



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL



## Cabinet

Date: 7 March 2023

Report of: Councillor Robert Reid,  
Cabinet Member for Housing and  
Property

# New Build Housing Scheme for 20 units at Swinegate, Grantham

### Report Author

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### Purpose of Report

This report sets out the proposals for a 20-unit new build social housing development at Swinegate, Grantham and to recommend that the new build contract be awarded to Lindum Group Ltd.

### Recommendations

#### That Cabinet:

1. Approves the contract award to Lindum Group Ltd to undertake works to facilitate and deliver the development of a 20-unit new build housing scheme at Swinegate Grantham for the sum of £3,519,690.00

## Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Supported Housing for all
Which wards are impacted?	Grantham St Wulframs

## 1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1 The delivery of this scheme is a key element of the new build programme or the Housing Revenue Account (HRA). The budget for this proposal is included in the 2022-2023 and 2023-2024 capital programme and is funded from the Capital Receipts Reserve. The delivery of 20 units will provide a rental income stream to the HRA and will be built in the HRA financial business plan.

Completed by: Richard Wyles, Chief Finance Officer

### ***Legal and Governance***

- 1.2 The necessary processes have been followed in accordance with the Council's Contract Procedure Rules. There are no further significant legal, or governance implications not already highlighted within the body of the report.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

### ***Risk and Mitigation***

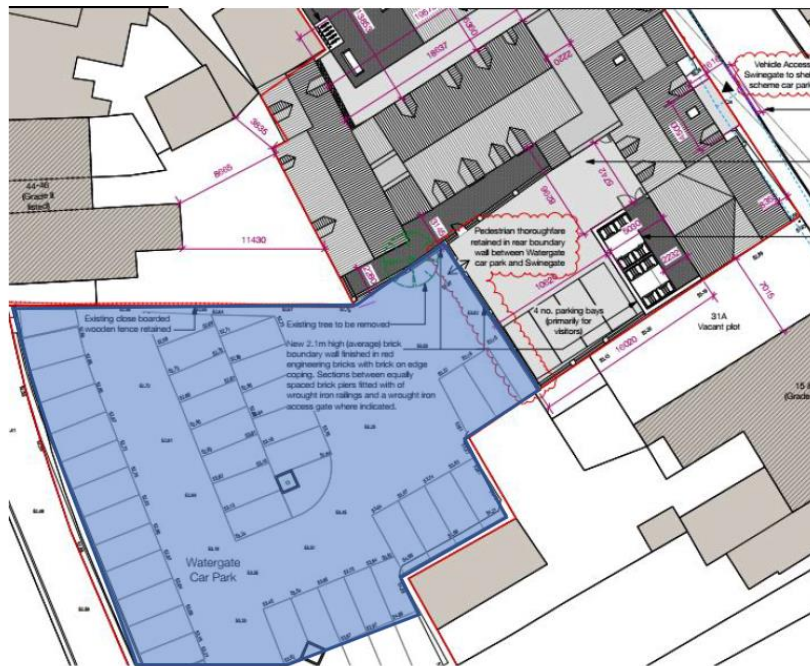
- 1.3 A project risk register will be created in partnership between the contractor and the Council, which will be subject to robust review as the project progresses. As part of the process there will be a mutual agreement of the identified risks and enable confirmation of ownership to be confirmed by the contractor of the Council.

Completed by: Tracey Elliott, Governance and Risk Officer

## **2. Background to the Report**

- 2.1 The land at 20B Swinegate Grantham (Appendix 1 - edged red) was purchased by the Council and added to the Housing Revenue Account (HRA) in 2018 for £205,000 with full planning permission for the build of 9 apartments. The land is situated adjacent to the Council owned pay and display car park between Watergate and Swinegate, Grantham.
- 2.2 The acquisition of the land was driven by several objectives including enabling the Council to ensure land in a strategic location with the potential to acquire other adjacent sites that were identified as a regeneration opportunity (for a brownfield site) whilst improving the street scene and pursue a development opportunity in the centre of Grantham.
- 2.3 In 2019 the Council purchased 2 buildings adjacent to the land at 20B Swinegate, 20 Swinegate (Appendix 1 – edged green) and a listed building to the rear of 44 Watergate (Appendix 1 – edged blue), with the aim of extending the 20B Swinegate site and taking ownership of the dilapidated buildings within the site's curtilage, which could otherwise hinder the project. The total cost of purchasing the 3 sites was £337,000. A site plan is shown as Appendix 1 - Plan of the combined site.
- 2.4 An initial architect plans showed the potential for 20 flats whilst incorporating an archway to enhance the car park entrance, utilising the site plus a proportion of the car park. This design requires an approximate 15% reduction of existing car parking provision to facilitate the design.
- 2.5 The Council is now progressing the scheme by undertaking pre-consultation phase works, bringing the scheme to completion of the pre-construction phase (RIBA stage 4) ready for construction to commence with Lindum Group Ltd.
- 2.6 Lindum has procured for the pre-consultation phase and has been appointed via the Scape Regional framework and have provided quotation for bringing the scheme forward to RIBA Stage 4 supported by a viability study which provides the Council with a high degree of financial certainty regarding the costs of bringing the scheme through construction to completion for £3,519,690.
- 2.7 From these feasibility works, detailed costings will be established to enable accurate budgeting of the construction stage and advising the Council on anticipated cash flow to facilitate stage payments over the contract period along with any other consultants' appointments. Based on the existing viability report from Lindum, the full scheme of works amounting to £3,519,690 would produce a build cost of £175,985 per unit for this scheme. Approval is being sought in order to award a contract of works via the Scape Framework based on this viability to Lindum. This process is in accordance with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations 2015.

- 2.8 To facilitate the Swinegate development and deliver the optimum scheme there is a requirement to undertake alterations to the entrance and exit of the Watergate car park and its layout. This is projected to remove 16 chargeable car parking spaces.
- 2.9 In order to facilitate the development works, there will be some disruption to the daily operation of the car park, with a temporary closure likely to be required while the entrance/exit of the car park is altered and a proportion of the car park needing to be secured to facilitate works to the residential development itself. This is identified in the below image.



Indicates approximate extent of car park to be utilised during construction works

- 2.10 Based on the closure as per the above plan, this will result in 37 bays being out of use for the duration of the anticipated 61 weeks works period.
- 2.11 The scheme in its current design will result in the loss of approx. 10 bays from the existing 95, with a further 6 bays lost due to the car park entrance revisions.
- 2.12 Based on the average income of the Watergate carpark on a 3-year period the car park generated an average of annual income of £109,400. This attributes approx. £1,152 per parking space per annum. On this basis a loss of an additional 16 car parking space would amount to £18,400pa of income. However, a recent survey identified that on average the car park operates at an average 75% capacity and therefore the loss of car parking spaces is not considered to be detrimental to the viability and demand for spaces can still be met.

- 2.13 In addition to the proposed visitor car parking to be provided as part of the scheme, residents will be provided with the option to purchase a parking permit for 1 space per unit, allowing vehicular parking in the Watergate car park should it be required in order to ensure there is sufficient parking provision for the scheme whilst also generating income to the Council.
- 2.14 All the land identified within the scheme is within the ownership of the Council. The area currently designated as within Watergate car park is in the General Fund, with the remainder of the development site being in the ownership of the HRA. Therefore, the General Fund will require appropriation to the HRA and a valuation will be undertaken should the scheme be approved.

### **3. Key Considerations**

- 3.1 Key areas for consideration are set out within the report.

### **4. Other Options Considered**

- 4.1 Option 1 – Appoint Lindum via the Scape Framework on the works to facilitate and complete the development of a scheme of 20 new build housing units at Swinegate, Grantham for the sum of £3,519.690.
- 4.2 Option 2 – To allow Lindum to manage remaining pre-construction phase through to RIBA Stage 4, in order to bring the scheme forward for construction phase works to be procured separately via an open tender process. This is not considered necessary as the Council's Contract Procedure Rules allow for use of Frameworks and utilising the Framework ensures all due diligence has been undertaken on the named contractors and will ensure the scheme can progress without unnecessary delays.
- 4.3 Option 3 – Not to progress the scheme following the viability and pre-construction phase works undertaken by Lindum. New Build delivery is a key element of the Council's Corporate Plan and adding new units to social housing stock is necessary to sustain the viability of the HRA financial Business Plan.

### **5. Reasons for the Recommendations**

- 5.1 Following the completion of the open tender procurement process, it is recommended that Lindum is awarded the works contract.
- 5.2 This process is in accordance with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations 2015.

## 6. Consultation

- 6.1 Several actions have been undertaken, to ensure that the engagement carried out with the community was wide ranging and comprehensive. These included:
- Identification of appropriate and relevant stakeholders
  - Discussions with officers from the planning section
  - Engagement with the local community – A survey (with the option to respond by post or online) and/or by attending a drop-in session
- 6.2 Prior to the public consultation starting, Ward Members and stakeholders were contacted and welcomed to a site visit with the Council's development team to fully explain the proposal.
- 6.3 Two drop-in events were held at the Guildhall Arts Centre on Tuesday 27<sup>th</sup> October and Friday 30<sup>th</sup> October 2020 between 9:00 and 18:00. The events were attended by representatives from the Council's Development Team.
- 6.4 Furthermore, a consultation page was live on the Council website between 26<sup>th</sup> October and 8<sup>th</sup> November 2020, detailing a full description of the proposal, with site plans and 3D renderings of the new buildings. The online consultation page had a link to a survey monkey online questionnaire and was advertised through press releases and social media posts before and during the consultation.
- 6.5 Finally, businesses and residents within the surrounding area were sent a letter with details on how to access consultation material and fill in the survey and posters were put up around the site including in a local care home and at St Wulframs Church, to catch any passing visitors/stakeholders.
- 6.6 The public consultation event collected 43 responses representing a mixture of business and private respondents. Feedback was mixed with concerns over parking, social impact and traffic addressed in a further statement from the Council.
- 6.7 Following the public consultation, the proposal was adapted to take on board feedback relating to traffic egress from Watergate car park, after further consultation with LCC Highways.
- 6.8 The developed proposal was then sent to relevant societies for their feedback. The societal consultation yielded some adverse concerns about the demolition of the shop (20 Swinegate) and the impact this would have on the street. The proposal was amended again to include the retention of the shop frontage and resubmitted and approved by the societies.
- 6.9 The scheme was then submitted for planning approval in October 2021 (S21/2094 & S21/2095) for the erection of a new build housing scheme of 20 flats with

communal facilities and parking including demolition of an outbuilding listed by curtilage to 44-46 Watergate, and alteration/refurbishment of existing building on 20 Swinegate, which are outstanding determination of the S106 agreement.

## **7. Background Papers**

### 7.1 Appendix 1 – Plan of the combined site