



Wellington Way, Market Deeping – Approval of Contract Sum Increase

Report Author

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Purpose of Report

To increase the approved construction contract sum for the Wellington Way new build housing scheme by £190,000 following the findings of recent site investigations and technical reports undertaken after the contract award.

Recommendations

Cabinet is asked to approve an increase of £190,000.00 to the approved construction contract sum of £1.926m for the Wellington Way, Market Deeping new build housing scheme to reflect additional works arising from recent survey findings.

Decision Information

Is this a Key Decision?	No
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Housing
Which wards are impacted?	Market & West Deeping;

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 This additional cost of £190,000.00 was identified following the contract award and cannot be accommodated within the contingency allocation of the contract. The funding for this additional cost will be financed from the HRA capital receipts reserve.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Procurement

- 1.2 Additional value of contract is within the 10% increase allowable under PA2023

Completed by: Helen Baldwin (Procurement Lead)

Legal and Governance

- 1.3 Whilst the sum of money for the works is under the Key Decision threshold, it was felt that this report needed to be considered by Cabinet as they had approved the initial contract in September 2025.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1 Cabinet approved the award of the construction contract for the Wellington Way development in September 2025 to Lindum Group Ltd. The scheme comprises 11 new council homes, delivering much needed affordable housing in Market Deeping at a cost of £1.926m.
- 2.2 Following contract award and during pre-construction mobilisation, a standard review of the projects technical information identified that a detailed ground investigation had not yet been undertaken. Once this was identified, the ground investigation was instructed in September 2025 and commissioned without delay to ensure the Council had a clear and robust understanding of site conditions and associated risks prior to construction progressing.

- 2.3. The site investigation identified areas of made ground and contamination associated with the site's historic use as part of a former RAF base. These conditions could not reasonably have been anticipated or fully priced at tender stage without intrusive, site-specific investigation data.
- 2.4. The findings necessitate additional works including increased foundation depths, removal and disposal of unsuitable material, ground remediation and associated preliminaries. These works are required to ensure the development complies with planning, building control, environmental health and health and safety requirements and to appropriately manage construction and long-term asset risk.

3. Key Considerations

- 3.1. The revised total cost continues to represent good value for money when considered against current construction market conditions, the delivery of 11 high-quality council homes, and the long-term revenue return to the Housing Revenue Account.
- 3.2. Timely approval of the revised contract sum is necessary to avoid delays to the contractor's start on site and the wider new build programme. Delay in approving the additional works could result in further preliminaries costs and disruption to the agreed construction programme.
- 3.3. The Wellington Way scheme forms an important part of the Council's new build programme and contributes directly to meeting identified housing need in Market Deeping. Any delay or failure to progress the scheme would adversely impact delivery of affordable housing and the Council's wider housing objectives.

4. Other Options Considered

- 4.1. Not approving the additional funding would result in delays to the project and could compromise delivery of the scheme. This option has been discounted due to the ongoing housing need and the importance of maintaining programme certainty.

5. Reasons for the Recommendations

- 5.1. Approval of the additional funding will enable the Wellington Way scheme to proceed without delay, ensuring delivery of high-quality, sustainable council housing whilst protecting the Council's investment.

6. Supporting Information

- 6.1. September Cabinet minutes - [Cabinet Report: Contract Award for New Build Housing Scheme at Wellington Way, Market Deeping \(September 2025\)](#)

7. Appendix

7.1 Appendix 1 - Cabinet report – September 2025.