

Nottingham City Council

Housing and City Development Scrutiny Committee

Minutes of the meeting held in the Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 10 June 2024 from 2:04pm to 4:02pm

Membership

Present

Councillor Sarita-Marie Rehman-Wall
(Chair)
Councillor Michael Savage (Vice Chair)
Councillor Kevin Clarke
Councillor Sam Harris
Councillor AJ Matsiko
Councillor David Mellen
Councillor Samina Riaz
Councillor Adele Williams

Absent

None

Colleagues, partners and others in attendance:

Councillor Jay - Executive Member for Housing and Planning
Hayes
Mark Lowe - Head of Housing and Regeneration
Adrian Mann - Scrutiny and Audit Support Officer
Sajeeda Rose - Corporate Director for Growth and City Development
Paul Seddon - Director of Planning and Regeneration
Karen Shaw - Local Plans Manager
Damon Stanton - Scrutiny and Audit Support Officer

1 Apologies for Absence

None

2 Declarations of Interests

In the interests of transparency in relation to item 7 (Social Housing Delivery Progress), Councillor Sarita-Marie Rehman-Wall and Councillor Michael Savage declared that they are Council tenants.

3 Appointment of the Vice Chair

Resolved to appoint Councillor Michael Savage as the Vice Chair of the Committee for the 2023/24 municipal year.

4 Minutes

The Committee confirmed the Minutes of the meeting held on 15 April 2024 as a correct record and they were signed by the Chair.

5 Committee Terms of Reference

The Chair presented a report on the Committee's Terms of Reference, the Council's structure for the Overview and Scrutiny function and the Overview and Scrutiny Protocol to provide clarity on the Committee's purpose, objectives and terms of operation so that it can work efficiently and contribute effectively to the good governance of the Council.

The Committee noted the report.

6 The Nottingham Local Plan - Housing Delivery

Councillor Jay Hayes, Executive Member for Housing and Planning; Sajeeda Rose, Corporate Director for Growth and City Development; Paul Seddon, Director of Planning and Regeneration; and Karen Shaw, Local Plans Manager, presented a report on the delivery of housing across the city as part of the currently adopted Local Plan. The following points were raised:

- a) To seek to address increased housing need across the country, the national target is for there to be around 300,000 new properties built each year in England. The target for Nottingham is the provision of 1,000 new homes each year, with the figure including an additional 35% uplift applied to the 20 largest cities and urban areas. It is expected that the Council will also deliver appropriate student accommodation as part of the overall housing need and, since 2011, around 50% of housing delivery has been in student accommodation – predominantly in the city centre.
- b) Housing need at the local level is assessed using a set Standard Method Calculation, which includes the projected household growth over the next 10 years, affordability adjustments, a cap of up to 40% and the additional 35% uplift for the larger cities. The Council must then set out policies within its Local Plan to establish how the housing need will be delivered, which includes suitable sites being identified that can provide at least five years' worth of housing.
- c) Delivery is enforced through a Housing Delivery Test that the Council submits to Government, stating the number of new houses provided against the national requirements. There are sanctions for under-delivery and it is estimated that 110 out of 350 Local Authorities nationally will not be able to meet their housing requirements this year. If a Local Authority achieves less than 75% of its local housing need, a formal 'presumption in favour of sustainable development' is then applied in the Planning process for new residential projects.
- d) The Council has a clear focus on ensuring that housing development plans are well-evidenced and sustainable. There are a number of development aspects that the Council examines such as Housing Needs Assessments, infrastructure delivery plans, transport modelling, employment studies and flood risk assessments. As a result, the Council has been successful in achieving its housing requirements over the last decade, with delivery monitored through a Housing Information System, which is a complex database that incorporates Planning Application data, Council Tax data, site visit information and Building

Control data, which is all assessed by the Planning Policy and Geographical Information System teams.

- e) The Council ensures that there are sites for housing delivery through a Strategic Housing Land Availability Assessment. Once housing sites have been identified, information is provided to ensure they can be developed, including any constraints and likely timelines. Once approved, these housing sites are included in the Local Plan. Each year, the Council must identify a five-year housing supply of land to show that it is able to deliver on its requirements.
- f) However, the Council faces some key issues in relation to housing provision going forward, as it develops its new Local Plan with partners. These include the increased number of houses for delivery due to the 35% uplift, the physical constraints on land due to the city's tightly drawn boundaries and less student housing being built due to a reduction in demand. The Government has also consulted on raising the shortfall threshold from 75% to 95% before the 'presumption in favour of development' is applied.
- g) Ultimately, it is likely that the Council's Standard Method Calculation from 2023-2041 is 33,210 against an estimated supply of 26,685, leaving a shortfall of 6,525. However, as national guidance does state that the Standard Method can be deviated from if there are exceptional circumstances, the Council is proposing that it follows an alternative land supply-based calculation, rather than the Standard Method figure, in the next version of the Local Plan. This approach will be tested in a Public Examination in 2025/26.

The Committee raised the following points in discussion:

- h) The Committee asked what types of housing was needed most by Nottingham residents, and whether meeting the actual local need plus the 35% national uplift was achievable. It was reported that a Housing Needs Assessment has been commissioned to fully assess what housing is required in the city. There is a clear need for both social and affordable rent housing. A number of other specific housing needs are also incorporated into the Assessment, such as those of students, young people and older people, as well as work towards alleviating homelessness. The Assessment also considers the city's housing market trends. Unfortunately, the 35% uplift will be particularly difficult to meet in Nottingham due to its tight physical boundaries – and everything possible should be done to not compromise the city's available green spaces.
- i) The Committee asked how it is ensured that suitable brownfield sites are developed for new housing in a timely way. It was explained that the Strategic Housing Land Availability Assessment seeks to identify potential housing sites, which include vacant properties and brownfield land. There is now funding available for developers through the East Midlands Combined County Authority (CCA) to help address viability problems on brownfield land, with potential further funding streams available in the future. However, it is simply sometimes that case that a site might look suitable for development but, upon further investigation, it is found to not be viable for residential properties for various reasons, including where there is a significant risk of flooding.

- j) It was set out that Nottingham has a good reputation for development and strong relations with developers. However, the Council has limited intervention powers to progress an approved private development beyond the use of a Compulsory Purchase Order, which would be difficult to implement due to the current financial situation. The CCA will also have Compulsory Purchase powers that it could use if required. The Government has consulted on how it could address developers who are delaying the delivery of housing for which they have approval.
- k) The Committee asked how the Council's strategic approach to the delivery of housing was grounded in a clear understanding of the needs of local people. It was explained that there is currently a housing shortage nationally, with the limited housing supply increasing prices and rents. The Council works to alleviate this shortage by seeking to meet the housing development targets for Nottingham as closely as possible and the Housing Needs Assessment will allow the Council to implement the right housing mix that is required by residents. The development sites within the strategic Local Plan are ones that are large enough for over 500 dwellings. A 'part two' plan will follow on from the strategic plan to outline and go into greater detail on the development of smaller housing sites.
- l) The Committee asked what the primary risks to the Council were if the national housing delivery targets for the city were unrealistic. It was reported that the Council has provided a robust response to the Government's consultation on raising the threshold for the 'presumption in favour of development' to 95%, outlining the tight physical boundaries of the city and the consequences of over-development. The Council is using 3D modelling to show the potential impacts of the 35% uplift and it will be putting this forward, along with other evidence as to why it should depart from the Standard Method formula, to the Public Examination. Currently, however, there is still a healthy five-year plan of land supply, so the 35% uplift represents a risk in the longer term. Nevertheless, the Council will need to develop alternatives if the independent examiner decides against its future Local Plan position if a supply-based housing target.
- m) The Committee noted that there are a number of urgent housing issues for residents, where long-term plans do not support people facing the immediate threat of eviction and homelessness. The Committee considered, therefore, that residents must be able to have a clear voice in the effective delivery of the Local Plan, to ensure that it meets the needs of everyone – and, particularly, the most vulnerable.

The Chair thanked the Executive Member for Housing and Planning, the Corporate Director for Growth and City Development, the Director of Planning and Regeneration and the Local Plans Manager for attending the meeting to present the report and answer the Committee's questions.

Resolved:

- 1) To recommend that the Council maximises its engagement and relationships with partners (including the East Midlands Combined County Authority (EMCCA)) and developers to take best advantage of the potential investment opportunities for the unlocking of brownfield sites in the city for housing development, as part of its strategic approach to housing delivery.**

- 2) To recommend that the Council works in partnership with both the Greater Nottingham District and Borough Councils and the EMCAA to make a representation to the appropriate Secretary of State on the challenges faced locally in meeting the 35% uplift for house building applied to the larger cities, following the upcoming General Election.**
- 3) To recommend that the Council's strategic and policy approaches to housing development in the city clearly embed and express the true housing need of Nottingham's communities, and that the input received through consultation with these communities and partners is used effectively to inform both strategic policy development and delivery planning.**

7 Social Housing Delivery Progress

Councillor Jay Hayes, Executive Member for Housing and Planning; Sajeeda Rose, Corporate Director for Growth and City Development; and Mark Lowe, Head of Housing and Regeneration, presented a report on the delivery of new social housing in Nottingham. The following points were raised:

- a) Formally, 'social housing' is defined as a low-cost form of rented or home ownership properties such as social rent, affordable rent, shared ownership, shared equity or discounted sale. The Council owns over 24,000 social housing properties and so is the largest Registered Provider in the city. There are more homes in the pipeline to build and the Council continues to work closely with other Registered Providers to establish more social homes across the city.
- b) A change to the Housing Revenue Account in 2012 allowed the Council to borrow to develop new Council homes. Since this time, the Council has completed 570 new homes for rent, with 351 currently being built and 24 more approved at the Oakdene site – with further sites being sought. The Council has acquired 150 properties from the private sector and has agreed a programme to purchase 60 homes over the next two years. It has also established 37 homes as part of private developments via Section 106 Agreements. Currently, 150 properties are still held as part of Nottingham City Homes. In total, 2,663 social homes have been provided in Nottingham over the past 20 years.
- c) As social housing is rented or sold at sub-market values, it requires a subsidy in order to be developed. The main forms of subsidy are Right to Buy replacement funds, the Homes England Affordable Housing Programme and Section 106 Agreements with developers. However, the Council is not currently able to mix the funding from these sources, so it is usually the case that it uses one form of subsidy for a given project and then needs to borrow the remainder.
- d) The primary challenges to future delivery in Nottingham include cost inflation for building materials and labour; increased investment demands on Registered Providers to meet new energy standards, decency standards and fire safety measures; a lack of land supply; less funds being generated from Section 106 Agreements; and the Council's current financial situation limiting new borrowing.

The Committee raised the following points in discussion:

- e) The Committee asked how many people were on the waiting list for social housing, and how need was prioritised. It was reported that there is a local connection requirement for residents to access social housing in the city, and around 10,000 people are currently on the Council's waiting list – who are placed in bands according to various criteria of need. The overall number on the waiting list remains largely consistent as there is increasing demand and reducing supply. As much work is done as possible to limit the number of void properties at any given time.
- f) The Committee asked how Right to Buy impacts on the Council's social housing stock. It was explained that, over the past 10 years, over 3,000 homes have been sold through Right to Buy, with the number of purchase applications remaining consistently high. This has reduced the level of social housing that the Council has, as it is not able to replace the stock at the same pace. The Council has no control over what happens to properties once they had been purchased under Right to Buy, but a number of licensing schemes are in place for properties to be used for private rent. Right to Buy income must be reinvested in social housing projects within a limited time window, so the Council is engaging at the national level on how Right to Buy funds could be used more flexibly, including through mixing with Homes England funding and Section 106 Agreements, to help increase the social housing stock.
- g) The Committee asked what was being done to support District and Borough Councils in the Greater Nottingham area to increasing their housing stock. It was explained that the Council looks to work with its other Local Authority partners to help increase their social housing stock where appropriate, particularly through utilising Section 106 contributions from developers. Section 106 Agreements are a legally binding means of ensuring investment for new social housing, but if an independent assessment identifies that a development is not viable for the amount of Section 106 asked for, this can be challenged by the developer. The new East Midlands Combined County Authority should further enhance that partnership working.
- h) The Committee queried how residents are supported in temporary accommodation while waiting for a permanent placement. It was clarified that the Council placing someone in temporary accommodation outside of the city area does not remove their eligibility to access social housing in Nottingham. Where someone is provided with temporary accommodation in another Local Authority area, that Local Authority must be notified.

The Chair thanked the Executive Member for Housing and Planning, the Corporate Director for Growth and City Development and the Head of Housing and Regeneration for attending the meeting to present the report and answer the Committee's questions.

Resolved:

- 1) To request that further information is provided on:**

- a) **the banding structure and number of people on the current waiting list for social housing, and the projected trend of the number of people on the waiting list;**
 - b) **the number of void properties, and the amount of time taken for void properties to be re-occupied; and**
 - c) **the number, proportion and projected trend of Right to Buy sales, and the rate at which properties are being replaced in comparison to the rate at which they are being sold.**
- 2) **To recommend that the Council engages proactively with both the Greater Nottingham District and Borough Councils and the East Midlands Combined County Authority on sharing best practice to maximise the delivery of social housing across the Greater Nottingham area.**
 - 3) **To recommend that work is undertaken across all relevant Council teams to ensure that social housing purchases under Right to Buy are legitimate, and that all properties that enter the private rented sector are licenced for an appropriate use under the relevant Council licencing scheme.**
 - 4) **To recommend that, following the upcoming General Election, the Council reviews its strategic approach to the delivery of social housing in the context of any significant changes to related policy at the national level.**

8 Work Programme 2024-25 and Activity Summary 2023-24

The Chair presented the Committee's proposed Work Programme for the 2024/25 municipal year and a summary of the work that it had undertaken during 2023/24. The following points were discussed:

- a) The Committee queried how the Decent Neighbourhoods Programme was now managed and delivered as part of improving Nottingham's estates and neighbourhoods to create homes and places in the city where people want to live, and requested that this was discussed further with the Executive Member for Housing and Planning as a potential future item of business for the Committee.

Resolved to agree the proposed Work Programme for the 2024/25 municipal year.

9 Future Meeting Dates

Resolved to meet on the following Mondays at 2:00pm:

- **15 July 2024**
- **16 September 2024**
- **18 November 2024**
- **20 January 2025**
- **17 March 2025**