

HSC Briefing Report

House Building and Acquisitions update

Lead Member Briefing: 9th. March 2026

Housing Scrutiny Commission: 17th. March 2026

Lead Director: Chris Burgin.

Lead director: Chris Burgin



City Mayor

Useful information

- Ward(s) affected: potentially all
- Report author: Simon Nicholls, Head of Service
- Author contact details: 395273
- Report version number: v.1

Summary

This report has been prepared to update members of the Housing Scrutiny Commission on our house building and acquisitions programmes.

We are currently on site at Hospital Close, all phase 1 properties are now let and Phase 2 is progressing well. New homes are in construction at Saffron Lane and Southfields Newry, the contract for the redevelopment of the Stocking Farm site has been signed and the procurement exercise to appoint a contractor for the new council homes at Lanesborough Road and Austin Rise is now live, we expect to be out to tender for FLEC soon.

We are also working on a range of other sites, such as The Leys, the former Border House and land to the rear of Regent Road which will continue the delivery of new council homes.

Our ongoing acquisition programme continues to deliver new affordable homes whilst taking advantage of available funding streams.

Recommendations

That the Housing Scrutiny Commission note the content of this report.

3. Supporting information:

This report is concerned with the delivery of new council house building and our ongoing acquisition programme and will provide you with an update on all sites in our current pipeline.

Progress updates on our current new build and major refurbishment schemes

Hospital Close.

The council acquired the site with the sole purpose of refurbishing the former nurse's accommodation into energy efficient new council homes. To ensure that we delivered the units in as timely a way as possible the scheme was split into two. This was based on the works required to bring these home back into use. Some members of the HSC attended site recently to see progress for themselves.

Hospital Close – phase 1.

Consisted of the refurbishment of 35 x 3 bedroomed semi-detached and terraced houses. This phase is now complete, and all houses are let. The refurbishment achieved an EPC A rating.

Hospital Close - phase 2

Consists of the refurbishment of former nurses' accommodation to provide a mix of two and three bedroomed flats, 10% of which will be fully wheelchair accessible.

This phase is on site now and progress is good; the first flats are due to be handed over for occupation in June 2026, and the phase completed by June 2027

On completion we will have delivered 135 new council homes.

Saffron Velodrome:

Is a new build site and consists of 38 new council homes, 10 of which are fully wheelchair accessible bungalows. The contractors are on site now and we are expecting 15 of the homes to handed over in early April 2026. The remaining homes will be handed over during the summer; the split handover has been caused by the time it has taken reaching an agreement with Network Rail over the construction of the retaining wall to the north of the site.

Members of the HSC have recently enjoyed a site visit and have requested a return visit on completion of all works.

Lanesborough Road and Austin Riase: 45 New homes

Is a new build site that has been difficult to progress due to its constraint, mainly due to a badger's sett being identified, this had to be monitored, this has now concluded that the badger's sett is no longer live, and we are able to proceed. The tender process started in January 2026 and interested contractors have until March 26 to submit a bid. We are

working towards a start on site in Summer 26 and a current projected completion of all units by spring 2028

Forest Lodge Education Centre (FLEC) 33 New homes

The demolition of the former school buildings is now complete. A full planning application has been submitted, however there have been delays due the discharged of planning conditions that relate to biodiversity net gain, these remain unresolved. However, we are working towards a start on site by the end of 2026.

Southfields Newry 53 new homes

Is a new build site on the location of the former school, which has since been demolished. The contractor is currently on site delivering a range of property types that will include 10% fully wheelchair accessible properties.

Stocking Farm: 50 new homes

This is an exciting and complex redevelopment of the area that includes existing residential units, shops, garages and community facilities. An extensive stakeholder engagement exercise has taken place and demolition of the garages and Best One shopping complex has been completed. The procurement exercise has been particularly complex; however, all matters have concluded and the successful contractor is due on site in June 2026.

Delivery Breakdown

Scheme	24/25	25/26	26/27
Hospital Close		35	100
Saffron Velodrome		38	
Lanesborough Road			37
Austin Rise			8
Southfields/Newry			53
Stocking Farm			50
FLEC			33
Hydra Walk	2		
Musgrove Close			1
Totals	2	73	281

Funding for new build schemes

Currently the funding for all of our new build schemes includes a percentage of Retained Right to Buy Receipts (RTBR) and the rest is made up from borrowing, however the amount of unallocated RTRB is reducing and this will impact on future delivery.

Fortunately, Home England has announced The Social and Affordable Homes Programme 2026 to 2036 (SAHP) which provides grant funding to support the capital costs of developing affordable housing in England. Homes England have identified at least £27.3 billion of government funding to deliver new social and affordable homes outside of London. Homes England has confirmed that bidding will open on the 24th. February 2026 and we have submitted a bid to part fund 5 of our new build housing

schemes that if successful will release RTRB to allow the continuation of the acquisition programme and other new build pipeline schemes.

Acquisitions:

The table identifies our current acquisitions programme and funding route.

We have successfully bid for HE funds over successive years and have also been allocated Local Authority Housing Fund (LAHF) grant to provide homes for Afghan and Ukrainian families alongside general needs temporary accommodation homes.

	23/24	24/25	25/26	26/27
RTBR	61	58	9	35
Homes England	50	20	20	20
LAHF	27	33	4	15
totals	138	111	33	70

The majority of our programme is buying single 2/3 bedroomed former council houses. This meets the demand for family accommodation and the homes fit back easily into our planned and responsive works programmes.

We do consider larger acquisitions; we completed on the ZIP building in 23/24 and Citygate House in 24/25.

Temporary Accommodation Project

To manage the pressures that the council are facing housing families and singles in temporary accommodation it was agreed that £45m will be made available to both purchase and lease additional units of accommodation. These units will be owned and managed in the general fund, 264 units have been bought which exceeds the original target of 225 by 39 and a further 92 have been leased.

Other affordable housing delivery routes

The main purpose of this report is to set out our new build delivery pipeline and acquisition programme but to meet the manifesto commitment of 1500 new affordable homes the following delivery routes will also be used:

- Known schemes being delivered by others, including Extra Care and Supported Living schemes.
- Planning gain affordable housing

Known schemes being delivered by others.

The following are 100% affordable housing schemes we know are likely to be delivered during the course of the manifesto period by registered providers in the city. The report in July 23 included the delivery of two new Extra Care Schemes and one Supported Living Scheme which have now been removed due to an unsuccessful procurement exercise, they are not now expected to complete in the current manifesto period.

Site	24/25	25/26	26/27
Abbey Park Road former bus depot site – phase 1	71	47	
Phase 2			111
Meadows Way - Loughborough Road		100	
Barkby Thorpe Road	13	5	
Totals	84	152	111

Planning gain affordable housing

The following table is a summary of the affordable housing to be delivered through planning gain linked to the development process. Planning Gain affordable housing is secured as a planning condition and is typically 30% of the total number of homes being built. The developer normally works with a registered provider who will own and manage these units. Typically, the Council will nominate the tenants on 100% of the first lets.

Ashton Green is the single biggest development currently in the city and will be delivering the majority of the planning gain affordable units we expect to be delivered during the manifesto period.

Development	23/24	24/25	25/26	26/27
Ashton Green				
AG Phase B & C	12	40	22	0

The development of non-strategic local plan sites for new council housing:

There are 26 council owned non-strategic local plan sites that have been identified as suitable for the delivery of affordable housing; however, these cannot be progressed ahead of the adoption of the Local Plan. Initial design and feasibility work has been commissioned to enable us to progress these sites as quickly as possible once the Local Plan has been adopted. It is anticipated that we will deliver some sites ourselves but will also work with other registered providers. All schemes will go through the planning process to allow for resident and community engagement. The projected delivery figures for these sites have not been included in this report.

Delivery Summary

Delivery phase	23/24	24/25	25/26	26/27	Grand Total
Hospital Close phase 1			30		30
Hospital Close phase 2				100	100
Current Housing Pipeline		2	38	181	221

Section 106– Planning Gain	12	40	22	0	74
Known future delivery by others, 100% affordable schemes		163	72	111	346
Total New Builds	12	205	162	392	771
Acquisitions - HRA	138	111	33	70	352
Other provider acquisitions	1	3			4
First Homes Early Delivery (FHED)	8				8
Temporary Accommodation project	6	105	245	100	456
Grand Total	165	345	440	170	1591

Risks and issues to delivery:

- The lack of available sites for residential development, the majority of the sites are currently subject to the Local Plan process.
- A decrease in Planning Gain Affordable Housing, with only Ashton Green showing any significant delivery.
- Significant increases in actual and predicted costs for the delivery of schemes and the impact this has on viability and delivery.
- The new build and acquisition programmes are currently reliant of the use of RTBR for funding.

4. Details of Scrutiny

5. Financial, legal and other implications

5.1 Financial implications

As an update report, there are no direct financial implications associated with this report. Budget is added to the capital programme for the new build and acquisition programme throughout the year. This can be through the annual budget setting report to Council or through Executive Decisions as additional funding becomes available. As referenced within the report, receipts from Right to Buy property sales have provided a substantial proportion

of the subsidy for these schemes, alongside government grant; these are matched with prudential borrowing that is repaid from the rental income arising from the new supply.

Stuart McAvoy – Head of Finance
6th March 2026

5.2 Legal implications

None at present. Legal advice is recommended from the respective legal teams throughout the awarding of contracts and/or acquisition of properties.

Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)
4/3/26

5.3 Climate Change and Carbon Reduction implications

As this report is for briefing only, there are no direct climate emergency implications. It is worth noting that housing is responsible for a third of Leicester's overall carbon emissions. Following the city council's declaration of a Climate Emergency its aim to achieve net zero carbon emissions for the city and council addressing these emissions is vital to meeting our ambition, particularly through the council's own development of housing, where it has the highest level of influence and control.

Where new accommodation is developed, opportunities should be taken to make the properties as energy efficient and low carbon as possible. This should be considered from the earliest stages of the projects, including through tendering processes and engagement with potential providers. Measures should include fitting high levels of insulation, low carbon heating and lighting, renewable energy sources and sustainable construction methods. Alongside minimising carbon emissions, these measures would also significantly reduce energy costs for accommodation and should increase comfort levels for occupants.

Phil Ball, Sustainability Officer, Ext 372246
20th February 2026

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The paper provides an update on the council's house building and acquisitions programmes. The programmes outlined in the report advance equality of opportunity by delivering affordable, energy-efficient, and accessible council homes across Leicester, addressing housing needs for diverse protected characteristic groups including those with disabilities, families, ethnic minorities, and older residents.

Equalities officer, Surinder Singh, Ext 37 4148
Dated 20 February 2026

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

6. Background information and other papers:

7. Summary of appendices:

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

/No

10. If a key decision please explain reason



City Mayor