

Executive Board – 21 July 2020

Subject:	Development of Beckhampton Road, Bestwood for new Council housing.
Corporate Director(s)/Director(s):	Chris Henning, Corporate Director Development and Growth.
Portfolio Holder(s):	Councillor Linda Woodings, Portfolio Holder for Planning, Housing and Heritage.
Report author and contact details:	Fran Cropper, Regeneration Team Leader Email: fran.cropper@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	See exempt appendix
Wards affected:	Bestwood
Date of consultation with Portfolio Holder(s):	22 June 2020
Relevant Council Plan Key Theme:	
Nottingham People	<input type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>This report proposes the appointment of Nottingham City Homes (NCH) to develop the City Council owned site at Beckhampton Road in Bestwood for c.131 new Council homes, to be let at affordable rent. The homes will be held within the Housing Revenue Account (HRA), and funded through a combination of Right to Buy receipts (which might otherwise be lost) and prudential borrowing within the HRA. This is subject to the contractors' tenders being within the funding envelope set out in the exempt appendix, and to the demonstration of value for money. This development will contribute towards achieving the Council's commitment to build or buy 1,000 Council or Social homes for rent by 2023.</p>	
Exempt information: State 'None' or complete the following	
<p>An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial and business affairs of the Authority, and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because making public the approved budget could prejudice contractual negotiations.</p>	
Recommendation(s):	
1	To declare the Beckhampton Road site surplus to requirements of the Education service of the Council, and to delegate authority to the Director of Strategic Assets and Property, in consultation with the Leader of the Council, to finalise the appropriation details of the land, including price, into the HRA
2	To approve the budget for the construction of c.131 new Council homes and associated costs within the funding envelope set out in the exempt appendix, with the corresponding

	amendment to the HRA programme.
3	To approve the allocation of £0.125m Adaptations budget to this scheme to support the provision of 5 three bedroomed disabled access bungalows, by reducing the Adaptations budget in the Public Sector Housing Capital Programme. This will be spread over a maximum period of six years.
4	To authorise Nottingham City Homes (NCH) to act as the City's developer agent and tender and manage contractors on NCC's behalf, and for NCC to enter into a contract for the works to redevelop the site
5	To approve the expenditure of £0.5m of Section 106 Affordable Housing contributions, made in line with the planning conditions for development at Woodhouse Park (planning ref. 13/01703/POUT), towards the development.

1 Reasons for recommendations

- 1.1 This proposal supports the City Council's housing strategy, Quality Homes for All (2018-2021) in providing quality Council homes.
- 1.2 This development will contribute c.131 new homes towards achieving the Council's commitment to build or buy 1,000 Council or social homes for rent by 2023.
- 1.3 The Covid-19 pandemic is significantly increasing economic and housing market uncertainty (which acts as a break on new investment), disrupting construction activity and having a direct impact on local labour market activity, notably in terms of increased lay-offs, unemployment and economic inactivity in Nottingham. This is having important knock-on effects on consumer spending and investment which are dampening economic activity more broadly.
- The importance of Council/social housing to the economic and wellbeing and prosperity of our city is therefore highly significant at this time for three key reasons:
- Firstly, the growing importance of skills to Nottingham's economic performance means that getting the right housing offer, including affordable housing, is essential to attracting and retaining a skills base that will encourage inward investment
 - Secondly, by aligning our strategies for housing and economic development the City Council has a strong track record of increasing the likelihood that efforts to address deprivation will be supported by measures to address the underlying economic causes of area deprivation. We have found that co-ordinating regeneration and economic development interventions maximises the potential for achieving a virtuous circle that can deliver greater economic inclusion
 - Finally, housing investment in and of itself can be a powerful driver of local economic activity through direct investment in house-building and refurbishment, which in turn generates significant economic multiplier-effects via supply chains and increasing disposable income and therefore consumption of local goods and services.
- 1.4 The homes will be carbon efficient with a fabric first approach. The homes will be energy efficient with an aim to attain an 'A' SAP rating. Car charging points and solar panels will be provided on homes where appropriate.
- 1.5 The principle of utilising the Beckhampton Road site for new Council housing was established in Delegated Decision ref 3684, which allocated prestart budget for sites at Chingford, Beckhampton Road and Oakdene.

- 1.6 In accordance with statutory requirements concerning appropriation (Local Government Act 1972 s122), consultation has been carried out. This consultation notifies of the Council's intention to change the land allocation from General Fund (Education) to HRA ahead of residential development. This is necessary because the land at Beckhampton Road currently comprises Open Space. No responses were received to the public notices.
- 1.7 The site is around 5 hectares, and is in the ownership of the General Fund of the City Council. The whole site will be transferred to the HRA, with an annual maintenance fee paid from HRA to Public Realm for the upkeep of the substantial area of open space which will be retained on completion of the development.
- 1.8 The site will be transferred for less than best consideration into the HRA. Full market value cannot be achieved for the site due to the proposed use as affordable housing, which cannot yield the same returns as market sale led housing schemes. The transfer at less than full market value can be justified through provisions in the Local Government Act allowing Councils to sell their assets for less than achievable market value on the basis of social benefit.
- 1.9 Beckhampton Road was formerly reserved for Sports use, however throughout the preparation of the Local Plan and in consultation with Sport England, the site was released for development due to nearby provision of Open Space, such as at Southglade Football hub.
- 1.10 One of the key principles of development of Beckhampton Road is that some of the land is retained for Open Space, therefore around 1.5 hectares will be retained and enhanced as open space.
- 1.11 The Beckhampton Road scheme is currently going through the planning process and formal planning consultation, therefore scheme design and detail is subject to change. The scheme is for 131 homes; including 72 x 2 bed houses, 14 x 3 bed houses, 5 x 1 bed bungalows, 5 x 3 bed disabled access bungalows and 35 x 1 bed flats. All of these home types are in high demand in Bestwood, and will help reduce the housing waiting list. It is also anticipated that the inclusion of the bungalows will help in freeing up some larger family homes, with tenants choosing to downsize. Some of the bungalows will be suitable for families with disabilities.
- 1.12 To contribute towards the additional capital required to provide disabled access bungalows the Adaptations budget within the HRA capital programme will be reduced by £0.125m, and this will be smoothed over a maximum period of 6 years. The detail of this reduction is to be agreed between finance and the Adaptations Agency to minimise the impact on the Adaptations Agency service. The rationale for this is because the scheme is providing new, fit for purpose properties there should be a reduced demand for adaptations to existing properties.
- 1.13 To ensure that there is a reduction of demand on the Adaptations Agency, the 5 three bed bungalows will be made available for direct offers from Adult Social Care referrals.
- 1.14 Concept designs and 3d images have been worked up by the architect and these designs will be subject to a consultation and input from the wider

community. This scheme will create better connected and safer neighbourhoods by improving the quality of the built environment, and through the Secure by Design framework which will help to both reduce crime and the fear of crime.

- 1.15 The Council has accumulated Right to Buy replacement funding which can be used to meet up to 30% of the cost of developing new affordable housing. If this funding is not spent within three years of receipt it has to be paid to Central Government plus interest above base rate. This development will be eligible for this funding as they are a net gain of affordable homes.
- 1.16 There is currently £0.500m of Section 106 Affordable Housing commuted sums available to be put towards improving the viability of new Council housing schemes, and it is proposed that this goes towards the Beckhampton Road scheme. This comes from the planning application at Woodhouse Park (planning ref. 13/01703/POUT). The Council is obliged to use the affordable housing commuted sum 'towards the provision of Affordable Housing within Nottingham City'. The scheme meets this definition, and the grant is necessary to mitigate some of the more expensive house types such as the bungalows.

2 Background (including outcomes of consultation)

- 2.1 The recently adopted Local Plan (January 2020) supports residential development of predominantly family housing on Beckhampton Road- the site reference is SR6
- 2.2 The Council's current target for delivery of social/affordable housing indicate the importance of delivering new housing on this site.
- 2.3 The scheme has been endorsed for recommendation by the Building a Better Nottingham Steering Group in June 2020.
- 2.4 Consultation with local residents was undertaken in November 2018 on the principle of development of Beckhampton Road.
- 2.4. Local ward members have been fully consulted and are supportive of the scheme.
- 2.5 The statutory planning process is currently underway, giving local residents and stakeholders an opportunity to make representations.
- 2.6 NCH will act as the Council's development agent and ensure procurement compliance with national and organisational legislation.
- 2.7 The utilisation of section 106 funding requires consultation to be held with the local Area Committee in which the funding will be spent, which is Bestwood, Bulwell and Bulwell Forest Area Committee. The Chair and vice-chairs were consulted on 17th April 2020 and are supportive of the proposal.

3 Other options considered in making recommendations

- 3.1 Do nothing. This was rejected as the site has been identified for residential development within the Local Plan, and development will contribute to meeting the Council's housing delivery targets, as well as providing much needed new social homes for rent.

3.2 Market sale. This option was rejected because it would not provide the Council with the necessary degree of control over the quality and delivery of the new housing, and would result in fewer affordable housing units which are much in demand in the ward, as well as throughout the whole city.

4 Finance colleague comments (including implications and value for money/VAT)

4.1 See exempt appendix.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

5.1 There have been several incidents of Anti-Social behaviour on Beckhampton Road, which should be somewhat mitigated by residential development. For example, there have been incidents of occupation by Travellers, with ensuing costs of tidying the site and making good and security costs.

5.2 NCH will act as the City Council's agent and therefore NCH must ensure it undertakes a procurement process on behalf of the City Council which complies with the Public Contracts Regulations 2015. NCH should only use a framework where the City Council has been correctly identified as a contracting authority on that framework. Any lessons learned from previous large projects where there has been an overspend should be considered and appropriate contract oversight should be put in place.

Andrew James – Commercial, Employment and Education 22 April 2020

5.3 Legal property comments are attached in an Exempt Appendix A.

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

6.1 It will be necessary for the site to be appropriated from the General Fund to the Housing Revenue Account.

6.2 Property has placed formal notice of the Council's intention to appropriate the Beckhampton site for HRA purposes in the Local Press for two consecutive weeks as required by the Local Government Act 1972, Section 122. The deadline for responses was 15 May 2020 and no responses were received. Any responses would have been made available to Executive Board as part of this report, so that they could have been taken into account when making the decision to appropriate.

6.3 Property will undertake a valuation of the Beckhampton site to establish the market value of the site. This Valuation will be undertaken immediately prior to the formal appropriation, to ensure that the valuation reflects market value at that time and the level of undervalue, if any, is known to the Director of Strategic Assets and Property and the Leader of the Council when finalising the terms of the appropriation. It is considered likely that the appropriation will be at less than best consideration as the proposed scheme is not market lead and is not designed to maximise the value of the land.

Rod Martin, Development Manager, Strategic Assets and Property. 26th June 2020.

7 Social value considerations

- 7.1 The proposed development will contribute to meeting the need for new affordable housing within the city. The construction of the new housing has the potential to benefit the local economy by providing opportunities for local employment and local businesses, including by using Nottingham City Homes' award winning apprenticeship scheme.

8 Regard to the NHS Constitution

- 8.1 N/A

9 Equality Impact Assessment (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

The approval does not contain proposals for new or changing policies, services or functions.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 10.1 None

11 Published documents referred to in this report

- 11.1 Delegated Decision 3684; Prestart work to new residential sites at Chingford, Beckhampton and Oakdene, 25 October 2019.