NORWICH City Council

Committee name: Scrutiny

Committee date: 15/01/2026

Report title: Housing Development at Mile Cross Depot Site

Portfolio: Councillor Jones, Cabinet member for housing

Report from: Executive director of communities and housing

Wards: Mile Cross

OPEN PUBLIC ITEM

Purpose

To review the delivery of the housing development at Mile Cross Depot site

Recommendation:

It is recommended that Scrutiny consider the delivery of housing development at Mile Cross.

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report meets the Fairer Norwich corporate priority

This report addresses the corporate plan aims of good quality homes for all and safe, diverse and vibrant neighbourhoods.

Introduction

1. Scrutiny Committee has requested information in relation to the delivery of the Mile Cross depot development project, specifically requesting:

a. Why have no houses been built on the Mile Cross Depot site, which was scheduled for completion by 2024?
b. What are the reasons for the delay in the delivery of new homes at this location?
c. What impact has this delay had on housing provision in Norwich, especially in relation to homelessness and rough sleeping?
d. What is the current status of the site in terms of planning, ownership, funding, and any legal or environmental barriers?
e. What steps are being taken to restart or accelerate development?
f. How has the delay affected strategic targets in the Corporate Plan regarding housing and reducing homelessness?

Timeline

2. The Mile Cross depot was formerly Norwich City Council's principal works depot and was subsequently managed as a business centre. The depot site is owned by the council and held in the General Fund.

3. The land at Mile Cross Depot was allocated in the 2014 Greater Norwich Local Plan, ref R36, for mixed use development to include housing and small business workshop units. A minimum of 75 homes will be provided.

4. A site investigation undertaken in 2017 showed a number of different contaminants located on the site and these needed to be neutralised or removed prior to any re-development of the site.

5. As the first stage in redeveloping the site, council agreed at its meeting on 25 September 2018 to demolish the depot and decontaminate the site. A total budget of £1.975m was approved with £0.98m to be funded by a Ministry for Housing, Communities and Local Government (MHCLG) Land Release Fund (LRF) grant and £0.995m of matched funding from the council's capital receipts. The demolition of the depot and the decontamination works were completed in 2019.

6. In the 2018 report a number of options for redeveloping the site including:

    a. Option 1: Do nothing or Base Case;
    b. Option 2: Redevelop the site for housing;
    c. Option 3: Redevelop the site for housing and for leisure / community facilities;
    d. Option 4: Sell to a developer with a Planning and Development Agreement in place for housing
    e. Option 5: Sell the site on the open market

7. The preferred option was to explore option 3 with option 2 as the fall-back position.

8. In 2018 cabinet agreed to assess the residential options and the options and business case for the leisure facility.

9. Options for the leisure facility were assessed, with varying degrees of viability as a business model, however all options required significant cross subsidy from the residential element to fund the build cost of the leisure centre. The development viability undertaken showed that there would not be sufficient

surplus generated from the residential scheme to fund the building of the leisure centre.

10. The work carried out on the residential element up to RIBA stage 1 showed the potential for between 150 and 200 dwellings could be achieved on the site. This work also concluded that there is insufficient evidence to support a commercially viable, private residential development with 33% affordable housing. It was therefore agreed by Cabinet in June 2020 that the scheme would be taken forward for consideration as a social housing led development and the land was appropriated to the HRA.

11. In the 2020 report a high-level programme was provided laying out a route to delivery of homes by Summer 2024.

12. Although work had been undertaken to demolish the buildings on the site this had identified that there was a need to undertake additional ground investigations in order to de-risk the site for redevelopment.

13. In July 2020 cabinet approved an interim business case for the delivery of the Mile Cross depot. This included a requirement for a budget of £2.74m to undertake further ground works in order to de-risk the site for redevelopment along with £0.36m for design works to progress the site of which £0.18m was funded from business rates pooling.

14. This cabinet report also recommended a review of delivery options for new housing delivery within the HRA including:

    a. In house delivery
    b. Delivery through a wholly owned company (Norwich Regeneration Ltd)
    c. Partnership with a local registered provider
    d. Joint venture with a private developer.

15. In November 2020, following consideration of a report by the East of England Local Government Association, cabinet approved to progress work on the delivery of the initial priority sites that have been identified..

16. In this cabinet report an updated assessment of project timetables was provided which anticipated completion of Mile Cross in December 2024.

17. A contract was issued in May 2021 under delegated powers contract to Hamson Barron Smith to act as an Employers Agent and lead cost consultancy and design services for the site.

18. In July 2022 a robust RIBA Stage 1 report was concluded. This was to ensure that all options to unlock this site had been carefully considered and that the site constraints on the site could be balanced with key opportunities, delivered in this area of the city, improving the community and people’s sense of purpose and well-being.

19. The main focus of investigation in the RIBA Stage 1 report was into the ground conditions of this site. The site circumstances on the former depot site are extremely complex with respect to the remediation of this brownfield site. The issues on the site are difficult ground conditions, notably former dwellings having been demolished and rubble deposited on the site, contamination

across the site, a main sewage pipe to northern boundary and peat to the southern boundary. Groundworks needed to be conducted to a standard required by the Environment Agency in view of residential development being proposed.

20. In September 2022 a tender was issued for the procurement of a contractor to fully remediate the site. The contract was awarded by cabinet in December 2022 and a budget of £3.1m was approved.

21. Work commenced on site in early 2023 and was completed in late 2023 with material re-used on site to provide a level site ready for development.

22. A subsequent planning application was submitted in February 2024 for Phase 1 of the project which is for the development of 67 new affordable homes. Planning approval was later granted in November 2024.

23. Since November 2024, the council has continued to work hard to gain momentum in site activity. To help speed up the process, it was decided to split this development into two clear work packages, an enabling package, and the main contract works.

24. Delegated authority for the contract for the enabling works package was approved at Cabinet on 2nd April 2025. Since this time, the tender for this contract has concluded and a contract award has been given to Ovamill Ltd. The contract commenced on site in September 2025 following the discharge of pre-commencement planning conditions. The enabling works consist of:

    a. Construction of the main spine road to S38 adoptable standard, noting wearing course to be installed later

    b. Construction of surface water and foul water main drainage system (S104)

    c. Construction of the new bell mouth entrance to the site under a Small Highway Works Agreement (SHWA)

    d. Installation of new high voltage incoming power supply and associated substation construction and associated site utilities.

25. Additional works that we have been able to undertake ahead of the contract start since the planning determination was approved include:

    a. The de-canting of the garages ahead of their demolition.

    b. Asbestos surveys on the garages required ahead of demolition works.

    c. New fencing works around the site entrance and retaining wall infrastructure as a result of subsidence.

    d. Decommissioning and removal of the former substation.

    e. Engagement with utility providers and a design scheme produced for new utility infrastructure into the site.

f. The discharge of pre-commencement planning conditions linked to demolition works in the lead up to the demolition of the garages and the existing wall structure (including an Arboriculture report).

g. The procurement of the Employers Agent and cost consultant for RIBA stages 4-7.

26. In September 2025 Cabinet delegated approval for the award of the main 2-stage design and build contract for the delivery of the phase 1 scheme. A tender was issued and in December 2025 the contract was awarded to Lovell. The 2-stage approach will be for a pre-construction services agreement as phase 1 which will take the design from RIBA stage 3 through full technical construction design of RIBA stage 4 along with providing a full cost plan for the main contract. The main contract is due to commence on completion of the enabling works, currently anticipated by October 2026.

Response to specific Scrutiny Questions

27. **Why have no houses been built on the Mile Cross Depot site, which was scheduled for completion by 2024? and What are the reasons for the delay in the delivery of new homes at this location?**

28. The detail above in the timeline shows that the site is extremely complex with difficult ground conditions, contamination and design constraints. All of these have led to the approach being one of de-risking the site in order to de-risk the site for a main contractor ahead of the delivery of homes.

29. **What impact has this delay had on housing provision in Norwich, especially in relation to homelessness and rough sleeping?**

30. The delivery of homes in Norwich has been severely affected by challenging economic circumstances with rising build costs creating viability concerns alongside additional policy and regulatory requirements with changes to building regulations, increased costs from biodiversity net gain and nutrient neutrality effectively putting a stop to new planning approvals for 2 years.

31. There are approximately 3300 people on the housing register. The levels of homelessness and rough sleeping have remained at a relatively stable level during the period of the development of Mile Cross depot so the impact from any delay has been negligible.

32. Any increase in provision of affordable housing in the city is welcome and helps to ease pressure on the register and in recent years we have continued to see delivery either directly by the council or through partner registered providers. Since 2020 there have been 1008 new houses completed in the city of which 291 are affordable homes. Of these 291, 262 have been enabled or delivered by the council through direct delivery, provision of land or grants of RTB receipts.

33. **What is the current status of the site in terms of planning, ownership, funding, and any legal or environmental barriers?**

34. The site has detailed planning approval for phase 1 and options will be considered now for taking forward the rest of the site through the planning process. The site is owned by the Council and was appropriated from the General Fund to the HRA following the cabinet decision in June 2020. Budget provision has been maintained in the HRA to deliver the wider redevelopment, but options will be explored for whether a mixed tenure approach on the site will help deliver a balanced and sustainable community. The work to de-risk the site has largely dealt with the environmental barriers on the site and all constraints are known.

35. **What steps are being taken to restart or accelerate development?**

36. The timeline above shows that the development has not stalled but that further work was required to understand the constraints on site and to de-risk this. The enabling works package is on site, and the 2-stage contract has been awarded for phase 1 which will see homes starting to be built in October 2026.

37. **How has the delay affected strategic targets in the Corporate Plan regarding housing and reducing homelessness?**

38. As stated earlier the impact of national policies such as biodiversity net gain, nutrient neutrality, and generally increased build costs have all had a greater impact on the delivery of new homes in the city. Mitigation for nutrient neutrality is now available in the form of credits which is allowing new planning permissions to be granted so it is expected that delivery will increase in coming years.

39. The council is due to be on site with Mile Cross Phase 1 and Argyle Street this year which will see further delivery of new affordable homes and consideration is being given to the opportunity of the new Homes England social and affordable homes programme to allow additional delivery in the coming years.

40. Cabinet is considering a report on 14 January 2026 to acquire 21 additional affordable homes, all one-bedroom flats.

41. The council has recently entered into a joint venture with Aviva Capital Partners to take forward the large-scale regeneration project at Anglia Square which will see c1100 new homes in the next decade along with increased levels of affordable housing above what is required by planning. This will significantly help with the supply of new affordable homes to help address the housing need in the city.

42. In addition, the major regeneration scheme at East Norwich offers great opportunity for further affordable home provision in the city.

43. The council also has a strategic partnership with Orwell Housing to deliver new affordable homes on council owned land in the city. The first 4 sites are currently going through planning with additional sites in design phase. This partnership allows us to deliver more affordable housing in the city than we can alone.

44. Development strategy and delivery officers will continue to engage with home options in order to fully understand the housing needs in the city. We understand that of the 3300 households on the housing register in Norwich,

almost 2500 are in need of a one-bedroom property, equating to 76% of all applicants. Set against this, only 17% of council housing stock in Norwich is one bedroom, so there is a significant imbalance in supply and demand that we will continue to consider when planning new developments alongside creating sustainable balance communities.

Indicators of Success

45. Scrutiny had identified a number of indicators of success for this review:

46. **A clear timeline and plan for recommencing development at the site.**

47. A revised timeline shows that enabling works are due to complete in Summer 2026 when the main construction of phase 1 will commence. It is likely that a site of this size will take 18-24 complete but this will be confirmed on completion of the pre-construction services agreement. During the construction period a review of future phases will be undertaken, and design work progressed so a continuation of construction activity into future phases can happen.

48. **Identification and resolution of key barriers.**

49. The key barriers have been identified and resolved, primarily through the ground works package and the current enabling package of works.

50. **Strategic alignment of housing delivery with homelessness prevention work.**

51. When considering HRA housing delivery projects officers engage with the Home Options team in order to determine the mix of housing that would best fit the need, also taking into account existing local housing typologies in order that the scheme would be acceptable in planning terms.

52. **Recommendations for improving oversight and delivery of similar housing projects.**

53. In order to build capacity to see through the delivery of Mile Cross and Argyle Street resource has been recruited and will be managed by the Development Strategy Team. The project governance for these projects will be to report monthly to the Asset and Development Board on progress and to cabinet for approval for any items outside of scope or budget.

54. **100% housing for social rent, as agreed and published on the NCC website.**

55. The delivery of these 67 homes will be 100% social housing. As has been previously stated in this report and in response to questions at full council, officers will consider the tenure mix across the future phases of the site in order

to provide a balanced, sustainable community and to make the best use of council assets.

Financial and resources

56. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its community-led plan "We are Norwich" and budget.

57. There are no proposals in this report that would reduce or increase resources

Legal

58. There are no legal considerations in this report

Statutory considerations

Consideration	**Details of any implications and proposed measures to address:**
Equality and diversity	N/A
Health, social and economic impact	N/A
Crime and disorder	N/A
Children and adults safeguarding	N/A
Environmental impact	N/A

Risk management

Risk	**Consequence**	**Controls required**
Report for information and noting so no risks identified		

Other options considered

59. N/A – for discussion only

Reasons for the decision/recommendation

60. Scrutiny is asked to note the progress of the Mile Cross development and consider any recommendations to take forward.

Background papers: N/A

Appendices: N/A

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