

Officer Decision
2 April 2026
Part i

Purpose of Decision

To authorise officers to enter into the building contract for the Sherborne House car park affordable housing project.

Requesting Officer/report author

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Executive Member

Cllr Richard Buscombe, Executive Member for Housing and Homelessness

Progress

- 1 Consultation with Executive Member and approval – 25 March 2026
- 2 Officers consulted and approval:
Capital Finance consulted 24 March 2026; development appraisal reviewed 25 March 2026
Senior Legal Officer consulted 25 March 2026; Legal comments provided 27 March 2026 as set out in the report
- 3 MO-S151 consulted – Director of Corporate Services consulted on 24 March 2026 and discussed in a meeting on 26 March 2026
- 4 Placed on web - 15th April 2026

1. Proposed Decision

- 1.1 The Director of Customer Experience and Transformation (or delegate) agrees to enter into the contract for the Sherborne House car park project with Nevada Construction for the contract sum set out in Exempt Appendix 1, and that the Head of Housing and the Housing Enabling and Development Manager are authorised to sign the building contract on behalf of the Council.

2. Background

- 2.1 On 23 October 2025 Full Council approved the Sherborne House car park project for the design and construction of 23 one and two-bedroom social rented flats, associated infrastructure and external works. Full Council further approved the update of this project within the Capital Programme and accordingly to

increase the Capital Programme and allocation of expenditure for the project to £7,243,317.

- 2.2 The Director of Customer Experience and Transformation was authorised, in consultation with the Executive Member for Housing and Homelessness and the Chief Finance Officer, and following the determination of the grant applications set out in the Full Council report, to enter into the contract for the development with Nevada Construction provided that the project achieves a minimum 1% return on the Council borrowing.
- 2.3 Both the Executive Member for Housing and Homelessness and the Director of Corporate Services (Chief Finance Officer) have been consulted in the preparation of this Officer Decision Report. This report should be read in conjunction with the Full Council Report of 23 October 2025. The Officer Decision Report sets out key changes to the project since October 2025, including the outcome of the Homes England and Brownfield Land Release Fund grant applications, and the revised financial position following finalisation of the contract sum with Nevada Construction.
- 2.4 As per Section 6.5.6 of the Constitution, the authorisation delegated to the Director of Customer Experience and Transformation has been exercised by the Director of Place in their absence on this date. The Managing Director signed the document on behalf of the Council, as per Section 6.6.8 of the Constitution.

3. Key changes since October 2025

Outcome of grant applications

- 3.1 Please refer to Exempt Appendix 1.

Final contract sum

- 3.2 Please refer to Exempt Appendix 1.

Revised financial position

- 3.3 Please refer to Exempt Appendix 1.

Project delivery arrangements

- 3.4 The Sherborne House car park project has been progressed to date by the Council's Housing service, supported by external consultants. It has been agreed that, as the project moves into contract, from this point onwards it will be delivered jointly by the Housing service and the Assets service, as detailed below. This aligns with the Council's approach to delivering other major/capital projects. This will provide robust project management in accordance with Council procedures, while retaining knowledge of the project and housing expertise:

- 3.4.1 Housing is the client service, responsible for the project's successful delivery. This includes managing the external consultants and the project budget, and

internal reporting. Housing will act as the lead contact for external funders, including the submission of grant claims, while also leading on communications and community/stakeholder engagement. It will oversee the initial letting of the completed homes, including the appointment of a suitable managing agent.

3.4.2 Assets will provide project management and technical support/expertise. This includes reviewing the contractor's proposals and project risks, as well as managing contractual payments. Assets will ensure robust record keeping and that the Council's procedures are followed. It will also take handover of the completed scheme and establish planned and cyclical maintenance arrangements, directly or indirectly, where not provided by the managing agent.

3.5 An Internal Project Team will be convened by the Client Lead. This will meet at least monthly and comprise:

- Housing Enabling and Development Manager (Chair – Client Lead)
- Housing Development Officer (Client/Project Support)
- Assets Projects Manager (Project Manager)
- Health & Safety Manager (as required)
- Other Assets representatives (as required)
- Communications & Media representative
- Finance representative
- Legal representative (as required)
- Lead Consultant (Kirkham Board).

3.6 The Project Manager and Client/Project Support, supported by the Lead Consultant, will update the Client Lead and the Internal Project Team on the progress of the project, including time, quality and cost. They will highlight any areas of concern and/or where information/input is required from the Council.

3.7 The Director of Customer Experience and Transformation will chair the Project Board. Meetings of the board will initially be held monthly and subsequently at least quarterly. The Project Board will additionally be attended by the Head of Housing, the Client Lead, the Project Manager and other officers as required. The Board will receive a report setting out overall progress against programme, key risks, issues and matters for decision.

4. Main Implications

Finance

4.1 The anticipated scheme costs and revised financial viability position at contract signature stage are detailed within Exempt Appendix 1. The return on borrowing requirement of a minimum of 1% has been achieved.

4.2 Whilst the contingency within the budget is considered to be sufficient to cover costs which are provisional or subject to caveats in the contract, it is unlikely the

contingency would be sufficient to cover the risk relating to cost and supply pressures resulting from the current geopolitical events in the Middle East.

- 4.3 That said, our independent advisors have concluded that the current price represents good value for money in the current construction market, except for any exceptional costs outlined in paragraph 4.2 above.
- 4.4 Any additional costs will need to be managed within the overall budget envelope or an uplift required to the Capital Programme, which would be subject to Full Council approval.

Risk Management

- 4.5 Subsequent to the Full Council decision, Nevada Construction has undertaken pre-contract due diligence and design development to further de-risk the project and allow the contract sum to be finalised. A number of key risks will be transferred to the contractor under the Design and Build contract, and some will be retained by the Council. The level of delivery risk and cost uncertainty to the Council will therefore reduce when the contract is signed and as the project progresses further.
- 4.6 The updated project risk log is provided in Exempt Appendix 2. The following risks were brought to Members' attention in the Full Council Report and are updated below:
- 4.6.1 That funding bids are delayed or unsuccessful, leading to increased costs. Homes England and Brownfield Land Release Fund grant allocations have been secured since the Full Council approval, as set out in Exempt Appendix 1. The project achieves a satisfactory financial position for entering into the building contract.
- 4.6.2 That unforeseen ground issues are discovered during construction, leading to additional costs. Since the Full Council approval, Nevada Construction has carried out additional ground investigations to further de-risk the site, and the anticipated cost of addressing the ground issues is reflected in the revised contract sum set out in Exempt Appendix 1.
- 4.7 A new risk has been added to the risk log, pertaining to the current geo-political situation. Conflicts in the Middle East may lead to cost pressures and supply chain issues for the project, which would need to be managed by the contractor and the Council.

Legal Impact

- 4.8 The form of Contract is a JCT Design and Build Contract 2016 which is an industry-standard contract and appropriate for the scale of works to be delivered. The contract is amended by a bespoke schedule of amendments which are strongly in the Council's favour. The drafting provides robust protection across design responsibility, statutory and environmental compliance, practical completion requirements, risk allocation, financial security, and information

governance. The insurance structure is broadly appropriate for a contract of this scale.

5. Alternative Options

- 5.1 The Sherborne House car park development is a flagship scheme for the Council and a key project within the One Teignbridge Strategy. It will deliver 23 high quality and energy efficient social rented homes in the centre of Newton Abbot. Significant financial and staff resources have been invested in progressing the project to the stage where the building contract can be signed. The project has been further de-risked since the Full Council approval, and it achieves a satisfactory financial position for entering into the building contract.
- 5.2 It would be possible to reduce the Council's long-term borrowing by not proceeding with the project. However, this would result in the loss of much needed new affordable homes and cause reputational damage to the Council. The option of changing the scope of the scheme at this advanced stage would lead to significant delays and reduced value for money.

6. Justification

- 6.1 It was envisaged that this Officer Decision Report would be prepared once the Homes England and Brownfield Land Release Fund grant applications had been determined and the contract sum finalised. That stage has been reached, and the financial tests set out in the Full Council approval of 23 October 2025 continue to be met.
- 6.2 It is therefore recommended that, following recent consultation with the Executive Member for Housing and Homelessness and the Chief Finance Officer, the Director of Customer Experience and Transformation (or delegate) authorises officers to enter into the building contract with Nevada Construction at the earliest opportunity.

Approved

A handwritten signature in black ink, appearing to be "Neil R.", is written over a white rectangular area.

Signed

Date 09/04/2026

Authorising Officer

Notes:

All authorising emails/correspondence to be filed along with this completed report by the requesting officer in the event needed for an audit trail

Summary of the decision to be added to Mod.gov for the website either by the report author or by Democratic Services. Please contact Democratic Services (TDC) democraticservicestdc@teignbridge.gov.uk