

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2633
Author:	Andrea Brough
Department:	Development
Contact:	Andrea Brough (Job Title: Regeneration Team Leader (Housing), Email: andrea.brough@nottinghamcity.gov.uk, Phone: 8762864)
Subject:	Affordable Housing Delivery at Church Square, Lenton
Total Value:	£123,000 (Type: Capital)
Decision Being Taken:	<ol style="list-style-type: none">1) To authorise the Legal Services Manager to enter into an agreement with Nottingham City Homes or its Registered Provider subsidiary, hereafter referred to as NCH, in relation to the matters at 2 and 3 below:2) To allocate £123,000 of affordable housing monies paid pursuant to the Section 106 agreement related to Breconshire Dyeworks, Barlock Road (Reference 09/03300/POUT) towards the purchase price of land on which affordable housing is to be built by NCH at Church Square, Lenton as detailed in this decision.3) On completion of the agreement at 1 above to make the necessary transfer of funds to implement 2 above.
Reasons for the Decision(s)	<ol style="list-style-type: none">1. Through the planning process Nottingham City Council secures affordable housing benefits from developers in relation to larger residential schemes through Section 106 agreements. Often this is on site provision of affordable housing, but occasionally this is provided in the form of a commuted sum. These funds are ringfenced to be spent on providing additional affordable housing and usually needs to be spent, or committed, within a specified time limit, otherwise the developer can request the monies be repaid.2) NCH currently has a programme to provide new affordable homes across the City. One such scheme is on Church Square, Lenton that will provide a total of 17 new homes. It is proposed that £123,000 affordable housing monies already received will be applied towards this scheme. This sum remains unspent from a larger affordable housing contribution that derived from the section 106 agreement linked with planning permission reference 09/03300/POUT for development at Breconshire Dyeworks, Barlock Road.3) It is proposed that a legal agreement between the Council and NCH be concluded under which NCH will be committed to using the £123,000 wholly towards the purchase of the Church Square land to enable 100% affordable housing on that site to be delivered.

Other Options Considered: 1) to meet the costs through existing resources - alternative funding is not available, therefore this option was rejected.
2) to do nothing - to not utilise the identified Section 106 monies in the manner proposed will mean the balance of £123,000 will become liable to be repaid should the developer request it, therefore this option was rejected.

Background Papers: None.

Published Works: Portfolio Holder Decision 1963, 27 April 2015 - The Decommissioning and Demolition of Church Square, Lenton

Affected Wards: Dunkirk and Lenton

Colleague / Councillor Interests: None.

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt:
The valuation of the site is exempt from publication.
The legal advice is exempt from publication.
Both are included within an exempt appendices.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). Appendices to the report are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) 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 the information because it could prejudice the negotiations for developing the site.

Documents exempt from publication: Exempt appendix 2 -legal advice.docx, Appendix 1 to report - Affordable Housing Delivery at Church Square , Lenton.docx

Consultations:

Date: 13/09/2016
Ward Councillors: David Trimble, Sarah Piper
Consultation undertaken - Cllr Trimble and Cllr Piper were emailed the details of the content of the report on 26th September 2016. No response has been received.

Date: 03/10/2016
Area Committees: Area 4: Arboretum, Dunkirk and Lenton, Radford and Park (from May 2012)
Consultation undertaken - Cllr Liaqat Ali supports the proposal as does the community rep and Cllr Merlita Bryan has not responded.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

NCH's new build programme will provide quality new council housing meeting secure by design standards.

Equality:

EIA not required. Reasons: Decision does not relate to new or changing policies, services or functions.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/10/2016

Advice Sought:

Legal, Finance, Property

Legal Advice:

This advice is exempt from publication and is contained within an exempt appendix
Advice provided by Judith Irwin (Senior Solicitor) on 11/10/2016.

Finance Advice:

This decision is to provide a grant of £123,000 to Nottingham City Homes (NCH) towards the purchase of land at Church Square, Lenton for the development of affordable homes (rented). The amount can be funded from Section 106 contributions which are paid to Nottingham City Council by private housing developers. By making the grant to NCH the S106 contribution will be spent in accordance with the agreement with the developer and within the timescales required.
NCH will build, own and rent the homes constructed. NCC has reviewed the financial modelling undertaken by NCH and this gives confidence that the scheme is viable.
Advice provided by Julie Dorrington (Finance Analyst (Housing)) on 06/10/2016.

Property Advice:

Property have negotiated terms for the sale of the freehold interest in Church Square, Lenton to Nottingham City Homes. The land value is given in the exempt appendix.

Advice provided by Rodney Alan Martin (Senior Surveyor) on 16/09/2016.

Signatures

Jane Urquhart (Portfolio Holder for Planning and Housing)
SIGNED and Dated: 17/10/2016
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 17/10/2016