



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Housing Overview and Scrutiny Committee

Thursday, 19 June 2025

Report of Councillor Virginia Moran,
Cabinet Member for Housing

New Build and Acquisition Update

Report Author

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Purpose of Report

To provide the Committee with an update on the new build and acquisitions pipeline.

Recommendations

It is recommended members of the Housing Overview and Scrutiny Committee note the content of this report.

Decision Information

Does the report contain any exempt or confidential information not for publication? No

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 2025/26 HRA Capital Programme includes a £15.134m budget for Housing Development investment, this budget will also be utilised to fund strategic acquisitions.
- 1.2 It is important that the HRA has a continual housing growth strategy, which is designed to offset the rental loss from properties sold through to Right to Buy. Without new rental streams offsetting those lost, the sustainability of the HRA would be eroded.

Completed by: David Scott – Assistant Director of Finance (deputy s151 officer)

Legal and Governance

- 1.3 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: James Welbourn, Democratic Services Manager

Risk and Mitigation

- 1.4 No significant risks have been identified.

Climate Change

- 1.5 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 (LAHF 2) and Capital Receipts.
- 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

- 2.5.1 The scheme is progressing well although handover of the properties has been delayed from July 2025 to September 2025. This is due to a road closure being required for two days on Swinegate to connect the water. Lincolnshire County Council Highways has approved the road closure but the earliest available date for this is mid-July.
- 2.5.2 Monthly contract meetings are held with Lindums and the wider project team. The focus of these meetings now relates to the completion, snagging and handover of the properties.
- 2.5.3 Progress of the properties is shown in the photos below. The 20 units consists of 18 one-bedroom apartments and 2 two-bedroom apartments.
- 2.5.4 The following photos show the externals of the building.



View of site from Watergate



View of brickwork



Shop front from Swinegate (entrance to apartments)

2.5.5 Kitchens have started to be fitted in the apartments.



2.5.6 The team will begin snagging the properties as soon as they are completed complete which will mean they can be advertised and let in September 2025.

Wellington Way, Market Deeping

2.5.7 The 11-unit scheme is due to be considered by the Planning Committee on the 12 June, a verbal update will be given on the outcome of the meeting but the officer recommendation is to grant permission for the scheme.

2.5.8 The proposed development scheme would provide 11 affordable dwellings, which would provide a range of 1 and 2 bed flats, and 2-bed houses, which would include a mix of terrace, semi-detached houses, as well as 3 apartment blocks. The proposed housing mix would comprise of 5 x 2-bed houses, 4 x 2-bed flats and 2 x 1-bed flats.

2.5.9 Proposed elevations are as follows





2.5.10 The procurement of the 11 units has commenced via the Westworks framework following the receipt of 7 expressions of interest. Tenders are due back in mid-July and a report will be presented to Cabinet at their meeting in September 2025 to award the contract to the successful contractor. Works are expected to commence in November subject to the outcome at Planning Committee and the procurement process.

Larch Close, Grantham

2.5.11 The 21-unit scheme was granted planning permission on 8 November 2023.

2.5.12 On 9 July 2024 Cabinet approved the contract award to Mercer Building Solutions to build 19 units at Larch Close. The original scheme also included 2 x 4 bedroom houses but due to the higher build costs and rental income associated with these properties the decision was made to submit a variation to the application to replace these houses with bungalows to meet the need for adapted properties for applicants on the Council's Housing Register.

2.5.13 A S73 application has been submitted to the local planning authority for this amendment which is being determined currently. The proposed site plan is as follows:-



The bungalows are at the top left of the site, the apartments at the bottom have moved upwards.

2.5.14 Mercer Building Solutions have started discharging some of the conditions and are aiming to commence on site in August 25. The scheme is expected to take 1 year to complete.

2.5.15 Mercer Building Solutions are also reviewing the SAP assessments to see if any of the properties can obtain EPC A ratings. The Committee will be kept updated on the progress of this scheme.

Other Schemes

2.6 There are a number of schemes at various stages of the planning process including Gorse Rise, Toller Court and Kesteven Rd. The committee will be kept informed of their progress.

3. Key Considerations

3.1. 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) and also purchasing properties offered back to the Council via the Right to Buy scheme. The first phase of the affordable housing units in Corby Glen were handed over in December 24, discussions are taking place to establish whether

phase two of the scheme can be advanced any sooner than the 2026 target for handover.

- 3.2. Local Authority Housing Fund 2 – the Council has completed the acquisition of the 8 properties on new build schemes in Bourne. These were all offered by the deadline of the funding and are progressing with legal services currently.
- 3.3. The team are seeking opportunities to purchase accommodation that could be converted into temporary accommodation and are currently at the Heads of Terms stage of purchasing a large property to be converted into small units. The Committee will be kept updated on the progress of this purchase.
- 3.4. The Council has acquired a 6-bedroom property in a village in the district which was a former Right To Buy. This property will meet the needs of larger families who are on the Housing Register.
- 3.5. There are currently two houses being considered for acquisition, one in Grantham and one in Stamford which are being valued and inspected. An offer to buy 15 affordable units in Grantham has been submitted and is being considered by the developer.
- 3.6. The acquisitions and new build pipeline is discussed fortnightly with the team and finance officers to ensure that the cashflow is as accurate as possible.

4. Other Options Considered

- 4.1 The Council needs to have a hybrid approach to purchasing and building its affordable housing to meet the needs of our residents.

5. Reasons for the Recommendations

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

6. Consultation

- 6.1. There are discussions with the relevant ward members prior to any new build schemes being submitted for planning and as part of the planning determination process there is consultation with wider public including any town/parish councils alongside statutory consultees.
- 6.2. The Cabinet Member for Housing is kept informed on the progress of the pipeline.