# Formation Design & Build steps in to complete Croydon housing scheme after contractor collapse



Southern Housing has appointed Formation Design & Build to complete a stalled housing development in Croydon, after the original contractor, Henley Construct, went into administration in April 2023. The project, situated on Cherry Orchard Road, had been left in limbo following Henley Construct’s collapse, which halted construction at multiple sites and left the contractor owing millions to suppliers.

The Cherry Orchard Road scheme, initially valued at around £35.2 million, involves the construction of a nine-storey building containing a mix of studio, one-bedroom, and multi-bedroom flats. The development also includes private and communal amenities, refuse and recycling storage, cycle parking, car parking, and sustainable drainage systems, along with hard and soft landscaping. Associated infrastructure works such as sewer systems, cable laying, and access roads are also part of the project. Formation Design & Build, a West London contractor with a focus on residential projects across the capital, has been appointed to finish the development. While the value of Formation’s contract has not been disclosed, the company has experience with large-scale residential and redevelopment projects in London, including a £100 million redevelopment of a refuse depot in Tottenham Hale.

Southern Housing, which merged with Optivo in late 2022, suffered financial setbacks due to the collapse. It has lodged a claim with Henley’s administrators, 360 Insolvency, for losses and damages amounting to £36 million related to Henley’s work on several projects, including two other South London developments in Thornton Heath and Tulse Hill. At the time of collapse, Henley owed £6.7 million to 221 suppliers and subcontractors, most of whom are unlikely to recover any of their owed funds, according to an April 2025 report from the administrators.

Planning documents underpinning the Cherry Orchard Road site show the proposed building is designed to meet contemporary residential needs with a variety of flat sizes and communal amenities, alongside sustainable infrastructure measures. However, the development faced delays extending beyond Henley’s collapse. Investment and planning complications, compounded by rising material and labour costs, had already slowed progress, with the project’s restart pushed to mid-2025. This context reflects wider challenges facing London’s housing sector, where ambitious development targets often collide with financial instability among contractors and supply chain disruptions.

Henley Construct’s sudden administration has had a pronounced impact not just on Southern Housing but on other housing associations in the region as well. Industry observers highlight the difficulties local authorities and housing providers face in delivering new homes on schedule, a problem exacerbated by contractor failures and market pressures. This illustrates the broader fragility within the residential construction sector, where the fallout from a single contractor’s collapse reverberates through multiple projects and stakeholders.

As Croydon and other parts of London continue to seek new residential developments, projects like Cherry Orchard Road underscore the importance of financial resilience and project continuity planning. The appointment of Formation Design & Build to complete the scheme offers a hopeful step toward realising the much-needed homes, but the episode remains a cautionary tale about the vulnerabilities in the housing construction ecosystem.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[3]](https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/), [[4]](https://www.housingtoday.co.uk/news/southern-housing-lost-36m-due-to-collapse-of-contractor-henley-construct/5135631.article)
* Paragraph 2 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[2]](https://www.addiscombewest.org.uk/home/planning/)
* Paragraph 3 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[3]](https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/), [[4]](https://www.housingtoday.co.uk/news/southern-housing-lost-36m-due-to-collapse-of-contractor-henley-construct/5135631.article), [[2]](https://www.addiscombewest.org.uk/home/planning/)
* Paragraph 4 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[3]](https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/), [[4]](https://www.housingtoday.co.uk/news/southern-housing-lost-36m-due-to-collapse-of-contractor-henley-construct/5135631.article), [[2]](https://www.addiscombewest.org.uk/home/planning/)
* Paragraph 5 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[3]](https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/), [[4]](https://www.housingtoday.co.uk/news/southern-housing-lost-36m-due-to-collapse-of-contractor-henley-construct/5135631.article)
* Paragraph 6 – [[1]](https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/), [[2]](https://www.addiscombewest.org.uk/home/planning/), [[3]](https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/)

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## Bibliography

1. <https://www.constructionnews.co.uk/buildings/collapsed-henley-replaced-on-croydon-housing-scheme-06-10-2025/> - Please view link - unable to able to access data
2. <https://www.addiscombewest.org.uk/home/planning/> - This page provides updates on the planning application for the Meat Packers Site at 40-80 Cherry Orchard Road, Croydon. The application, approved in November 2019, involves demolishing existing buildings and constructing a 7 to 9-storey building with 120 residential units and associated amenities. Updates from July 2025 indicate delays in finalising investment papers, with work expected to resume by the end of summer 2025. Previous updates highlight challenges due to rising material and labour costs and the collapse of two successive builders employed for the project.
3. <https://insidecroydon.com/2025/09/24/failures-of-building-firm-cost-housing-association-36m/> - This article reports on the financial impact of Henley Construct's collapse on Southern Housing. Henley Construct, which was engaged in several substantial projects for housing associations, including Optivo Development Services, went into administration in April 2023. Southern Housing submitted a claim for £36,045,633 to the liquidators, reflecting the cost of works under those contracts. The article also discusses the broader challenges in meeting housing targets and the difficulties faced by local authorities in delivering new homes.
4. <https://www.housingtoday.co.uk/news/southern-housing-lost-36m-due-to-collapse-of-contractor-henley-construct/5135631.article> - This article details the financial loss incurred by Southern Housing following the collapse of Henley Construct. The contractor, which had been engaged in multiple substantial projects for housing associations, including Optivo Development Services, went into administration in April 2023. Southern Housing submitted a claim for £36,045,633 to the liquidators, reflecting the cost of works under those contracts. The article also notes that Henley Construct owed £6.7 million to trade and expense creditors at the time of its collapse.
5. <https://www.constructionenquirer.com/2020/06/02/henley-construct-lands-12m-croydon-housing-contract/> - This article reports on Henley Construct securing a £12 million contract to deliver a housing scheme in Croydon. The project involves demolishing existing buildings and constructing an eight-storey development with a mix of one, two, and three-bedroom homes. The development is located at the corner of Surrey Street and Matthews Yard, adjacent to a historic street market. Henley Construct plans to use modern methods of construction for the project, which is designed by Maccreanor Lavington Architects.
6. <https://www.architectsjournal.co.uk/news/hta-scrapes-win-for-croydon-housing-scheme-on-site-of-axed-czwg-tower> - This article discusses HTA Design's approval for a residential development in Croydon, consisting of two towers of 35 and 47 storeys, providing 806 apartments and co-working space. The development is located on a site previously earmarked for a 68-storey tower by CZWG Architects. The planning committee's decision was narrowly in favour, with a split vote of five in favour and five against, secured only through the chair’s casting vote. The article also mentions conditions set out in a legal agreement, including contributions to sustainable transport, play space, carbon offsetting, air quality, and the NHS.
7. <https://www.henleybuild.com/> - Henley Build is a main contractor specialising in residential projects across London and the Home Counties. With over 20 years of experience, the team has worked with private clients and architects to deliver refurbishments, extensions, and new build homes. The company collaborates with clients from the design stage or during the construction phase, engaging with established design partners. Henley Build focuses on high-quality construction, coordinating with designers and subcontractors to ensure projects are delivered to exacting standards.