# Nottingham approves student accommodation despite lack of Section 106 contributions



A new student accommodation development in Nottingham has been approved despite concerns over the lack of financial contributions from the developer to local services. The approved scheme involves demolishing a warehouse on Rick Street, behind the Victoria Centre, to build a 247-bed student apartment block.

The decision was made at a Nottingham City Council Planning Committee meeting held on Wednesday, 23 April. However, several councillors expressed disappointment that the developer would not provide any Section 106 contributions, which are typically sought from developers to help fund affordable housing, education, employment, and infrastructure improvements in the local area.

Section 106 agreements are often a key part of granting planning permission, with Nottingham City Council expecting a financial contribution to mitigate the impact of developments. In this case, an independent viability assessment concluded the scheme would not be financially viable if the developer were required to pay the expected £947,847 contribution towards local improvements.

Councillor Sam Lux (Lab), a member of the planning committee, described the situation as disappointing. Speaking to the Local Democracy Reporting Service, she highlighted concerns about the impact on local GP surgeries, noting, “One objection points out that in the locality there is already a wait time of three weeks to get a GP appointment. It just doesn’t feel right there won’t be any compensation for the extra pressure that the development will create.”

She also commented on the limitations of current policy, stating: “We’ve discussed this at length in the past and it feels with the policy we have at the moment our hands are tied and we can’t object on the grounds of this. It is frustrating. I think we should be pushing for better policies going forwards.”

Under existing legislation, it is considered reasonable for developers to achieve a profit margin between 15% to 20% on a development. If a viability report determines that this profit margin is unachievable, developers are not obliged to provide Section 106 financial contributions.

This issue has been contentious in Nottingham and nationwide, especially given recent rises in construction costs attributed to global conflicts and economic uncertainty. Councillor Kevin Clarke (Ind), the sole councillor to oppose the plans at the committee meeting, expressed concern about the wider impact of such decisions: “Developers just can’t see that 106 deferrals cost local communities big time.”

Local residents also voiced objections to the scheme, citing worries about strained resources in the city. One resident specifically pointed out that access to healthcare would be further compromised, referencing the Victoria Surgery on Glasshouse Street, where GP wait times reportedly run at around three weeks.

The application for the development was initially submitted in April 2022 but faced delays to accommodate amendments. The original proposal was for a 16-storey apartment block offering 401 student beds. The revised plan reduced the building's height and the number of beds to address concerns.

Councillor Pavlos Kotsonis (Lab) commended the developer’s responsiveness to local feedback, noting, “The developer’s willingness to alter the height of the building – and the number of beds – following concerns over the initial plans” was welcome.

The development, proposed by PMI Developments Ltd and Harcourt Land and Development, now awaits progress following the planning approval, despite ongoing discussion about the balance between development and community impact in Nottingham.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.eastmidlandsbusinesslink.co.uk/mag/featured/student-accommodation-plan-for-nottingham-site-recommended-for-approval/> - This article confirms the approval recommendation for a student accommodation development in Nottingham accommodating 247 residents, located behind the Victoria Centre near Rick Street, aligning with the article's description of the site and project scale.
2. <https://www.housingtoday.co.uk/news/nottingham-city-council-approves-247-unit-student-accommodation-scheme-after-height-reduction/5135686.article> - This source verifies the approval of the 247-unit student accommodation scheme by Nottingham City Council, including details about the reduction in the number of beds from 401 to 247 and the refusal of the £947,847 Section 106 contribution due to viability concerns.
3. <https://westbridgfordwire.com/planning-permission-granted-for-nottingham-city-centre-student-accommodation-scheme/> - This article provides background on the planning permission granted, describing the collaboration between PMI Developments, Peveril Securities, and CPMG Architects, and highlights the design adjustments made to fit local needs and the high demand for student housing.
4. <https://www.nottinghamcity.gov.uk/planning-policy-and-development/section-106-agreements/> - This Nottingham City Council page explains the purpose and requirements of Section 106 agreements, including contributions to affordable housing, education, and local infrastructure, supporting the article's claims about the typical financial obligations for developments.
5. <https://www.nhs.uk/service-search/find-a-gp/results/Nottingham> - This NHS service directory shows GP surgeries in Nottingham, including locations with high patient demand and long appointment wait times, corroborating concerns over GP access and the impact of new developments on local healthcare services.
6. <https://www.planningresource.co.uk/article/1725589/viability-claims-grow-construction-costs-soar> - This article discusses the growing trend of developers claiming non-viability due to rising construction costs linked to global factors, explaining why developers may seek to avoid Section 106 contributions, consistent with the Nottingham scheme's viability appraisal findings.
7. <https://www.nottinghampost.com/news/nottingham-news/fears-new-nottingham-student-block-10135327> - Please view link - unable to able to access data