

Report to: Policy & Performance Improvement Committee: 6 October 2025

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Report Summary	
<b>Report Title</b>	Affordable Housing Delivery Report 2024/25
<b>Purpose of Report</b>	To provide the Committee with details of affordable housing delivery across the district for the financial year 2024/25, including progress on the 5-year Housing Revenue Account Development Programme.
<b>Recommendations</b>	That the Policy & Performance Improvement Committee note the affordable housing delivery and progress with the Council's five-year HRA development Programme, making any observations as appropriate.

## **1.0 Background**

- 1.1 The delivery of additional affordable homes across the district continues to be a key objective in the Council's revised Community Plan 2023 – 2027. Objective two of the Plan seeks to '*Increase the supply, choice and standard of housing*'.
- 1.2 The Council has a proud track record of delivering affordable housing, second only to Rushcliffe Borough Council in affordable housing delivery since 2013, with 1090 dwelling delivered.
- 1.3 The District's new Housing Strategy and Delivery Plan 2023 – 2028 further prioritises the delivery of affordable housing to meet local need (Priority Two) stating that the Council will continue to understand the need for a full range of affordable housing in the district including type, tenure and location, deliver a range of affordable homes that meet the needs of local residents and workers, work in partnership with Registered Providers (RP's), private developers and local landowners to accelerate the delivery of rural affordable housing and continue to develop new Council owned affordable housing through the extension of its 5 Year Housing Revenue Account Programme.
- 1.4 The Council provides a robust evidence base of housing need through its District Wide Housing Needs Assessment 2020, parish housing needs surveys and data from its Housing Register which details an ongoing requirement to develop a mixed provision of affordable homes to meet the needs of younger people (inc. Care Leavers), families with young children, older people, people with disabilities and veterans across the district's urban and rural communities (Arc4 Housing Needs Survey 2021). A new district wide survey will be commissioned in the Autumn of 2025 with an estimated completion date of December 2025/January 2026.

- 1.5 The Council, along with enabling the supply of new affordable housing, continues to deliver directly new-build Council owned homes split across six phases totaling 352 properties. Phase five (the final phase) of the 5 Year HRA Programme was completed in the summer of 2024. The Council's Cabinet at its meeting on the 19 September 2023, approved a new phase of additional development and is extending its programme to include a further fifty units utilizing S106 Contributions, Right to Buy Receipts and any external funding that can be secured.

## **2.0 S106 Affordable Housing Delivery**

- 2.1 In addition to the Council's own developments, a range of approaches are adopted to secure the delivery of new affordable housing units in the district, through working with Housing Associations (not-for-profit Registered Providers), for-profit' Registered Providers and developers to provide 100% affordable housing schemes and S106 housing.
- 2.2 Local Planning Authorities typically require Developers to provide a percentage of affordable housing secured through a S106 legal agreement. The District Council's policy requires thirty per cent of all new-build residential development schemes to be an affordable product. (60% social/affordable rent, 25% First Homes and 15% Shared Ownership). The affordable dwellings are usually purchased by Registered Providers at a discounted rate and then let as affordable rent (80% of market rent) or sold as shared ownership. The First Homes element is sold with a 30% discount by the developer.
- 2.3 The past three years has seen developers face some challenging market conditions including a reduced number of registered providers bidding for their S106 properties. This is a nationwide issue and is affecting all localities. Developers in the Newark and Sherwood area are approaching most, if not all, Registered Providers operating in the district and are receiving a reduced level of interest. The reasons for this are multifaceted, but there has been a shift away from RPs acquiring 'ready-made' S106 stock towards buying land and tailoring schemes to their own requirements and preferences from the outset. Although this route is sometime susceptible to planning delays it does allow RPs to access and utilize grant funding from Homes England's Affordable Homes Programme (as a strategic partner) which cannot be accessed when acquiring S106 stock.
- 2.4 Other factors affecting RP's reduction in S106 appetite are:
- a) the additional investment required to meet new required regulations/standards such as fire safety, (Grenfell) damp and mould (Awaab's Law).
  - b) seeking only larger S106 schemes due to economies of scale.
  - c) Increased Revenue costs (borrowing, construction and labour) set against rents (which are controlled).
  - d) Restrictions on title particularly in rural areas i.e., designated protected areas.
  - e) They are often unable to secure the design standards/specifications they seek from developer led schemes (making long term maintenance more difficult).
- 2.5 Of concern to some RP's are the Private management companies often in place in developments for the management of open space and communal landscaping or play areas. This means the RP has no control over service and estate charges which may become unaffordable. Previously a District or Parish Council would have undertaken this responsibility.

- 2.6 All the above factors have led to Registered Providers scaling back their S106 acquisitions and development programmes. Whilst some of the issues can be resolved through the planning process i.e., design standards/specifications, most are external forces out of the Council's control. One way to make up the shortfall in cost is for RPs to secure additional grant for the S106 element of a development but this is usually disallowed by Homes England as S106 housing is considered as planning gain and is a policy requirement.
- 2.7 The Council is considering options around S106 housing on an individual scheme basis. The Council has in the past converted affordable rent to a shared ownership product at Bilsthorpe to retain on-site affordable housing through a for-profit registered provider. The Council has agreed (Jill find date) to purchase a small affordable rented S106 scheme (8 units) in Collingham (due 2026) as part of the S106 requirement on a development that was unsuitable for affordable housing provision.
- 2.8 The Council continues to make every effort to retain S106 housing on site and has considered the following alternative options: -
- a) tenure changes to include converting affordable rent to either shared ownership, or discount for sale.
  - b) Convert all S106 to a discount for sale/First Homes product with the addition of a commuted sum payment or seeking a higher level of discount than the required 30%.
  - c) Seek 100% commuted sum payments in lieu of on-site delivery. This does, however, in the short to medium term have the potential to have an impact upon the district's homelessness levels, waiting lists and temporary accommodation numbers.
- 2.9 The Council is aware that some Registered Providers still have some S106 capacity in their programme and are working with them to ensure that developers are aware of this. Homes England has developed a database of Section 106 Affordable Housing opportunities. It contains details of housebuilders uncontracted and unsold S106 affordable homes across England to enable housebuilders, RP's and local authorities to access available affordable housing (December 2024).
- 2.10 Looking forward, alongside a review of the findings of the Housing Market Needs Assessment results in January, the Council will be considering alternative options to bolster s.106 and third party affordable housing alongside the Government's pledge to build 1.5 million homes over the next ten years.

### **3.0 Housing Need**

- 3.1 The delivery of affordable housing is set against the Council having a robust evidence base of housing need. In 2020 the Council commissioned Arc4 Consultants to commence a district wide housing needs assessment, the findings of which were presented to the Homes and Communities Committee in January 2021.
- 3.2 The 2020 assessment indicated a total net affordable housing need of 1,566 units per annum (677 @ 2014) and after deducting the annual supply of housing, the shortfall for the next 5 years was 243 homes per annum (152 @ 2014). The main variances between the 2014 DCA affordable need data and the current data are a higher total backlog need who require affordable housing and a lower level of newly arising need because market prices are affordable to around 80% of newly forming households.

3.3 The Council owns 5567 dwellings (31 March 2025), with eight homes being sold through the Right to Buy in 2023/24.

3.4 There are currently 2949 applicants on the Council's housing register (31 March 2025), a decrease of 1465 on the previous year. The Council has moved its housing register to a new system during the early summer.

#### 4.0 Affordable Housing Delivery 2024/25

4.1 Over the past 19 years, a total of 1,938 additional affordable homes have been provided across the district, through S106 planning agreements, 100% affordable housing developments, rural exception sites and the Council's own developments.

4.2 Between April 2024 and March 2025, 129 additional affordable homes have been built across the district (located in Balderton, Bilsthorpe, Rainworth, Walesby, Ollerton, Edwinstowe, Southwell and Hawtonville). Set against the need for 243 new affordable homes per annum and the delivery of 129 new builds, this means there is a supply shortfall of 114 affordable homes this year. The approaches to deliver these are outlined below:

Social Rent	Affordable Rent	Intermediate Housing (Shared Ownership)	Discount for Sale	Total
0	83	46	0	129

#### **Section 106 Agreements and 100% Affordable Housing Schemes**

Developer S106 Agreement	Developer 100% Affordable Housing	HRA Development	Total
83	24	22	129

The table below details the location of the affordable housing units delivered through Section 106 planning agreements and 100% affordable housing schemes.

Location	Affordable Ownership	Affordable Tenure				Unit Type
		Affordable Rent (AR)	Shared Ownership	Discount for	Total Delivered	
Registered Provider 100% Affordable Housing Schemes – 24 Units						
Bilsthorpe Eakring Road	Places for People (Keepmoat site)		24		24	6x 4 bed houses, 14x 3 bed, 4x 2 bed
HRA Development Programme (Council Owned – Year 6) – 22 units						
Balderton Hawton Lane	NSDC Affordable Rent	1				1x 3 bed house
Edwinstowe Land off Gaitskill Crescent	NSDC Affordable Rent	2				2x 1 bed bungalows

<b>Rainworth</b> Southwell Road	NSDC Affordable Rent	1				1x 2 bed bungalow
<b>Walesby</b> Manor Close	NSDC Affordable Rent	1				1x2 bed bungalow
<b>Hawtonville</b> Eton Avenue	NSDC Affordable Rent	5				3x 1 bed bungalows, 2x 2 bed bungalows
<b>Ollerton</b> Firview Ollerton	NSDC Affordable Rent	2				2x 1 bed bungalow 1x2 bed bungalow
<b>Southwell</b> Kings Court Southwell	NSDC Affordable Rent	1				1x 1 bed flat
<b>Balderton</b> Wolfit Avenue	NSDC Affordable Rent	2				2x 1 bed bungalow
<b>Norwell</b> Ex garage site	NSDC Affordable Rent	2				2 x 2 bed house
<b>Norwell</b> Norwell Fairvale	NSDC Affordable Rent	1				1x 1 bed bungalow
<b>Clipstone</b> The Drive	NSDC Affordable Rent	3				3x2 bed bungalows
<b>Balderton</b> Nightingale Close	NSDC Affordable Rent	1				1x bed bungalow
<b>S106 Affordable Housing - (Developer Contributions) – 83 units</b>						
<b>Bilthorpe</b>	Places for people Sherwood Grange Colliery Way, Miner's Close	1	2		3	1x3 bed houses, 2x 2 bed houses
<b>Fernwood</b>	Jigsaw Greater Fernwood Elsham Place, Hadrian Grove, Lysander Place	43				14x1 bed flats, 16x 2 bed houses, 13x 3 bed houses
<b>Bilthorpe</b>	Heylo The Pastures, Sir Bryan Way		1			1x 3 bed house
<b>Newark</b>	Heylo The Boulevard Middlebeck		7			2x 4 bed houses, 5x 3 bed houses
<b>Blidworth</b>	Heylo The Green Forest New Lane		6			3x3 bed houses, 3x 2bed houses
<b>Edwinstowe</b>	Jigsaw Thorseby Colliery, Hewers Way, Davy Avenue	5				2x1 bed flat, 3x 2 bed houses
<b>Fernwood</b>	Platform Kingsmeadow	5	6			2 and 3 bed houses
<b>Edwinstowe</b>	Jigsaw Vale Development, Ollerton Road	7				4x3 bed houses, 3x2 bed houses
		<b>83</b>	<b>46</b>			

## 5.0 **Anticipated Affordable Housing Delivery**

5.1 The following table identifies the number of units currently anticipated to be delivered over the next four to five financial years.

- 5.2 It is difficult to provide an accurate picture beyond 2030 as further sites may come forward through the planning system, some sites may be delayed (*especially those major developments phased over a long build period*) and national funding/policy arrangements may change:

Scheme Details	Registered Provider (Owner)	No. of Units (Aff)	Type: AR (Affordable Rent) SO (Shared Ownership)	Progress
<b>S106 Affordable Housing (Developer Contributions) – 144 units</b>				
<b>Southwell</b> The Vineries, Cameron Homes	Not Known	9	AR & SO	Start on Site Nov 24
<b>Balderton</b> Fernwood Extension – meadows south 49 Plus a new one for 49 but not on site -	Not Known = awaiting permission	120	TBC	No start on site for the affordable housing
Gusto Station Road	NSDC	8	Affordable rent	
Castle Gate Leisure Centre Conversion to apartments		7	2 bed and 1 bed flats and studio	
<b>100% Affordable Housing Schemes –Units</b>				
<b>Newark</b> Yorke Drive (Regeneration Project)	NSDC No permission	110	2 & 3 Bed houses	On site
Ollerton Town Regeneration		3		
<b>Clipstone</b> Former Colliery Site	Platform	126	AR (86) & S/) 40	
<b>Rainworth</b> Land off Kestrel Rise	Homes by Honey	41	Affordable rent	
<b>Bilthorpe</b> Land at Farnsfield Road South of Ivy Gardens	D Hyde	9	2 bed and 3 bed houses and bungalows	
<b>Edwinstowe</b> Mansfield Road	Morro	50	2 bed and 3 bed houses and bungalows	
<b>Newark</b> Bowbridge Lane		87	1 bed, 2 bed and 3 bed houses and bungalows	
<b>Council Owed HRA Development – Phase 6 – 25 units</b>				
Lowfield Lane	HRA	9	1 bed and 2 bed flats, houses and bungalows	On site
The Greenway	Rolleston	5	3x 2 bed houses 2x 2 bungalow	Planning appeal (not upheld)
Bowbridge Road Site	Newark	5	Bungalows	On site
Church Circle Ollerton	Ollerton	5	Houses	On site
	<b>Total</b>	<b>594</b>		

## **6.0 Rural Exception Sites**

- 6.1 Traditional rural exception sites, in accordance with Planning Policy, are schemes solely for the development of affordable housing on land within or adjoining existing small rural communities which would not be otherwise released for general market housing. The evidence to support the development of such sites includes the commissioning of a parish housing needs survey to determine the type and tenure required.
- 6.2 The updated National Planning Policy Framework (2023) introduces in Paragraph 73 an exception site policy for community led housing development and provides that local authorities should seek opportunities to support small sites to come forward for community led housing, self-build and custom build housing, It will be interesting to see whether this incentivises more applicants to deliver rural housing schemes alongside traditional rural exception sites.
- 6.3 The Council has a long-standing partnership with Nottingham Community Housing Association (NCHA) and East Midlands Rural Housing Association known as the Trent Valley Partnership which has delivered over seventy-five affordable dwellings in rural exception site locations across the district with a further twenty-five in the pipeline. NCHA are working towards delivery of two additional rural affordable housing schemes at Oxton (12 units) and Epperstone or Eakring (12 units) subject to continued parish consultation, land availability and planning approval.

## **7.0 Housing Revenue Account - Development Programme**

- 7.1 The Housing Revenue Account (HRA) 5-year Development Programme commenced in 2017 with a target of 335 dwellings over five phases which will be met by July 2025 within the budget set by the Council. Cabinet on the 19 September 2023, agreed to extend the HRA Development Programme to provide fifty additional units (385 units in total) (Phase 6) subject to capacity and affordability. This will ensure that the Council continues to meet the housing needs in the district. Total number of completed dwellings is 336 with a further 15 dwellings under construction due for completion 2025, with planning permission granted for an additional 20 dwellings due to start on site in 2025.
- 7.2 The average build costs per unit in 2025 including all external works, prelims and abnormal items due to small sites being delivered on ex-garage sites, is £210,000.

## **8.0 Better Care Fund**

- 8.1 The Better Care Fund continues to fund the Council's grant programme for Disabled Facilities Grants, discretionary Top Ups and Minor Works Grants. In 2024/25 there were one hundred and twelve (112) completions plus twelve (12) interim payments at a total cost of close to £1,030,000. However, it should be noted that there were also £414,000 worth of commitments for grants that have been approved but are awaiting a contractor to start the works that would be carried out in early 2025/26. The authority has also received Nottinghamshire County Council referrals for a further twenty-six (26) schemes with an approximate value of £548,000, which had yet to be approved at year end.

## **9.0 Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

### Financial Implications (FIN25-26/8564)

#### **9.1 Affordable Housing Delivery**

- 9.1.1 As described in paragraph 2.1, there are range of approaches which secure the delivery of new affordable housing units in the district. Through Housing Associations, Registered Providers and developers along with our own Council House Development Programme.
- 9.1.2 During 2024/25, no new receipts were received in S106 monies, in lieu of on-site affordable housing delivery. However, £234,747.64 of existing receipts were utilised for financing to support the spend on the Council House new build programme.
- 9.1.3 The Council spent £5.569m in 2024/25 on the Council House Development Programme, which contributed to the delivery of 22 additional units and 1 conversion. The final part of Phase 5 will be completed in 2025/26.
- 9.1.4 Other sources of financing for the programme includes using the Major Repairs Reserve (MRR), RTB 1-4-1 Receipts and Borrowing.

### Better Care Fund

- 9.1.5 In 2024/25 The Council received £1.323m from the Better Care Fund, for Disabled Facilities Grants (DFG), and other DFG activity such as Warm Homes on Prescription. Annual spend is incurred and reported through the Capital Programme.
- 9.1.6 Any new schemes or additional spend as a result of the discussions on independent living will be reported to a future Cabinet meeting.

#### **9.2 Equality and Diversity Implications**

- 9.2.1 The Council's housing needs evidence base informs the type of affordable housing to be delivered across the district to meet the needs of all communities, including those with protected characteristics.
- 9.3 All other implications such as Data Protection, Digital and Cyber Security, Human Resources, Human Rights, Legal, Safeguarding and Sustainability have been considered, and no comments are required.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None