

Southend Road – Hunstanton

MMPB – 13th May 2024

James Grant
Principal Project Manager
13th May 2024

Borough Council of
King's Lynn &
West Norfolk



Content

- Background
- Key interfaces
 - Hunstanton Southern Seafront Masterplan
 - Major Housing Programme
- Outcomes
- Outputs
- Strategic fit
- Project status
 - Programme
 - Timescales
 - Delay
 - Risks and Issues
 - Local Connection
 - Finances
 - Stakeholder engagement
- Conclusion

Background

- MMPB asked for a more detailed presentation on the Southend Road project,
- This will provide a background on the project timelines, financial position, and key issues,
- The 'Southend Road' site has a marketing name of Styleman Court, named after Henry L'Estrange Styleman Le Strange

Key interfaces

- Major Housing Programme
- West Norfolk Housing Company Ltd
 - 4 Affordable Rent Flats
 - 2 Shared Ownership Properties
- Homes England – Accelerated Construction Programme Funding
- Hunstanton Southern Seafront Masterplan



Southern Seafront Masterplan



Southern Seafront Masterplan

The Southend Road site sits within and alongside the Hunstanton Town Centre and Southern Seafront Masterplan.

The Vision:

- ...'a town that meets the needs of its residents'
- ...'a more attractive seaside destination'
- ...'a town that makes the most of its setting and natural assets, linking town and seafront and emphasising the views'

Hunstanton Town Centre and
Southern Seafront Masterplan

FINAL REPORT

King's Lynn and West Norfolk Borough Council



Borough Council of
King's Lynn &
West Norfolk



Economic Impact

5.1. Net Economic Impact

The positive gain of 32 units, and the additional estimated local spend of £283,745 per annum greatly outweigh the revised negative minimal economic impact of £6,049 resulting in an total positive economic impact to the town of **£277,696 per annum.**



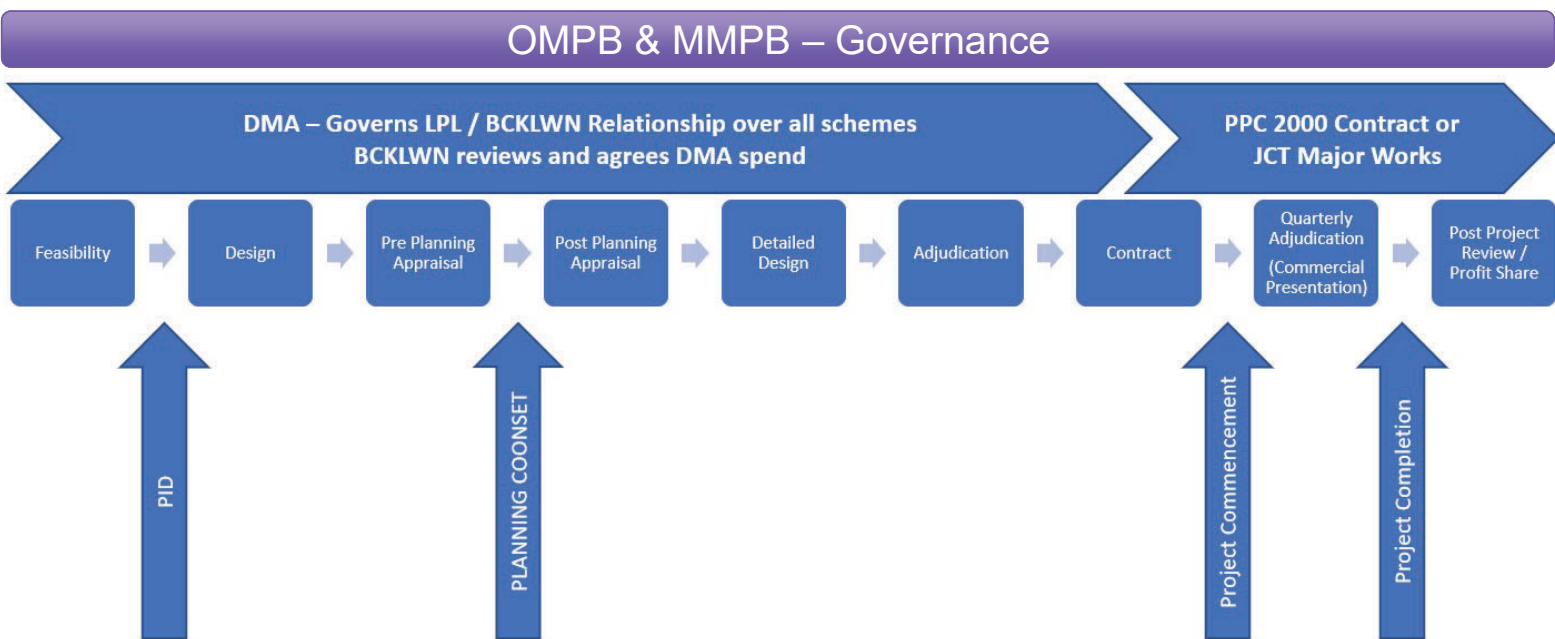
Major Housing Programme

Lovell Partnership Ltd (LPL)

- Development Partner (not a traditional main contractor)
- Work on both their own schemes (e.g. Hunstanton Care Scheme) and with partners (BCKLWN, Freebridge, Suffolk CC)
- Part of the Morgan Sindall Group
- 6,600 Employees, Revenue of £3.212 billion (2021)
- Work with East Anglia Regional Team
- Simon Medler – Regional Managing Director
- Significant local presence, with many of the staff living and working locally throughout their career

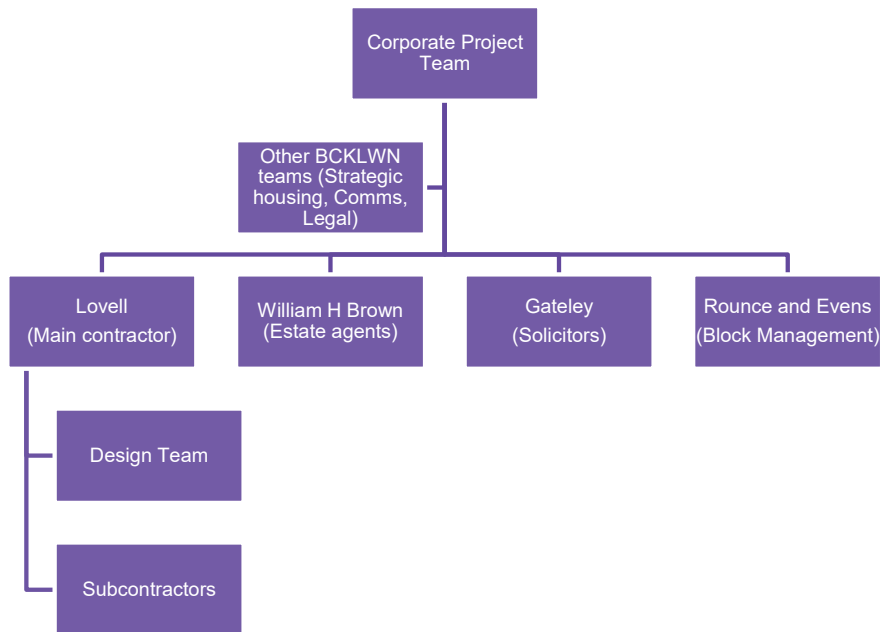
True Development Partnership – No barriers between teams, open book, honest, friendly relationship. Strength of relationship unique in construction industry!

Project Approach



DMA – Development Management Agreement / PPC – Project Partnering Contract

Project approach – Project Team

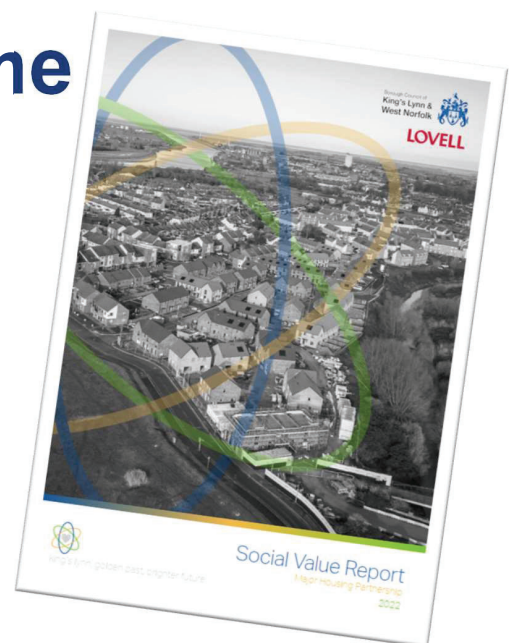


Major Housing Programme

The major housing programme has brought many benefits to West Norfolk:

- Housing delivery
- Financial / Economic opportunities to local supply chain
- Environmental benefits over other developers
- Social benefits to communities

Number of properties completed or in development with Lovell - 809



Financial

King's Lynn - Major Housing - Profit Share					
Ref	Project	Forecast		Actual	
		Profit at Project Commencement	Profit at Project Completion	Total Profit	+/-
1	Orchard Place	£1,048,429	£1,048,429	£1,255,219	£206,790
2	Dewside	£937,369	£1,217,233	£1,560,667	£343,435
3	Cowper Place	£211,793	£371,365	£529,671	£158,306
4	Nar Valley Park	£464,000	£464,000	£3,072,056	£2,608,056
5	Styleman Court	£133,324			
6	Salters Road	£408,552			
7	Florence Fields	-£1,343,468			
8	Lynnsport 1	-£431,688			
		£1,428,312	£1,867,748	£3,128,722	£1,260,974

Profit at Project Commencement
£1,428,312

Total Profit
£3,128,722

+/-
£1,260,974





Major Housing Partnership Social Value 2022 Round Up

12

Apprentices and trainees

8

Trades and disciplines
studied

100%

Eligible Lovell staff paid Real
Living Wage

99.87%

Waste diverted from landfill
(NORA 4)

51.7%

Proportion of spending on materials
and plant with local suppliers

43

Average CCS score (NORA 4)

99.94%

Waste diverted from landfill
(Southend Road)

100%

Eligible Lovell machinery
using HVO fuel

42

Average CCS score
(Southend Road)

39%

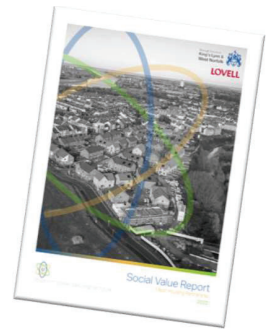
Subcontractors within
30 miles of the site

97.6%

Subcontractors classed as
SMEs

100%

Contracts placed in line with
Sustainable Procurement Policy



Out of 45



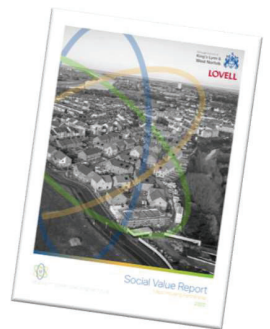
Major Housing Partnership Social Value 2022 Round Up



£9,000
Fundraising and donations



4
School engagement events



469.5hrs
Training to staff and subcontractors



3
College engagement events



Southend Road – Hunstanton (Styleman Court)

Outcomes of the project

- Delivery of new homes in Hunstanton, the first in this town within the Major Housing Programme
- Apartments that will have a positive visual and architectural impact, setting the standard for development within the Southern Seafront Masterplan Area – a building that blends with the existing character of the town and enhances an underused space
- Positive local economic impact

Site Outputs

	1 Bed	2 Bed	3 Bed	Total
Private	9	15	2	26
Affordable Rent	3	1	0	4
Shared Ownership	0	2	0	2
Total	12	18	2	<u>32</u>

- 32 Apartments
- Access
- Cycle storage
- Infrastructure
- Landscaping



Scope and Exclusions

The project includes;

- The build,
- Adaptions to Southend Road Carpark and Coach Park to facilitate development,
- Associated project management,
- Procurement and subcontractor management,
- Adherence to planning conditions,
- Sale of the properties (via William H Brown)
- The establishment of a Management Company, owned initially by the Borough, and then transferred to residents
- The appointment of a block management provider
- A Creating Communities event

It excludes;

- Ongoing management of the properties (to be undertaken by management company)





Strategic fit

Southend Road is part of the Major Housing Programme which aims to build up to 1000 new homes in the borough. Southend Road is the only development in Hunstanton that forms part of the major housing programme.

Corporate Strategy 2023 - 2027

Promote growth and prosperity to benefit West Norfolk

To create job opportunities, support economic growth, develop skills needed locally, encourage housing development and infrastructure that meets local need and promotes West Norfolk as a destination,

- increase the number of good quality new homes and associated infrastructure built through direct provision by working with registered social landlords and private sector developers,
- encourage private sector housing development that supports local need, delivers on local infrastructure and meets environmental and biodiversity requirements,

Project Status – Programme

Timescales

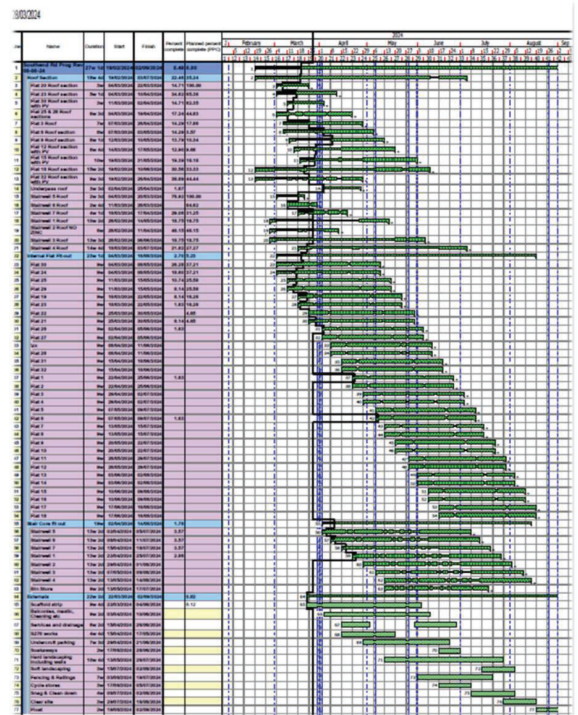
Initial programme developed to meet Accelerated Construction Programme Funding

Original Programme Start Date: 25th April 2022 as Appendix 6 Partnering Timetable
 Intended Programme Start Date: 9th May 2022
 Actual Start Date: 6th June 2022 (mobilisation period for pre-commencement conditions and pile rig availability)

Original Contract Completion Date: 23rd October 2023 as Appendix 6 Partnering Timetable
 Intended Contract Completion Date: 10th November 2023 (Starting 9th May 2022)
 Actual Completion Date: 4th December 2023 (Starting 6th June 2022)

The above start and completion dates were all based on a build period of 78 weeks.

6 th June 2022	Actual Start Date
+78 weeks	Original Build Period
+12 weeks	Remediation
+23 weeks	LABC Tanking
+17 weeks	Weather
+5 weeks	Dormer Details
20 th December 2024	Proposed Completion Date



Information on the Delays

- Ground Remediation (+12 weeks)

A time allowance was given to remediate the site, however this process took longer than allowed for due to the high volumes of contamination found, and waiting for test results before the material could be removed from site.

- Tanking Works (+23 weeks)

Unexpected tanking to below ground voids, to meet warranty provider requirements, was not anticipated by the design team.

- Inclement Weather (+17 weeks)

Weather conditions, especially a particularly poor 2023/2024 autumn & winter, caused significant delays, impacting crane lifts that were pivotal to effective progress.

- Zinc Dormer Details (+5 weeks)

Construction of zinc dormers to meet LABC (warranty provider), CNC (Building Control), and BCKLWN (client) requirements was more complex than expected. LABC delayed approval of the construction detail and required additional features that increased complexity.

Project Status – Risks and Issues

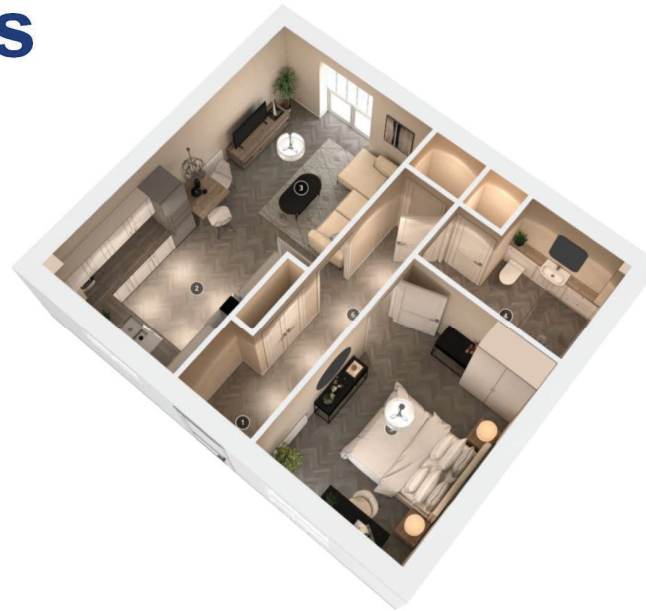
Risks & Issues

Further risks to consider on the project are:

- Final remediation and verification of parking courtyard
- Further cost inflation / remaining procurement / design development
- Price increases outside Sub-Contract Scope / Open purchase orders for Lovell purchased materials
- Supply chain availability
- Loss of storage area / double handling / transport availability
- Programme/delay
- Partnership relationships
- Sales – Legal Process – Management Companies

Risks & Issues – Sales

- Marketing commenced,
- Interest received from local and national purchasers,
- No significant concerns on price, but keen to see show-home,
- Access to properties difficult whilst development progresses,
- Working with Lovell to bring show home forward in programme,
- Virtual reality CGI's created for flats to allow marketing on properties without access,
- Local connection criteria in place,



Local Connection

The planning consent / decision document does not reference or condition a local connection. This is not possible as the Borough does not currently have the necessary local planning policies in place to enable this. However in accordance with the comments made at planning committee, cabinet committed to delivering on this goal as part of the decision to proceed with the scheme.

Legal Restriction

Each home must be purchased as a primary or principal residence of the person entitled to occupy the unit.

Marketing approach

This strategy will be in place for between 6 weeks and 12 weeks to allow local needs to be fulfilled once the show home has opened. At this point the sale of the properties will be opened up to the wider market.

Priority will be given to people who have a local connection within the Borough Council of King's Lynn and West Norfolk.

You may have a local connection to an area or parish if:

You currently live within the Borough

You have previously lived within the Borough

You currently work within the Borough or are being transferred to the Borough for work

You have family members (parents, siblings, or children) who live or have lived in the area.

Live on the fringes of the Borough


Exceptional reasons

Please note: Evidence of the criteria above may be requested. These homes are prohibited to rent out/purchase for holiday letting or used as an Airbnb

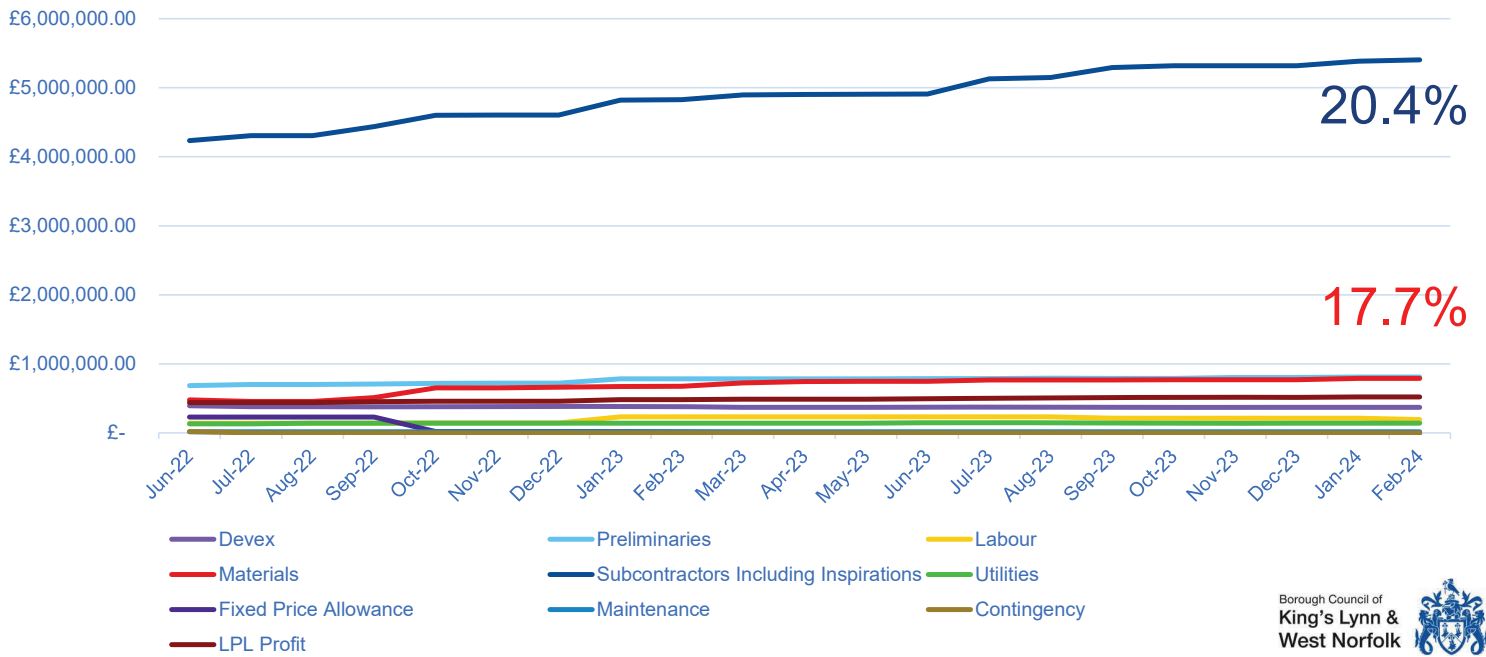


Project Status – Finances

Financial Overview (BCKLWN)

Development Fees	-£	8,770,760.81		Build cost increase approximately - £1.3m Under Review
Private	£	6,560,000.00		
Affordable (Rent)	£	338,350.00		
Affordable (SO)	£	320,000.00		
Total Revenue	£	7,218,350.00		
Homes England (ACP Funding)	£	520,000.00		
OPE	£	1,678.00		
Total Grant	£	521,678.00		
Total	-£	1,030,732.81		

Southend Road – Cost Increases



Financial Overview (BCKLWN)

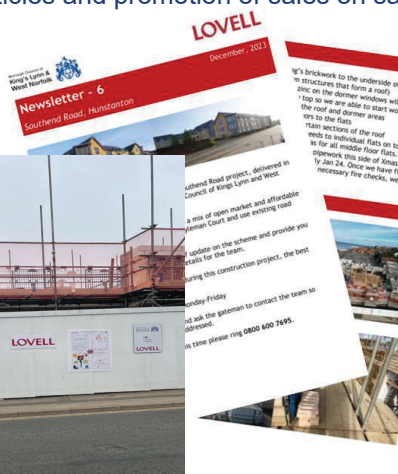
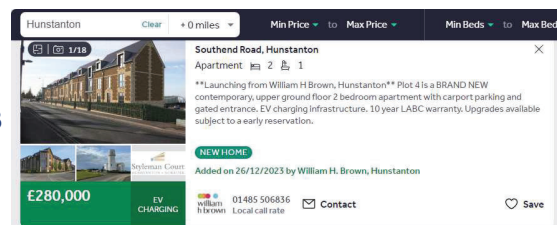
Development Fees	£	8,770,760.81
Private	£	6,560,000.00
Affordable (Rent)	£	338,350.00
Affordable (SO)	£	320,000.00
Total Revenue	£	7,218,350.00
Homes England (ACP Funding)	£	520,000.00
OPE	£	1,678.00
Total Grant	£	521,678.00
Total	-£	1,030,732.81



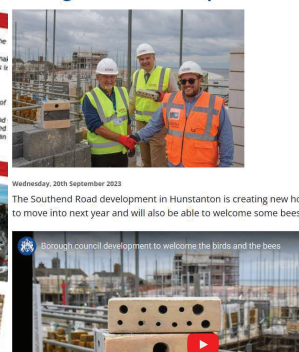
Project Status – Stakeholder Engagement

Comms and stakeholder engagement

- Quarterly newsletters delivered to nearby properties
- Engagement with local Councillors
- Open Doors event – 16th March 2023
- Hunstanton Primary school presentation and poster competition – May 2023
- Mental Health Awareness week – 19th May 2023
- Bird and Bee demonstration – September 2023
- Press articles and promotion of sales on sales website and William H Brown



Borough council development to welcome the bi



Wednesday, 28th September 2023
 The Southend Road development in Hunstanton is creating new homes to move into next year and will also be able to welcome some bees



Borough council development to welcome the birds and the bees

OPEN DOORS
Get into Construction

MONDAY 13 – SATURDAY 18 MARCH 2023

Southend Road Hunstanton Norfolk PE36 5EH

16 March 2023
10am and 130pm sessions available

Book your visit now at opendoors.construction

Group bookings for schools and colleges are available.

LOVELL

Lynn News

New West Norfolk Council housing development in Hunstanton set to go on sale on Boxing Day

Published: 16:15, 16 December 2023

Borough Council of King's Lynn & West Norfolk



Conclusion

- Build complexity, costs, and programme have been more challenging than originally expected
- This, coupled with the project location, has limited supply chain availability, increasing costs
- Limited growth in housing market has not mitigated project issues
- Partnership has aimed to manage impact where possible
- Negotiations are ongoing with Lovell, to mitigate costs to Authority
- Paramount that whilst cost and programme goals have been missed, that quality goals remain high
- Project retains several risks that are being managed by project team
- Project delivers on wider strategic objectives
- Overall major housing programme remains positive

Lessons Identified (to date)

- Homes England Accelerated Construction Programme (ACP) Funding, require delivery at pace, limits opportunities for scrutiny of design and pricing.
- Project is complex – Future development in this area must better consider:
 - Proximity to conservation area
 - Fire risk associated with apartments
 - Proximity to sea, increasing design complexity
 - Exposed location for weather
- Contractor's team is key to project success, all staff involved need to have strong experience of delivering project type, from design to construction.
- High architectural quality, and location, can critically impact supply chain interest.
- Programme allows for delivery of higher risk, and more diverse projects, with more traditional schemes mitigating risk of more complex projects.



Questions?