

Report to: Cabinet Meeting: 14 October 2025

Portfolio Holder: Councillor Lee Brazier, Housing

Director Lead: Suzanne Shead, Housing, Health & Wellbeing

Lead Officer: Cara Clarkson, Business Manager - Healthy Places

Report Summary	
Type of Report	<p>Open Report / Key Decision with exempt Appendix</p> <p>The appendix to this report contains exempt as defined under Schedule 12A of the Local Government Act 1972, Paragraph 3 which the Committee has the power to exclude the press and public if it so wishes.</p> <p>It is considered that the need to treat the information in the appendix to this report as exempt outweighs the public interest in disclosure because it contains information which remains commercially sensitive.</p>
Report Title	HRA Development Programme – Acquisition of S106 Homes at Rainworth
Purpose of Report	To set out the business case for the acquisition of 20, S106 Housing Units at Rainworth with a forward payment to Arkwood Developments Limited as set out in Appendix 1
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none"> a) approve the Business Case for the acquisition of 20, S106 properties at Rainworth from Arkwood Developments Ltd; b) approve that delegated authority be granted to the Director - Housing, Health & Wellbeing, in consultation with the Portfolio Holder for Housing, to finalise terms (including, but not limited to property type and specification) and enter into contract with Arkwood Developments Ltd. for the purchase of 20 x S106 properties on the terms set out in exempt Appendix 1; and c) approve that the Capital programme for Phase 6 of the new build programme is increased by £200,000 to £11,150,000 financed as shown in the table at 3.3.

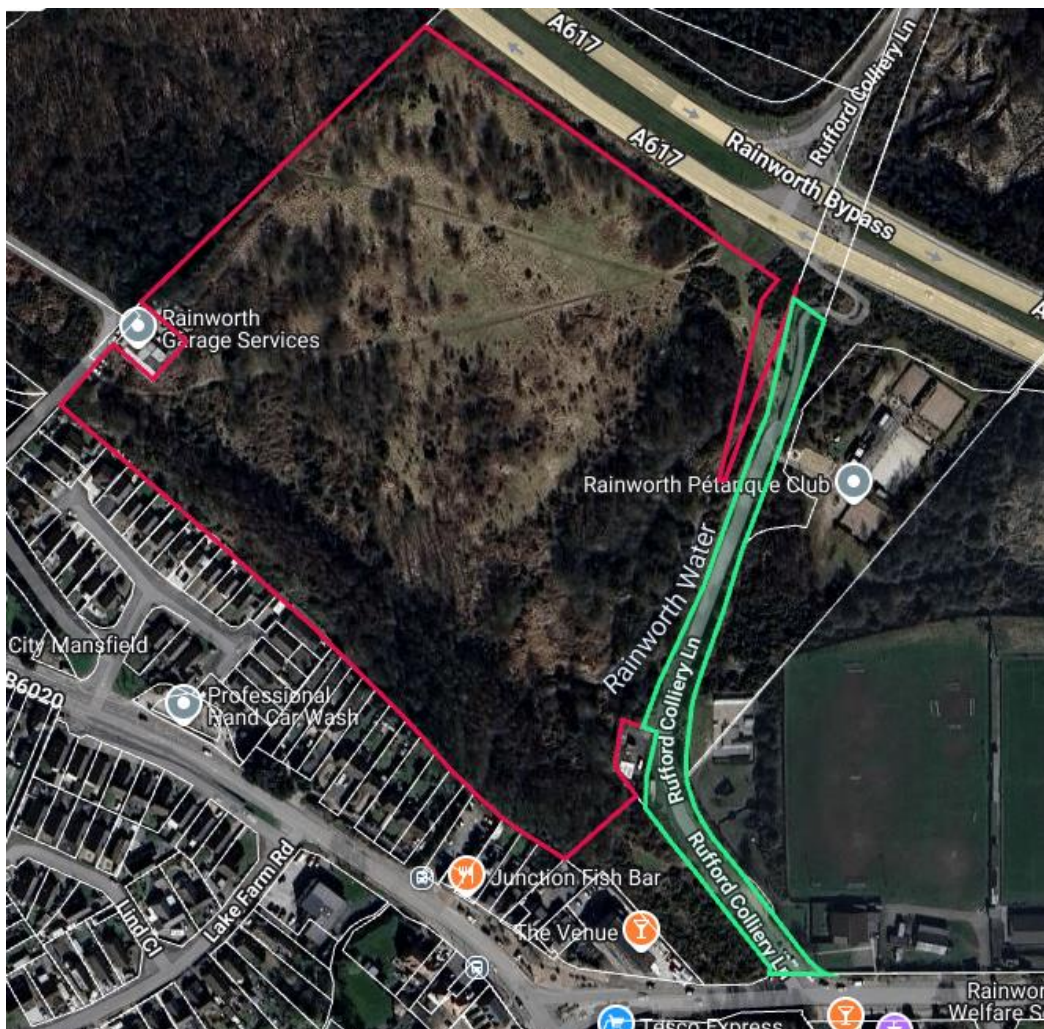
Alternative Options Considered	The alternative option is to not purchase the S106 properties from Arkwood Developments Ltd. This alternative has been discounted further to the rationale set out in the business case, section two of this report.
Reason for Recommendations	<p>This recommendation aligns with the Council's ambition to increase the supply of housing, in particular decent homes that residents can afford to buy and rent, as well as improving housing standards.</p> <p>The recommendation also supports the Council's Commercial Strategy 2022-26 through the support of its Arm's Length Development Company.</p>

1.0 Background

- 1.1 In October 2023, Cabinet approved a 50-unit extension to the original council house development programme launched in 2016 to deliver 335 homes. Following the approval of the 50-unit extension, the budget for Phase 6 was set at £10.950m.
- 1.2 In July 2024, Cabinet also approved to expand the definition of the development programme to specifically include acquisitions as well as council-built homes.
- 1.3 The purchase of S106 properties, former right to buy properties or properties on the open market can be a viable option to increase the Council's housing stock, particularly where the purchase supports a stalled site or where the properties are in a location where there is limited land available for the Council to purchase and build directly and there remains an unmet demand for council housing.
- 1.4 Historically, the Council has intervened in the housing market where it is appropriate and necessary to ensure the delivery of affordable housing and where a Registered Provider has been unable to do so. This has previously included the purchase of two social rented units at Nottingham Road, Southwell in 2021 (Policy and Finance Committee - 23 September 2021 refers); 16 social rented units at Ash Farm, Farnsfield in 2016, (Agenda Item 4, Policy & Finance - 28 July 2015 refers) and eight units at Station Road, Collingham (Agenda Item 19, 23 July 2024 refers).
- 1.5 It was agreed by Cabinet that where there is a business case for acquisition and where the business case is approved by Cabinet, that strategic acquisition can contribute to the overall development programme.
- 1.6 The Council has been approached by its Arms-Length Development Company, Arkwood Developments Ltd., with an opportunity to purchase off-plan, 20 of the S106 properties to be delivered (subject to site acquisition, planning and delivery) by the company at Rainworth.
- 1.7 This report and the exempt **appendix** attached, set out the business case for the acquisition of these properties.

2.0 Proposal/Options Considered

- 2.1 It is proposed that the Council commits to entering into an agreement with Arkwood Developments Ltd. to purchase 20 x S106 properties as part of a wider scheme on land accessed from Kirklington Road/ Rufford Colliery Lane, Rainworth (adjacent to the Pétanque Club and southwest of the A617), subject to terms set out in exempt Appendix 1.



Arkwood Development Ltd. is currently in negotiations with the site owner and any purchase by the Council will be subject to the successful acquisition of the land by Arkwood Developments Ltd.

- 2.2 In considering the business case for acquisition, this report demonstrates that there is demand for the units in question, that the opportunity provides value for money and that there is a strategic justification for the Council intervening in this particular housing development. Additional exempt detail is included at Appendix 1. Information has been determined as exempt as negotiations are ongoing with the landowner and to protect the commercialism of Arkwood Developments Ltd. (Arkwood) ongoing business model.

Demonstrating Demand for Housing in the Area

- 2.3 Arkwood's proposal is to deliver a scheme of 89 units of which 30% will be affordable homes. Of the affordable homes on the scheme, 20 will be affordable rent and an additional nine units will be shared ownership (to be delivered directly by the company).
- 2.4 In 2020 the Council commissioned Arc4 Consultants to undertake a district wide housing needs assessment, the findings of which were presented to the Homes & Communities Committee on 18 January 2021. Within the housing needs assessment, Rainworth is categorised as being within the Mansfield Fringe. In this area, the Council's strategy sets a target of 454 net additional dwellings per annum from 2019-2033 of which 67 dwellings should be affordable rent and 45 dwellings intermediate end and affordable home ownership.
- 2.5 Rainworth is a popular village in the district, demonstrated by the demand for social homes. The Housing register data shows that:
- There are currently 174 applicants on the housing register eligible for 1 bedroom general need properties
 - There are currently 133 applicants on the housing register eligible for 2 bedroom general need properties
 - There are currently 67 applicants on the housing register eligible for 3 bedroom general need properties
 - There are currently 16 applicants on the housing register eligible for 4 bedroom general need properties
 - There are currently 92 applicants on the housing register eligible for supported housing for older people (1 or 2 bedroom)

Council properties let in Rainworth during 2024/2025 received the following number of bids:

- 2 x 1 bed bungalows = 29 & 41 bids received
- 1 x 2 bed flat = 119 bids received
- 10 x 2 bed bungalows = between 30 -120 bids received per property

Demonstrating Value for Money

- 2.6 During 2024-25 the Council delivered an average build costs per unit, including all external works, prelims and abnormal items of £210,000.

This cost includes land and reflects the more expensive nature of the small exception and garage sites that NSDC has prioritised over the course of its development programme – tackling areas of antisocial behaviour as well as meeting housing demand.

- 2.7 Additional exempt details at Appendix 1 demonstrate how the Councils development programme compares with the opportunity at Rainworth.

Demonstrating Strategic Need for Council Intervention

- 2.8 The Council has previously intervened and purchased S106 properties only where developments were stalled or where they would otherwise not have been brought forward.
- 2.9 During the last three years, the market has seen a reduction in bidding from Registered Providers for S106 properties. Registered Providers are instead opting for 100% affordable housing schemes or buying off plan as they are often able to secure grant funding through the Homes England Strategic Partnership model which cannot be applied when purchasing S106 homes.
- 2.10 The cumulative impact of the above is that it is unlikely that a developer will bring forward this site without a confirmed partner for the S106 properties in advance.
- 2.11 Furthermore, the Council has now exhausted its HRA land bank of sites that can accommodate delivery of more than one individual property and there remains capacity within Phase 6 of the Councils Housing Development Programme for a further 14 units to be delivered. Utilising the S106 acquisition at Rainworth allows for a mutually beneficial opportunity and stops the Council needing to separately acquire land on which to fulfil its Phase 6 commitments.

3.0 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 (FIN25-26/5017)

- 3.1 Following the report to Cabinet in October 2023, Phase 6 was added to the Capital Programme to deliver 50 units with a budget of £10,950,000. This was to be financed by a mixture of Affordable Housing S106 receipts, Capital receipts and borrowing, currently as follows:

Funding source	Amount
S106 Contributions	£1.292m
HRA 1-4-1 Receipts	£0.088m
HRA Capital Receipts	£0.399m
Borrowing	£9.171m
Total	£10.950m

- 3.2 As of September 2025, there is £2,364,430 in Affordable Housing S106 receipts to support the delivery of phase 6; an increase of £1,072,532 from the above and that reported in October 2023. A breakdown of the additional receipts is listed below. By applying this increased funding, the requirement to borrow will reduce by the same amount.

Parish	Contribution Type	Spend by Date	Amount (£)	Restricted To
Bilsthorpe	Affordable Housing	No time limit	440,448	NSDC District
Bilsthorpe	Affordable Housing	No time limit	554,084	NSDC District
Newark	Affordable Housing	No time limit	78,000	No definition

- 3.3 Phase 6 of the new build programme currently has 36 units currently identified for delivery. The addition of the 20 units proposed in this report takes this up to 56, exceeding the original target of 50 in this phase. The addition of these units and the value for acquisition, will result in an additional budget requirement of £200,000 taking the current £10.950m to £11.150m. The financing shown at 3.1 would then be revised, considering the above S106 to the following:

Funding Source	Amount
S106 Contributions	£2.364m
HRA 1-4-1 Receipts	£0.531m
HRA Capital Receipts	£1.589m
Borrowing	£6.666
Total	£11.150m

- 3.4 A financial appraisal of the proposed acquisition shows a payback period of 26 years which falls within the 30-year business plan period, demonstrating financial viability and indicating value for money.

Equality Implications

- 3.5 There are no adverse equality implications from this report. Delivery of M4(3) adapted properties as part of the development will support those with disabilities to live independently at home for longer.

Legal Implications - LEG2526/9206

- 3.6 Cabinet is the appropriate body to consider the content of this report. The Legal team will need to be instructed in relation to any contractual or land matters.

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.