

Executive Summary of Agenda Item No. 9



Report title: The Strategic Business Case for a Local Housing Delivery Company

Wards affected: All

Strategic Director: Alison Comley & Barra Mac Ruairi

Report Author: Nick Hooper

Recommendation for the Mayor's approval:

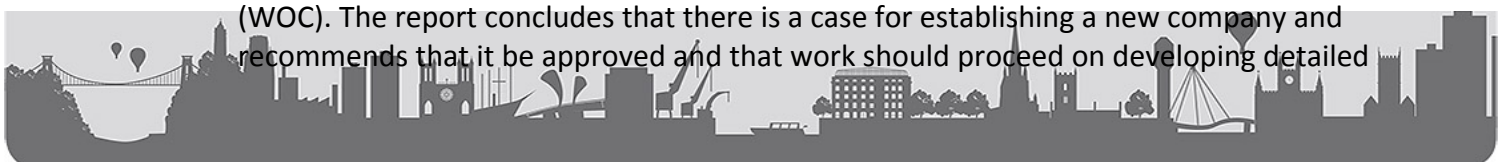
1. To approve the strategic business case, appended to this report, in favour of the establishment of a wholly owned local housing delivery company with initial projects being undertaken through joint venture(s) with external partners, subject to detailed business planning.
2. To commence detailed business planning as described in paragraph 8 for the establishment of the company to contribute toward delivering housing in the city as set out in this report, , for further consideration by Cabinet.
3. Expenditure of £250,000 in 2017/18 to undertake the work set out in 2. above.
4. To note that consideration of the incorporation of the new entity into the Bristol Holding Company's legal structure will form part of the detailed business planning.

Key background / detail:

a. Purpose of report: To set out the strategic business case for the establishment of a wholly-owned local housing delivery company and request approval to commence detailed business planning.

b. Key details:

1. The report sets out the background to Bristol's housing shortage, and specifically the reasons for considering establishing a new local housing delivery company
2. The report also sets out the strategic business case, using the Treasury Green Book approach based on the 5 areas of:
 - Strategic case – a case for change that provides a holistic fit with the Council.
 - Economic case – whether the intervention represents best “public value”
 - Commercial case – that the proposal is attractive to the market place, can be procured and is commercially viable.
 - Financial case –that the proposed spend is affordable.
 - Management case – from all interested parties' perspectives that it is achievable.
3. The strategic business case established a set of headline objectives and criteria for examining alternative types of delivery arrangement. A long list was prepared and evaluated, and then a shortlist comprising 3 options: 'Do Nothing'; Strategic Joint Venture; Wholly Owned Company (WOC). The report concludes that there is a case for establishing a new company and recommends that it be approved and that work should proceed on developing detailed



business plan, which will examine in depth a range of financial, managerial and governance aspects, prior to a further cabinet report on whether to proceed with establishing new company.

4. The basis for the further work is that that the most appropriate model would be a wholly owned company, but with at least the initial projects being delivered through a joint venture between the WOC and development partner(s).

