

# CABINET DECISION

## Strategic Partnership With Homes England Briefing Paper Part I



### 1.0 Executive summary

Plymouth has a unique growth opportunity over the next 25 years linked to the large scale £6bn investment pipeline, underpinned by a £4.5bn investment in the Dockyard and the requirement to service over 8,000 jobs. The opportunity is being driven by Growth Alliance Plymouth to ensure that the city is not only ready but reaps the transformational benefits of such an investment. To ensure that Plymouth has the correct workforce, and that local people can access these jobs the city will need to increase its skills provision and provide significantly more housing.

The city will also have to both retain and attract talent to the city, so perceptions of the city are very important in this regard.

The regeneration of the city centre has a major role to play in the Growth Alliance programme to deliver new housing, new skills provision and, through regeneration, to transform perceptions of the city centre locally, regionally and nationally. To deliver this ambition we have been working with Homes England to establish Plymouth as a priority place for investment and to bring forward plans to deliver 10,000 new homes as part of a town in the city. This strategic ambition is underpinned by an MOU and a commitment to explore a more formalised Joint Venture that will set out a long term commitment to Plymouth. This is a transformational moment for the city centre and Plymouth in setting out a new long-term vision, as well as a long term delivery strategy.

One of the first two projects that will underpin this partnership is the regeneration of the Civic Centre, which, subject to formal approval by Homes England, is proposed to utilise a new £20m investment from Homes England to support the delivery of 144 homes to kickstart the wider regeneration process. This will also enable the delivery of a new City Centre Blue Green Skills Hub in the basement, ground and first floor of the Civic Centre as part of a new City College City Centre Campus. This will deliver 60 new courses to 2,000 students.

The second project is the development of a new Joint Venture vehicle between Homes England and the City Council to facilitate the regeneration of the City Centre initially prioritising sites on

Armada Way and in the West End.

This is a transformational moment for Plymouth and for the City Centre as we set out not only a compelling vision but also a funded delivery strategy.

The Civic Centre is an iconic building in an iconic location and we believe that the transformation of this building is not only an end in itself but will also signal confidence to the wider market that Plymouth is serious about regeneration. This is a large and complex project and perhaps the biggest the Council has directly delivered. This project is only possible due to the extensive grant funding package that has been skilfully and carefully assembled. The report sets out not only the ambition for the building but the significant risks (e.g. the impact of the Building Safety Act 2022) that exist in regenerating such a complex and difficult project. The project cannot happen without the grant funding package and this package is in turn driving the programme.

This creates risks for the project in accepting the grant in advance of appointing a contractor and housing developer and the report sets out clearly these risks and how they will be managed. We strongly believe the benefits of this project linked to the Growth Alliance Plymouth and the wider partnership with Homes England outweigh the project risks and a baseline of the Civic Centre being stalled indefinitely.

## **2.0 Purpose of the report**

- To set out the direction of Plymouth City Council's work with Homes England to deliver over 10,000 homes in and around Plymouth City Centre, kickstarting a transformational regeneration programme.
- To agree a new strategic delivery partnership with Homes England underpinned by a Memorandum of Understanding and future Joint Venture arrangements.
- To provide an update on plans to refurbish the former Civic Centre, including a revised programme and funding strategy.
- To update on the work with City College to deliver a City Blue Green Skills Hub to support the skills aspirations of Growth Alliance Plymouth.
- Subject to formal approval from Homes England to receive £20m grant funding under its Brownfield, Infrastructure & Land programme.

- To add into the Capital Programme a City Council contribution of £17,366,326, made up of £14,395,144 corporate borrowing and £2,971,182 service borrowing, subject to a detailed business case.

### **3.0 Strategic Partnership With Homes England**

3.1 Plymouth City Council has a long and successful track record of working with Homes England on a variety of projects. These include major estate regeneration projects, such as North Prospect and Barne Barton, as well as the forward funding of land assembly for projects like Bath Street and the West End (Colin Campbell Court).

3.2 In May 2023 Homes England launched its new Strategic Plan 2023 – 2028, which marked a shift in its role, moving from an organisation which predominantly supported the delivery of new homes, to one which was focused on both housing and regeneration. The Strategic Plan sets out Homes England's commitment to "using all of our tools to ensure that new homes continue to be built and communities continue to be supported, to deliver their long-term plans for regeneration and renewal." This includes an ambition to "work with partners to transform struggling town centres into vibrant neighbourhoods with homes, jobs, leisure facilities and new public realm."

3.3 As part of the overarching objectives set out in the Levelling Up White Paper in February 2022, Homes England was given a clear remit to "support... the transformational regeneration and change of 20 towns and cities by helping local leaders to undertake long-term planning, assemble and remediate brownfield land, and work with the private sector to bring about transformational developments" (Homes England, *Place based working: one year on*, May 2024).

3.4 Plymouth was chosen as one of the 20 towns and cities which Homes England would be working with. Over the last 12 to 18 months Homes England and the Council have been working together to progress the Council's comprehensive plan for the transformation of the city centre, including priority projects, such as the railway station, the West End and the Civic Centre.

3.5 Together, Homes England and the Council have produced a new "Plymouth City Centre Vision" (see Appendix 1.1), which sets out a shared ambition to provide 10,000 new homes in the city centre and surrounding area. The Vision recognises that there will be around £4.5bn of investment in HM Naval Base Devonport over the next 10 years and that this will stimulate the demand for new homes, with Babcock requiring 5,500 new employees during that time and a further 2,000 construction jobs being created in the Dockyard. The Vision also recognises that Plymouth's city centre currently has a very low level of housing – with only 1,000 homes, compared to 8,000 homes for typical cities of Plymouth's size. The aim is to establish a new residential core in the city centre, which will stimulate market activity and maximise public and private investment to deliver transformational change.

3.6 Over the last two years, Homes England has provided revenue funding to support the creation of the Vision, as well as to progress plans for a number of housing sites across the city. Homes England has also agreed that it will acquire stalled sites directly if necessary, in order to accelerate housing delivery.

3.7 In September 2024 the Government established the New Towns Taskforce to support its ambition to deliver 1.5m homes during its parliament by establishing new towns of at least 10,000 homes. The Council has made a submission to the Taskforce, setting out its ambition to provide a "new town in the city centre". The Taskforce is expected to provide recommendations to Government in July 2025, including the preferred locations and the type of support that could be provided.

3.8 Homes England's Board and Executive Team visited Plymouth in November 2024 to see first-hand the scale of investment being made in the Dockyard and the opportunities for housing delivery in the city centre.

3.9 The Council and Homes England have strengthened their partnership in the last 18 months, establishing a Strategic Regeneration and Infrastructure Board, and combining resources to produce a combined delivery plan that aims to deliver up to 12,000 new homes across the city centre and the wider district over a fifteen year period, and exploring new models of partnership and co-investment that will unlock and accelerate housing delivery.

3.10 To underwrite this relationship, the two organisations will be signing a memorandum of understanding that outlines the strategic outcomes that both will work towards, including shared principles around sustainability and social inclusion. It outlines joint expectations around ways of working and the principles of good partnership, such as transparency, flexibility and collaboration.

3.11 The next phase of progress will see PCC and Homes England move forward on priority projects and initiate a workstream to explore delivery vehicle options focussing on accelerating specific sites within the city centre in initial phases, whilst allowing flexibility to expand the remit in the future if necessary. The vehicle will focus on finding a private sector developer/investor partner(s) to bring commercial delivery capability and expertise to the city

3.12 The agreement will create a joint approach to enable housing led regeneration in Plymouth City Centre.

3.13 The partnership will include a shared Delivery Plan, marking an ambition by both the Council and Homes England to work together over an initial five year timeline to deliver a strategy for a series of transformative investments, land assembly and developments, set within the context of the city's adopted Joint Local Plan. The Delivery Plan will catalyse the regeneration of the city centre - in short it will drive an ambitious programme of housing-led growth.

3.14 These interventions are designed to be specific catalysts and market-making investments, that will allow the public sector to create the right conditions and confidence for the private sector to invest and deliver the wider regeneration of the city centre. This partnership represents a steadfast commitment to not only address these challenges, but to harness the city's inherent strengths to foster prosperity for all its residents. The vision is rooted in a belief that vibrant, inclusive communities are the bedrock of a thriving city.

3.15 The city centre and surrounding area already benefits from a pro-growth planning framework set out in the adopted Plymouth Plan and Joint Local Plan. The delivery of new homes is a central theme of this framework. However, since November 2024 the Council has begun to review what further work is required to support the delivery of over 10,000 new homes in the area by re-developing brownfield sites. This further work will be undertaken by the Council and Homes England during 2025 to provide more detail on how and where these homes could be provided and what infrastructure would be required to support their delivery.

3.16 In order to progress plans for the large scale delivery of new homes in the city centre, it is proposed that Homes England and Plymouth City Council could enter into a joint venture which would set out the terms on which the future working relationship would be based. Homes England already has a number of formal joint venture agreements in place with other priority places. For example, in Bristol the joint venture manages projects and is responsible for the delivery of new infrastructure.

3.17 There are a number of forms which a joint venture between Homes England and Plymouth City Council could take and no decisions have been taken yet about what the preferred form might be. However, both parties are keen to explore how a joint venture could provide more

certainty around the future working relationship, including how assets would be used and how risk and reward would be apportioned.

3.18 For example, the Council already owns the freehold of a number of sites across the city. Some of these sites are subject to long leases owned by third parties but in some cases the Council owns the freehold outright with no long term arrangements in place that would delay redevelopment. These assets could be used as part of a joint venture.

3.19 Similarly, if Homes England were to acquire the leasehold or freehold ownership of sites in the city, these could contribute towards a joint venture.

3.20 Both Homes England and the Council have compulsory purchase powers which can be used to support land assembly for regeneration. The Council has itself used compulsory purchase powers to facilitate regeneration recently (for example, to complete the land assembly required for the new Community Diagnostics Centre in the West End of the city centre). With both partners having these powers this could, if necessary, support strategic land acquisition as a last resort.

## **4.0 Civic Centre**

### **4.1 Introduction**

4.1.1 On 18 March 2024 Cabinet considered a report on plans for a new skills hub in the former Civic Centre. Cabinet approved all of the recommendations, including the Council entering into an Agreement for Lease with City College Plymouth (CCP), the allocation of £8.5m of Levelling Up Fund grant and the purchase of the building from Urban Splash for £1.00.

4.1.2 It was agreed that a further report would be provided, giving more detail around various elements of the project, which this report now sets out.

4.1.3 The rationale for investment in the Civic Centre was set out in the previous report. However, it is worth noting that the reasons for Council intervention include:

- The housing market in Plymouth city centre has failed; there has been no recent housing development delivered by the private sector. Intervention is required to kickstart the delivery of new homes and demonstrate “proof of concept”.
- Various mixed-use regeneration projects have been completed or are underway, such as the Box, the Barcode, Intercity Place, a new Community Diagnostics Centre and the modernisation of the Guildhall. However, housing is the missing piece.
- The Civic Centre is a talismanic building at the heart of the city centre. Without intervention the building would remain derelict and would be an eyesore, potentially for many more years. This would send out the wrong signal to potential investors and would not support existing residents and businesses.
- The development of the Civic Centre is expected to act as a catalyst for other housing developments. In other cities, experience has shown that private developers will invest in new housing once they can see that it can work successfully and they can see evidence of values achieved.
- This will be the first major intervention for Homes England in the city centre and is intended to be followed by other strategic investments to further stimulate the housing market in the area.
- City College Plymouth need additional capacity which cannot be provided on their Kings Road campus.

- The new college campus will help to address local skills shortages by training young people and adults in a wide range of courses which will support the local economy.
- The development is estimated to provide the Council with council tax and business rates income of around £190,000.
- The development of the Civic Centre will also unlock the future development of new homes on the adjacent car park site, which is an allocated development site in the Council's Joint Local Plan.

## 4.2 City College Plymouth

4.2.1 The development of a new campus for CCP provides a fantastic opportunity to bring new footfall into the city centre and ensure that Plymouth's residents are equipped with the skills required to support the growth of the defence, marine and other sectors of the economy.

4.2.2 CCP are proposing that, by the fourth year of operation, the new campus within the Civic Centre will train around 2,000 students every year, half of which will be trained in courses associated with the "blue / green" economy – marine, nuclear and net zero. These courses will equip students with the skills required to work in sectors such as off-shore wind, sustainable construction and refurbishment of buildings, and environmental science.

4.2.3 Over recent months the Council and CCP have been working together to progress design proposals for the new campus. These include workshop space in the basement, teaching space on the ground and first floors of the north and south block, and public-facing spaces such as a restaurant and hairdressers.

4.2.4 The images below provide an indication of how the building could look once it is completed and in operation.

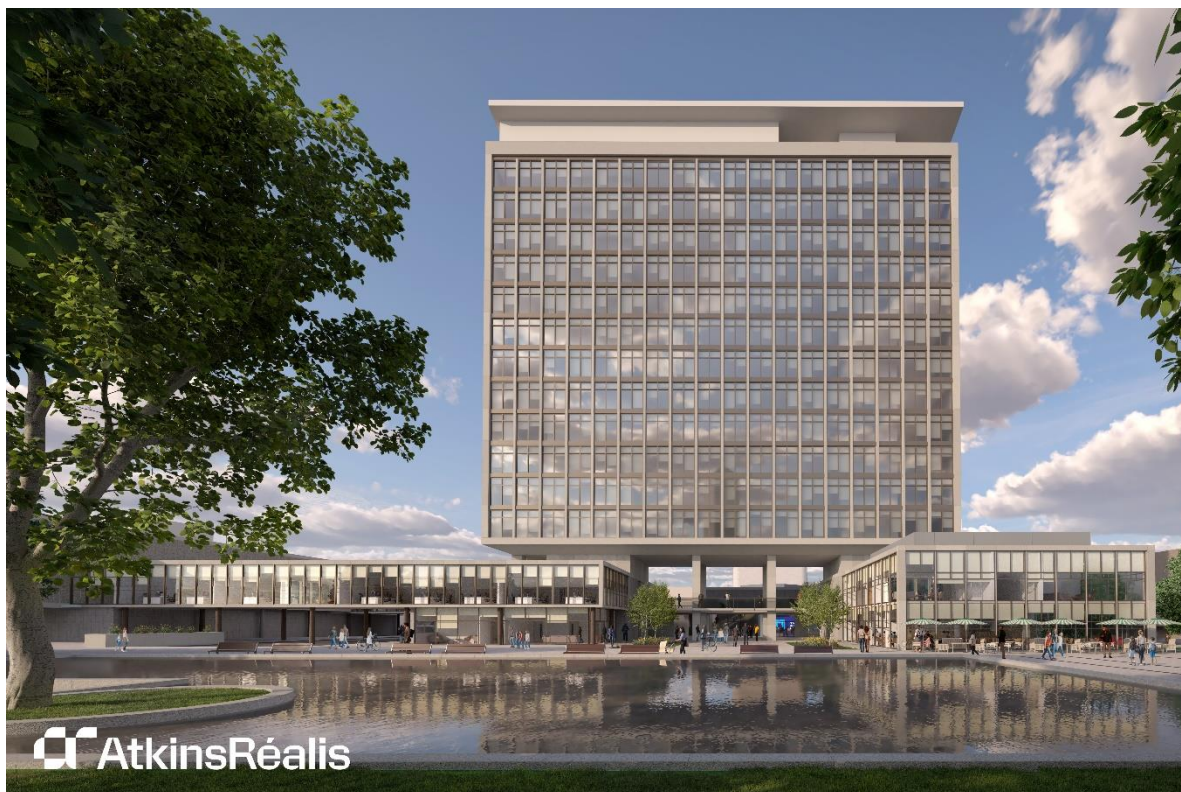


Image 1: Looking west across Civic Square





Image 2: Proposed entrance to City College Plymouth and residential tower, including ground floor restaurant operated by the college.

#### 4.3 Enabling Works

4.3.1 In March 2024 Cabinet was advised that Urban Splash had engaged a company called Squibb to carry out various internal demolition and asbestos removal, and that Squibb went into administration during 2023 before their contract was completed. Since March 2024 the Council has reviewed the extent of work required in order to complete the asbestos removal, internal demolition and to make the building safe for other contractors to work in. A formal licence was agreed between Urban Splash and the Council in December 2024, which means that the Council is now responsible for the building, although the purchase of the building has not yet been completed.

4.3.2 The Council recently appointed Gwella to complete asbestos removal and internal demolition works. These works started in January and are expected to be completed by July 2025.

4.3.3 The Council was previously aware that various concrete repair and strengthening works would need to be undertaken to the building. However, the extent of this work is not yet known. Once Gwella has completed its contract the Council intends to instruct an extensive structural survey of all of the floors in the building so that the full extent of concrete repairs can be set out. The timing of this survey is to be confirmed; it may be possible to phase the survey to overlap with the works that Gwella are undertaking, as their work on discrete areas of the building is completed.

#### 4.4 Programme

4.4.1 Whilst Gwella's contract and the concrete surveys are being completed the Council intends to engage a principal contractor who will be responsible for the main refurbishment works. These works would start around March 2026 with the removal of the existing cladding and the concrete repairs that are required. Re-cladding the building and all other refurbishment work would then start at the end of 2026 and would be completed by May 2028. At this point the Council will have completed the "shell and core" of the space that will be occupied by City College Plymouth (CCP) and that part of the building would be handed over so that CCP could complete the fit out. The fit

out is currently programmed to take up to 15 months, with CCP open for teaching in September 2029.

4.4.2 The remaining work required to complete the project can broadly be grouped into 4 phases:

- Phase 0: Enabling works
- Phase 1: Work which does not trigger a requirement to gain approval through the Building Safety Act 2022 (BSA) – mainly cladding removal, concrete repairs, structural strengthening and repairs to the roof.
- Phase 2: Installation of new cladding and glazing, fire protection, mechanical and electrical works, lifts and stairs, heating, drainage and landscaping. This work will require BSA approval.
- Phase 3: Fit out of the new homes and college campus.

4.4.3 Key target programme dates are set out below.

- July 2025: Pre-contract agreement with main contractor
- August 2025: Complete making safe works / asbestos removal
- September – December 2025: Planning application
- August – October 2025: Structural investigations
- November 2025 – February 2026: Further engagement with a main contractor and pricing of works
- March – October 2026: Phase 1 works
- Nov 2026 – May 2028: Phase 2 works
- March 2028 – August 2029: CCP fit out
- From June 2028 TBC: Residential fit out
- September 2029: CCP open for teaching

#### 4.5 Funding & Finance

4.5.1 The March 2024 Cabinet report included a financial appraisal for the project, which was based on the information provided by Urban Splash, marketing testing by their contractor and cost estimates from the Council's professional team based on the building surveys which had already been completed. However, since that report the Council has carried out additional surveys of the building and has obtained further professional advice. This has resulted in changes to the project programme, budget and funding requirements, which this report will provide updates on, so that Cabinet has a more detailed outline of the risks associated with the project prior to a final commitment being made to purchase the building and proceed with the project. This includes, for example, the requirements of the BSA, which are expected to add additional direct costs, as well as indirect costs as a result of the approvals process, which will extend the programme.

4.5.2 The total cost of the project up to completion of the shell and core works is now estimated at £49,603,666. This figure does not include the cost of CCP's fit out works, which CCP would be undertaking themselves. It also does not include the cost of the residential fit out, which is expected to be undertaken by a housing developer to be appointed later in the project.

4.5.3 MHCLG have confirmed that the previous offer made to the Council of funding as part of the Levelling Up Fund Round 3 is still available. This will secure £8.5m of funding for the project reported in March 2024 and a formal funding agreement is expected to be completed in the next few weeks.

4.5.4 Homes England are seeking approval for £20m of Brownfield, Infrastructure & Land grant funding. Final confirmation of this is anticipated in April 2025, subject to final terms and due



diligence completing successfully. It is anticipated that the conditions of the funding will include repayment of the grant if the project is not completed, certain outputs are not met or key milestones are missed.

4.5.5 The Civic Centre will be connected to the proposed city centre District Heat Network (DHN) and there are grants available of £950,000 which are proposed to be used towards the expected DHN connection costs. This grant funding has already been secured and added to the capital programme.

4.5.6 The recommendations of this report include the provision of corporate borrowing, including a sum of £4.7m which replaces grant funding from the Future High Streets Fund (FHSF). The Civic Centre and Guildhall projects were allocated a total of £12,046,873 of FHSF grant in 2021, with £8,057,000 of this allocated to the Civic Centre. By 30 September 2024 £2,749,232 of the Civic Centre funding had been spent. However, as all of the funding had to be spent by 31 March 2025 it was agreed that £4.7m would be vired to the Armada Way project, to be replaced when required.

4.5.7 In order to further manage the risk associated with this project, it is proposed that there will be up to two further gateway reviews by the Council's Corporate Management Team (CMT) prior to key commitments being made by the Council to progress certain stages of the project. These would be:

- i) Prior to entering a contract with a main contractor to complete either the phase 1 or the phase 2 works; and
- ii) Prior to entering a contract with a housing developer for the delivery of the housing within the project.

4.5.8 It should be noted that if a housing developer is appointed prior to entering a contract with a main developer, gateway i) may not be relevant if the housing developer is to be responsible for the main contractor appointment.

4.5.9 At both gateways it is proposed that an update will be provided to CMT. Subject to CMT support and confirmation that the cost plan remains within the budget approved by Cabinet, the final decision to be proceed will be taken by the Strategic Director for Growth (or the Council's Section 151 Officer, in the event that there is no Strategic Director for Growth in post). If the cost plan exceeds the budget approved by Cabinet, the decision to proceed would be escalated to Cabinet.

4.5.10 In addition to these two gateways, it is proposed that the use of the grant funding from Homes England, the corporate borrowing and the service borrowing will be subject to a more detailed business case (including a cost plan which has been subject to further due diligence and market testing) to be reviewed by the relevant Scrutiny Committee during 2025/26 and subsequently approved by Cabinet. It should be noted that there may be some overlap between the processes set out in this and the preceding paragraph if any of the gateways occur prior to March 2026.

4.5.11 The financial appraisal also includes provision for an internal Project Director to oversee the delivery of the project. It is considered necessary to make provision for this additional role given the scale and complexity of the project. The Project Director may also take on some responsibility for other Council projects.

4.5.12 The corporate borrowing that is proposed to be allocated to the project includes an underwrite of £3,038,704 to cover enhancements to the space that will be leased to CCP. These enhancements represent improvements that would not have been provided under the planning consent obtained by Urban Splash. For example, that consent included provision for the basement to be used as resident car parking and the space therefore required relatively minimal improvement. However, that space is now proposed to be used for workshops and will therefore

require enveloping works to provide a thermally efficient shell. CCP have agreed that they will use reasonable endeavours to obtain capital funding to cover this additional cost, and the Council will work with CCP to support any funding bids.

4.5.13 A summary of the project costs and funding is set out in the table below. The figures shown exclude costs previously incurred / funding already spent (see paragraph 4.5.6).

Costs		Funding	
Cost heading	Amount (£)	Funding source	Amount (£)
Capital works	43,264,237	Future High Streets Fund (FHSF)	337,340
Professional fees	4,890,736	FHSF switch with Guildhall	2,450,000
Internal costs	1,448,693	Corporate borrowing to replace FHSF used on Armada Way	4,700,000
<b>Total</b>	<b>49,603,666</b>	Levelling Up Fund	8,500,000
		Homes England	20,000,000
		District Heating Grant	950,000
		Corporate borrowing	9,695,144
		Service borrowing	2,971,182
		<b>Total</b>	<b>49,603,666</b>

#### 4.6 Planning, Design & Housing Delivery

4.6.1 The Civic Centre has an extant planning consent for the provision of 144 apartments in the tower (12 storeys, each with 12 apartments) and a range of commercial space in the podium, with parking and plant etc in the basement. The consent includes the demolition of some of the 1970s extensions on the west side of the building. It is proposed that CCP would take all of the commercial space and that this would include a number of changes to the extant consent, including change of use. The Council has appointed a planning consultant to manage this process on behalf of the project team and will enter into a planning performance agreement with the Local Planning Authority. Following formal pre-application advice, it is envisaged that a new planning application will need to be submitted to deal with the changes to the design and the change of use for CCP's space. This will incur an additional planning fee and additional costs associated with the requirement to provide updated drawings and reports. CCP's occupation of the space will be subject to planning approval.

4.6.2 Procurement of an architect is well underway and is expected to be completed in April 2025. However, the Council has already appointed a team of designers, professional advisers and other consultants to progress work on the project. These include:

- External project manager: AECOM
- Quantity surveyor / cost consultant: AECOM
- Structural engineer: Hydrock
- Mechanical & electrical engineer: Hoare Lea
- Planning consultant: Made It Together
- Building Safety Act advisor: CHPK
- Fire engineer: OFR

- Asbestos consultant: Tersus
- Building security: Security Management South West

4.6.3 The Civic Centre will be one of the first projects to provide new homes in the city centre for several years. It is considered critical that the project sets a high standard of quality accommodation that others will take inspiration from. The Council will also be working with a third party who can provide advice on how the residential space should be delivered alongside CCP's requirements.

4.6.4 Part of Homes England's role in Plymouth is to introduce potential development partners who have a track record of delivering high quality residential projects. The Council has held discussions with a number of these partners about the role that they might play in the delivery of new homes across Plymouth city centre.

4.6.5 It is likely that one of these partners will be appointed to deliver the housing, which would then be made available either for private sale or, most likely, private rent. (It is not expected that any affordable housing would be provided in the Civic Centre, as the extant consent does not require the provision of any.) A development partner may seek to amend the planning permission as part of any transaction – this would be at their discretion and risk, however the programme for delivery of the college space would need to be taken into consideration and subject to Local Planning Authority approval.

4.6.6 The identity of the housing partner and the terms of their appointment have not yet been confirmed. However, it is likely that any existing consultant appointments would be novated to them. This report seeks approval for authority to be granted to the Strategic Director for Growth to agree the terms of an Agreement for Lease or Lease of all or part of the Civic Centre to a third party and/or any other related agreements in order to facilitate the redevelopment of the site. The process for selecting a development partner has not yet been confirmed but will be fully compliant with the Council's obligations around best value and procurement.

4.6.7 It is likely that any agreement with a third party housing partner would include an option to redevelop the adjacent car park site once the Civic Centre refurbishment has been completed. However, the Council would retain control of the car park and any income generated from it until plans for any new development have been agreed and are ready to proceed.

#### 4.7 Governance

4.7.1 Over the last 12 months governance for this project has included the following:

- A monthly design workshop, including the Council, CCP and members of their respective design and professional teams. These workshops have allowed elements of the design (particularly relating to the CCP space) to be progressed and further clarity to be provided on how the use of the building will be shared and the extent of work to be carried out by each party.
- A monthly programme board, including the Council and CCP. This board has been chaired by the Council's Service Director for Economic Development (Senior Responsible Officer) and has helped to ensure that there is a shared understanding of the strategic project objectives and the key terms on which CCP will occupy the building.
- A quarterly strategic board, including the Council and CCP. This board has included the Council's Cabinet Member for Finance, as well as CCP's Chair and Chief Executive / Principal.

4.7.2 As the project now moves into the delivery phase, it is proposed that the governance will be updated to reflect this. It is envisaged that the strategic board will continue to meet approximately every quarter. The Council will establish a series of regular design team meetings to progress the design and delivery of the whole project, with input from all of its design team – particularly the architect. Separate to these design team meetings, the Council will liaise regularly on a formal basis

with CCP to ensure that CCP's own design interfaces well with that of the Council, and to ensure that all of CCP's requirements are understood and appropriately managed.

4.7.3 In order to ensure maximum visibility of the proposed decision-making process, it is proposed that the timing of the gateways described above in section 4.5 will align with the Council's formal scrutiny processes and will be considered at the relevant scrutiny committee.

4.7.4 It is also proposed that an update report is provided to Cabinet in March 2026. This will not only provide a formal opportunity to consider progress on the project, but will also allow Cabinet to review any decisions required prior to any funding from Homes England being spent, as it is envisaged that this would not start to be spent until April 2026.

#### 4.8 Risk

4.8.1 There are a number of risks associated with this project. As part of the project governance a risk register has been set up and is regularly reviewed. Some of the key risks for the project are set out in the table below:

<b>Risk</b>	<b>Mitigation</b>
Extent of structural repairs unknown	Costs to date based on sample survey and assume a uniform cost for structural repairs. Structural survey of every floor to be commissioned.
Works costs not market tested	Costs based on AECOM's advice and previous contractor engagement. £4.5m contingency included in cost plan.
Building Safety Act (BSA) requirements	Programme (and cost inflation) allows for BSA gateways. BSA consultant appointed. CCP to be separated from residential if possible. Architects to review existing design to ensure compliance.
Listed building / Historic England	Initial meeting held with Historic England. Pre-application engagement to be undertaken.
Agreement for lease of commercial space not yet exchanged	Regular engagement with CCP and their consultant team and agreed Heads of Terms.
Housing developer not appointed	Experienced housing developer appointed on a consultancy basis to ensure relevant design, cost and management issues are considered.
Cabinet decision commits the Council to unexpected costs	Gateway approach to be used to manage risk ahead of key project decisions (appointment of main contractor and housing developer), including, as set out in this report, consideration by the relevant scrutiny committee.
Funding does not materialise	Seeking formal commitments from LUF and Homes England. Also exploring other funding opportunities.

Operating model could commit Council to long term landlord liabilities (design life of building unknown at this stage)	Review operating and ownership model for residential units and risk of long-term landlord liabilities when full survey results are available, in view of design life of building.
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