

## **POLICY & FINANCE COMMITTEE**

**23 SEPTEMBER 2021**

### **PROPOSED ACQUISITION OF SECTION 106 HOUSING – SOUTHWELL**

#### **1.0 Purpose of Report**

- 1.1 To provide Members with detail on the proposed acquisition of two S106 new build affordable rented homes on the Stagfield Group Development at The Rise, Nottingham Road, Southwell.

#### **2.0 Background Information**

- 2.1 S106 Agreements are one of the primary mechanisms to deliver affordable housing in the district usually through Registered Providers. The Council has the ability to intervene in the housing market where it is appropriate and necessary to ensure the delivery of affordable housing where a Registered Provider has been unable to do so. This has previously included for example the purchase of 16 social rented units at Ash Farm, Farnsfield in 2016. (Agenda Item 4, Policy & Finance - 28 July 2015 refers).
- 2.2 Planning consent was granted for a residential development of 38 dwellings and conversion and extension of existing residential property to form 12 supported living units at Springfield Bungalow, Nottingham Road, Southwell (Planning Reference 15/01295 refers). The affordable housing obligation comprised of a transfer of a former dwelling (bungalow) on site to Reach Learning Disability Network and 2 affordable houses (1 x 2 bed and 1 x 3 bed for social rent). The development is being progressed by Stagfield Group (Strategic Land and Property Development Company).

#### **3.0 Proposals**

- 3.1 The Council was approached by Agents of Stagfield Group in July 2020 indicating that they were unable to attract a firm offer from a Registered Provider (Housing Association) for the two affordable rented units. Five Registered Providers expressed interest, however due to capacity issues within their current Business Plans, the limited number of units available and commitments to other sites no bids were received (evidence confirmed by the Council in June 2021).
- 3.2 The Council now has the opportunity to bid for the acquisition of the two S106 affordable homes on the development at Nottingham Road, Southwell (known as 'The Rise'). Further discussions were held with the developer and set against the Council's housing growth strategy, the developer was advised that the Council would consider the potential of making an offer in its own right, subject to the necessary financial and risk appraisals.
- 3.3 Stagfield Group have completed the S106 affordable units on the development (Appendix A provides photographs of both units). The scheme is progressing well with strong local interest and due to the affordable housing triggers set within the Section 106 agreement they are now keen to have a quick resolution to the acquisition of the two affordable units along with the need to ensure they maintain their cash flow.
- 3.4 Details of the development which commenced on site on the 1<sup>st</sup> May 2019 are provided below:-

Developer: Stagfield Group  
 Address: The Rise, Nottingham Road, Southwell  
 Planning Reference: 15/01295/FULM  
 Total No of Houses: 38  
 No of Market Homes: 36  
 No of Affordable Homes: 2  
 Type of Affordable Units: 1 x 3 bed and 1 x 2 bed for affordable rent  
 Overall Mix of Houses: 2, 3, 4 and 5 bed houses and apartments  
 Plot Nos: 30 and 38  
 Link to Planning App: <https://publicaccess.newark-sherwooddc.gov.uk/online-applications/applicationDetails.do?keyVal=NRXJPXLB08700&activeTab=summary>

#### **4.0 Valuation Assumptions/Negotiations**

4.1 Wilks Head and Eve LLP (Chartered Surveyors and Town Planning) were commissioned by the Council to undertake an external advice and valuation report (dated 30/07/21) and advice on values was also sought from local Registered Providers and particularly those that had purchased properties in the local area recently.

#### **5.0 Housing Need**

5.1 The Arc4 District Wide Housing Needs Assessment (2021) and accompanying sub-area summaries provides information on housing need across the district. The Southwell sub-area shows a high demand for smaller family units (14 units x 3 beds) in the affordable rented sector. Overall, there is a need for sites to provide 40% x 3 bed houses. The Southwell Neighbourhood Plan also supports the need for one and two bed dwellings.

5.2 The Council's housing register also shows that there is strong demand for affordable units in this locality. There are 616 applicants registered for a property with a preferred area as Southwell. Average Bids for a three bed house are 55.

<b>Property Type</b>	<b>Number of Applicants on Register</b>
1 bedroom general needs	210
2 bedroom general needs	138
3 bedroom general needs	56
4 bedroom general needs	14
Supported Housing	198

<b>Property Type</b>	<b>Applicants on register in Band One</b>	<b>Applicants on register in Band Two</b>
1 bedroom general needs	5	18
2 bedroom General needs	5	9
3 bedroom general needs	3	12
4 bedroom general needs	1	2
Supported Housing	9	16

Average bids for the following properties during the last 12 months:

<b>Properties types</b>	<b>Average bids</b>
1 bedroom flat – general needs	41
2 bedroom flat – general needs	37
3 bedroom house – general needs	55
1 bedroom flat – supported housing	15
1 bedroom bungalow – supported housing	21
2 bedroom flat – supported housing	6
2 bedroom bungalow – supported housing	37

## **6.0 Financial Implications (FIN21-22/3133)**

6.1 Financial implications are covered in full within the private report.

## **7.0 Equalities Implications**

7.1 In considering the acquisition of the affordable units at The Rise, Nottingham Road, Southwell, equality implications will be considered and assessed against the delivery of additional affordable housing to ensure the evidence housing need across all tenures and communities is addressed. The affordable units will be let through the Council's Choice Based lettings System where bids will be invited from applicants who meet the criteria.

## **8.0 Digital Implications**

8.1 There are no significant digital implications in respect of this report.

## **9.0 Community Plan – Alignment to Objectives**

9.1 The delivery of additional affordable homes across the district continues to be a strategic priority for the Council with an objective of the Community Plan being to; '*Accelerate the supply of new homes including associated facilities.*' There is an ongoing requirement to develop a mixed provision of affordable homes to meet the requirements of younger people, families with young children and older people across the district's urban and rural communities.

## **10.0 RECOMMENDATION**

**That delegated authority be given to the Director - Housing, Health & Wellbeing to offer the value detailed in the exempt Appendix for the two affordable housing units at The Rise, Nottingham Road, Southwell.**

### **Reason for Recommendation**

**To consider the acquisition of the S106 affordable housing at Nottingham Road Southwell to enable the Council to intervene in the market where appropriate and necessary to ensure the delivery of on-site affordable housing in the district.**

### **Background Papers**

Nil.

For further information please contact Jill Sanderson – Housing Development Officer on Ext 5624.

Suzanne Shead  
Director – Housing, Health & Wellbeing

**Appendix A**

Completed S106 Affordable Dwellings at 'The Rise', Nottingham Road, Southwell.

3 Bed Unit (Plot 30)



2 Bed Unit (Plot 38)

