilities Contractors and Procurement Manager.
- Legal Services can provide legal contract advice when needed.
- In relation to managing the temporary decanting, the Housing Office or Assistant Housing Office would support and advise tenants during the process.

7.6.2 Options 2 & 3: Partial and Full Redevelopment

The governance required for both option 2 and 3 would likely be a typical joint venture structure. In this structure it is generally a 50:50 partnership between the partners where the aims and objectives align so the local authority can secure a longer-term return on land while retaining suitable control over the overall development.

³⁵ Cambridge City Council, Procurement of Planned Maintenance Contractor 2022-2028, [available at: <https://democracy.cambridge.gov.uk/documents/s55888/Maintenance%20contractor%20procurement%202021-22%20-%20committee%20report%20-%20final%20-%208th%20June%202021.pdf>]

Below is the structure of a typical JV partnership³⁶:



Cambridge City Council has experience working with this type of governance structure. The Council already has a joint venture partnership established with Hill Partnerships. If CIP is used as the delivery mechanism for either of the redevelopment options, there is a formal governance process in place to govern the project management and decision making of a CIP scheme. The governance processes and procedures are set out in the Members Agreement and CIP’s governance structure³⁷ is summarised below.

³⁶ Grant Thornton, Housing Partnerships, [available at: <https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2021/housing-partnerships-delivering-the-homes-that-london-needs.pdf>]

³⁷ Cambridge Investment Partnership (CIP), [available at: https://www.cdbb.cam.ac.uk/files/cip_site_visit_brochure_v6_ib_nov_21.pdf]

CIP STRUCTURE



- **The CIP Board**

Pivotal in the governance process is the CIP Board which consists of equal membership from Cambridge City Council and Hill. The Board has strategic oversight meaning it directs and authorises business of CIP LLP. Both parties have equal weighting in the decision making and governance processes of CIP whereby each partner has one collective vote. The partnership is a deadlock partnership which allows either partner to exercise its powers under the deadlock if there is a disagreement between the partners or if a proposal does not align with the agreed CIP objectives outlined in the Commercial Case. This can result in the veto of the proposal and the land being transferred from CIP back to the Council. In the event of a dispute, it can also be escalated to the Chief Executives of both partners.

- **The Investment Team**

The Investment Team leads on the day-to-day running of CIP through managing the business on instruction from the CIP Board. The team set out the strategy for bringing forward Project Plans for the sites. There are separate finance and PR subgroups with at least one representative from each party.

- **Project Team**

In terms of delivering of a scheme, a project team is specifically selected to ensure the right skills and experience are available to deliver a high-quality development. The site-specific project team will take the estate through planning and build to deliver a successful scheme.

- **Project Management**

For project management, there would be both a Hill and Cambridge City Council lead representative Project Manager.

- For the Council, the project manager is typically from the Housing Development Agency (HDA) who manages housing development schemes and provides council staffing contributions to the development of schemes. The HDA team ensures new housing schemes are effectively managed by bringing the expertise of the Council in areas such as resident liaison and decanting. Additional development officers can also be provided if needed to support work in progressing.
- In relation to decanting, the Council's specific Regeneration Team will manage the process.
- The Hill project manager will provide the technical development expertise.

- **Quarterly Reviews**

The project team need to provide highlight reports through the Council's Project Management system. Quarterly reports on progress should be submitted to the Housing Scrutiny Committee and subsequently the Combined Authority's Housing Committee.

7.7 Stage 2 – Risk Management

Risk Management is a key requirement to enable the Council and delivery partner to identify, evaluate and control risks and opportunities. This is a continuous process throughout the project.

During the delivery of the project, the risks will be identified, recorded, and managed with appropriate owners allocated to each risk along with a method of mitigation. The allocated owner will be responsible for mitigating the risk.

To understand the feasibility of delivering each option, the risks associated have been examined. However, given the nature of the scheme, the risks and benefits will likely evolve over time, such as through the planning process. It is necessary to take this into account when examining the risk evaluation.

There is common risks across the shortlisted options but, the level of occurrence and impact will differ between options. Each risk has been scored on a scale of low, medium, or high. The table below includes a summary of the financial risks expected to be encountered for each of the shortlisted options, the associated risk level per option and the method to mitigate. As details of the scheme for the preferred option are finalised, it is possible to update this table.

#	Risk	Description	Option 1	Option 2 (Partial)		Option 3 (Full)		Mitigation
			(Refurbishment)	AH	Market Led	AH	Market Led	
1	Cost inflation	There is a risk that development costs escalate at a rate higher than anticipated due to interest rates, inflation, etc., impacting financial viability	Medium	High	High	High	High	<ul style="list-style-type: none"> • Include contingency in cost calculations • Manage risk exposure through contracting
2	Revenue	Risk that the expected market sale rates are not achieved, impacting financial viability	N/A	N/A	Medium	N/A	Medium	<ul style="list-style-type: none"> • Sales prices based on latest market research • Phased development ensures market is not oversupplied resulting in lower prices.
3	Grant receipts	The risk that grant funding cannot be secured	Low	High	Low	High	Low	<ul style="list-style-type: none"> • The had will engage an Employers Agent to scrutinise costs.

Additional wider risk factors have also been analysed below for the shortlisted options.

#	Risk	Description	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)	Mitigation
1	Planning	A risk relating to a failure in obtaining planning permission which could cause delays and increase costs for a revised application	Low	Medium	Medium	<ul style="list-style-type: none"> • The pre-app process is used effectively, and schemes aim to be policy compliant

#	Risk	Description	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)	Mitigation
2	Legal challenge	The risk of a potential legal challenge regarding the selected option	Medium	Medium	High	<ul style="list-style-type: none"> • Due consideration and process
3	Health and Wellbeing	The risk of harm due to the condition of the buildings	Medium	Low	Low	<ul style="list-style-type: none"> • Ensure all essential repairs are completed for retained buildings and conduct continual monitoring
4	Design	The risk that there is an inability to meet design standards	Medium	Low	Low	<ul style="list-style-type: none"> • Continue to work closely with the professional team to deliver a suitable scheme
5	Delivery	The risk that the construction / refurbishment of buildings is not delivered on time	Medium	Medium	Medium	<ul style="list-style-type: none"> • Continue to work with the professional team to project manage effectively
6	Environment	There is a risk of not achieving the desired sustainability standards	Medium	Low	Low	<ul style="list-style-type: none"> • Continue to work with planners and the professional team to deliver a suitable scheme.
7	CPO	A risk of negotiations breaking down which could result in a full CPO process	Low	Medium	High	<ul style="list-style-type: none"> • Officers are in place to help support the leaseholders and freeholders.
8	Archaeology	A risk that excavation could result in a requirement for further detailed / costly investigations.	Low	Low	Low	<ul style="list-style-type: none"> • Continue to work with planners and the professional team to deliver a suitable scheme.
9	Procurement	The risk that can arise from the contractual arrangements with the selected delivery partner	Medium	Low	Low	<ul style="list-style-type: none"> • Ensure a strong governance process is in place on the appointment of contractors/development partner.
10	Decanting	A risk of delays if residents are not decanted	Medium	Medium	High	<ul style="list-style-type: none"> • Officers are in place to manage the decant process and there are policies in place

#	Risk	Description	Option 1 (Refurbishment)	Option 2 (Partial)	Option 3 (Full)	Mitigation
						for home loss and disturbance.
11	Project Management	A risk of improper project management	Low	Low	Low	<ul style="list-style-type: none"> Monitor resource capacity

As the Council’s investment liability and the level of redevelopment increases, the associated risk level rises as the complexity of the project and its delivery heightens. However, these risks will be monitored, controlled, and reassessed. Upon selection of the preferred option and engagement of the delivery partner, the head of the programme will prepare and monitor the risks. The Council can use a risk management system to record and manage risks and controls whereby the risk is identified, analysed and then subsequent actions to mitigate the risk are assigned to a risk owner/s who will review and update regularly.

7.8 Stage 2 – Contingency Arrangements and Plans

Contingency allowances have been factored into all aspects of the illustrative financial and BCR models. Contingency levels are relatively conservative at this stage but may reduce as further work is completed.

7.9 Stage 2b – Deliverability

This section explores the deliverability of Option 4 (house-led) through the following elements:

- Planning
- Phasing
- Decanting
- CPO
- Vacant possession
- Financial viability

Please note, the following elements remain unchanged from the Stage 2 Report:

- Planning: planning permission is needed for both the redevelopment and refurbishment elements in Option 4. For full details, please refer to section 7.3.1, specifically Option 2 and 3 (partial and full).
- CPO: the process for CPO is the same for Option 4. For full details, refer to section 7.3.4.
- Vacant possession: Depending on the joint venture structure used, the Council may be required to obtain vacant possession and transfer the land for development for units subject to redevelopment.

7.9.1 Phasing

For the purposes of this appraisal, we have assumed that the scheme will be delivered on a rolling basis. It is assumed that the current occupied units will be decanted and vacated on a rolling basis approximately 6 months prior to construction.

The houses to remain are 33-59 Ekin Road. Council tenants of these properties will be decanted on a rolling programme basis, but it is assumed that freeholders will not take part in the refurbishment.

7.9.2 Decanting

Option 4 will require decant with a right to return for residents on the estate..

- All council tenants in homes marked for both redevelopment and refurbishment will require decanting so shall be prioritised for finding a new home using the Homelink choice-based lettings system. For full details regarding decanting of council tenants please refer to Section 7.3.3.
- For leaseholders and freeholders in homes marked for redevelopment, it is assumed the Council will purchase their properties through a lease/property surrender process. For full details regarding the decanting of leaseholders and freeholders please refer Section 7.3.3.
- It is assumed freeholders in the south houses will be excluded from the refurbishment work.

7.9.3 Viability

The financial viability of Option 4 has been set out in the Financial Case of this report. Please refer to section 6 for full details.

7.10 Stage 2b – Programme

We summarise below the development timings we have assumed for Option 4.

Development Stage	Option 4 (House-led)
Purchase	1
Planning	9
Pre-Construction	6
Construction	25
Sale	17
Total	44

*Note: overlapping timings

We have been advised by JLL's Building Consultancy team that refurbishment of the 7 existing properties can be reasonably completed within a year allowing for decants. Planning would only be required on specific

external elements of the improvement programme (external wall insulation, solar panels etc) and could be submitted alongside the procurement of a contractor. Accordingly, we have allowed a 3 month pre-construction period for both planning and to tender and appoint contractors. A notional sale of the affordable housing has been modelled on a rolling monthly basis over the construction period deferred 3 months to account for the timings of hand backs.

With respect to the new build elements we have used the BCIS duration calculator in order to assess the likely development timings. We have allowed 9 months to gain planning permission and 6 months pre-construction. We have assumed a sales rate of 4 units pcm starting approximately 12 months into construction as the first blocks or houses complete with sales on a rolling basis thereafter finishing 4 months after completion. Sales of the new build affordable housing has been modelled on a traditional golden brick basis with 30% of revenue received 3 months after start of the relevant phase with the remaining capital value S-curved over the construction period.

7.11 Stage 2b – Risk Management

The same risk management approach has been applied to evaluate the risks of Option 4. There is common risks with the tables below summarising the financial and wider associated risks expected, their associated risk levels and mitigation. If details of the scheme change, it is possible the risk level may change.

#	Risk	Description	Option 4 (House-led)	Mitigation
1	Cost inflation	There is a risk that development costs escalate at a rate higher than anticipated due to interest rates, inflation, etc., impacting financial viability	High	<ul style="list-style-type: none"> • Include contingency in cost calculations • Manage risk exposure through contracting
2	Revenue	Risk that the expected market sale rates are not achieved, impacting financial viability	Medium	<ul style="list-style-type: none"> • Sales prices based on latest market research • Phased development ensures market is not oversupplied resulting in lower prices.
3	Grant receipts	The risk that grant funding cannot be secured	Low	<ul style="list-style-type: none"> • The HDA will engage an Employers Agent to scrutinise costs.

Additional wider risk factors have also been analysed below.

#	Risk	Description	Option 4 (House-led)	Mitigation
1	Planning	A risk relating to a failure in obtaining planning permission which could cause delays and increase costs for a revised application	Medium	<ul style="list-style-type: none"> The pre-app process is used effectively, and schemes aim to be policy compliant
2	Legal challenge	The risk of a potential legal challenge regarding the selected option	Medium	<ul style="list-style-type: none"> Due consideration and process
3	Health and Wellbeing	The risk of harm due to the condition of the buildings	Low	<ul style="list-style-type: none"> Ensure all essential repairs are completed for retained buildings and conduct continual monitoring
4	Design	The risk that there is an inability to meet design standards	Low	<ul style="list-style-type: none"> Continue to work closely with the professional team to deliver a suitable scheme
5	Delivery	The risk that the construction / refurbishment of buildings is not delivered on time	Medium	<ul style="list-style-type: none"> Continue to work with the professional team to project manage effectively
6	Environment	There is a risk of not achieving the desired sustainability standards	Low	<ul style="list-style-type: none"> Continue to work with planners and the professional team to deliver a suitable scheme.
7	CPO	A risk of negotiations breaking down which could result in a full CPO process	Medium	<ul style="list-style-type: none"> Officers are in place to help support the leaseholders and freeholders.
8	Archaeology	A risk that excavation could result in a requirement for further detailed / costly investigations.	Low	<ul style="list-style-type: none"> Continue to work with planners and the professional team to deliver a suitable scheme.
9	Procurement	The risk that can arise from the contractual arrangements with the selected delivery partner	Low	<ul style="list-style-type: none"> Ensure a strong governance process is in place on the appointment of contractors/development partner.
10	Decanting	A risk of delays if residents are not decanted	Medium	<ul style="list-style-type: none"> Officers are in place to manage the decant process and there are policies in place for home loss and disturbance.
11	Project Management	A risk of improper project management	Low	<ul style="list-style-type: none"> Monitor resource capacity

7.12 Conclusion

The Management Case confirms the robust arrangements needed for delivery, monitoring and evaluation so each option could be delivered and managed in accordance with best practice.

Options in both Stage 2 and 2b require the same prior arrangements including planning, phasing, decanting and vacant possession. However, each option has its own level of complexity meaning there are nuances in their delivery arrangements such as differing decanting plans and phasing.

As a result of their complexities, all options require a strong governance process in place to ensure all aspects of the delivery are suitably managed and controlled while supporting the needs of residents. A clear governance structure defines the decision-making mechanisms, project teams and quarterly reviews required during the implementation:

- As it is assumed for options involving redevelopment, there would be a joint venture partnership, a governance structure will need to be adopted and agreed between the partners.
- In order to deliver refurbishment work, a strong internal governance process is required that utilises resources from different Council departments, thus minimising risk and enabling suitable resourcing to be provisioned with clear responsibilities.

For options involving a blend of both redevelopment and refurbishment, a joint venture partnership governance structure as well as internal contractor governance is required in order to manage both streams of work.

There are a several risks categories, common across all the options, that have been identified at this stage and will require monitoring. Risk increases from refurbishment through to partial and full redevelopment as there more dependencies, liabilities, and challenges to consider. Additionally, a 100% affordable scheme heightens the associated risk for the Council. The risks could be mitigated with appropriate action from the accountable parties and should be regularly monitored to identify, evaluate, and control their likelihood and impact.

Through effective planning, project management, contract management and risk mitigation, the Council aims to ensure the chosen option is implemented in a timely and efficient manner in line with best practices to deliver a positive outcome for residents and the Council.

8 CONCLUSION

8.2 Conclusion

This report is the combination of extensive analysis conducted in two stages to determine the viability of three shortlisted options with Stage 2 and a supplementary house-led option in Stage 2b.

The Strategic Case confirmed there remains a case for change. Based on technical reports and qualitative data received from surveys, the Estate in its current form and layout would benefit from upgrading despite some of it being in a fair condition.

There are general issues in relation to fire safety, health and wellbeing, accessibility and incidents of anti-social behaviour. The traditionally constructed properties (houses, bungalows and maisonettes) are in fair condition. However, the non-traditionally constructed flats exceeded their design/ useful life with signs of cracking, poor thermal integrity and risk of structural degradation. Many residents have stated they are experiencing mould and condensation problems that is impacting their health and wellbeing.

In the absence of any redevelopment, significant investment would be required to improve the accommodation across the estate to align with the Council's objectives of providing high-quality homes and address the condition, safety, sustainability and accessibility issues.

- **Option 1: Refurbishment**

The refurbishment option is seen as the base option as the condition of the flats and maisonettes on the current estate mean that a do-nothing scenario is not a viable option for the Council. This option has four red flags in CSF evaluation, and it would result in a significant deficit of over £21m. This is further demonstrated in the poor BCR result of 0.17 over a 30-year period, which suggests that the Council would only receive 17pence in benefits for every £1 it spends.

- **Option 2: Partial Redevelopment**

The partial redevelopment option has no red flags and can achieve six CSFs fully and five partially. While considerable decanting will be required, a partial, positive transformation of the estate can be achieved by redeveloping the majority of units. Although higher quality homes aligned to the Council's strategy would be provided, the inability to maximise development capacity as a result of retaining the outer houses will limit the ability to better address the housing demand and affordability issues in Cambridge. Therefore, this option falls short in terms of maximising the opportunities on the estate.

The BCR of 0.78 for the 30-year period is also a poor economic return on investment. The 100% affordable housing option has a more favourable BCR result of 1.64 over the 30-year period, but this is driven through the grant funding.

While the 100% affordable housing scenario assumes grant funding to minimise the Council's financial burden, both scenarios have significant deficits £26m for the market led scheme and £19m for the 100% affordable option.

In terms of commercial delivery the mix of refurbishment and redevelopment projects running concurrently adds an additional element of complexity to the option.

- **Option 3: Full Redevelopment**

As the level of redevelopment increases, the ability to fully achieve the CSFs increases accordingly, with the full redevelopment option presenting the greatest opportunity to achieve the CSFs (8 fully and 3 partially) and also delivers the highest number of new homes. This option also has a favourable BCR of 1.29 over a 30 year period.

Both full redevelopment scenarios (100% affordable and market led) have the greatest overall costs but greater revenue is created through either grant funding or higher private sale proceeds. The net result is that the 100% affordable housing scenario offers the least-worst deficit of £16m, compared to £27m for the market led option.

A market led scenario could be delivered through a joint venture partnership, however the 100% affordable option may not attract a development partner to share the risk and provide development expertise as this option may not achieve the same commercial returns.

- **Stage 2 – Recommendation**

The evaluation of the three shortlisted options (including the sub-scenarios) indicated that Option 3 (Full Redevelopment) with 100% affordable housing is the “least-worst” option as it delivers the greatest number of homes and achieves the highest number of CSFs. This option also has the lowest financial deficit through utilising grant funding.

In terms of delivery, it was determined using a joint venture partnership provides the necessary expertise and resources, although an all-affordable scheme heightens the associated risk for the Council.

However, whilst it was seen as the “least-worst” option, the Council was advised to examine the affordability and risk of this option in relation to the Housing Revenue Account (HRA) against a backdrop of building cost inflation and higher interest rate environment.

Should this option not be considered financially viable, the Council should explore alternate development or delivery options with the development partner.

- **Stage 2b**

Based on the recommendation of the Stage 2 Report, the Council concluded that it was not willing to undertake the redevelopment itself due to the considerable financial and delivery risk involved and engaged BPTW to develop a house led scheme.

Option 4 (house-led) has been evaluated and delivers well on achieving CSFs (6 fully, 5 partially) and has a positive BCR of 1.66. The public purse BCR of 0.70 indicates there is not a positive return for the Council and that this option should be seen as an investment by the Council into delivering broader community benefits. A positive transformation of the estate can be delivered by altering the majority of the estate's layout to accommodate more 3- and 4-bed houses and new amenity space for residents, whilst retaining the south houses. The new layout creates a cohesive, successful urban design with fewer current residents being decanted.

While maximum unit uplift cannot be achieved, there is still a positive impact on the quantum of units and a material increase in the number of habitable rooms on the estate through the provision of 3 and 4 bed family units. This helps meet local housing needs and demand as 3- and 4-bed units are in high demand in the area. From a carbon perspective, Option 4 can utilise the increased roof area available to install PVs and achieve higher operational efficiency.

Financially, Option 4 results in a deficit of £16m which when compared to the base case (refurbishment) is a £5m improvement.

In terms of commercial delivery, the mix of refurbishment and redevelopment running in the scheme adds an element of complexity to the option. As a result, a blend of a JV partnership with a development partner and the procurement of contractors is required to deliver the option. From a risk perspective, there is less risk associated as not all the estate is redeveloped, there are fewer phases and greater ability to attract a developer.

- **Recommendation**

The Stage 2b evaluation of Option 4 (incorporating affordable housing) results in similar outcomes in terms of achieving positive CSF scores, BCR return and financial viability.

The Stage 2b option, whilst not producing the same number of additional units, still positively impacts the quantum of units and materially increases the number of habitable rooms on the estate by providing 3 and 4 bed family units urgently required by the Council. The nearby East Barnwell development that is providing

100+ all affordable flats also means that Option 4 provides diversity in accommodation offerings whilst aligning with the broader neighbourhood stock.

Although this option still results in a financial deficit (£16m), it is seen as lower risk as a market-led scheme will attract a development partner to share the risk/ rewards and there is no associated risk with securing grant funding.

The Stage 2 “least worst” option’s (Option 3 (Full Redevelopment) with 100% affordable housing) deficit, which was also £16m, was calculated assuming grant funding would be received. However this grant funding (£20m) is not guaranteed, and if the application had been unsuccessful would have significantly increased the Council’s financial burden by £20m to £36m.

Ultimately, the current condition of the flats and maisonettes means that a do-nothing scenario is not a viable option for the Council to consider. Of the options evaluated as part of Stage 2 and Stage 2b, Option 4 consisting of a redevelopment of 108 homes and refurbishment on 7 of the 14 retained homes on the Ekin Road Estate into a house led scheme which incorporates mixed tenure and retains the houses on the South is the preferable option, but this option will need to be assessed in relation to the HRA and their risk appetite.

9 EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment³⁸ has been conducted by Cambridge City Council for the options appraisal in alignment with the legal obligations of the Public Sector Equality Duty.

This Equality Impact Assessment seeks to ensure:

- The elimination of discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- The advancement of equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- The fostering of good relations between persons who share a relevant protected characteristic and persons who do not share it.

The option appraisal considers major changes that will impact the following groups:

- Housing applicants registered on Home-Link (the Council's choice-based lettings system) i.e. households who need to find somewhere to live.
- Existing council tenants, leaseholders, freeholders and any subtenants in the existing residential units

Consultation has been conducted to identify equality impacts from the shortlisted options which have been taken into consideration during the evaluation process.

The Public Sector Equality Duty should continue to inform the evaluation to ensure that there is appropriate consideration for the equalities impact on residents.

³⁸ Cambridge City Council, Equality Impact Assessment: Ekin Road September 2023

10 OVERALL ASSUMPTIONS TABLE

Section	Assumptions
Economic Case	
Phasing	Two phases for partial and full redevelopment
Phasing	A rolling programme for refurbishment
Decanting	Full decanting will be required for all options
CSFs	All CSFs are weighted equally
Financial Case	
Current tenure	The current tenure on the estate outlined in the Potter Raper Report has been adopted.
Tenure	In the refurbishment option the existing 98 social rented units will be retained as per their current tenure
Leaseholders	It is assumed the leasehold interests will be acquired and sold once refurbished
Freeholders	Freehold houses would not take part in the refurbishment programme in either the refurbishment or partial redevelopment option
Phasing	The full and partial redevelopment options will be delivered in two phases
Decanting	Full decanting will be required
Social rent %	The existing 98 social rented homes will need to be pre-provisioned
Retained Houses	The retained houses in the partial redevelopment option will be main in their current tenure
Future cost growth	An appropriate level of future growth in the costs of management and administration; planned major repairs; cyclical maintenance; day-to-day repairs
Homes England Grant Funding	We have assumed the following funding profile for each phase: <ul style="list-style-type: none"> • 40% on notional site acquisition • 35% start of construction • 25% on practical completion
Sale Rate	We have assumed that on average, the sales rate for the private units will be 4 a month.
Right to Return	We have assumed that 20% of tenants will return to the estate and therefore require a double decant payment.
Decant Costs	We have assumed that these costs are paid over 6 months prior to construction of a new build phase. In relation to the refurbishment elements we have assumed that such costs are borne on a rolling basis.
Buy Back Costs	The costs assumed are: <ul style="list-style-type: none"> • £215,000 per 1 bed flat; • £280,000 per 2 bed flat; • £402,000 per 3 bed house; and • £467,000 for a 4 bed house. <p>Additionally, 10% Home loss, 5% Disturbance and 1% for Legal and Valuation fees have been assumed.</p> <p>We have assumed that these costs are paid over 6 months prior to construction of a new build phase.</p>
Marketing Costs	The assumed disposal costs comprise 1% marketing for the private units assumed in each scenario.

Section	Assumptions
Disposal Costs	<p>We have assumed the following disposal costs across the full redevelopment and hybrid scenarios:</p> <ul style="list-style-type: none"> • Private sale agent – 2% • Affordable sales agent – 1% • Private sales legal - £1,000 per unit • Affordable sales legal – 0.5%

11 GLOSSARY

Term	Definition
Affordable Housing	This is a broad term for housing that is subsidised for eligible households. It includes various different products or tenures, both for long term rent, such as Social Rent or Affordable Rent, or ownership, such as Shared Ownership
Affordable Rent	This is a low cost rental product. The maximum rent that can be charged is 80% of Market Rent. It includes all service charges which cannot be charged to tenants.
Building Regulations Part K	Part K contains guidance on the safety of stairs, guarding and glazing within and around buildings ³⁹ .
Category Trees	Category A Trees: these are generally large, high-quality trees to be retained if at all possible. Category B Trees: smaller, not as high-quality trees that should be preferably retained though the removal of occasional trees may be acceptable. Category C Trees: smaller, low-quality trees that are generally acceptable to be removed.
Consultation	The active participation of local residents and community groups in the decisions that affect their lives.
Easiform Type 2 construction	Easiform is a type of non-standard construction buildings built from cast-in-situ concrete.
EPC ratings	An EPC contains information about a property's energy use and typical energy costs as well as recommendations about how to reduce energy use ⁴⁰ .
Green Corridor	Networks of natural vegetation that create living pathways and boundaries in urban areas.
Green Routes	Green routes support active lifestyles, community cohesion nature connections that benefit physical and mental health and wellbeing and quality of life ⁴¹ .
Gunning Principles	The court uses the 'Gunning Principles' to decide if a consultation is lawful.
Indices of Multiple Deprivation	The official measure of relative deprivation for small areas in England based on the number of domains.
Legibility	The ability to navigate through the urban environment ⁴²
Part M4 Category 2 or above	Approved document M provides guidance for meeting Part M of the building regulations: access to and use of buildings which requires the inclusive provision of ease of access to and around buildings.
Placemaking	The placemaking process capitalises on local community assets, inspiration and potential to create quality public spaces that contribute to people's health, happiness and wellbeing ⁴³ .
Secured by Design Gold Standard	Secured by Design operates an accreditation scheme on behalf of the UK police for products or services that have met recognised security standards ⁴⁴ .

³⁹ LABC, Approved Document K: Protection from falling, collision and impact, [available at: <https://www.labc.co.uk/professionals/building-regulations-guidance-documents/approved-documents-and-technical-guidance-england/approved-document-k-protection-falling-collision-and-impact#:~:text=collision%20and%20impact-Approved%20Document%20K%3A%20Protection%20from%20falling%2C%20collision%20and%20impact,glazing%20within%20and%20around%20buildings.>]

⁴⁰ GOV.UK, Energy Performance Certificates, [available at: <https://www.gov.uk/buy-sell-your-home/energy-performance-certificates>]

⁴¹ Natural England, Green Infrastructure Principles, [available at: <https://designatedsites.naturalengland.org.uk/GreenInfrastructure/Principles/GIPinciples.aspx>]

⁴² Landscape Institute Technical Information Note TIN 05/2017, Townscape Character Assessment

⁴³ Project for Public Spaces, What is placemaking?, [available at: <https://www.pps.org/article/what-is-placemaking>]

⁴⁴ Secured by Design, [available at: [https://www.securedbydesign.com/guidance/standards-explained#:~:text=Secured%20by%20Design%20\(SBD\)%20operates,a%20'Police%20Preferred%20Specification'.](https://www.securedbydesign.com/guidance/standards-explained#:~:text=Secured%20by%20Design%20(SBD)%20operates,a%20'Police%20Preferred%20Specification'.)]

Term	Definition
Social Rent	This is a low-cost rental product calculated by a nationally set formula. Most existing rented Council housing will be Social Rent but could be Affordable Rent. It does not include service charges which will be charged in addition to the Social Rent payable.
Urban Block	Also known as a perimeter block, an urban block is an area of land or building area defined by streets. A traditional urban block has buildings facing the streets on all sides, with private amenity space at the centre of the block ⁴⁵ .
Urban Grain	A description of the pattern created by urban blocks across a neighbourhood. The size of the buildings used within the urban blocks and the widths of the connecting streets determine the urban grain. For example, large buildings and wide roads create a coarse urban grain, whereas smaller houses and narrower streets create a fine urban grain ⁴⁶ .
Wayfinding	A method for relaying messages to help people navigate their way around an environment.

⁴⁵ Definition provided by BPTW

⁴⁶ Definition provided by BPTW

12 LIST OF SOURCES

Section	Document	
The Strategic Case		
Options Appraisal	Housing Scrutiny Committee in September 2023	Appendix J
Estate Condition	Potter Raper Options Appraisals Report (August 2020) JLL Building Consultancy Refurbishment Feasibility Assessment Curtins Ekin Road Estate Structural Survey	Appendix K Appendix H Appendix AH
Affordable Housing	Cambridge Local Plan 2018	Appendix L
Decanting	Cambridge City Council Decant Policy	Appendix M
Building Standards	Potter Raper Options Appraisals Report (August 2020) JLL Building Consultancy Refurbishment Feasibility Assessment	Appendix N Appendix H
Asbestos	ADF Environmental, Asbestos Refurbishment Surveys (2019)	Appendix O
Fire Safety	Cambridge City Council Housing Services, Regulatory Reform (Fire Safety) Order 2005 Fire Risk Assessment (November/December 2022) Potter Raper Options Appraisals Report (August 2020)	Appendix P Appendix K
Drain Issues	Millward, Structural Inspections for Cambridge City Council (September-November 2019)	Appendix Q
Health and Safety	Potter Raper Options Appraisal Report (August 2020)	Appendix K
Damp, Mould and Condensation Incidents	Damp, Mould, Condensation Team, DMC Reports	Appendix R
Legibility	BPTW, Pre-App 4 Presentation (June 2022)	Appendix S
Anti-social behaviour	Cambridge Police Estate Champion	Appendix T Appendix U
EPC Ratings	Potter Raper Options Appraisals Report (August 2020)	Appendix K
EPC Target	Cambridge City Council Climate Change Strategy Action Plan 2021-2026	Appendix V
Accessibility	HM Government, The Building Regulations 2010: Access and use of buildings Potter Raper Options Appraisals Report (August 2020)	Appendix W Appendix K
Tree Strategy	BPTW, Pre-App 4 Presentation (June 2022) BPTW, Capacity Studies F – Critical critical success factor Assessment (January 2024)	Appendix S Appendix X
Consultation Process	Ekin Road Resident Questionnaire Final Report (14 th September 2022)	Appendix Y
Critical Success Factors	Greater Cambridge Housing Strategy JLL Team	Appendix Z
Carbon Assessment	RIBA 2030 Potter Raper Options Appraisal Report GLA London Plan HM Treasury Green Book EPCs for Tottenham Court and Five Tree Court	Appendix AA Appendix K Appendix AB Appendix AC Appendix AI
Resident Engagement	Ekin Road Resident Questionnaire Final Report (14 th September 2022) JLL Resident Engagement Plan 2023 JLL Resident Survey Report	Appendix Y Appendix AD Appendix A

Section		Document	
Equality Impact Assessment		Cambridge City Council, Equality Impact Assessment: Ekin Road September 2023	Appendix AF
Affordability		JLL Residential Team Report	Appendix AG
Health and Wellbeing		BRE The Cost of Poor Housing in England 2021 Report	Appendix AJ
House-led Option		BPTW, Urban Design Narrative, 2024	Appendix AK
Public Consultation		JLL Ekin Road - Summary of Community Feedback Report	Appendix AL
The Economic Case			
Unit value, size		JLL Affordable Housing Development Options Assessment	Appendix I
Decant and home loss tenant		Cambridge City Council Ekin Data Decant Calculations	Appendix AE
Construction/build costs		JLL Building Consultancy Refurbishment Feasibility Assessment	Appendix H
Repairs and Maintenance Cost		JLL Building Consultancy Refurbishment Feasibility Assessment	Appendix H
EPC Improvements		JLL Ekin Road EPC Improvement Study	Appendix B
The Financial Case			
Development Appraisals		JLL Affordable Housing Development Appraisals	Appendices C-G
House-led Development Appraisal		JLL House-led Option Appraisal Summary	Appendix AM
House-led Option Addendum Report		JLL Ekin Road House-led Option Addendum Report	Appendix AN

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