Nottingham City Council Delegated Decision

Reference Number:	**3273**
Author:	**Fran Cropper**
Department:	**Development and Growth**
Contact:	**Fran Cropper** **(Job Title: Regeneration Team Leader, Email: fran.cropper@nottinghamcity.gov.uk, Phone: 01158763956)**
Subject:	**Utilisation of s106 Affordable Housing Contribution for refurbishment of a dwelling house**
Total Value:	**£40,000 (Type: Capital)**
Decision Being Taken:	**1. To authorise the Legal Services Manager to enter into an agreement with Nottingham City Homes Limited (NCH) in relation to the matters as 2 below.** **2. To allocate £40,000 of s106 Affordable Housing contribution, paid pursuant to the agreement for Haywood School (ref 14/02226/VAR) towards the refurbishment of the house in Basford as set out in exempt appendix to bring it up to a lettable standard.** **3. On completion of the agreement, to make the transfer of funds to NCH for the works; and** **4. To authorise the Legal Services Manager to enter into an agreement for lease of the dwelling house to NCH Registered Provider (RP) for use as temporary accommodation for homeless persons once the works at 1-3 above are completed.**
Reasons for the Decision(s)	**1. Pursuant to Portfolio Holder Decision 1290, Nottingham City Council bought a three bedroom property in Basford for the purpose of strategic land assembly in January 2014, and it has stood empty since that time. This property is no longer required for purposes of redevelopment, and requires refurbishment before it is of a lettable standard. Therefore, it is proposed that £40,000 of Affordable Housing Section 106 Commuted sum is utilised for refurbishment works, to be sourced from the agreement related to the Haywood School, Edwards Lane development (planning reference 14/02226/VAR).** **2. It is proposed that NCH will carry out the works. The property has not been used previously for affordable housing, therefore this home is a net gain and eligible for s106 funding. The property will be leased by the City Council to NCH Registered Provider, and it will be utilised to discharge the Council's homelessness duty. This is in the context of rapidly increasing homelessness demand and expenditure.**

Other Options Considered:	**1. Not to refurbish. This would not maximise the use of the Council's assets, in light of growing demand for homeless properties.** **2. To sell the property on the open market. It is considered a better use of Council assets, and indeed available s106 contributions, to bring the property into use for homeless provision.** **3. To utilise alternative funding. There is no alternative funding mechanism identified, and this is considered a good use of Affordable Housing s106 contributions.**
Background Papers:	**None.**
Published Works:	**Portfolio Holder decision 1290: Acquisition of the freehold of a dwelling house for the purpose of strategic land assembly, 30 January 2014: http://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=1692**
Affected Wards:	**Basford**
Colleague / Councillor Interests:	**None.**
Any Information Exempt from publication:	**Yes**
Exempt Information:	
Description of what is exempt:	**Details identifying the address of the house.**
	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
1 - Information relating to any individual	**The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it would identify a property, and therefore the tenants, as specifically for use for homeless families.**
Documents exempt from publication:	**Exempt Appendix to Delegated Decision re Utilisation of s106 for refurb DH.docx**
Consultations:	**Date: 06/11/2017**
	Ward Councillors: Cat Arnold, Linda Woodings, Nick Raine
	Supportive of the proposal

	Date: 06/11/2017 **Area Committees: Area 2: Bestwood and Basford** **Chair, Vice Chair and Community Reps were consulted and are supportive of the proposal.**
	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	**The property will be managed by Nottingham City Homes, and licencees will be bound by the terms of the licence to behave responsibly and not to cause Anti-Social Behaviour.** **This should have a positive impact on C&D in the future, and the perception thereof, as it will reduce rough sleeping and homeless presence on the streets.**
Equality:	**EIA not required. Reasons: The property will be managed via NCH through a waiting list system. This system has been subject to a EIA.**
Relates to Council Property Assets:	**Yes**
Decision Type:	**Officer**
Executive Decision?	**Yes**
Scheme of Delegation Reference Number or Other Source of Delegation:	**1**
Subject to Call In:	**No** **The call-in procedure does not apply to the decision because the value of the decision is below the call in threshold.**
Advice Sought:	**Legal, Finance, Property**

Legal Advice:	**1. The funding which this decision proposes to allocate derives from a section 106 agreement dated 2 September 2014 in relation to the development at Haywood School (ref 14/00436/PFUL3). The affordable housing contribution secured by this agreement was calculated by formula in accordance with the Council's adopted policy on affordable housing and was payable in default of the developer providing on-site affordable housing. The agreement contains no express obligation specifying exactly how the affordable housing contribution should be spent, and no obligation requiring the Council to repay the contribution if unused after a set time period, but the contribution is referred to in the s106 agreement as an Affordable Housing Contribution.** **2. Notwithstanding the lack of express obligations in the s106, completion of agreements for works and for lease as at Recommendations 2 and 4 of this Decision will provide the Council with the necessary reassurance that the end use of the s106 contribution by NCH will reflect the intentions of the parties to the s106 agreement.** **3. The Council's Constitution requires that the relevant Area Committee is consulted in relation to proposed spend of section 106 monies in its area, and it is noted that the Chair, Vice Chair and Community Representatives were consulted in November 2017 and are supported.** **4. The Decision is within the remit of the Portfolio Holder for Housing and Planning.** **Advice provided by Judith Irwin (Senior Solicitor) on 11/09/2018.**
Finance Advice:	**The section 106 agreement 14/00436/PFUL3 (Haywood School, Edwards Lane) was received in full in the sum of £532,525 on 7th October 2015. £240,000 was committed via DDM 3182 and the current decision would utilise £40,000 bringing the total commitment to date to £280,000.** **Any revenue benefits within the Homelessness Section of the Council will be used to ease the current budget situation. The rental income generated from the letting to Nottingham City Homes will be transferred to a sinking fund to pay for future repairs.** **Advice provided by Sarah Baker (Commercial Business Partner - Projects) and Tom Straw (Senior Accountant - Capital Programmes) on 12/09/2018.**
Property Advice:	**Once refurbished the property will be let to Nottingham City Homes Registered Provider on a business lease and a sinking fund will be set up to cover any future liabilities not covered by the lease.** **Advice provided by Rodney Alan Martin (Senior Surveyor) on 06/07/2018.**
Signatures:	**Chris Henning (Corporate Director Development and Growth)**
	SIGNED and Dated: 01/10/2018