



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL



# Housing Overview and Scrutiny Committee

Thursday, 6 June 2024

Report of Cabinet Member for Housing

## Build and Acquisitions Update

### Report Author

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### Purpose of Report

This report provides an update on the Housing Revenue Account New Build programme including acquisitions.

### Recommendations

**It is recommended Members of the Housing Overview and Scrutiny Committee note this report to inform and support their ongoing work programme.**

### Decision Information

Does the report contain any exempt or confidential information not for publication?

N

What are the relevant corporate priorities?

Housing

Which wards are impacted?

All Wards

## **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 2024/25 HRA Capital Programme includes a £8.099m budget for Housing Development investment, this budget will also be utilised to fund strategic acquisitions. The budget will be reviewed as part of the year end process to establish whether a budget carry forward is required from the 2023/24 allocation to ensure there is sufficient budget to fund all of the identified schemes. It is important that the HRA has a continual housing growth strategy that incorporates a range of interventions including acquiring properties directly from developers, new build and acquiring former Right to Buy properties that specifically meet the housing needs. The formation of the capital programme for the HRA needs to ensure that affordable funding is included to enable the progression of the strategy.

Completed by: Paul Sutton, Interim Head of Finance and Deputy Section 151 Officer

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

- 1.2 Regular reporting on agreed actions and measures is to be welcomed from a governance point of view, as it provides a transparent mechanism for reporting on performance.

Completed by: Graham Watts, Monitoring Officer

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

- 1.3 No significant risks have been identified.

### ***Climate Change***

- 1.4 The contents of this report do not have a direct impact on the Council's carbon emissions or the carbon emissions of the wider district. More detailed information on carbon impact of individual projects is outlined within the relevant project documentation.

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

- 2.1 The purpose of this report is to provide the Committee with an update regarding the new build housing pipeline and purchases using the Local Authority Housing Fund (LAHF1&2).
- 2.2 The approved Corporate Plan 2024-2027 clearly sets out how South Kesteven District Council intends to meet the mission “to ensure that all residents can access housing which is safe, good quality, sustainable and suitable for their needs and future generations.”
- 2.3 The Corporate Plan, Priority 4 identifies ‘Housing’ as a key priority with high quality housing essential for all, and the council is committed to working with partners to provide this by:
- Facilitating a range of appropriate and sustainable housing and community facilities for future generations and the emerging needs of all our communities.
  - Delivering exemplary and high-quality services for housing and homelessness.
  - Increasing the supply of sustainable and high-quality Council-provided housing.
  - Working with developers and private landlords to ensure sustainable, affordable, and high-quality housing is facilitated.
- 2.4 There are many schemes within the district that are at various stages of the pipeline, an update on each one is as follows: -

### **Swinegate, Grantham**

- 2.5 Members will be pleased to note that the demolition of the façade of 20 Swinegate commenced on 29 April 2024 following the planning consent being granted to demolish and re-build the frontage of the building.
- 2.6 Lindum have fully mobilised a team and the demolition was complete in one day with the ground works now being progressed.



*Figure 1- Demolition at Swinegate, a curtain was used to stop debris on the road so that it could remain open*

- 2.7 There will be a delay to the completion of the development due to the method statement for the demolition of No.20 Swinegate needing to be approved by the Planning Committee so handover is anticipated to be July 2025. The additional costs associated with the delay have been agreed at £60,000 with Lindum. Costs will be reviewed throughout the development to determine whether any savings can be identified to mitigate this additional cost.
- 2.8 Monthly contract meetings are held with Lindum and the wider project team and updates will be provided to the committee throughout the scheme.

### **Elizabeth Rd, Stamford**

- 2.9 Cabinet approved the award for the £665,000 scheme to D Brown Construction Ltd and work commenced in January 2024.
- 2.10 Works are progressing in accordance with the project plan and the 4 one-bedroom units are due to be handed over to the Council in August 2024.
- 2.11 A site photograph was taken during the contract meeting on 16 May 2024 which shows excellent progress.



*Figure 2- Elizabeth Road progress*

### **Larch Close, Grantham**

- 2.12 The 21-unit scheme was granted permission at the Planning Committee meeting on 8 November 2023.
- 2.13 The procurement process has concluded and the tenders received are currently under evaluation. A contract award is on the forward plan for Cabinet in June 2024.
- 2.14 This scheme was included in the HRA budget setting process for 2024/25 therefore sufficient budget is available and the current estimated start date is September 2024.

### **Wellington Way, Market Deeping**

- 2.15 There are outline plans for a 14-unit scheme in this location that had received pre-application advice from the Local Planning Authority in 2021.
- 2.16 Early engagement with the Scout Hut representatives has commenced to understand their car parking drop off/collection requirements. Following a small traffic survey on Friday 1 March 2024 amendments to the initial design and layout have been made.
- 2.17 There will be continued engagement with the local residents and representatives from the Scout Hut with a second meeting on 20 May 2024. Additional car parking provision will be incorporated into the design prior to the next meeting and it's hoped that a planning application can be submitted in June 2024.
- 2.18 The procurement and the planning process can be twin tracked and an award of contract could be made in October 2024 with the successful contractor starting onsite as soon as possible.

### **Gorse Rise, Grantham**

- 2.19 This is a former garage site that was demolished in February 2020.
- 2.20 A pre-application has been submitted to the Local Planning Authority and comments received for 6 units on the parcel of land. Some design amendments have been made following comments from the Planning Authority.
- 2.21 Once the designs have been finalised the scheme will be submitted for planning.

### **Kesteven Road, Stamford**

- 2.22 The site consists of an irregular parcel of land of approximately 1.3 acres in size and includes a combination of a garage block, car parking area and open space.
- 2.23 Feasibility has identified the best option and layout for the site with an approximate 14-unit scheme being explored due to the biodiversity net gain requirements. This has been reduced from 18 units to enable more green space to be retained.
- 2.24 A pre- planning application has been submitted and is awaiting feedback from the Local Planning Authority.

### **Bourne End Road Estate, Colsterworth**

- 2.25 Due to structural issues within the timber frame and thermally poor performance there are opportunities on this estate to demolish some of the existing stock and rebuild with more units due to large plot sizes.
- 2.26 Pre-Application feedback has been received from the Local Planning Authority with alterations being explored on the 9-unit scheme prior to submitting the full planning application.

## **3. Key Considerations**

- 3.1.1 In order to achieve the numbers of houses that the Council has a requirement to deliver each year there will be a hybrid approach to new builds to work closely with developers on planning schemes which need to include a number of affordable units, the Council will discuss purchasing these (similar to a Registered Provider). There have been discussions with house builders on three sites within the District and these discussions are progressing in a positive direction.
- 3.1.2 The Council has now exchanged contracts to acquire 36 affordable units at Corby Glen on an approved large development (Full Planning Approved ref: S21/1841). This scheme has been in discussions since last summer and the Council with legal advisors have been negotiating to ensure the best deal for the authority.
- 3.1.3 Upon exchange (which took place on the 16 May 2024) 10% of the total package price was paid on Phases 1-3, with a further 10% of the total package price to be paid on Phases 4-7 upon commencement of construction on a phase-by-phase

basis. The deal was agreed in this way so that all of the deposit was not paid on exchange due to the length of the construction phases and the Council wanting to reduce financial risk.

3.2 The phasing plan for the handover is as follows: -

Phase Number	Handover Dates	Types of Property
1	March 2025	4 x 3 bedroom houses
2	April 2026	2 x 3 bedroom houses
3	June 2026	6 x 2 bedroom houses
4	March 2027	2 x 1 bedroom maisonettes, 1 x 2 bedroom house, 2 x 4 bedroom houses
5	December 2027	3 x 4 bedroom houses, 4 x 2 bedroom houses
6	December 2027	2 x 1 bedroom maisonettes, 3 x 2 bedroom houses, 2 x 3 bedroom houses
7	June 2028	5 x 2 bedroom houses

**Total – 36 units**

3.3 These units have been secured at an affordable unit cost to the Council and will meet the needs of our residents.

3.4 Local Authority Housing Fund (LAHF) 1 –

The Council agreed to accepting the funding at their meeting in July 2023

[Agenda for Council on Thursday, 20th July, 2023, 1.00 pm | South Kesteven District Council](#)

The Council had a requirement to secure 21 units as part of the allocated funding with a deadline of 30 November 2023 to secure purchases. Under the MoU the Council was required to provide: -

- 19 properties for households that meet the eligibility criteria (2/3 beds)
- 2 Four+ bed properties to be allocated to households currently in bridging accommodation ('the bridging element');

3.5 The Council has met this 21-unit purchase with the following

- 12 properties at Langtoft,
- 4 properties at Bourne
- 1 property in Ropsley
- 3 properties in Grantham (including the 2 four bedroom properties)
- 1 property in Ancaster

3.6 All houses have completed for this stage.

- 3.7 LAHF 2 – the Council has accepted the second stage of the funding which is to deliver a further eight properties, seven ‘main element’ 2/3 bed properties and one ‘bridging element’ 4 bed+ property.
- 3.8 The Council has met this 8-unit need with all houses being on various new build schemes in and around the Bourne area. These were all offered by the deadline of the funding and are progressing with legal services currently.
- 3.9 The Council will not be seeking funding from LAHF3 due to meeting all of the local demand for the properties.
- 3.10 The Council is also purchasing a bungalow in the Market Deeping area which will be fully adapted using S106 money. There are a number of people requiring specific types of properties (particularly fully adapted) and the team are looking at acquiring properties using this funding stream to meet the needs as a matter of urgency.

### **Right To Buy**

- 3.11 The Council is approached regularly to purchase back properties that have been acquired through the Right to Buy process as the covenants are in place for a period of 10 years. These properties are independently valued and visited by a member of the repairs team to access any works required to ensure that they meet the void standard prior to assessing if they should be acquired. There are two properties currently being assessed for purchase in Stamford and Grantham.

## **4. Reasons for the Recommendations**

- 4.1 This is a regular report where Members are invited to scrutinise and comment on performance.