

# Policy Committee

15 June 2026



**Reading**  
Borough Council  
*Working better with you*

<b>Title</b>	<b>Local Authority New Build (LANB) Programme Update inc:</b> Battle Street, Southcote Lane, Dee Park Phase 3 and Whitley Wood Community Centre.
<b>Purpose of the report</b>	To make a key decision
<b>Report status</b>	Partly open to the public and part exempt - see reasons below
<b>Report author</b>	Victoria Higgins, Head of Strategic Housing
<b>Lead Councillor</b>	Cllr Yeo, Lead Councillor for Housing
<b>Corporate priority</b>	Thriving Communities
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That Policy Committee approves the updated budget forecasts and associated spend approvals to progress the Housing Revenue Account (HRA) Capital Programme Local Authority New Build (LANB) schemes at Battle Street, Southcote Lane, LANB Acquisitions, Dee Park Phase 3 and Whitley Wood Community Centre. The anticipated total cost of each scheme from 2026/27 until 2029/30 and total spend approval required for each scheme is detailed in the Confidential Financial Annex.</li><li>2. That Policy Committee approves permission to bid for Homes England grant funding for all appropriate schemes within the LANB programme, with final approvals of the details of the bids delegated to the Executive Director of Communities and Adult Social Care, in consultation with the Director of Finance and the Lead Councillor for Housing.</li><li>3. That Policy Committee approves permission to progress with the Local Authority Housing Fund (LAHF) Round 4 and the Local Authority New Build acquisitions programme.</li><li>4. That Policy Committee delegates authority to enter into contract with relevant parties to enable delivery of the schemes in this report to the Executive Director of Communities and Adult Social Care, in consultation with the Director of Legal and Democratic Services, the Director of Finance and the Lead Councillor for Housing.</li><li>5. That Policy Committee notes the latest position on Dee Park and delegates approval to the Executive Director of Communities and Adult Social Care in consultation with the Director of Finance to approve the appointment of the multi-disciplinary teams required to progress Phase 3.</li><li>6. That Policy Committee delegates approval to the Executive Director of Communities and Adult Social Care, in consultation with the Director of Legal and Democratic Services to enter into</li></ol>

	<p>collateral warranties as required on all phases of the LANB programme.</p> <p>7. That Policy Committee approves the appropriation of land required for Dee Park Phase 3 and the use of Section 203 Housing and Planning Act 2016 (HPA) as required to enable Battle Street and Dee Park Phase 3 to come forward.</p>
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The annex to this report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

The report contains financial information which, if published, would provide an unreasonable commercial advantage to future contractors and third parties. The public interest is to ensure the Council's investment in the Local Authority New Build programme is protected and not undermined by publication of data which would be of interest to contractors and third parties.

## 1 Executive Summary

- 1.1 On the 20 January 2025, Policy Committee approved progression to onsite construction of the Local Authority New Build (LANB) schemes at Hexham Road, Dwyer Road and Amethyst Lane. This included budget and spend approvals, and permission to bid for grant funding for each scheme. We are pleased to report that these schemes are on site and expected to complete in this financial year.
- 1.2 Approvals were also given by Policy Committee in January 2025 to provide feasibility budgets to progress schemes for Battle Street, Southcote Lane and Dee Park Phase 3, including the new LEAP/LAP. This report provides an update in relation to this work and seeks relevant approvals to progress these schemes to the next phases of development.
- 1.3 Additionally, this report provides an update on LANB delivery to date and the forward look including new sites in feasibility, the new Whitley Wood Community Centre, acquisitions and the fourth round of MHCLG's Local Authority Housing Fund programme. We are seeking relevant approvals to progress these schemes also, including spend and budget approvals and permission to bid for Homes England grant funding.

## 2 Background

- 2.1 The Housing Strategy 2020-2025 set out a commitment to deliver c.200 local authority new build homes, in addition to 172 new homes and acquisitions already completed. This was subsequently uplifted to 400 units in total. Through our Local Authority New Build programme, the Council delivered 421 units by December 2025, including new homes at Wensley Road (46 units) and our acquisitions programme.
- 2.2 Our LANB pipeline for new council-owned homes will deliver another 362 units by 2029 (excluding acquisitions):

<b>Site</b>	<b>Number of new homes</b>	<b>Current stage</b>	<b>Anticipated completion date</b>
Hexham Road	42	In development	Q2 2026/27
Amethyst Lane	17	In development	Q2 2026/27
Dwyer Road	30	In development	Q4 2026/27
Battle Street	62	In development	Q2 2028/29
Phase 4 small sites	7	In development	2028/29
Southcote Lane	14	Feasibility	2028/29
Dee Park Phase 3 (subject to planning approval)	190	Feasibility	2028/29
<b>TOTAL</b>	<b>362</b>	-	-

- 2.3 In addition, the Council has an active acquisitions programme which is expected to deliver at least another 37 units over the next four years. This includes our continued participation in MHCLG's Local Authority Housing Fund (LAHF) programme.
- 2.4 Officers are also progressing plans to continue the LANB programme, including the development and regeneration of council stock in the borough. A report updating on the proposals, the impact on the Housing Revenue Account (HRA) Business Plan and options for delivery of this longer-term pipeline will be brought back to Committee in due course.
- 2.5 Funding for the current schemes is made up of a combination of HRA borrowing, Right to Buy receipts, S106 receipts and Homes England grant. Following announcements regarding Homes England grant funding beyond 2026, we have assumed grant funding availability in line with our understanding of expected rates.

### **3 The Proposal**

#### *Battle Street*

- 3.1 Our new build scheme at Battle Street will see the redevelopment of the former Central Pool site to provide 62 new homes (20 x general needs homes, 13 x supported living flats and 29 sheltered flats), plus an older person's day opportunities service.

- 3.2 We have procured a contractor to undertake the Pre-Construction Services Agreement (PCSA), and we are currently in the final stages of this process, with a detailed design and full cost plan being finalised. We are working towards start on site in late summer 2026.
- 3.3 The development area is subject to a range of private rights, including rights of light. These rights have the potential to restrict or delay the delivery of the scheme if not appropriately addressed. The Council will use Section 203 of the Housing and Planning Act 2016 (HPA) to resolve private rights where required. This includes the payment of compensation under Section 204 of the HPA as appropriate. This is set out in greater detail in Section 9: Legal Implications.
- 3.4 We are therefore seeking approval to use Section 203 Housing and Planning Act 2016 (HPA) as required to enable Battle Street to come forward.

### *Southcote Lane*

- 3.5 Our LANB scheme at Southcote Lane will redevelop the former Southcote Library site to provide 14 new council-owned homes (indicatively, 1 x one bedroom wheelchair accessible flat, 10 x two-bedroom flats and 3 x three-bedroom flats).
- 3.6 The scheme is currently at feasibility stage, and we are working with our multi-disciplinary team to progress RIBA stages 0-3 and a pre-application planning submission. We will carry out further stakeholder and community engagement as our plans develop for this site.

### *Dee Park Phase 3 and LEAP/LAP*

- 3.7 Phases 1 and 2 of the Dee Park Regeneration have delivered 515 new homes, including 60 self-contained extra care apartments, a new community centre and a new shop. The school refurbishment works have also been completed.
- 3.8 We have procured a contractor to deliver the new Locally Equipped Area for Play (LEAP) and Local Area for Play (LAP) in front of the new community centre. Planning approval for this scheme was granted in June 2025, and we are anticipating a start on site to deliver the scheme in autumn 2026.
- 3.9 Phase 3 is expected to deliver 190 new homes with a mix of unit sizes, including larger sized family homes. A further update on next steps will be provided once planning permission has been obtained.
- 3.10 To enable the scheme to proceed, sections of the land earmarked for Dee Park Phase 3 will need to be appropriated. The land within Phase 3 is also subject to a range of private rights, including rights of way, easements, access rights, and potential rights to light. These rights have the potential to restrict or delay the scheme if not appropriately addressed.
- 3.11 The Council will use Section 203 of the Housing and Planning Act 2016 (HPA) to resolve private rights where required. This includes the payment of compensation under Section 204 of the HPA as appropriate. This is set out in greater detail in Section 9: Legal Implications.

- 3.12 We are therefore seeking approval to proceed with the appropriation of land required for Phase 3 and to use Section 203 Housing and Planning Act 2016 (HPA) as required to enable Phase 3 to come forward.

### *Whitley Wood Community Centre*

- 3.13 The Whitley Wood Community Centre located at the junction of Swallowfield Drive and Copenhagen Close reached the end of its design life due to significant structural issues and was closed in March 2024. A temporary modular centre has been provided at Lexington Grove since March 2024 to ensure continuity of service for residents.
- 3.14 We have considered the site as a location for a new permanent community centre. However, it is too small for re-provision. Several options are therefore currently being explored for the redevelopment of the original site. A further report will be provided to set out the proposed plans as work progresses.
- 3.15 A study to assess the options for delivering a new permanent community centre in Whitley Wood has been undertaken. Five potential sites within the Swallowfield estate were considered for suitability to accommodate the new centre. Each site has been evaluated against a range of criteria including accessibility, development potential, community and integration.
- 3.16 Following detailed evaluation, a preferred site has been identified due to its strategic location and development potential. The site is held within the HRA and therefore any proposed scheme must be financially viable within the 30-year HRA Business Plan.
- 3.17 Officers are ready to commence the procurement process to appoint a contractor to work towards the submission of a planning application for the preferred site. A paper will be presented to Policy Committee in due course to provide further updates about this scheme, including the feasibility of broadening the scope of the scheme to deliver additional assets. Further community consultation and stakeholder engagement will be carried out as plans progress.

### *Local Authority Housing Fund (LAHF) Acquisitions*

- 3.18 The following table summarises the Council's involvement with previous LAHF rounds:

<b>LAHF Round</b>	<b>No. of homes</b>	<b>Purpose</b>	<b>Complete By</b>
1	15	Move on and settled accommodation for Afghan and Ukrainian families.	March 2024
2	6	Afghan resettlement and easing homelessness pressures.	March 2024
3	10	Temporary accommodation and resettlement; 4+ bedrooms included.	March 2026
3+	4	Four additional units agreed.  Delivery extended to July 2026.	July 2026

3.19 We are seeking permission from Policy Committee to continue with our Local Authority Housing Fund delivery for Round 4 as follows:

<b>LAHF Round</b>	<b>No. of homes</b>	<b>Funding</b>	<b>Expected completion</b>	<b>Latest position</b>
4	21	Grant funding, match funded by HRA borrowing and S106 funds.	2029/30	<p>Following successful delivery of Rounds 1 -3 of LAHF, we have been allocated 21 units under Round 4:</p> <ul style="list-style-type: none"> <li>• 11 homes for temporary accommodation.</li> <li>• 10 homes for resettlement (five to be 4+ bedrooms).</li> </ul> <p>Delivery is split over four years to 2029/30.</p>

3.20 We are seeking permission from Policy Committee to progress with the Local Authority Housing Fund Round 4.

### *Feasibility*

#### New Build

3.21 In November 2022, Housing, Neighbourhoods and Leisure Committee agreed spend approval to continue the delivery of Phase 4 of the LANB programme at £29.6m for up to 87 new homes. Much of this delivery has now been completed or is in progress, including our LANB schemes at Dwyer Road and Amethyst Lane.

3.22 A number of small sites have been identified for feasibility work. Dates for planning submissions and approvals, starts on site and completions will be set as these schemes progress. We will also be carrying out further community and stakeholder consultation in due course for these schemes.

3.23 Officers are also currently carrying out initial feasibility and viability studies in relation to a number of other potential sites. Progress in relation to these sites will be reported back to Committee in due course if they are deemed suitable for the LANB programme.

#### Acquisitions

3.24 In addition to building new homes, we have maintained a programme of property acquisitions as part of the LANB programme. Our biggest acquisition scheme to date has been at Watchman's Place, which completed in August 2025 and provides 16 new council-owned homes.

3.25 Over the next four years, we plan to acquire an additional four properties per year to add to our existing HRA stock under Phase 4 of the LANB programme. We are therefore

seeking permission from Policy Committee to continue with the LANB acquisitions programme.

- 3.26 Additionally, we will seek to explore all suitable acquisition opportunities which present in the borough, including S106 units and new opportunities arising out of recent government announcements. These include bidding for low-interest PWLB loans to acquire Section 106 homes if a suitable scheme is identified. Up to 10% of the £2.5bn in funding for loans available over four years (2026-2030) will be available to support the delivery of social and affordable homes via this route. There is also now the ability to add Right to Buy receipts to purchase S106 units.

### *HRA Business Plan 2026/27 Budget & Spend Approval forecast*

- 3.27 Please refer to Section 10: Financial Implications and the Confidential Financial Annex.

## **4. Contribution to Strategic Aims**

- 4.1 The Council Plan has established five priorities for the years 2025 to 2028. These priorities are:

- Promote more equal communities in Reading.
- Secure Reading's economic and cultural success.
- Deliver a sustainable and healthy environment and reduce our carbon footprint.
- Safeguard and support the health and wellbeing of Reading's adults and children.
- Ensure Reading Borough Council is fit for the future.

- 4.2 In delivering these priorities, we will be guided by the following set of principles:

- Putting residents first.
- Building on strong foundations.
- Recognising, respecting, and nurturing all our diverse communities.
- Involving, collaborating, and empowering residents.
- Being proudly ambitious for Reading.

- 4.3 By supporting the delivery of new sustainable, affordable council-owned homes in Reading, this proposal will support these priorities and principles.

## **5 Environmental and Climate Implications**

- 5.1 On the 26 of February 2019, the Council declared a Climate Emergency and resolved to act to accelerate a carbon neutral Reading to 2030. Reading Climate Change Partnership's Reading Climate Emergency Strategy 2020-25 and the new RBC corporate Carbon Plan 2020-25 was adopted in November 2020. The Council will therefore seek to ensure the scheme delivers on this commitment by developing designs that maximise all sustainability options.

- 5.2 The Council's existing approach for Local Authority New Build homes is to seek to ensure that where possible schemes are built to Passivhaus principles. The application of a fabric first approach of Passivhaus reduces greenhouse gas emissions and delivers significant long-term energy savings to the tenants. The low running costs and higher quality building mean that costs are significantly reduced over the life of the building for the occupiers.

- 5.3 The use of sustainable materials plays an important role in the design. This, combined with the high quality of building physics achieved through insulation, thermal bridge-free

design and airtightness, ensures that the sustainable benefits of Passivhaus principles will last.

- 5.4 In addition to the above, the Council is committed to delivering new homes that offer a sustainable location for residents in terms of access to employment, schools, and other local services via good public transport, pedestrian and cycling networks. While seeking to encourage and support sustainable travel, where possible our schemes will also provide charging points for electric vehicles.

## **6 Community Engagement**

- 6.1 Individual schemes will have their own community consultation and engagement plan, which will support the statutory consultation required as part of the planning process.

## **7 Equality Impact Assessment**

- 7.1 Not applicable to this report.

## **8 Other Relevant Considerations**

- 8.1 There are none.

## **9 Legal Implications**

- 9.1 The Council has powers under Sections 9 and 17 of the Housing Act 1985 to provide housing accommodation and to acquire land and housing for the purposes of Part II of the Housing Act 1985.

- 9.2 Proposals to deliver new council homes would need to have planning permission under the Town and Country Planning Act 1990 and any other necessary consents.

- 9.3 This report recommends and seeks approval to progress the developments / redevelopments detailed above at paragraphs 2 to 9. There are various statutory and constitutional obligations the Council must observe in order to proceed. These are as follows:

9.3.1 Under Section 122(1) of the Local Government Act 1972 a Local Authority proposing to develop/redevelop land which is no longer required for the purpose for which it is held has power to (and must) appropriate the land for planning purposes.

9.3.2 Under Section 122(2) and (2A) of the Act where the proposed redevelopment affects land which is wholly or partly allotment or common land of more than 250 square yards or open space land the authority must advertise the intention to appropriate the land for 2 consecutive weeks in a local newspaper before formal appropriation of the land takes place.

9.3.3 Appropriation under S122 is an administrative process where the authority documents that the land is no longer required for its original purpose and is to be formally appropriated. Providing the land in question is not allotment land, common land, open space or land held within the HRA, Section 122 is engaged and may be relied on and the land will be effectively appropriated.

- 9.3.4 Appropriation away from Housing Revenue Account use is not permitted without the Secretary of State's prior approval. This is the case even where the authority believes the housing purpose is exhausted or the dwelling is derelict.
- 9.3.5 Where the proposed redevelopment affects land which is held under Part II of the Housing Act 1985 (i.e. currently held within HRA) the authority must first obtain the Secretary of State's prior approval by submitting an application to the Secretary of State under Section 19 of that Act. Having obtained the Secretary of State's consent the land (or housing) must then be appropriated under s122 of the 1972 Act.
- 9.3.6 Once land has been appropriated for planning purposes under Section 122 of the 1972 Act, providing it can be demonstrated that it is in the public interest to do so, the Council may rely on Section 203 of the Housing and Planning Act 2016 to override any private rights there may be which would otherwise prohibit or impede the proposed development/redevelopment. Section 203 provides a statutory power to override easements, rights of way, rights of light etc where land held for planning purposes is to be developed/redeveloped, planning permission has been obtained for the proposed development, and the Council could exercise its compulsory purchase powers.
- 9.3.7 The general principal which applies to compulsory purchase, i.e. that there must be a demonstrable compelling reason and it must also be in the public interest in order to justify depriving a property owner of their property, also applies when exercising Section 203 of the Housing and Planning Act 2016.
- 9.3.8 Just as the power to exercise compulsory purchase should be a last resort so too should engaging s203. Efforts should be made to reach agreement by negotiation with private owners in both instances.
- 9.3.9 Where it is justified to do so Section 203 of the 2016 Act can be relied on to interfere with private owners rights and, under Section 204 of the Act, such owners would be entitled to compensation from the Council on the same basis as would apply if the interference had occurred through compulsory acquisition.
- 9.4 Works contracts worth £5,193,000 (Works Threshold) or more must be advertised via the UK's central e-notification Find a Tender Service and then tendered or be procured via a Reading Borough Council approved framework agreement/Dynamic Purchasing System which itself has already been advertised in Find a Tender and undergone a tender process. Where the works contracts proposed in this report are procured separately, resulting in classification of some of these as below-threshold contracts, the following would apply. Under the Procurement Act 2023 local authorities procuring below-threshold works contracts, under £5,193,000, have more flexibility in respect to the procurement process. While there is no requirement to advertise the tender, the authority must ensure fairness, value for money, and transparency. It must consider barriers to participation for small and medium sized providers. The authority can choose to advertise the tender, and when it chooses to do so, a Below-Threshold Tender Notice must be published on the Central Digital Platform (Find a Tender). The contracts can be awarded through the process of open competition or direct awards, and the contract details must be published.
- 9.5 These contracts must be awarded in accordance with the Council's Contracts Procedure Rules.
- 9.6 In accordance with all of the above, Committee approval is sought to authorise officers to:

- 9.6.1 Submit an application under Section 19 of the Housing Act 1985 to apply for the Secretary of State's consent to appropriate land currently within the Housing Revenue Account to enable the development/redevelopments proposed in this report;
  - 9.6.2 Appropriate the required land for planning purposes under Section 122 of the Local Government Act 1972;
  - 9.6.3 Where there are private rights which would otherwise impede or prohibit the proposed development/redevelopments to: (a) negotiate terms to seek to reach agreement with the owners and, if needs be, where doing so is in the public interest, to exercise the powers available under s203 of the Housing and Planning Act 2016 to appropriate rights in relation to such private rights as there may be; and (b) engage the compensation provisions under Section 204 of that Act; and
  - 9.6.4 Enter into appropriate Works contracts in the manner described at paragraphs 13.4 and 13.5 above of this report.
- 9.7 Any legal encumbrances for sites will need to be identified at an early stage and any issues that could impede or prevent development be highlighted and where possible resolved as each individual site is progressed.

## **10 Financial Implications**

- 10.1 The case for capital investment into each individual site will examine the impact on the HRA 30-year Business Plan to ensure the overall programme will achieve a neutral or positive impact on the financial performance of the HRA. In the event that capital expenditure does not ultimately lead to the creation of a capital asset, then costs incurred will fall to revenue, where they are currently unbudgeted.
- 10.2 All of the schemes included within the LANB programme will only progress to the construction stage if they continue to pass the financial viability tests. The viability position for schemes will be reviewed again once there is more certainty on the scheme costs and Homes England grant availability.
- 10.3 The schemes identified in this report have been included within the 2026/27 refresh of the HRA 30 Year Business Plan, agreed by members in February 2026 and updated during April 2026. Please refer to the Confidential Finance Annex for further details.

## **11 Timetable for Implementation**

- 11.1 Not applicable

## **12 Background Papers**

- 12.1 There are none.

## **References**

### **LANB previous reports:**

- 1. Policy Committee Report July 2015.
- 2. HNL report November 2015.

3. Policy Committee Report July 2017.
4. HNL report June 2021.
5. HNL report November 2022.
6. LANB Update (Wensley Phase One and Two) November 2024.
7. LANB Update report January 2025.

