

REPORT TITLE: City Centre Sites

To:

Councillor Gerri Bird, Executive Councillor for Housing and
Housing Scrutiny Committee 11 March 2025

Report by:

Ben Binns, Assistant Director, Development

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Wards Affected:

Market, Petersfield

1	Recommendations
1.1	<p>It is recommended that the Executive Councillor for Housing:</p> <ol style="list-style-type: none"> 1. Approve that the scheme be brought forward as an affordable housing development and included in the Housing Capital Programme, with an indicative capital budget of £9,808,469 for the construction costs, professional fees and further associated fees. 2. Authorise the Director of Economy & Place in consultation with the Executive Councillor to deliver 100% affordable housing (29 units), with It is proposed that the affordable homes will be let in line with the Councils Housing Strategy, ie inclusive of a mix of social rent, 60% market rent and 80% market rent. 3. Authorise the Director of Economy & Place in consultation with the Executive Councillor for Housing to approve variations to the scheme including the number of units and mix of property types, sizes, tenure, rent and the nature and level of the provision of special needs as outlined in this report. 4. Approve that delegated authority be given to the Executive Councillor for Housing conjunction with the Director of Economy & Place to enable the site to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council. 5. Delegate authority to the Director of Economy & Place to instruct the demolition of the existing building at Stanton House
2	Purpose and reason for the report
2.1	The purpose of this report is to provide an update on city centre sites: Stanton House, East Road and Hanover and Princess
3	East Road
3.1	It was approved at HSC January 2023 to <i>proceed with the redevelopment of the former East Road garage site to provide circa 40 new highly sustainable homes.</i>

3.2	Officers and CIP have looked at a number of different options for this constrained site and have been unable to proceed with a planning submission that is financially viable for the council. Officers will continue to review further options and will report back to committee should there be any significant change to the HSC approval.
3.3	A residents meeting on teams has been set up for March 20th at 6pm to provide an update to residents and to answer any questions. Letters will be sent out in the first week of March.
4	Hanover and Princess
4.1	At March 2023 HSC approval was given <i>to the redevelopment of Hanover Court and Princess Court (Option 4 in the Options Analysis). - Redevelop the blocks through the Cambridge Investment Partnership to provide 138 new homes, including 40%-60% affordable homes for rent</i>
4.2	Officers and CIP have been working hard to make Hanover and Princess a viable scheme. A positive Pre-application meeting with the Local Planning Authority was held on 18th February 2025, where design principles were largely agreed in regard to density, massing and sustainability. Further work is in progress for a planning submission in Spring 2025. An update will be provided at the next HSC.
5	Stanton House

5.1	<p>This report seeks approval to proceed with the demolition of Stanton House and redevelopment of the site through the Cambridge Investment Partnership (CIP) to provide 29 new highly sustainable affordable homes.</p> <p>The site has been identified for redevelopment being exposed to substantial fire risk due to a lack of compartmentation, the future cost of essential compliance works, the substandard nature of current accommodation which does not meeting Nationally Described Space Standards (NDSS), and the poor energy performance of the current building.</p> <p>At the Housing Scrutiny Committee 18th June 2024, the cost of complying with essential fire safety works and the option appraisal that have been carried out on the site were noted and it was agreed that further consideration of redevelopment option will be brought back to Housing Scrutiny Committee.</p> <p>Stanton House was at one time considered to be a care home but has for many years operated as sheltered housing. The current building is no longer suitable for this purpose but in accordance with the requirements of the Local Plan consideration will be given to the need for sheltered or specialist accommodation.</p> <p>A capital budget of £9,808,469 for the scheme is proposed, based on the indicative capacity study.</p>
5.2	Alternative options considered
5.3	<p>The alternative options considered are</p> <p>The disposal of the site</p> <p>The redevelopment of the site through CIP for market housing</p> <p>The development of the site for affordable housing</p> <p>In considering each of the options it is necessary to take the planning position to account.</p> <p>Noting the history of the site in providing affordable housing in the centre of Cambridge and importance of the need for the specialist housing, the options to dispose of the site or to redevelop it for the market housing have been rejected.</p>

5.4	Background and key issues
5.5	The Site
5.5.1	<p>Stanton House, built in 1960, is a sheltered housing scheme with 33 one-bedroom flats and an adjoining two-bedroom house (formerly the warden's house). The flats have served as 'move-on' accommodation for older adults with a history of homelessness. The support has been provided via the City Council's Independent Living Service and there is no resident warden.</p> 
5.5.2	<p>An options appraisal was initiated due to the building's condition and difficulty letting flats that do not meet Nationally Described Space Standards (NDSS). Rock Townsend Architects LLP, appointed in April 2023, confirmed that refurbishment would require residents to move out temporarily or permanently, while redevelopment would necessitate reducing the number of units or expanding the building.</p>
5.5.3	<p>The Fire Risk Assessment conducted in December 2023 rated Stanton House at 'Substantial' fire risk due to inadequate compartmentation to prevent fire spread. Consequently, Cambridgeshire Fire and Rescue Services issued a Notice of Deficiency (NOD), identifying two major fire safety issues. The cost for addressing these deficiencies estimated to be £635,000.</p>
5.5.4	<p>The HSC June 2024 decision was to proceed with the planned decanting of all existing residents in line with Regeneration Policy, with further consideration of redevelopment options to be presented to the Housing Scrutiny Committee.</p>

5.6	Local Housing Need																																										
5.6.1	<p>There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of September 2024 This scheme will help in meeting the needs of those on the register.</p> <table border="1" data-bbox="387 510 1307 620"> <thead> <tr> <th>1bed</th> <th>2 bed</th> <th>3 bed</th> <th>4+ bed</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1,685</td> <td>635</td> <td>484</td> <td>151</td> <td>2,955</td> </tr> </tbody> </table> <p>5.7</p>	1bed	2 bed	3 bed	4+ bed	Total	1,685	635	484	151	2,955																																
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5.8.1	<p>The Strategic Housing Market Assessment analysed the need for sheltered housing for older people. This shows an over-supply of sheltered rented housing and an under-supply of leasehold sheltered housing.</p> <table border="1" data-bbox="225 1041 1385 1377"> <thead> <tr> <th>Housing type</th> <th>Housing demand per 1,000 75+</th> <th>Current Supply</th> <th>2020 Demand</th> <th>Current Shortfall/ Surplus</th> <th>Additional Demand to 2040</th> <th>Shortfall/ Surplus by 2040</th> </tr> </thead> <tbody> <tr> <td>Rented Housing with Support</td> <td>46</td> <td>874</td> <td>371</td> <td>-503</td> <td>214</td> <td>-289</td> </tr> <tr> <td>Leasehold Housing with Support</td> <td>74</td> <td>305</td> <td>601</td> <td>296</td> <td>347</td> <td>643</td> </tr> <tr> <td>Rented Housing with Care</td> <td>20</td> <td>131</td> <td>160</td> <td>29</td> <td>92</td> <td>121</td> </tr> <tr> <td>Leasehold Housing with Care</td> <td>23</td> <td>0</td> <td>190</td> <td>190</td> <td>110</td> <td>300</td> </tr> <tr> <td>Total</td> <td>163</td> <td>1,310</td> <td>1,322</td> <td>12</td> <td>763</td> <td>776</td> </tr> </tbody> </table>	Housing type	Housing demand per 1,000 75+	Current Supply	2020 Demand	Current Shortfall/ Surplus	Additional Demand to 2040	Shortfall/ Surplus by 2040	Rented Housing with Support	46	874	371	-503	214	-289	Leasehold Housing with Support	74	305	601	296	347	643	Rented Housing with Care	20	131	160	29	92	121	Leasehold Housing with Care	23	0	190	190	110	300	Total	163	1,310	1,322	12	763	776
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5.9	<p>Other Specialist Housing</p> <p>In 2024 the County Council carried out a Learning Disability, Autism, Mental Health, and Physical Disability Specialist Accommodation Needs Assessment which covers the period 2022-2041. Information for Cambridge City outlined below:</p>																																										

<p>5.9.1</p>	<p>Learning Disability</p> <p>The primary growth will be seen in Supported Living with approximately 2 new units required per annum from 2022 until 2041. The projection for residential & nursing accommodation demand is to remain static until 2041.</p> <p>Mental Health</p> <p>A decrease is projected in demand for MH Supported Living of up to 2 units and an increase of 1 nursing unit required per annum from 2022 until 2041. At the same time, we expect no change to residential unit numbers.</p> <p>Physical Disability</p> <p>It is projected that demand for supported living will reduce to 0 by 2026, however this may reflect a weakness in the available source data which may be unduly affected by an anomalous fluctuation in demand for the period 2020-2022. The projection for residential & nursing accommodation appears more consistent with demand predicted to remain static until 2041.</p> <p>Autistic Service Users</p> <p>The demand for supported living accommodation housing autistic service users is predicted to increase by approximately 2 per annum until 2041. In addition, the demand for residential services is also anticipated to increase by approximately 1 per annum over the same period.</p> <p>Transforming Care placements</p> <p>The data available is not sufficient to accurately project a trend of those needing single service accommodation relative to the total cohort requiring supported living accommodation.</p>
<p>5.10</p>	<p>Budget and tenure</p>

5.11	<p>This report seeks approval of a capital budget for the scheme, based on the indicative capacity study which has been undertaken for the site. It is recommended that this development is delivered through CIP, as 100% affordable housing.</p> <p>The Affordable Homes will be built to the new CamStandard and to the Cambridge Sustainable Housing Design Guide 2021.</p> <p>It is proposed that the affordable homes will be let in line with the Greater Cambridge Housing Strategy, i.e inclusive of a mix of social rent, 60% market rent and 80% market rent.</p> <p>The scheme is indicative and subject to further review, public consultations, and pre-application planning consultation.</p> <p>The total indicative cost of this development is £9,808,469. This includes design, construction, decant, legal, Clerk of Works and Employer’s Agent fees and the council’s development team project management.</p> <p>Further surveys and investigations will be undertaken by Cambridge Investment Partnership.</p>
5.12	Decanting
5.13	<p>In June 2024, the Housing Scrutiny Committee determined that a permanent decant was necessary.</p> <p>Meetings were held with residents, alongside the Independent Living Service and their support networks, to assess housing needs and discuss relocation options, including sheltered, general needs, and extra-care housing. The Independent Living Team, supported by City Homes, Housing Options, and the Regeneration Team, lead the relocation process, providing wellbeing support. All moving tenants received a statutory Home-loss payment of £8,100 and disturbance payments for moving costs, with significant practical assistance to facilitate their transition.</p> <p>All but two of the units have been decanted and remaining tenants are expected to move by the end of February 2025.</p>
6	Corporate plan

6.1

This Development opportunity addresses all the Council's key Corporate Priorities for 2022-27:

Priority 1 - Leading Cambridge's response to the climate change and biodiversity emergencies

This proposal is to replace inefficient existing homes with highly sustainable, low energy homes. The new homes will provide overheating management and reduced water consumption, as well as being low carbon and gas free. A minimum of 20% biodiversity net gain will also be targeted across the site.

Priority 2 - Tackling poverty and inequality and helping people in the greatest need

An increase in new council homes will benefit low-income residents across the city. The sustainability standard should mean increased energy efficiency will help to reduced energy consumption within these homes and therefore energy bills are expected to be lower for residents.

Priority 3 - Building a new generation of council and Affordable Homes and reducing homelessness

There is a recognised need for more council housing across the city. As of August 2024, there were 2,928 households in need of Affordable Homes across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

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

A target of 20% biodiversity net gain will contribute towards this. Increased diversity of planting such as wildflower meadows and different species of trees will be explored as part of the landscaping. Green roofs, bird boxes, bat boxes and insect hotels are also likely to be included.

In addition to this, modern methods of heating and cooling will be included, such as mechanical ventilation and heat recovery, underfloor heating, triple glazed windows, extra thick wall cavities.

Further innovation and future proofing will also include electric vehicle chargers and consideration of underground 'iceberg' bins. Promotion of sustainable methods of transport such as cycling, walking and car sharing will also be a key aspect of this development.

This development also meets the objectives of:

- The Greater Cambridge Housing Strategy 2024-2029
- The Council's Homelessness & Rough Sleeping Strategy 2021-26

7	Consultation, engagement and communication
7.1	<p>There has been an engagement process with residents in place since July 2023. Informal meetings were initially held with residents to gain their views on living at Stanton House. This was followed by an in-person consultation event in February 2024, attended by residents and family members, alongside a survey that could be completed at the event or discussed with the Independent Living Service.</p> <p>Following the decision at HSC in June 2024, the Independent Living Service worked with tenants as described in the decant report of this report.</p> <p>There will be local consultation on the proposed scheme.</p>
8	Anticipated outcomes, benefits or impact

8.1	Benefit	Baseline	Target	
	29 high quality affordable homes on a moribund site	33 sheltered flats not fit for purpose currently on site	29 high quality affordable homes	
	Delivery of high-quality special needs housing that meets current requirements within a general needs scheme.	Moribund sheltered housing scheme	29 high quality affordable homes to include special needs housing that meets current requirements	
	Increase in biodiversity onsite	Unknown – subject to surveys	20% increase in biodiversity compared with existing	
	Improved sustainability of homes	Inefficient Gas boilers serving small groups of flats with poor insulation	Homes built in accordance with the Cambridge Sustainable Housing Design Guide, including the Cam Standard update.	
	Improved Accessibility of Council homes	Properties that are too small to be used by wheelchairs.	All homes to be M(4)2 as standard, with 5% of the Affordable Homes being designed to M4(3) standard – wheelchair accessible homes.	
9	Implications			
9.1	Relevant risks			
	Description of risk	Likelihood	Impact	Mitigation

Design Risk - site constraints	Medium – Site’s location adjacent to a conservation area creates challenges in balancing height, massing, and viability	High – Potential delays to planning submission or risk of planning rejection. Med- Potential change in hight and reduction in unit numbers	Regular meetings with the LPA, council officers, members, and residents throughout the design
Planning Risk - Provision of Mixed Housing Needs (General and Sheltered/Specialist Accommodation)	Med- County Council expectations are not managed, failure to reach agreement on proposed mix of housing with Planners	High – Failure to agree on the mix delay the project, require redesigns, or impact viability.	Early engagement with the County Council, LPA, and council officers to ensure expectations are managed and needs are clearly defined.
Future Housing Management Risk – Integrating General and Specialist Housing	Med - Challenges in managing different tenancy needs and support services within the same scheme.	Med - Potential operational issues, tenant dissatisfaction, and higher long-term management costs.	Ensure appropriate management structures and support services and are in place in consultation with CCC independent Living Service and County Council Use design solutions to optimize layout to address potential management challenges
Cost: Market conditions in the	High- further site investigations and	Medium - If costs go beyond	Explore grant funding opportunities, conduct

	<p>construction industry can also impact on estimated costs.</p>	<p>provision of special need accommodation could uncover unknown issues; current supply chain issues may mean rising costs continue</p>	<p>approved budget this could lead to delays to start on site and contract negotiations leading to the potential increase in overall project costs.</p>	<p>early engagement with the County Council on specialist housing specifications and possible additional costs, and incorporate contingency allowances within the budget.</p>
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9.2	Financial Implications
9.2.1	<p>The scheme has an indicated budget of £9,808,469. This includes the delivery of 29 Affordable Homes and associated professional fees and legal costs.</p> <p>Housing capital budget will be drawn down from the budget set aside for the new build housing programme in the February 2025 Budget Setting Report</p>
9.3	Legal Implications
9.3.1	<p>Legal resources will be required to assist with the following aspects of the project:</p> <ul style="list-style-type: none"> • Report on Title – including land searches • Contract advice, drafting and sealing
9.4	Equalities and socio-economic Implications
9.4.1	A final EQIA will be approved once a firm tenure and sheltered use for the site has been agreed
9.5	Climate Change and Environmental implications
9.5.1	A Climate Change Rating Tool has been completed for the scheme and can be viewed upon request as a background paper.
9.6	Procurement Implications

9.6.1	<p>This scheme will be developed through the Cambridge Investment Partnership.</p> <p>The project will be subject to an independent Value for Money assessment by an Employers Agent for the Council.</p>
	<p>Community Safety Implications</p>
8.7	<p>NA</p>
9.	<p>Background documents</p> <p>Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985</p>
9.1	<p>REPORT ON BUILDING SAFETY AT STANTON HOUSE AND FUTURE USE OF THE BUILDING - Housing Scrutiny Committee 18/06/2024</p> <p>Feilden + Mawson – Achieving Net Zero Carbon in our Existing Housing Stock – May 2021</p> <p>Update on New Build Council Housing Delivery September 2024</p> <p>Climate Change Rating Tool – Stanton House</p>
10.	<p>Appendices</p>
10.1	<p>NA</p>
	<p>To inspect the background papers or if you have a query on the report please contact</p> <p>Golzar Zandi</p> <p>golzar.zandi@cambridge.gov.uk</p>