

Cabinet Agenda



Date: Tuesday, 7 March 2017

Time: 4.00 pm

Venue: City Hall, College Green, Bristol, BS1 5TR

Distribution:

Cabinet Members: Marvin Rees (Mayor), Cllrs Mark Bradshaw, Clare Champion-Smith, Craig Cheney, Fi Hance, Claire Hiscott, Helen Holland, Paul Smith, Estella Tincknell (Deputy Mayor) and Asher Craig

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Issued by: Ruth Quantock, Democratic Services

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Date: Monday, 27 February 2017



Agenda

PART A - Standard items of business:

1. Welcome and introductions

2. Public Forum

Up to one hour is allowed for this item

Any member of the public or Councillor may participate in Public Forum. Petitions, statements and questions received by the deadlines below will be taken at the start of the agenda item to which they relate to.

Petitions and statements (must be about matters on the agenda):

- Members of the public and members of the council, provided they give notice in writing or by e-mail (and include their name, address, and 'details of the wording of the petition, and, in the case of a statement, a copy of the submission) by no later than 12 noon on the working day before the meeting, may present a petition or submit a statement to the Cabinet.
- One statement per member of the public and one statement per member of council shall be admissible.
- A maximum of one minute shall be allowed to present each petition and statement.
- The deadline for receipt of petitions and statements for the 07 March Cabinet is **12 noon on Monday 06 March**. These should be sent, in writing or by e-mail to: Democratic Services, City Hall, College Green, Bristol, BS1 5TR
e-mail: democratic.services@bristol.gov.uk

Questions (must be about matters on the agenda):

- A question may be asked by a member of the public or a member of Council, provided they give notice in writing or by e-mail (and include their name and address) no later than 3 clear working days before the day of the meeting.
- Questions must identify the member of the Cabinet to whom they are put.
- A maximum of 2 written questions per person can be asked. At the meeting, a maximum of 2 supplementary questions may be asked. A supplementary question must arise directly out of the original question or reply.



- Replies to questions will be given verbally at the meeting. If a reply cannot be given at the meeting (including due to lack of time) or if written confirmation of the verbal reply is requested by the questioner, a written reply will be provided within 10 working days of the meeting.
- The deadline for receipt of questions for the 07 March Cabinet is **5.00 pm on Wednesday 01 March**. These should be sent, in writing or by e-mail to: Democratic Services, City Hall, College Green, Bristol BS1 5TR.
Democratic Services e-mail: democratic.services@bristol.gov.uk

When submitting a question or statement please indicate whether you are planning to attend the meeting to present your statement or receive a verbal reply to your question

3. Apologies for Absence

4. Declarations of Interest

To note any declarations of interest from the Mayor and Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

5. Matters referred to the Mayor for reconsideration by a scrutiny commission or by Full Council

(subject to a maximum of three items)

None on this occasion

6. Reports from scrutiny commission

None on this occasion

7. Chair's Business

To note any announcements from the Chair



PART B - Key Decisions

8. Housing Delivery Plan

To seek approval to adopt and implement Bristol City Council's Housing Delivery Plan **(Pages 6 - 28)**

9. The Strategic Business Case for a Local Housing Delivery Company

To approve the strategic business case in favour of the establishment of a wholly owned local housing delivery company. **(Pages 29 - 172)**

10. New Build Housing provision for the City at Alderman Moores

To seek approval to the principle of a new housing development at the Alderman Moores site in Ashton Vale **(Pages 173 - 283)**

11. Hengrove Park and Hartcliffe Campus Housing Delivery

Summary of the outcome of the South Bristol Housing Zone Feasibility Study and the approvals required to progress the residential led development of Hengrove Park and Hartcliffe Campus. **(Pages 284 - 306)**

12. Prioritising victims of domestic violence and abuse for rehousing

To consider a proposed change to the Homechoice allocations scheme which would give greater priority to victims of domestic violence and abuse. **(Pages 307 - 366)**

13. International Strategy

Approval of the international strategy titled Bristol: Global City - working with the world for local and global benefit, and implementation plan. **(Pages 367 - 425)**

14. VCS Grants Prospectus - Allocation of Bristol Impact Fund 2017-2021

To approve the detail of investment of £3.29m grant funding to the Voluntary Community Sector, aligned to the challenges and principles as set out in the **(Pages 426 - 477)**



Voluntary Sector Prospectus.

15. Public Health Contracts Waiver for 2017/18

Agreement to a waiver to extend public health contracts to March 2018 whilst the commissioning processes are completed

(Pages 478 - 484)

16. Supported Bus Services Review

To award supported bus service contracts

(Pages 485 - 612)

17. Callowhill Court – new lease

To obtain approval to consolidate 26 existing long lease agreements, currently held by The Bristol Alliance from Bristol City Council, into a single new lease agreement

(Pages 613 - 630)

18. University of Bristol – Second Campus at Temple Meads East

To obtain approval for the sale by the Council of 2.9 hectares of land east of Temple Meads station.

(Pages 631 - 672)

19. Period 9 (end of Dec 2016) Finance Report

A progress report on the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016

(Pages 673 - 735)





Executive Summary of Agenda Item No.8

Report title: Bristol City Council's Housing Delivery Plan

Wards affected: All

Strategic Director: Barra Mac Ruairi, Place and Alison Comley, Neighbourhoods

Report Author: Sarah Spicer

Recommendation for the Mayor's approval:

1. Seek approval to adopt and implement Bristol City Council's Housing Delivery Plan
2. Approve the list of Priority Actions and Sites proposed in Appendix 2, to be taken forward for development in 2017/18.
3. Delegate authority to the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to agree amendments to the 2017/18 priority sites development work, to manage unforeseen development delays and ensure the overall delivery programme remains on target.
4. To approve expenditure for the following activities in support of the housing delivery plan:
 - a) Delegate authority to the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to authorise grant funding payments to Homes West Bristol members (including those in excess of £0.5m) to support the delivery of affordable housing, based on the existing funding policy and procedure for registered providers. A total of £9m capital expenditure in 2017/18 is requested to be approved for grant funding increasing to £12m per annum for the four year 2018/19 to 2021/22.
 - b) Authorise the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to: submit outline planning permission on council owned sites for housing development; and to procure consultancy, through either an OJEU competitive process or compliant framework, to carry out pre development work - £3.7m of capital expenditure in 2017/18, £2.5m in 2018/19 and £1m per annum for the three years 2019/20 to 2021/22 is requested to be approved for this.
 - c) Build capacity in the Housing Delivery Team through the recruitment of additional staff. Recurrent annual capital expenditure of £0.857m is requested to be approved for this along with £0.6m of revenue expenditure (funds included within the 2017/18 budget approved at Full Council 21 February 2017).

Key background / detail:

- a. To seek approval to adopt and implement Bristol City Council's Housing Delivery Plan (the Plan)
- b. Key details:
 1. Bristol City Council has developed the Plan, designed to be the overarching document for delivery of housing in Bristol.
 2. The Plan sets out the reasons for prioritising housing delivery, the scale of the challenge and the approach to accelerating housing delivery, especially of affordable housing; through improvements to internal processes and to provide direction for external organisations and developers.



Cabinet

7th March 2017



Report Title: Housing Delivery Plan

Ward: All

Strategic Director: Barra Mac Ruairi, Place and Alison Comley, Neighbourhoods

Report Author: Sarah Spicer, Planning and Development Manager

Contact telephone no. 0117 3525376

& email address Sarah.spicer@bristol.gov.uk

Purpose of the report:

To seek approval to adopt and implement Bristol City Council's Housing Delivery Plan

Recommendation for the Mayor's approval:

1. **Seek approval to adopt and implement Bristol City Council's Housing Delivery Plan**
2. **Approve the list of Priority Actions and Sites proposed in Appendix 2, to be taken forward for development in 2017/18.**
3. **Delegate authority to the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to agree amendments to the 2017/18 priority sites development work, to manage unforeseen development delays and ensure the overall delivery programme remains on target.**
4. **To approve expenditure for the following activities in support of the housing delivery plan:**
 - a) **Delegate authority to the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to approve the Affordable Housing Funding Policy and authorise associated grant funding payments to Homes West Bristol Registered Providers (including those in excess of £0.5m) to support the delivery of affordable housing. A total of £9m capital expenditure in 2017/18 is requested to be approved for grant funding increasing to £12m per annum for the four year 2018/19 to 2021/22.**



b) Authorise the Strategic Director Place, in consultation with the Cabinet Member for Homes and Communities, to: submit outline planning permission on council owned sites for housing development; and to procure a multi-disciplinary consultancy team, through either an OJEU competitive process or compliant framework, to carry out pre development work - £3.7m of capital expenditure in 2017/18, £2.5m in 2018/19 and £1m per annum for the three years 2019/20 to 2021/22 is requested to be approved for this.

c) Build capacity in the Housing Delivery Team through the recruitment of additional staff. Recurrent annual capital expenditure of £0.857m is requested to be approved for this along with £0.6m of revenue expenditure (funds included within the 2017/18 budget approved at Full Council 21 February 2017).

The proposal:

1. Bristol City Council has developed a Housing Delivery Plan (Appendix 1), designed to be the overarching document for delivery of housing in Bristol. The Plan aims to increase planned development, especially of affordable housing; improve internal processes and to provide direction for external organisations and developers. Within this context, sit the following reports also being presented to Cabinet in March 2017:
 - Alderman Moores development
 - Hengrove development
 - Local Housing Company
2. For some time there has been a shared agreement that Bristol’s housing delivery system needs to be improved. The Mayor’s target of building 2,000 new homes – 800 affordable – per year by 2020 further increases the need to improve delivery systems.
3. In autumn 2016 workshops were held bringing together relevant staff across the council to explore housing issues and potential solutions. Findings from these workshops have been used to develop a number of recommendations for improving Bristol’s approach to delivering new homes. These proposals have been shared with the Cllr Smith, the Mayor, SLT the Homes Board and key internal stakeholders and the Executive Board.
4. The next step was to take forward the recommendations, work plans for a multi-disciplinary team and future development plans, and bring together into a high level strategic plan that outlines Bristol’s new approach to housing delivery, those plans are summarised below.
5. In summary Bristol’s Housing Delivery Plan sets out:
 - The reasons for prioritising the enabling of housing development and committing resources to accelerating housing delivery; high demand for homes identified in the Joint Spatial Plan, high house prices and rent levels impacting on tenancies, deprivation and inequalities
 - The context for delivering homes in Bristol: a lack of large developable sites increases the reliance on smaller, more complex urban sites reducing the viability for developers of producing affordable homes; changes in finance arrangements with fewer grants available to

build affordable homes and reduced revenue for Registered Providers (RP's) following caps on rents impacting on RP's business

- The scale of the challenge: securing sufficient investment as delivering 2000 homes requires circa £435million per annum investment in Bristol's economy; supporting and enabling the delivery of new homes over numerous sites, liaising and negotiating with multiple delivery partners, stakeholders and communities will require significant resources, and effective collaboration
- A whole system review was carried out that identified two types of change needed: Improvements to city-wide system to facilitate increased delivery of homes by other developers, and changes to Bristol City Council's internal development process to increase the council's delivery of new homes.
- The delivery plan focusses on five key changes aimed at improving the housing delivery system and driving up delivery, some of which are already being progressed:
 - a) Active management of one clear pipeline of all development sites
 - b) Creation of a single, multi-disciplinary delivery team: better co-ordinate housing activity and wider functions to better enable provision
 - c) Simplified strategic governance and decision-making: simplified governance pathway to effective decision making and better performance reporting (quarterly progress reports, information to be available publically)
 - d) Interventions to remove barriers and accelerate delivery: the delivery team requires additional resources to carry out wider functions, including an increase in the enabling housing fund, funding to support the disposal of council sites with outline planning permission (following due process to secure such permissions) and increased direct delivery through the Local Housing Company
 - e) Revised key policy and guidance documents: this over-arching document will be supported by a new policy framework – as well as the emerging Joint Spatial Plan and revised Local Plan – there will be a review and consultation on the development of a range of policy and guidance notes, affordable housing practice notes, tall buildings, community building, etc.

6. 17/18 Housing Delivery Programme & Resources

£14m has been allocated in the capital programme, considered by Full Council in February 2017, to deliver the 2017/18 housing delivery programme. The breakdown of this £14m is set out below:

Route	Resources	Other comments
Section 106	Assumed no cost	
Local Housing Company	£0.5m has been allocated to establish a Local Housing Company	For further information regarding the company please see the March Cabinet report
HRA direct development	Assumed to be funded within the Housing Revenue Account business plan	
Grant funding	£9m	<i>New Affordable Housing Funding Policy and Procedure Guide being developed</i>
Outline planning permission on BCC land	Pre-development costs: £3.7million in 2017/18	
Project costs	£0.857m	
Total	£14.057m	

In addition £600k of revenue investment for 2017/18 was allocated in the budget report considered by Full Council in February 2017. These revenue resources will also be used to expand the capacity of the Housing Delivery team, which will be comprised of existing staff brought together into one team, supplemented with additional resources that will include: additional project managers and project officers, financial and legal support.

Attached in Appendix 2 is a list of housing delivery outputs and priority sites for 2017/18, this includes planned activity to accelerate delivery and revise policy guidance, including the development of the *Affordable Housing Funding Policy and Procedure Guide*.

Cabinet are asked to approve the list of proposed priority sites to bring forward for development in 2017/18. Officers used the following criteria to identify sites: sites with capacity to deliver a significant number of units and/or a minimum of 30% affordable housing, ease of deliverability (ability to complete by 2020 or earlier), scale of intervention required and sites which the local community are aware of the proposals for residential led development.

The priority was to identify sites that could be brought forward most quickly, whilst still achieving a significant number of new homes. In 2017/18 work will be carried out to agree criteria for site prioritisation from 2018/19 onwards.

Consultation and scrutiny input:

a. Internal consultation:

Neighbourhoods and Place DLT, SLT, Cabinet Members for Homes and Communities, the Mayor, the Executive Board and several staff briefings. A proposal for a complete overhaul of housing delivery was a key recommendation made by a joint Place and Neighbourhoods Scrutiny Enquiry Day in November 2015.

b. External consultation:

Bristol Homes Board, delivering more homes is an objective from Bristol's Housing Strategy: More Than a Roof, this was extensively consulted on.

Other options considered:

Do nothing: The Mayor's ambition to accelerate the rate of housing delivery could not be delivered without identifying improvements to the current delivery systems and mechanisms.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Market changes including economic, environmental, political changes etc	H	M	Housing Delivery Project team to complete and maintain a risk register for the programme in order to identify and mitigate potential risks	L	L	Housing Delivery Team
2	We will not achieve the priority actions or achieve the overall Mayoral ambition	H	H	The collaborative approach and multi-disciplinary team will provide a more effective approach to the delivery of homes in Bristol	L	L	Housing Delivery Team
3	We will not secure planning permission to deliver 800 units	H	M	Effective consultation and procuring a multidisciplinary consultancy team to carry pre development work	L	L	Housing Delivery Team

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Mayor's Homes target will not be achieved	H	H	The collaborative approach and multi-disciplinary team will provide a more effective approach to the delivery of homes in Bristol	H	L	
2	Issues created by failure to build an adequate number of new homes	H	M	If the Bristol, including both developers and the council do not increase the number of homes built then this will affect the housing market as stock does not increase in line with demand. Not only may this increase cost of buying or renting a home but at its worse will increase the use of emergency accommodation. The impact of increasing the housing include meeting the mayoral targets and increasing CIL and council tax incomes as well as the rental income to HRA	L	L	

Public sector equality duties:**Equalities Impact Assessment**

An Equalities Impact Assessment has been undertaken on the strategy in consultation with the council's Equalities and Community Cohesion Team. The Delivery Plan aims to accelerate delivery of new homes, which will have a positive impact for groups with protected characteristics.

Advice given by: Wanda Knight, Equality and Community Cohesion Officer Date: 14th Feb 2017

Eco impact assessment

This proposal seeks approval for a headline delivery plan, aimed at increasing the supply of housing within the city. It does not create significant direct impacts beyond, potentially, a small increase in the number of staff delivering this work.

Delivery of new housing will create significant environmental impacts, but these are not within the scope of this proposal. Any new-build housing proposals lead by the council (in excess of £0.5 million) would be subject to Cabinet approval including eco impact assessment. All new build within the city is subject to the statutory planning process, including the requirement for 20% energy supply from renewables.

There are no direct significant effects from this proposal. Significant impacts occurring indirectly – new housing supply – will be considered as they arise in the future.

Advice given by: Steve Ranson, Environmental Programme Manager Date: 16th Feb 2017

Resource and legal implications:**Finance****a. Financial (revenue) implications:**

Revenue investment is included in the Mayor's budget proposals considered at Full Council 21 February 2017 for the £0.6m of revenue expenditure for recruitment into the Housing Delivery Team. This annual budget will be available from 1 April 2017. There is no revenue impact in 2016/17 arising from this decision.

Advice given by Robin Poole Finance Business Partner Date 2 February 2017

b. Financial (capital) implications:

Capital budget is included in the draft capital programme to be considered as part of the Mayor's budget proposals at Full Council 21 February 2017 for each of the items of capital expenditure itemised in recommendation 2. The element of capital expenditure relating to the Housing Delivery Team is based on an estimate of what costs can be classified as capital expenditure and this will be adhered to as the detailed recruitment plan is produced. This capital budget for 2017/18 will be available from 1 April 2017 upon approval by Full Council. There is no capital impact in 2016/17 arising from this decision and is to be funded through prudential borrowing.

In providing grants the Housing Delivery Team will need to take the appropriate legal advice regarding State Aid

Advice given by Robin Poole Finance Business Partner Date 21 February 2017

c. Legal implications:

There are no specific legal issues that arise from outlining Bristol's strategic approach to delivering houses. There are legal issues relating to the development of the housing company and the development of specific sites. These will be dealt with in subject/site specific reports being brought to Cabinet. Legal issues will also be explored through the development of the new Joint Spatial Strategy, revised Local Plan and revisions of individual policies or guidance practice notes.

Advice given by: Eric Andrews, Senior Solicitor, Legal (Place)

Date: 24th Jan 2017

d. Land / property implications:

This report already contains input from Property regarding the Land and Property implications and the Property Development Team is now embedded into the proposed new dedicated Housing Delivery Team with a Senior Development officer (2yr fixed term) dedicated to providing housing development and delivery advice to the team.

Advice given by Joe Jeffrey, Service Manager – Property Development

Date 23rd February 2017

e. Human resources implications:

A dedicated Housing Delivery Team will be established comprising of 26FTE staff and located within the Place Directorate, Major Projects team and 5 FTE staff who will be involved on project based work. The team will be established by redeploying staff who currently work on housing delivery projects in Housing Services, the Affordable Housing Delivery Team, Property and Planning. In addition, there will be a requirement to create specialist roles (5FTE) in project management, finance and legal advice

Advice given by Mark Williams, HR Business Partner

Date 20th Feb 2016

Appendices:

Appendix 1 - Bristol City Council Housing Delivery Plan

Appendix 2 - Housing Delivery Programme Outputs 2017/18

Appendix 3 – Equalities Impact Assessment

Access to information (background papers):

Bristol City Council's housing delivery plan 2017 - 2020

Contents

1. Introduction
2. Context
3. Understanding the scale of the challenge
4. Our new approach
 - a. Creation of a single, multi-disciplinary delivery team
 - b. Active management of Annual Housing Delivery programme
 - c. Simplified strategic governance and decision-making
 - d. Interventions to remove barriers and accelerate delivery
 - e. Revised key policy and guidance documents
5. 2017/18 Housing Delivery Programme and Resource allocation

1. Introduction

The Mayor of Bristol has set out the commitment of building 2,000 new homes – 800 affordable – a year by 2020. This commitment is also an objective of the Corporate Strategy 2017-2020. As well as the ambition for delivering additional homes, the Mayor also set out a number of principles relating to how additional homes should be delivered, which include:

- Working in partnership across the city to deliver this target
- Using a wide mix of measures to increase development
- Bringing empty properties back into use.

This Housing Delivery Plan sets out Bristol City Council's (the '**Council**') strategic approach to delivering new homes.

2. Context

Bristol is a prosperous city, but there is a considerable and growing housing challenge within the city.

The emerging West of England Joint Spatial Plan provides the framework for the delivery of up to 105,000 net additional homes, and identifies a need for 32,200 affordable homes between 2016 and 2036. The emerging target for Bristol is around 33,000 homes and the need for affordable homes in Bristol is projected to be 18,800 between 2016 and 2036.

There is a huge demand for new housing, houses prices and rents are high in Bristol and affordable housing developments have slowed considerably. There are substantial problems of deprivation in parts of Bristol and the neighbourhoods that do not share the city's prosperity often have insufficient housing of suitable tenure.

Recent legislative and housing policy changes have created further challenges for households struggling to manage housing costs. Welfare benefit reforms make housing costs increasingly, and for some groups almost completely unaffordable, so increasing the risk of homelessness. In addition, lower and middle income households have found housing less affordable with rising private sector rents, credit restrictions for first time buyers and widening affordability ratios of house prices relative to income.

There is a high current and future demand for market and affordable housing in the city. Building new homes to keep pace with this demand will be a significant challenge. In particular, there are several factors restricting the supply of new affordable homes:

- A lack of large suitable sites in Bristol makes us reliant on the delivery of smaller sites, including the redevelopment of existing brownfield sites. Smaller more complex urban sites, without economies of scale, reduce the viability for developers in delivering affordable homes.
- Changes in finance arrangements with fewer grants (Homes & Communities Agency [HCA] for example) available to build new affordable homes.
- Reduced revenue for Registered Providers (RP's) following caps on rents impacting on RP's business plans and ability to develop.

- Stock retained Local Authorities revenue is further reduced with new responsibilities to sell high value homes to fund the extension in Right to Buy.

Despite the difficulties progress is being made with the development of new homes in Bristol:

- With planning permission, under construction: 202 affordable, 2,709 total (net)
- With planning permission, not started: 761 affordable, 5,968 total
- Planning permission subject to signing of Section 106 agreement: 137 affordable, 626 total

3. Understanding the scale of the challenge

This plan sets out the steps the Council is taking to increase and accelerate the delivery of new market and affordable homes in the city to meet the Mayoral Commitments and objectives of the Corporate Strategy.

The adopted Bristol Local Plan has allocated 226 hectares of land for mixed use housing development, which can accommodate over 8,000 new homes. The Council owns approximately half of this land, enough to accommodate just over 3,000 homes. The Council therefore has a significant role to play in increasing and accelerating the delivery of new homes in the City but it can't do it alone. The Council needs to work in partnership with land owners, developers, registered providers, local communities, community led housing organisations and the Homes and Community Agency to make it happen.

Over the last 5 years there has been an average 1,381 new homes completed per year, of which on average 12.2% or 169 per year, were affordable homes delivered through section 106 agreements. A new approach is therefore necessary to increase the delivery rates to 2000 homes per year – 800 affordable by 2020.

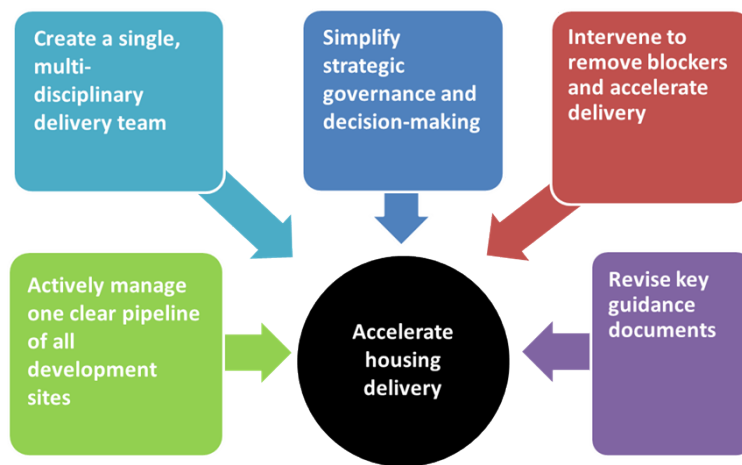
Trying to increase and accelerate the delivery of new market and affordable homes is fraught with complexities. The challenges we are likely to face along the way include:

- Securing sufficient investment: Delivering 2000 homes requires circa £435million per annum, investment in Bristol's economy
- Funding Affordable Homes: Increasing the delivery of affordable homes to rent and affordable homeownership by ensuring that the Council's funds lever in funds from the Homes and Communities Agency, Registered Providers, financial institutions and other funding sources.
- Partnership Working; Supporting and enabling the delivery of new homes over numerous sites, liaising and negotiating with multiple delivery partners, stakeholders and communities will require significant resources, and effective collaboration among stakeholders united behind a common goal.
- Site Conditions; The vast majority of sites within the City are complex urban sites which are likely to have a number of challenging site conditions which needs to be overcome to enable viable residential led development.

The Council is committed to accelerating the delivery of new homes, but fully acknowledges the scale of the challenge and that many barriers need to be overcome in order to deliver the Mayor's target.

4. Our new approach

The scale of the challenge means that incremental changes will not deliver change fast enough, or take us far enough. Therefore, a whole system review has been carried out; this document brings together a series of recommendations that create a strategic overview of the new approach to accelerate housing delivery in Bristol. The diagram below shows the key areas for change, more fully explored below:



The review identified two significant types of change are needed: improvements to city-wide systems to facilitate increased delivery of homes by developers; and changes to Bristol City Council's internal development process to accelerate the delivery of housing on Council owned land. Five key changes, by the Council, to improve the housing delivery system have been identified:

- a) Creation of a single, multi-disciplinary delivery team
- b) Active management of a single annual housing delivery programme
- c) Simplified strategic governance and decision-making
- d) Interventions to remove barriers and accelerate delivery
- e) Revised key policy and guidance documents

- a) Creation of a single, multi-disciplinary delivery team

The proposal is to bring together all the different disciplines currently working on housing, plus other specialists, to create a single, multi-disciplinary delivery team ('**Housing Delivery Team**'). They will be responsible for working across the Council and with partners to deliver an annual housing delivery programme with performance targets. The team will lead the way in making the council's approach more dynamic and pro-active; bringing together existing and new functions:

Team role:	Responsible for:	Focusing on:
<ul style="list-style-type: none"> - Create and manage a single delivery pipeline - Take a more co-ordinated approach - Being market facing - Operate through a single capital programme - Be a single point of contact - Enabling staff with relevant skills to work together towards common goals 	<ul style="list-style-type: none"> - Oversee delivery of housing - Lead on Bristol City Council housing projects - Liaise with private developers - Administer grant funding - Lead on innovation, including working with community land trust, Self Builders 	<ul style="list-style-type: none"> - Policy and guidance - GIS and data management - Site viability - Land Assembly - Design Briefs - Direct Delivery

Additional funds have been allocated in the 2017/18 budget and the 5 year financial plan to increase the capacity of the team and ensure it has sufficient resources with the appropriate skills to deliver the housing delivery programme.

b) Active management of annual housing delivery programme

An annual housing delivery programme will be agreed with the Housing Delivery Board and Cabinet. The housing delivery programme will include the following delivery routes:

- **Market delivery:** through supporting, where necessary, the private development sector and secure affordable homes through s106.
- **Direct delivery:** Housing Revenue Account (HRA), existing and future programme of new build, and Local Housing Company.
- **Grant funding:** new arrangements for making grants available to Homes West Bristol Registered Providers to bring forward private land and other housing opportunities to significantly increase the supply of affordable housing in a cost effective manner.
- **Land release:** Bristol City Council land release to facilitate the development of mixed tenure residential led development.

A single housing delivery database will be created and actively managed by the Housing Delivery Team, which will map and monitor all public and private housing delivery sites within the City.

With limited resources the Housing Delivery Team will not be able to actively support all housing developments in the City. Therefore, a list of priority development sites will be identified and agreed with Cabinet annually. The Housing Delivery Team will prioritise its resource to support accelerating the delivery of housing on these priority sites.

The Housing Delivery Team will also continually review a pipeline of future development sites to establish a viable development pipeline is established up until 2020. Sites may be brought forward into the priority development list, as other sites either move forward into delivery, or to manage slippage. The team will look to 'over-programme'; this means working on the development of more homes than committed to, on the assumption that some sites will be delayed or found unsuitable for development.

c) Simplified strategic governance and decision-making.

In order to provide oversight of the new single programme there will be a Housing Delivery Board put in place to monitor the delivery of the annual delivery programme.

Annually the Housing Delivery Board and Cabinet will be asked to approve the priority sites to be brought forward for development (criteria for prioritising sites are under development at the time of writing this plan). Quarterly progress reports will be presented to the Housing Delivery board, the Cabinet Member for Homes and Bristol Homes Board, an open board thereby ensuring reports are accessible.

Due to the complex nature of development, variations to the programme will need to be agreed within each year to manage slippage and respond to new development opportunities. Any changes to the annual delivery programme or priority site list will be agreed by the Strategic Director for Place in consultation with the Cabinet Member for Homes.



c) Interventions to remove barriers and accelerate delivery

There are many challenges and barriers that can slow down the development of new homes. One issue often raised is that developers do not have a single point of entry to the system and often receive conflicting messages about policy and priorities. The new single multi-disciplinary team and improved process and policies are designed to overcome these, and other, barriers and to create a more pro-active and coordinated approach within the city.

The team will work pro-actively to accelerate delivery by:

- Obtaining outline planning permission on Council owned sites: as part of the disposal process of Council owned residential land either outline planning permission or permission in principle will be obtained to mitigate risk, create certainty for the buyer and increase the value of the land to the Council.
 - Exploring and supporting innovation: housing is not just delivered by volume builders and Councils so the team will work with community groups, self-builders, small and medium sized builders and community land trusts to unlock the potential of some of the smaller residential sites.
 - Procure delivery partners: plan procurement routes to secure strategic delivery partners
- e) Reviewing key policy and guidance document

To accelerate the delivery of homes and affordable homes, the importance of clear policies and guidance cannot be overestimated – they provide clarity and certainty in a market where such characteristics are critical to successful and swift development. The Council will review existing policy and guidance documents to ensure they support this, ensuring documents provide sufficient clarity and certainty for all developers whether it be the Council, housing providers and the development industry. During 2017/18 the following work will be carried out:

- Consult on a first draft of the Local Plan review
- Consult on the first draft of the Urban Living Supplementary Planning Document (including density)
- Affordable Housing Practice Note (including affordable definitions)
- Affordable housing funding policy
- Self-build/Custom Build guidance note
- Community led housing guidance note
- Transport Development Management Guide

5. 17/18 Housing Delivery Programme & Resources

£14m has been allocated in the 2017/18 capital programme to deliver the 2017/18 housing delivery programme. The breakdown of this £14m is set out below:

Route	Resources	Other comments
Section 106	Assumed no cost	
Local Housing Company	£0.5m has been allocated to establish a Local Housing Company	For further information regarding the company please see the March Cabinet report
HRA direct development	Assumed to be funded within the Housing Revenue Account business plan	
Grant funding	£9m	New Affordable Housing Funding Policy and Procedure to be signed off by the Strategic Director Place and Cabinet Member for Homes and Communities
Outline planning permission on BCC land	Pre-development costs: £3.7million in 2017/18	
Project costs	£0.857m	
Total	£14.057m	

In addition £600k of revenue investment was approved 2017/18 was approved, these revenue resources will also be used to expand the capacity of the Housing Delivery team, which will be comprised of existing staff brought together into one team, supplemented with additional resources that will include: additional project managers and project officers, financial and legal support.

Housing Delivery Programme Outputs 2017/18

Pipeline

- Maintain a citywide Housing Database of sites
- Monitor delivery of annual pipeline across BCC and private sites
- Identify opportunities to use Housing Revenue Account Right to Buy Receipts to facilitate housing delivery
- Review viability and deliverability of BCC sites for 2017/18 delivery
- Agree criteria for site prioritisation from 2018/19 onwards

Accelerate Delivery:

- Secure outline planning for a total of 800 market and affordable homes on BCC land
- Commence Procurement routes to market on 8 BCC sites
- Establish a Local Housing Company
- Identify sites for 50 homes for HRA Direct Delivery in 18/19
- Dispose of council land to enable the delivery of self-build homes
- Develop a clear communications plan and launch the Housing Delivery team with partners, developers, registered providers, contractors, investors, community led housing organisations and residents

Review Key Policy and Guidance Documents

- Consult on a first draft of the Local Plan review
- Consult on the first draft of the Urban Living Supplementary Planning Document (including density)
- Affordable Housing Practice Note (including affordable definitions)
- Affordable housing funding policy
- Self-build/Custom Build guidance note
- Community led housing guidance note
- Transport Development Management Guide

Cont...

Current BCC priority sites for 2017/18

Former Rockwell EPH
Hengrove Park (C2) sites
Hartcliffe Campus
Haldon Close
Alderman Moores
Constable Road & Crome Road
Romney House and Lockleaze School, Lockleaze
Land and buildings between 2 to 20 Filwood Broadway (cinema)
Sports court and former swimming pool, Filwood Broadway

Mixed ownership sites for 2017/18 for further consideration

Glencoyne Square
Prewett Street

Existing development programme

Henacre
Brislington Meadows
Coombe House
Kingswear
HRA delivery programme (19 sites delivering 142 units)

These lists are subject to change as further work is carried out to confirm the deliverability of sites.

Appendix 3: Bristol City Council Equality Impact Assessment



Name of proposal	Bristol City Council's Housing Delivery Plan
Directorate and Service Area	Place and Neighbourhoods, Housing
Name of Lead Officer	Nick Hooper

Step 1: What is the proposal?

1.1 What is the proposal?

The proposed Housing Delivery Plan sets out the City Council's strategic objectives and plans for accelerating housing delivery in Bristol, a priority for the Mayor, Bristol's Housing Strategy: More Than a Roof and the draft Corporate Strategy.

The plan identifies two types of change needed: improvements to city-wide system to facilitate increased delivery of homes by other developers, and changes to Bristol City Council's internal development process to increase the council's delivery of new homes.

It then goes onto focus on five key changes aimed at improving the housing delivery system and driving up delivery, some of which are already being progressed:

- a) Active management of one clear pipeline of all development sites
- b) Creation of a single, multi-disciplinary delivery team: better co-ordinate housing activity and wider functions to better enable provision
- c) Simplified strategic governance and decision-making: simplified governance pathway to effective decision making and better performance reporting (quarterly progress reports, information to be available publically)

- d) Interventions to remove barriers and accelerate delivery: the delivery team requires additional resources to carry out wider functions, including an increase in the enabling housing fund, funding to support the disposal of council sites with outline planning permission and increased direct delivery through the Local Housing Company
- e) Revised key policy and guidance documents: this over-arching document will be supported by a new policy framework – as well as the emerging Joint Spatial Plan and revised Local Plan – there will be a review and consultation on the development of a range of policy and guidance notes, affordable housing practice notes, tall buildings, community building, etc.

Step 2: What information do we have?

2.1 What data or evidence is there which tells us who is, or could be affected?

The Delivery Plan sits under the Bristol's Housing Strategy: More Than a Roof, the strategy contains three objectives, the first of which is to deliver more homes. Therefore the Housing Strategy Equalities Impact Assessment (EIA), that fully explores the equalities impact of lack of access to suitable housing, has been used as the main source of information in this EIA. Therefore all figures were correct at the time the EIA was published in 2016.

In summary, information contained in the Housing Strategy impact assessment demonstrates:

- Certain groups are less able to access quality, affordable housing on the open market and/or certain groups are more likely to sustain successful tenancies (further information below).
- The Delivery Plan aims to accelerate delivery of new homes, in particular affordable housing, thereby having a positive impact on these groups.
- The Housing Strategy used several data sources including: 2011 Census, Strategic Housing Market Assessment, the profile information of households on the housing waiting list and homeless households and those affected by welfare reforms, online consultation feedback and feedback from meetings with stakeholder groups.

Housing issues for households with protected characteristics:

Age:

Older People: the number of older people is growing with a number of existing housing products no longer fit for purpose (e.g. too large/difficult to maintain, not adapted/unadaptable)

Younger people: many younger people are struggling to access homes in Bristol due to high property prices, rent levels and welfare reforms. Younger people are over-represented as a percentage of households to whom the Council owes a housing duty and as a percentage of Council tenants (demonstrating they are more likely to be in housing need).

Race:

BME households are also are over-represented as a percentage of households to whom the Council owes a housing duty and as a percentage of Council tenants (demonstrating they are more likely to be in housing need). BME households are also more likely to be over-crowded and are over-represented as a percentage of households in acute housing need (Band 1).

Gypsy, Roma, Travellers - in any type of dwelling, encounter discrimination and/or racism and would like access to a more inclusive living environment.

Disability:

Households/individuals with mental and physical impairments are over-represented as the percentage of benefit recipients, making accessing and maintaining housing at market rent/purchase more difficult (disabled households/individuals are over-represented as a percentage of households on the housing register and social housing tenants). There is an insufficient supply of adapted homes, of all tenures, to meet needs. Issues include:

- Lack of accessible properties across all tenures.
- Lack of adaptable properties.
- Lack of wheelchair standard properties.
- Most of the above require larger building footprints than standard accommodation so developers are less likely to build accessible properties.

Sex:

Women are more likely to lack the finances to secure accommodation on the open market being more likely to suffer from pay inequality; single parents (who are more likely to be women) are over-represented as benefit recipients and social housing tenants. Women's are more likely to be carers which can

limit earning capacity and bring specific housing requirements (location and amenities). Female single parents are significantly over-represented as a percentage of homeless households to whom the Council accepts a duty to rehouse.

Sexual orientation and gender re-assignment

Sexual orientation and gender reassignment are grouped together here as research shows that Lesbian, Gay, Bi-sexual and Transgender people face similar issues in relation to housing:

National research has shown that young LGBT people are particularly at risk of homelessness due to:

- Homophobia and transphobia which can lead to young people being thrown out or leaving home due to a hostile environment
- Increased risk of mental health and addiction problems, which often increase the risk of homelessness.

LGBT may experience homophobic harassment or hate crime in general needs homes but may also face harassment or ostracism in shared housing, care or sheltered housing.

Religion & belief: no particular housing issues have been identified for this group

Marriage & civil partnerships: no particular housing issues have been identified

Pregnancy & maternity: issues raised regarding single parents extend to single expectant mothers.

2.2 Who is missing? Are there any gaps in the data?

The impact of the development of new homes can differ depending on where the homes are built, the tenure and cost of those homes. Therefore specific equalities impact assessments will still need to be carried on as part of specific site development work, and as part of any changes to the planning policy framework.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

Details to be considered as part of the ongoing work outlined above.

Step 3: Who might the proposal impact?

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?
No, all the impacts on protected characteristics are expected to be positive
3.2 Can these impacts be mitigated or justified? If so, how?
N/A
3.3 Does the proposal create any benefits for people with protected characteristics?
These positive benefits of an increased supply of affordable housing will impact positively upon the following groups, all of which are typically in more difficult or challenging housing circumstances : <ul style="list-style-type: none">• Black and Minority ethnic communities• People with disabilities• Young people• Older people• Women
3.4 Can they be maximised? If so, how?

Step 4: So what?

4.1 How has the equality impact assessment informed or changed the proposal?
As part of the work to develop a new Local Housing Company there is a commitment to ‘engage with groups with protected characteristics as it develops its build programmes, and seek guidance on appropriate tenure mixes, size of homes, designs etc as each site comes forward’ This engagement can be extended/lessons learned to inform all housing delivery
4.2 What actions have been identified going forward?
Most of the actions are contained in the Housing Strategy – increased delivery of homes, affordable homes in particular is a strategy and Corporate Plan priority as are making the best use of existing stock, and early intervention and homeless prevention
4.3 How will the impact of your proposal and actions be measured moving forward?

Quarterly progress reporting to the Cabinet Member for Homes and the Bristol Homes Board (open meetings therefore reports accessible) and annual progress reports to Cabinet

Service Director Sign-Off:	Equalities Officer Sign Off: <i>Wanda Knight</i>
Date:16/02/17	Date:14/02/17



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).



Cabinet

7th March 2017



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

Ward: All

Strategic Director: Barra Mac Ruairi, Strategic Director for Place & Alison Comley, Strategic Director for Neighbourhoods

Report Author: *Nick Hooper, Service Director for Housing Programmes*

Contact telephone no. & email address *07825 315807
nick.hooper@bristol.gov.uk*

Purpose of the report:

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.**



The proposal:**Summary**

Bristol is in a housing crisis with far too few homes being built to keep pace with need and demand. Many people are being priced out of market – both owner occupation and renting. If Bristol is to build on its position as an economically successful city it needs to build more homes to support growth and help close the equality gap by providing for those on lower incomes.

There has been a “root and branch” review of the way in which the Council supports housing delivery and the direct role it can play. The findings of this review have now been incorporated into a new Housing Delivery Plan, subject to a separate report to Cabinet. The proposed new housing delivery ‘vehicle’ will add an additional channel through which the Council can directly control the development of new homes, both affordable and market, and which will complement other delivery channels.

The Proposal**Policy**

1. The Mayor’s manifesto of 2016 set out a number of commitments in relation to housing, specifically:
 - Building of 2000 new homes per year by 2020, of which 800 affordable.
 - The establishment of a wholly owned council housing company.
2. The Council’s draft Corporate Strategy reiterates these policy objectives and outlines a vision:
 - where everyone benefits from the City’s success and no-one is left behind, and
 - in which people have access to decent jobs and affordable homes.
3. Specifically the Council’s Business Plan commits to producing the strategic business case for a new local housing company. This report fulfils that commitment.

Why Establish a Local Housing Company?

4. A local housing company is a generic name for a housing development or delivery ‘vehicle’, usually a separate legal entity either wholly owned or significantly influenced by the council. In recent years many local authorities have set up such vehicles for a range of reasons, but often with the objective of increasing housing supply. Other objectives have included site specific regeneration programmes and provision of temporary housing. Many councils have used the powers contained in the Localism Act 2011 to set up such vehicles.
5. The principal rationale in Bristol’s case is to increase the supply of new homes, and there are a number of reasons why this is needed.
 - We need to maximise the number of different ways in which new homes are developed, to enhance our chances of successfully increasing housebuilding
 - It is impossible for the Council to undertake development itself as legally we are not allowed to build (or hold) new homes within General Fund, for income producing purposes
 - Income from rents received by social landlords (including the Council through the HRA) previously used to fund the development of new homes has been capped by government
 - The numbers of homes owned by the Council is gradually reducing through right-to-buy
 - The Housing Revenue Account has its ability to borrow money in order to build new homes restricted by government limits

- The council wishes to have greater control over how sites for new homes are developed and financial benefits; current arrangements give limited control over the new homes that are built as well as the timing of and financial benefits to the council

Strategic Business Case

6. In September 2016, the Council commissioned Lambert Smith Hampton (LSH), a land and property consultancy, to advise on and produce with the Council, a strategic business case for the establishment of a council-controlled housing delivery vehicle. The strategic business case follows the Council’s guidance on the establishment of council-controlled companies and is structured in accordance with HM Treasury Green Book for public sector business cases.
7. The Green Book established the “5 case model” approach, and this is the approach followed here:
 - 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.
8. If approval is given to the strategic business case then a full business case will need to be prepared which will include amongst other things a detailed business plan, financial plan, investment plan, procurement plan, legal structures, full risk plan and implementation plan.
9. A set of strategic objectives and criteria were developed by the Steering Group and signed off by the Council’s Executive Board in October and are set out in the appended strategic business case at section 2.8.
10. Following this a number of alternative models were examined, along with the “do nothing” status quo position (the long list) and evaluated using the previously agreed objectives and criteria in order to produce a short list. This is set out in the strategic business case at section 3.3.3. Two short listed options – a corporate joint venture (JV) with priority returns (essentially a model that distributes returns on a pre-agreed basis) and a wholly owned company (WOC) - were then compared in detail against the “do nothing” status quo. The detailed evaluation included running a cost-benefit analysis for each, as well as a qualitative assessment. This analysis included taking three sample council-owned sites – one city centre, one outer suburban in the north; and one inner suburban in the south – and using a set of development assumptions examined the feasibility of developing them using the short listed vehicles. The sample site information was also extrapolated to a larger group of sites drawn from the Council’s sites pipeline.
11. The more detailed financial option appraisal work has also been supported by examining legal, wider financial issues and risks. There has also been high level soft market testing to determine if there is a commercial case. The conclusion of the work is that a wholly owned company best matches the strategic objectives, criteria and benefits (financial and non-financial) that were set.

Amongst other things these objectives included developing affordable homes at policy compliant levels of 30% or 40%.

Establishing a Wholly Owned Company with Joint Venture Partners

12. Following a review of the risks, including specifically financial, managerial and reputational, it was concluded that the initial projects developed by a WOC should be undertaken as a specific joint venture between the wholly owned company and partners. This is because:
 - Joint venture partners will bring considerable commercial expertise which the Council or WOC does not have, and which it will be costly and difficult to buy in
 - Partners will bring their own investment, alongside that of the Council, thus reducing the Council's financial contribution
 - The experience of partners will mitigate the potential reputational risk
 - The WOC will have the ability to develop subsequent projects either acting independently or entering into additional joint venture arrangements.

13. The financial models, using the sample sites, were then re-run to test this option. The effect of a JV type arrangement significantly reduces the risks set out above. However it should be noted that sharing of risk also has several consequences:
 - Any returns/surpluses made by the JV will also be shared between the WOC/Bristol City Council and partners
 - It will take longer to set up a WOC and procure JV partners, than to set up a WOC alone, and thus the start on site and delivery of homes will be scheduled to start later than if the WOC was a developer in its own right (however noting that the JV should be better placed to ultimately manage timely delivery owing to the expertise of JV partners).

14. It should be emphasised that a WOC is a flexible structure that enables future projects to be taken forward through other joint venture arrangements with partners, or not, depending upon financial, market or other prevailing conditions and risks. Each project or group of projects will require specific decisions about the delivery and JV arrangements. The next step is to fully test the model through detailed business planning (as set out above) which will include detailed and specific financial implications for the Council, as well as any set-up costs and cash flow that the Council will need to fund in order to establish the vehicle.

Implications for the Council

15. If the Council wishes to be a direct developer of new homes, or have a legal interest, then it can currently only do so within the housing revenue account (HRA), and then only for rented homes. The establishment of a council owned vehicle enables the council to develop new homes outside the HRA and General Fund, with the benefits of that arrangement set out above. The HRA has a significant number of other restrictions, set out in the rationale for a new vehicle above.

16. The Council has the powers to establish a wholly owned company and is also able to finance its establishment through set up costs and ongoing investment in the form of loans, grants and land on commercial terms. Furthermore in February 2016, Full Council, as part of its budget setting process, agreed an amendment to the budget to “Transfer [£9m of] of funding into Tier 2 [of the

capital programme] to create a private housing delivery company. This will enable the Council to build housing for sale (a proportion of which will be affordable homes in accordance with the Bristol Local Plan). Sale proceeds to be reinvested in further new housing developments”. This amendment was subject to the development of a business case setting out options for the delivery of affordable housing in Bristol.

Timelines

17. A detailed Business Plan and establishment of the new vehicle, once the business plan is approved, is expected to take several months and will require cabinet approval. There are costs in undertaking this work, for which there is provision in the budget, and approval is sought to draw these down. Meanwhile work will commence on considering which are the most appropriate council-owned sites for a WOC/JV to develop, start on pre-development work, such as obtaining outline planning consent, site investigation and other preparatory work. The need to procure a JV partner will add to the time taken before actual work on site can commence.

18. **Consultation and scrutiny input:**

19. **Internal consultation:**

The process of preparing the strategic business case has been overseen by a Steering Group comprising Nick Hooper, Service Director Housing Programmes; Abigail Stratford, Service Manager, Major Projects; Robert Orrett, Service Director, Property; Nicky Debbage, Head of Strategy and Governance, Housing Services; Robin Poole, Finance Business Partner and Eric Andrews, Senior Solicitor, Legal and Democratic Services.

In autumn 2015, the joint Neighbourhoods and Place Scrutiny Commissions conducted an enquiry day into housing delivery and recommended the establishment of a local authority housing company as a means of increasing supply. Neighbourhoods Scrutiny Commission reviewed the strategic business case in February 2017.

The Board of the Bristol Holding Company has been briefed on the draft Strategic Business Case and is aware that there will be implications for it if at detailed business case stage a decision is made to establish it as a subsidiary of the Holding Company.

14. **External consultation:**

The Bristol Homes Board, largely comprised of partners external to the Council, has been kept briefed on the preparation of the strategic business case. In addition as part of the process six development companies were engaged through soft market testing to gauge market appetite for the short listed ideas.

Other options considered:

A range of possible options were considered, including continuing with the status quo of disposal of council-owned land. The various long list options were tested against objectives and criteria. All but two options were rejected at this stage and the rationale for this is set out at length in section 3.3.3 of the strategic business case, (Appendix 1).

Risk management / assessment:

Housing development is an inherently complex business with a number of different and interrelated risks such as financing, build cost, sales and reputation. This is not an area of activity familiar to most councils and the ability to use public assets in a market, as well as manage impact and operate commercially, requires very careful risk mitigation. For that reason the flexibility offered by operating initially through a joint venture with the wholly owned company, is an effective way to deal with those risks. Whilst financial returns will be lower the benefit of the experience and the investment capacity of a partner is essential in the early days of the proposed company.

The Council will also have governance and strategic capacity risks, whether the new vehicle is part of the Bristol Holding Company or whether it is standalone, and those will be fully explored at detailed business case stage.

A full strategic level risk assessment of the preferred option has been undertaken and is set out in section 3.4.3 of the strategic business case. In summary the key risks are;

FIGURE 1**The risks associated with the implementation of the (subject) decision :**

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Change in Council housing strategy or policy	Med	Low	Focus vehicle on key long term housing challenge and arms-length to protect from day to day political / organisational changes	Low	Low	Alison Comley
2	Reputational risk of non delivery	Medium	Medium	Communication strategy, including with JV partner, explaining progress and regular delivery updates to key partners and media	Low	Low	Alistair Reid
3	Risk of conflicting Council objectives which stall delivery e.g. quality vs. financial returns vs. affordability	High	Medium	As part of the detailed business case overriding company objectives will be finalised and will be enshrined as part of creating a legal entity. In addition there will be a focus on key outcomes and an annual programme in advance, to be updated through periodic business planning process and ensure its potential impact is limited to future sites prior to transfer.	Low	Low	Abigail Stratford
4	Private sector is not attracted to either partnership or site opportunities	Medium	Medium	Mitigated through soft market testing and structuring of clear, simple proposition	Low	Low	

5	Change in local authority funding / financing rules	Medium	Medium	Vehicle has flexible source of funding and can be financially sustainable, value taken regularly by the Council as shareholder, fixed rate borrowing	Low	Low	Robin Poole
6	Complexity of vehicle takes a long time to establish, therefore new homes slow to deliver	Medium	Medium	Development of a strong management and governance framework. Respond to short term supply constraints through wider housing delivery programme.	Low	Low	Abigail Stratford
7	Non-performance of partner/developer/contract or	Medium	High	Partner selection will be specific to each project/group of projects. Rigorous due diligence at selection stage, panel approach to create options, termination clauses in contract.	Low	Medium	Director of the company or Head of Housing Delivery
8	Changes in policy/legislation, specifically proposed changes in recent White Paper	Medium	Medium	Scan government policy announcements and proposed law changes. Modify governance structure and company objectives. Review White Paper proposals, and consider specific implications in Detailed Business Case.	Med	Low	Nick Hooper for detailed business case. Company Directors (when and if vehicle is established)
9	Governance, as part of Bristol Holding Co or otherwise, proves ineffectual	Medium	Medium	Regular governance and capacity audits of company arrangements	Low	Low	Chief Executive

FIGURE 2**The risks associated with not implementing the (subject) decision:**

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Reputational risk – establishment of vehicle was a manifesto commitment	High	High	Approval of strategic business case shows intent	Low	Low	Nick Hooper
2	Failure to meet Mayor's housing delivery target.	High	High	Other delivery channels would have to work harder towards of Mayoral term	Medium	Medium	Alistair Reid/Nick Hooper

Public sector equality duties:

The Equality Impact Assessment (see appendix) is approved. In due course, once the company commences development it will need to consider, from an equalities perspective, who will be represented on its board and to which households the new homes will be allocated.

Advice provided by: Anne James, Equalities and Social Inclusion Manager

Date: 26 January 2017

Eco impact assessment:

There will be no direct environmental impact from the establishment of a wholly-owned company, so there is no need for a full eco-impact assessment. The new company will be subject to direct Bristol City Council planning requirements, and any planning requirements that may be jointly agreed under the West of England devolution deal. However, the environmental impacts of what the company will need to do in order to deliver more new housing in Bristol will be very significant, and may go well beyond meeting planning requirements. The company, at the detailed business planning stage, will consider whether it wishes to meet higher energy and environmental standards, which in turn will be reflected in the financial case. The impacts are likely to include decisions concerning design, location and material use that may affect future climate resilience, waste, modes of transport used by residents, visual impact, efficiency, energy security, renewables, use of heat networks and emissions. During construction works there will also be significant use of vehicles and plant, remediating areas affected by contamination or non-native invasive species, building on former habitat, decisions about flood risk, and the potential to create dust, noise, or other nuisances. It is therefore recommended that the eco-impact assessment is applied to the approval process for the business, investment, and implementation plans that will be developed for the proposed company.

Advice provided by: Giles Liddell, Environmental Project Manager

Resource and legal implications:

Finance

a. Draft Financial (revenue and capital) implications as at 6 February 2017:

The purpose of the strategic case has been to assess the options for taking forward the Council's plans for housing delivery and the approach for making this assessment has been based on the development of three sample sites, as such it is one possible scenario. Whilst this report is not seeking approval for the required expenditure for this scenario, the Council does need to consider what the financial implications would be of such an approval in order to assess whether a more detailed business plan has the potential to be affordable.

For context the housing outputs achieved in this scenario are as follows:

Table 1: Forecast housing outputs achieved by the strategic business case scenario

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
	Units	Units	Units	Units	Units	Units	Units	Units
Private				15	162	54		231
Affordable				10	145			155
Total				25	307	54		386

Affordable %				40%	47%	0%		40%
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The financial implications of developing this scenario, from the Council’s perspective, has been set out in section 5 of the business case and reproduced in the table below. The modelling has been based on three sample sites, and this will require testing across future projects at detailed stage.

Table 2: Financial implications of the strategic business case scenario

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital receipts ¹		5,095						5,095
Capital expenditure ²	(820)	(6,979)						(7,799)
Net capital position	(820)	(1,884)						(2,704)
Revenue income ³				450	8,422		2,840	11,711
Total surplus/(deficit)	(820)	(1,884)		450	8,422		2,840	9,007
NPV (3.5%)	7,164							

¹Capital receipts – receipts generated from purchase of land from the Council and repayments of loans provided by the Council to the WOC

²Capital expenditure – debt and equity provided by the Council to the WOC

³Revenue income – loan interest receive by the Council from the WOC; dividend payments received by the Council; overage

Based on this scenario the Council would provide equity and debt to the company totalling £7.799m during 2017/18 and 2018/19, classified as capital expenditure. £5.095m (65%) of this is in the form of a loan (debt) which the company uses to purchase the three sample sites from the Council; classified as a capital receipt for the Council. £2.704m (£7.799m less £5.095m) of capital expenditure is invested by the Council in the company as equity and is used to fund pre-development works on the three sites. Joint venture partners would provide equity and source development finance to fund the development of the three sites (this is not shown in the above table as it is from the Council’s perspective only).

This scenario currently assumes that there is no requirement for the Council to make a minimum revenue provision (MRP) in its annual general fund revenue budget in respect of this capital expenditure. This is because the structure is predicated on short term investment that is repaid upon completion and sale of the units. If MRP was required then this has been estimated at £390k per annum (see further comments below regarding MRP).

The equity the Council has invested generates a dividend payment totalling £11.711m when the sites are sold upon completion in 2020/21 and 2021/22. This has been shown here as revenue income received by the Council; however in practice whether dividends are paid back or retained by the company for a specified purpose will be subject to the policies established by the Council. Note that these amounts are pre-tax cash-flows and work is required at the next stage to understand tax implications for the joint venture, the company and the Council.

The net position generates an overall surplus for the Council of £9.007m, or discounted at 3.5% it provides a net present value (i.e. what the investment would be worth today) of £7.164m. This can be compared with the potential capital receipt of simply selling the sites of £5.095m (noting that this value is based on exceeding policy compliant housing use and other uses may generate higher sales values). Whilst the use of a joint venture allows the Council to draw-in expertise and external finance that limits the scale of the Council’s financial risk, this structure still carries risk for the

Council as any cost-overruns or adverse movement in sales values will erode the Council's return first as joint venture partners and the provider of the development finance have priority returns.

This is an indicator as to what the financial implications could be of setting up a housing delivery company and providing approval for it to develop sites through a joint venture structure as described in the strategic business case.

The Council's draft capital programme, which is due to be considered by Full Council on 21 February, has included a financial allocation for the set-up of the housing company of £0.5m in 2017/18. The amount of expenditure requested for approval in this report is up to £0.25m to conduct the detailed business planning. Therefore, subject to Full Council approval, the budget will be in place to fund this next stage of activity.

The draft capital programme also includes allocation for supporting the local housing company of £34m per annum from 2019/20. This had been predicated upon the company acting as a developer and funding the developments itself, as opposed to what has emerged as the preferred option of utilising external finance via a joint venture partner. This element of the capital programme had been assumed to be financed taking into account the potential income that could be generated by a housing delivery company. As such it is consistent with the scenario presented in table 2 above, i.e. it does not give rise to a minimum revenue provision.

Under the new preferred option there still needs to be a more detailed assessment of the approach to financing and whether a minimum revenue provision is required or not. The upper limit for this, based on this scenario of three sample sites, has been estimated at £390k per annum. This is a worst case scenario as it could be reasonably expected for this to be offset at least in part by scheme income, e.g. rental income. However, there remains a possibility for additional revenue implications to emerge during detailed business planning and these would then need to be assessed in subsequent annual budgeting processes as there is currently no revenue budget provision for this.

A separate approval is being requested at March 2017 cabinet for pre-development work to take place on a list of Council owned priority sites with expenditure to be approved of £3.7m. This funding will need to be used to fund pre-development work for any sites, including those to be developed by the company, which has been estimated here at £2.704m for the three sample sites.

In terms of the capital expenditure for the loan to the company of £5.095m to finance its purchase of land from the Council, the current assumption that it is repaid by the capital receipt from the company and therefore has a net nil position. However a feature of the joint venture structure being considered is the risk that the Council does not recover the value of the land in the longer term through the joint venture structure. The potential impact of this on the Council's forecast capital receipt programme will need to be fully assessed as part of future decision making.

Given the nature of the preferred option identified by the strategic business case and the financial resources provisionally allocated in the draft capital programme, there is the potential for a more detailed business plan to be affordable for the Council. However there are major variables that will need to be assessed at the next stage that will have a bearing upon the financial implications and affordability of a detailed business plan:

- The scale of development, i.e. number of units and sites;
- The choice of sites developed;
- The timing of delivery;
- The mix of tenure developed;
- Whether units are sold or held for rent by the Council; and
- The level of risk for any income forecast.

Lastly, the actual financial implications that will arise out of investment in a new housing delivery company will in large part be determined by the strength of the management and governance arrangements that are put in place and therefore these should be given significant attention and scrutiny.

Advice given by Robin Poole, Finance Business Partner, Neighbourhoods

Date **6 February 2017**

c. Legal implications:

The business case addresses the authority to establish companies, (the Council has the power under both the 2005 Local Government Act and 2011 Localism Act), identifies procurement issues for each option, and includes an appendix, produced by Grant Thornton, which provides an assessment of some of the other key issues associated with the operation of the various options, including matters such as the transfer and ownership of assets, State Aid (ie financial and other support would be expected to be on commercial terms), financial reporting and some other financial considerations (eg dividends). These matters will need to be developed as the project progresses, and once Cabinet has adopted its preferred option, and addressed in the business case. In addition, the intention to work with a partner, at least initially, will necessitate careful consideration of the form and content of the joint venture arrangement and a robust agreement to address this, and will also require a Public Contract Regulations compliant procurement process in connection with the selection of the partner.

Advice given by **Eric Andrews, Senior Solicitor**
Date **17th January 2017**

d. Land / property implications:

The recommendations in this report have significant implications for Council property. This may include transfer of ownership of sites. Issues concerning delivery of development, the objectives for that development and the arrangements to achieve that are fundamental to this matter. The property and capital receipts obligations will be carefully considered as work on the detailed Business Plan progresses. This will include reference to the legal powers and duties of the Council in relation to property disposals.

Advice given by Robert Orrett, Service Director, Property
Date **11th January 2017**

e. Human resources implications:

While it is understood that there is no intention to TUPE any existing staff, the roles that are created in the new company would need to be examined carefully when developing the full business case to ascertain whether legally TUPE would apply if they are undertaking duties that are similar to those currently provided in-house.

If as expected TUPE does not apply, decisions will need to be made around whether the in-house service (from which the newly created company is expected to buy expertise) needs to change in shape / numbers, and if so, the staff within this team will need to be fully consulted with about any changes to their terms and conditions in line with Bristol City Council’s management of change policies. In any case, the relationship between any remaining in-house team and the newly established company workforce would need to be clearly articulated.

Further, consideration will need to be given to the terms of conditions of the staff working within the company, since it is proposed to be wholly owned by Bristol City Council, however there is precedent that has been set within BCC with other companies that have been established.

Advice given by Alex Holly, HR Business Partner
Date 4th January 2017

Appendices:

Appendix 1 – Strategic Business Case

Appendix 2 – Equality Impact Assessment

Access to information (background papers):

Bristol City Council, Governance of Council interests in Companies – Code of Conduct

HM Treasury, “Green Book” Public Sector Business Cases using the five case model (2015 updated)

Bristol City Council, Brief for Local Housing Company Strategic Business Case



**Lambert
Smith
Hampton**

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Bristol City Council –
Housing Delivery
Vehicle

Strategic Business Case

On behalf of

Bristol City Council

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BCC – Housing Delivery Vehicle

Strategic Business Care

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1. EXECUTIVE SUMMARY

The City of Bristol is facing a significant housing crisis and Bristol City Council (BCC) has identified a considerable shortfall between the supply of and demand for housing in the City and this is set out fully in the new Housing Delivery Framework as considered in section 2.3. The new Mayor outlined a response to this crisis within his manifesto targeting a step change in development of new homes to 2,000 homes per annum by 2020 of which 800 would be affordable. This is a significant increase on recent completions of under 500 in 2014/15 (243 affordable) and circa 800 in 2015/16. A concerted response is required from both public and private sectors. As one of the major land owners within the City, the Council holds a significant development pipeline of 30 sites with the potential to provide circa 3,200 new homes. A new housing delivery strategy is outlining how the Council can play its part in responding to the challenge.

Currently the Council can influence housing development through its General Fund and HRA assets however there are considerable constraints as identified in sections 2.4 and 2.9:

- Rent caps, Right to Buy and limited borrowing headroom within the HRA
- Constrained human and financial resources including significant immediate revenue pressures
- Disposal of sites provides for limited Council control over development delivery outputs
- An inability to hold residential assets within the General Fund for income producing purposes.

The combination of the challenges faced in the housing crisis, coupled with the Council's ambition and the constraints of the current system create a compelling case for change. A new housing delivery vehicle is an option that may enhance the Council's ability to respond to the challenges faced. Providing capacity and capability to move beyond the current constraints is especially important during the early years of the development programme.

This report sets out the Strategic Business Case (SBC) supporting the recommendation to commence detailed business planning for a new Wholly Owned Company (WOC) to play a major part on the Council's housing delivery programme. The evaluation completed in assessing this case:

- Included consideration of eight housing delivery options at long list stage of which three were considered in detail at shortlist stage
- The shortlisted options were Disposal with Development Agreement ('do nothing' – for comparative purposes), Joint Venture and WOC
- Two variations of the WOC were considered, one where the WOC acts as developer and the other where it enters into a Joint Venture arrangement for the first tranche of sites
- Options were subject to rigorous qualitative and quantitative analysis against the Council's objectives for the new vehicle and a set of criteria that were agreed as being critical to what would be deemed as success for a new vehicle.

The evaluation was led by Lambert Smith Hampton (LSH) with support from Grant Thornton (financial) and Bond Dickinson (legal). Grant Thornton UK LLP have provided commentary on the short-listed options in relation to the following issues: transfer and ownership of assets; State Aid; and financial reporting. Their advice does not include analysis or commentary on the financial models produced by LSH for these options. It also does not include tax advice but it does note where

further tax advice should be obtained in relation to the short-listed options. An additional report is provided from Grant Thornton.

The team worked in partnership with an internal multi-disciplinary Council Steering Group established for the project to ensure that the evaluation framework and scoring applied represents the combined 'one council' view. Three sample sites (Bonnington Walk, Haldon Close and Redcliffe Way) were identified by the Steering Group as representative of the Council's pipeline and the options were modelled on these sites to provide indicative financial and other outputs for consideration as part of the evaluation.

The SBC is in line with the Her Majesty's Treasury (HMT) Five Case Model, a recognized best practice approach to decision making within the public sector. The strategic case for change is established prior to options being analysed on a qualitative and quantitative basis as part of the economic case, including in relation to risk. This led to the WOC being identified as the preferred way forward and the proposed commercial, financial and management are then set out in the relevant cases. It is envisaged that the WOC will enter into a Joint Venture arrangement with the private sector for the first tranche. This approach will mitigate key risks around financial exposure and human resource.

A new WOC has the ability to support the Council as its 100% shareholder in tackling the shortage of housing in Bristol by driving forward a commercial and highly focused approach to progressing new housing development on Council owned and third party sites. The 'do nothing' – sale by DA and Joint Venture options considered at shortlist stage were seen to have disadvantages which included market appetite; set up costs; control over housing outputs; flexibility to respond to evolving Council objectives; ability to take a flexible approach on marginal sites; lack of flexibility over delivery route; limited ability to generate financial returns for the General Fund revenue account; and limited ability to hold residential assets for revenue producing benefits.

Adopting a WOC as the preferred way forward has the potential to bring forward development sites in a variety of ways including through development, project specific Joint Ventures and disposal with DA. It can therefore capture many of the benefits of the 'do nothing' and Joint Venture options considered at short list stage as well as accessing benefits to the Council as its 100% shareholder that go beyond the other options.

The Council's programme arrangements for housing are in transition and will need time to develop both capacity and expertise that enables a more proactive approach to housing delivery. The preferred way forward needs to cognisant of the fact that this will take time and therefore a focused approach is required on the first tranche of sites that addresses the need to bring in financial and human resources alongside programme and financial returns. The principles of this approach are:

- The WOC entering into a Joint Venture for the first tranche of sites is therefore the preferred option
- The WOC would be established and land would be acquired from the Council by the WOC
- The WOC would then enter into a Joint Venture with a development partner to deliver the first tranche sites with the partner bringing financial and human resource
- The WOC would then benefit from a series of returns from the Joint Venture and the Council benefit from any dividends paid to it by the WOC.

The WOC with JV would bring the following significant additional benefits over a WOC as developer option:

- Additional investment thus reducing the Council's borrowing requirement from approximately £77M to £8M
- If the Council chooses to make MRP then this would be significantly lower given the reduced financial outlay by the Council
- Significant reduction in the WOC (and hence Council) exposure to risk, specifically sales risk, cost risk, programme, resource and reputational risk
- Significant additional development expertise that the WOC would otherwise have to buy in (or potentially buy from the Council). Given the vagaries of the housing development market this capacity is significant.

However the WOC with JV also has some downsides:

- With cost and risk being shared between the WOC and a Joint Venture partner, consequentially the net revenue returns to the WOC/Council would also be shared, and based on the modelling this equates to £9 million
- There would be an extended period required to secure a development partner, adding an estimated 12 months to the overall set up process on the assumption that an element of planning, WOC set up and Joint Venture partner appointment can be twin tracked and that the WOC is not subject to public sector procurement regulations. Detailed consideration of the sequencing of events and whether the WOC would be subject to public sector procurement regulations is therefore required at Detailed Business Case stage to confirm this programme. Based on the stated assumptions and the sample sites this reduces the number of homes built by 2020 from 280 to just 25 (though it then rises up in the following years)
- There would be an additional cost of appointing a Joint Venture partner over and above establishing the WOC. A combined allowance of £910,000 has been made within the financial appraisal which is in excess of the £250,000 allowed for establishing the WOC. This reflects the fact that a process would need to be run to appoint a Joint Venture partner on multiple sites in what is likely to be complex arrangement compared to a straight land sale.

The evaluation scored the WOC highest on quantitative and qualitative benefits as well as in the risk appraisal. The WOC brings significant benefits as part of the Council's wider housing delivery programme which create a compelling case for this as the preferred way forward. The most notable of these are:

- Ability to hold residential assets outside the HRA for income producing purposes. This also brings the potential to access long term value from housing price inflation and improvements in residential values, whilst retaining flexibility over future tenure of assets held
- Risk and reward has the potential to be flexed through delivery route on individual sites – this can include acting as a developer with the ability to access development surpluses which otherwise flow to the private sector
- Total control potentially within the WOC over development outputs including timing and mix of housing developed – the Council can shape the approach in its role as 100% shareholder of the WOC
- Retain control and flexibility to respond to changing housing needs and changing Council policy objectives through the business planning process
- Returns to the Council as a dividend can support the Council's General Fund revenue budget

- Employment offer is distinct from the Council and can therefore be more attractive to the market
- No OJEU procurement required to set up the vehicle. The vehicle itself may not be considered as a “contracting authority” under public sector procurement depending on the activities it undertakes. This is primarily determined by whether its activities and structure are of an ‘industrial or commercial character’ and is an important consideration within the context of the WOC appointing a Joint Venture partner
- Management and support can be provided from within the Council for a fee to generate income in return for services provided.

Based on the sample sites, the quantitative outputs of the WOC with Joint Venture in relation to sample sites are summarized as follows including the number and timings of delivery of private and affordable housing with the correlating number of jobs (direct, indirect and induced). The analysis shows:

- The cumulative capital and revenue receipts across sample sites and costs on an annual basis following development of site by a development partner in Joint Venture with the WOC
- This results in a pre-tax surplus / position and the Net Present Value to the Council when adopting a discount rate of 3.5%
- The cashflow shown reflects the financial position for the Council of the preferred option. Costs therefore reflect the provision of funding to the WOC and cover land acquisition, pre-development costs and set up costs
- Returns reflect dividends paid to the Council by the WOC as 100% shareholder in the company and are driven from the returns to the WOC from the Joint Venture arrangement.
- The costs of developing sites are borne by the Joint Venture funded by a combination of the WOC, equity from the Joint Venture partner and development finance.

Key financial line items in the table include:

- **Capital receipts** – Receipts generated from purchase of land from the Council and repayments of loans provided by the Council to the WOC
- **Capital costs** – Debt and equity provided by the Council to the WOC
- **Revenue receipts** – Loan interest received by the Council from the WOC; dividend payments received by the Council; overage
- **Revenue costs** – Interest by Council loan from PWLB, pre-development costs, vehicle set-up costs.

	Period	1	2	3	4	5	6	7
Year		2017	2018	2019	2020	2021	2022	2023
Homes delivered								
Private	231				15	162	54	
Affordable	155				10	145		
Total	386			-	25	307	54	
Number of Jobs (direct, indirect and induced)	1,621			-	105	1,289	227	
Capital receipts	£5,095	£0	£5,095	£0	£0	£0	£0	-
Capital costs	-£7,799	-£820	-£6,979	£0	£0	£0	£0	-
Net capital position	-£2,704	-£820	-£1,884	£0	£0	£0	£0	
Revenue receipts	£11,711	£0	£0	£0	£450	£8,422	£0	£2,840
Revenue costs	£0	£0	£0	£0	£0	£0	£0	-
Net revenue position	£11,711	£0	£0	£0	£450	£8,422	£0	
Surplus / (deficit) before tax assessment	£9,007	-£820	-£1,884	£0	£450	£8,422	£0	£2,840
Discounted Annual Position	3.5%	-£792	-£1,759	£0	£392	£7,091	£0	£2,232
NPV	£7,164							

Sites are modelled on a policy compliant (modelled at 40% affordable housing) basis and still return up to a surplus of £9.007 million to the Council as 100% shareholder pre-tax as set out in section 3.4.

The preferred option of a WOC with Joint Venture on the first tranche of sites draws on expertise from the private sector and maintains a proactive role in development whilst managing cost, delay, market and financial risk for the Council as 100% shareholder in the WOC. Whilst a 'priority return' model is adopted within this SBC however the optimal approach and sites will be considered at Detailed Business Case stage.

The Commercial Case highlights key commercial terms and many of these are a well-trodden path for local authorities over recent years given the number of WOCs being established for similar purposes. Whilst a private sector partner is not in itself required to establish the WOC, an initial soft market testing exercise highlighted the attractiveness of Bristol to the housing development market and the desire of the market to work with the Council to progress development sites. It demonstrates that there would be an appetite from the market to partner with the WOC on individual sites or combinations of sites which would provide the potential to respond to challenges identified in terms of short term financial outlay and debt to equity ratios within the WOC. The Council has prior experience of setting up Wholly Owned Companies for energy and waste management so learning can be extended and alignment within the existing holding company structure may be possible. Under the preferred way forward, the WOC would need to contract with the private sector within a Joint Venture arrangement – the specific arrangements will depend on the arrangement sought and characteristics of the tranche 1 sites and will be tested at Detailed Business Case stage.

The Management Case provides the initial analysis of the proposed programme management arrangements within which the WOC would sit. Given housing programme delivery arrangements within the Council are in transition the new arrangements that will provide the context for the set up and delivery of the preferred option are not currently in place. Management, governance and resourcing arrangements within this programme are critical to the success of the vehicle or otherwise and need detailed consideration at Detailed Business Case stage. The Management Case includes the actions required to progress from this SBC to Detailed Business Case stage (section 6) and ultimately establish the WOC. Critical to this will be further, more detailed, consideration of financial, legal and tax principles and work on the Council's development pipeline, particularly with regard to identification of the first tranche of sites and a delivery strategy for these sites (including whether sites are developed by the WOC or in Joint Venture and whether completed assets would be retained or sold). If approved by Council Cabinet in March the Detailed Business Case for the WOC could commence immediately.

2. STRATEGIC CASE – THE CASE FOR CHANGE

2.1. INTRODUCTION

This Strategic Business Case (SBC) is to consider the Council's options in establishing a new housing delivery vehicle to support its programme of housing delivery. This is focused on meeting challenges posed by the current housing crisis in Bristol.

The approved format is the Five Case Model, which comprises the following components:

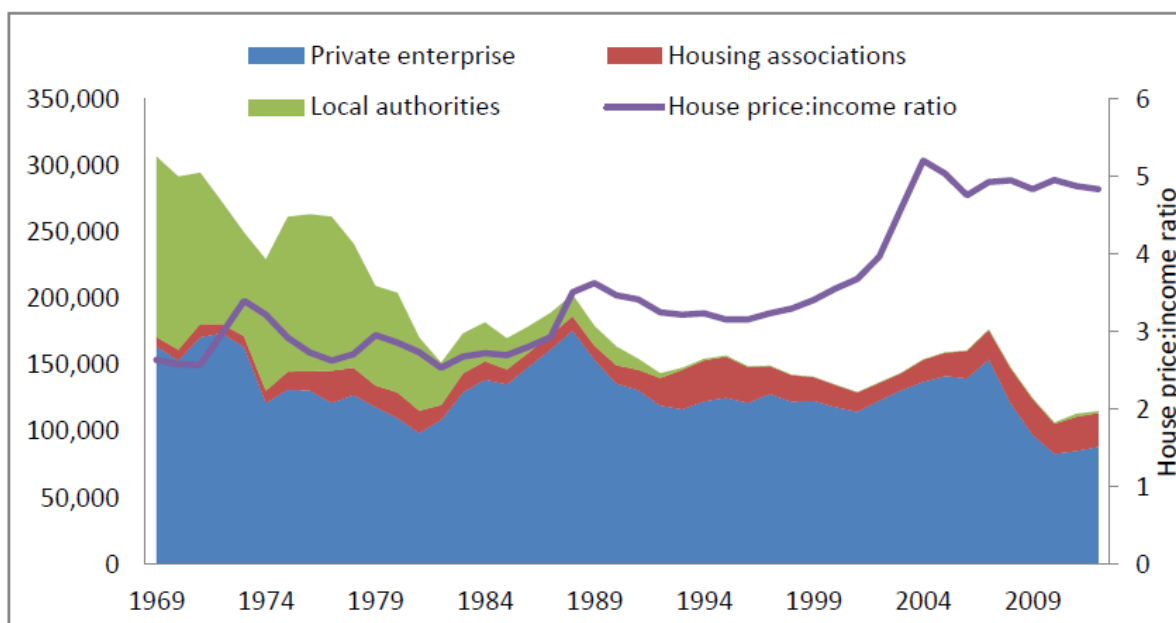
- The **Strategic Case** section. This sets out the strategic context and the case for change together with the supporting investment objectives for the scheme
- The **Economic Case** section. This demonstrates that the organization has selected a preferred way forward, which best meets the existing and future needs of the Council and is likely to optimize Value for Money (VFM)
- The **Commercial Case** section. This outlines what any potential deal might look like
- The **Financial Case** section. This highlights likely funding and affordability issues and the potential balance sheet treatment of the preferred way forward
- The **Management Case** section. This demonstrates that the scheme is achievable and can be delivered successfully in accordance with accepted best practice.

This Strategic Business Case has been prepared by Lambert Smith Hampton with support from Countrywide Land and New Homes, Grant Thornton and Bond Dickinson. It includes extracts throughout from a separate Grant Thornton report to Lambert Smith Hampton which is provided separately.

2.2. NATIONAL HOUSING CRISIS

There is a widespread and well publicised need to increase the number of houses built across all tenures in England. The government estimates that there will be an additional 221,000 households formed each year between 2011-2021, however fewer than 110,000 homes were completed across all tenures in 2013. The combination of rising demand and constraint on supply have created housing challenges across the country and localized crises. House prices are around 5 times average earnings and the Local Government Association (LGA) highlighted 1.7 million households on waiting lists for affordable homes across England.

The role of Local Authority in delivering housing is an important one and something that has significantly dropped off over recent decades, a major element in the challenge around the shortage of supply hitting the market. Successive governments have not created the environment for councils to build houses directly and the impact of this on the overall supply and demand picture can be seen in the diagram below.



The evidence from the LGA also highlights significant reports from across the public, academic and mainstream media supporting Local Authorities taking a leading role in housing delivery.

2.3. BRISTOL

The situation in Bristol mirrors the national picture. Economic growth in the area has many positive effects however significant strain is being placed on housing in the city. Demand has not been matched by supply, resulting in major housing price and rental inflation – the market continuing to exceed the national growth rate in the wake of Brexit. Inflation in prices and rents impact most severely those on lower incomes and disposable income is increasingly eroded by rising rents. The situation is particularly acute in Bristol where the market is fuelled by relatively buoyant employment conditions and geographical restrictions limiting the options for large-scale housing development. Various measures have been put in place to attempt to address the housing issues affecting the city, but to date have not managed to overcome this complex problem. There is also rising concern from all providers about the impact of government policy on social housing, particularly the introduction of rental cap for social housing brought in 2015. There is agreement on the need to re-evaluate how the strategic priorities relating to housing are delivered.

The wider Bristol strategic housing market assessment sets out a requirement of 85,000 homes by 2036 (29,100 affordable / sub-market). When seen against recent completions in the city of under 500 in 2014/15 (243 affordable) and circa 800 in 2015/16, both the market assessment and the Mayor's pledge to deliver 2,000 homes pa (800 affordable) highlight the need for a major step-change – one that BCC is gearing up to play a leading role in, building on its current ownership of 27,500 units. Delivery of homes by 2020 is a key priority.

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Countrywide research has found that Bristol has seen an increase in the average purchase price paid since 2011. This has risen from an average purchase price of £206,000 in 2011 to an average of £284,000 in 2016. This represents an increase of 38% over the period and a year on year growth of 13%.

The research department have seen the volume of transactions during 2015 reached a total of 8,274 with the new homes market representing 6% of total transactions. The volume of transactions has decreased from 10,100 in 2007 to 5,650 in 2008, a reduction of 44%. Between 2008 and 2012, the volume has been sub 6,000 for each year, and thereafter, it has steadily been increasing. However, this has not caught up with the volumes seen pre 2008. The average asking price to final sold price for Bristol is 98%. Meaning on average there is a 2% reduction in the asking price to the sold subject to contract price. .

Wall Street Journal reported that house price monitor Hometrack states that Bristol currently has the strongest performing property market in the UK with growth of 13.8% between May 2015-May 2016. The most desirable neighbourhood has long been Clifton however areas such as Southville and the Harbourside, which were previously lower price areas, are becoming more and more attractive.

2.4. EXAMINATION OF DELIVERY VEHICLES

LSH have completed a review of housing delivery vehicles adopted by other Local Authorities and this is included in Appendix 1. The lessons learned from these have fed into the evaluation of options in Section 3.3 and key conclusions drawn from this exercise were as follows:

2.4.1. WHOLLY OWNED COMPANIES (WOCs)

The use of WOCs by Councils has increased as a result of the following factors:

- The Localism Act 2011 which provided greater flexibility for Local Authorities under the General Power of Competence
- HRA settlement in 2011/12 which put in place debt caps within HRA accounts
- The surge in Council tenants exercising their Right to Buy
- The Department of Communities and Local Government (DCLG) Right to Buy 1-4-1 receipts settlement; and,
- Wider trends in the housing market that has seen an increased focus on the level, quality, choice and affordability of rented housing.

As such there are relatively few long term examples that are available for critical analysis. The WOCs that have been set up are still in relative infancy.

Councils can use the General Power of Competence in the Localism Act 2011 to provide housing within a 100% Council-owned company as the Act provides local authorities with "the legal capacity to do anything that an individual can do that is not specifically prohibited".

Many councils have highlighted meeting the challenges of long term housing solutions and generation of revenue (particularly PRS) as key drivers for establishing WOCs. Their use has been also focused on minimising leakage of profits to the private sector. The role of WOCs has been to develop (Sefton), hold assets (Ealing) or both (Norwich) or to acquire dwellings in the open market without development (South Cambs). As such the structures vary between single WOCs and 'Top-Co' structures as a holding company with subsidiaries.

Use of these vehicles also requires careful consideration of State Aid issues and of how works will be procured given that the WOC will have no trading record and may not be able to use existing frameworks to which the Council has access to. But the set-up of the vehicle avoids the need to undergo a lengthy procurement exercise, which all the other options other than a land sale involve. For this reason careful consideration of supply chain for a WOC is required for example in relation to consultancy, agency, construction and development management.

If a Council has complete control over delivery through a WOC then it should be able to move as quickly or as slowly as its own constraints allow, particularly in relation to decision making and resourcing. It is not dependent on third party discussions and creates opportunity for control over quality and product. This structure can also be a good way to generate general fund income streams or other revenue benefits through trading, e.g. through the margin made through on-lending, dividends from the WOC and service provision to the WOC.

Funding in many cases has been provided through the Council. However many are retaining the ability to source funding from a variety of sources in order to mitigate against future risks in local government finance. New strategic approaches to financing are emerging and will continue to do so. For example, investment by a Council's own pension fund (as per the example of Manchester City Council), is a relatively new and innovative solution to facilitating equity injection that has been adopted in response to changes in policy and market conditions.

2.4.2. JOINT VENTURES

Joint Ventures have been utilised to leverage private sector funding through many different forms focused on delivering a multitude of different functions. Examples include where a corporate entity is created such as Gateshead where the Council transfers land assets into a jointly owned vehicle; or through institutional investment focused models such as at Barking and Dagenham which is a contractual structure providing finance and development expertise.

Results of adopting Joint Venture structures for housing delivery programmes have been mixed. The Croydon Council Urban Regeneration Vehicle (CCURV) has delivered its first two projects (including a new Council building). Equally the Joint Venture between Oxford Council and Grosvenor has seen outline planning approval secured for up to 885 new homes, alongside a primary school, food store, community hub and a new linear park. In January 2015, the housebuilder, Hill was selected to develop the first phase of new homes at Barton Park. Subject to planning, Hill will start on site in 2017. Bournemouth City Council entered into a Joint Venture partnership with Morgan Sindall which initially focused on developing two sites albeit the partnership has a 20 year concession to deliver town centre regeneration through 17 sites with a GDV of £500m.

Gateshead Council established The Gateshead Regeneration Partnership with Evolution Gateshead (a consortium of Home Group and Galliford Try) to develop an innovative solution to delivering 2,400 homes (1,800 private and 600 affordable) over the next 15 years. The homes will be built across 19 sites of varying viability. Development is being brought forward in bundles around three sites at a time where sites with a positive value cross subsidise those that are unviable to achieve an aggregate appraisal that is viable. The council contributes its land assets and its partners contributes private finance and expertise – critical is the Council's decision to contribute valuable sites and surpluses into unviable sites. The Partnership started work on 76 homes for sale and 23 affordable properties named Trilogy I as part of a major regeneration project in the Bensham and Saltwell area. Phases two and three will see homes on Dunsmuir Grove demolished and wasteland built on. The Homes and Communities Agency has contributed over £750,000 to the first phase.

Other Joint Ventures have been less successful, for example the Solus Joint Venture between Kier and Network Rail has largely seen highest value assets delivered. The Hammersmith and Fulham Council Joint Venture with Stanhope has been slow to deliver, primarily due to political changes relating to affordable housing tenures. The protracted timing on Barking and Dagenham was driven principally by the complexity of structuring institutional funding in a model where the Council guarantees the rental income as an 'income strip' for 60 years to underpin the financing model.

Other reasons for Joint Ventures being slow to deliver include the need to run a Public Contract Regulations (PCR) compliant procurement process and delays in agreeing plans and complex arrangements within a JV arrangement.

In certain cases (e.g. where the authority does not have a controlling interest), JVs can be used to recycle RTB receipts under a RTB agreement with the Secretary of State. The disadvantage of minority stake (less than 50%) Joint Venture models is that the public sector partner normally has to cede control to its private sector partner. This is unlikely to align with the Council's objectives here.

2.4.3. HRA

Financial sustainability of HRAs have been impacted by recent changes in policy limiting rents and the loss of stock through Right to Buy. The HRA settlement also creates a borrowing cap to work within. Many councils including Bristol develop new stock within the HRA however the major constraint is linked to the scale that can be achieved.

Surpluses from the HRA are being utilised by some Councils to acquire affordable units from developments undertaken by the WOC (Norwich City Council). Such an approach needs to be used with caution though in case it is seen as an improper use of the Council's powers e.g. deliberate avoidance of the HRA debt cap.

In the light of the new duty on local housing authorities to consider disposing of higher value dwellings, some authorities are looking at models that retain stock within the affordable housing realm but raise capital for the HRA. These models can work for vacant sites and one method of this is a sale and leaseback structure enabling release of capital whilst retaining control.

2.4.4. GENERAL FUND

There are limited examples of Councils undertaking significant housing development within the General Fund, principally due to constraints over holding assets and the requirement to act in a commercial purpose through WOCs. Camden Council completed the Netley development through the General Fund and residential units were sold under long lease to HS2 albeit were intended for private sale. This project was however conceived as an enabling development which provided educational and community use as opposed to purely housing development. Other Councils including Royal Borough of Kensington and Chelsea have considered developing sites directly and disposing of completed assets to a WOC. Eastleigh Borough Council offered a "guaranteed purchase" model for developers who had sites with existing planning permission but were unsure if they could sell the houses, leading to stalled development. Eastleigh provided a letter of guarantee that the council would buy the property if it failed to sell on the open market. Under this arrangement the developer had an agreed period to sell, and the flats were in fact all sold to private buyers. Eastleigh is exploring options for developing a set of sites that are too small to attract commercial interest. Partnership with neighboring authorities and local housing associations would allow the council to link up sites and share resources and expertise. A Special Purpose Vehicle is being established and options for housing delivery are being considered by councillors. It is likely that any new housing would include affordable housing as well as homes for market rent, to ensure viability.

2.4.5. OTHER MODELS

The above sections set out examples of how Councils are taking a proactive role in development of housing. Other Councils still employ more traditional approaches to site disposal, selling sites for residential development either with or without a Development Agreement to create more control over timing and end use on sites. The latter does in many cases require developers to be procured through an EU compliant process when positive development obligations are sought.

Other public sector bodies including Transport for London and the Greater London Authority as well as the Homes and Communities Agency have set up pre-procured developer panel to enable a more efficient approach to procurement of development partners. Challenges with this approach include the requirement for a significant pipeline of opportunities to incentivise parties to invest in responding to a procurement process and a lack of flexibility once set up to open opportunities to new developers.

2.5. BCC DEVELOPMENT PIPELINE

The Council has a significant potential development pipeline totalling up to 3,200 units across 30 sites, which are either allocated through the adopted Site Allocation development plan document or already have planning consent. The Council will progress a mixed economy approach to housing delivery, and so this represents the maximum scope that could be delivered through the new housing vehicle on BCC held sites. The Council's strategic review of the housing delivery 'system' has highlighted the multi-channel approach to housing delivery. With regard to Council owned sites the proposal emerging from the strategic review is that all sites will be taken forward by obtaining outline planning permission and selecting an appropriate delivery mechanism, including the new vehicle once established.

In order to consider the implications of the scale and nature of the development pipeline three sample sites were considered as set out in 2.6. Assumptions were largely drawn from previous assessments of the sites and discussion with Council officers. Pre-development costs, development costs and value assumptions were considered on an average per unit basis to inform potential scale within the pipeline. The averages of the sample sites were applied to the pipeline using the following assumptions:

- 30 of these sites are majority BCC owned (based on 90% or more land ownership however no site acquisition assumed).
- 3,200 dwellings.

2.6. SAMPLE SITES

For the purpose of enabling a comparison between delivery options, three sample sites, all zoned for residential development in the adopted Site Allocations and Development Management Policies Local Plan Document were selected by the Council as being representative of the wider Bristol owned pipeline. A summary of assumptions relating to the sample sites is included in Appendix 2. A high level summary of sample sites is as follows:

Bonnington Walk, Lockleaze - This strategic site is located in North Bristol in a predominantly low density post war residential area extending to approximately 15.7 acres (6.36 hectares) and has been identified as an opportunity to deliver approximately 170 new homes. The site sits within HRA ownership and is bound by Bonnington Walk to the north and Constable Road to the South. The site was historically home to allotments.

The Council is working with the local community to develop a neighbourhood plan for the regeneration of the area. As well as delivering new homes, the strategy is to improve the quality of open spaces, community safety and look and feel of the area.

Whilst providing an opportunity for new housing, the site has a number of overhead cables and oil filled electric cables underneath restricting development next to the railway line. The land held as allotments that are located on site are to be reallocated elsewhere and no cost has been reflected.

Assumed unit mix:

	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
1 bed flat	0		5				15	20
2 bed flat	0		3				13	16
2 bed house	21		3				13	37
3 bed house	78		2				8	88
4 bed house	5		1				6	12
Total	104		14				55	173
*60% Open Market, 40% Affordable (100% discounted rent)								

Haldon Close, Bedminster - This 1.6 acre (0.65 hectare) site is located in Bedminster, South Bristol that historically housed former prefab buildings that have been demolished. Some footings remain. It sits within HRA ownership. The site is accessed from Haldon Close.

The surrounding area is predominately residential with post war Council housing with a mix of terrace and semi-detached dwellings. Some new development is currently being undertaken on Lynton Road. Initial studies have shown that at least 20 dwellings can be housed on this site.

Assumed unit mix:

	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
2 Bed House	7		1				4	12
3 Bed House	7		1				4	12
Total	14		2				8	24
*60% Open Market and 40% Affordable (80% Social rent and 20% Intermediate)								

Redcliffe Way - These prime city centre sites extend to approximately 0.318 Hectares (0.787 acres) and 0.22 ha (0.55 acres). The sites are located opposite St Marys Redcliffe Church and are part of a wider neighbourhood development vision.

The site is currently used as a car park and public open space but offers a unique opportunity for high density development with the potential for retail use on the ground floor in the heart of the city. The site shows the potential for 21,000 sq ft of residential space and 5,000 sq ft of retail on the assumption of a 5 storey height.

Assumed unit mix:

no of units	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
1 bed flat	56		8				30	94
2 bed flat	56		8				30	94
Total	112		16				60	188

2.7. STRATEGIC CONTEXT

Following the election of the new mayor and administration in May 2016 fresh housing priorities were established:

Mayor's priorities

These were set out in the Mayor's manifesto for the city prior to his election, and now reflected in the draft Corporate Plan, currently being consulted upon. In addition to the headline commitment to build 2,000 new homes – 800 affordable – a year by 2020 and to establish a council-owned development company. Other objectives are:

- Establish a 'Bristol Bond', allowing people to invest in local housing schemes.
- Promote Brownfield sites across the city for Housing.
- Work with local communities:-
 - Ask local communities to identify areas for redevelopment and bring forward appropriate council land to kick-start development.
 - Support the development of alternative housing initiatives such as co-housing and communal living that aim to tackle wider social challenges such as social isolation and community cohesion.
- Support Community Land Trusts, local builders, eco homes and self-builds on sites already agreed by Neighbourhood Partnerships or Plans.
- Build and Support Stable and Diverse Communities:-
 - Work with Bristol's universities to provide more purpose-built quality student accommodation and ensure a proactive approach to the management and impact of student housing across the city.

- Establish a Mayoral task force to understand and shape our response to the challenges of gentrification.

These are reflected in the following:

Corporate Strategy 2017-2022

The section on homes details the aims for Bristol, challenges faced, and the objectives for the next 5 years and how they are to be achieved. Objectives are:

- Deliver more homes: build 2,000 homes by 2020- 800 of which are affordable.
- Make best use of stock and improve standards.
- Take a city wide approach to tackling Bristol homelessness crisis.

Affordable Housing Practice Note - April 2014

This document sets out specific detail on how the council intends to maximize the delivery of affordable housing through the planning system and how to improve the general viability of housing schemes by accepting Affordable Rent or Intermediate Rent as an alternative to Social Rent whilst maintaining a range of affordable housing and ownership options in Bristol. The document sets out a new, fast track process of assessing viability issues, including the use of independent arbitration where an agreement cannot be reached. .

Bristol Housing Strategy 2016-2020 (More than a roof)

A strategy to contribute to the Mayors vision for Bristol and its recognition of the need to address inequalities of health, wealth and opportunity in the city replacing the 2010-15 strategy. Working on three main outcomes: increasing the numbers of new homes, deliver the best use of existing homes and intervene early before a crisis occurs with correlating key priorities and headline actions. The actions from the report include the following; review of the delivery arrangements, complete the Joint Spatial Plan, consider new PRS provider, review social housing tenancies and support sustainable solutions, improve management and standards in the PRS, increase affordable housing provision, create resilient households and prevent and respond to homelessness.

In autumn 2015 the Council and former strategic housing partnership commissioned a 'peer challenge' of housing partnership arrangements from the Local Government Association. Amongst other things it recommended an overhaul of governance, which in turn led to the establishment of the new Bristol Homes Board, chaired by the Mayor. This is a strategic board, aligned to the Health and Wellbeing and Learning City Boards, to drive housing outputs over the life of the strategy.

Earlier policy reports, specifically the report of the Bristol Homes Commission in June 2014 (More Homes Faster Homes), set up by the previous administration, and the report of the Overview and Scrutiny Commission in November 2015 'How can better housing delivery secure the best outcomes for Bristol' both recommended the establishment of a new locally controlled housing delivery vehicle.

Report of the Bristol Homes Commission - June 2014 - More Homes Faster Homes –

Ten recommendations to make a difference to More Homes Faster Homes including increase of supply of land, a proactive role in the Bristol Property Board, setting up a Revolving Investment Fund, more active use of the Compulsory Purchase Order power, dedicated 'stalled sites' team, alternative models of new homes provision, The West of England Strategic Housing Market Assessment to explicitly model various features of the housing market, Council to bring forward and review the Core Strategy, foster a results driven culture and best use to be made of the Councils retained housing and owned land.

Overview and Scrutiny Report - Nov 2015 - 'How can better housing delivery secure the best outcomes for Bristol' – Conclusions of the Neighbourhoods and Place Scrutiny Commissions

This report followed an inquiry day that took an in depth look at the issues and potential solutions for housing delivery affecting the city and resulted in 7 key recommendations including cross boundary

working, new delivery arrangements, development planning and land issues, making the best use out of the Councils portfolio, private rented sector, finance and connectivity and infrastructure. It specifically recommended examining the option of a council-controlled delivery vehicle.

BCC Core Strategy – Adopted in 2011

The Council's Core Strategy is the adopted land use plan for the city, which sets out both policy and plans for new housing requirements, supported by a number of related policy documents, in particular the Affordable Housing Practice Note 2014. An internal review of the housing delivery 'system' has been undertaken and could lead to further change, including the development of a suite of policy documents, including new affordable housing definitions, designed to create confidence and certainty for the development industry.

The Council, in collaboration with its West of England partner authorities and the Local Enterprise Partnership have undertaken a review of housing requirements up to 2036; these are set out in the Strategic Housing Market Assessment (SHMA) with a need for 85,000 dwellings, of which 29,100 need to be affordable. The 4 councils are currently consulting on a draft Joint Spatial Plan (JSP) which will become an adopted development plan document, showing where these will be delivered between 2016 and 2036.

Concurrently Bristol, Bath and North East Somerset and South Gloucestershire councils are in the processing of concluding devolution arrangements, which will provide £900M of infrastructure investment over the next 30 years. Further devolution powers are expected to follow.

Draft BCC paper on Affordable Housing definitions

Provides definitions of Affordable Housing for both Private and Council sponsored schemes including Discounted Market Rent, Shared Ownership and Discounted Market sales. It also provides the current Bristol Local Housing Allowance limits which we have adopted for the financial appraisals.

The Wider Bristol HMA Strategic Housing Market Assessment – Volume One – Defining the Housing Market Area and establishing Objectively Assessed Need (July 2015) aims to identify and define the functional housing market area across the West of England, establish the OAN for housing (both market and affordable). The SHMA sought to provide evidence of the need and demand for housing based on demographic projections; consider market signals about the balance between demand and supply of dwellings; establish the objectively Assessed Need for housing over the period 2016-2036, identify the appropriate balance between market and affordable housing; and, address the needs for all types of housing, including the private rented sector, people wishing to build their own home, family housing, housing for older people and households with specific needs.

The SHMA established that the Fully Objectively Assessed Need (OAN) for housing is 85,000 dwellings for the 20 year period 2016-36 with a total of 29,100 affordable dwellings which is the equivalent to an average of 1,455 dwellings per year. These figures did not include the requirement for accommodation for older persons which represents a growth of 4,484 persons.

Interaction with BCC Housing Delivery Programme

The Council is in the process of reviewing its approach to housing delivery in the light of the Mayor's ambition to build 2,000 homes a year by 2020. [There needs to be clarity as to how the two projects align in terms of approval timing as Cabinet not yet fully sighted let alone approved the delivery programme] There are a number of elements to the programme, broadly divided by who owns the land available for housing development. The Council estimates that it has 104 hectares of housing land – both general fund and housing revenue account – capable of carrying 3,200 new homes. These sites vary from lower value outer suburban to high value city centre. A number of these sites/zones are already the subject of detailed feasibility work (e.g. Hengrove). In the short run the Council will be taking forward 21 of the highest priority sites, seeking outline consent and then determining the most effective route to market, including development through the new vehicle. In addition to Council-owned sites the HCA has control of approximately 10 sites capable of delivering approximately 900 homes. For the first time the Council will also be taking an active role in promoting private sites, either where there is no known developer or development status, or where a site has

become stalled, post-planning. A key feature of the new approach is the proposal to establish a single multi-disciplinary delivery team holding responsibility for all housing developments. The Council's new approach is intended to be embedded through a new Housing Delivery Plan to be approved by Cabinet. The capacity and capability of the new team will take time to develop, including recruitment of additional staff. It is anticipated that some of the expertise that will be required to develop the programme for the new vehicle could be provided by the Council's multi-disciplinary team. It is however likely that this resource will need to be complemented by additional capacity, most likely from the private sector, if it is to play a proactive role in the delivery of new homes. This includes ensuring that sufficient strategic capacity is available to drive governance arrangements for any vehicle set up.

2.8. INVESTMENT OBJECTIVES

There are a number of key themes that occur in the strategic context considered. These have been consolidated into key Investment Objectives that arise from the context for the establishment of the new housing delivery vehicle are these set out below. These form the crux of any decision by BCC to invest in a new housing delivery vehicle.

Investment Objective
Efficiency
Maximize benefits of Council human and financial resource
Effectiveness
Accelerating the delivery of new homes at pace
Increase numbers of homes to meet objectively assessed need
Maximize housing outputs and financial benefits of site development.
Create ability to hold assets and generate long term revenue returns
Providing choice of affordable housing
Developing sites that improve the sense of place and environment
Supporting skills, training and apprenticeships
Narrowing the equality gap

2.8.1. ALIGNMENT WITH POLICY OBJECTIVES

The objectives set out for the new vehicle were derived from the Mayor's manifesto and draft Corporate Plan. They are aligned to the overall objective of delivering more homes, 2,000 by 2020 and doing so at pace. In addition, with appropriately conceived and developed housing schemes, they will also meet wider corporate objectives, such as:

- Promoting brownfield sites.
- Creating sustainable communities.
- Supporting Community Initiatives e.g. Self-build.

2.9. EXISTING ARRANGEMENTS

As highlighted in section 2.7, the internal arrangements for the Council's housing programme are in transition and will take time to develop capacity and expertise. Whilst recognising an element of direct development within the HRA, the existing arrangements are generally based on the Council taking a role as a facilitator of development by disposing of sites. Moving to a more proactive role would require additional capacity and expertise which could either be recruited (which would take time) or gained through partnering with the private sector.

2.9.1. BRISTOL CITY COUNCIL

Resourcing – An Affordable Housing Delivery Team along with three Development Managers within the corporate property team progress disposal of sites, though in the near future some of these key resources would be part of the new inter-disciplinary team – see 2.7. In addition there is a construction management team within the HRA, and a number of other staff associated with housing

development, such as planners, urban designers, solicitors. Recent work has set a plan to establish a single multi-disciplinary housing delivery team with responsibility for all housing developments, regardless of source.

Approach – The former principal delivery route used by the Council is to dispose of surplus sites to private sector developers and Registered Providers. This model draws finance and development expertise of the private sector and typically results in the transfer of land away from the Council, with an RP owning any affordable rented housing redeveloped on the scheme. Control is achieved through ‘subject to planning’ deals and traditional Development Agreements. There is a proposal to secure planning consents for future surplus sites prior to determining the appropriate development route with the costs of that work funded from future capital receipts.

Delivery of housing – over recent years the property team has disposed of around 4 sites per annum with capacity for 350 homes. Resourcing has however been limited to one FTE focussed on housing sites and it is expected that the increase in human resource between 2.5-3 FTEs could increase the capacity of sites sold per annum to 750 homes (10 sites).

Financial returns – Sites are generally sold in return for capital receipts.

Holding assets – Residential assets cannot be held in the General Fund and therefore any residential interests are limited to ground leases. The Council therefore has little or no influence on the nature/tenure of housing developed over the medium to long term.

Financing – Activity is funded through revenue funding within the Council’s General Fund. The Council can borrow to invest through the Public Works Loan Board (PWLB) but does not do so at present in relation to housing development. Enabling costs can be funded from capital receipts.

BCC Financial - Bristol City Council is currently working to balance its budget this year and next along with a more developed five year plan. There are currently no assumptions built into future budgets for a new housing delivery vehicle beyond £9m included in the capital programme. However, the capital programme is currently being refreshed and prioritised allowing an opportunity for the administration to direct greater financial resource towards its housing objectives. The current assumption is that any case for investment must demonstrate no adverse impact on the general fund and a very robust business plan will need to be developed to demonstrate this can be achieved.

2.9.2. BRISTOL CITY COUNCIL HRA

Resourcing – Total of 14 staff including Development Managers, Construction Project Managers and other technical skills. Experience mostly focused on small scale housing schemes, but currently proposing 140 unit cross-tenure development and previously led a partnership scheme to develop 330 prefab across 10 sites with 1000+ cross-tenure homes.

Approach – Use of revenue surpluses, capital receipts and possibly headroom within the HRA borrowing cap to develop small scale housing schemes. One larger scheme at Alderman Moores currently being proposed.

Delivery of housing – the team currently progresses an average of 10 sites and 60 residential units per annum

Financial returns – Private units are disposed of on the open market but the majority of units developed are affordable which are held within the HRA and rent is collected from social rented units.

Holding assets – Social rented units are held within the HRA and current stock extends to 27,200. This stock is being increasingly eroded due to sales through right to buy at a rate of 200 units per annum.

Financing – The HRA can borrow to fund projects within the HRA borrowing cap which provides for £12 million further borrowing only. Current commitments at Alderman Moores mean no further significant resources available to upscale housing delivery within the HRA. It can also utilise its annual revenue surplus of circa £6-7 million to fund acquisitions of affordable units as well as right to buy 1-4-

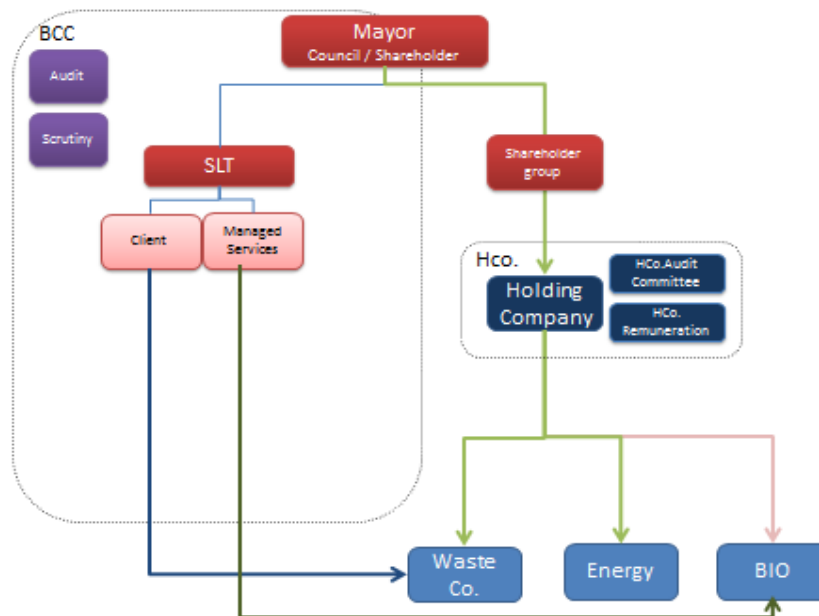
1 receipts settlements which can fund up to 30% of the build costs of new affordable units (currently circa £2 million) – so total of £8-9m available p.a.. N.B. there is insufficient land available in the HRA to build the level of affordable homes the HRA has financial resources to support.

2.9.3. BRISTOL TRADING COMPANIES

As an approach to the establishment of entrepreneurial enterprises the Council has explored the potential commercialisation of services, assets and opportunities, in some cases through the formation of trading and / or joint venture companies. The establishment in 2015 of the **Bristol Holding Company** and its subsidiary companies **Bristol Energy**, **Bristol Waste** and **Bristol is Open** is the first tranche of these.

The establishment of the Holding company and its role is a central element of the commercialisation agenda of Bristol City Council. The Holding company enables the shareholder (Bristol City Council) through the executive powers of the Mayor and scrutiny governance arrangements to exercise shareholder control ensuring the direction of the Holding company and its subsidiaries align with the ethos of the Council and delivery of services. In addition the establishment of the Holding company enables the subsidiary companies the freedom and speed of decision making to compete in the private market. In effect the Holding company becomes the interface between the Council and the companies as outlined in the diagram below. The existence of the Holding Company and the potential to incorporate a new housing vehicle has been one of the factors taken into account when evaluating options. As part of the development of the Detailed Business Case for the new vehicle the Council will need to consider its strategic capacity to provide effective governance to the Holding company, the existing trading companies, as well as the new housing vehicle.

Organisational Structure – Council Owned Companies



2.9.4. STAKEHOLDERS

Bristol Property Board – A forum made up of public sector bodies with property assets in the Bristol City Council area including Bristol City Council, two representatives from the business community (Alder King, JLL), HCA, Government Property Unit, University of West of England, and Bristol Clinical Commissioning Group with a supporting stakeholder group of representatives from Avon and Somerset Police, University of Bristol, South West Ambulance Service, NHS Property Services, Avon Fire and Rescue, Avon and Wiltshire Partnership, Avon and Wiltshire Mental Health Partnership NHS, University Hospitals Bristol, North Somerset and South Gloucestershire Community Health

Partnership, Community Health Partnership, Bristol Community Health, and North Bristol Health Trust. The key aims are to

- Improve release of property for regeneration and raise receipts from surplus land and buildings.
- Reduce total occupied space to enable the public sector to lower its property running costs and target cost reduction and carbon reduction.
- Improve customer access, quality, organisational communication and working dynamics by bringing together uses in the same property.

This enables a strategic cooperation relating to the use of property, whilst the ownership of the assets remains with the relevant body.

Private Developers & Contractors – Private developers and contractors provide affordable housing through the planning system either through affordable housing provision or S106. Quality and design is driven through the developer's corporate priorities and the requirements of the Local Planning Authority. The Council's report summarizing the housing market in 2015 highlights 14,881 net dwelling completions between 2006 and 2014. Of this figures a total of 2,379 were affordable dwellings comprising 1,606 through housing association/local authority, and 773 completed through Section 106 agreements, as part of private housing developments. Affordable housing therefore makes up about 16% of net new housing in Bristol since 2006. This points to a consistent picture of private developments not providing a policy compliant mix of affordable housing, most likely justified on viability grounds. The reductions in social rents announced in the Autumn Statement 2015 and introduction of starter homes initiatives has reduced the level of provision via s106 contributions further.

Registered Providers – Not for profit private and voluntary organisations that own/let/manage rental housing and affordable home ownership homes for people in housing need plus market housing. As the holder of approx. 11,000 affordable homes in Bristol Registered Providers are key partners in delivering housing ambitions including increasing the housing supply, especially affordable housing. The sector has, in recent years, considered ownership of PRS units to mitigate the impact of Government policy on social rents.

Communities – Both residents and the wider community are stakeholders in the long term sustainability, longevity and success of a scheme and local area.

2.10. BUSINESS NEEDS

The analysis of the status quo highlights that the current system is not delivering on the ambitions set out in the Mayor's priorities. The preferred way forward established through this Strategic Business Case therefore needs to identify how to use a new vehicle to help, as part of a package of initiatives, move from the status quo to the ambition and investment objectives. In order to achieve this shift, the solution adopted will need to have the following capabilities:

- Introduce additional human resource (quantity and expertise) that will be sufficient to bring forward development at more sites to realise the ambitions for housing outputs on Council development pipeline. A description of the wider programme, and how the vehicle will fit into that, is set out at paragraph 2.7 above. That programme has in scope all council-owned residential development sites, and the approach to developing each site or cluster of sites will be set out over an expected 5 year period, with annual reviews.
- Identify / attract additional financial resources over and above the £9 million identified to fund predevelopment and development costs and upscale the Council's role in delivery of housing currently constrained by the HRA borrowing cap and approach adopted within the General Fund. This will require finance to develop multiple housing sites to achieve housing outputs whilst remaining affordable for the Council

- Create a new vehicle that facilitates the management of financial risk and demonstrates financial sustainability for the Council over the short, medium and long term of the programme.
- Establish a structure that enables the Council to hold and derive a revenue benefit from residential assets to support the General Fund revenue budget.
- Develop an approach that creates a balance of control mechanisms that results in more certainty over housing outputs for the Council in terms of quantity and quality.
- Significantly increase the supply of affordable homes in rented and home ownership sectors through a viable business model.
- Align private sector partners to develop numbers of private and affordable homes that contributes to identified need and timing.
- Establish a vehicle that can access opportunities beyond the current Council portfolio through working with public sector partners, and acquiring assets. This is due to the finite size of the Councils development pipeline in comparison to housing challenges faced in Bristol.
- Leverage the Council's role in housing delivery that create new training, skills and apprenticeship opportunities that meet the needs of Bristol.

2.11. MAIN BENEFITS CRITERIA

The evaluation of the long list of options in Section 3.3 is a qualitative exercise. The short list evaluation is however based on a cost-benefit analysis. The table below sets out the key benefits that are relevant to the Councils investment objectives, type of benefit, relative value and relative timescale – these form the basis of the cost-benefit analysis.

Investment Objective	Benefits	Type	Relative Value	Relative Time
Efficiency				
Maximize benefits of Council human and financial and resource	Use of £9m as equity can be used as match funding to maximise leverage	Cash releasing	High	Short
	Sufficient resource that is highly focused on a specific set of housing related objectives	Qualitative	High	Short
Effectiveness				
Accelerating the delivery of new homes at pace	Numbers of new homes	Quantitative	High	Short
	Reducing cost of temporary accommodation	Qualitative	Medium	Short /
Increase numbers of homes to meet objectively assessed need	Numbers of new homes and affordability	Quantitative	High	Long
Maximize housing outputs and financial benefits of site development.	Returns to the Council	Cash releasing	High	Short
	Reduce risk of right to buy	Qualitative	Medium	Long
	Ability to control long terms use of homes through letting policy and tenure options	Qualitative	Medium	Long
	Opportunity for vehicle to contract services from the Council e.g. Management	Cash releasing	Low	Long
Create ability to hold assets and generate long term revenue returns	Ability to hold residential assets, retaining long term value and generate long term revenue for the General Fund	Cash releasing	Medium	Short
Providing choice of affordable housing	Number of affordable homes	Quantitative	High	Long
Developing sites that improve the sense of place and environment	Improve control over quality of homes and schemes that create quality of place	Qualitative	Medium	Long
Supporting skills, training and apprenticeships	Improve education levels	Qualitative	Low	Medium
	Increase number of jobs	Quantitative	Low	Short /
Narrowing the equality gap	Improve social mobility	Qualitative	Medium	Long
	Number of affordable homes	Quantitative	High	Long

2.12. MAIN RISKS

In progressing housing delivery there are a number of risks that are relevant to the business case. These are categorised as:

- Business Risks – risks to BCC that cannot be transferred to a 3rd party.

- Service Risks – risks focused on design, development and operational phases which can be shared between BCC and a partner.
- External Environmental Risks that cannot be directly controlled by BCC or a partner.
- Regulatory risks – changes in Government policy?

The following table sets out risks under each category together with summary details of impacts to likelihood and mitigation. They are considered in detail in the risk assessment of the short list options in section 4.3.

Risk Category	Risk	Impact	Mitigation - commentary
Business Risks - risks to BCC that cannot be transferred to a 3rd party	Change in Council housing strategy or policy	Conflicts with objectives the vehicle established for and either stalls supply of sites, delivery or support. Vehicle is therefore either ineffective or redundant	Focus vehicle on key long term housing challenge and arms length to protect from day to day lower level political / organisational changes
	Reputational risk of non delivery	Council seen to spend public money and not deliver on objectives	Communication strategy
	Risk of conflicting Council objectives stall delivery e.g. Quality vs. Financial returns vs. Affordability	Stalled delivery, higher operational and pre-development costs, mixed outcomes	Focus on key outcomes and negotiate approach in advance, approach only updated through periodic business planning process and can only impact future sites prior to transfer from the Council
	Private sector is not attracted to either partnership or site opportunities	Supply chain not available to establish preferred vehicle and therefore nothing comes forward	Mitigated through soft market testing and structuring of clear, simple proposition
	Change in local authority funding / financing rules	Impacts supply of sites, availability or cost of council finance, viability of schemes, reduction in housing outputs	Vehicle has flexible source of funding and can be financially sustainable, value taken regularly by the Council as shareholder, fixed rate borrowing
	Complexity of vehicle established takes a long time to establish	Delay in first sites coming forward, limiting market interest	Respond to short term supply constraints through wider council housing delivery programme
	Non performance of partner / developer / contractor	Non delivery of housing outputs, cost of aborted processes, need for Council step-in or procurement	Rigorous due diligence at partner selection, panel approach to create options, termination clauses in contract
Service Risks - risks focused on design, development and operational phases which can be shared between BCC and a partner	Vehicle established is not fit for purpose in resource terms and vehicle does not operate effectively in delivering number or quality of homes. Inadequate resourcing could relate to capacity or expertise	Delay in sites progressed, reduction in quality of works, risk of repayment of any financing, ineffective spend and likely increase in operational costs	Mitigated through business planning and role of Council influence and clear identification of deliverable resourcing within the vehicle through employees and/or partnering arrangements
	Planning permission on sites is delayed or not forthcoming	Delay in sites progressed, increase in pre-development costs	Mitigated through strong resourcing and quality of work pre-development
	Build risk - timing and quality	Delay in delivery of homes against projections, higher long term maintenance costs	Due diligence, managing risk by site
	Risk of cost inflation for construction and skills	Reduces viability of schemes and financial or affordable housing outcomes	Robust sensitivity analysis to consider headroom, regular forecasting as part of business plan process, more control and expertise provides choices for value engineering
	Risk in movement of market values	Poor performance of residential market	Sale of units to HRA or change affordability, hold for income at market or affordable rates rather than sell, robust sensitivity analysis. Put in place pre-completion sales agreements
	Increasing finance rates or changing funding conditions - public or private sector	Reduces viability of schemes and financial or affordable housing outcomes	Flexibility of sources for finance to ensure best rates can be accessed, robust sensitivity modelling, fixed rate borrowing
	Sites put through the vehicle are complex and fundamentally challenged in technical and/or viability terms and therefore costly and have long term timetables	Reduces viability of schemes and financial or affordable housing outcomes, limits market interest, higher financing rates to reflect pre-development risks, delays housing delivery	Due diligence to understand risks on sites to ensure expectations are not unrealistic, more prominent role of the Council to de-risk. Support through other infrastructure funding eg HCA
	Securing vacant possession of sites	Increase costs and delay of housing delivery	Due diligence and appropriate expertise
	Vehicle established does not operate effectively e.g. Complex contractual arrangements, partnership, objectives	Stalled delivery, costly dispute resolution, poor working relationships either between partners or with shareholders	Establish clear objectives upfront that are mutually acceptable and process of dispute resolution
	Higher operational costs of vehicle than envisaged	Impacts viability of business model and returns to the Council	Benchmarking against resource requirements and other examples, robust sensitivity analysis of business model, robust business planning processes
	Risk of product not meeting market needs	Slower sales rates increase financing costs and delay receipts which may be targeted for reinvestment in the programme	Market facing input from experts at design stage. Build in tenure flexibility to respond to changing market conditions.
	Risk of product not meeting housing need	Vehicle not seen to be delivering for local people and therefore reputational risk, occupancy risk which impacts financial viability of vehicle business plan	Housing need present across tenures and need assessed on periodic basis, feedback from vehicle into housing need development as key stakeholder
	Maintenance costs of assets held higher than anticipated	Reduces net income to vehicle and impacts business plan	Benchmarking against resource requirements and other examples, robust sensitivity analysis of business model, robust business planning processes
	Risk that vehicle does not enable new construction techniques to be adopted	One sizes fits all means that Council support for the vehicle dampens resulting in reduction or cessation in supply of sites or funding, vehicle fails to access benefits of solutions that may offer cheaper, quicker or higher quality housing solutions	Objectives set out that commit to constant review of products available and adoption where viable and benefits in line with objectives. Multi faceted approach to delivery
Skills / apprenticeships and training provisions do not align with established and future need	Socio-economic benefits not maximised for Bristol and initial strategy / plan becomes not fit for purpose and loses relevant / support over time	Training and skills plan is a live document and adapted annually, created in consultation with key Council services and external education and community organisations	
External Environmental Risks - that cannot be directly controlled by BCC or a partner	Wider legislative change e.g. SDLT, Corporation Tax	Increase costs to the Council / vehicle and impact on viability of business plan and Council financial returns and / or housing outputs	Flexibility in delivery model to adapt to new regime
	Changes in legislation lead to increase in build costs or future requirements for upgrades	Higher build costs reduces scheme viability and financial / housing outputs or delays scheme progress, future maintenance or upgrade costs unexpected and higher than planned impact financial viability of vehicle business plan	Monitoring of changes, identification of approach and budget for refurbishing stock held, consideration as part of tenure / service charge arrangements, quality of management resource
	Risk of economic recession and activity within the development sector	Skills shortage and impact on supply chain driven by national picture stalls housing delivery in Bristol	Flexibility in delivery model to adapt to new circumstances e.g. Greater role for Council in development and flexible approach to tenure

2.13. CONSTRAINTS

The project is subject to the following internal constraints:

Development pipeline – A total maximum pipeline of 30 sites, currently allocated for housing or mixed use, and in the region of 3,200 units that could be delivered through a new housing delivery vehicle. Any additional capacity would need to be acquired third party interests or delivered with public sector partners. Further Council sites may become available when reviews of land allocations take place.

HRA Funding – the contribution of the HRA to new housing delivery is constrained by its borrowing headroom in terms of direct delivery by the HRA; annual revenue surplus in terms of acquisition of new affordable units; and, spending restrictions on 1-4-1 right to buy receipts.

Council resourcing – The Council, when it set its 2016/17 budget in February 2016 agreed to allocate £9M towards the delivery of new homes through new mechanisms. Subject to how this finance is treated and formal approvals this will be available to the new vehicle as an investment fund. The council also intends to fund pre-development work out of future capital receipts on a range of sites, such that the vehicle will be able to benefit from grant of outline planning consent as a critical element in de-risking the sites it will take forward. Subject to the detailed business plan for the vehicle it may also be able to build new Council homes (to be funded by the HRA) for which the Council will be a guaranteed purchaser.

Council resourcing is constrained at both operational and strategic levels. Both would need additional capacity and expertise if a committed and proactive role is to be played in delivery or strategic governance arrangements for a new vehicle.

General Fund borrowing – one of the explicit objectives of the vehicle is that it will not have a negative financial consequence for the Council – it will be at worst neutral, and depending upon Business Plan performance, potentially positive. Borrowing does not finance capital expenditure, it provides the cash but a resource still needs to be identified to repay the borrowing. The Council can only borrow if it can demonstrate that it is affordable to do so. It therefore needs to be able to identify how borrowing would be financed, for example through:

- Generating capital receipts from asset disposals;
- Securing capital grants and contributions;
- Creating headroom or generating income in the revenue budget.

The Council also needs to consider whether such borrowing levels are prudent (the S151 Officer's responsibility is to advise members in this regard), through risk assessment and comparing financing costs as a proportion of net revenue streams (this is a judgement and does not have formal limits). Checks are also carried out against the Council's authorised limit for borrowing (an absolute limit set by Full Council in advance of the financial year). The limit is based on the Council's capital financing requirements and therefore could be revised upwards by Full Council on the advice of the S151 Officer, if such borrowing was deemed to be affordable and prudent.

2.14. DEPENDENCIES

Supply chain – Regardless of housing delivery vehicle adopted a supply chain will need to be available and accessed either by the Council, by a partner or by a new vehicle. Availability, cost and market sentiment will need to be monitored and managed.

Labour market – The option selected will be dependent on attracting high quality individuals with sufficient expertise and in sufficient numbers to deliver objectives. E.g. recent years have seen constraints in those with 4 – 8 years' experience due to reduction in recruitment and training during the 2008 recession.

External sources of finance – Availability of finance could be sourced from council borrowing (PWLB or municipal bonds) or on debt markets. Subject to the final form of the vehicle, joint venture partners may also bring both equity and debt finance. Finance rates and availability are determined

externally to the project and therefore need to be monitored with appropriate mitigation action undertaken to manage impact. The emergence of various forms of ethical loan, including locally raised investment finance from the Bristol and Bath Regional Capital CIC, may also be available to it.

Training, apprenticeships and skills requirements – The demand for skills, training and apprenticeships will be shaped and driven externally to the project and need to be monitored. The Council runs a construction apprentice scheme, On Site, which could benefit the vehicle, and vice versa.

City Region / devolution – Discussions continue in relation to greater devolution of powers from the UK Government. This could result in the creation of a West of England city region with a separate mayor. Devo 1 will create an infrastructure fund that may be able to benefit the vehicle. It is anticipated that there will be devolution of other powers and resources in later rounds of devolution, which have the potential to benefit the vehicle.

Government Policy – recent years have seen significant changes in local authority funding and powers as well as continued changes to affordable housing. Housing is a continued focus for the UK Government and therefore changing policy needs to be monitored. A Housing White Paper is anticipated early 2017 which will need careful scrutiny for both positive and negative impacts. The recent change of approach signalled in the 2016 Autumn Statement suggests a policy shift towards support for various forms of sub-market rental housing, with much less emphasis on subsidising owner occupation. As a direct developer the Council is significantly constrained by virtue of the rent cap (applying to all social landlords) and also the borrowing ceiling, and has few significant sites within the HRA in its control. The effects of changes to the benefits system (especially housing benefit capped at LHA rates) and the introduction of universal credit are also government policies with significant challenges with risks for councils and other owners of social housing.

3. ECONOMIC CASE

3.1. INTRODUCTION

This section of the Strategic Business Case documents the wider range of options that have been considered in response to the potential scope identified within the strategic case. The long list evaluation has largely been qualitative in nature on the basis of the professional judgement of LSH together with sub-consultants Grant Thornton and Bond Dickinson and the Steering Group – this was also informed by an indicative appraisal of sample sites and headline knowledge of the Council’s pipeline. The long list evaluation considers options against a series of quantitative and qualitative Critical Success Factor criteria to establish suitability against Council priorities.

The short list stage is a more detailed cost-benefit analysis which includes an evaluation of a range of benefits and costs together with an assessment of risk. The benefits identified and utilized for the purpose of the evaluation align with and flow from the Council investment objectives and Critical Success Factors. The short list evaluation comprises an evaluation of qualitative benefits, quantitative benefits (financial and non-financial) and an appraisal of risk.

3.2. CRITICAL SUCCESS FACTORS

The key Critical Success Factors (CSFs) for the housing delivery vehicle project were developed at an options workshop held at City Hall on 29th September 2016. Attendees included Council representatives from Housing services, Major Projects, Housing programmes, Property, Legal, Finance and Development and Enabling.

These CSFs are linked to the Investment Objectives outlined in the Strategic Case and have been used to evaluate the long list of options considered.

Qualitative CSFs

Criteria	Comment	Priority
Degree of BCC corporate control in relation to housing outputs (pace, numbers and mix)	The vehicle can maximise homes delivered and particularly contribution to 800 affordable units per annum by 2020 The Council determines housing deliverables on a programme basis to provide flexibility on site by site level. BCC has either direct or indirect control to ensure marginal sites are delivered and cherry picking does not occur Pace and speed of delivery.	High
Adequacy of human resource to meet the ambition around housing outputs – timing and quantum	Through a combination of corporate resource, HRA, recruitment and private sector support / partnership Fitness for purpose of resources The vehicle can progress multiple sites and secure delivery of housing by 2020	High
The vehicle can contract with public and private sector partners	The vehicle is a commercial entity that can provide services and enter into contracts and transactions with public sector and private sector partners	Low
Marketability of the proposition	Attractiveness of the proposition to the private sector and recognise the current climate of stretched private sector partner resources and caution over expensive procurement processes Attractiveness of pipeline to parties.	High
Ability to secure wider objectives and drive innovation	Skills, apprenticeships, digital/tech, temporary housing	Low
Vehicle to be resourced to take commercial decisions and operate at pace within agreed parameters	Vehicle has the powers and resource to be able to take decisions Vehicle is able to take decision on acquiring assets subject to funding Control in relation to parameters for use of £9m Can be protected from political changes	High

Quantitative CSFs`

Criteria	Comment	Priority
Ability to manage level and nature of potential financial exposure in pipeline	Estimated pre-development and development costs Ability to manage peak debt	High
Funding to the vehicle can be optimised on a business case basis and ensure Value for Money	The Council has option to lend to the vehicle on a business case basis Re direction of financial surpluses to housing outputs / cross-subsidy The vehicle can utilise s106 commuted sums Vehicle utilises HRA revenue and RtB funding streams to deliver housing outputs Vehicle can pre-sell social rented units to the HRA Vehicle can raise finance through the debt market	High
Ability of vehicle to hold assets	Vehicle can hold and generate revenue from assets Vehicle can hold residential assets for commercial purposes	Medium
The vehicle optimises risk profile for the Council	Mitigates risk of timing and quantum of housing outputs Minimises Council exposure to cost and market risk in early years Provides flexibility for the Council to balance risk and return over the programme	High
The vehicle is predicated upon prudent borrowing assumptions for the Council	Control risk around council borrowing and risk associated with it	High
Positive /neutral impact on Council's general fund revenue budget	Control of adverse impact on future financial risk on Council's general fund revenue budget Description and indicative level of borrowing requirements and any potential mitigation through revenue generation and capital receipts Value for Money and best use of HRA assets	High
Procurement / set-up costs	Procurement route including process and complexity Internal, external (legal, surveyor, financial)	Low

3.3. LONG LISTED OPTIONS

The long list of options was generated and discussed and agreed at a Steering Group workshop on 6th October 2016. The evaluation was undertaken by both LSH and the Steering Group on 28th November 2016 in accordance with how well each option met the investment objectives and CSFs.

3.3.1. SCOPING OPTIONS - INTRODUCTION

The range of options considered included various approaches for the role of the public and private sectors and different funding options for the new housing delivery vehicle.

Numerous options and permutations are possible; however, within the broad scope outlined in the strategic case, the following main options have been considered:

- Site disposal (Status quo)
- Site disposal with site by site DA (identified as 'do nothing' for comparative purposes)
- Corporate Joint Venture (priority return)
- Corporate Joint Venture (50/50 with matching equity) – site by site or programme
- Programme level contractual Joint Venture
- Wholly Owned Company
- Income strip
- Council led development- HRA and General Fund.

3.3.2. SCOPING OPTIONS - EVALUATION

This section highlights the main descriptions of the main options with advantages and disadvantages and identifies those shortlisted. Detailed scoring of the evaluation is set out in section 3.3.3.

3.3.2.1. SITE DISPOSAL (STATUS QUO)

Headline Description – The Council sells development sites to developers and RPs with no DA in place. Transactions occur as land deals and no positive control is exerted on timing or mix of homes. Pure land sale falls outside formal OJEU procurement. The Council is required to demonstrate Best Consideration subject to affordable housing and State Aid considerations. This is part of the existing approach for the Council.

Main advantages –

- Provides capital receipts
- Expertise and labour provided from existing resource in house and can resource multiple sales in this way
- Low cost and low financial risk

Main disadvantages –

- Council cannot hold residential assets and unless ground rental deals are entered into no revenue returns are received
- Only has control over affordable housing delivery through planning system and this is subject to viability and a return to a developer which in most cases reduces the number of affordable homes below policy level
- No control over timing and mix of homes or delivering wider objectives to the city
- No ability to create a strategic vision around the Council's role in housing delivery.

Conclusion – Not taken through to shortlist

3.3.2.2. SITE DISPOSAL WITH SITE BY SITE DA

Headline Description – Sale of sites with development agreements in place to provide control over the outputs, usually taking the form of a conditional disposal on set terms. OJEU compliance will be required if control is sought but this will depend upon the extent to which positive obligations on the developer are required. Best consideration requirement subject to affordable housing and State Aid considerations. Risk/reward is largely favour of partner and any uplift in value of the site generally favours development partner although part captured through overage. Any control include within the DA is largely passive in nature. The approach requires a time intensive process if procurement is site by site however a developer panel could be procured to expedite site by site delivery. Future strategy is to require a minimum level of affordable housing through this model.

Main advantages –

- Once a DA is set up, low cost and low financial risk
- Some control over development – written in the DA and can drive timing of development and mix
- Provides capital receipts to the Council

Main disadvantages –

- Council cannot hold residential assets and unless ground rental deals are entered into no revenue returns are received
- No ability to create a strategic vision around the Council's role in housing delivery.
- No ability to trade with public sector partners
- Time consuming if a site by site DA is required and unattractive to the market for low value opportunities.

Conclusion – Taken through to the shortlist as assumed 'do nothing' option for comparative purposes.

3.3.2.3. CORPORATE JOINT VENTURE (PRIORITY RETURN)

Headline Description – Joint Venture set up where the Council puts in land and the Private Sector Partner (PSP) contributes finance. The JV provides the pre-development services then the housing is delivered under scheme specific Special Purpose Vehicles. OJEU process dependent on whether there is a direct contractual obligation to do works between the Council and the JV vehicle. However, with the investment partnership route (non OJEU) it must be recognised that decisions are taken within the JV and not imposed from above by the Council. The investment partnership route does still require a non-OJEU competition in order to drive competition and demonstrate best value/consideration. However the process is not as unwieldy as a full procurement.

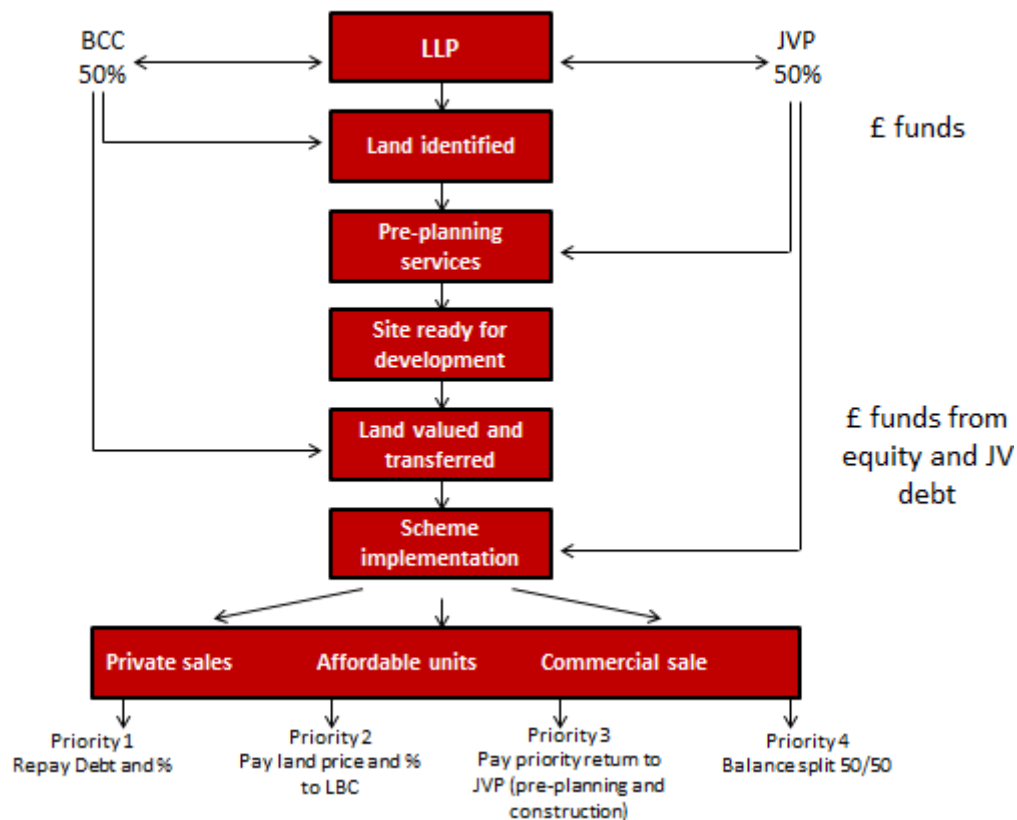
- Market value of the BCC land is agreed following the pre-planning services and with the benefit of vacant possession.
- Land is transferred with no land receipt and BCC have a charge over the site.

- The JVP provides equity and sources debt to deliver the scheme
- Finance on land value is rolled up until scheme completion in the form of a loan note
- Senior debt provider has first priority return being the re-imbusement of debt with finance rate (and likely first charge) with some schemes the authority and the PSP have provided the senior debt.
- On scheme completion the Council's land value takes second priority and is the first payment from capital receipts after senior debt.
- PSP takes 3rd priority payment being the re-imbusement of pre-planning costs, profit on these costs and overall profit in return for market and construction risk
- BCC shares scheme surplus after these priority payments 50/50

The returns are then paid back on a priority basis on the following hierarchal basis:

1. Senior Debt Provider
2. Council based on pre-agreed land value (including rolled up interest)
3. Joint Venture Partner on pre-planning and construction costs inc profit on these costs and overall profit in return for market and construction risk.
4. Council and JVP on a 50:50 basis on remainder

Priority Model



Main advantages –

- Ability to bring in development and risk management expertise and resources
- Levering cash investment
- Proactive Council role in delivery through role on the JV – objectives can be embedded into the JV Members Agreement.
- Ability to limit cross contamination of sites.
- Has the ability to trade with public and private sector partners
- Control over the development mix and timing through active role within the JV
- Larger pipeline can drive down profit requirement from the private sector to be reinvested in increased affordable housing

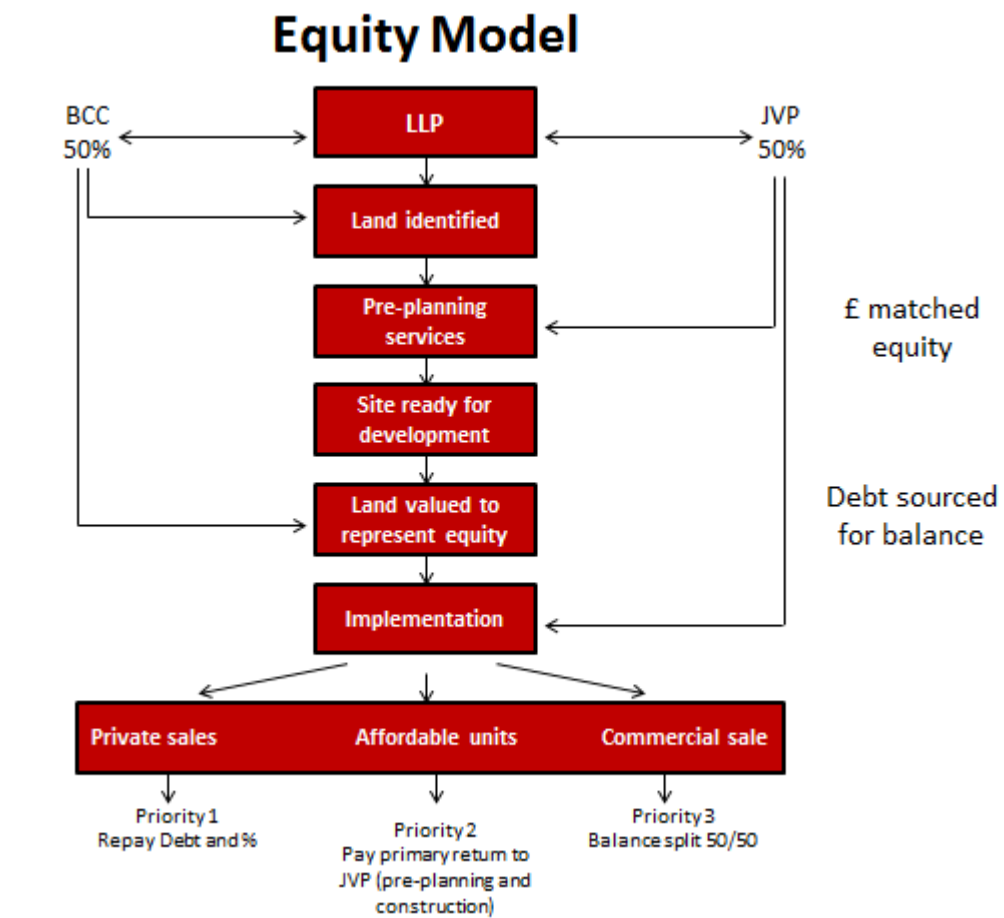
Main disadvantages –

- Council to lose a degree of direct control over its assets albeit that control can be exercised over the Councils control over the JV or (with an investment partnership) influence within the JV.
- Higher procurement and set up costs due to more complicated structure
- Loss of some of the profits and surplus to the private sector
- Council needs to drive site selection and packaging to ensure cherry picking does not occur
- Significant pipeline and opportunity required to justify OJEU procurement for the many potential partners (though less of a concern if the investment partnership route is adopted)
- Risk that single partner does not perform.

Conclusion – The ‘priority return’ JV is taken to shortlisting stage.

3.3.2.4. CORPORATE JOINT VENTURE (50/50 WITH MATCHING EQUITY) – SITE BY SITE OR PROGRAMME

Headline Description – Joint Venture set up where the Council put in land and the Private Sector Partner (PSP) puts in matching finance. The JV provides the pre-development services then the housing is delivered under scheme specific Special Purpose Vehicles. The land value is the Councils equity in the scheme which is matched by the PSP. The returns are then paid on a 50/50 equity basis with the Senior debt provider having the first priority return then BCC and the PSP split the returns 50:50. If the land value is negative then the Council will be required to input equity to be matched by the PSP. OJEU process dependent on whether there is a direct contractual obligation to do works between the Council and the JV vehicle. However, with the investment partnership route (non OJEU) it must be recognised that decisions are taken within the JV and not imposed from above by the Council. Likely that each party would need to make a 20% equity contribution to achieve a fundable 60/40 debt/equity split.



Main advantages –

- Ability to bring in development and risk management expertise and resources
- Levering cash investment
- Proactive Council role in delivery through role on the JV – objectives can be embedded into the JV Members Agreement.
- Ability to limit cross contamination of sites.
- Has the ability to trade with public and private sector partners
- Control over the development mix and timing through active role within the JV or (with an investment partnership) influence within the JV.
- Larger pipeline can drive down profit requirement from the private sector to be reinvested in increased affordable housing

Main disadvantages –

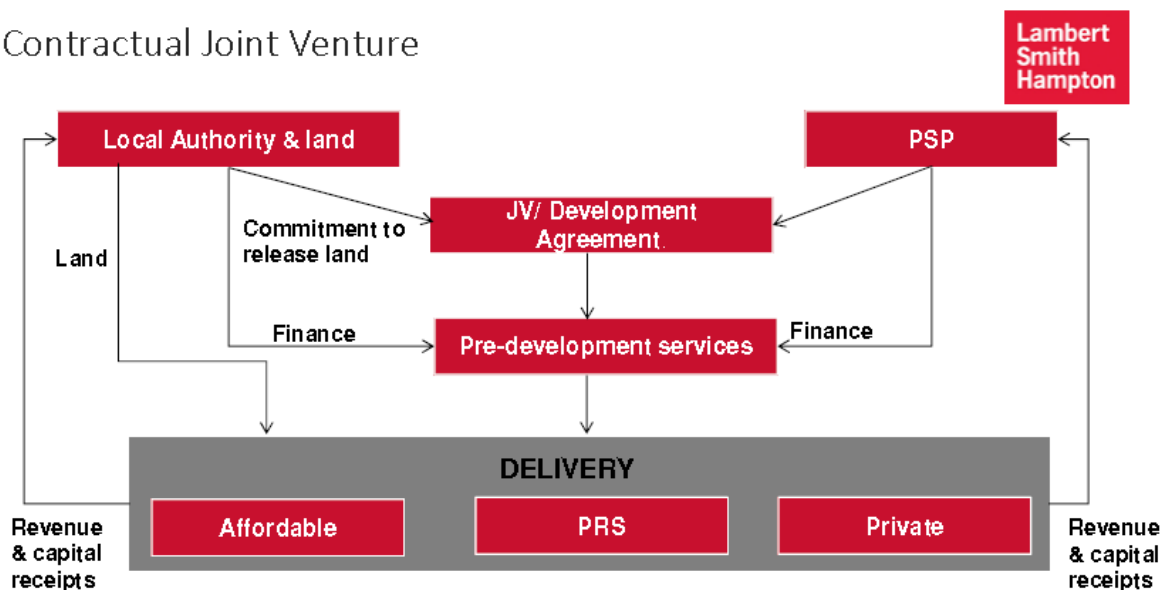
- Council to lose a degree of direct control over its assets albeit that control can be exercised via the Councils control over the JV.
- Higher procurement and set up costs due to more complicated structure
- Loss of some of the profits and surplus to the private sector
- Need to drive site selection and packaging to ensure cherry picking does not occur
- Significant pipeline and opportunity required to justify OJEU procurement for the many potential partners (though less of a concern if the investment partnership route is adopted)
- Risk that single partner does not perform
- The matched equity requirement may mean that the Council needs to include valuable sites or additional equity alongside unviable sites to make the model work which may not be possible given financial constraints and nature of pipeline.

Conclusion – A JV option is progressed to shortlist stage however this is the ‘priority return’ structure outlined in Section 3.3.2.3 due to the nature of the pipeline and the Council’s financial pressures. If the JV is the preferred way forward then the precise balance of equity, risk and return should be considered against a more detailed evaluation of the pipeline of sites at Detailed Business Case stage.

3.3.2.5. PROGRAMME LEVEL CONTRACTUAL JOINT VENTURE

Headline Description – Where a partner is identified with whom a contractual JV is formed through a DA with development services allocated to each party over a programme level as opposed to a site by site basis. BCC could be responsible up to the point of master planning and in this way can establish design parameters that can be maintained through implementation. Land transfer is directly from BCC to partner in return for agreed financial outputs – capital receipts, ground lease income, residential units (if held by WOC). In addition to the Development Management services the JV partner finances scheme delivery through a combination of debt and equity. The Council would expect to receive re-imburement of pre-development costs from the JV partner. The land is transferred on satisfaction of pre-conditions or on completion of the scheme. The JV cannot offer the land interest as security and this will increase pre-development funding costs.

Contractual Joint Venture



Main advantages –

- Have control over the design parameters that can be maintained through implementation through the master planning stage.
- Creates significant development resource and expertise to progress site delivery
- Can make commercial decisions.
- Council can expect to receive reimbursement of pre-development costs from JV partner.

Main disadvantages –

- Cannot offer the land interest as security and this will increase the pre-development funding costs.
- Not as much control as the other JV structures and difficult to balance detailed contractual terms with sufficient flexibility to respond to the requirements and viability of different sites across the pipeline
- No ability to trade with public sector partners
- Unable to hold assets but transfer of assets back to a WOC can be built in.
- Higher set up and procurement costs due to complexity
- Would need certainty over size of pipeline and opportunity for the market to justify bidding through OJEU procurement.

Conclusion – Not taken through to shortlist

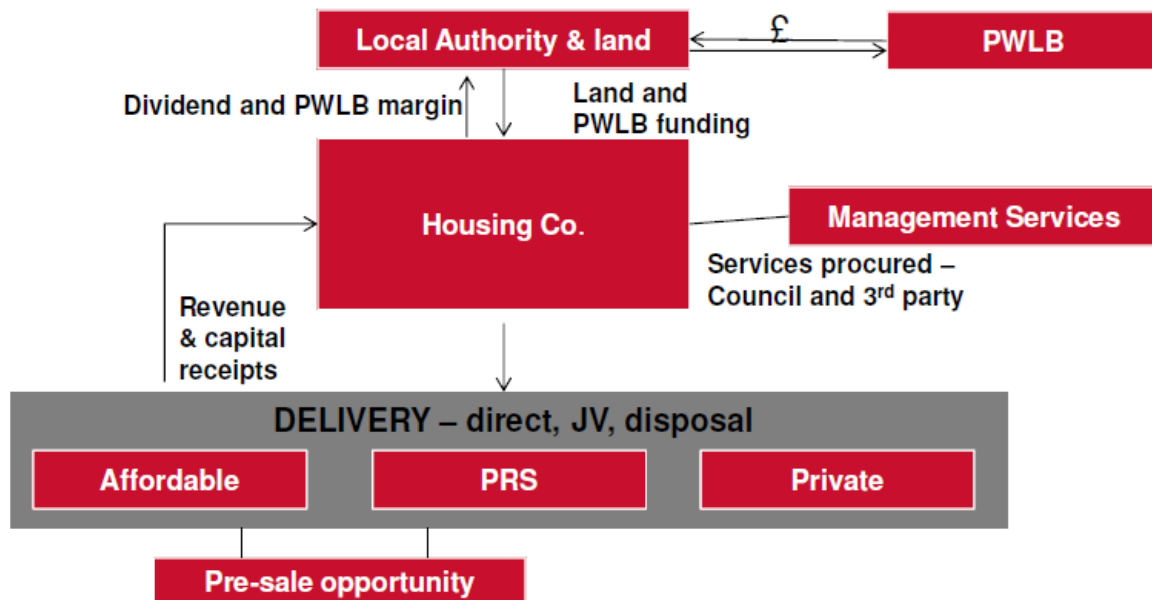
3.3.2.6. WHOLLY OWNED COMPANY

Headline Description – Disposal into a limited liability company in which the Council owns 100% of the shares which can hold assets or engage in development. The Council could provide equity investment in the company through purchasing share capital (e.g. up to £9million). The Council can also use its prudential borrowing powers to lend to the Housing Company (or indeed to provide some of the equity) which would provide a return back to the Council. Flexibility in development and disposal including; de-risking sites and sell to developments, direct delivery of the sites, or develop in separate JV agreements. Best consideration requirement still exists for transfer of assets from the Council to the WOC subject to affordable housing and State Aid considerations.

A WOC is not limited by the constraints of the HRA and can access finance by the Council borrowing through PWLB and on lending to the WOC. The WOC can also access s106 commuted sums for housing, council land and voids, equity investment through the Council purchasing shares, or third

party investment. The Council's Pension Fund could also potentially make a contribution. The WOC can purchase services from third parties and the Council.

Whilst the WOC can be flexible in the manner in which it delivers sites the option considered at long list stage was envisaged as a WOC focused on development activity with the ability to subsequently hold residential assets.



Main advantages –

- Can hold residential assets outside the HRA
- Can engage in development and access development surpluses otherwise flowing to the private sector
- Can retain total control over development outputs including timing and mix of housing developed
- Risk and reward has the potential to be flexed through delivery route
- Financial flexibility to raise debt and equity from a variety of Council and private sources
- Provides an opportunity for the Council to access returns from development outside of the constraints of the HRA
- Retention of ownership and ability to access long term value from housing price inflation and improvement in areas
- Retain control and flexibility for future changes to respond to changing housing needs and changing Council policy objectives
- Can generate revenue returns to the Council through dividend structure and support the Council's General Fund revenue budget
- Employment offer is distinct from the Council and can therefore be more attractive to the market
- No OJEU procurement required to set up the vehicle. The vehicle itself may be outside the ambit of the Public Contract Regulations (PCR) depending on the activities it undertakes.
- Management and support can be provided from within the Council for a fee.

Main disadvantages –

- Requires significant human resource through a combination of employees and external support – this is likely to mean new recruitments, external consultancy support and partnering with the private sector given pressures on existing Council resources
- Financial risk sits with the Council – could create constraints in early years if solely focused on development.

Conclusion – The WOC progresses to the shortlist stage however with a focus on mitigating areas of poor performance within the evaluation.

3.3.2.7. INCOME STRIP

Headline Description – A funding mechanism where the land is sold for a premium to third party (funder) and leased back to the Council (or WOC) effectively creating a lease finance structure (alternatively, there is no premium and the third party finances and controls the construction). Any profits in the WOC might be returned to the Council in the form of dividends – these would be generated by the net occupational rent received exceeding the level of rent paid to the investor. The Council (or the WOC) lets and manages housing and is exposed to market risk.

Main advantages –

- Control over type and quality of housing and speed of delivery
- Attractive to the institutional investor sector due to the long term returns from Council backed covenant
- Retention of ownership and ability to access long term value from housing price inflation and improvement in areas
- Retain control and flexibility for future changes to respond to changing housing needs and changing Council policy objectives

Main disadvantages –

- Resources and staffing required as per WOC albeit investor could bring in expertise
- Likely to need to sign up to index linked rental increased which presents a long terms revenue risk for the Council if this exceeds rental growth of assets held
- Council likely to be required at pre-development stage to de-risk development
- Likely procurement via an OJEU compliant process although through light touch competition
- Council likely to have to underwrite rental payments made by WOC to third party landlord. This can lead to State Aid concerns
- Can take a long time to structure financing agreement and overall rate is likely to be higher than PWLB.

Conclusion – Not taken through to shortlist as a programme wide structure but could be utilized on a group of sites if possible within the context of the preferred way forward.

3.3.3. LONG LIST EVALUATION SUMMARY

The long list has appraised a total of eight possible housing delivery options against criteria which define success for the Council. A detailed narrative is included above and the below table summarises the results of this evaluation.

	Land Disposal	Disposal with DA	JV Corporate with Priority Returns	JV Corporate with Equity Share	JV Contractual	Wholly Owned Company	Council Led Development	Income Strip
	Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating
1. Degree of BCC corporate control in relation to housing outputs (pace, numbers and mix)	1	4	4	4	3	5	5	5
2. Adequacy of council human resource to accelerate housing outputs – timing and quantum	4	3	3	3	3	2	1	2
3. The vehicle can trade with public sector partners	1	1	4	4	1	5	1	5
4. Marketability of the proposition	4	2	3	3.5	3	5	5	5
5. Ability to secure wider objectives and drive innovation	1	2	4	4	3	3	2	3
6. Vehicle to be resourced to take commercial decisions and operate at pace within agreed parameters	1	1	5	5	4	4	1	4
7. Level of potential financial exposure in pipeline	5	5	3.5	3	4	1	1	1
8. The Council has the ability to optimise funding to the vehicle on a business case basis	1	4	4.5	4.5	3	4	4	2
9. Ability of vehicle to hold assets	2	2	4	4	2	5	2	5
10. Level of financial risk for the Council	5	5	4	3	2	3	2	1
11. The vehicle is predicated upon prudent borrowing assumptions for the Council	5	5	4	3.5	4	4	4	3
12. Positive / neutral impact on Council's general fund revenue budget	3	3	4	4	3	3	3	2
13. Procurement / set-up costs	5	2	2	2	2	4	4.5	3
Score	38	39	49	47.5	37	48	35.5	41
Rating	6	5	1	3	7	2	8	4
Top three structures by score			JV Corporate with Priority Returns	JV Corporate with Equity Share		Wholly Owned Company		

3.4. SHORT LIST

The top two scoring options together with 'do nothing' option identified within the long list evaluation above have been carried forward into the shortlist for further appraisal and evaluation. All the options that were discounted as impracticable have been excluded at this stage. An initial analysis of benefits, costs and risks of the short listed options has been carried out in this SBC.

On the basis of this analysis, the recommended shortlist for further appraisal is as follows:

- 'Do nothing' for comparative purposes – site disposal (with DA)
- Joint Venture – priority return
- Wholly Owned Company.

3.4.1. INITIAL SHORT LIST EVALUATION

The evaluation of the short list at SBC stage includes the indicative amounts for the benefits and costs associated with each of the shortlisted options.

3.4.1.1. FULL DESCRIPTION OF SHORTLISTED OPTION

3.4.1.1.1. DO NOTHING – WITH DEVELOPMENT AGREEMENT

In reality the 'do nothing' approach would reflect a number of different delivery routes being contemplated by the Council. For comparative purposes, the 'do nothing' option involves continuing the existing approach of disposing of sites for residential development by third parties. The Council will enter into DAs with the market to provide a minimum affordable housing percentage of 30% (40% affordable housing is adopted for this financial appraisal). The Council therefore receives residual land value from the disposals. It is assumed that the Council progresses planning on sites prior to disposal and that due to procurement requirements sites are disposed circa every 6 months.

Powers – The Council will largely rely on its powers to dispose of land under section 123 of the Local Government Act 1972 or section 32 of the Housing Act 1985 (and the related general disposal consent). Proper marketing of the opportunity should negate any best consideration and related concerns.

Transfer and ownership of assets – unless a ground rent arrangement is entered into, the ownership will transfer to the developer and the Council will receive payment of the land value as a capital receipt. In complex cases, consideration can be given to a structure where ownership is not transferred until works are completed, with short term occupation for development under licence or short term lease.

Legal Structure – DA and associated s106 agreement. May be conditional on obtaining planning permission or the Council could obtain planning permission first and sell with the benefit of it.

Procurement – if the disposal is carefully structured, the disposal will not be caught by the Public Contract Regulations (PCR). An obligation to build a given number of affordable homes will not normally trigger the PCR. Any other control over works may well do so.

State Aid – Proper marketing of the opportunity should negate any State Aid concerns. Assuming that the land is transferred at best consideration there are no State Aid issues to consider.

Other legal – the Council may consider imposing overage provisions

[REDACTED]

[REDACTED]

[REDACTED]

3.4.1.1.2. JOINT VENTURE

The Council would establish a JV with a partner who would be appointed through OJEU or non-OJEU in the form of co-investment model. This would depend on the nature and value of any positive obligations imposed on the partner or JV entity by the Council and the extent to which it would constitute a public works contract. Where there is an agreement between the Council and a PSP

through a co-investment model there will be no positive obligation between the Council and the JV / PSP. The Council would be reliant on exercising control through the member's agreement and the role of its officers as directors of the company.

The partner could be from the private sector or a Registered Provider. The partners would share cost, risk and return. The JV can raise finance free from many public sector constraints such as State Aid and procurement rules.

In the long list evaluation the perceived disadvantages of the JV were:

- Council to lose a degree of direct control over its assets albeit that control can be exercised over the Council's control over the JV.
- Higher procurement and set up costs due to more complicated structure
- Loss of some of the profits and surplus to the private sector
- Need to drive site selection and packaging to ensure cherry picking does not occur

The JV option tested will be the 'priority return' structure outlined above in section 3.3.2.3.

The long list evaluation highlighted both JV options scoring well – 'priority return' and 'matched equity'. It may well be the case that either could work but it will be dependent on site characteristics. The evaluation informing this business case has only considered the sample sites provided in any detail and therefore a wider pipeline needs to be considered at a subsequent stage. Based on this evaluation, the 'priority return' structure is adopted for the purpose of the shortlist for the following reasons:

- The sample sites considered and Council information on the wider pipeline suggests that many sites have low or negative residual land values when assessed using a policy compliant mix
- It is likely that the 'matched equity' JV would need to have a minimum of 40% equity which means the Council identifying 20% through a combination of land and additional equity with the other 20% matched by the private sector partner. Within the context of the sample sites, the 'matching equity' model would require either more valuable sites to be paired with those with negative land value OR for the Council to contribute additional equity
- The Council wishes to minimise its short term financial exposure which would be increased by needing match equity on low / negative values sites.

On this basis, whilst the 'matched equity' model may be appropriate when more detail is considered in relation to the pipeline, the 'priority return' model is the best fit of the two based on the sample sites and the Council's financial position / objectives. It is therefore the 'priority return' JV that is included within the shortlist of three options and as the subject of the financial model albeit that we will provide commentary around the 'matched equity' model to ensure it is covered.

Powers – Use of the general power of competence allied with the land disposal powers outlined above. Use of section 24 of the Local Government Act 1988 (and associated general consent) may also be considered where applicable.

Transfer and ownership of assets – the JV will have an option to acquire the land when certain pre-conditions are satisfied. The land will be used as security for senior debt raised by the JV. The JV is unlikely to be a long term holder of completed dwellings which would therefore be sold on completion. This option could be used as a side by side option with the WOC or the Council's HRA buying completed dwellings from the JV (e.g. using the Council's 50/50 share of super profit).

The Council is required to obtain best consideration for its land. We have assumed that land identified for development within the Council is transferred into the JV in return for an interest bearing loan note. The loan note is repaid when there are funds available within the JV in line with its priority within the cash waterfall.

Housing developed by the JV will be sold to third parties. The current assumption is that affordable housing will be sold to a Registered Provider.

Alternatively if the Council wished to see the new social housing held within the Housing Revenue Account ("HRA") it may consider the following approaches:

- Subject to the agreement of commercial terms with the Private Sector Partner (PSP), the social housing units could be returned by the JV to the Council at nil cost – this would effectively represent part of the Council's return. However, this will adversely impact the land value and cash flow for these sites but may be appropriate where HRA land is developed.
- The Council may consider paying for the social housing units on completion. This payment would be made from the HRA. The Council will need to assess the available funds, borrowing headroom and cash flow impact on the HRA. If there is limited borrowing headroom within the HRA this approach would require sufficient capital receipts to be realised from previous HRA sites being transferred to the JV to meet these costs. In both of these approaches the Council should consider the stamp duty land tax (SDLT) impact where land assets are transferred to the JV and subsequently returned to the HRA.
- The Council may consider retaining sufficient land within the HRA for social housing, which it commissions directly from the JV with the development costs subject to a development management fee. The Council would need to assess the available funds, borrowing headroom and cash flow impact on the HRA.

Legal Structure – the JV will be a company limited by shares or a limited liability partnership governed by a shareholders' or members' agreement. The JV will procure development management and allied services.

Procurement – a form of procurement will be needed. OJEU compliant process will be required, other than in the case of an investment partnership where a lighter touch route to procurement is appropriate.

State Aid – a robust procurement including advertisement of the land disposal should obviate State Aid risks. The Council may wish to provide funding to the JV by on-lending funds secured through Public Works Loan Board (PWLB) borrowing. The State Aid issues to consider are discussed in the supplementary report.

Other legal – Governance and risk management will be key given the fact that the Council's land asset will be at risk of default by the JV. The JV may be available for investment of s106 affordable homes contributions and RTB capital receipts.

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- [Redacted list item]
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[REDACTED]

[REDACTED]

3.4.1.1.3. WHOLLY OWNED COMPANY (WOC)

As highlighted above, the use of WOCs by Councils has been a factor of the Localism Act 2011, HRA settlement in 2011/12; the surge in Council tenants exercising their Right to Buy; the Department of Communities and Local Government (CLG) Right to Buy 1-4-1 receipts settlement; and the wider trends in the housing market. As such there are relatively few long terms examples.

Councils can use the General Power of Competence in the Localism Act 2011 to provide housing within a 100% Council-owned company as the Act provides local authorities with "the legal capacity to do anything that an individual can do that is not specifically prohibited". WOCs have particularly been utilised as a structure for Councils to hold and benefit from revenue returns from residential assets.

A WOC can be set up relatively quickly and easily and without the need to procure a partner. Given the Council's existing Holding Company structure it may be possible to establish the WOC as a new subsidiary(s). At long list stage this was considered as a development company for the purpose of evaluation. In reality the WOC can be a highly flexible structure whereby the WOC could be engaged in a combination of activities including site disposal, pre-development, development, holding assets and site specific Joint Ventures. Such activities would most likely be structured within a series of subsidiary special purpose vehicles (SPVs) to manage risk and return across different sites and / or activities.

A WOC is not limited by the constraints of the HRA and can access finance by the Council borrowing through PWLB and on-lending to the WOC. The WOC can also access s106 commuted sums for housing, council land and voids, equity investment through the Council purchasing shares, or third party investment. The WOC can purchase services from third parties and the Council.

In the long list evaluation the perceived disadvantages of the WOC acting purely as a development company were:

- Requires significant human resource through a combination of employees and external support – this is likely to mean new recruitments or external consultancy support given

pressures on existing Council resources as well as entering into Joint Ventures with development partners.

- Financial risk sits with the Council – could create constraints in early years if solely focused on development.

In order to address these shortcomings the WOC could adopt a flexible approach to delivery as outlined above. The WOC could use a Top-Company (a Top-Co a parent, holding or shell company). In this option the WOC could secure working capital through a combination of debt and equity from the Council to prepare and progress sites. The flexible approach to delivery of assets and use of subsidiary companies provides flexibility within the overall business plan. Such a structure has the potential to enter into a Joint Venture arrangement with a private sector partner to deliver the first tranche of sites for the WOC. This will manage financial risk and provide additional human resource and expertise.

Two variations of the WOC are financially modelled at shortlist stage for the purpose of the financial evaluation and risk appraisal. One is the WOC acting as developer (3a) and the other the WOC entering into a joint venture on a 'priority return' basis (3b). Both involve disposing of assets however the balance of development, disposal and retention of assets will be considered in detail at Detailed Business Case stage.

The following delivery structures could be pursued by the WOC:

Site Disposal – sites would be transferred into the WOC by the Council through a conditional land acquisition agreement that would identify specific sites and allow for others to be introduced at a later stage. The transfer of sites into the WOC would be subject to a relief from SDLT as it is 100% owned subsidiary of the Council and therefore not payable. Sites could be disposed of by the WOC in return for a capital receipt or sold by the Council to raise capital which could then be used to acquire share capital in the WOC.

Whilst efficient in SDLT terms to transfer a site through the WOC the case for the WOC disposing of the site for development by a third party (as opposed to the Council disposing of it) would be where the value of sites could be enhanced through pre-development activities undertaken by the WOC.

Site Development - Development requires the procurement and management of internal and external works and services in order to deliver development. Once development is completed assets could be held within the WOC, sold or transferred to the HRA. Development would also need to be funded with finance provided either by the Council borrowing from PWLB and on-lending to the WOC at a State Aid compliant rate or by the WOC raising funding through alternative sources. The WOC would need to consider risk on a site by site basis and this could be managed through pre-sale of units and/or approach to build contracts and due diligence.

If new build dwellings are to be sold speculatively into the market then the WOC will need to engage suitably experienced persons to advise on what product will sell in the given market and the build programme to produce a viable rate of release for sale, although the risk would remain with the WOC.

A WOC has greater flexibility than the Council or disposal by controlling tenure to develop mixed tenure schemes including private sale, PRS, shared ownership and a variety of affordable rented accommodation. The ability to cross subsidise rents through tenure structure can enable provision of a greater quantity of affordable homes. A WOC could also participate in joint venture arrangements in its own right.

This is also the route through which authorities can trade i.e. make a profit. This may be a feature for some schemes where selling some properties helps fund others.

Joint Venture - Any site specific JV agreements would be procured by the WOC (or Top-Co if relevant) (compliant with the Public Contract Regulations 2015). A JV could be focused on a site or combination of sites. The WOC and JV partner would be required to govern the JV. A JV could be a corporate entity or a contractual based model and structure of costs, returns and risks would depend on the best solution for the site. For example a corporate entity could be formed where a dividend is payable to the WOC based on the profitability of the JV or where the JV partner undertakes

development and provides the WOC with a priority return either as a capital receipt or as completed residential units which could then be held by the WOC. The WOC entering into a Joint Venture for the sample sites on a 'priority return' basis is one of the options considered as part of the shortlist (option 3b).

Holding residential assets – Where residential (or indeed commercial property) is developed, the rented properties can be held in the WOC providing an income which can cover any interest payment that the WOC is liable for. If income exceeds interest then a surplus arises which can be payable to the Council as a dividend. The WOC can hold commercial, PRS or sub-market rented property. Any Social Rented property could be transferred to the HRA on the basis that units would either be acquired using revenue surpluses within the HRA or in lieu of land value if development sites are owned by the HRA. The WOC could hold assets developed within the Company, by a JV or could acquire completed units developed by the Council (either itself or with a partner).

The ability of the Council to hold a range of rental housing with greater flexibility than social housing and without using limited HRA borrowing headroom is a key advantage of establishing a WOC. Tenancies for rented properties could address different affordability requirements and create benefits to households, taking different forms including assured short-hold tenancies, assured tenancies and leasehold arrangements.

WOC with subsidiaries

Building on the long list evaluation, the WOC tested at shortlist stage is a 'Top Co' structure that adopts a flexible approach to delivery through a combination of disposal, development and JV. As highlighted above, two options were tested, one with WOC as developer (3A) and one as WOC in Joint Venture (3B).

Critical to the establishment of the WOC will be putting in place an appropriate supply chain. This could be achieved by means of a number of pre-procured panels where capability, track record and financial standing has been tested (HCA Developer, Multi-disciplinary and Property Panels, SCAPE, Crown and Commercial Services) or through bespoke panels established for BCC and its WOC. The latter has been the approach favoured by TfL and the GLA as highlighted above.

Powers – Use of the general power of competence (Under the Localism Act 2011) together with (as appropriate) section 24 of the Local Government Act 1988 and the powers to dispose of land as set out above.

Transfer and ownership of assets – the identified sites will be transferred into the WOC for best consideration. The WOC will be funded for this either by injection of equity or through debt (often recognized in the form of loan note). If the land is transferred freehold the payment for the land will be recognized as a capital receipt in the hands of the Council however if the land is transferred leasehold the income stream will be treated as revenue and the capital requirement for the WOC is less. We have assumed that land will be transferred by the Council into the WOC for a capital receipt.

The Council is required to obtain best consideration for the land and this will be recognised as part of the initial costs to the WOC.

It may be that land value received by the Council for disposal of sites to the WOC could be deferred to support viability and reduce the WOC and Council's upfront cost burden although this would be considered on a site by site basis against the Council's requirement to generate best value. Equally the Council has the ability to use its Wellbeing Powers under the Local Government Act to dispose of land at an undervalue of up to £2 million without the need to secure Secretary of State consent where it furthers social needs – housing delivery and particularly affordable housing could constitute appropriate grounds albeit assessment would need to be made on a site by site basis. The key principle in terms of a leasehold transfer or deferred payment structure is that the asset should be valued upon transfer to assess the impact of the "restriction" on market value. Consideration needs to be given at the time as to the impact of market or Council requirements on the value of the asset e.g. opportunity cost, whether interest would be payable on any expended sums or whether the Council would want security over the asset.

Cash in the form of equity and debt will be drip fed into the WOC as and when required to purchase land from the Council and to fund construction costs and other expenses and to provide working capital. Depending on viability and the WOC's ability to service the debt burden some new dwellings may need to be sold on completion to reduce the burden if the remainder are to be held as an investment.

Once housing is developed the WOC may choose to sell it on to a third party or hold it for rent. Typically one of the benefits of creating a WOC is the ability to hold private rental stock to generate a long term revenue stream and have the potential, subject to the WOC's business plan, to pay dividends to the Council or re-invest profits in new projects within the WOC.

A range of rental housing may be retained and managed in the WOC or be sold to a third party (either to the Council's own HRA or to a Registered Provider). We have assumed that the WOC has been set up as a vehicle to trade for a profit. However, we would expect the WOC to meet planning requirements on the provision of affordable housing on any site subject to viability i.e. acting as a commercial developer.

Where the WOC enters into a Joint Venture arrangement the ownership of land and assets during and post development will depend on the terms of the arrangements. This will be driven by site characteristics, market appetite and WOC business planning.

Legal Structure – Company limited by shares. The Council will invest equity in return for shares. Any debt it provides will be fully secured by legal charge.

The legal structure is likely to be a Company Limited by Shares (CLS). A CLS is subject to corporation tax whereas the LLP is not taxed but the profit it makes is attributed to the members of the LLP and taxed at respective rates.

Procurement – the set-up of the WOC itself should not require any procurement exercise to be undertaken. Similarly the provision of services by the Council to the WOC (e.g. development management and/or housing management) should not need be the subject of a procurement exercise. The WOC could form a subsidiary within the Council's existing Holding Company structure but needs to be evaluated further.

Depending upon the activities of the WOC, it may not itself be a "contracting authority" for the purposes of the PCR and this is primarily determined by whether its activities and structure are of an 'industrial or commercial character' e.g. If the WOC is undertaking activities for affordable housing then it may not normally be considered of 'commercial character' and may be the case that it may be a contracting authority whereas if the WOC was only developing market housing then it may be considered a 'commercial activity' and therefore it may not be caught by the PCR. The position becomes confused if a mixture of these activities are being undertaken and therefore the turnover of each of the activities needs to be taken into account to establish the predominant activity. The vehicle may also slip in and out of a commercial nature at any one time. The present intention of the board becomes relevant if a direction has been past that affects the character of the vehicle. The vehicle as a whole will need to be analysed in its individual nature having regard to all the activities it is undertaking at any particular time and needs to be considered at Detailed Business Case stage. This is a particularly important consideration where the WOC would enter into a Joint Venture arrangement and it needs to be understood as to whether it is bound by the regulations. That said, whether or not the WOC is bound by PCR it is likely that Council would wish to see an appropriate process followed to identify and secure a partner. This in itself would take time albeit could be done quicker outside of the PCR with the overall programme benefit being in the region of three to six months.

State Aid – the risk of unlawful State Aid is greater where there is no competitive process. In this case the risk can arise in relation to:

- (a) the price paid by the WOC for land if it is below market value;
- (b) the cost of debt levied by the Council being below market rates for the type of organisation and business involved;
- (c) the equity return generated being below that which the market would target; and,
- (d) the fees paid by the WOC for services provided by the Council being below market rates.

It is proposed that the Council provides funding to the WOC by on-lending funds secured through PWLB borrowing at a market tested rate. The State Aid issues to consider are discussed in the supplementary report.

State Aid consideration should also be given to the debt to equity split within the WOC. The guiding principle is that it should be in line with what the market would accept. Bond Dickinson has advised of the opinion that it would be in the region of 60-65% debt and 35-40% equity. This needs further consideration in relation to the first tranche of sites against available funds at Detailed Business Case stage.

State Aid risks can be mitigated by compliance with EU Commission notices on land sales and on provision of funding by public bodies and by benchmarking equity returns and service costs.

Other legal – as the WOC may not have its own employees in its infancy and a suitable governance structure will need to be developed to ensure that directors are aware of their duties to the company and have the requisite support. Similarly the Council will need to have appropriate oversight of the activities of the WOC through the governance structure. A suitable business case will need to be prepared and approved by the Council and a business plan adopted by the WOC and approved by the Council. Again, the structure in relation to the Holding Company will need to be considered.

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3.4.1.2. QUANTITATIVE BENEFITS

Indicative amounts of benefits associated with each option have been identified. These will need to be tested further at Detailed Business Case stage.

Based on the sample sites, the quantitative outputs each shortlisted option are summarized as follows including the number and timings of delivery of private and affordable housing with the correlating number of jobs (direct, indirect and induced). It shows the cumulative capital and revenue receipts across sample sites and costs on an annual basis following development of site by the WOC. This results in a pre-tax surplus / position and the Net Present Value to the Council when adopting a discount rate of 3.5%. The cashflows shown reflects the financial position for the Council.

Key financial line items in the table include:

- **Capital receipts** – Receipts generated from purchase of land from the Council and repayments of loans provided by the Council to the WOC
- **Capital costs** – Debt and equity provided by the Council to the WOC
- **Revenue receipts** – Loan interest received by the Council from the WOC; dividend payments received by the Council; overage
- **Revenue costs** – Interest by Council loan from PWLB, pre-development costs, vehicle set-up costs.

The initial evaluation of benefits is as follows. All figures are quoted in £,000s:

Option 1 - Site Disposal with DA – ‘do nothing’

This table shows that the delivery of house is faster than options 2 & 3, the capital and revenue receipts and costs are lower as is the overall NPV at £2,419,000.

Year		2017	2018	2019	2020	2021	2022	2023
Homes delivered								
Private	231			91	28	98	14	
Affordable	155			69	10	76		
Total	386			160	38	174	14	
Number of Jobs (direct, indirect and induced)	1,621			672	160	731	59	
Capital receipts	£5,711	£540	£6,251					
Capital costs	£0							
Revenue receipts	£0							
Revenue costs	£3,060	£1,161	£1,899					
Surplus / (deficit) before tax assessment	£2,651	£1,701	£4,352					
Discounted Annual Position	3.5%	£1,644	£4,063					
NPV	£2,419							

Option 2 – Joint Venture ‘priority return’

Due to the time required to set up the JV the homes are delivered at a slower pace than the WOC and Development agreement option. The

Year		2017	2018	2019	2020	2021	2022	2023
Homes delivered								
Private	231				15	162	54	
Affordable	155				10	145		
Total	386				25	307	54	
Number of Jobs (direct, indirect and induced)	1,621				105	1,289	227	
Capital receipts	£8,354				£346	£8,009		
Capital costs	£0							
Revenue receipts	£3,316							£3,316
Revenue costs	-£2,187	-£475	-£1,712					
Surplus / (deficit) before tax assessment	£9,483	-£475	-£1,712		£346	£8,009		£3,316
Discounted Annual Position	3.5%	-£459	-£1,598		£301	£6,743		£2,606
NPV	£7,594							

Option 3a – Wholly Owned Company (WOC)

Year		2017	2018	2019	2020	2021	2022
Homes delivered							
Private	231			15	135	54	27
Affordable	155			10	145		
Total	386			25	280	54	27
Number of Jobs (direct, indirect and induced)	1,621			105	1,176	227	113
Capital receipts	£68,315	£5,095	£0	£3,158	£47,716	£10,910	£1,437
Capital costs	-£77,315	-£7,145	-£17,525	-£39,414	-£13,231	£0	£0
Net capital position	-£9,000	-£2,050	-£17,525	-£36,257	£34,485	£10,910	£1,437
Revenue receipts	£27,243	£119	£389	£2,757	£9,335	£6,661	£7,982
Revenue costs	-£2,461	£0	-£46	-£911	-£1,270	-£233	-£2
Net revenue position	£29,705	£119	£435	£3,668	£10,605	£6,894	£7,983
Surplus / (deficit) before tax assessment	£15,782	-£1,931	-£17,181	-£34,410	£42,550	£17,337	£9,416
Discounted Annual Position	3.5%	-£1,866	-£16,039	-£31,036	£37,080	£14,597	£7,660
NPV	£10,397						

Option 3b – Wholly Owned Company (WOC) with Joint Venture

Year		2017	2018	2019	2020	2021	2022	2023
Homes delivered								
Private	231				15	162	54	
Affordable	155				10	145		
Total	386			-	25	307	54	
Number of Jobs (direct, indirect and induced)	1,621			-	105	1,289	227	
Capital receipts	£5,095	£0	£5,095	£0	£0	£0	£0	-
Capital costs	-£7,799	-£820	-£6,979	£0	£0	£0	£0	-
Net capital position	-£2,704	-£820	-£1,884	£0	£0	£0	£0	
Revenue receipts	£11,711	£0	£0	£0	£450	£8,422	£0	£2,840
Revenue costs	£0	£0	£0	£0	£0	£0	£0	-
Net revenue position	£11,711	£0	£0	£0	£450	£8,422	£0	
Surplus / (deficit) before tax assessment	£9,007	-£820	-£1,884	£0	£450	£8,422	£0	£2,840
Discounted Annual Position	3.5%	-£792	-£1,759	£0	£392	£7,091	£0	£2,232
NPV	£7,164							

The results of the quantitative analysis set out in the above tables cover a number of areas. These are analysed in turn below. Evaluation is based on the sample sites which the Council has highlighted as representative of the wider pipeline of both HRA and General Fund sites.

Delivery of Housing and Jobs

The delivery of housing stems from:

- The timing and certainty of delivery of new homes by the vehicle
- The viability of sites and ability to meet or exceed policy compliant levels of affordable housing on sites – opportunities to exceed policy compliant affordable housing would be created where there is an additional Council surplus generated subject to business plan and compliance with the purpose of the vehicle, or if the Council chooses to directly fund extra.
- The numbers of direct and indirect jobs per new home built – 1.5 direct jobs per homes built¹ and 4.3 combined direct, indirect and induced jobs per home built².

Key observations from the analysis are:

- The Joint Venture option takes longer to deliver the first homes from the vehicle due to the protracted procurement timetable of circa 18 months. The WOC with Joint Venture options (3b) is likely to deliver homes on a similar timetable to the Joint Venture in option 2 on the assumption that an element of planning, WOC set up and Joint Venture partner appointment can be twin tracked and that the WOC is not subject to public sector procurement regulations. Detailed consideration of the sequencing of events and whether the WOC would be subject to public sector procurement regulations is therefore required at Detailed Business Case stage to confirm this programme.
- The 'do nothing' and WOC as developer (3a) options have the potential to deliver the earliest homes. The 'do nothing' option could deliver homes earlier if a procurement exercise is not required and chosen developer progresses sites quickly. In the above analysis it is assumed that site by site procurement exercises are required.
- Given Bonnington Walk and Haldon Close produce a negative land value, the 'do nothing' option will deliver a lower number of affordable homes unless financial contribution is made by the Council. The surplus within the WOC means that in current market conditions it could

¹ Ball, M. (2005), The Labour Needs of Extra Housing Output: Can the House building Industry Cope, for CITB Construction Skills and the Home Builders Federation in The Economic Footprint of UK House Building, Home Builders Federation and NLP, March 2015

² Based on a total of 140,930 dwellings completed in 2013/14 in the UK (DCLG Live Tables, February 2015) in The Economic Footprint of UK House Building, Home Builders Federation and NLP, March 2015

in theory go beyond the 40% affordable housing modelled albeit this would be traded off against a lower financial surplus. Careful consideration would also need to be given within the context of the purpose of the vehicle and Council requirement to achieve best consideration for site disposals. The timing with which the 'do nothing' option delivers units will be dependent on site specific factors and particularly the level of control required by the Council within the Development Agreement and therefore whether a site specific OJEU procurement is required. We have assumed for this purpose that an OJEU compliant process is required.

- The Joint Venture (2) and WOC with Joint Venture (3b) have a managed approach to private sector partner returns based on return on capital. This is shown to improve the viability of sites over the 'do nothing' approach and means more sites progress with a minimum of policy compliant affordable housing – this model will therefore deliver a greater number of affordable homes but not as much as the WOC as developer (3a). Attracting a Joint Venture partner in Options 2 or 3b would be dependent on identifying an appropriate mix of sites to provide a sufficient opportunity for the market to bid through OJEU or a similar bidding process. The ability of the WOC to exceed a policy compliant mix will be driven by the business plan and overall purpose as well as best consideration requirements.
- Overall the 'do nothing' and WOC options are likely to deliver new homes in the shortest timeframe albeit the 'do nothing' is dependent on the control by the Council and the WOC on the ability to produce a site specific plan for the first tranche of sites and appropriate supply chain alongside the establishment of the WOC.
- The jobs produced is a direct result of the homes constructed and therefore the timing of job creation and ensuing benefits aligns with the timing of new homes.

Financial evaluation of sample sites

Key observations from the analysis are:

Disposal with Development Agreement 'Do Nothing'

The 'do nothing' option has no requirement for borrowing money through PWLB to invest in housing delivery. The only costs to the Council will be revenue based and focused on appointment of a partner on a site by site basis and costs of securing planning consents for sites prior to disposal. The Council will then receive capital receipts from the level of upfront costs will be determined by whether an OJEU process is required on a site by site basis and the costs of securing a planning consent which will be site specific. For the purpose of the valuation we have assumed the Council incurs fees for planning and the average cost of procuring a partner is £150,000 – this is likely to be high on some sites and low on others. If the Council secures planning consents it may be that developers could be appointed through a pre-procured framework such as the HCA DPP2 panel which has standardised Development Agreements which would speed up the process and reduce costs, but narrows the potential market.

On the basis of the sample sites, the land values on a policy compliant basis are £5.711 million albeit that this includes a negative land value of £540,000 for Bonnington Walk. The Council would therefore need to either cross subsidise the disposal of Bonnington Walk with receipts from valuable sites or accept a lower level of affordable housing content. The capital receipts do not benefit the Council's revenue account albeit that any overage received would (albeit this has not been modelled in the above).

The 'do nothing' option is therefore a low risk option which produces capital receipts but not revenue receipt. Revenue costs in the short term will be site specific however on the basis of the sample sites equates to circa £3 million which includes site by site procurement costs and the assumed costs of securing planning consents on sites prior to disposal.

Joint Venture

The Joint Venture option is based on a 'priority return' structure for the reasons set out in 3.4.1.1.2. The financial model summary above demonstrates that the approach to the financial returns to the development partner means that it reduces overall leakage to the private sector in return for a longer

term opportunity across the pipeline. The model reduces the profit to the private sector from circa £12 million under the 'do nothing' option to £9 million under the Joint Venture option which means that a great proportion of value remains with the Council.

The nature of the Joint Venture model is such that the equity is provided by the private sector partner and therefore in the first instance the Council only contributes its land (which is negative in some instances and therefore transferred at Nil Consideration). This means that the short term costs for the Council are driven by the initial set up costs and some of the costs for securing planning prior to the land being transferred to the Joint Venture which total £2.187 million including £714,000 for vehicle set up.

Where negative land values are modest (as in the case of Haldon Close) the reduction in profit extracted by the private sector under the Joint Venture option means that the Council could transfer its land at Nil Consideration and still benefit from a modest surplus. The reason for this is the reduced leakage of value to the private sector under this model.

In the instances where there is a significant negative land value and, in spite of the reduced profit to the private sector (when compared to the 'do nothing' option), there is not sufficient value to provide an appropriate return to the private sector then the Council may need to contribute additional equity to balance the model depending on the 'lotting' of sites. Bonnington Walk is an example of this and as a site in isolation the Council would need to contribute £502,000 to bridge the gap. An alternative solution however is based on the 'lotting' of high and low value assets to create cross-subsidy – this is demonstrated above whereby Redcliffe in essence contributes to the overall return across the sample sites if appropriately phased. Equally the £9 million allocated to the project can contribute to any shortfall or provide a 'bridging' facility to accommodate phasing of sites.

Under the Joint Venture options, the 'priority return' for the land together with interest equates to £9.483 million across the sample sites and this would be received as a capital receipt (this includes return on circa £2.187 million which contributes to set up and pre-construction costs). Under this option the Council would however also receive a split of 50% of any surplus after the payment of "priority returns" to the lender, Council and private sector partner. On the basis of the sample sites this equates to £3.316 million which would be received as a revenue receipt to the Council's General Fund.

The Joint Venture model therefore is likely to depend on the Council's desire to combine valuable and less valuable sites to provide appropriate returns to the private sector. The downside is the high upfront procurement costs incurred however the leakage of the profit to the private sector is reduced compared to the 'do nothing' option and the Council benefits from a portion of this receipt as revenue within the General Fund. The capital receipt for the Council's land is relatively secure but is not received until value flows from completed schemes.

Wholly Owned Company

As highlighted in 3.3 the WOC model is a flexible approach which can adopt multiple approaches to site delivery and could include a combination of direct delivery, joint venture and disposal. There are numerous permutations of this which can be considered on site or combination of sites basis depending on the viability of the site and circumstances at the point a business case is presented. Ultimately this flexible approach does however provide for the ability for the Council to deliver sites through the WOC in a way that manages financial risk and exposure which can be considered in a business plan at the point sites are brought forward.

The two options modelled are the WOC acting as developer across all three sample sites (3a) and WOC entering into a Joint Venture (3b). The approach could be varied and include a revenue based approach focused on holding residential assets. The most appropriate approach on a site by site basis will be considered at Detailed Business Case stage.

Whilst the funding structure may flex depending on the transfer of land from the Council to the WOC, the above described models for disposal with Development Agreement and Joint Venture demonstrate that the sample sites can be delivered with a low upfront financial exposure for the Council. The differential with the WOC is that the Council would need to borrow money to provide

working capital to purchase sites from the Council although the level of borrowing can be tempered by the fact that 1) many of the sites within the pipeline have low or negative land value 2) capital receipts could be deferred to reduce upfront costs subject to a valuation at the point of transfer; 3) the Council could dispose of sites at an undervalue subject to s123 of the Local Government Act and State Aid; and, 4) assets could be transferred on a leasehold basis in return for a rental payment. This combination of factors means that a high number of sites could be acquired with the £9 million initial equity in the WOC without the need for additional borrowing by the Council to on-lend to the WOC.

The WOC acting as a developer in relation to the sample sites has the maximum financial exposure for the Council based on these sites totalling £77.315 million but delivers the highest surplus to the Council of £15.782 million which reflects the additional risk exposure.

As highlighted above this could be reduced by the WOC taking alternative approaches to delivery. Where the WOC enters into Joint Venture arrangements consideration will be needed of debt to equity ratios which could give rise to further funding requirements depending on the model entered into.

The WOC includes an allowance for initial set up costs of £250,000 to establish the WOC in the first instance. This could reduce if the WOC can be accommodated as a subsidiary to the Council's existing Holding Company which could relate to shared resourcing and governance requirements. Running costs for the WOC are expected to be circa £210,000 per annum to cover a suitably qualified Directorial, development and construction expertise as well as accountancy support. The Council will then need to borrow £5.095 million from PWLB to on-lend to the WOC to cover acquisition, pre-development and development costs – this is assumed as borrowing at 3.5%. It is assumed that the Council will pay off its PWLB loan with the proceeds from the sale of the site to the WOC. The Council will however receive interest payments from the WOC at a market based rate of 5.5% creating a margin for on-lending of 2% which would benefit the Council's General Fund revenue budget by £2.461 million based on the sample sites where development by the WOC (3a) which illustrates a potential upside for the Council over the lifetime of the WOC.

The Council will need to consider whether it needs to make provision for MRP payments depending on the nature of the loan to the WOC. This issue is considered in more details within the supplementary report. The assumption for the purpose of the financial modelling is that no MRP is made within the figures reported due to the fact that the WOC acts as developer and sells the completed assets which therefore never become operational and the proceeds from which mean the Council can repay the original loan. This is distinct from the WOC holding assets in the long term and therefore not providing a short term receipt from sales to repay the loan provided to the WOC. The Council's decision as to whether to make MRP is material to the overall financial position for the Council and therefore needs to be considered at Detailed Business Case stage based on an assessment of the business plan and delivery strategy for the first tranche of sites to be delivered by the WOC.

The Council would contribute the £9 million to provide equity within the WOC to ensure an appropriate debt to equity mix. This is modelled as 13%-21% based on a distribution of the Council's £9 million however could be reduced or increased subject to State Aid considerations. This is below the 35-40% equity advised by Bond Dickinson on a State Aid compliant basis and therefore needs to be considered further at Detailed Business Case stage – particularly in relation to delivery approach on sites, phasing and whether further Council funding can be made available.

The WOC then develops the sites and after repayment of the debt to the Council, then generates a surplus of £13.312 million across the sample sites on the basis of a for sale scheme. When combined with the Council's margin for on-lending to the WOC this creates a total pre-tax position for the Council of up to £15.782 million.

The assumption modelled that the WOC acts as developer across the sample sites and creates a pre-tax position for the Council of £15.782 million is predicated on a high risk position for the Council. The WOC and Council as 100% shareholder in the WOC are exposed to full development risk including that associated, with cost inflations, cost overruns, delays and market movements. As modelled the total Council financial input to the WOC based on the sample sites is £77.315 million. This figure could increase with cost inflation and overruns and the surplus of £15.782 million would decrease as

a result. The surplus is sensitive to movements as in costs and values as highlighted in section 3.5 and there is therefore risk attached to the WOC acting as developer.

Where the WOC enters into a Joint Venture arrangement to deliver the sample sites (option 3b) the financial performance is similar to that of the Council entering into a Joint Venture directly. It delivers a surplus before consideration of tax of £9.007 million. It does however have additional capital costs compared to the Joint Venture option due to the need to provide capital to the WOC to pay for pre-development and set up costs as opposed to this being a revenue cost under the Joint Venture option. The other key difference is that a greater proportion of receipts are received as a revenue receipt. A further difference is the set up costs and an additional £690,000 has been allowed for appointing a Joint Venture partner to work with the WOC taking the overall set up costs to £910,000. This reflects the fact that a process would need to be run to appoint a Joint Venture partner on multiple sites in what is likely to be complex arrangement compared to a straight land sale. The WOC entering into a Joint Venture reduces the surplus to the Council by circa £6 million however also reduces the capital outlay by circa £70 million to £7.799 million which substantially lowers the risk profile for the Council and potential for MRP.

The WOC could retain rental units and an indicative analysis has been undertaken to illustrate the opportunity for the WOC to generate long term revenue returns for the Council. Further detailed work on this should be undertaken at Detailed Business Case stage. If all units were retained based on a split of 60% PRS and 40% Discounted Market Rent based on Local Housing Allowance level together with the retail at Redcliffe Way then this would produce annual gross revenue of £5.626 million. Gross of WOC operational costs of £210,000 per annum but making an allowance for an occupancy rate of 95% in relation to residential and management / letting / void costs at 10% and 25% on the retail and residential respectively, this produces a net revenue to the WOC of £4.613 million in 2023 loan repayments assumed as £3.690 million in the same year. This creates a surplus of £923,000 in 2023 pre-tax which could flow to the Council's General Fund revenue account as a dividend.

Overall, if acting as a developer (option 3a) the WOC has the highest borrowing requirement for the Council and short term financial outlay – it does also produce the highest Net Present Value for the Council as 100% shareholder in return for the development risk taken which, as highlighted above, is significant and should not be underestimated. It does however have relatively low set up costs compared to the Joint Venture. It also generates the highest control over delivery and level of returns for the Council as shareholder of the WOC. Given the pressures on the Council's revenue budget the WOC could however enter into a Joint Venture arrangement for tranche 1 sites which will reduce this short term pressure whilst at the same time providing a vehicle that can hold completed assets to create long term revenues for the Council. This is modelled as option 3b and has a similar financial return to the Council as the Joint Venture option (2) albeit some £6 million less than option 3a. This reflects the reduced risk when sharing with a JV partner. The WOC entering into a Joint Venture substantially lowers the Council's financial exposure and would enable the Council to access additional human resource and expertise from the private sector.

Conclusion

Participating in development activity is a balance between risk and reward within the overall financial constraints. The JV has high set up costs and provides reduced short term revenue pressure on the Council whilst creating an opportunity to benefit from a split of surplus to the Council's revenue account. Whilst the WOC acting as developer has the highest upfront costs and pressure on the Council's finances due to short term borrowing, it does produce the highest Net Present Value on the basis of the sample sites. The WOC option modelled is high risk for the Council as 100% shareholder within the financial outlay totalling £77.315 million based on the subject sites. Equally, the NPV reported is sensitive to changes in costs and values as set out in section 3.5. The analysis of Joint Venture and disposal with DA options demonstrate however that the WOC could mitigate this through entering into a Joint Venture arrangement(s) for the first tranche of sites. The WOC with JV option is assessed as providing a surplus of £9 million which is £6 million lower than the WOC as developer but it does so with by reducing the financial outlay by some £70 million. Critically however by entering into a Joint Venture on tranche 1 sites it creates the ability to draw in additional expertise and capacity from a partner through the arrangements, mitigating a critical short term risk to delivery given existing Council resourcing arrangements.

By entering into a Joint Venture through the WOC it is possible to generate long term revenue surpluses, which could either be retained or returned to the Council's revenue account.

3.4.2. APPRAISAL OF QUANTITATIVE BENEFITS

The qualitative benefits of the project were evaluated in conjunction with the Steering Group in December 2016.

3.4.2.1. METHODOLOGY

The appraisal of the qualitative benefits associated with each option was undertaken by:

- Considering the benefits criteria developed relating to the investment objectives
- Weighting the relative importance (in %) of each benefit criterion in relation to each investment objective
- Scoring each of the short listed options against the benefits criteria on a scale of 0 to 9
- Deriving a weighted benefits score for each option.

3.4.2.2. QUANTITATIVE BENEFITS CRITERIA

The benefits criteria were weighted as follows for each investment objective.

Investment Objective	Benefits	Type	Relative Value	Weighting
Efficiency				
Maximize benefits of Council human and financial and resource	Sufficient resource that is highly focused on a specific set of housing related objectives	Qualitative	High	25.0%
Effectiveness				
Accelerating the delivery of new homes at pace	Reducing cost of temporary accommodation	Qualitative	Medium	12.5%
Maximize housing outputs and financial benefits of site development.	Reduce risk of right to buy	Qualitative	Medium	15.0%
	Ability to control long terms use of homes through letting policy and tenure options	Qualitative	Medium	15.0%
Developing sites that improve the sense of place and environment	Improve control over quality of homes and schemes that create quality of place	Qualitative	Medium	12.5%
Supporting skills, training and apprenticeships	Improve education levels	Qualitative	Low	5.0%
Narrowing the equality gap	Improve social mobility	Qualitative	Medium	15.0%

3.4.2.3. QUANTITATIVE BENEFITS SCORING

The scores of each option against the benefit criteria were awarded on the basis of 1-5 and agreed at discussion within the Steering Group in December 2016 to confirm that the scores were fair and reasonable.

3.4.2.4. ANALYSIS OF RESULTS

The results of appraisal of qualitative benefits are shown in the following table:

Benefits Criteria	Weighting	Option 1 - Do Nothing		Option 2 - JV		Option 3 - WOC	
		R	W	R	W	R	W
Raw (R) and Weighted (W) Scores							
Sufficient resource that is highly focused on a specific set of housing related objectives	25%	3	75	5	125	5	125
Reducing cost of temporary accommodation	12.5%	1	12.5	3	37.5	3	37.5
Reduce risk of right to buy	15%	1	15	3	45	5	75
Ability to control long terms use of homes through letting policy and tenure options	15%	3	45	3	45	5	75
Improve control over quality of homes and schemes that create quality of place	12.5%	3	37.5	3	37.5	5	62.5
Improve education levels	5%	1	5	5	25	5	25
Improve social mobility	15%	1	15	3	45	5	75
Total	100%	13	205	25	360	33	475
Rank		3		2		1	

Key considerations that influenced the scores were:

Option 1 – Do Nothing

- The disposal process is administered internally within the Council and are therefore balancing multiple priorities
- There is no additional investment in temporary housing in terms of finance or resource
- The Council can only hold residential assets in the HRA or as a ground lease and therefore subject to Right to Buy and with no control over tenure
- The Council can secure a planning consent and utilize a DA to control development however as a more passive role
- No additional resource is secured to support education levels in terms of skills and apprenticeships and site by site disposals do not leverage private sector support
- Private developers will extract profits which will limit the level of affordable housing provided on schemes to what is justifiable in National Planning Policy Framework (NPPF) terms.

Option 2 – ‘Priority Return’ Joint Venture

- Members Agreement will be focused on agreed JV objectives and a partner would be appointed on the basis of aligned objectives focused on housing delivery
- Subject to cost and a viable business plan, the JV could focus providing a temporary housing solution as part of an overarching programme and procurement could drive a solution
- JV could hold a range of residential assets however the Council will have limited control over future tenure and ability to influence through changing policy
- Council has an active role on the JV to influence control over design and place
- The JV could operate a skills and training strategy which could be refreshed annually to ensure alignment with demand and supply
- The presentation of a significant opportunity to the market could enable the level of % returns to be driven down – additional surplus could be reinvested in either greater number of affordable homes or increasing affordability.

Option 3 – Wholly Owned Company

In the financial evaluation two variations of the WOC were considered, the WOC as developer (3a) and the WOC entering into a Joint Venture on first tranche of sites (3b). The qualitative benefits were considered on the basis of the WOC having a flexible approach to delivery over its lifetime and being able to develop sites directly, in Joint Venture by disposing of sites with Development Agreement. This therefore led to a single evaluation of qualitative benefits for a composite option 3.

- The WOC would be focused on housing outputs and fiduciary duty of the directors would be to the company even if employed by the Council. The WOC has the ability to recruit an expert team to provide long term capacity and expertise or can equally draw on third party support through consultants, development managers or development partners to provide project focused expertise. This is particularly important in the early stages of the WOC with a solution being to enter into a Joint Venture arrangement for tranche 1 sites.
- Subject to cost and a viable business plan, the WOC could include provision of temporary housing solutions as part of an overarching programme
- The WOC can hold a range of rented housing and the Council can influence the tenure and terms that units are let on to align with the strategy and business plan which would be revised in line with changing Council policy
- As owner of the WOC, the Council has an active role in scheme design and place making albeit this will be dependent on the delivery mechanism selected by the WOC on a site by site basis
- The WOC could operate a skills and training strategy which could be refreshed annually to ensure alignment with demand and supply working alongside the Council
- Where the WOC engages in development, the additional surplus could be reinvested in either greater number of affordable homes or increasing affordability subject to viability and company purpose or making a return to the Council.

Conclusion

The WOC scored the best in terms of the evaluation of qualitative benefits with a score of 475 compared to 360 for the JV and 205 for disposal with DA 'do nothing'.

3.4.2.5. COSTS

Indicative amounts of costs associated with each option are incorporated within the financial evaluation of options set out above in 3.4.1.2. These will need to be tested further at Detailed Business Case stage. The initial evaluation of costs is as follows:

Costs	Option 1 – Do Nothing	Option 2 -JV	Option 3a - WOC	Option 3b – WOC with JV
Procurement / vehicle establishment	Average of £150,000 per site	£714,000	£250,000	£910,000
Pre-development (Including planning)	£2,500,000	£2,500,000	£2,500,000	£2,500,000
Development (inc abnormal, professional fees)		£34,013,000	£34,013,000	£34,013,000
Contingency		£2,619,000	£2,619,000	£2,619,000
Finance / accounting	0	5.5%	3.5%, (5.5% WOC) borrowing rate)	3.5%, (5.5% WOC) borrowing rate)
Staffing		£72,000 pa (accounting)	£210,000 per annum	£210,000 per annum
Residential management costs	No assets held	No assets held	No assets held for the purpose of financial modelling but 25% for management and ongoing annual costs.	No assets held for the purpose of financial modelling but 25% for management and ongoing annual costs.

3.4.3. RISK APPRAISAL

A detailed review of risks was carried out and agreed with the Steering Group on 15th December 2016. These are included in Appendix 3.

3.4.3.1. METHODOLOGY

Risk appraisal has been undertaken and involved the following distinct elements:

- Identifying possible business, service and external environmental risks associated with each option
- Assessing the impact and probability for each option
- Calculating a risk score.

3.4.3.2. RISK SCORES

The risk scores shown in the following table were assigned on the basis of the participants' professional judgment and assessment based on previous experience. Further detail is included within the risk register in Appendix 3.

The ranges of scores used to quantify the impact of risks were as follows:

- 1 – low likelihood
- 3 – medium likelihood
- 5 – high likelihood

Impact of risks occurring were then applied to each based on either 0% (low impact), 25%, 50% up to 75% (high impact). When combined the level of likelihood coupled with the impact generate a total score for risk.

Disposal with Development Agreement “do nothing”

This option scored well in terms of:

- The low risk of increasing operational or maintenance costs due to the fact that there is no vehicle in place.
- Relatively low impact of changes in council, financial rules on delivery due to site by site disposals not requiring significant council funding.
- Low risk of product not meeting market need.

This option scored poorly in terms of:

- Risk of not meeting housing need as evidenced by low level of affordable housing achieved on sites developed by the private sector in recent years.
- Risk of not securing market interest due to either complexity and/or low value of sites or the market appetite to go through OJEU procurement in order for the council to secure effective control over delivery of housing outputs on a site by site basis through a DA.
- Risk associated with movements in sales values, build costs and movement in finance rates due to the fact that these would further challenge the viability of marginal sites and the ability of the private sector to extract minimum profit levels or registered providers to build without grant funding.

Joint Venture

This option scored well in terms of:

- Its arm's length nature and its ability to take a highly commercial approach, insulating operations from day to day competing priorities within the council.
- The reduced risk of higher than expected operational costs due to experience from the partner.
- Ability to meet market need in terms of homes delivered due to the experience of the partner.
- The reduced exposure to the changing council finance rules due to the ability of the JV to raise private debt underpinned by the equity provided by the private sector partner.

This option scored poorly in terms of:

- Risks created by the complexity of the vehicle in both set up and operation impacting on the timing and delivery of homes.
- Relative lack of adaptability to be able to flex to accommodate changing council policy in relation to housing outputs.
- Significant impact of the partner in the event of non-delivery in terms of the impact on the overall programme.
- Risk of private sector partners having limited market appetite to pursue an opportunity through OJEU.

Wholly Owned Company (WOC)

Two options for the WOC were considered within the risk appraisal, the WOC acting as developer of sites and the WOC entering into a Joint Venture for the first tranche of sites. The latter reflects the potential to mitigate key financial and development risks through a flexible approach to delivery, probably through a Joint Venture arrangement.

Option 3 a where the WOC acts as developer across the sample sites scored well in terms of:

- Risks were reduced due to the flexibility and the adaptability of the structure to respond to changing council policy or strategy and reduced risk of the vehicle becoming unfit for purpose.
- The combined fact that the council can establish the vehicle without any engagement from the private sector coupled with the relatively high degree of freedom in terms of the WOC procuring its own partners. This means that it scored well in terms of risk associated with not

attracting market interest because the vehicle can be established in a relatively straight forward yet flexible initial form on a quick time table.

- The ability of the vehicle to closely align with skills and apprenticeship requirements within the city due to close relationships with the council.

This option scored poorly in terms of:

- The exposure to significant development risk including cost, finance rate, movement in sales values, delay in development and risk of not meeting market requirements
- The greater risk and exposure to changing council financing rules or local authority specific legislation.
- The fact that as a new organization it may be inexperienced in terms of meeting market needs and managing operational costs directly impact the returns for the council as the shareholder allied to the need to appoint high quality human resources to bring forward sites. The WOC does not have the automatic access to private development expertise that the other options bring and therefore both internal resourcing and external supply chain need to be carefully considered.
- Reputational risk of failing to deliver schemes or delays in delivery will fall wholly to the Council

Option 3b where the WOC enters into a Joint Venture on first tranche of sites reflected a more flexible approach whereby the WOC could adopt a varied delivery strategy across sites and manage cost and market risk by partnering with the private sector in a Joint Venture arrangement. Over the course of its life it could engage in direct development. Option 3b scored better in the risk appraisal than the WOC acting as developer (3a) due to:

- Ability to enter into a Joint Venture arrangement to mitigate short term financial and human resource risks.
- Ability to manage development through site specific strategy
- The ability of the vehicle to manage the risk relating to increased build costs, unfavourable market movements or changes in finance rates principally due to the fact that because there are a number of delivery options available including direct delivery the vehicle could still be used to develop new homes in return for a reduced surplus.
- Ability to manage and share reputational risk

Conclusion

The WOC with Joint Venture option (3b) scored the best in the risk appraisal with the lowest score of 2,250 compared to 3,125 for the JV; 3,300 for the WOC as developer (3a) and 3,625 for site disposal with DA (do nothing).

It should be noted that whilst the WOC as sole developer option did not score the worst overall it did perform poorly in relation to financial, cost and value risk categories.

3.4.4. SHORT LIST EVALUATION SUMMARY

The short listed options were evaluated against Critical Success Criteria at the long list stage. This produced the following results which highlighted the Joint Venture with priority returns as the most favourable option followed by the WOC.

	Disposal with DA	JV Corporate with Priority Returns	Wholly Owned Company
	Rating	Rating	Rating
1. Degree of BCC corporate control in relation to housing outputs (pace, numbers and mix)	4	4	5
2. Adequacy of human resource to meet the ambition around housing outputs – timing and quantum	3	3	2
3. The vehicle can trade with public sector partners	1	4	5
4. Marketability of the proposition	2	3	5
5. Ability to secure wider objectives and drive innovation	2	4	3
6. Vehicle to be resourced to take commercial decisions and operate at pace within agreed parameters	1	5	4
7. Level and nature of potential financial exposure in pipeline	5	3.5	1
8. The Council has the ability to optimise funding to the vehicle on a business case basis	4	4.5	4
9. Ability of vehicle to hold assets	2	4	5
10. The vehicle optimises risk profile for the Council	5	4	3
11. The vehicle is predicated upon prudent borrowing assumptions for the Council	5	4	4
12. Positive / neutral impact on Council's general fund revenue budget	3	4	3
13. Procurement / set-up costs	2	2	4
	39	49	48
Rank	5	1	2

Both options were refined to varying degrees at shortlist stage, most notably the WOC was considered as a more flexible 'Top Co' structure which would then have subsidiaries focusing on a variety of delivery routes including direct development, Joint Venture and site disposal with Development Agreement. This was reflected as option 3b in the financial modelling and risk assessment. The ability to Joint Venture or dispose of site (assuming an uplift in value through planning) provides the ability to reduce financial risk from direct development and partner with the private sector to draw in financial and human resource. This would improve the WOCs score against Critical Success Factors where it scored poorly particularly in relation to criteria 2, 7 and 10 relating to human resources, potential financial risk exposure and ability to optimize risk profile. Given the fact that the WOC only scored one point worse than the Joint Venture it would most likely move it ahead of the Joint Venture option if rescored.

At shortlist stage the options considered have been evaluated through an approach focused on qualitative assessment, quantitative assessment and risk assessment. These are scored independently with the results considered to highlight the preferred way forward.

On the basis of this evaluation, the preferred way forward is option 3 , Wholly Owned Company however with the first tranche of sites delivered in Joint Venture with a development partner as reflected in option 3b. This option scored the highest in both the appraisal of qualitative and quantitative benefits as well as the risk appraisal. It therefore performs best out of the options considered against the Council's investment objectives and the Critical Success Factors. The key conclusions from the appraisal of options are summarised below.

- The preferred way forward provides a vehicle that will enable the Council, through the WOC, to create an organisation that will focus on progressing the delivery of new housing as its key objective alongside acting in a commercial way
- The WOC will be able to adopt a flexible approach to delivery including direct development, site disposal and joint venture. This will enable the WOC to manage exposure to financial risk to the Council as owner of the WOC depending on site specific considerations at the time. Through ownership of the WOC, the Council benefits from strategic control over the WOC through the business planning process. Through this mechanism it can exert significant, direct influence over the pace, quality and quantity of new housing and regeneration within Bristol. The WOC does however retain the ability to share control with Joint Venture partners which could be either private developers or Registered Providers most likely in relation to a site or combination of sites. Each project delivered by the WOC would be subject to a formal agreement of the Business Case to Proceed, including the production of a business plan, development appraisal and cash flow model in order to demonstrate the viability and value of the proposals for each respective scheme
- Due to the fact that the new housing delivery programme arrangements within the Council will take time to establish and the approach of the Council to date has been to facilitate rather than deliver development, the WOC will require a clear delivery strategy for the first tranche of sites that recognises and responds to resourcing constraints within the Council. . Option 3b with the WOC delivering the first tranche of sites through Joint Venture will bring in human resource, capacity and expertise from the private sector and therefore provides an option with lower financial and management risk for the Council. It will however be critical to identify sites that can form tranche 1 that will be of suitable scale and interest to private sector partners. There would however also need to be appropriate approvals by the WOC board when established. Allied to this would need to be sufficient capacity within the Council to play an effective role in any governance arrangement for the WOC
- Where the WOC acts as property developer (3a) it will be able to retain value that would have been transferred to the private sector as profit for carrying out development. This financial benefit (which could under the 'do nothing' option total 15-20% of development costs) can either flow to the Council as owner of the WOC or be reinvested in future projects or increasing the quantity of affordable housing / affordability of housing. It means that the WOC will benefit from developing or Joint Venturing on valuable sites and may be able to develop sites the market would not if a lower surplus is extracted. This needs to be carefully considered in relation to State Aid and the purpose of the vehicle
- Surpluses generated through delivering developments might be re-invested to subsidise and increase the overall volume of affordable housing that can be viably delivered across the programme.
- Given that the WOC can hold residential assets, the Council can directly benefit from any improvement in the local economy and housing market over time through a combination of PRS and Affordable Rented tenures.
- Any financial surpluses generated within the WOC (net income) can be extracted by the Council as a dividend which flows into the General Fund as a revenue income to support the Council's revenue budget. Detailed tax advice would however be required at Detailed Business Case stage.
- The Council can take a flexible approach to funding the WOC through a combination of private and public sector sources. Where the Council borrows and on-lends to the WOC at a State Aid compliant margin it will benefit from the differential between the loan repayments to PWLB and the interest received from the WOC as a revenue return to the General Fund. Through this model the Council is able to invest in a vehicle established to deliver housing,

social and regenerative objectives within Bristol that can be flexed over time to respond to the Council's objectives as owner of the company

- The WOC provides a flexible model that can grow and evolve over time in order to enable the Council to accommodate policy / strategy changes over time. Delivering the first tranche of sites through a Joint Venture provides the ability to manage and mitigate short term financial risk as well as additional human resource capacity and expertise
- Where delivered by the WOC or in a site specific JV through the WOC then the Council retains ownership of its land assets in the city
- The WOC provides an ability for the Council to indirectly benefit from holding residential assets which provides for control of tenure over time and financial returns
- The proposed structure of a WOC with subsidiaries provides an ability to manage the Council's overall exposure to the risks of development and can therefore limit short term revenue exposure
- Establishing a WOC is a more straightforward approach compared to a programme wide Joint Venture which would be quicker as OJEU procurement may not be required albeit the purpose and objectives of the WOC need to be carefully considered alongside the timing for appointing a partner and related activities. This could be further expedited through inclusion as a subsidiary within the existing council Holding Company
- The Council has the ability to either transfer land assets to the WOC which then develops sites or for the Council to develop sites directly and sell completed units to the WOC. Transfers could be on a freehold or leasehold basis
- Depending upon the activities of the WOC, it may not itself be a "contracting authority" for the purposes of the PCR and this is primarily determined by whether its activities are not of an 'industrial or commercial character'. This principle needs further detailed consideration at Detailed Business Case stage in relation to the existing Holding Company and confirmed objectives.

The key disadvantages of this approach are that:

- The WOC acting as sole developer creates significant development risk including cost, finance rate, movement in sales values, delay in development and risk of not meeting market requirements. The assumption modelled that the WOC acts as developer across the sample sites and creates a pre-tax position for the Council of £15.782 million is predicated on a high risk position for the Council. The WOC and Council as 100% shareholder in the WOC are exposed to full development risk including that associated, with cost inflations, cost overruns, delays and market movements. As modelled the total Council financial input to the WOC based on the sample sites is £77.315 million. This figure could increase with cost inflation and overruns and the surplus would decrease as a result.
- The greater risk and exposure to changing council financing rules or local authority specific legislation.
- The fact that as a new organization it may be inexperienced in terms of meeting market needs and managing operational costs directly impact the returns for the council as the shareholder allied to the need to appoint high quality human resources to bring forward sites. The WOC does not have the automatic access to private development expertise that the other options bring and therefore both internal resourcing and external supply chain need to be carefully considered. For this reason the preference is for the first tranche of sites delivered by the WOC to be through Joint Venture. This will provide additional expertise and reduce financial risk whilst still delivering a surplus of circa £9 million to the Council as 100% shareholder of the WOC.
- As a separate company, there will be corporation tax and VAT implications to factor in, as well as additional costs for external audit, IT provision, final accounts and administrative costs.
- Whilst best consideration for disposal of Council assets to the WOC needs to be achieved, the impact on the Council's capital programme needs to be understood. This could relate to level of receipts; impact of combining sites with positive and negative land values; timing / deferral of receipts; freehold / leasehold transfers and affordable housing assumptions. This needs to be carefully considered at Detailed Business Case stage.

It may well be the case that these costs and resources could be shared with the existing Council holding companies. The Council will need to consider the tax issues highlighted and take more detailed advice as the project progresses as well as consider the position in terms of MRP which,

depending on the nature of any loan to the WOC have a material impact on the financial position for the Council. MRP is considered in more detail in section 5 and the supplementary report.

3.5. SENSITIVITY ANALYSIS

The approach used to carry out the sensitivity analysis was to use scenario planning ('what if analysis') to understand the impact of changes of key variables on the preferred way forward. Outputs were tested in relation to changes in values, costs, finance, operational costs and tenure mix.

3.5.1. RESULTS OF SENSITIVITY ANALYSIS

The results of the sensitivity analysis are set out in the following tables. All figures are quoted in £,000's. The variable show the impact on land value when variables are changed by defined increments as follows:

- +£25 Private sales - If the sales values were increased by £25 per sqft
- -£25 Private Sales – If the sales values were reduced by £25 per sqft
- 30% Affordable Housing - If the affordable housing requirement was reduced to 30%
- 50% Affordable Housing – if the affordable housing requirement was increased to 50%
- 6.5% Interest Rate – If the interest rate on the finance was decreased to 6.5%
- 7.5% Interest Rate – If the interest rate on the finance was increased to 7.5%
- +£25 Build Cost – if the build cost was increased by £25 per sq ft.
- -£25 Build Cost – if the build cost was decreased by £25 per sq ft.

Option 1 - Disposal with DA 'do nothing'					
(LAND VALUES)	Haldon	Bonnington	Redcliffe	TOTAL	Difference from Baseline
Baseline	-£145	-£1,654	£5,095	£3,296	
+£25 Private Sales	£97	£291	£6,187	£6,575	99%
-£25 Private Sales	-£408	-£3,657	£4,003	-£62	-102%
30% Affordable Housing	£22	-£422	£6,859	£6,459	96%
50% Affordable Housing	-£218	-£2,224	£4,361	£1,919	-42%
6.5% Interest Rate	-£133	-£1,565	£5,285	£3,587	9%
7.5% Interest Rate	-£157	-£1,743	£4,907	£3,007	-9%
+£25 Build Cost	-£852	-£6,850	£1,397	-£6,305	-291%
-£25 Build Cost	£461	£2,951	£8,793	£12,205	270%

Option 2 - Joint Venture 'priority return'					
PRIORITY RETURN	Haldon	Bonnington	Redcliffe	TOTAL	Difference from Baseline
Baseline	£47	-£102	£9,538	£9,483	
+£25 Private Sales	£206	£1,108	£11,029	£12,343	30%
-£25 Private Sales	-£113	-£1,312	£8,048	£6,623	-30%
30% Affordable Housing	£169	£490	£11,349	£12,008	27%
50% Affordable Housing	-£65	-£1,008	£7,793	£6,720	-29%
5% Interest Rate	£49	-£102	£9,577	£9,524	0%
6% Interest Rate	£44	-£102	£9,499	£9,441	0%
+£25 Build Cost	-£311	-£3,027	£4,925	£1,587	-83%
-£25 Build Cost	£405	£2,814	£14,274	£17,493	84%
50k pa Running Cost	£30	-£181	£9,462	£9,311	-2%
75k pa Running Cost	£14	-£260	£9,385	£9,139	-4%

Option 3a - WOC					
COUNCIL SURPLUS	Haldon	Bonnington	Redcliffe	TOTAL	Difference from Baseline
Baseline	£185	£1,525	£14,072	£15,782	
+£25 Private Sales	£505	£3,992	£15,812	£20,309	29%
-£25 Private Sales	-£135	-£141	£12,332	£12,056	-24%
30% Affordable Housing	£429	£2,718	£16,339	£19,486	23%
50% Affordable Housing	-£38	-£262	£11,877	£11,577	-27%
5% Interest Rate	£185	£1,525	£14,323	£16,033	2%
6% Interest Rate	£185	£1,525	£14,323	£16,033	2%
+£25 Build Cost	-£527	£222	£9,200	£8,895	-44%
-£25 Build Cost	£895	£7,038	£19,085	£27,018	71%
50k pa Running Cost	£245	£1,643	£14,183	£16,071	2%
75k pa Running Cost	£170	£1,495	£14,044	£15,709	0%
Option 3b - WOC with JV					
COUNCIL SURPLUS	Haldon	Bonnington	Redcliffe	TOTAL	Difference from Baseline
Baseline	-£31	-£313	£9,351	£9,007	
+£25 Private Sales	£182	£1,069	£10,842	£12,093	34%
-£25 Private Sales	-£190	-£1,523	£7,861	£6,148	-32%
30% Affordable Housing	£103	£278	£11,162	£11,543	28%
50% Affordable Housing	-£143	-£1,219	£7,606	£6,244	-31%
5% Interest Rate	-£29	-£275	£9,390	£9,086	1%
6% Interest Rate	-£33	-£352	£9,312	£8,927	-1%
+£25 Build Cost	-£389	-£3,239	£4,730	£1,102	-88%
-£25 Build Cost	£579	£4,352	£14,093	£19,024	111%
50k pa Running Cost	-£15	-£234	£9,413	£9,164	2%
75k pa Running Cost	-£31	-£313	£9,336	£8,992	0%

3.6. KEY OBSERVATIONS

Key observations from the sensitivity analysis carried out are:

- The levels of returns prior to sensitivity analysis were lowest for disposal with DA, followed by Joint Venture with the WOC producing the highest possible pre-tax surplus. This is unsurprising given that return will follow the level of risk – in the WOC option tested the WOC is a developer taking on full development risk in return for developer's profit. The relativity of these return is consistent throughout the sensitivity analysis
- **Disposal with DA** – in the baseline option 40% affordable housing can only be achieved with cross subsidy of positive land value from Redcliffe Way to support negative land values on Bonnington Walk and Haldon Close. Any change that increases costs of development or reduces value further accentuates this situation meaning that delivery of sites by the market through traditional disposal with 40% affordable housing would be increasingly challenged without support from the Council or significant cross-subsidy
- **Joint Venture 'priority return'** – The majority of sensitivities that decrease cost and increase value assessed above mean that each of the sample sites could be delivered in isolation through this model without cross-subsidy and 'lotting' of lower and higher value assets together to blend returns. Equally, due to the fact that Bonnington Walk and Haldon Close are marginal or marginally unviable any increase in costs or decrease in value means that delivery of these sites under a 'priority return' model would require either equity from the Council on a site by site basis or combining these sites with high value assets such as Redcliffe Way. We have been informed that there are limited high value sites within the Council's portfolio that could facilitate this. The conclusion is therefore that if there is a limited number of high value sites then the programme may require additional investment to provide requisite returns to a private sector partner
- **WOC** – Whilst the sensitivity analysis highlights that changing assumptions create a wide variety of surpluses from £9 million to £27 million, all are positive in the case of this analysis. Based on the level of variations which equate to value swings of 5-10% and cost swings of

circa 10-15% it would require shifts in multiple inputs to eliminate a surplus for the Council i.e. a drop in both values coupled with an increase in cost. Ultimately, subject to State Aid, the WOC could develop out sites for a lower return than the private sector which would mean that sites could still come forward albeit with a lower surplus to the Council. Based on current market conditions the results paint a positive picture for the WOC as the preferred way forward and risks highlighted in the sensitivity analysis require robust ongoing testing through the WOC's business planning process and the delivery strategy for individual sites or tranches of sites.

- **WOC with Joint Venture** – The sensitivity analysis demonstrates a similar distribution of results to the Joint Venture 'priority return' option above for the same reasons. The key differential is that the overall return to the Council is slightly lower than the Joint Venture option above due to additional set up costs.

4. COMMERCIAL CASE

4.1. INTRODUCTION

This section of the SBC outlines the propose deal in relation to the preferred option outlined in the economic case.

The preferred way forward considered within this commercial case is to set up a Wholly Owned Company (WOC) with sufficient flexibility to deliver sites through a combination of direct development, Joint Venture and disposal with DA. This flexibility will initially need to focus on limiting short term financial exposure of the first tranche of sites progressed through the WOC which are likely to be delivered through a Joint Venture structure. The preferred way forward within this SBC is therefore 3b, the WOC with delivery of the first tranche of sites through Joint Venture.

4.2. REQUIRED SERVICES

The services / support / partners the Council requires to deliver the preferred options are:

- Consultancy Advice
 - Occupier requirements
 - Investment / development advice
 - Site marketing
 - Estate agency / letting
 - Transactional
- Town Planning
 - Planning Team
 - Highways / Transport
 - EIA
- Legal
 - Title / land
 - Appointments / contracts
 - Agreements for Lease, Leases, Licenses, sales contacts
 - Procurement / State Aid
- Technical
 - Master Planning
 - Architects
 - Engineers
 - Cost Consultancy
 - M&E / CDMC etc
 - Other technical surveys
- Contractor(s) D&B
 - Detail design team
 - Site management
 - Work Package contractors
 - Suppliers / specialists
- Developers / Private Sector Partners (including Joint Venture partners)
- PR / Communications
- IT
- Building / property management

4.3. POTENTIAL FOR RISK TRANSFER

This section provides an initial assessment of how the associated risk of delivering the project might be apportioned between the Council and the private sector. A more detailed evaluation of risk takes place at Detailed Business Case stage which will be critical once a detailed business plan is established for a first tranche of sites.

The general principle is to ensure that risks should be passed to the party best placed to manage them, subject to VFM. In reality, given the preferred way forward identified the end allocation of risk will need to be considered on a site by site basis.

Risk Category	Risk	RISK ALLOCATION		
		Public	Private	Shared
Business Risks - risks to BCC that cannot be transferred to a 3rd party	Change in Council housing strategy or policy	X		
	Reputational risk of non delivery	X		
	Risk of conflicting Council objectives stall delivery e.g. Quality vs. Financial returns vs. Affordability	X		
	Private sector is not attracted to either partnership or site opportunities	X		
	Change in local authority funding / financing rules	X		
	Complexity of vehicle established takes a long time to establish	X		
	Non performance of partner / developer / contractor	X		
Service Risks - risks focused on design, development and operational phases which can be shared between BCC and a partner	Vehicle established becomes unfit for purpose in resource terms over time and operational quality not upheld			X
	Planning permission on sites is delayed or not forthcoming			X
	Build risk - timing and quality			X
	Risk of cost inflation for construction and skills			X
	Risk in movement of market values			X
	Increasing finance rates or changing funding conditions - public or private sector			X
	Sites put through the vehicle are complex and fundamentally challenged in technical and/or viability terms and therefore costly and			X
	Securing vacant possession of sites			X
	Vehicle established does not operate effectively e.g. Complex contractual arrangements, partnership, objectives			X
	Higher operational costs of vehicle than envisaged	X		
	Risk of product not meeting market needs			X
	Risk of product not meeting housing need	X		
	Maintenance costs of assets held higher than anticipated			X
	Risk that vehicle does not enable new construction techniques to be adopted			X
Skills / apprenticeships and training provisions do not align with established and future need	X			
External Environmental Risks that cannot be directly controlled by BCC or a partner	Wider legislative change e.g. SDLT, Corporation Tax			X
	Changes in legislation lead to increase in build costs or future requirements for upgrades			X
	Risk of economic recession and activity within the development sector			X

4.4. KEY COMMERCIAL TERMS

The following summarises the key commercial terms of the preferred way forward:

- A WOC will be established in line with the Companies Act 2006 and the Council will own 100% of the shares
- Board of the company will be appointed
- Memorandum and Articles of Association and any other relevant documents will be put in place
- Governance arrangements will need to be established to ensure the directors of the company act in accordance with their fiduciary duty. Governance arrangements must ensure accountability whilst providing flexibility for day to day operations

- A Shareholders Agreement is likely to set out the parameters the company must operate within and the overarching framework for operational documents. This is the mechanism through which the Council will provide control over the company. Parameters can be established through the business case and business plan (and the articles). Control can be exercised through director services contract, funding documents and the like.
- Resourcing arrangements will need to be established for the WOC using a combination of services provided by the Council (which could include housing management, maintenance and accounting services) and those provided by the private sector (which could include technical support, project management, development management, planning, development consultancy, design and viability). This could be done through direct appointments of pre-procured specialist frameworks as long as they are defined sufficiently to include the WOC. The WOC may fit in with the Council's existing company structure and resources could be shared in key areas.
- All commercial arrangements between the Council and the WOC have to be on market terms (to mitigate risk of unlawful State aid).
- Other key documents put in place will be:
 - Business Plan and financial model
 - Company objectives (as established in the Shareholder Agreement)
 - Governance arrangements
 - Operational plans
 - Letting and tenure strategy / policy including rent setting (i.e. market or sub-market).
 - Acquisition and disposal policy
 - Property management and maintenance regime.
- Council land will be transferred (subject to conditions precedent) into the WOC which will pay a capital or revenue receipt to the Council. Acquisitions will most likely be funded through debt from the Council which will be supported by PWLB debt. If Council land is HRA land then it will need to comply with the terms of the Disposal Consent. Council land could be transferred on a leasehold basis if the WOC is to hold it long term with a revenue stream rather than a capital receipt.
- The WOC could act as a developer in its own right with funding from BCC, or in a JV with a Private Sector Partner or dispose of sites
 - Where the WOC engages in pre-development activities it will appoint technical, commercial, legal, financial and agency advice
 - Where the WOC develops sites it will appoint contractors. Where the WOC engages contractors the Council will need to anticipate requests for guarantees and the potential State aid implications of giving one.
 - Where the WOC enters into Joint Ventures it will appoint relevant support services and enter into a range of Development, Funding, Members and Land Transfer Agreements as well as leases and licences
 - Where the WOC disposes of sites it will appoint relevant support services and enter into contracts governing the disposal
 - Where the WOC holds assets it will enter into Assured Shorthold Tenancies (ASTs), Assured Tenancies or Leasehold Tenancies with its occupiers as well as appropriate management and lettings arrangements.
- The WOC could acquire completed units developed directly by the Council or third party sites / properties and these may be acquired on a freehold or leasehold basis.

4.5. PERSONNEL IMPLICATIONS

TUPE is unlikely to be an issue unless a council employee is engaged full time (or substantially) by the Council in the set-up of the JV or WOC.

4.6. PROCUREMENT STRATEGY AND IMPLEMENTATION TIMESCALES

The approach to establishing a WOC does not in itself require a procurement exercise although more detailed consideration is needed as to how and whether it should align with the Council's existing holding company. This is principally due to consideration of the intended purpose of the WOC, whether this aligns with the holding company and whether the WOC is considered as a "contracting authority" in relation to PCR.

What is however required alongside the establishment of the WOC is an identification of supply chain and business plan for delivery of the first tranche of sites. Further consideration of the activities of the WOC and extent to which it is considered as a 'contracting authority' for the purpose of public procurement is critical. It may be that the Council could consider procuring a framework(s) to provide access to pre-tested consultancy, development and contracting services.

The procurement strategy for individual sites will be developed on a site by site basis once the first tranche of sites to be delivered through the WOC are identified. This will take into account the site specific characteristics, market appetite and approach to financial risk.

The delivery route for the first tranche sites is likely to be in a Joint Venture with a development partner. The WOC will therefore need to appoint a Joint Venture partner directly and enter into a contractual relationship to deliver sites. Consideration needs to be given at Detailed Business Case stage to the sequencing of the establishment of the WOC, business planning for the WOC and appointment of the Joint Venture partner by the WOC.

4.6.1. SOFT MARKET TESTING

[REDACTED]

[REDACTED]

Telephone interviews were contacted with the majority during December 2016 to test high level principles, particularly:

- Appetite for Bristol
- Appetite for development and Joint Venture
- Previous experience
- Approach to returns

A summary of the meetings is included in the supplementary report however a summary of the key points is:

- Generally the soft market testing exercise showed a large appetite for residential development in Bristol. All the developers stated that they were keen to work with Bristol City Council in a variety of approaches.

[REDACTED]

- Most of the potential partners had experience of OJEU processes and were happy to undertake this provided minimum unit numbers were on offer ranging from 50+ to 80+.
- The parties contacted have delivered between 100 and 750 residential units per annum within Bristol and surrounding counties. This provides a useful context for the quantum of units that could be delivered by working with a single organization.
- A number of the parties stated that packaging a significant potential pipeline would create a greater appetite for bidding through an OJEU process.
- All parties were happy with the concept of 'lotting' sites to enable more profitable sites to cross-subsidise the more complicated sites.

Very few of the parties were asset holding companies, they have an inclination to sell units as soon as construction is complete.

4.7. ACCOUNTANCY TREATMENT

Council transfers land (held in the GF or HRA) into the WOC for best consideration, set up as a CLS. Council can take profits in the form in dividends.

[REDACTED]	[REDACTED]
[REDACTED] [REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
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5. FINANCIAL CASE

5.1. INTRODUCTION

The purpose of this section is to set out the indicative financial implication of the preferred option (as set out in the economic case section) and the proposed commercial arrangements (as described in the commercial case section).

NB. Further detailed analysis of the financial case including affordability takes place at Detailed Business Case stage.

5.2. IMPACT ON THE ORGANISATION'S INCOME AND EXPENDITURE ACCOUNT

Based on the sample sites, the quantitative outputs each shortlisted option are summarized as follows including the number and timings of delivery of private and affordable housing with the correlating number of jobs (direct, indirect and induced). It shows the cumulative capital and revenue receipts across sample sites and costs on an annual basis following the WOC delivering the sample sites as assumed tranche 1 through Joint Venture ('priority return' structure). This results in a pre-tax surplus / position and the Net Present Value to the Council when adopting a discount rate of 3.5%.

Key financial line items in the table include:

- **Capital receipts** – Receipts generated from purchase of land from the Council and repayments of loans provided by the Council to the WOC
- **Capital costs** – Debt and equity provided by the Council to the WOC
- **Revenue receipts** – Loan interest received by the Council from the WOC; dividend payments received by the Council; overage
- **Revenue costs** – Interest by Council loan from PWLB, pre-development costs, vehicle set-up costs.

The following table summarizes the financial appraisal:

Year		2017	2018	2019	2020	2021	2022	2023
Capital receipts	£5,095	£0	£5,095	£0	£0	£0	£0	-
Capital costs	-£7,799	-£820	-£6,979	£0	£0	£0	£0	-
Net capital position	-£2,704	-£820	-£1,884	£0	£0	£0	£0	
Revenue receipts	£11,711	£0	£0	£0	£450	£8,422	£0	£2,840
Revenue costs	£0	£0	£0	£0	£0	£0	£0	-
Net revenue position	£11,711	£0	£0	£0	£450	£8,422	£0	
Surplus / (deficit) before tax assessment	£9,007	-£820	-£1,884	£0	£450	£8,422	£0	£2,840

In providing a loan to the WOC, the Council is drawing down borrowing from PWLB totalling £7.799 million. The total outlay is significant however and development risk associated with changing costs and values shared with a Joint Venture partner. The assumptions within the WOC in this SBC reflect a short term loan based on the sample sites for indicative purposes. The profile of borrowing by the Council and lending to the WOC will be driven by the tranche 1 sites and whether the WOC holds or sells completed units and therefore the loan to the WOC by the Council could be longer term. As 100% shareholder in the WOC the Council is exposed to the development risk through its ownership of the vehicle albeit this will be shared with the Joint Venture partner. The WOC will manage this risk by ensuring the WOC is appropriately staffed in terms of numbers and expertise and through resource provided by the private sector partner. It will be up to the Directors of the WOC to consider the delivery options on a site by site basis and arrive at a robust business plan for the WOC and that

satisfies the Council as lender. Indeed, the Directors of the WOC will need to ensure that it remains solvent and a going concern.

The preferred option modelled assumes that the WOC enters into a Joint Venture arrangement with a private sector partner to deliver the first tranche of sites. The flexible approach to delivery open to the WOC (including Joint Venture) provides the ability to manage the level and risk around financial exposure for the WOC and the Council due to:

- The ability of the WOC to only undertake site preparation activity and dispose of the site with planning consent retaining the uplift in value
- The ability of the WOC to enter into site specific Joint Venture arrangements with the private sector to share cost as well as development risk
- Phasing of development of sites over a longer period to reduce peak debt and enable surpluses to be created to support development of future sites, reducing the borrowing requirements for the Council on those future sites
- The fact that many of the sites within the pipeline have low or negative land value reducing upfront acquisition costs for the WOC
- Deferring capital receipts to reduce upfront costs subject to a valuation at the point of transfer to reduce upfront capital outlay for the WOC and borrowing requirements for the Council
- Dispose of sites at an undervalue subject to s123 of the Local Government Act and State Aid
- Transfer of assets on a leasehold basis in return for a rental payment to reduce upfront capital outlay for the WOC and borrowing requirements for the Council.

A number of the points outlined above would manage risk exposure for the WOC and Council as shareholder but those which reduce or delay programmed capital receipts for sites would need to be considered in terms of their impact on the Council's capital programme.

5.2.1. MINIMUM REVENUE PROVISION (MRP)

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[Redacted text block]

³ Capital Finance – Guidance on Minimum Revenue Provision, DCLG (Feb 2012)

[REDACTED]

[REDACTED]

[REDACTED]

5.3. OVERALL AFFORDABILITY

The purpose of the strategic case has been to assess the options for taking forward the Council's plans for housing delivery and the approach for making this assessment has been based on the development of three sample sites, as such it is one scenario. The cost of developing this scenario, for both capital and revenue, has been set out in section 5.2. The cost is an indicator as to what the financial implications could be of setting up a WOC and providing approval for it to develop sites in the manner described in this business case which assumes that the WOC acts as developer and is therefore exposed to both the value and risk of fulfilling this role.

Therefore whilst this business case is not seeking approval for this level expenditure, the Council does need to consider whether it has the financial capacity to service the scale of expenditure implied by this business case, i.e. whether a more detailed business plan has the potential to be affordable.

There are major variables that will need to be assessed at detailed business planning stage that will have a bearing upon the financial implications of a detailed business plan:

- The scale of development, i.e. number of units and sites;
- The choice of sites developed;
- The timing of delivery;
- The mix of tenure developed;
- Whether units are sold or held for rent by the Council
- Synergies with the HRA; and
- The level of risk for any income forecast.

There also remain options assessed as part of this business case to enter joint ventures and access private sector finance and these options should be assessed for suitability when more specific sites are identified as part of detailed business planning.

6. MANAGEMENT CASE

6.1. INTRODUCTION

This section of the SBC addresses the 'achievability' of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme.

6.2. PROGRAMME MANAGEMENT ARRANGEMENTS

The scheme is an integral part of the Council housing delivery programme, which comprises a portfolio of projects focused on the delivery of housing across Bristol. The Council has been reviewing the whole approach to housing delivery and its approach to its own programme – a suite of new governance proposals have been developed and are in the process of being put into place. The intention is that the programme as a whole to be overseen by a Housing Delivery Board, comprising key Service Directors from housing, HRA, property, finance and economy. A proposed corporate Investment Board, including land and capital would have control over release of land (subject to a disposal policy) and release of capital finance. Cabinet will in turn set overall policy direction, set targets and agree financing arrangements.

Given the current review of the Council's housing programme, programme management arrangements are in the process of changing from those currently in place and the status quo is one of transition. Management, governance and resourcing arrangements within this programme are critical to the success of the vehicle or otherwise and need detailed consideration at Detailed Business Case stage. All new arrangements will need time to transition where required.

Day to day delivery would be the responsibility of an integrated multi-disciplinary team, managed from within the Place directorate.

The Council's own development programme (HRA) is set within the parameters of the Business Plan, itself subject to annual approval as part of the budget setting process. Risk management arrangements and monitoring procedures will need to be identified at a programme level and the governance arrangements for the WOC will need to align with and sit within these.

6.3. PROJECT MANAGEMENT ARRANGEMENTS

Individual projects will be managed in accordance with the Council's established project methodology, as part of a wider programme. The programme of the new vehicle will subject to formal annual approval by the Board of the new vehicle or by the Holding Company, with regular reviews by the Investment Board. Day to day project management will depend upon the resourcing of the vehicle (to be established as part of the detailed Business Plan). The likely resourcing will be either directly by the Council (with appropriate SLA and payment structures), or direct by the vehicle, or a combination of the two. The expectation is that some use of specialist consultants will be needed.

At Detailed Business Case stage, the project management arrangements will need to establish risk management and project monitoring and reporting protocols.

The WOC will also need to be sufficiently resourced to undertake delivery of the sites in line with the Business Plan which is to be agreed once a first tranche of sites is identified. The resourcing requirement in terms of expertise and supply chain is significant to undertake multi-site development as set out in the financial appraisal of the WOC. This will require senior appointments with both development and construction capability as well as a supply chain of consultants, contractors, development managers, technical specialists and estate agency. This needs to be identified at Detailed Business Case stage. There are significant implications here for the Council, depending upon the extent to which the Joint Venture partner supplies relevant expertise. The Council will be setting up and recruiting additional staff to its new multi-disciplinary team, some of whom could be utilised on projects by the new vehicle. Expertise is a key benefit of entering Joint Venture arrangement for the first project(s) however the Council will still need to provide sufficient senior level strategic input to support governance of the WOC and Joint Venture arrangement entered into by it.

6.3.1. OUTLINE REPORTING STRUCTURE

The strategic business case has been reviewed by the project Steering Group at draft stage, following which it was modified by LSH. The business case has then been reported to the Council's Strategic Leadership Team and the Executive Board. The strategic business case will require approval from Cabinet, as a key decision. Following approval a detailed business case will be drawn up, along with establishment of a new legal entity and an implementation and resourcing plan. These decisions may be delegated to the Strategic Directors for Neighbourhoods and Place in consultation with relevant Cabinet members. The WOC would sit within the programme management arrangements set out within section 6.2

6.3.2. OUTLINE PROJECT ROLES AND RESPONSIBILITIES

Role	Responsibility
BCC Lead Cabinet Member for Housing	Strategic portfolio leadership
Project Director	Ensure establishment of vehicle
Steering Group	Ensure objectives align to Council strategic aims. Ensure key inputs and outputs to strategic business case and that it is robust. Programme management
Lambert Smith Hampton / Grant Thornton / Bond Dickinson (to be confirmed)	Property, financial and legal advice.

6.3.3. OUTLINE PROJECT PLAN

Milestone	Timing
BCC Cabinet approval of SBC	February 2017
Scoping Detailed Business Case	March 2017
Agreement of first tranche sites and delivery strategy for inclusion within WOC business plan	May 2017
Identification of supply chain	May 2017
Commence planning and technical projects on first tranche sites	June 2017
Detailed Business Case approval	September 2017
Prepare WOC documentation	October 2017
Establish WOC Planning on tranche 1 sites	November 2017 Q2 2018
Joint Venture partner in place and construction on tranche 1 sites commences	2018-2019
Tranche 1 sites occupied	2020-2021

6.4. USE OF SPECIAL ADVISERS

Special advisers have been used in a timely and cost-effective manner in accordance with Treasury Guidance: Use of Special Advisers.

Details are set out in the table below:

Specialist Area	Adviser
Financial	Grant Thornton (to be confirmed)
Technical Property / Development / Business Case	Lambert Smith Hampton (to be confirmed)
Procurement / legal	Bond Dickinson (to be confirmed)
Other	tbc

6.5. GATEWAY REVIEW ARRANGEMENTS

Section 6.3.1 above sets out the approval process for the strategic business case. Following this a Detailed Business Case and legal structure will be developed. The business plan and legal structure will be required to follow the City Council's Code of Practice on the Governance of Council's Interest in Companies. The Cabinet will be recommended to agree the Strategic Business Case, with 'in principle' to the particular form of vehicle. This will be subject to the further work outlined above. The next key Gateway Review will be at Detailed Business Case stage.

APPENDIX 1

Lessons Learned

APPENDIX 2

Sample Site Assumptions

APPENDIX 3

Risk Appraisal

HOUSING DELIVERY VEHICLE CASE STUDIES

Delivery Vehicle	Authority
Private Finance Initiative	Leeds London Borough of Barking and Dagenham Kirklees Council
Joint Ventures	Woking Peterborough Derby Luton London Borough of Barking and Dagenham Oxford Gateshead Kent Bournemouth Hammersmith and Fulham Huddersfield
Wholly Owned Company	Southwark London Borough of Ealing Enfield Thurrock Ashford South Cambridgeshire Plymouth Borough of Broxbourne Hammersmith and Fulham
Developer Panel	TFL Property Panel GLA Newham Lambeth Lewisham
PRS Investment	Wandsworth
Council – Led Commercial Development	Birmingham
Development Agreement	Southwark/Lendlease
Income Strip	Barking and Dagenham
Others	Kensington and Chelsea Manchester Islington Camden Redbridge Hackney Richmond Barnsley Manchester Wolverhampton Berneslei Homes Walsall Chichester

	Cherwell Exeter Ashford Colchester Nuneaton and Bedworth Council Gloucester City Surrey Wolverhampton
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PFI

Leeds

Form

Leeds City Council set up a private finance initiative deal to deliver a huge regeneration programme for its inner city. The council has formed a 20-year partnership with Sustainable Communities for Leeds which will help rejuvenate local communities across three areas of the City, including refurbishing more than 1,200 homes and building close to 400 new ones. The project is being funded by HCA with a significant council contribution. It is the first scheme of its kind where the private finance element is secured through the capital funding markets via a bond issue.

Excellent Homes for Life, Kirklees Council

Objectives/Function

The project was an opportunity to address shortages in the current housing stock, and deliver wider economic benefits to the area. Provide new homes to replace a core of high cost, poor quality homes that are tailored to local housing need to include high sustainability and design standards to ensure adaptability to meet tenants needs throughout their lifetime.

Sites (multiple)

466 new homes on 27 sites

Form

The scheme has been delivered through Private Finance Initiative (PFI) and delivered in partnership with the Regenter Excellent Homes for Life Consortium. The PFI deal covers the construction of the homes and a 20 year service contract to manage and maintain them. The project went through a competitive procurement process and Regenter was appointed as the preferred bidder in 2010. The consortium includes Regenter Limited and Wates Construction Limited. The Council sought economic benefit to the local economy from construction work, and from delivering the services by working with Regenter to use and develop local skills

Lessons Learned

The Council reduced the risk of failure as much as possible through tight specifications and contracts but some risks such as the impact of welfare reform or future legislative change cannot be easily quantified. Understanding whether risks are acceptable to the private sector or should be kept in house is a subtle but important skill for Councils.

Protocols between partners and expectations of service delivery have all helped the partners to understand each other and set out what is expected.

The extra care element is treated separately to the housing management contract and is not part of the PFI deal. It was a deliberate decision to split the two contracts and avoid a conflict of interest.

Councillors played an important role in developing the strategy and vision for building the new homes, and engaging local communities in the planning process.

Joint Venture

Woking

Form

In April 2013, Woking Borough Council transferred its housing management functions to Pinnacle PSG and Mansell Plc operating a joint venture, called New Vision Homes. This delivers housing management, repairs, major works and construction projects to 3,800 homes. Eighteen months into the contract, New Vision Homes has delivered benefits including:

- overall resident satisfaction up from 78% to 83%;
- residents now have access to services 24/7;
- extended neighbourhood office hours including Saturdays;
- more consultation with the community – the opportunity to participate up from 66% to 84%;
- over 50 community initiatives and events;
- satisfaction with estate cleaning up from 37% to 87%;
- estate regeneration, with a £250 million budget, is at the planning stage.

Peterborough

Form

Recognising that the council has traditionally borne the up-front cost of scheme development work, Peterborough City Council has devised an alternative approach to help raise investment for regeneration, initially on development sites that it holds. By creating a joint venture (JV) with a private sector organisation that specialises in developing sites and identifying funders the council hopes to secure a series of investments up to an initial value of £130million. Initially its scope will cover development sites that the council owns. In addition to securing market value for the land, the council will also benefit from a share of the future profits.

Both the council and JV partner would make an initial financial commitment to the scheme. The council would commit its land at market value and the partner funds the scheme development costs up to the point where planning consent is achieved. At this point the consented scheme is 'sold' to a fund and both the council and JV partner recover their initial contributions – market land value for the council and scheme development costs for the JV partner. Any residual profit would be split between the council and JV partner based on their initial contributions.

Derby

Form

At Derby, the City Council has supported the Osmaston Community Association of Residents (OSCAR) in developing the largest community-led scheme in the country. The scheme will deliver 95 homes, of which 55 will be for market sale, cross-subsidising the remaining 40 homes which will be for affordable rent. The Council supported local residents in securing £1 million funding from the Homes and Communities Agency, and provided the redundant land and loan funding. The development is a genuine partnership between OSCAR, Strata Homes (the developer), Derby Homes and the City Council. The developer is currently on-site and using the opportunity to up-skill the local community in all aspects of development and management.

Luton

Form

With 500 families in temporary accommodation and an increasing population, Luton is experiencing severe housing pressure. It set up a joint venture, using the Local Education Partnership (LEP), which offered reduced procurement costs and a quicker route to starting on site. QED Wates Ltd were chosen as the private sector partner and the LEP formed as the Luton Learning and Community Partnership Ltd (LLCP).

New Homes for Luton is being delivered as a joint venture between the council (contributing land), LLCP, Catalyst Housing Group (provide finance, and managed rented homes and market private sales and shared ownership) and Wates Living Space (design and construction). A package of 16 mixed sites was identified and grouped into phases so that viable sites could cross-subsidise problematic ones. It aims to develop 450 new affordable homes, and make best use of previously developed land, including reinvigorating a neighbourhood centre, regenerating an old Vauxhall car plant, and building on a disused allotment. It will also invest in the local economy with 18 full-time apprentices in Phase I, 14 work experience placements pa, a trainee programme, and a skills programme helping local people facing employment barriers.

Whilst the joint venture has been successful to date with over 350 new properties completed or under construction offering good quality homes to local people, the future is less certain with many of the smaller and more difficult sites proving to be non viable and thus limiting the future potential for the venture.

London Borough of Barking and Dagenham, London

Objectives/Function

Provide housing for local people in work who do not qualify for social housing, but struggle to afford options in the private housing market.

Sites (multiple)

477 new homes for affordable rent over two sites

Form

Special Purpose Vehicle with the Local Education Partnership to act as a developer and secure private finance. Institutional investor Long Harbour funded the scheme with the Council providing the land. The Council guarantees the rents and after 60 years the homes will be owned outright by the Council. The units are marketed, managed and maintained by an independent company called Barking and Dagenham Reside.

Lessons Learned

The complexity of the project requires agreement of key experts inside the Council. Any project of this type will need agreement from the Councils finance, property and legal teams.

Setting up a partnership with an institutional investor takes time and money. It takes longer and is more complicated than using a more traditional form of borrowing such as the Public Works Loan Board.

Annuity rental returns, expected around 3.75% are expensive in comparison to Council finance rates.

Barton Oxford LLP, Oxford

Another name

Objectives/Function

A site was allocated as a strategic site for the provision of housing the City however required significant investment in infrastructure, making traditional development routes difficult. Oxford was experiencing severe housing shortage and required early delivery of new market and affordable homes combined with a lack of available land

Sites (multiple)

36 hectare (90 acre) site. Outline has been granted for 885 new homes.

Form

50:50 Limited Liability Joint Venture Investment Partnership with Grosvenor Development Ltd. Costs for external advice from architects, surveyors and lawyers were met by a combination of Grosvenor and other public funding. The developer provided equity and infrastructure investment for the site estimated to be around £25 million and £30 million. As the developer was not under an obligation to develop housing, the procurement of the partner was not subject to the EU public Procurement rules. The procurement process brought out the economic, social and environmental benefits in the Council's vision including the opportunity for training, apprenticeships and job creation.

Housing officers felt that they didn't want to go down the route of setting up a local housing company immediately, given the changing regulatory regime. Nor did they want to sell the land to a developer, as they were unlikely to build in the time frame required by the city's housing shortage, and the need to drive high quality design. Instead there was seen to be value in working on a site-by-site basis, making plots of land available in partnership with individual investors.

Viability was a serious challenge in developing the site, as it was necessary to secure significant investment in infrastructure. Grosvenor brought this to the table and because they were bringing investment, rather than services, the procurement was not subject to EU rules and OJUE proceedings. Council staff time, in-house skills and good partners were seen as essential components for the venture to be effective.

It was also thought that the LLP model allowed for greater control for the Council over the developer and the plans; the first round of bids for the partnership were all turned down on the basis that they did not meet the design requirements set by the Council.

An independent design review panel was established and the council insisted that the scheme had a Master Planning Architect to ensure the standards and frameworks in each plan. The council will own and manage 40 per cent of the houses, which are due to be built by developers Hill.

Lessons Learned

The Council had clear objectives not only about getting houses built but to support local economic growth and increase the range of housing options for local people.

The Councils clear aims were inserted into the procurement process encouraged strong interest in the market and helpful to both partners.

Delivering at pace and was an efficient non OJEU procurement

Flexibility of delivery is achieved by selection of the best developer on a site by site basis.

The non-regulated procurement process encouraged high-quality expressions of interest and ultimately bidders, while a bespoke competition also ensured the Council complied with its requirements to conduct the process in an open and non-discriminatory manner.

Maintaining the programme and openness with bidders as to the Councils approvals process was key in maintaining bidder engagement and confidence.

NOTE: Care needs to be taken with the “procurement” of services in a typical promotor agreement. More detailed legal advice is recommended.

Gateshead Regeneration Partnership, Gateshead

Objectives/Function

Designed to support wider housing and regeneration objectives of the Council and its communities including promoting economic development, increasing local employment opportunities, raising sustainability standards in residential dwellings and improving design standards.

- Leverage private sector investment;
- Utilisation of under-used sites held in Gateshead's General Fund;
- Ensure quality of delivery across all sites regardless of viability/attractiveness; and,
- Ring-fence risk, receipts and surplus within a stand-alone business.

Sites (multiple)

Delivery of 2,400 homes over next 15 years over 19 key development sites. 25% of employees to be from Gateshead and 25% of the value of supply chain opportunities will go to Gateshead businesses

Form

Gateshead Council established The Gateshead Regeneration Partnership with Evolution Gateshead (a consortium of Home Group and Galliford Try) to develop an innovative solution to delivering 2,400 homes (1,800 private and 600 affordable) over the next 15 years. The homes will be built across 19 sites of varying viability. Development is being brought forward in bundles around three sites at a time where sites with a positive value cross subsidise those that are unviable to achieve an aggregate appraisal that is viable. The council contributes its land assets and its partners contributing private finance and expertise.

The Council is using its land assets to secure private finance through this Local Asset Based Vehicle. Gateshead Council partnered with Evolution Gateshead (itself a partnership between Home Housing and Galliford Try) to develop an innovative solution to deliver both private and affordable housing. The scheme is also supported by the Homes and Communities Agency.

Lessons Learned

Key lesson was how viability can be retained in a pressured commercial climate through land transfer structure

Local Authority initiative in a lower value area enhanced Council reputation

Longer participation secured returns and not just family silver sales

By setting up a local asset based vehicle, partners share the risks and rewards in creating new neighbourhoods, with profits reinvested back into regeneration initiatives.

The venture will also support wider objectives by promoting economic development and increasing local employment opportunities, with 25% of employees working on the project from Gateshead and 25% of the value of supply chain opportunities going to Gateshead businesses.

Kier/Kent**Form**

Land led deal where land is transferred in to the JV, three initial sites delivering 152 houses and phase 2 is a rolling programme of sites. Kier funded and developed the sites, providing private market and affordable housing which were leased to a leading registered provider, creating residential investment income.

Lessons Learned

Lesson is the risk of developers cherry picking less complex sites

Public sector needs to lead on site selection

Morgan Sindall/ Bournemouth

Objectives/Function

Bournemouth Council wanted to maximise the towns economic potential kickstarting the wider regeneration, providing innovation and excellence in design and sustainability, and capturing profit through development rather than pure land transfer.

Form

Bournemouth Borough Council operates a variety of approaches for delivering and supporting housing development, including:

- entering a joint venture in partnership with Morgan Sindall Investments which is currently developing two sites: (i) developing an under-used council-run car park with the aid of HCA 'Get Britain Building' funding into 64 residential flats aimed at first time buyers in the town centre; (ii) development of student accommodation for 378 student units, funded via a sale and leaseback structure with one of the Prudential Property Funds;
- a phased investment programme utilising available funding from internal funds, Public Works Loans Board and the private sector three year build programme providing up to 62 new build homes plus additional purchase of 20 private sector properties for rent and the acquisition of a number of run down houses in multiple occupation for conversion into self-contained flats;
- establishing a subsidiary council-owned bank, created under the Community Financing Initiative to provide support to individuals and businesses by funding small businesses, and accelerate delivery of the borough's Housing Strategy and facilitate area specific regeneration;
- a council-led housing programme including: (i) a trial programme of acquiring run-down houses in multiple occupation for conversion into self-contained family flats and; (ii) contracted to build 105 houses, flats and bungalows partly funded by HCA grant with the remainder self financing using prudential borrowing funded by the rental income received and the council's own resources.

Bournemouth Development Company (BDC) was incorporated in February 2011, and is a 50:50 joint venture partnership between Morgan Sindall Investments Limited (MSIL) and Bournemouth Borough Council. The partnership structure is that of a Local Asset Backed Vehicle. The partnership has a 20 year concession period and its purposes is to deliver the Town Centre Regeneration Vision for Bournemouth through the development of 17 initial sites, with a maximum development value of £500m

Lessons Learned

The company is delivering at pace and scale and has completed a residential scheme, a student accommodation scheme and car park.

The governance process is protecting delivery of public sector objectives.

Hammersmith and Fulham

Objectives/Function

Deliver major economic and housing growth
Tackle economic and social polarisation

Form

Direct housing development via

- Hidden Homes – Programme for small conversions, generally less than 5 units per site
- New Build Innovative Housing focused on sites of between 5-50+ units, built using Modern Methods of Construction (MMC) where it provides better value for money and ease of construction
- Housing and Regeneration Joint Venture – partnership with a private sector partner to redevelop selected larger Council owned development sites, delivering 50 + units per site. The JV has a separate governance arrangement and its own business plan with the joint venture partner following completion of the procurement process.
- H&F Development Limited (HFD) - a wholly owned subsidiary company that can undertake building of new homes on Council owned land that is vested in it for the purpose. This company has a three person Board and these are H&F senior officers and the Cabinet Member for Housing.
- H&F Housing Limited (HFH) - a company with charitable aims, established under the Industrial and Provident Society rules, that will be able to access grant, provide housing management, and accept gift aid to achieve greater tax efficiency. Under the rules this company can be run initially with an interim Board which has now been set up with Officers as Board Members pending the transfer of any assets into the company.

Two initial schemes to deliver housing with scope to MI and over wide portfolio.

Northern Ventures, Huddersfield

Form

Kier have set up a new joint venture to develop mixed-tenure housing projects across Yorkshire, Humber and the North West, including the first 113 home development site for outright sale in Huddersfield, West Yorkshire. The model offers a full mixed tenure development partnership. The new model allows registered housing providers with development aspirations and revenue to share activity, national presence and sales infrastructure. It will be used for multiple sites. The aim is to build 500 new properties per year and establish site specific limited liability partnerships for each scheme. Any profit returned to the Group will be used to fund out affordable housing programme.

Royal Borough of Kensington and Chelsea

Objectives/Function

- Provide good quality, well managed mixed tenure homes to complement the Council's housing provision;
- Support the Council's strategic objectives to deliver better quality homes, improved community facilities, well designed public realm, increased mix of uses, and diversified tenure in order to contribute towards better health outcomes, higher educational attainment, more job opportunities, enhanced feelings of safety and reduced crime;
- Support the Council in the regeneration of its estates, which would act as a catalyst for wider regeneration of the most deprived parts of the borough;
- Provide homes at a range of rent levels and tenures, including target rents;
- Facilitate decanting existing residents to unlock estate regeneration, and a range of other tenures to satisfy demand and financial viability, including the delivery of much needed intermediate housing to diversify tenure;
- Support the Council in becoming an established developer;
- Be a financially robust company;
- Allow a commercial focus to the portfolio of newly developed housing;
- Secure investment from the public or private sectors;
- Deliver a financial return to the Council on its assets and investment; and,
- Allow the Council to retain ownership of its land assets.

Form

Grainger was selected by the London Borough of Kensington and Chelsea in September 2012 to develop and manage two council-owned sites. More than 50% of the homes across both sites will be built specifically for the private rented sector. These homes will be managed by Grainger under a 125-year agreement, for which it will receive a management fee. The council will retain the freehold and will share the long-term rental income with Grainger.

London Borough of Lewisham

Objectives/Function

- To leverage the Council's existing asset base;
- To generate an additional £9.5 million per annum in net revenue, two thirds of which needs to come from new income streams;
- To deliver Lewisham's Regeneration Strategy;
- To retain Council assets and protect investment in assets; and,
- The urgent delivery of the New Cross Gate site.

Form

A borough wide vehicle intended to encompass a number of diverse sites and opportunities. Potential to create multi layered legal structure with individual SPVs sitting underneath an operating company.

Lewisham has embarked on an intensive and mixed programme to utilise its land assets to enable the construction of 2,000 new affordable homes in the next four years. The programme will include 500 new council homes, on small sites near existing homes, which will be part funded by land sales. Where the council has land holdings adjacent to those of its partners, it is working in partnership to use its land strategically to make development more viable, support the construction of more affordable homes than would otherwise be possible, and to achieve the 2,000 home target.

The first self-build schemes in England were built in Lewisham. While self-build and particularly community-build projects are common in continental Europe, at present they make up a tiny fraction of the new homes built in the UK. The council believes that there is great potential to capture the spirit and energy of self build to address the current housing supply challenge. To prove that this is the case it has allocated a site specifically for a pilot community-build project, and is working with local community groups to bring that development forward and to demonstrate how councils can use their land to enable community groups to build the homes that the community needs.

The Council is in the process of securing a Joint Venture partner on a co-investment basis. This is not being procured through OJEU but as an investment partnership. The initial focus will be Besson Street in New Cross, a scheme of circa 200 units which will be PRS. The Council will transfer land to the JV and share cost and market risk, receiving a dividend based on profitability of the vehicle. The vehicle is then intended to be used to deliver other schemes which will all be delivered within SPVs to manage risk.

Lessons Learned

Whilst OJEU is not required, in reality the time saved is minimal within the context of the programme because a robust process to partner selection needs to be followed.

Soft Market Testing was useful however without specific questions and a suitably worked up proposition the feedback was less valuable.

Wholly Owned Company

Southwark

Objectives/Function

Land assembly strategy requiring acquisition of several thousand existing leasehold interests in 1950's housing stock to be acquired through private treaty/CPO and the re-housing of existing tenants and leaseholders on and off site. The project is a £900 million redevelopment and will comprise over 3,500 private and affordable housing units with at least 50% affordable housing, community use facilities and commercial space over a 20 year period.

- Deliver stated aim of 11000 new Council homes by 2043: increase speed and flexibility to enable delivery on huge scale;
- Control over quality of delivery;
- Complement the Council's powers as planning authority to enable development on appropriate sites at scale;
- Control over long term management; and,
- Avoid the limitations of the HRA borrowing cap.

Form

Wholly owned company to deliver Council homes.

The Council were proposing to flatten a site with Notting Hill Housing to be able to redevelop and replace with 3,500 new homes. Leaseholders located in 8 of the properties earmarked for demolition objected to the CPO. The CPO was refused on the grounds that the leaseholders had objected to below market rate offers for their homes and therefore should not be forcibly removed. This was on the grounds of Articles 1 & 8 of the European Convention on Human Rights (ECHR) which covers peoples entitlement to the 'peaceful enjoyment of their [possessions and respect for private and family life, home and correspondence.

Lessons Learned

Where CPO is required to deliver a scheme it must be ensured that the scheme shows a like for like swap basis for existing freeholders and leaseholders and that each phase must be viable in its own right.

London Borough of Ealing – Broadway Living

Objectives/Function

To provide access to housing for local people

Avoid the limitations of the HRA borrowing cap;

Control over delivery

- Flexibility regarding tenures, partners etc.;

Form

A wholly owned subsidiary created to enable direct development of mixed tenure housing over multiple sites and specifically development schemes to Council's ownership.

www.broadwayliving.co.uk

London Borough of Havering – Mercury Holdings Limited

Objectives

- To generate a financial return to the Council by operating a business;
- To contribute to dealing with the housing supply issue in the borough which threatens the economic and social well-being of residents and is also a threat to the local economy. It will seek to avoid large tracts of buy-to-let housing characterised by fragmented ownership, poor management of families from outside the borough, who may place unsustainable pressures on local services;
- To ensure a mix of housing, in terms of type, size and tenure, best matched to the needs of Havering; and
- To support the Council's regeneration and growth aims, bringing forward high quality development on regeneration sites in key parts of the borough, notably though not limited to, Rainham along the A1306, and Romford Town Centre.

The Council's MTF has a net income target of £600k per annum from such a development proposition by 2017/18.

Form

Incorporation of company limited by shares that will be wholly owned by the Council. Assets disposed to the Company at market rates. Company funded through state aid compliant loans

Enfield Gateway

Objectives/Function

Set up to purchase family homes in the borough and surrounding area to provide an alternative to costly nightly accommodation into private rented homes following an anticipated £3.3 million budget pressure for the Council arising from putting people into temporary accommodation in 2014/15 which was predicted to rise to £7.8 million.

Secure local properties for local people

Set exemplary landlord standards with well managed and maintain accommodation.

Form

Enfield Council is the sole shareholder of Housing Gateway Ltd which provides the following services

- Property acquisition
- Property Management
- Financial Management
- Management
- Insurance
- Legal
- Asbestos

The scheme had purchased 120 homes by June 2015 and £1.8 million to renovate 56 properties.

Lessons Learned

During the second year of operation Housing Gateway Limited has faced several challenges brought about by external factors. For example the housing market continues to be extremely buoyant, with house prices rising. In addition the rise on Local Housing Allowance (LHA) rate has meant that the rent received by the company has not increased in line with other costs. Housing Gateway Limited put a policy in place to ensure that an independent valuation is obtained for one in three properties and all properties which are purchased "off-market". This ensures value for money is obtained and the company is not paying in excess of the market value.

Housing Gateway Limited has the flexibility to charge market rent, subject to state aid considerations and compliance with the Entrustment Document.

Thurrock Council, Essex

Objectives/Function

- Enable the Council to achieve its stated aim of 1000 new homes in borough over 5 years;
- Enable the Council intervention when the housing development market was weak;
- Isolate sales risk (Council could purchase sale units through HRA); and,
- Complement on-going HRA activities.

Form

Gloriana Thurrock will be a housing company wholly owned by the council and able to build new homes on council-owned on a site-by-site basis. The financial model assumes that most of the new homes will be let at 80 per cent of market rent, with the balance sold outright or through shared equity or similar schemes.

Gloriana will act as a 'private' landlord for rented properties, while those for sale will be available at market value and supported ownership.

Council land is sold to the company at a commercially valued rate and Gloriana borrows prudentially against the council general fund to fund the housing development. Gloriana pays the interest on the loan through its rental income and the debt can be repaid when the homes are sold. The design of the first Gloriana development at the St Chad's scheme in Tilbury for over a hundred homes has secured a top national award. This development started in 2015 for 128 new homes the first of which will be completed in 2017.

Lessons Learned

- Governance, Governance and...Governance
- You need an answer for the inevitable: "But I'm a Councillor..."
- Building is relatively easy, development is less so
- Skills mix is critical –do you even know what/who you need?
- You will make mistakes and they will cost you money
- Principles are great but they don't always generate a return
- Council land is available now but it will eventually run out –Gloriana needs to mature to be able to viably develop where it has to acquire land
- 1% reduction in Council rents means that Gloriana is increasingly their preferred/default development route –it will do more than they originally thought possible

Ashford Borough Council, Ashford

Ashford has been proactive in housing delivery in Kent across all tenures, with the council successfully bidding for HCA funding to continue its affordable homes building programme, which has already seen 390 homes delivered and a further 106 homes planned. Using the opportunities of HRA self financing, one to one RTB receipt monies, and a detailed land asset plan Ashford has maximised its financial support to deliver much needed affordable housing. Additional measures that the Council have put in place include:

- A property company – A Better Chance for Property Ltd – secures homes that the council can market at affordable rents, and over time will look at how it can meet the variety of tenure needs within the borough. Making a return for the council's General Fund as well as delivering homes;
- ABC lettings, a management service for private landlords, enables the Council to proactively discharge its homelessness duty into the private sector
- Responding to the aging population by remodelling and re-provision of traditional sheltered housing in to new dementia friendly communities, with additional 'Housing our Aging Population Panel for Innovation' compliant affordable apartments, using DH Care and Support grant, HCA grant, HRA borrowing, HRA land and land purchased.
- Using additional borrowing capacity to fund a 21 home mixed tenure development in a rural area. Ashford benefits from strong, inspirational, political leadership and has produced the 'Ashford Model' to deliver for the community, led by the community, taking advantage of its geographical location, managing risk, and with a desire to support quality housing growth and real economic growth.

Objectives/Function

The Council sought the provision of housing to meet the gap between the supply and demand for privately rented accommodation and those who have insufficient income to buy their own homes

Form

Ashford Borough Council has set up a council owned housing company. Ashford Borough Council had previous experience of building Council homes, PFI projects and entrepreneurial experience to build on. Building through HRAs was no longer an option as the Council had reached its borrowing cap. A new trading company was the solution for providing additional housing capacity.

ABC's companies will be registered as companies limited by shares, with the Council owning 100% of shares. This approach will ensure that ABC retains full control over the companies' activities, through a shareholder agreement. This includes decisions about the appointment and removal of directors as well as the commencement or winding up of trading activities. This structure also provides the flexibility to both sell shares and receive dividends on their share ownership. In order to effectively oversee these activities ABC has established a new Cabinet sub-committee, known as the 'Trading and Enterprise Board'. This board is tasked with considering requests from each of the companies in respect of matters under the shareholder agreement, although some matters such as the approval of business plans and financial plans have been reserved to Cabinet and Full Council respectively.

Directors of the new ABC companies are drawn from both officers and members of ABC, together with independent advisors drawn from the business sector. ABC has taken the decision not to make any payments to these directors for the role. ABC has taken independent legal advice on the governance structures for the new companies and given particular attention to the need to avoid any conflict of interests for any officers or members that have dual roles for both the Council and the company. Within this the role of the Council's statutory officers also needs careful consideration.

ABC's companies will have the powers to employ staff directly when appropriate, but will initially use and pay for the time of existing ABC officers. The companies will be required to operate as going concerns and fund these costs from their trading activities. In order to establish the company's activities in the first instance ABC made a small set up grant of £20,000.

As part of the arrangement ABC intends to borrow funds from the Public Works Loans Board using its prudential borrowing powers within the general fund. It intends to on-lend this funding to its housing and regeneration company to provide a capital resource for investment into housing and regeneration projects. ABC has initially agreed to on-lend £10m over 5 years in this way. These loans are to be secured against company owned assets and their repayment must be funded by the company's trading activities.

Lessons Learned

Taking a more entrepreneurial role in housing has enabled council staff to develop new skills and services in house. The Council employed their own Architect.

The expansion of the housing stock has had a positive effect on the housing service and opened up new areas of opportunity.

The trading company allows the council to manage the investment and keep a close control over governance. It has taken time to set up and other councils thinking of a similar approach will need to think about the time and the skills needed to support this level of commercial activity.

Ashford Borough Council prepared a detailed business case as part of their preparation, and had existing experience of trading companies to draw on.

A repeated issue is the tension that occur when a housing company is 100% owned by the authority and controlled by officers. The Housing Company should be taking a commercial view and maybe pushing the boundaries of some Council policies and tensions can occur particularly in dealing with planning applications. There are often issues with the Company appealing to their own authority.

Another general view is that the availability of finance is not a major challenge but more of a concern is meeting the scale requirements to attract the most competitive funding rates. Understandably housing Companies are cautious at the outset embarking on a limited development programme and therefore finance requirements are limited but the finance market prefers scale and repeat business.

South Cambridgeshire Limited, South Cambridge District Council

Objectives/Function

Affordable housing is a significant economic issue in the local area. The shortage of rented accommodation is a concern for employers, with a real risk that essential workers will be priced out of the local jobs market by high housing costs.

Form

The Council is considering leasing arrangements through the Housing Company to address the shortage of affordable rented property. Options under consideration include acquiring vacant homes and redevelopment and letting on discounted terms.

Lessons Learned

Acquisition of existing buildings has the advantage of speed, as no building is required. It is also a low risk activity to the Council in terms of risk and investment. The Council is exploring different types of tenancy through Housing Company including longer tenancies. There is a demand from professionals for rented accommodation with security of tenure, for example during a placement with the University.

Plymouth City Council, Devon

Sites (multiple)

1,000 house per year for five years. To support self and custom build, tackling stalled sites, securing institutional investment and releasing council owned land (100 acres)

Objectives

To meet local housing demand at affordable cost.

Form

Plymouth City Council is establishing a £50 million fund to build 1,000 new houses a year. The Council will borrow the money and lend it to housing association and housing cooperatives at an interest rate of 3%. The Council also plans to release 100 acres for development for a mixture of affordable homes, family homes, executive properties, student accommodation and extra care housing.

In 2016 this has been extended to include £80m to deliver 5,000 new homes through a £30m Land Acquisition Fund & £3m Housing Infrastructure Fund. Also establishing the Homes for Plymouth new Housing Company.

Lessons Learned

LA leveraging its land asset to bring forward development in an economically pressured area.

Note: Plymouth City Council is also seeking to secure new housing through the DCD vehicle English Cities Fund (JV with Muse Developments)

Borough of Broxbourne

Badger BC Investments

Objectives/Function

Wanted to develop housing for market rent in order to provide a new income stream. .

Form

They set up an arms length company, Badger BC Investments. The Council will lend the company £5 million from its capital budget over four years to acquire land to build new homes, charging a rate of 5% interest on the loan. From the Councils perspective they will receive a better rate of return for the publics money than can be achieved from a bank or other investments.

The company also provides a fall back resource for rehousing homeless people within the Borough.

The HC avoids the pitfalls of RTB claims and therefore enables the Council to provide non council housing.

The Company employs no staff and the Council provide all staff including legal staff

Staff costs charged on an annual basis at costs

All costs of acquisition to be drawn down from the council as part of the loan/mortgage agreement at a finance rate of 6%.

No equity input from the Council therefore loans on the basis of around 106% of value plus any refurb costs.

Lessons Learned

Lack of success in acquiring in the local market, due to high competition.

Available where there is no land holding within the Council.

Lack of local opportunities most of deals sourced out of borough and therefore not able to tap into local in house knowledge – therefore requires joined up thinking between the Councils.

Hammersmith and Fulham

Objectives/Function

Deliver major economic and housing growth

Tackle economic and social polarisation

Form

Direct housing development via

- Hidden Homes – Programme for small conversions, generally less than 5 units per site
- New Build Innovative Housing focused on sites of between 5-50+ units, built using Modern Methods of Construction (MMC) where it provides better value for money and ease of construction
- Housing and Regeneration Joint Venture – partnership with a private sector partner to redevelop selected larger Council owned development sites, delivering 50 + units per site. The JV has a separate governance arrangement and its own business plan with the joint venture partner following completion of the procurement process.
- H&F Development Limited (HFD) - a wholly owned subsidiary company that can undertake building of new homes on Council owned land that is vested in it for the purpose. This company has a three person Board and these are H&F senior officers and the Cabinet Member for Housing.
- H&F Housing Limited (HFH) - a company with charitable aims, established under the Industrial and Provident Society rules, that will be able to access grant, provide housing management, and accept gift aid to achieve greater tax efficiency. Under the rules this company can be run initially with an interim Board which has now been set up with Officers as Board Members pending the transfer of any assets into the company.

Red Door Ventures, Newham

Form

Wholly owned company by the London Borough of Newham. Aims to provide PRS.

The land and at what price it can be achieved are crucial. Red Door Ventures has managed to acquire an abundance of development opportunities at a discount.

The model is set up to acquire local authority land, with money borrowed from the council which is paid back with interest.

Red door is proposing a unique revenue-sharing mechanism to enable future rental growth to be shared with Newham towards additional affordable housing. Aims to build at least 10,000 homes over the next 10 years and have so far achieved an affordable rate of 20%.

Homes for Lambeth

Objectives/Function

Support the Council to have greater control over the pace, quality and volume of new housing delivery to address market failure.

Allow the Council to access public and private funding minimising profit leakage to the private sector and generating income and development.

Support the Council to realise its strategies for housing community benefit and growth.

Support the Council to undertake investment and developments which are intended to generate an investment return to protect its resilience.

Provide a flexible platform that can grow and evolve to support and realise new strategic delivery opportunities.

Manage the Councils overall exposure to the risks of development whilst fully harnessing the economic potential.

Additional

LB Lambeth: Somerleyton Road

(for comparison & potential integration) Vehicle to purchase completed development from Council: intention to own asset for the long term.

- Control over delivery;
- Minimise leakage of profit to private sector;
- Avoid the limitations of the HRA borrowing cap;
- To ring-fence receipts and surplus from the scheme for reinvestment in this or other identified housing and regeneration projects; and,
- Up skill Council officers.

Nuneaton and Bedworth Council

Nuneaton and Bedworth Council set up its trading established trading arm, named Nuneaton and Bedworth Community Enterprises LTD (NABCEL) in March 2014. The first business stream chosen for NABCEL was the purchase of properties to rent out at full market rent. As well as generating income, this also helps address the local need for affordable rented properties. A capital budget of £1m was approved as part of the 2014/15 budget. This has so far secured seven properties and with a further two to three being planned. Forecast income generation for 2015/16 is £50k, which will go towards protecting services and jobs.

Developer Panel

TfL Property Panel

Objectives

To unlock development potential across multiple sites through a development framework.

Form

TfL own 5,700 acres of land across the capital including buildings, land attached to tube stations, railways, and highways, making them one of Londons largest landowners.

TfL launched a procurement process to partner with a panel of property developers to generate greater income from the land it owns in the capital.

Initially proposed to appoint a small group of private sector partners, TfL has appointed 13 property development companies and consortiums to a development framework.

Lessons Learned

Must ensure maintaining a constituent approach to procurement. - A frustrated developer market due to extended panel and procurement process.

Concern that TfL will get planning and prepare site to a level where developers consider little developers profit opportunity left in and there will be a race to the bottom on the land value. This has reduced the level of competition at mini-competition stage

GLA

Objectives/Function

Developer Panel

Form

The pre-qualified panel is the basis for shortlisting a selection of developers to bid under the restricted procedure

Lessons Learned

Restricted procedure requires the scheme to be worked up prior to bidding and this increases up front pre-development costs and limits the benefits of developer input. In our experience (e.g. floating village) this is deterring some quality developers from engaging.

Mitigation –avoid the restricted procedure to allow the developer to be brought in at outline stage.

PRS INVESTMENT

LB Wandsworth

Objectives/Function

- To maximise potential to realise values in an area and at a time when land prices are steadily increasing;
- To enable delivery of PRS housing through the General Fund, avoiding the borrowing cap in the HRA; and,
- To enable the Council to act as an investor.

Form

Vehicle to invest in PRS across the borough.

DA

Southwark/ Lend lease at Elephant and Castle

Objectives/Function

To deliver

- Up to 2,988 new homes
- Over 600 affordable homes
- At least 50 shops and restaurants
- A brand new park connected to a vast array of other green spaces that will help restore nature in the heart of the city
- 1,200 new trees
- Over 6,000 new jobs
- £30 million investment in transport improvements
- £1.5 million investment in local schools

Form

Lend lease is working under a DA with Southwark Council to deliver £1.57 billion regeneration programme on 28 acres of land across the three sites in the centre of Elephant and Castle.

This is a single project. There is also strategic delivery of housing and relating to the portfolio. SRPP this is different to land lease.

Lessons Learned

Reputational damage to Southwark in respect of resident engagement at the Heygate that has damaged Southwark reputation

Challenge with securing CPO powers to obtain VP on a socially and morally acceptable basis.

The need for the Public Sector to share resident engagement responsibilities.

The benefit that can be derived from programme level training & Apprenticeship schemes of for the disadvantaged

Note: The Council is separately progressing a JV with Affinity Sultans to undertake a housing delivery programme across multiple Council owned sites.

Income strip

Organisation

London Borough of Barking and Dagenham, London

Objectives/Function

Provide housing for local people in work who do not qualify for social housing, but struggle to afford options in the private housing market.

- Retain ownership of assets;
- Retain all management and nomination;
- Ability to sell assets;
- Ability to charge varying rents of 50-80% OMR;
- Flexibility to offset finance risk by altering rents on a discretionary basis;
- Retention of all profits by providing LA guarantee "wrap";
- Nil cash funding requirement; and,
- Funding assurances

Sites (multiple)

477 new homes for affordable rent over two sites

Form

Council granted long lease of site to fund which developed units and underlet site to Council's wholly owned company. Quasi PFI solution: company's rental income stream enabled it to repay fund over agreed long term period. By establishing an innovative privately funded affordable housing model, 477 new homes will be built on council-owned land. Properties are being offered at affordable rents, ranging between 50-80% of local market rates in the Borough. The scheme is entirely self-financing on the basis of a sale and leaseback structure from the rents paid over the term of the lease. At the end of the lease period, all the properties will automatically transfer into full ownership of the council

Institutional investor Long Harbour funded the scheme with the Council providing the land. The Council guarantees the rents and after 60 years the homes will be owned outright by the Council. The units are marketed, managed and maintained by an independent company called Barking and Dagenham Reside.

Lessons Learned

The complexity of the project requires agreement of key experts inside the Council. Any project of this type will need agreement from the Councils finance, property and legal teams.

Setting up a partnership with an institutional investor takes time and money. It takes longer and is more complicated than using a more traditional form of borrowing such as the Public Works Loan Board.

Annuity rental returns, expected around 3.75% are expensive in comparison to Council finance rates.

Direct Delivery within HRA

Camden – Community Investment Programme

Camden Council hopes to raise some £300m from the Community Investment Programme (CIP), launched in December 2010. This is a 15 year plan to invest money in schools, homes and community facilities. Its model is to sell or redevelop council properties in the borough which are out of date, expensive to maintain, or underused and difficult to access. This helps to generate funds not already available for investment in new housing and supporting infrastructure.

The council estimates that investment from the CIP may help to deliver up to 2,750 new homes, including 500 new council rented homes, 200 new shared ownership homes, and 1,650 new private homes which will be marketed to local people first. Major schemes include Bacton Low Rise, where higher density redevelopment is being enabled partly by the disposal of a council district housing office.

A notable community-led scheme to have emerged through Camden's Community Investment Programme is the Bacton Low Rise development in the Gospel Oak area of the borough. The site currently comprises 99 residential units, a district housing office and workshop units. Following representations from residents concerned at the poor condition and design faults of the existing estate, the Council proposed to demolish the estate, the neighbouring housing office and the workshop units and to replace them with 293 new homes: 176 for private sale, 10 for shared ownership, 107 council homes and 3 employment units. The district housing office is first to be redeveloped and its site will provide homes for about half of the existing tenants. When the existing residential blocks are empty, they will be demolished and new homes built on their site which will house the remaining tenants.

Tenants have been involved at every stage of the redevelopment process, including in scoping developments, appointing architects and actively participating in the design, development and delivery process for individual projects. This has included planning and design/development training for tenants. Such participation ensures that existing residents feel that they have full buy-in to the regeneration process and are not marginalised by it.

Lessons Learned

Following delivery of smaller schemes Camden embarked on a wider development programme. Starting with smaller schemes educated officers and members and grew confidence.

Camden is now investigating options for CIP2 due to constraint of the HRA borrowing cap on further development.

Viability of some schemes has been challenged due to cost inflation requiring significant value engineering and reduction in scope.

Camden has been successful in consultation with local residents.

Additional Considerations and Extra Value

Greater Manchester Pension Fund – Development Finance

Objectives/Function

- Delivery of affordable housing;
- Minimise leakage of profit to private sector; and,
- Create viable investment for Pension Fund.

Form

Council to act as developer, commissioning building contractors to deliver mixed tenure housing, with investment from the Council's Pension Fund.

Redbridge – Public Sector Partners

Redbridge has a longstanding policy of disposal of land to developers and registered providers. For future schemes, Redbridge has considered the possibility of deferred land receipts to allow development to happen. The council is currently seeking to work with other public bodies, such as the NHS, to bring forward redundant or surplus land.

In order to meet the growing need to find additional housing supply, the council is also reviewing all planning designations to ensure they remain appropriate and are not unnecessarily precluding development. This would include the release of some designated green belt sites which are no longer considered to meet the purposes of green belt.

Hackney – Cross Subsidy and Council Development

Previously the Council's approach to estate regeneration was to consider site-specific solutions, either through joint ventures or land disposal. The Council now takes a portfolio approach combining surplus-generating schemes with those requiring net investment, meaning the programme is self-funding.

Hackney has become the first local authority to both build and manage its own shared ownership homes, which have been cross-subsidised by private sales. The Council has plans to build a further 500 homes for shared ownership.

Hackney's Woodberry Down development is an example of innovative use of capacity and skills to support a major estate regeneration project. The scheme attracted funding from the Homes and Communities Agency and has proceeded in partnership with partners Berkeley Homes, the Genesis Housing Association and resident steering group the Woodberry Down Community Organisation. As well as physical rebuilding, the Council is also working with the Manor House Development Trust to support social and community regeneration in the area, providing activities including training and employment. The Council has also worked with the local community in updating the masterplan for the area as economic circumstances have changed in recent years. The Community Organisation has achieved a number of notable concessions from the developer including guarantees on space standards for social rented homes, signoff on the design of future phases, and a guarantee of a new social tenancy for grown up children of estate tenants.

Hackney have also promoted mixed communities in well-designed neighbourhoods is one of six key priorities of Hackney's Sustainable Community Strategy 2008–2018. The council has begun to deliver an ambitious estate regeneration programme to provide over 2,700 new council homes for social renting as well as shared ownership and private sale to meet this objective. The programme is financed by taking advantage of the HRA borrowing freedoms, and is supported by combining surplus-generating schemes with those requiring net investment as part of a portfolio approach. The programme is self-funding and does not rely on the traditional approach of delivering regeneration schemes through a joint venture or by means of a land disposal in order to tackle viability issues arising from the upfront cost of acquiring Right-to-Buy properties. The council is working with a range of partners to replace existing, poor-quality homes, one in five of which are bedsits, with new homes for social renting, shared ownership and private sale built to spacious, modern, lifetime standards, including sustainability.

Hackney also developed an innovative approach to funding development of sites. The Council secured a planning consent for the scheme and then entered into an agreement with the developer whereby:

- The Council funded the development of the scheme up to shell and core, carried out by the developer working as the Council's contractor which reduced profit requirement
- The Council then sold the long lease of the airspace in the shell to the developer who then funded and carried out the fit out of the residential units generating a profit for the Council without taking market risk
- The Council retained affordable housing and retail elements.

Lessons Learned

Programme approach to support viability and cross subsidy between sites

Innovative development solution to increase council profits whilst managing risk – could be transferred to assets developed within the General Fund and acquired by a partner or WOC.

Richmond – social outcomes through sale at sub-market value

The London Borough of Richmond identified a need for delivering a supported housing scheme especially for young people with complex needs known to their Learning Disability Service. They identified a site for possible development for such housing and decided to dispose of it at discounted value. They also agreed to provide £250,000 funding support from their Housing Capital Programme, and supported a successful bid for funding of £250,000 from the Mayor's Care and Support Specialised Housing Fund, in partnership with Paragon Community Housing Group. The scheme which will provide independent living accommodation for four young adults with learning difficulties is expected to complete in April 2015.

Barnsley – holding to account

Barnsley Metropolitan Borough Council is setting up a Strategic Housing Partnership Board, involving representatives from the ALMO, registered providers and the private rented sector, to oversee the 2014 – 2033 Housing Strategy, with specific focus on the 4-year housing delivery plan, and hold the council to account for delivery.

Manchester - devolution

The Greater Manchester Strategy recognises that accelerating delivery of new housing is a key priority for the Greater Manchester Combined Authority (GMCA). Recognising that housing has a major part to play in the economic growth of the city region, the Greater Manchester Housing Investment Board has been established as a joint mechanism to bring GMCA and the Homes and the Communities Agency (HCA) together on a formal basis to drive housing delivery forward. The Board's work is focused on delivering residential growth in both the short (1-3 years) and medium term (4-6 years). Its workstreams include:

- improving understanding of the housing market, including how economic, demographic, financial, spatial and investment drivers are interacting, and options for intervention;
- mapping sites across Greater Manchester that may accelerate housing delivery to understand the barriers and develop strategies in discussion with public and private sector site owners;
- bringing together lessons from existing programmes, pilot projects, and experience to examine possible housing delivery models that could be developed at scale;
- working with Registered Provider partners to deliver additional new affordable homes, and develop ways of generating additional homes through tackling empty property; and
- working to establish a Greater Manchester delivery vehicle to bring together investment and capacity to develop additional housing across a mix of tenures.

The announcement in November 2014 of a £300 million recoverable Housing Investment Fund for Greater Manchester as part of the wider Devolution Agreement with Government provides a further substantial boost to progress.

Wolverhampton – delivering skills

Wolverhampton has one of the highest levels of worklessness in the UK, and, as a major employer, Wolverhampton Homes, which manages 23,000 homes on behalf of the council, recognises the importance of supporting small and medium-sized businesses in competing for public sector contract opportunities. Through its 'Connecting Procurement Roadshows' Small and Medium Enterprises can meet buyers from Wolverhampton Homes and other local buying organisations, and discuss potential opportunities with procurement teams, and receive training and information on how to improve their opportunities, as well as networking and collaboration opportunities. Additionally, through an agreement with two construction firms and the local University, alongside its award-winning Learning, Achievement and Employment Programmes scheme has helped more than 350 tenants and their families to get work experience, new skills, and training, and celebrated its 69th apprentice progressing through the scheme.

Islington

Islington is encouraging registered providers to build homes at social rent levels by providing council land free or at discounted rates and by providing grant funding to registered providers from its New Homes Bonus revenue.

Almost all of Islington's current council homes are categorised as decent, enabling it to use its HRA borrowing capacity to fund new development. It has prioritised development of new social homes on 14 sites using a combination of NHB funding, HRA borrowing capacity and discounted public land. Ten housing associations are working with the borough to re-use public land for new housing set at target rents.

Chichester – site disposal

Chichester is a high value area in the South East and the majority of surplus/ redundant land is brought forward at the first opportunity. In recent years, the council has identified:

- a redundant industrial site, which was sold to a registered provider and developed to provide 46 affordable homes;
- a redundant homeless hostel sold to a registered provider at reduced value and redeveloped to provide 13 family homes;
- granted planning permission to provide 80 homes (of which 50% are affordable) on a football field that was relocated to an alternative ground;
- a number of small sites transferred to registered providers to provide additional affordable housing to meet local needs;
- surplus land at a council depot to be used for a gypsy and traveller transit site.

Cherwell – self build

Build! @ project offers an individual, or group of people, the opportunity to come together to either build a new home, or to renovate and decorate an existing property. In return for the work that the individual or group puts in they can benefit from a reduced purchase price or lower rental rates, as well as an opportunity to create a home that is more suited to their individual needs.

The properties are available to buy on a shared ownership or shared equity basis, or to rent at 80% of the open market value. The level of involvement required depends on the ambition and skills of those involved in the project, and there are five options - from absolute beginners to those who want to build their own house from scratch. The pilot programme is delivering around 250 new homes across Banbury and Bicester. Due to the huge success of Build! @ the Council has recently acquired a large MOD site (Graven Hill, Bicester) which has outline planning permission to deliver up to 1900 self-build housing opportunities and will be the largest self-build scheme in the UK.

Gloucester City Homes

GCH calculated that if they provide an apprenticeship to an unemployed young person (under 25) with the construction of every new house, then there will be an annual saving to the public purse of more than £9,800 each in terms of saved welfare benefits and increased tax income.

Surrey County Council - skills

Have established an online and physical network for construction and built environment contracts. This included advertising by main contractors for supply-chain opportunities for local suppliers and supporting skills development across the area.

Wolverhampton Homes - skills

Has a range of activities to promote jobs in the building industry among its tenants. The LEAP programme created 69 apprenticeships in two years, of which 58 have been sustained into employment. It also supports a social enterprise which provides training in building skills for young people not in mainstream education and for adults referred from the health services and other agencies.

Haldon - Unit Type and Tenure Assumptions

	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
2 Bed House	0		0				0	12
3 Bed House	0		0				0	12
Total	0	0	0	0	0	0	0	24

*60% Open Market and 40% Affordable (80% Social rent and 20% Intermediate)

MINIMUM SIZES

	M ²	Ft ²
2 Bed House	80	861
3 Bed House	90	969

*Bristol's Affordable Housing Requirements (Same as Market)

OPEN MARKET SALES

	Value	£ per sq ft
2 Bed House	£210,000	£244
3 Bed House	£225,000	£232

SHARED OWNERSHIP

	Value	£ per sq ft
2 Bed House	£147,000	£171
3 Bed House	£157,500	£163

*50% and 2.5% of OMV

SOCIAL RENT

	Value	£ per sq ft
3 Bed House	£105,000	£122
4 Bed House	£112,500	£116

*50% of MR

Haldon Scheme - Assumptions

Item	Detail	Costs	Notes
Storeys	2		
Construction Costs (Resi)		120	per sq ft
Soft Landscaping			
Hard Landscaping			
Surface Parking			
Highways - Road Works			
Highways - Services Diversion		£100,000	
CIL	Jim Cliffe Planning	£62.95	per sq m
S106		£75,000	
Planning Application		£10,000	
Archeology			
Ecology		£40,000	
Professional Fees		10%	
NHBC			
Contingency		10%	
Finance		7%	
Yields			
Phasing			
Pre-construction		9m	
Construction		12m	
Sales		5m	
Profit on Cost		20%	
Marketing Costs		1.00%	GDV
Agency Sales Fees		1.50%	GDV
Agency lettings Fees		10%	Gross rent
Sales/Lettings legal fees		0.50%	GDV
Services and Running Costs for PRS %		20%	
Private	60%		
Intermediate	8%		
Social rented	32%		

Bonnington - Unit Type and Tenure Assumptions

60% Open Market, 40% Affordable (80% Social Rent and 20% intermediate)

	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
1 bed flat			4				15	18
2 bed flat			3				13	17
2 bed house	21		3				13	38
3 bed house	78		2				8	88
4 bed house	5		1				6	12
	104	0	14	0	0	0	55	173

MINIMUM SIZES

1 bed flat	50m2	538
2 bed flat	70m2	753
2 bed house	80m2	861
3 bed house	90m2	969
4 bed house	120m2	1292

*Bristol's Affordable Housing Requirements (Same as Market)

*net on flats -80%

* Unit mix from page 7 of BNP report using proportion of open market housing worked back to 60%

*affordable mix from totals on page 9 BNP report worked back to 40% then 80:20

	Private Sale units	Private sale GIA	Private sale NIA	Shared Ownership units	Shared Ownership GIA	Shared Ownership NIA	Social Rent units	Social rent GIA	Social rent NIA	Total GIA	Total NIA	Private GDV	Intermediate GDV	Social Rented GDV
1 bed flat		-	-	4	2,476	1,981	15	9,903	7,922	12,379	9,903	£0	£437,920	£0
2 bed flat		-	-	3	3,165	2,532	13	12,658	10,127	15,823	12,658	£0	£446,880	£0
2 bed house	21	18,084	18,084	3	2,893	2,893	13	11,573	11,573	32,550	32,550	£4,410,000	£493,920	£0
3 bed house	78	75,563	75,563	2	1,860	1,860	8	7,440	7,440	84,863	84,863	£17,940,000	£309,120	£0
4 bed house	5	6,458	6,458	1	1,860	1,860	6	7,440	7,440	15,758	15,758	£1,200,000	£241,920	£0
	104	100,105	100,105	14	12,254	11,126	55	49,015	44,503	161,374	155,734	£23,550,000	£1,929,760	£0

OPEN MARKET SALES

	Value	£ per square foot
1 bed flat	£170,000	£316
2 bed flat	£190,000	£252
2 bed house	£210,000	£244
3 bed house	£230,000	£237
4 bed house	£240,000	£186

SHARED OWNERSHIP

	Value	£ per square foot
1 bed flat	£119,000	£221
2 bed flat	£133,000	£177
2 bed house	£147,000	£171
3 bed house	£161,000	£166
4 bed house	£168,000	£130

*50% and 2% of OMV

SOCIAL RENT

	Value	£ per square foot
1 bed flat	£0	£0
2 bed flat	£0	£0
2 bed house	£0	£0
3 bed house	£0	£0
4 bed house	£0	£0

*50% of omv

Bonnington - Unit Type and Tenure Assumptions

	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
1 bed flat	0					20		20
2 bed flat	0					16		16
2 bed house	21					16		37
3 bed house	78					10		88
4 bed house	5					7		12
	104	0	0	0	0	69	0	173

*60% Open Market, 40% Affordable (100% discounted rent)

MINIMUM SIZES

	M ²	Ft ²
1 bed flat	50m2	538
2 bed flat	70m2	753
2 bed house	80m2	861
3 bed house	90m2	969
4 bed house	120m2	1292

*Bristol's Affordable Housing Requirements (Same as Market)

CURRENT BRISTOL HOUSING RATES

*MR figures from definition

RENTED END VALUES	WEEKLY RATE	MONTHLY RATE	SERVICE CHARGE %	ASSUMED NET RENT	SERVICE CHARGE
Shared Room	£67.37	£291.94	20%	£233.55	£58.39
1 Bedroom	£121.19	£525.16	20%	£420.13	£105.03
2 Bedrooms	£151.50	£656.50	20%	£525.20	£131.30
3 Bedrooms	£175.74	£761.54	20%	£609.23	£152.31
4 Bedrooms	£242.33	£1,050.10	20%	£840.08	£210.02

PRIVATE RENT

RENTED END VALUES	MONTHLY RATE	ANNUAL RATE	% MANAGEMENT AND ONGOING ANNUAL COSTS	MANAGEMENT AND ONGOING ANNUAL COSTS	NET RENT	YIELD	NET VALUE	VALUE
Shared Room	£450.00	£5,400.00	20%	£1,080	£4,320.00	7%	£61,714	#REF!
1 Bedroom	£750.00	£9,000.00	20%	£1,800	£7,200.00	7%	£102,857	#REF!
2 Bedrooms	£1,000.00	£12,000.00	20%	£2,400	£9,600.00	7%	£137,143	#REF!
3 Bedrooms	£1,200.00	£14,400.00	20%	£2,880	£11,520.00	7%	£164,571	#REF!
4 Bedrooms	£1,400.00	£16,800.00	20%	£3,360	£13,440.00	7%	£192,000	#REF!

AFFORDABLE RENT

RENTED END VALUES	MONTHLY RATE	ANNUAL RATE	% MANAGEMENT AND ONGOING ANNUAL COSTS	MANAGEMENT AND ONGOING ANNUAL COSTS	NET RENT	YIELD	VALUE
Shared Room	£360	£4,320.00	20%	£864	£3,456	6%	£57,600
1 Bedroom	£600	£7,200.00	20%	£1,440	£5,760	6%	£96,000
2 Bedrooms	£800	£9,600.00	20%	£1,920	£7,680	6%	£128,000
3 Bedrooms	£960	£11,520.00	20%	£2,304	£9,216	6%	£153,600
4 Bedrooms	£1,120	£13,440.00	20%	£2,688	£10,752	6%	£179,200

* based on 80% of MR

Bonnington - Scheme - Assumptions

Item	Comment	Costs
Storeys	2	
Construction Costs (Resi)		£120 per sq ft
Soft Landscaping		£1,000,000
Hard Landscaping		
Surface Parking		
Highways - Road Works		
Highways - Services Diversion		
CIL	£50 psm plus 22% index	£61 per sq m
S106 - Education Contributions	For nursery places, 40 primary places and nil secondary	£397,000
S106 - Highway Infrastructure Works	Completion of Horfield Brook Greenway bus link	£300,000
S106 - Economic Contributions	Nominal contribution towards local apprenticeships	£25,000
S106 - Library facilities	Space requirement for 15 sq m	£45,000
S106 - relocation of allotments	No longer required	
Planning Application		£25,000
Archeology		£100,000
Ecology		
Professional Fees		10% of build costs
Contingency		10%
Finance		7%
ABNORMALS		
Community Heating Network		£8,000
Profit on cost		20%
Phasing		
Pre-construction		18 months
Construction		24 months
Sales		24 months
Rentals		1 months
Marketing Costs		1% GDV
Agency Sales Fees		1.50% GDV
Agency lettings Fees		10% Gross rent
Sales/Lettings legal fees		0.50% GDV
Services and Running Costs for PRS %		20% Gross rent

Redcliffe - Unit Type and Tenure Assumptions

60% Open Market, 40% Affordable (80% Social Rent and 20% intermediate)

Sqft	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
Residential	73,614		9,815				39,261	122,690
Retail								52,878
	73,614	-	9,815	-	-	-	39,261	175,567

no of units	Private Sale	Discounted Market Sale	Shared Ownership	Private Rent	Affordable Rent	Discounted Market Rent	Social Rent	Total
1 bed flat	56		8				30	94
2 bed flat	56		8				30	94

MINIMUM SIZES

1 bed flat	50m2	538
2 bed flat	70m2	753

*Bristols Affordable Housing Requirements (Same as Market)

OPEN MARKET SALES

	Value	£ per sq ft	Average
1 bed flat	£ 200,000	372	352
2 bed flat	£ 250,000	332	

SHARED OWNERSHIP

	Value	£ per sq ft	Average
1 bed flat	£ 116,000	216	204
2 bed flat	£ 145,000	192	

*40% and 1.5%
of OMV

SOCIAL RENT

	Value	£ per sq ft	Average
1 bed flat	£ 100,000	£ 186	176
2 bed flat	£ 125,000	£ 166	

*50% of MV

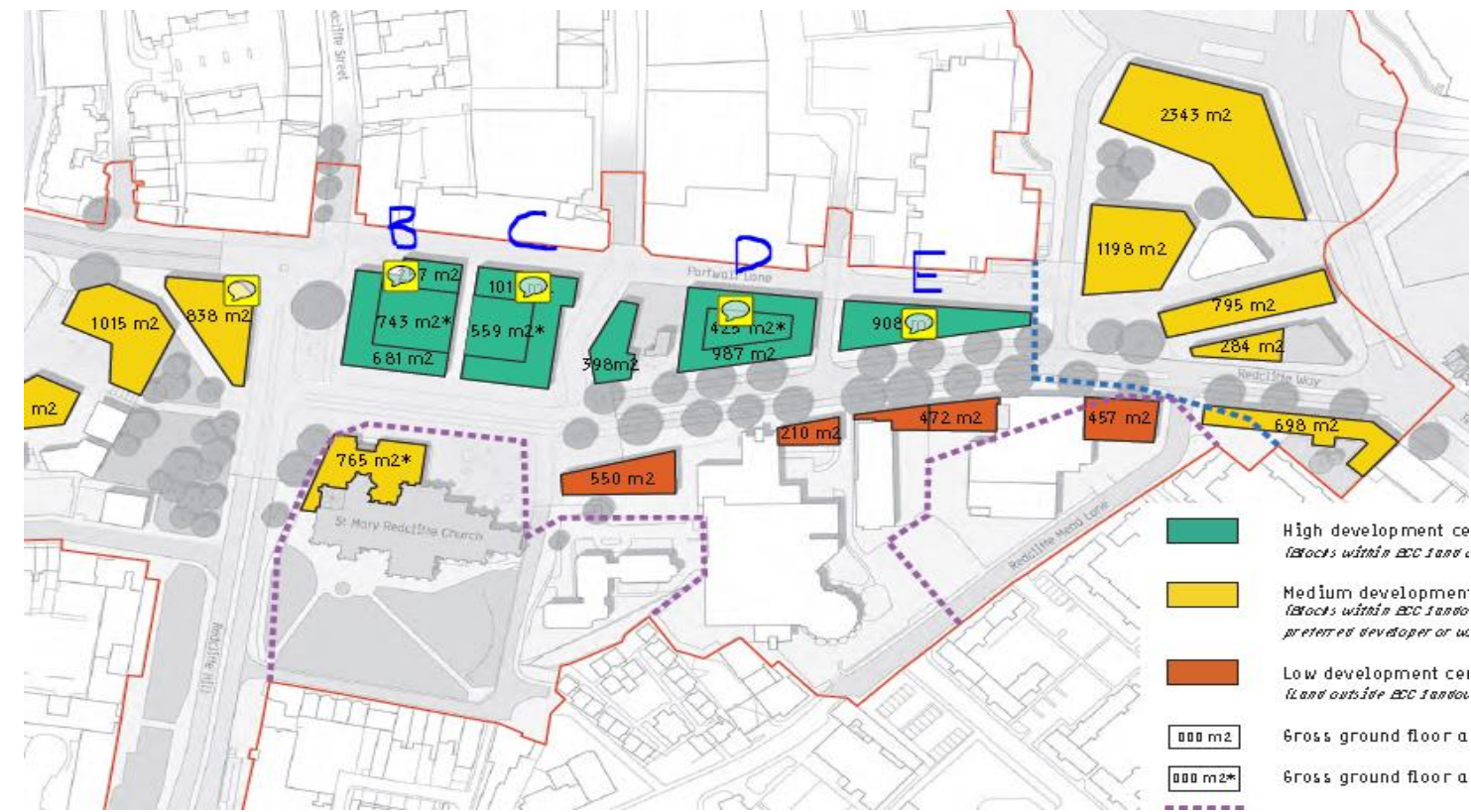
Redcliffe - Scheme Assumptions

Taken from BCC appraisal

	GEA GF Area (sm)			5 Storey total Gross	Market sales *						Commerci al GF	
	GF Commercial	GF Resi	Fls 1-4 Resi		Residential GEA	GIA	Affordable *		GIA	NIA	GIA	GIA
							(60% of residential)					
											Ratio 95%	
Building B	1581	100	3752	5433	3852.00	3274.20	1964.52	1669.84	1309.68	1113.23	1581.00	1501.95
Building C	1470	100	4044	5614	4144.00	3522.40	2113.44	1796.42	1408.96	1197.62	1470.00	1396.50
Building D	1312	100	3948	5360	4048.00	3440.80	2064.48	1754.81	1376.32	1169.87	1312.00	1246.40
Building E	808	100	3632	4540	3732.00	3172.20	1903.32	1617.82	1268.88	1078.55	808.00	767.60
	5171			20947	15776.00	13409.60	8045.76	6838.90	5363.84	4559.26	5171.00	4912.45
											20947.00	

20,207,731

Buildings B-E -
adopted 100sm
of lobby as no GF
flats behind
commercial
space.



Redcliffe - Scheme Assumptions

Item	Detail	Costs	Notes
			psm
Construction Costs (Resi)	Higher than BCC appraisal	£1,500	psm
Construction Costs (Commercial)		£1,076.40	per space
Underground Parking	Feels light if full basement	£11,500	psm
Soft Landscaping		£50	psm
Hard Landscaping		£100	per space
Surface Parking		£600	
Highways - Road Works	Included roundabout and building A which has been excluded	£10,000,000	
Highways - Services Diversion	(estimate based on Cabot Circus)	£1,000,000	psm
CIL	Advice from Jim Cliffe BCC	£88	
Planning Application		£50,000	
Archeology	(Estimate based on Cabot Circus - could be higher)	£1,500,000	
Ecology		none	
Professional Fees		10%	
NHBC			planners suggest this should be 5%
Contingency		10%	
Finance		7%	
Yields - Resi		5%	
Yield - Commercial		6%	psf
Rents - retail		£25	
Phasing			months
Pre-construction		18	months
Construction		24	months
Sales		1	months
Retail Rent Free		18	
Marketing Costs		1.50%	GDV
Agency Sales Fees		1.50%	Gross rent
Agency lettings Fees		10%	GDV
Sales/Lettings legal fees		0.50%	MR
Services and Running Costs for PRS %		25%	
Developers Profit		20%	POC

£770
psm

Definition of Affordability (relates to both Private and Council sponsored schemes)

“Any affordable home to rent will be let at a rent (inclusive of service charge) that is below the prevailing Local Housing Allowance limits* for different property types in the Bristol Area. The Council agrees that this rent may be increased on 1st April each year by no more than Consumer Price Index plus 0.5% or to the level of the newly set Local Housing Allowance whichever is the greater figure.”

** Please note that the current Local Housing Allowance limits have been pegged until April 2019*

Current Bristol Housing Allowance limits

Bedrooms	Weekly rate	Four weekly rate	Monthly rate
Shared room (single under 35 rate)	£67.37	£269.48	£291.94
1 bedroom	£121.19	£484.76	£525.16
2 bedrooms	£151.50	£606.00	£656.50
3 bedrooms	£175.74	£702.96	£761.54
4 bedrooms	£242.33	£969.32	£1,050.10

Definition of Affordable Housing in Bristol (Bristol sponsored only)

Discounted Market Rent (in lieu of Social Rent)

“Affordable Homes to rent which are let at an agreed percentage of open market rent (inclusive of service charge) which is below the prevailing Local Housing Allowance limits* for different property types in the Bristol Area. The Council agrees that this rent may be increased on 1st April each year by no more than Consumer Price Index plus 0.5% or to the level of the newly set Local Housing Allowance whichever is the greater figure.”

Eg Discounted Market Rent in different locations- relating to differing open market rent levels

City Centre – say 50%

Lockleaze – say 70%

Hengrove – say 75%

Shared ownership

“Affordable homes for sale which are sold at an agreed percentage of equity and supported by a rent set at an agreed percentage of the retained equity.”

Eg Shared ownership in different locations - relating to differing market values

City Centre – say 40% and 1.5%

Lockleaze – say 50% and 2%

Hengrove – say 50% and 2.5%

Discounted Market sale

“Affordable homes for sale which are sold at an agreed percentage of equity and an intermediary holds a ‘golden share’ in perpetuity supported by a resale covenant in the s106 agreement.”

Eg Discounted Market Sale in different locations - relating to differing market values

City Centre – say 40%

Lockleaze – say 50%

Hengrove – say 60%

RISKS AND BENEFITS

Risk Category	Risk	Impact	Mitigation - commentary	Likelihood	Likelihood	Option 1 - Do Nothing		Option 2 - JV		Option 3 - WOC		Option 3 - WOC		Comment	RISK ALLOCATION		
						Impact	Total	Impact	Total	Impact	Total	Impact	Total		Public	Private	Shared
Business Risks - risks to BCC that cannot be transferred to a 3rd party	Change in Council housing strategy or policy	Conflicts with objectives the vehicle established for and either stalls supply of sites, delivery or support. Vehicle is therefore either ineffective or redundant	Focus vehicle on key long term housing challenge and arms length to protect from day to day lower level political / organisational changes	Low	1	50%	50	75%	75	25%	25	25%	25	Do nothing option is highly influenced by day to day changes in council strategy or policy and JV could become redundant if changes are a significant departure from the business plan and Members Agreement whereas the WOC options are more insulated due to the greater ability to adapt to future changes.	X		
	Reputational risk of non delivery	Council seen to spend public money and not deliver on objectives	Communication strategy	Medium	3	50%	150	50%	150	50%	150	25%	75	Do nothing option is more likely to not deliver on the council housing outputs than other options and therefore high impact. The JV option has a higher impact due to the increased set up costs relative to the WOC.	X		
	Risk of conflicting Council objectives stall delivery e.g. Quality vs. Financial returns vs. Affordability	Stalled delivery, higher operational and pre-development costs, mixed outcomes	Focus on key outcomes and negotiate approach in advance, approach only updated through periodic business planning process and can only impact future sites prior to transfer from the Council	High	5	50%	250	25%	125	25%	125	25%	125	Do nothing option is challenged in terms of being able to balance conflicting council objectives whereas JV and WOC options are at arm's length from the council and will have a clear focus on agreed objectives.	X		
	Private sector is not attracted to either partnership or site opportunities	Supply chain not available to establish preferred vehicle and therefore nothing comes forward	Mitigated through soft market testing and structuring of clear, simple proposition	Low	1	50%	50	50%	50	25%	25	25%	25	Do nothing option is likely to be less attractive to the private sector if the development agreements are sought on a site by site basis, the joint venture option will be dependent on the size of the pipeline that will be channelled through it whereas the WOC option is council owned and therefore a partnership is not required in the first instance - partnerships sought where appropriate on a site by site or area basis	X		
	Change in local authority funding / financing rules	Impacts supply or sites, availability or cost of council finance, viability of schemes, reduction in housing outputs	Vehicle has flexible source of funding and can be financially sustainable, value taken regularly by the Council as shareholder, fixed rate borrowing	Low	1	25%	25	25%	25	75%	75	50%	50	Do nothing option can progress if local authority funding rules change. The JV option is less impacted due to the ability of the JV to raise finance from a variety of sources, the WOC option is more exposed to changes in funding financing rules because whilst flexibility is available from alternative funding solutions these are likely to be more restricted than on lending from the council, particularly in debt to equity ratios.	X		
	Complexity of vehicle established takes a long time to establish	Delay in first sites coming forward, limiting market interest	Respond to short term supply constraints through wider council housing delivery programme	Medium	3	50%	150	75%	225	25%	75	25%	75	The WOC scores best due to the straight forward set up time followed by site by site disposals with the development agreements which are more complicated and resource intensive. The JV is likely to be more complex and therefore scores the worst	X		
	Non performance of partner / developer / contractor	Non delivery of housing outputs, cost of aborted processes, need for Council step-in or reprocurement	Rigorous due diligence at partner selection, panel approach to create options, termination clauses in contract	Medium	3	50%	150	75%	225	25%	75	25%	75	Site by site disposals with development agreement can be mitigated due to the partner being on a site by site basis and the ability to include step in rights within any agreement. The WOC also has flexibility to appoint partners on a site by site basis with DA has additional development capability whereas there is increased risk in the joint venture option due to a single partner being procured across the programme	X		
Service Risks - risks focused on design, development and operational phases which can be shared between BCC and a partner	Vehicle established becomes unfit for purpose in resource terms over time and operational quality not upheld	Delay in sites progressed, reduction in quality of works, risk of repayment of any financing, ineffective spend and likely increase in operational costs	Mitigated through business planning and role of Council influence	Low	1	0%	0	50%	50	25%	25	25%	25	The WOC and do nothing options have the ability to flex over time and therefore are less likely to be unfit for purpose. The JV option is higher risk because priorities and objectives could change substantially within the council which could result in site delivery through alternative routes.			X
	Planning permission on sites is delayed or not forthcoming	Delay in sites progressed, increase in pre-development costs	Mitigated through strong resourcing and quality of work pre-development	Medium	3	50%	150	25%	75	25%	75	25%	75	The JV and WOC score the best due to the additional ability to draw in resource and finance at pre-development stage. Under the do nothing option the cost and resources associated with this will be borne by the council and have to be balanced against other spending objectives			X
	Build risk - timing and quality	Delay in delivery of homes against projections, higher long term maintenance costs	Due diligence, managing risk by site	Medium	3	50%	150	25%	75	25%	75	25%	75	The do nothing option scores worst because the council is having a passive involvement in the development process whereas JV options and the WOC option score better due to the active involvement with the WOC scoring best due to the council being sole owner of the WOC and therefore having the most influence.			X
	Risk of cost inflation for construction and skills	Reduces viability of schemes and financial or affordable housing outcomes	Robust sensitivity analysis to consider headroom, regular forecasting as part of business plan process, more control and expertise provides choices for value engineering	High	5	75%	375	50%	250	75%	375	25%	125	Cost inflation is a risk across all options however this will be felt most significantly in the do nothing option, followed by the JV option where a partner will have minimum profit requirements. The WOC option is able to take an internal view subject to business plan in terms of the ability to still progress the schemes but taking lower surplus whereas both the do nothing and JV options will require a return to private sector before schemes can viably progress.			X
	Risk in movement of market values	Poor performance of residential market	Sale of units to HRA or change affordability, hold for income at market or affordable rates rather than sell, robust sensitivity analysis. Put in place pre-completion sales agreements	Medium	3	75%	225	50%	150	75%	225	25%	75	Logic as per cost inflation			X
	Increasing finance rates or changing funding conditions - public or private sector	Reduces viability of schemes and financial or affordable housing outcomes	Flexibility of sources for finance to ensure best rates can be accessed, robust sensitivity modelling, fixed rate borrowing	High	5	50%	250	25%	125	50%	250	25%	125	The do nothing option is highly exposed to the market and delivery will not progress if finance rates mean that a developer cannot extract an appropriate return from the scheme. The WOC option and JV are more flexible in that the WOC can reduce the surplus to a lower amount and still progress schemes and the JV option can still involve an active involvement from the council to influence the scheme viability and the source of finance.			X
	Sites put through the vehicle are complex and fundamentally challenged in technical and/or viability terms and therefore costly and have long term timetables	Reduces viability of schemes and financial or affordable housing outcomes, limits market interest, higher financing rates to reflect pre-development risks, delays housing delivery	Due diligence to understand risks on sites to ensure expectations are not unrealistic, more prominent role of the Council to de-risk. Support through other infrastructure funding eg HCA	High	5	75%	375	50%	250	75%	375	50%	250	The do nothing option is highly influenced by the site in question and complex sites may be challenged in terms of agreeing DAs for a site by site basis. The JV option still has challenges in this respect due to the requirement of the private sector to extract a profit whereas the WOC can progress challenging sites subject to a viable business plan by reducing the surplus requirement and not passing a profit to the private sector			X
	Securing vacant possession of sites	Increase costs and delay of housing delivery	Due diligence and appropriate expertise	Medium	3	50%	150	25%	75	25%	75	25%	75	The WOC and JV options can provide additional resource vacant possession of sites whereas the do nothing option may be more challenged given constrained financial resources			X
	Vehicle established does not operate effectively e.g. Complex contractual arrangements, partnership, objectives	Stalled delivery, costly dispute resolution, poor working relationships either between partners or with shareholders	Establish clear objectives upfront that are mutually acceptable and process of dispute resolution	Medium	3	0%	0	50%	150	25%	75	25%	75	The WOC scores best because it is a very simple structure within which to operate. The do nothing option, whilst simple, the development agreement could produce complexities. The JV scores the worst due to the complex contractual arrangements and the need to balance different party's objectives.			X
	Higher operational costs of vehicle than envisaged	Impacts viability of business model and returns to the Council	Benchmarking against resource requirements and other examples, robust sensitivity analysis of business model, robust business planning processes	Medium	3	0%	0	25%	75	50%	150	50%	150	The do nothing option does not have operational costs and therefore it is not a risk. The WOC scores the worst compared to the JV because the business model is driven entirely by operational costs of the vehicle and as a new vehicle the WOC is more likely to underestimate these compared to a joint venture with an experienced private sector partner.	X		
Risk of product not meeting market needs	Slower sales rates increase financing costs and delay receipts which may be targeted for reinvestment in the programme	Market facing input from experts at design stage. Build in tenure flexibility to respond to changing market conditions.	Medium	3	0%	0	0%	0	50%	150	25%	75	The do nothing option will be highly focused on meeting market needs and the JV will bring development experience. The WOC scores worse due because whilst it can secure expertise this will be balance against a new organisation and need to balance against housing needs and wider priorities.			X	

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	Risk of product not meeting housing need	Vehicle not seen to be delivering for local people and therefore reputational risk, occupancy risk which impacts financial viability of vehicle business plan	Housing need present across tenures and need assessed on periodic basis, feedback from vehicle into housing need development as key stakeholder	Low	1	75%	75	50%	50	25%	25	25%	25	The do nothing option has highest risk of not meeting housing need due to the outputs being largely driven by the private sector. The JV performs better due to the active control that the council can have within the running of the entity. The WOC scores best due to the single ownership by the council and the ability to continually focus on how best to meet housing need.	X		
	Maintenance costs of assets held higher than anticipated	Reduces net income to vehicle and impacts business plan	Benchmarking against resource requirements and other examples, robust sensitivity analysis of business model, robust business planning processes	Medium	3	0%	0	25%	75	50%	150	50%	150	The do nothing option scores well because it does not hold assets and therefore no risk. WOC scores worst due to potential inexperience as a new organisation, though can be effectively mitigated by employing effective management co or disposing of assets.			X
	Risk that vehicle does not enable new construction techniques to be adopted	One sizes fits all means that Council support for the vehicle dampens resultiung in reduction or cessation in supply of sites or funding, vehicle fails to access bnefits of solutions that may offer cheaper, quicker or higher quality housing solutions	Objectives set out that committ to constant review of products available and adoption where viable and benefits in line with objectives. Multi faceted approach to delivery	Medium	3	75%	225	50%	150	25%	75	25%	75	The do nothing option is very unlikely to adopt the construction techniques over and above those specified within site by site development agreements albeit could be partners could be appointed on that basis. The JV can be focused on adopting new construction techniques over time whereas the WOC has the ability to focus on new construction techniques as much or as little as appropriate within the context of a business plan			X
	Skills / apprenticeships and training provisions do not align with established and future need	Socio-economic benefits not maximised for Bristol and initial strategy / plan becomes not fit for purpose and loses relevant / support over time	Training and skills plan is a live document and adapted annually, created in consultation with key Council services and external education and community organisations	Medium	3	75%	225	50%	150	25%	75	25%	75	The do nothing option scores worst because skills and apprenticeships are unlikely to be focused on significantly within site by site development agreements. The WOC scores best due to the ability to align closely with the council and the public sector partners meaning it scores better than the joint venture	X		
External Environmental Risks - that cannot be directly controlled by BCC or a partner	Wider legislative change e.g. SDLT, Corporation Tax	Increase costs to the Council / vehicle and impact on viability of business plan and Council financial returns and / or housing outputs	Flexibility in delivery model to adapt to new regime	Medium	3	50%	150	50%	150	25%	75	25%	75	Wider changes are likely to impact the do nothing option least followed by the WOC which can adopt a highly flexible approach to delivery and ability to benefit from Group relief. The joint venture is more exposed due to a single delivery option across the programme.			X
	Changes in legislation lead to increase in build costs or future requirements for upgrades	Higher build costs reduces scheme viability and financial / housing outputs or delays scheme progress, future maintenance or upgrade costs upexpected and higher than planned impact financial viability of vehicle business plan	Monitoring of changes, identification of approach and budget for refurbishing stock held, consideration as part of tenure / service charge arrangements, quality of management resource	Medium	3	75%	225	50%	150	50%	150	25%	75	Logic as per build costs above - The do nothing option is highly exposed to increases in build costs reducing profits for the private sector to a level that sites are not considered to be viable. The JV can be more insulated based on the councils active involvement in the vehicle and the WOC scores best due to ability to reduce and balance level of surplus against other council priority's focused on delivery of housing to ensure schemes still progress			X
	Risk of economic recession and activity within the development sector	Skills shortage and impact on supply chain driven by national picture stalls housing delivery in Bristol	Flexibility in delivery model to adapt to new circumstances e.g. Greater role for Council in development and flexible approach to tenure	Medium	3	75%	225	50%	150	50%	150	25%	75	All options are exposed however the do nothing option is likely to be the most exposed due to developer appetite drying up in down turns. The council has more influence to progress delivery by the JV due to active role however the WOC scores the best because it can reduce surpluses to a level and adapt tenure to different housing mixes to ensure delivery still progresses			X
							3625		3025		3100		2125				
Rank						4		2		3		1					

APPENDIX 2: Equality Impact Assessment Form



Name of proposal	The Establishment of a Local Housing Delivery Company
Directorate and Service Area	Neighbourhoods, Housing Programmes
Name of Lead Officer	Nick Hooper

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

The Mayor has an ambition to build 2000 new homes pa (of which 800 affordable) by 2020. The creation of a local housing company is a manifesto commitment. It will add an additional delivery 'stream' to the existing channels of market delivery, housing associations and the HRA. The Council is not legally able to develop homes other than through the HRA which is massively constrained by borrowing caps and limits on rent. Establishment of a new company which can 'trade' enables the Council to develop new homes of all tenures.

The intention is that when the new company is fully established it will build 40% of its output as 'sub-market' (eg affordable rent, shared ownership, discounted market rent) homes for those whose incomes either do not allow them to purchase a home, or who have no choice but to rent in the private rented sector (where on average 40% of income goes on rent; compared to 20% average for owner-occupiers and 30% for social tenants).

While the establishment of the company in itself is of low relevance to the Equalities Act the work that the company will propose to undertake, support, facilitate and deliver will have significant relevance to a range of communities as highlighted within the Equalities Act.

The governance arrangements are currently under discussion. However, it is anticipated that there will be a board that may consist of independent non-executive directors, who will be recruited according to a variety of roles, skills and expertise. Women are typically underrepresented in the housing development field, however, an extensive and open Board recruitment process would be undertaken to align skills and experience with the company's objectives and across the boards' membership.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

Age:

Older people: the number of older people is growing and their needs are becoming increasingly

diverse with many homes no longer fit for purpose. Housing issues more specific to older people include: accommodation that no longer meets their needs (too big, physically or financially unable to cope with maintenance, not adapted or adaptable), unmet care or support needs, to suffer from social isolation, or to struggle in the housing market as they are equity rich but cash poor.

Younger people: many struggling to access homes in Bristol due to high property prices and rent levels. Younger people are also significantly impacted by welfare reforms that restrict access to housing benefit (removal of automatic entitlement to under 21's and single room rates for under 35s). Others may have particular issues sustaining tenancies for example care leavers with poor /low resilience to deal with crisis. Younger people are over-represented as a percentage of households to whom the Council accepts a homeless duty and as percentage of new Council tenants, demonstrating the numbers in housing need unable to secure accommodation on the open market.

Race: BME households are over-represented as a percentage of households to whom the Council accepts a homeless duty and as percentage of new Council tenants, demonstrating the numbers in housing need unable to secure accommodation on the open market. BME households are more likely to suffer from over-crowding. BME households are over-represented as a % of households requiring larger (4bed+) homes of which there is an under-supply. Many BME households prefer central locations, often linked to fact that racial harassment is more prevalent in the out-laying estates. Accommodation is in high demand in central Bristol as there are competing demands for one bed social housing due to high service provision (especially mental health and alcohol and drug treatment support) and a lack of family sized accommodation. A significant percentage of poor condition PRS homes are in the centre of Bristol.

Disability: Households/individuals with mental and physical disabilities are over-represented as the percentage of benefit recipients making accessing and maintaining housing at market rent/purchase more difficult (disabled households/individuals are over-represented as a percentage of households on the housing register and social housing tenants). There is an insufficient supply of adapted homes, of all tenures, to meet needs. The proportion of new Council tenants with physical and mental health problems is growing demonstrating the numbers in housing need unable to secure and maintain accommodation on the open market.

Sex: Women are more likely to lack the finances to secure accommodation on the open market being more likely to suffer from pay inequality; single parents (who are more likely to be women) are over-represented as benefit recipients and social housing tenants. Women are more likely to be carers which can limit earning capacity and bring specific housing requirements (location and amenities). Women are also more likely to suffer from domestic abuse resulting in the need for support and alternative housing solutions. Female single parents are significantly over-represented as a percentage of homeless households to whom the Council accepts a duty to rehouse.

Sexual orientation: no particular housing issues have been identified for this group

Gender re-assignment: no particular housing issues have been identified for this group

Religion & belief: no particular housing issues have been identified for this group

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?
No, all the impacts on protected characteristics are expected to be positive
3.2 Can these impacts be mitigated or justified? If so, how?
N/A
3.3 Does the proposal create any benefits for people with protected characteristics?
The work projects and engagement approach of the company will have the following overarching positive benefits: <ul style="list-style-type: none"> • Reducing household fuel bills; through construction of more fuel efficient homes • Increasing household warmth • Creation of jobs through the construction programmes and on-going management and maintenance required • Improved health and educational outcomes, through the provision of long-term stable housing • Local economic benefit <p>These positive benefits will impact positively upon the following groups:</p> <ul style="list-style-type: none"> • Black and Minority ethnic communities • People with disabilities (including mental ill health and substance dependency) • Young people • Older people • Women fleeing domestic abuse <p>All of which typically are in more difficult or challenging housing circumstances</p>
3.4 Can they be maximised? If so, how?

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?
This is a new activity for the Council, therefore, the company will seek to engage with groups with protected characteristics as it develops its build programmes, and seek guidance on appropriate tenure mixes, size of homes, designs etc as each site comes forward
4.2 What actions have been identified going forward?
Most of the actions are contained in the Housing Strategy – increased delivery of homes, affordable homes in particular is a strategy and Corporate Plan priority
4.3 How will the impact of your proposal and actions be measured moving forward?
Overall monitoring by the Bristol Homes Board, and by the Board of the new company once set up. All new affordable rented homes will be let through Home Choice Bristol, the policies of which have been the subject of EQIA's

Service Director Sign-Off: Nick Hooper	Equalities Officer Sign Off: Anne James
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Date: 23/12/16

Date:

Executive Summary of Agenda Item No. 10

Report title: Development of new homes at Alderman Moores, Ashton Vale

Wards affected: Bedminster

Strategic Director: Alison Comley

Report Author: Martyn Pursey, Development Manager HRA and Nicky Debbage,
Service Manager Business Planning & Service Development



Recommendation for the Mayor's approval:

- 1. To approve the principle of a new housing development at Alderman Moores site in Ashton Vale for approximately 140 new mixed tenure homes.**
- 2. To approve the procurement of a contractor to undertake initial work in preparation for the development of the Alderman Moores site**
- 3. To delegate authority to the Strategic Director for Neighbourhoods, in consultation with the Service Director Finance, to appoint a contractor to undertake the work required to submit a Planning application**
- 4. To bring back a further report for a key decision seeking approval to enter into a construction contract following the achievement of Planning consent for the site and agreement of the final financial commitments of the proposed scheme.**

Key background / detail:

a. Purpose of report:

To seek cabinet approval to the principle of a mixed tenure new housing development at the Alderman Moores site in Ashton Vale and the procurement of contractor to produce an updated feasibility study and undertake pre-construction work to achieve Planning Permission on the site. The decision to enter into a construction contract for development of the site will be the subject of a further report when a definitive plan with clear, fixed costs will be available.

b. Key details:

1. The proposal for the next phase of the New Build Council Housing programme is the development of the Alderman Moores site in Ashton Vale - the site is owned by the council and held within the control of the Housing Revenue Account (HRA). This HRA development is planned to be a mixed tenure development of around 140 new homes. The scheme will go beyond Planning compliant (30% affordable homes) to achieve a level of 40% affordable homes, which will all be social rented council homes. The remainder of the new homes constructed will be sold, with the proceeds being reinvested to support the funding of the construction of the new council homes.

2. The likely total gross costs of this development based on the detailed feasibility study that has been completed will be in the region of £25m. The net cost to the HRA is estimated to be £4m after receipt of proceeds from the sale of the private homes. The costs of the project can be met from the HRA, with the use of Additional Right to Buy receipts and HRA capital and revenue funding, and has been accounted for in the HRA Business Plan, which was considered and approved by Cabinet on 30th January 2017 and considered by Full Council on 21st February 2017.



Cabinet

7 March 2017



Report Title: Development of new homes at Alderman Moores, Ashton Vale

Ward: Bedminster

Strategic Director: Alison Comley, Strategic Director Neighbourhoods

Report Author: Martyn Pursey, Development Manager HRA
Nicky Debbage, Service Manager - Business Planning & Service Development

Contact telephone no. & email address 01173525185
martyn.pursey@bristol.gov.uk

Purpose of the report:

To seek cabinet approval to the principle of a mixed tenure new housing development at the Alderman Moores site in Ashton Vale and the procurement of contractor to produce an updated feasibility study and undertake pre-construction work to achieve Planning Permission on the site. The decision to enter into a construction contract for development of the site will be the subject of a further Cabinet report when a definitive plan with clear, fixed costs will be available.

Recommendation for the Mayor's approval:

- 1. To approve the principle of a new housing development at Alderman Moores site in Ashton Vale for approximately 140 new mixed tenure homes.**
- 2. To approve the procurement of a contractor to undertake initial work in preparation for the development of the Alderman Moores site**
- 3. To delegate authority to the Strategic Director for Neighbourhoods, in consultation with the Service Director Finance, to appoint a contractor to undertake the work required to submit a Planning application**
- 4. To bring back a further report for a key decision seeking approval to enter into a construction contract following the achievement of Planning consent for the site and agreement of the final financial commitments of the proposed scheme.**



The proposal:

Background

1. Housing (Council housing/Housing Revenue Account) currently has Cabinet approval for Phases 1 and 2 of a council new build programme for the construction of new council homes. These phases will complete during the 2018/19 financial year. These new homes form part of the plans of the City Council to increase the supply of new homes in the city, and in particular to help address the need for additional affordable homes.
2. These new council homes are being built to help tackle some of the most acute housing needs, including larger homes to help alleviate overcrowding issues in central wards, to provide downsizing opportunities for those being affected by the changes to welfare benefits and also to assist with tackling homelessness in the City.
3. The current programme will see around 140 new council homes built by the end of the 2018/19 financial year, across 19 sites, all funded through the HRA. The next proposed phase of this new build council housing programme is the development of the Alderman Moores site in Ashton Vale. (See appendix 1 – site location plan).
4. The Cabinet Member for Homes has been briefed on the proposals for this next phase of HRA development at the Alderman Moores site and has given his support to the outline proposal which now requires the appointment of a contractor/ partner to progress delivery of this proposal.

Initial Feasibility Study

5. To provide confidence that the proposed development of Alderman Moores can be achieved and can be contained within the HRA resources available, an initial detailed and comprehensive feasibility study has been undertaken over the last 8 months.
6. In order to ensure that the feasibility was as accurate and comprehensive as possible The HRA Development Team employed a range of external specialist consultants. This included Architects, Quantity Surveyors, Property and Land Consultants, Landscape Architects, Civil and Structural Engineers, Ecologists, and Mechanical & Electrical Specialists. The team carried out a number of studies and surveys of the site, including all legal searches and ownership clarifications, ecological investigations and clearances, arboricultural and tree surveys, archaeology, ground investigations and topographical investigations, utility services and drainage surveys. This work then allowed the consultants to produce a series of options for the development including access requirements, which were informally discussed with Planning and Highways, and led to establishing the principles of the development, its massing and density along with the main Highway constraints to produce a scheme which is acceptable and appropriate for the site.
7. The proposed scheme have been rigorously costed by the Quantity Surveyors to produce an accurate indication of the costs of development for the new housing, all of the infrastructure including access and site abnormalities, an allowance for community infrastructure requirements, CIL, and a construction contingency sum. Additionally, the costs of sales and marketing, legal costs and other associated fees have been added bringing the forecast cost of the development to £23m. Given the scale of this development we have also included a further overall 10% contingency sum (in addition to a 5% construction contingency sum already included), bringing the total forecast cost of the development to £25m.

8. Market research was undertaken by the property and land consultants to ascertain the likely sales values and figures based on the proposed layouts and provide the costs required for the sales and marketing aspects to the project and has given the forecast sales revenue to be £21m.

9. Whilst these figures have given us the confidence that the scheme is viable to the Council, they are a feasibility based on our consultants' views. The next stage is to ask our proposed contractor to clarify the feasibility, from their own expertise and their own supply chain, and provide to us a free of charge updated feasibility (see Procurement section - Stage 1 below)

10. The site is actually land locked. It is bordered by the new MetroBus route to the North West. The Bristol to Portishead railway line runs along the North East of the site and an area of the development site has been set aside for the future provision of a possible new railway station. Statutory allotments border the South East of the site. The remaining South West side of the site is bordered by Silbury Road; access is being proposed through this area.

11. Access to the site currently remains a risk to the development and will require more detailed work. Currently there are three options being investigated and all require an element of negotiation and dialogue, with both internal and external stakeholders. Provisional costs for access have been included within the feasibility report but we will now carry out more detailed work on the options in parallel with the work required to obtain a satisfactory Planning consent as part of Stage 2 of the Scape process referred to in the Procurement section below.

The proposed development

12. The Alderman Moores site is owned by the council and held within the control of the HRA. The proposal for the development of the site is a mixed tenure development of around 140 new homes. The scheme will go beyond Planning compliant (30% affordable homes) to achieve a level of 40% affordable homes which will all be social rented council homes. The remainder of the new homes constructed will be sold, the proceeds being reinvested to support the funding of the construction of new council homes. Agreement of this approach is sought in Recommendation 1.

13. The likely total gross costs of this development based on the detailed feasibility study that has been completed will be in the region of £25m. The net cost to the HRA is estimated at £4m after receipt of proceeds from the sale of some of the homes. The costs of the project can be met from the HRA with the use of Additional Right to Buy receipts and HRA capital and revenue funding and has been accounted for in the HRA Business Plan, which was considered and approved by Cabinet on 30th January 2017 and considered by Full Council on 21st February 2017.

14. The next stage is to procure a contractor to work with the HRA's Development team to deliver the new homes. The procurement of the contractor will be a staged process, with decision gateways where the Council could decide not to proceed. Commencement of the procurement is sought in Recommendation 2.

The final decision to proceed to construction of homes at the site will be subject to a further report seeking a key decision for approval

Procurement Approach

15. The proposal for the procurement approach for this development is to use Scape procurement framework. The Scape framework is a national framework used by affiliated Local Authorities to carry our major construction projects, such as education and residential development. The process is OJEU compliant and is approved in accordance with the Councils Procurement Rules.

16. The Scape process includes three stages and two gateways. This approach helps to mitigate risk and give financial confidence to the Council by providing points at which the viability of the development can be reassessed with more accurate figures and the decision can be made as to whether to proceed.

17. Stage 1 of the Scape process is for the contractor to undertake an updated feasibility study– this is carried out at nil cost to the council. The work is carried out at risk to the contractor and results in a detailed proposal from them including the cost of build, and the cost of pre-construction works to obtain a satisfactory Planning consent. This leads to **Gateway 1** – and at this stage, if the outcome of the updated feasibility is not acceptable to the Council, we could proceed no further.

18. Stage 2 of the Scape process is to appoint the contractor and place a Project Order. If the feasibility proposal is accepted and agreed by both parties, a Project Order will be raised. The Project Order is in two parts, one is the fee paid to the contractor for their services and in reality pays for some of the work already undertaken during feasibility and also for the work required to take the scheme through the Planning submission process. The second part is the fees and costs associated with all surveys and works required as part of the Planning requirements (ecological, ground investigations, etc.). The fee for this Stage 2 work is around 2% of the total build cost, so likely to be in the region of £420K, of which only 90% is payable at this stage. The outcome of this expenditure is we will have full Planning consent.

19. The decision to move to Stage 2 will be made under delegated authority by the Strategic Director for Neighbourhoods in consultation with the Service Director Finance (see Recommendation 3).

20. Once satisfactory Planning consent has been obtained, the scheme is revaluated and accurate costs for the development will be provided by the contractor. If the accurately costed proposal meets the original requirements of the client, then the scheme passes **Gateway 2** and a Delivery Agreement is raised for the construction phase (Stage 3).

21. The decision as to whether to proceed to Stage 3 will be the subject of a further Cabinet report. The Cabinet report will contain definite plans for the site (with the benefit of greater certainty having achieved Planning consent) and fixed costs meaning a better informed decision can be as to whether to proceed to construction phase. This report is anticipated to be ready for the December 2017 Cabinet meeting (see Recommendation 4).

22. The Delivery Agreement costs include the final fee to the contractor for managing the works, the construction costs and the sales and marketing fees (plus the 10% balance of the Stage 2 fee, estimated at £42,000 as set out above). The cost figures provided are a fixed sum contract – giving the Council financial certainty - and will only change if we change our requirements. After the delivery agreement is signed any unforeseen works and costs incurred during the construction phase sit with the contractor.

23. We will encourage our chosen contractor to maximise the use of local and internal workforce and the opportunities for apprenticeships, including ring-fenced apprenticeships for Bristol Care Leavers as part of their Corporate Parenting responsibility as part of the construction phase

24. Throughout the pre planning process and from the appointment of the Contractor to delivery stage of the project, we will commence all necessary public and stakeholder consultation. This will be in excess of, and in addition to, the requirements of the Planning process, and will ensure that as many of the key stakeholders can work with us to shape the development of the new estate in their area.

25. The preferred approach for the procurement strategy is to secure a contractor through the use of the Scape Framework as set out above. However, if this approach at any stage is not continued (i.e. the Gateway identifies that the process should cease) then we could use another form of EU compliant procurement process and comply with the Council’s Procurement Rules and Financial Regulations

Financial Issues

26. Based on the robust feasibility study already undertaken, it is estimated that the gross capital expenditure for this scheme would be £25m over the life of the project (2017- 2021), with the peak outlay estimated at £10m in any one financial year. The report sets out a set of financial estimates for the development based on 140 homes, 60% to be sold with the receipts from those sales subsidising the construction cost of the 40% to be retained as Council homes. The estimated £25m cost of developing the scheme can be funded by a combination of HRA investment and reserves along with the use of additional right to buy receipts. It is forecast to generate capital receipts from sale of homes of £21m. Therefore the net cost of the development would be £4m.

27. Pre-construction expenditure on the site will be incurred in 2017/18, this will cover the cost of the works required to achieve Planning permission (see paragraph 18) together with site enabling works (e.g. dealing with ecology issues or creating a temporary access to the site). A budget of up to £1m has been allowed within the HRA capital programme for 2017/18 for this purpose.

28. Based on the current feasibility study, the first major construction capital outlay for the scheme by the HRA will be in 2018/19 and it is anticipated that the income stream from the sale of the homes will commence in month 14 of the scheme (financial Year 2019/20). The actual details of the cash flow forecasting along with the final financial modelling of the scheme will be finalised as the project goes through the Planning process and a final detailed financial model and cash flow will be prepared as part of the Cabinet report for approval to move to the construction phase (see Recommendation 4.).

29. Additional Right to Buy receipts can be used to fund 30% of the costs of developing new affordable homes, if not used for this purpose these receipts must be repaid to government. Approximately £2m of Additional Right to Buy receipts could be used to fund this development.

30. Budgets for Housing Services are approved at Cabinet and Full Council as part of the Council’s annual budget report. The expenditure for the initial stage of this development (including the cost of pre-construction fees and surveys required to support a planning application) is included within the 2017/18 HRA budget, the remaining costs of the scheme have been included in the 30-year HRA business plan, and considered by Full Council 21 February 2017.

Consultation and scrutiny input:

b. Internal consultation:

31 Procurement and Legal teams have commented on the use of the Scape framework for the procurement approach.

- 32 Planning and Highways have been involved with the works already carried out on the feasibility report
- 33 Initial discussions have been held with the Placement Service Provision Manager – People with regards to the Children’s home at the edge of the proposed site in order to unlock the access to the site, which is one of the options that is being explored in relation to removing the risk to the development of the site being landlocked.

b. External consultation:

- 34 As previously referenced, an extensive feasibility study has been carried out by external consultants, which has identified the relevant stakeholders that will need to be communicated with as this scheme is progressed. These will include local residents, allotment group, the community centre, the Metro bus team and the MetroWest railway team with regards to a proposed new railway station along one edge of the proposed development site.
- 35 A ward member briefing note and an initial information letter about the proposal to bring this site forward for development have been sent out. A more detailed and comprehensive public consultation will take place once the preferred contractor partner is appointed. Further full consultation will also take prior to any planning application being submitted.

Other options considered:

- 36 No other option considered the residential development for this site as the site has been identified for Housing Development in the Local Plan. As part of the feasibility study a range of mixes of housing / tenure were considered and the proposed mix (60% private / 40% council) delivered the best balance of value for money and maximising affordable housing.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Failure to procure suitable D&B contractor	High	Low	Various procurement routes to be explored, with the use of an Existing framework appropriate and available	Medium	Low	Martyn Pursey/Procurement
2	Failure to obtain Planning Consent	High	Low	Detailed discussions already held during Feasibility stage, and full pre- app discussions to take place prior to any application being submitted to ensure consent obtained	Medium	Low	Martyn Pursey/D&B contractor /Planning
3	Access to the site not achieved	High	Medium	Further work required around the access options required. There are three alternatives and each have varying degrees of impact on the local community and will require further negotiations once Cabinet approval is confirmed	High	Low	Martyn Pursey/Peter Quantick
4	The cost of construction is higher than the estimated sums	High	Medium	The preferred procurement route results in a fixed sum contract.	High	Low	HRA Development Team

5	The Estimated Sales figures do not achieve the predicted level	High	Low	Partnership working with our partner to monitor sales values and to incentivise them to achieve above required levels	High	Low	Peter Quantick
6	The required Design standards are not met	High	Low	Partnership working, close liaison over the specification and contract requirements	Medium	Low	HRA Development team
7	The risk of the market crashing/declining	Medium	Medium	Could look to flip the units to Affordable housing	medium	Low	HRA development team/Peter Quantick
8	We act as the Developer, so would be responsible for any Risks in the same way as any other developer	High	Medium	Will closely monitor the quality of the development and associated costs and risk as they are identified.	High	Medium	HRA Development team
9	Challenge to the delivery model being employed	High	Medium	Securing specialist legal advice	Medium	Low	HRA Development team

FIGURE 2

The risks associated with not implementing the (subject) decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Site will not be developed will mean a loss of around 140 new homes in the city	High	High	Cabinet approval to procure preferred D&B contractor	High	Low	Martyn Pursey
2	Impact on the Right to Buy funding held by the HRA not being spent and returned to the Government	High	High	Cabinet approval to procure preferred D&B contractor will allow us to spend the required sums	High	Low	

Public sector equality duties:

37 Equalities Impact Assessment is included at appendix 2

38 Equalities will be part of the procurement process and managed throughout the contract. The equality impact assessment highlighted those individuals with protected characteristics and who need to be communicated with at an earlier stage of the proposal. It is a contractual requirement that the contractor must have a risk assessment in place identifying how protected communities will be affected, and must provide clear information to stakeholders and deal with personal concerns and queries on a one to one basis.

Eco impact assessment

39 ECO assessment is included at appendix 3

40 The significant impacts of this proposal are...
The use of raw materials, production of waste and consumption of fossil fuels for travel etc.

41 The proposals include the following measures to mitigate the impacts:

- Where possible, works will be scheduled to co-inside with any other external works required, so as to minimise disruption and nuisance.
- The procurement process for appointing contractor(s) will include a sustainability assessment, and specific contractual requirements as appropriate.

- Insulation standards to building regulations will be achieved.
- The chosen contractor(s) will demonstrate compliance with the waste hierarchy by:
 - Preparing and adhering to Site Waste Management Plans.
 - Reducing waste e.g. through effective material storage
 - Reusing waste e.g. reuse of off-cuts.
 - Recycling as much waste as possible and using readily recyclable products.
 - Avoiding landfill wherever possible.

42 Contractors will complete an Environmental Method Statement describing how they will mitigate the environmental impacts. This will form part of their contractual obligations.

43 The net effects of the proposals are:
The proposal will ensure the building fabric are maintained and water tight, along with improving thermal efficiency within the loft. This should lead to a positive environmental impact.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

44 There is an assumed rental stream from the new council homes to the HRA estimated at £267,296 per annum from year 2019/20 based on 40% of the new homes being built being retained by the Council. There is also an assumed ongoing revenue cost of maintenance estimated at £73,080 per annum.

45 The revenue contribution to capital is set out in the Financial (Capital) implications below.

Advice given by Robin Poole / Finance Business Partner
Date 02/12/2016

b. Financial (capital) implications:

46 The report sets out a set of financial estimates for the development based on 140 homes, 60% to be for sale and 40% to be retained as Council homes. The cost of developing the scheme is estimated to require capital expenditure of £25m funded by a combination of reserves, revenue contribution and useable right to buy receipts. It is estimated to generate capital receipts from sale of the homes of £21m. The profile of the expenditure and income assumed in the HRA capital budget for 2017/18 and the long-term HRA business plan, considered at Full Council 21st February 2017, is set out in the table below.

Table 1: Profile of expenditure and income assumed in the HRA budget for 2017/18 and the long term business plan for the Alderman Moores development

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Total £000s
Revenue Contribution to Capital	500	-	-	-	-	500
HRA Reserves	-	9,500	8,500	4,500	-	22,500
Useable right to buy receipts currently held in reserves*	500	500	500	500	-	2,000
Total Capital Expenditure	1,000	10,000	9,000	5,000	-	25,000

Capital Receipts	-	-	(8,000)	(10,000)	(3,000)	(21,000)*
Net Position	1,000	10,000	1,000	(5,000)	(3,000)	4,000

*useable right to buy receipts have been pro-rated across the development at this stage, the amount currently held in reserves is £11.9m and the estimate for these receipts at the start of 2017/18 is £25m.

47a The cost of pre-construction fees and surveys required to support a Planning application are intended to be met by the £1m budget proposed for 2017/18. The financial estimate of the development cost also includes:

- The provisional cost of the options for site access; and
- Provision for community infrastructure levy (CIL).

47b Taking into account the projected capital costs, income from sales of £21m and ongoing revenue implications as set out above, the project IRR over 30 years is estimated at 3.44%, which can be compared with the Council’s cost of borrowing over this period of approximately 3% to 4% (as a proxy for the Council’s cost of capital). This indicates the fragility of the financial acceptability of the project based on current estimates and with little tolerance given the project risks (e.g. sales values). This will be further reviewed including undertaking sensitivities to support the delegated authorities being sought by this report.

48 The sale values, construction costs and timings may vary from the figures set out above as more detailed investigations and negotiations take place with the selected contractor, the scheme is re-evaluated and the sale proceeds are realised. The report therefore seeks approval for the Strategic Director of Neighbourhoods in consultation with the Service Director Finance to: commence the work required to make a planning application upon review of an updated feasibility study; and agree the final financial commitments of the proposed scheme following the achievement of a planning consent for the site and enter the construction contract.

Advice given by **Robin Poole / Finance Business Partner**
Date **09/02/2017**

Comments from the Corporate Capital Programme Board:

49 Not Applicable

c. Legal implications:

50 S.9 of the Housing Act 1985 (“the Act”) provides that a local housing authority may provide housing accommodation by erecting houses on land acquired by them for the purposes of providing housing accommodation. No restrictions are placed on the type of tenure that must be used when the Council decides to provide housing under this power, or indeed whether the Council must retain ownership of the completed units. By relying on Section 9 the Council will not, even in connection with the houses being built for sale, be engaged in a commercial activity, and so is not required to act through a company, regardless of the intention to generate a profit from the market sales.

51 Furthermore, S.32(1) of the 1985 Act gives local authorities power to dispose of land held by them for the purposes of providing housing accommodation (under Part 2 of the 1985 Act), in any manner, provided the land is not subject to “Right to Buy” rights. Although this power is subject to consent from the relevant Secretary of State, he has issued a general consent: the General Housing Consents

2013. The Consents (at paragraph A.3.1.1) provide that a local authority may dispose of such land, (which includes dwelling houses, houses and flats), for a consideration equal to its market value.

- 52 The Council therefore has the power to develop the site as proposed and sell a proportion of the units at market value in order to subsidise the social housing units.
- 53 By virtue of S.12 of the Local Government Act 2003 the Council has the power to invest for any purpose relevant to its functions. Bristol would be able to rely on this provision to invest to erect dwelling houses and dispose of them at market value
- 54 New homes for sale are required to have the benefit of a suitable building warranty. The council's contract specification will require the Contractor to procure quotations from reputable warranty providers (e.g. NHBC Buildmark and/or Buildmark Choice and/or Buildmark Connect/LABC New Homes Warranty) for appropriate warranties for consideration and determination by the Council.

Advice given by Eric Andrews, Team Leader Corporate, Legal Services
Date 20/1/2017

d. Land / property implications:

- 55 Property advice has been provided to the Housing Team and the initial full feasibility study indicates the development is viable and should achieve the housing numbers detailed in the report. Property has also advised on the structure of the relationship with the proposed contractor to maximise open market sales and minimise build cost. The development will contribute to meeting the Core Strategy minimum target of providing 26,400 new homes in the period 2006-2026. Property advice will continue to be provided.

Advice given by Robert Orrett / Senior Director Property
Date 11/11/2016

e. Human resources implications:

- 56 Whilst this proposal is related to procurement strategy and the development of new homes, the service will encourage the chosen partner to look at maximising the use of local and BCC workforce, as well as opportunities for Apprenticeships.

Advice given by Sandra Farquharson / HR Business Partner Neighbourhoods
Date 1/11/2016

Appendices:

Appendix 1 – Location Plan

Appendix 2 – Equalities Impact Assessment

Appendix 3 – ECO Assessment

Access to information (background papers):

Not Applicable



Do not scale from this drawing. All dimensions to be checked on site. This drawing is to be read in conjunction with relevant BIM specifications. All specifications are subject to structural engineers details / requirements.

Rev	Date	Note	By

STRATEGY, PLANNING & GOVERNANCE

St. Annes House
 21, Annes Road,
 Bristol BS4 4AB
 Tel: (0117) 352 5292

CLIENT DEVELOPMENT & SPECIAL PROJECTS

Project Title or Address
**ALDERMAN MOORES
 AVON VALE
 BRISTOL**

Drawing Title	Scale
SITE PLAN POTENTIAL SITE	NOT TO SCALE

Drawn By CD	Checked By CD
Date Drawn 08/05/15	Date Checked 25/11/16
Project Number NB_0007	Issue Date 11/13

Drawing Number
BCC_NB_0007_SP_POSS_A3_11250

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Executive Summary of Agenda Item No. 11

Report title: Hengrove Park and Hartcliffe Campus Housing Delivery

Wards affected: Hengrove and Whitchurch Park

Strategic Director: Barra Mac Ruidri

Report Author: Abigail Stratford and Emily Price

Recommendation for the Mayor's approval:

1. Agree, in principle, to the comprehensive residential led development of the entire 45 hectare Hengrove Park as identified edged orange on plan at Appendix 1 and 7.7 hectare Hartcliffe Campus site as identified edged pink on plan at Appendix 1 and in accordance with paragraph 4.4.
2. Note the outcome of the South Bristol Housing Zone Feasibility Study and that a recommended delivery approach has been identified for the development of Hengrove Park and Hartcliffe Campus in accordance with paragraph 4.4.
3. Agree to the principle of ring fencing future capital receipts received from the disposal of land within Hengrove Park and Hartcliffe Campus sites identified edged red on plan at Appendix 1 to generate a financial envelope to fund the ongoing comprehensive residential led development of the sites. Future approval from Cabinet would be sought to fund any additional investment, supported by a detailed business case and options appraisal.
4. Agree to invest up to the value of £1.8m to implement the first stage of the recommended delivery approach. This will be a draw down from the existing Housing Delivery allocation within the Capital Programme for 17/18.
5. Note that Officers have submitted an expression of interest for Capacity Funding to the '*Homes and Community Agency Large sites and Housing Zones Capacity Fund*' for £800,000. If the bid is successful, it will be used to fund part of the £1.8m.
6. Authorise the Strategic Director for Place to procure a multi-disciplinary design team to secure;
 - I. Outline planning permission with design code (RIBA Stage 2) for Hartcliffe Campus
 - II. Outline planning permission with design code (RIBA Stage 2) - all matters reserved except for main vehicular access points and landscape for Hengrove Park
 - III. Full planning permission for strategic infrastructure for Hengrove Park
7. Approve Officers intentions to enter into negotiations with City of Bristol College to promote the comprehensive redevelopment of the Hartcliffe Campus site.
8. Authorise the Strategic Director for Place to submit future planning applications for Hengrove Park and Hartcliffe Campus.
9. Authorise the Strategic Director for Place to procure a developer to develop Hartcliffe Campus and Hengrove Park (serviced land parcels) in accordance with the outline planning permissions and design codes (once secured).
10. Approve Officers intention to enter into negotiations with St Bernadettes Rugby Football Club to relocate their existing facilities off site to enable the development of Hengrove Park in accordance with paragraph 4.4.

Key background / detail:

a. Purpose of report:

To report on the findings of the South Bristol Housing Zone feasibility that explored how the Council can use its land assets to drive the delivery of high quality housing, stimulate a market shift and create a buoyant local housing market which meets local housing need. To agree a strategy to unlock the residential led development of Hengrove Park and Hartcliffe Campus.

b. Key details:

1. The feasibility study concluded that:

- a. Council intervention is required due to the high abnormal infrastructure costs
- b. Housing led development is the priority for Hengrove Park and Hartcliffe Campus
- c. Between Hengrove Park and Hartcliffe Campus, the sites have the potential to deliver more than the allocated housing numbers.
- d. Delivering 30% affordable housing in accordance with planning policy should be financially viable if the recommended delivery approach is implemented
- e. There is the potential to create a range of parkland/open space of around 20ha at Hengrove Park
- f. The Council should secure outline planning consent with design codes for each site before procuring a development partner
- g. The Council will need to secure vacant possession of the sites prior to development
- h. As per Cabinet decision in 2005, the Council will support the relocation of St Bernadettes Rugby Club and the Scout hut facilities

2. The feasibility study identified the most financially viable delivery approach is for the Council to act as master developer and install the strategic social and physical infrastructure, secure outline planning permission with design codes, and dispose of serviced land parcels to developers, with conditions to comply with the requirements of the design codes. The Council will then seek to recoup the cost of the infrastructure from the sale of serviced land parcels which will be sub-divided into phases.

3. To implement the recommended delivery approach the first stage of work is to secure the necessary planning consents to facilitate development. This will also include (and not limited to) public consultation, initial ground investigations, developer soft market testing and due diligence on costs assumptions currently used within the financial model.

4. Approval is sought for an initial upfront investment of £1.8m is required to implement the first stage of the recommended delivery approach which would allow the council to secure the necessary planning consents and procure the developer for the first phase of delivery.



Cabinet

07 March 2017



Report Title:	Hengrove Park and Hartcliffe Campus Housing Delivery
Ward:	Hengrove and Whitchurch Park
Strategic Director:	Barra Mac Ruairi, Strategic Director for Place
Report Author:	Abigail Stratford, Service Manager Emily Price, Senior Project Manager
Contact telephone no. & email address	0117 9224721 Emily.price@bristol.gov.uk

Purpose of the report:

This report summarises the outcome of the South Bristol Housing Zone Feasibility Study and sets out the approvals required by Cabinet to progress the residential led development of Hengrove Park and Hartcliffe Campus.

Recommendation for the Mayor's approval:

- 1. Agree, in principle, to the comprehensive residential led development of the entire 45 hectare Hengrove Park as identified edged orange on plan at Appendix 1 and 7.7 hectare Hartcliffe Campus site as identified edged pink on plan at Appendix 1 and in accordance with paragraph 4.4.**
- 2. Note the outcome of the South Bristol Housing Zone Feasibility Study and that a recommended delivery approach has been identified for the development of Hengrove Park and Hartcliffe Campus in accordance with paragraph 4.4.**
- 3. Agree to the principle of ring fencing future capital receipts received from the disposal of land within Hengrove Park and Hartcliffe Campus sites identified edged red on plan at Appendix 1 to generate a financial envelope to fund the ongoing comprehensive residential led development of the sites. Future approval from Cabinet would be sought to fund any additional investment, supported by a detailed business case and options appraisal.**

- 1. Agree to invest up to the value of £1.8m to implement the first stage of the recommended delivery approach. This will be a draw down from the existing Housing Delivery allocation within the Capital Programme for 17/18.**
- 2. Note that Officers have submitted an expression of interest for Capacity Funding to the *'Homes and Community Agency Large sites and Housing Zones Capacity Fund'* for £800,000. If the bid is successful, it will be used to fund part of the £1.8m.**
- 3. Authorise the Strategic Director for Place to procure a multi-disciplinary design team to secure;**
 - I. Outline planning permission with design code (RIBA Stage 2) for Hartcliffe Campus**
 - II. Outline planning permission with design code (RIBA Stage 2) - all matters reserved except for main vehicular access points and landscape for Hengrove Park**
 - III. Full planning permission for strategic infrastructure for Hengrove Park**
- 4. Approve Officers intentions to enter into negotiations with City of Bristol College to promote the comprehensive redevelopment of the Hartcliffe Campus site.**
- 5. Authorise the Strategic Director for Place to submit future planning applications for Hengrove Park and Hartcliffe Campus.**
- 6. Authorise the Strategic Director for Place to procure a developer to develop Hartcliffe Campus and Hengrove Park (serviced land parcels) in accordance with the outline planning permissions and design codes (once secured).**
- 7. Approve Officers intention to enter into negotiations with St Bernadettes Rugby Football Club to relocate their existing facilities off site to enable the development of Hengrove Park in accordance with paragraph 4.4.**

1. Background

- 1.1 In 2015, the Homes and Community Agency (HCA) designated the South Bristol Housing Zone which comprised seven sites in South Bristol. The Council owns over 50 hectares of developable land within the South Bristol Housing Zone across 5 sites. The purpose of a Housing Zone is to unlock redundant brownfield land with the potential to provide viable housing developments.
- 1.2 Two of the largest brownfield sites in South Bristol are owned by the Council; Hengrove Park and Hartcliffe Campus. Although the South Bristol Housing Zone includes 7 sites, 5 of which are in the Council's ownership, this report will focus solely on Hengrove Park as identified edged orange and Hartcliffe Campus as identified edged pink on plan in Appendix 1.
- 1.3 In 2016, the HCA provided the Council with £300,000 Capacity Funding to complete the South Bristol Housing Zone feasibility study. The aim of the feasibility study was to explore how the Council can use its land assets to drive the delivery of high quality housing, stimulate a market shift and create a buoyant local housing market which meets local housing need. A priority for the Council was to find a way to unlock the residential led development of Hengrove Park and Hartcliffe Campus (**'Feasibility Study'**).

Hengrove Park

- 1.4 In 2005 Hengrove Park received outline planning consent for mixed use development. The outline consent was not implemented however it eventually led to the delivery of what become known as Hengrove Park Phase 1 which included the Hengrove Park Leisure Centre, Skills Academy, South Bristol Community Hospital, development plots and associated infrastructure.
- 1.5 In 2014, the 2005 outline planning consent was superseded by the Bristol Local Plan, including Site Allocations which allocates the 50 hectare site for mix housing, offices, open space, small-scale retail including:
- Estimated 1,000 new homes
 - Secure large, high quality park
 - Coordinated approach to delivery, guided by community involvement
 - Integrate with Phase 1 development & existing play facilities
 - Maintain or strengthen wildlife network and incorporate sustainable drainage measures
- 1.6 In 2015 the Council marketed the first residential housing plot at Hengrove Park. A serviced plot off Whitchurch Lane. A competitive tender process was undertaken and Kier Living were selected as the developer. The site is expected to deliver 259 new homes (70% market housing; 30% affordable housing). At the time of writing it is anticipated Keir Living will submit a planning application in Spring 2017, start on site later in the year and the first new homes will be completed in 2019.
- 1.7 Around 45 hectares of land remains available for development at Hengrove Park making it the largest regeneration site in the City.
- 1.8 St Bernadettes Old Boys Rugby Football Club ('St Bernadettes') occupies part of the development land at Hengrove Park. They currently lease a club house and car park, and hire two full size rugby pitches and training area from the Council.

1.9 On 12th January 2005 Cabinet agreed to relocate St Bernadette’s Rugby Club off site subject to the outcome of a feasibility study to enable the development of Hengrove Park. However, the relocation of the club proved undeliverable due to the lack of a suitable alternative site within the local area. The club continue to operate from Hengrove Park..

1.10 The 21st (Gladstone) Scout Group (‘the Scouts’) lease a building and land which falls within the development land at Hengrove Park. On 12th January 2005 Cabinet also agreed to provide a new scout hut within any new development on Hengrove Park.

Hartcliffe Campus

1.8 The former site of Hartcliffe School is allocated within the Bristol Local Plan Site Allocations for an estimated 300 new homes with a requirement to maintain or strengthen the existing wildlife network. Part of the former Hartcliffe Campus site is already under development by Knightstone Housing Association to deliver 32 new affordable homes. The remaining 7.7 hectare site is available for development.

1.9 The Hartcliffe Campus site is partly owned by the Council (5.4ha) and partly owned by the City of Bristol College (2.3ha) (See Appendix 2) together defined as the ‘ Hartcliffe Campus site’. Officers intend to enter into negotiations with the City of Bristol College to ascertain if the parties could enter into a joint agreement to bring forward a comprehensive redevelopment of the site.

1.10 If the Council are unable to reach agreement with the College, the Council will progress the development of its land in accordance with the recommended delivery approach.

2 Delivery Objectives

2.1 The Council’s objectives for the residential led development of Hengrove Park and Hartcliffe Campus can be summarised as follows;

- **Inclusivity:** deliver a range of market and affordable homes that meets the City’s housing needs and people’s aspirations.
- **Quality:** Create a place where people choose and want to live, that contribute to the economic, social and environmental well-being of the City. Create a new development that can contribute positively to South Bristol, integrating with the existing communities whilst delivering high quality, diverse and integrated public realm.
- **Flexibility:** to allow the Council to respond to changes in market conditions during economic cycles ensuring continuous delivery.
- **Pace of delivery:** Establish a step change in delivery and build momentum
- **Local Employment:** Create a skilled local workforce and employment opportunities.

3 The Feasibility Study

3.1 The feasibility study aimed to identify a financially viable approach for the residential led development of Hengrove Park and Hartcliffe Campus informed by a site specific urban design framework which delivers the Council’s development objectives set out in paragraph 2.1.

3.2 The feasibility study included the following;

- Housing Market Assessment
- Strategic design framework for South Bristol
- Site specific urban design frameworks for Hengrove Park and Hartcliffe Campus
- Detailed financial model and sensitivity testing of delivery options
- Sensitivity test affordable housing numbers
- Identify a bespoke delivery strategy and recommended delivery approach
- Highway modelling to inform the infrastructure requirements and phasing as well as the site specific strategic frameworks

4 Delivery Options

4.1 A bespoke Microsoft Excel financial model was used as a development appraisal tool. The model was set up to appraise Hengrove Park and Hartcliffe Campus sites informed by the site specific urban design frameworks. Sensitivity testing was undertaken on the delivery options (as at Section 4.2) to identify a financially viable delivery approach for Hengrove Park and Hartcliffe Campus that achieved the Council’s objectives as set out in Section 2.1.

4.2 The feasibility study tested the following delivery options;

- 4.2.1 **Developer Led:** A traditional developer led delivery approach with the developer(s) obligated to deliver both the infrastructure and development. In other words the Council’s exposure to financial risk is minimal (planning and relocations) and the scheme will be led by a developer assuming development risk.
- 4.2.2 **Council Led (Infrastructure Up Front):** The Council secures outline planning consent but also delivers the strategic infrastructure and the majority of site wide abnormal costs in order to provide serviced plots to a developer(s). The majority of the infrastructure installed at the start of the project to maximise place making opportunities, facilitate sustainable development and provide the market with certainty of the development opportunity.
- 4.2.3 **Council Led (Infrastructure Phased):** The Council secures outline planning consent but also delivers the strategic infrastructure and the majority of site wide abnormal costs in phases across the lifetime of the project to provide serviced plots to a developer or developers. The infrastructure will be installed in phases to spread the level of investment.

4.3 A summary of the Hengrove Park and Hartcliffe Campus site specific urban design frameworks which informed the feasibility study is attached at Appendix 3.

4.4 The key outcomes of the feasibility study and associated development assumptions can be summarised as follows;

- 4.4.1 **Council intervention is required due to the high abnormal infrastructure costs** - An estimated £38m of strategic social and physical infrastructure is required to unlock the development of Hengrove Park and Hartcliffe Campus. A traditional developer led delivery approach is deemed unviable due to the high peak debt required to install the necessary infrastructure
- 4.4.2 **Housing led development is the priority for Hengrove Park and Hartcliffe Campus**
- 4.4.3 **Between Hengrove Park and Hartcliffe Campus, the sites have the potential to deliver more than the allocated housing numbers.** In addition to 259 units that will be delivered by Kier Living, Hengrove Park has the potential to deliver c1400. In addition to 32 units delivered by Knightstone, Hartcliffe Campus has the potential to deliver c300 units. Calculations assume a blended density of 54 dwellings per hectare, see Appendix 3)
- 4.4.4 **Delivering 30% affordable housing** in accordance with planning policy should be financially viable if the recommended delivery approach is implemented
- 4.4.5 **There is the potential to create a range of parkland/open space totalling 20ha** at Hengrove Park
- 4.4.6 The Council should **secure outline planning consent with design codes** for each site before procuring a development partner
- 4.4.7 The Council will need to **secure vacant possession** of the sites prior to development
- 4.4.8 As per Cabinet decision in 2005, the Council will support the relocation of St Bernadettes
- 4.4.9 As per Cabinet decision in 2005, the Council will support the reprovision of Scout hut facilities.
- 4.4.10 The most appropriate sites to come forward for development first are Hartcliffe Campus or a serviced plot at Hengrove Park – both of which would have minimal infrastructure costs (subject to detailed design and planning).
- 4.4.11 **Hengrove Park assumptions**
- The site has the potential to deliver 1000-1500 housing units (subject to consultation, ground conditions, planning etc)
 - The site has the potential to create around 20ha of open space (subject to consultation, ground conditions, planning etc)
 - The Mounds are not part of Site Allocations Plan and have status of Site of Nature Conservation Interest and therefore not included within the development proposals
 - The Bottle Yard Studio will remain
 - An area to the north of the Hospital is likely to be the first site to come forward at Phase 2.
 - St Bernadettes' existing provision will be relocated off site to maximise the land available for residential development at Hengrove Park. Officers are currently in discussions with the club and the Rugby Football Union regarding future requirements.
 - Metrobus will serve the new development

4.4.12 Hartcliffe Campus assumptions

- The Hartcliffe Campus site has the capacity to deliver around 300-330 units in addition to the 32 units that are currently being delivered by Knightstone.
- To maximise the development potential of the site and create a high quality it would be beneficial to work with the City of Bristol College to bring the site forward for comprehensive redevelopment.

5 The Recommended Delivery Approach;

5.1 The feasibility study identified the most financially viable delivery approach (which delivered the Council's objectives as set out in Section 2.1) is for the Council to act as master developer and install the strategic social and physical infrastructure, secure outline planning permission with design codes, and dispose of serviced land parcels to developers, with conditions to comply with the requirements of the design codes. The Council will then seek to recoup the cost of the infrastructure from the sale of serviced land parcels which will be sub-divided into phases.

5.2 The feasibility study also identified that in order to drive delivery at pace, development needs to focus on bringing forward the two existing serviced land parcels; at Hartcliffe Campus and/or a site that is already serviced by existing infrastructure within Hengrove Park.

Stage 1

5.3 To implement the recommended delivery approach the first stage of work is to secure the necessary planning consents to facilitate development. This will also include (and not limited to) public consultation, initial ground investigations, developer soft market testing and due diligence on costs assumptions currently used within the financial model. Therefore approval is therefore sought to;

5.3.1 Hengrove Park (1,000 -1,500units).

- Procure a multi-disciplinary design team to secure Outline Planning Consent with Design Codes (RIBA 2) and all other matters reserved, except main vehicular access points and strategic landscaping for circa 1,000 – 1,500 homes.
- Procure a multi-disciplinary design team to secure Full Planning Consent for the strategic highway infrastructure.
- Procure a developer partner to develop Hengrove Park (Serviced Land Parcels) in accordance with the outline planning permission and design codes once secured through either an open market disposal, OJEU compliant competitive process or an OJEU compliant framework.

5.3.2 Hartcliffe Campus (300-350 homes).

- Continue discussions with the City of Bristol College to ascertain if the Council could enter into a joint agreement to bring forward a comprehensive redevelopment of the site
- Procure a multi-disciplinary design team to secure Outline Planning Consent with Design Codes (RIBA 2) and all other matters reserved for circa 300 homes.

- Procure a developer for Hartcliffe Campus in accordance with the outline planning permission and design codes once secured (through either an open market disposal, OJEU compliant competitive process or an OJEU compliant framework).

5.4 It is proposed the Outline Planning Consent for Hengrove Park will have all matters reserved except for the main vehicular access point and strategic landscaping to allow the Council to;

- Address local residents concerns regarding the size, location and quality of park by confirming its size and quality of provision through the planning process prior to development on site
- Lead and manage the community engagement to provide residents clarity on a number of key issues prior to development on site including but not limited to; health provision, education provision, strategic movement and access arrangements.
- Provide developers with certainty of development and de-risk the development opportunity

5.5 It is proposed the Full Planning Consent will be secured for the strategic highway infrastructure at Hengrove Park to allow the Council to;

- Submit external funding bids to secure additional investment to enable the delivery of the social and physical infrastructure up-front.

5.6 Approval is sought for an initial upfront investment of £1.8m is required to implement the first stage of the recommended delivery approach which would allow the council to secure the necessary planning consents and procure the developer for the first phase of delivery.

Stage 2

5.7 The second stage of the recommended delivery approach is to secure funding to install the strategic social and physical infrastructure, create serviced development plots within Hengrove Park, confirm an appropriate route to market and bring forward the remainder of the site for development.

5.8 It is anticipated the Council may have to fund installing the strategic social and physical infrastructure in advance of development. Therefore, in principle approval is sought to ring fence future capital receipts received from the disposal of land within Hengrove Park and Hartcliffe Campus to generate a financial envelope to fund the on-going development. Future approval from Cabinet would be sought to fund any additional investment, supported by a detailed business case and options appraisal. At the time of writing, informed by the financial model, it is assumed the business case would be predicated on the assumption the investment would be self-financing over a 12 year period. Through the options appraisal the Council will also consider future management and maintenance options that could minimise the long term revenue impact on the Council.

6 Project Delivery

6.1 Implicit in the recommended delivery approach is that the Council takes more direct responsibility for delivering the residential led development of Hengrove Park and Hartcliffe Campus. This will require a level of project management responsibility and expertise not currently available to the project.

As part of the Council’s new Housing Delivery Approach additional dedicated project management resources will be allocated to support the existing Senior Project Manager to deliver the project. These additional dedicated resources will be funded through the £1.8m project budget.

6.2 In addition, the Council’s new Housing Delivery Approach will see the establishment of a new Housing Delivery Board. The Housing Delivery Board will have oversight of the project, regularly review and actively monitor key project risks and issues and be responsible for ensuring the project is delivered on time, to budget within the agreed project tolerances.

Consultation and scrutiny input:

a. Internal consultation:

- City Design Team
- Building Bristol Board - The Building Bristol Project Board established to oversee the feasibility study. The board is chaired by Service Director for Economy and membership includes Service Directors for Property, Planning, Housing, Transport, Neighbourhood and a Finance Business Partner.
- Healthy Lifestyles, Healthy Place team – re sports facilities
- Energy Services

b. External consultation:

- Hengrove and Stockwood Neighbourhood Partnership: Attended meetings and information presented to in September and December 2016
- Hengrove and Whitchurch Park Planning Forum – Attended meetings and information presented in September 2016 and January 2017
- St Bernadettes Rugby Club: Meetings held in September ‘16, December ‘16 and January ‘17 to discuss club requirements and future relocation options.
- 21st (Gladstone) Scout Group: Meeting held in December ‘16 to discuss existing facilities and future requirements.
- Rugby Football Union: Meeting held with St Bernadettes to discuss relocation options.

The Council will need to ensure there is an ongoing dialogue with residents of South Bristol and key stakeholders to ensure there is a transparent, common and consistent understanding of what is being proposed at all times.

Other options considered:

Do Nothing: The sites could not be brought forward for residential led development

Dispose through open market without planning consent:

Hengrove Park and Hartcliffe Campus could be marketed for disposal on the open market.

The disposal would need to be in line with current planning policy, the Council would not be able to impose any additional conditions on the development. The feasibility study concluded that this approach would not deliver the objectives set out in paragraph 2.1 as:

- The market would not be provided with certainty of development

- Council would be reliant on the developer for the pace of delivery
- A policy compliant affordable housing provision could be unviable
- Residents’ concerns about social and physical infrastructure would not be addressed
- Developers may only be interested in the two existing serviced plots

Dispose sites with Development agreement:

Hengrove Park and Hartcliffe Campus could be marketed for disposal through a competitive procurement process with a development agreement. The development agreement would allow the council to impose additional conditions on the development over and above planning policy. The feasibility study concluded that this approach would not deliver the objectives set out in paragraph 2.1 as:

- The market would not be provided with certainty of development
- Council would be reliant on the developer for the pace of delivery
- A policy compliant affordable housing provision could be unviable
- Residents’ concerns about social and physical infrastructure would not be addressed
- Developers may only be interested in the two existing serviced plots

Secure detailed planning consent for Hengrove Park and Hartcliffe Campus:

The council could secure detailed planning consent to confirm every aspect of the development in advance of procuring a developer to deliver. The feasibility study concluded that this approach would not deliver the objectives set out in paragraph 2.1 as:

- Doesn’t allow the developer to apply its knowledge to the design, layout and mix ensuring a viable development
- Significant up front cost for the Council
- Would not allow flexibility in the masterplan to evolve the design to respond to changing markets over the next 10-15 years.

Design framework, without planning status for Hengrove Park and Hartcliffe Campus :

The council could develop a spatial framework to guide the future development of Hengrove Park and Hartcliffe Campus. The framework could be approved by Cabinet but would not be a material consideration when determining planning applications. The feasibility study concluded that this approach would not deliver the objectives set out in paragraph 2.1 as:

- Does not give planning certainty for the developer
- Does not accelerate the pace of delivery as planning would still need to be achieved
- Developers may only be interested in the two existing serviced plots
- A policy compliant affordable housing provision could be unviable

Risk management / assessment:

FIGURE 1

The risks associated with the implementation of the *(subject)* decision :

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Planning consent may not be secured	High	Medium	Ensure procurement process seeks quality multi-disciplinary team. Engage through pre-application process with Local Planning Authority.	High	Low	
2	Lack of developer market interest	High	Low	Undertake soft market testing to ensure the disposal route for the first development plots attracts competitive bids from high quality residential led developer partners.	High	Low	
3	Loss of sport pitches	Medium	High	Early discussions with Sport England to discuss mitigation measures. Engage with Rugby Club and RFU.	Medium	Medium	
4	Lack of community support	Medium	Medium	Early engagement with Neighbourhood Partnership and prepare a robust community engagement strategy	Medium	Medium	
5	HCA Bottleyard grant agreement - new deal might fail/be renegotiated	Low	Low	Progress agreement with HCA and continue open dialogue	Low	Low	
6	Infrastructure Costs & Timing - the cost estimates used in the financial model are indicative so any significant changes to these costs will have an impact on viability. The timing of these costs are also key to the development cashflow, and chances to project phasing could impact on viability.	High	Medium	Undertake further work to refine cost estimates and refine development appraisals.	Medium	Low	
7	Abnormals / Ground Conditions - other developers in area are experiencing issues with ground conditions both in terms of contamination but also the general need for piling/abnormal foundations.-	High	Medium	Undertake site investigations to inform masterplanning work and refine cost implications.	Medium	Medium	
8	Sales Values - the current lack of new build stock in South Bristol means comparables are limited. The financial model has pitched sales values slightly higher than the sales values assumed the recent comparables available.	Medium	Medium	Monitor sales values around Hengrove Park; undertake soft market testing with developers	Low	Low	
9	Viability / affordability - timing of investment, the land receipts received and the impact on the overall financial cashflow	High	Medium	Sensitivity testing will be undertaken on the financial model, in consultation with the finance business partner, at each project gateway to ensure the delivery approach remains financially viable	Medium	Low	
10	Market conditions / market saturation - Housing Market Assessment has identified a lot of planned residential development in the immediate area over the next few years.	Medium	Medium	Monitor housing market, especially in early phases of development.	Medium	Medium	
11	Enable to find suitable relocation premises for rugby club	High	Low	Continue to work with the club to understand requirements and search for alternative locations.	Low	Low	
12	Enable to agree comprehensive approach to redevelopment of Hartcliffe Campus with City of	Low	Medium	Continue to work with the College to agree approach.	Low	Low	

	Bristol College						
13	Procurement of professional services, developer and contractors.	High	Low	Comply with Procurement regulations and rules	Low	Low	

FIGURE 2

The risks associated with not implementing the *(subject)* decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
		1	Hengrove Park and Hartcliffe Campus will not be brought forward for residential led development		High	High	

Public sector equality duties:

The Public Sector Equality Duty as set out in the Equalities Act 2010 states that those subject to the equality duty, must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.
- Advance equality of opportunity between people who share a characteristic and those who don't
- Foster good relations between people who share a characteristic and those who don't

In the context of this project consultation with the local community and especially those bordering on the development is key to meeting the duty. Good consultation results in everyone being able to take part regardless of their protected characteristics. The consultation plan should therefore consider each protected characteristic relevant to the area and ensure any barriers in communication with this group have been resolved. This would mean that consultation documents and methods are accessible.

An equalities impact assessment has been completed and it includes a commitment to consultation and a breakdown of the protected characteristics in that area to guide the work. It has been signed off by Anne James Equalities and community Cohesion Team Leader.

Eco impact assessment

The proposals in this Cabinet report will not have any significant direct environmental impacts, so no Eco-Impact Assessment checklist is needed. However, the resultant planning applications and following development will have a range of significant environmental impacts which will be assessed through the planning application process through the production of an Environmental Impact Assessment.

Verified by Giles Liddell, Environmental Performance Team.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

Please see the paragraph below for the revenue implication in relation to the proposed capital investment.

Advice given by

Date

b. Financial (capital) implications:

The proposal seeks approval in principle of the comprehensive residential led development of the Hartcliffe Campus site and the entire Hengrove Park in the south of Bristol, and to agree on the drawn down of investment up to £1.8m to implement the first stage of the recommended delivery approach, in order to secure outline planning permission for both sites and a full planning consent on strategic infrastructure development for Hengrove Park. This sum is included in the existing Housing Delivery allocation within the Capital Programme for 17/18, subject to February full Council approval.

The upfront cost of £1.8m can be fully funded by the capital cash receipt of the first development parcel, however short-term prudential cost would be applied. The short-term (12month) cost of borrowing is around £12k.

The proposal also seeks approval in principle to ring-fence future capital receipts from the disposal of land within Hartcliffe Campus and Hengrove Park sites, in order to generate a financial funding envelope for the ongoing comprehensive residential led development of these sites over the next 20 to 25 years.

Advice given by	Tian Ze Hao
Date	26 January 2017

Comments from the Corporate Capital Programme Board:

Initial discussion was held at Capital Board on 14th December in preparation and inclusion into the Council wide Housing Strategy framework and financial model in readiness for the Draft Capital Programme 2016/17 – 2021/22 Appendix 2, part of the Corporate Strategy and Budget report to be presented at Full Council in February 2017.

c. Legal implications:

A variety of activities identified in the report give rise to procurement issues. Procurement of the professional support for the multi-disciplinary design teams will need to comply with the 2015 Procurement Regulations, and/or the Council's own procurement rules. Where the Council seeks to deliver the strategic infrastructure (eg highways) then again these works contracts will need to be procured in accordance with the Procurement Regulations/Rules. The report acknowledges that the procurement of developers(s) may also need to comply with these Regulations, depending on the nature of the contractual arrangement (ie whether or not comprising a public works contract).

The Council has the power to dispose of land 'in any manner they see fit' for the 'best price reasonably obtainable'. The duty to seek best consideration is subject to certain exceptions. These are conveyed in the Local Government Act 1972: General Disposal of Land, which makes provision for the Council to

dispose of land where the consideration is less than the best that can reasonably be obtained, known as an ‘under-value’. In these circumstances, the Council must obtain specific consent from the Secretary of State. Consent is not required where the difference between the unrestricted value (or market value) of the land to be disposed of and the under-value is £2 Million or less.

Furthermore, section 3 of the Local Government Act 2000 provides well-being powers for an authority in certain circumstances to accept a disposal at undervalue within the £2 million threshold, where the authority considers the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its or where there is an identifiable need to use the capital funds raised by the disposal by a particular time

Advice given by Eric Andrews, Team Leader Corporate, Legal Services
Date 24 January 2017

d. Land / property implications:

The report sets out the property implications in full and the Council’s ownership highlighted in Appendix 2. The recommended delivery approach is supported as the most appropriate route to facilitate housing led development on Council owned land at Hengrove Park and Hartcliffe Campus.

Advice given by Robert Orrett, Service Director Property
Date 26 January 2017

e. Human resources implications:

The project will require the budgeted establishment to be increased by 2 full time equivalent project management roles. The costs are budgeted for in the programme budget. In the first instance, the roles will be ring fenced to eligible staff in the redeployment pool. The project will also require specialist consultancy support and advice to prepare the planning applications. This will be commissioned when required in accordance with the Council’s procurement regulations.

Advice given by Mark Williams
Date 24 January 2017

Appendices:

Appendix 1 – Plan showing extent of development area of Hengrove Park and Hartcliffe Campus

Appendix 2 – Plan showing ownership of Hartcliffe Campus site

Appendix 3 - Summary of the Hengrove Park and Hartcliffe Campus site specific urban design frameworks

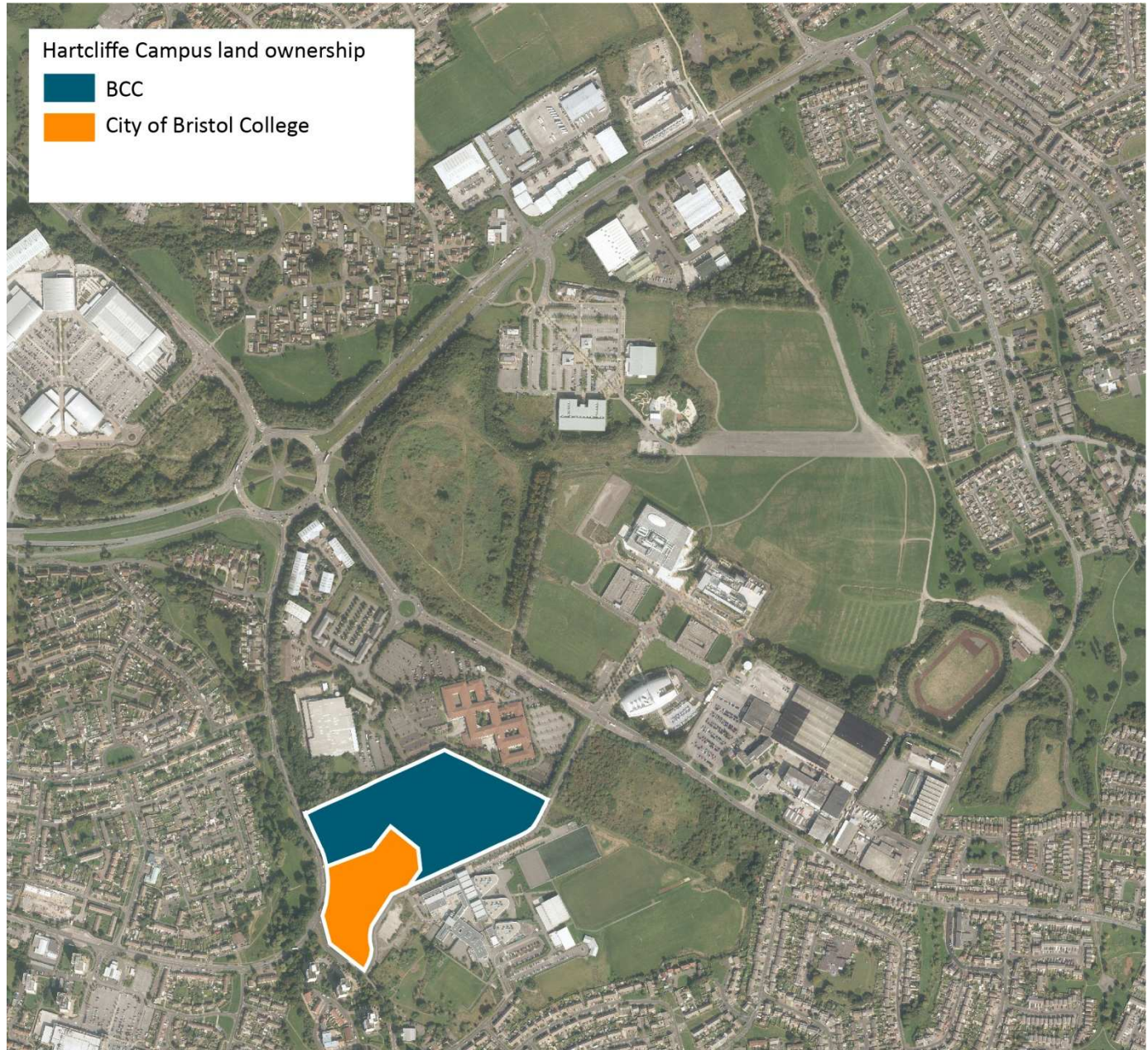
Appendix 4 – Exempt financial commentary

Access to information (background papers):

Appendix 1 – Hengrove Park and Hartcliffe Campus



Appendix 2 –Hartcliffe Campus



















Appendix 3 – Urban design frameworks

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South Bristol Preliminary Spatial Concept

-  Existing local centre
 -  Other retail focus
 -  Developable sites / **Site Allocation area**
 -  South Bristol community hub (including existing hospital, leisure centre, college, cinema, play park, skate park, focal green space)
 -  New local street link
 -  Strategic pedestrian/cycle link
 -  Existing strategic route
 -  Existing highways
 -  Existing street node with potential to simplify and redevelop
 -  Important open space green infrastructure anchor **(Protected from Development)**
 -  Green Edge retained as open space
 -  Runway space to be retained as open space
 -  Green infrastructure links
 -  Current Metrobus route and stops
 -  Potential to route Metrobus through site
-  IN



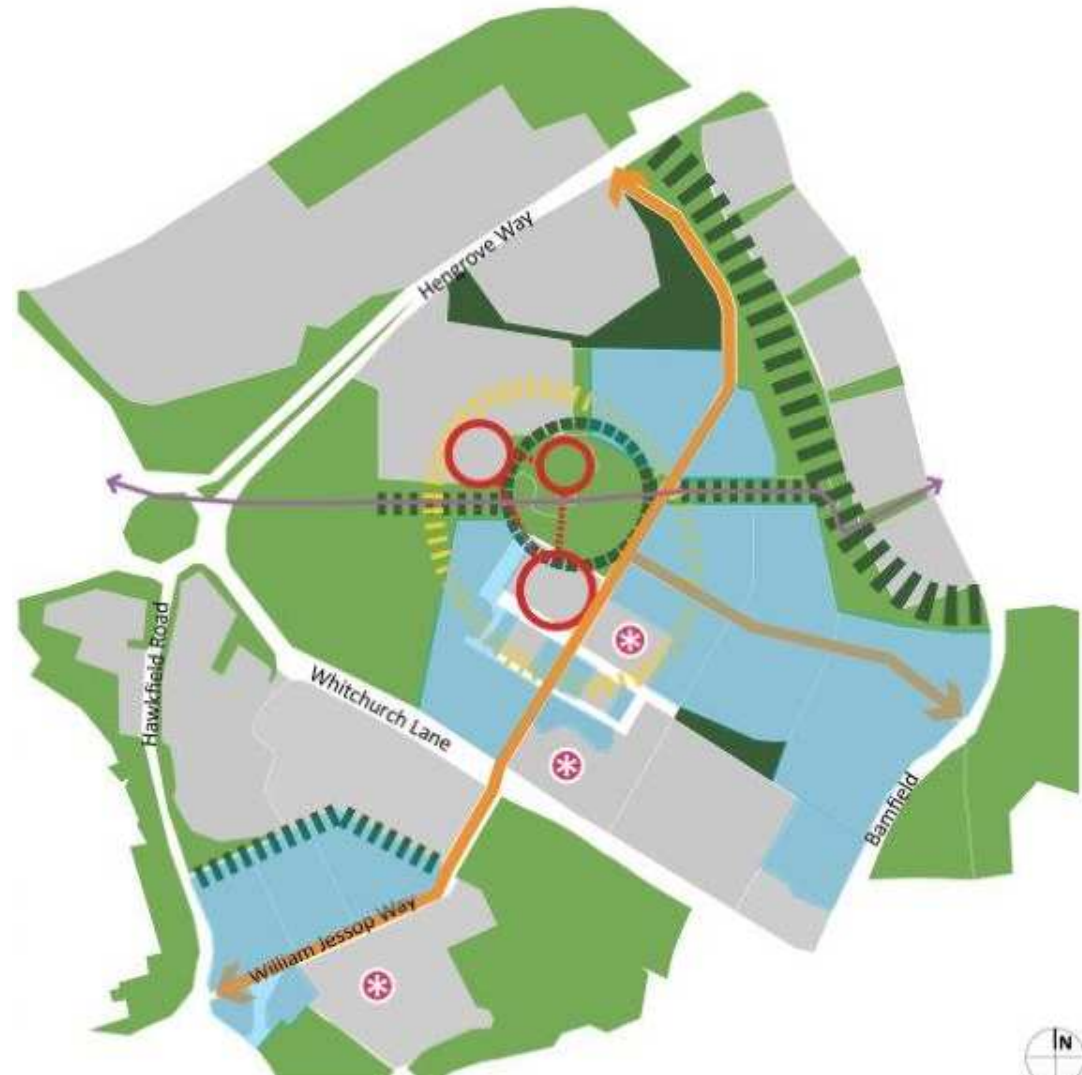
Plans are subject to: public consultation, relocation of rugby club, market context, infrastructure studies, planning consent, site investigations.

Potential Site Capacity

Developable Area (excluding Kier Phase 1 and Knightstone) = c31.ha / 77.2 acres

Open Space Excluding the Mounds = c20 ha / 49.69 acres

Open Space including the Mounds = c33 ha / 82.14 acres



Key	
Principal Avenue	
Key cycling/pedestrian link	
Community Hub	
Key Community Facility	
Leisure Focus	
Proposed Green Space Link	
Existing Woodland Buffer Planting	
Green Space	
New Development	
Existing Development	

Plans are subject to: public consultation, relocation of rugby club, market context, infrastructure studies, planning consent, site investigations.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Executive Summary of Agenda Item No.12

Report title: Prioritising victims of domestic violence and abuse for rehousing

Wards affected: city wide

Strategic Director: Alison Comley, Neighbourhoods

Report Author: Gillian Douglas, Housing Options

Recommendation for the Mayor's approval:

1. That the HomeChoice Bristol Allocations Scheme be amended so that victims of domestic violence and abuse (DVA) who are assessed as being at high risk by the Multi-Agency Risk Assessment Conference (MARAC) are awarded band 1 status for 3-6 months (and potentially for an extended period on the recommendation of the MARAC) in order to facilitate rehousing.
2. That priority move on status be applied to vulnerable victims accommodated and referred by Nextlink (or other specialist providers that accommodate DVA victims from Bristol).

Key background / detail:

a. Purpose of report:

To set out proposed changes to Homechoice Bristol Allocations Scheme so that victims of domestic violence and abuse are given greater priority for social housing.

b. Key details:

Proposal 1. The change to the Scheme would mean that where MARAC identifies a high level of risk resulting in the need for urgent rehousing MARAC will make a recommendation to Housing Options that the household be placed in band 1. This band will apply for 3-6 months. Active bidding during the 3-6 month period will generally deliver a social rented property, taking in to account areas of the city that would be deemed unsafe for the household. Extension of the period in band 1 will be at the discretion of the Housing Supply Team Manager, on the recommendation of the MARAC

Proposal 2. In order to facilitate and speed up move on from refuges/safe houses it is proposed that Nextlink and other providers that accommodate Bristol DVA victims in supported accommodation will now be included in the council's Priority Move On Scheme (PMOS). This Scheme enables an accommodation provider to refer a client who is ready to move on directly in to Homechoice. The referred client is awarded band 2 with a 6 month backdating which puts them high up in band 2 with swifter move on times being achieved through bidding. PMOS also gives scope to identify a direct offer of social housing for the client which can be made if bidding does not deliver an outcome in the short term

Cabinet

7th March 2017



Report Title: Prioritising victims of domestic violence and abuse for rehousing

Ward: citywide

Strategic Director: Alison Comley, Neighbourhoods

Report Author: Gillian Douglas, Head of Housing Options

Contact telephone no. & email address 0117 357 4185
gillian.douglas@bristol.gov.uk

Purpose of the report:

This report proposes a change to the HomeChoice allocations scheme which would give greater priority to victims of domestic violence and abuse.

Recommendations for the Mayor's approval:

1. That the HomeChoice Bristol Allocations Scheme be amended so that victims of domestic violence and abuse (DVA) who are assessed as being at high risk by the Multi-Agency Risk Assessment Conference (MARAC) are awarded band 1 status for 3-6 months (and potentially for an extended period on the recommendation of the MARAC) in order to facilitate rehousing.
2. That priority move on status be applied to vulnerable victims accommodated and referred by Nextlink (or other specialist providers that accommodate DVA victims from Bristol).



The proposal:

1. The HomeChoice Allocations Scheme is used to prioritise households seeking affordable social rented housing within Bristol. The Scheme is used to determine the allocation of Bristol City Council's social housing and that of other social landlords in the city. Households applying to HomeChoice that meet the eligibility criteria are placed in one of four bands according to level of need, band 1 being the highest priority and band 4 the lowest. The current version of the Scheme was approved by Cabinet in April 2014.
2. Victims of domestic violence and abuse (DVA) seeking to be rehoused as a result of the DVA are awarded band 2 under the current Scheme. Households that have become homeless as a result of DVA to whom the council has agreed a homelessness duty are also awarded band 2.
3. The proposed change to the Scheme is to award band 1 to victims of DVA that urgently need to be rehoused as a result of the risk presented to them by the perpetrator. The aim of this change is to significantly reduce the length of time it takes to rehouse high risk victims of DVA and to mitigate the risk that the victim is exposed to (and to any children in the household).
4. Decisions about banding are made at Team Leader level within the Housing Options service. Applicants have a right to have their banding decision reviewed and this is carried out by a more senior officer. In order to make a decision about whether a victim of DVA should be placed in band 1 it is proposed that the recommendation come from the Multi-Agency Risk Assessment Conference (MARAC). The MARAC Coordinator will send recommendations for band 1 cases after each MARAC meeting with the supporting minutes, detailing risks and needs. This will be sent to a named officer in HomeChoice who will make the banding change within 5 working days or sooner if the applicant has a live and up to date HomeChoice application.
5. The MARAC in Bristol is made up of statutory and voluntary sector agencies including the lead provider of DVA services and accommodation in Bristol, Nextlink. The MARAC meets twice monthly to consider referrals from agencies about victims of DVA that are at serious risk of harm. This is estimated to be 10% of all victims of DVA. DVA experts have devised a risk indication checklist (known as DASH) which is used across the country by professionals to assess the level of risk in DVA cases. The Risk Assessment is a list of 24 questions preferably completed with the victim. If the victim answers yes to 14 or more questions the case is deemed high risk and a referral to MARAC is made by an agency/professional that the victim is known to.
6. The first priority of all agencies is to keep the victim safe in their existing home e.g. by excluding the perpetrator and ensuring that the property is secure. However many victims of DVA need to flee the home because of the risk presented by the perpetrator who is generally the partner or ex-partner. In many cases there are children in the household.
7. The change to the Scheme would mean that where MARAC identifies a high level of risk resulting in the need for urgent rehousing MARAC will make a recommendation to Housing Options that the household be placed in band 1. This band will apply for 3-6 months. Active bidding during the 3-6 month period will generally deliver a social rented property, taking in to account areas of the city that would be deemed unsafe for the household. Extension of the period in band 1 will be at the discretion of the Housing Supply Team Manager, on the recommendation of the MARAC e.g. where there has been a lack of suitable properties during the initial period that would meet the

household's needs. (It is important to note that band 2 is a priority band and will generally deliver a housing outcome within 9-10 months subject to suitable properties being available).

8. Victims of DVA that need to flee the family home as a result of the DVA are generally accommodated in temporary accommodation until settled accommodation can be found. This temporary accommodation can be in the private sector, in a refuge/safe house or in other supported accommodation commissioned by the council. Some victims choose to stay with family or friends until settled accommodation can be found. This means that high risk victims are not forced to stay in their home until new settled accommodation can be found. Not all victims will seek to be accommodated in social housing e.g. those with the financial means may find their own accommodation in the private rented sector. The city council offers incentives to private landlords and support to households in order to facilitate rehousing within the private rented sector.
9. A key aim of the change to the Scheme is to facilitate and speed up move on from refuges/safe houses. Next Link works closely with women in refuges/safe houses, offering support with move on and dealing with the emotional and practical issues resulting from DVA. It can take several months to be rehoused and a long period in a refuge can affect a woman's wellbeing and confidence. In order to facilitate and speed up move on it is proposed that Nextlink and other providers that accommodate Bristol DVA victims in supported accommodation will now be included in the council's Priority Move On Scheme (PMOS). This Scheme enables an accommodation provider to refer a client who is ready to move on directly in to Homechoice. The referred client is awarded band 2 **with a 6 month backdating** which puts them high up in band 2 with swifter move on times being achieved through bidding. PMOS also gives scope to identify a direct offer of social housing for the client which can be made if bidding does not deliver an outcome in the short term. Access to PMOS would afford Nextlink and other DVA accommodation providers the same mechanism that other supported accommodation providers use to activate move on for clients who are 'tenancy ready'.
10. A full review of the Allocations scheme will be carried out in 2017 with a view to changing the scheme to ensure best use of social housing, effective prioritisation and development of sustainable communities. The rehousing needs of victims of DVA will be considered within that wider review.

Consultation and scrutiny input:

a. Internal consultation:

Neighbourhoods Leadership Team; Cllr Paul Smith; Cllr Asher Craig

b. External consultation:

A public consultation on the proposed change ran from 20/10/16 to 6/1/17 on the Bristol City Council website. 126 responses were received. The quantified results are shown at appendix 1. Free text comments were also received and these are attached as appendix 2.

Key findings of the external consultation were:

- 40 respondents were members of the public, 25 were DVA practitioners, 22 Bristol City Council employees and 16 respondents identified as current or former users of domestic abuse services.
- There was strong support for the scheme change but mixed views about how effective it will be in freeing up accommodation in refuges and safe houses
- There was general support for MARAC being the forum where decisions about band 1 prioritisation should be made (72% in agreement) and that areas of risk should be considered by the MARAC to determine safe areas of Bristol where a person can bid (74%)
- 58% were in agreement that there should be conditions attached to the awarding of band 1 e.g. commitment to active and wide bidding, and engaging with support services.
- There were concerns about the 3 month time limit in band 1 with 43% of respondents disagreeing that there should be a 3 month limit (38% agree and 18% are undecided). 62% said there should be exceptions to allow the 3 month limit to be extended
- 88% agreed that there should be flexibility around the length of time someone can spend in a refuge/safe house

Key themes from the free text comments (not exhaustive):

- Recognition and concern about the lack of affordable housing generally which results in many high priority households competing for a scarce resource
- The importance of keeping victims safe in their own home where possible (avoiding the need to move)
- Concerns about what constitutes ‘high risk’ and about women who do not come through MARAC (and women unknown to agencies). A significant number of respondents felt that MARAC should not be the only route to band 1
- How to meet the needs of all priority groups and the risk of prioritising one group over another
- Support on the bidding process is required and in managing expectations e.g. about the types of property/areas that become available
- Ensuring that the MARAC process is effective
- A needs based as well as a risk based approach is required
- Not enough detail on how move-on from refuges and safe houses will be speeded up/improved
- Children’s needs to be considered too in rehousing e.g. changing schools
- Concern that emotional abuse, coercion and financial abuse cases are not considered by MARAC
- All women who are in refuge/safe houses should be considered for band 1 whether MARAC case or not
- Survivors are the experts in understanding the risks to themselves and their children
- In some cases women will reunite with the perpetrator after being rehoused. Need to acknowledge this does happen
- Processing of HomeChoice applications for people who are in refuge/safe house needs to be quicker

38 Degrees also ran the consultation through their website and had 182 respondents. A higher proportion of respondents through this route were members of the public. The main differences in response when compared to the council’s consultation were : 38 Degrees respondents were less likely to agree that the change to the Scheme will reduce rehousing times and increase move on from refuges/safe houses; less agreement that MARAC is the right forum for decisions about band 1 cases (51% disagree that MARAC should be the forum); less likely to agree that conditions should be attached to band 1; less likely to agree that 3 month time limit should apply.

Face to face consultation and feedback has also been gained from Bristol Women’s Commission and Sisters Uncut. The key points from a meeting held on 8th February 2017 are set out at appendix 3.

As a result of the external consultation the following changes have been made to the proposal :

- Where victims of DVA are placed in band 1 this will not be rigidly for a period of 3 months but for a period of up to 6 months and longer where recommended by MARAC.
- MARAC will not be the only body that is able to refer victims for prioritisation. MARAC will be able to make recommendations for band 1 prioritisation. Nextlink and other DVA accommodation providers will be included in the Priority Move On Scheme and will be able to refer victims via this Scheme.
- The consultation has also raised many useful points about the council’s approach to victims of DVA and these will be followed up through staff training, the development of specialist knowledge within Housing Options and a renewed focus on enabling move on.

Other options considered:

The other option considered was that all victims of domestic violence and abuse seeking to be rehoused as a result of DVA should be awarded band 1. This option was ruled out on the grounds that we need to allocate the scarce resource of social housing according to need including risk of harm and also noting that no victim will be left in unsafe circumstances through provision of temporary accommodation in some form. We therefore need a way of prioritising according to the household’s specific needs and the level of risk presented by the perpetrator of the DVA. MARAC offers a citywide multi-agency and victim centred approach for identifying those households that should be prioritised for swift rehousing through the awarding of band 1. Nextlink and other providers are best placed to identify victims whose move on from refuge/safe house needs to be accelerated and to this end those providers will be included in the Priority Move On Scheme.

Risk management / assessment:

FIGURE 1					
The risks associated with the implementation of the (subject) decision :					
No.	RISK	CURRENT RISK (Controls now in place)	RISK CONTROL MEASURES	TARGET RISK (After new mitigations/actions)	RISK OWNER
	Threat to achievement of the key objectives of	amber	Existing mitigations (ie controls) and proposed actions with evaluation (ie effectiveness of	amber	

	the report	Impact	Probability	mitigation/ actions).	Impact	Probability	
1	There is a risk of impact on other high priority households that may wait longer to be rehoused as a result of this changes to the Scheme	1	2	This is likely to affect band 2 households including homeless households. The number of households affected by DVA that will be prioritised to band 1 will be limited to high risk cases based on need and risk. We will monitor MARAC recommendations and review after 6 months to look at the impact on all priority households (Band 1 and 2)	1	2	Gillian Douglas/Paul Sylvester

FIGURE 2
The risks associated with **not** implementing the *(subject) decision*:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Victims of DVA at high risk of harm are not rehoused quickly enough	High	Low	No household should be left in unsafe accommodation and will be offered temporary accommodation where necessary pending rehousing	Low	Low	Gillian Douglas/Paul Sylvester
2	The mental health and confidence of women fleeing DVA is affected	Medium	High	If we apply PMOS this will accelerate move on for victims	Low	Low	Gillian Douglas/Paul Sylvester

	by extended periods in temporary accommodation			that are ready to move			
--	--	--	--	------------------------	--	--	--

Public sector equality duties:

In making this change to the Allocations Scheme the council is taking steps to better meet the needs of persons who share a relevant characteristic (the majority of victims of DVA are women) while also ensuring that the allocation of social housing is needs based and does not discriminate against men affected by DVA or other equalities groups that have a high priority and urgent need for housing e.g. disabled people with high level medical needs that mean there is an urgent need to be rehoused. The challenge is in balancing these needs.

There is extensive research and data at national level to show the prevalence of DVA and the fact that the majority of victims are women. Men can also be victims and DVA happens in same sex as well as heterosexual relationships. DVA happens across all equalities groups although socio-economic status affects the need to seek help from services such as housing.

Key statistics :

2 women are killed every week in England and Wales by a current or former partner (Office of National Statistics, 2015).

1 in 4 women in England and Wales will experience domestic violence in their lifetimes and 8% will suffer domestic violence in any given year (Crime Survey of England and Wales, 2013/14)

Domestic violence has a higher rate of repeat victimisation than any other crime (Home Office, July 2002)

Every minute police in the UK receive a domestic assistance call – yet only 35% of domestic violence incidents are reported to the police (Stanko, 2000 & Home Office, 2002)

The 2001/02 British Crime Survey (BCS) found that there were an estimated 635,000 incidents of domestic violence in England and Wales. 81% of the victims were women and 19% were men.

Domestic violence incidents also made up nearly 22% of all violent incidents reported by participants in the BCS (Home Office, July 2002)

On average, a woman is assaulted 35 times before her first call to the police (Jaffe, 1982)

20% of children in the UK have been exposed to domestic abuse (Radford et al. NSPCC, 2011)

Social housing is a limited resource and demand far exceeds supply. It is therefore imperative that the Allocations Scheme balances the needs of high priority groups and that an evidence and risk based approach is used to evaluate needs and award the appropriate banding to each household.

As at February 2017 there are 244 households in band 1, 750 in band 2, 2,411 in band 3 and 3,902 in band 4 i.e. a total of 8,307. In 2015/16 there were 1,996 new lettings but a proportion of these were movements of existing social tenants within the system.

The MARAC will be the group of professionals that will make recommendations about households to be placed in band 1 on the basis of risk and need.

The profile of the 1,401 victims discussed by Bristol MARAC in the year to September 2016 was : 96% women, 4% men of a total of 1,401 victims. 16 % were Black and minority ethnic. 4 % were

disabled people. 1% were Lesbian, Gay, Bisexual or Transgender . These are the cases where there may be a housing recommendation although we have not quantified how many this will be.

Victims accommodated in refuges and safe houses are among the most vulnerable including women with children, women with complex needs, disabled women and those with health conditions. Vulnerable victims are often those on the lowest incomes where access to the private rented sector is not a realistic option. By enabling Nextlink and other providers to access PMOS these victims will be able to move on more quickly from refuges and safe houses.

Eco impact assessment

No significant environmental impacts as a result of this proposal.

Steve Ransom , Environmental Programme Manager

Resource and legal implications:

a. Financial (revenue and capital) implications:

The recommendation of the report relates to a policy change regarding the prioritisation of households under the HomeChoice Allocations Scheme. Implementing the recommendation is not anticipated to generate any additional revenue or capital costs for the Council.

Advice given by Robin Poole, Finance Business Partner

Date 8th February 2017

b. Legal implications:

1. Each local housing authority is required by s.166A(1) Housing Act 1996 (HA) to have a scheme for the allocation of social housing. In devising a scheme, a housing authority is required to have regard to any statutory guidance when exercising their functions under Part VI Housing Act 1996. The current statutory guidance is Allocation of Accommodation: Guidance for local housing authorities in England (June 2012) . The guidance suggests those who require rehousing as a result of violence or threats of violence are awarded additional preference and the current and proposed schemes comply with this. S.166A 12 requires the local authority to have regard to Bristol City Council’s current homelessness strategy and the current tenancy strategy when modifying the allocation scheme.
2. In relation to prioritisation between applications, Part VI HA 1996 states that every local allocation scheme must be drawn up so as to secure a “reasonable preference” for the groups of people specified in HA 1996. In framing their allocation scheme to determine allocation priorities, housing authorities must ensure that reasonable preference is given to the categories of people defined at s.166A(3). The proposed changes amend the reasonable preference for households who need to move due to high risk as a result of DVA from Band 2 to Band 1.
3. S.168 HA 1996 requires that when an alteration is made to an allocation scheme reflecting a major change of policy those likely to be affected should be consulted. Consultation should include social housing providers who receive nominations from the scheme. Consultation should occur when proposals are at a formative stage; should give sufficient reasons for any proposal to permit intelligent consideration and should allow consultees adequate time for consideration and response. A public consultation on this proposal was carried out through the Bristol City Council website and ran from 20/10/16 to 6/1/17. In addition 38 Degrees consulted on the proposal through its website. The

responses are summarised in the body of the report and set out in the appendices . The decision maker must conscientiously consider the consultation responses, before taking its decision.

Advice given by Sarah Sharland, Team Leader, Legal Services

Date 6th February 2017

d. Land / property implications: n/a

e. Human resources implications: n/a

Appendices:

Appendix 1 – public consultation results

Appendix 2 – annex of free text comments from public consultation

Appendix 3 – key points from a consultation meeting with Bristol Women’s Commission and Sisters

Uncut

Access to information (background papers):

Bristol Allocations Scheme <https://www.homechoicebristol.co.uk/>

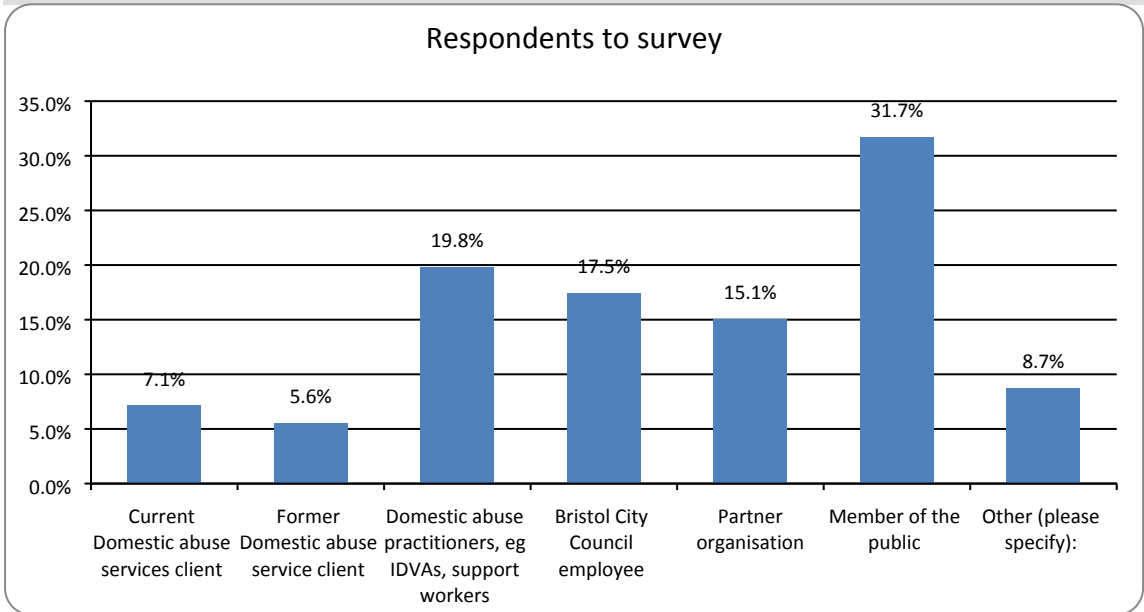
Appendix 1 - Statistical Analysis of a consultation exercise into the banding on Home Choice Bristol for victims of Domestic Violence and Abuse within current BCC Allocations Scheme

Background

In September/October 2016 it was agreed that a consultation exercise be commissioned to collect citywide views on the position of victims of domestic abuse within Bristol’s Housing Allocations Scheme. Respondents were invited to comment between 20th October 2016 and 6th January 2017. This report summarises the statistical findings of the consultation.

Question 1- You are responding as;

1	Current Domestic abuse services client	7.1%	9
2	Former Domestic abuse service client	5.6%	7
3	Domestic abuse practitioners, eg IDVAs, support workers	19.8%	25
4	Bristol City Council employee	17.5%	22
5	Partner organisation	15.1%	19
6	Member of the public	31.7%	40
7	Other (please specify):	8.7%	11
answered			126

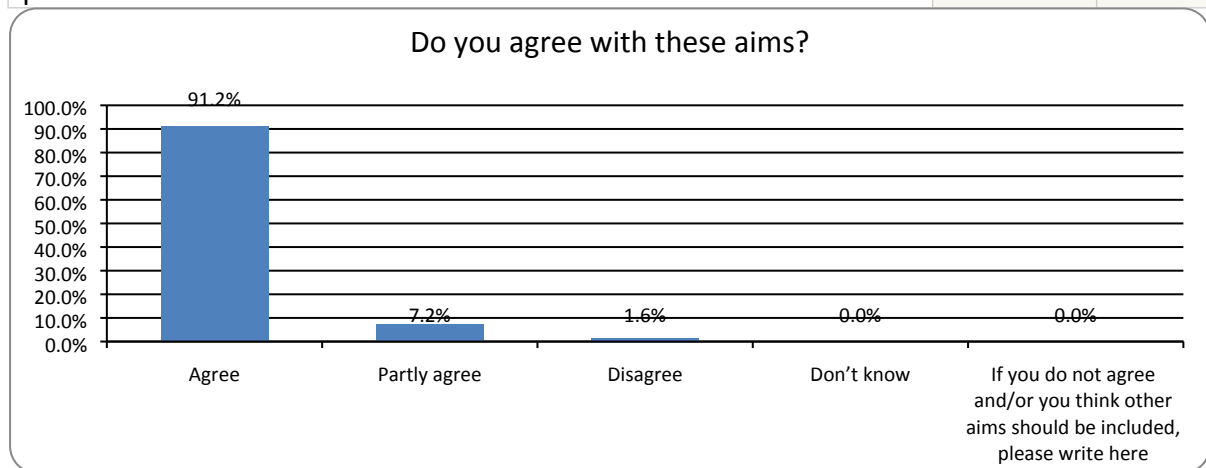


Total of 126 respondents. Largest group (40) are *members of the public*. 25 respondents identified as domestic abuse practitioners. 22 respondents identified as Bristol City Council employees. 16 respondents identified as current or former users of domestic abuse services.

Question 2 - The aims of the policy are to significantly reduce the length of time it takes to rehouse high risk victims of domestic abuse and by doing this to increase the availability of

refuge/safe house places so more households can benefit from this safe and supportive environment - do you agree with these aims ?

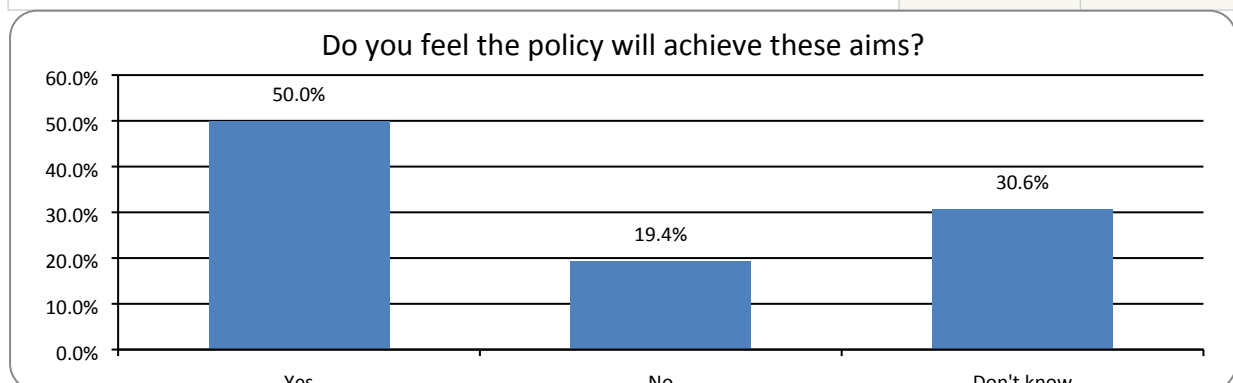
Agree	91.2%	114
Partly agree	7.2%	9
Disagree	1.6%	2
Don't know	0.0%	0
If you do not agree and/or you think other aims should be included, please write here	0.0%	0



This question attracts a very strong response in agreement with the aims set out in the question.

Question 3 - The aims of the policy are to significantly reduce the length of time it takes to rehouse high risk victims of domestic abuse and by doing this to increase the availability of refuge/safe house places so more households can benefit from this safe and supportive environment - Do you feel the policy will achieve these aims?

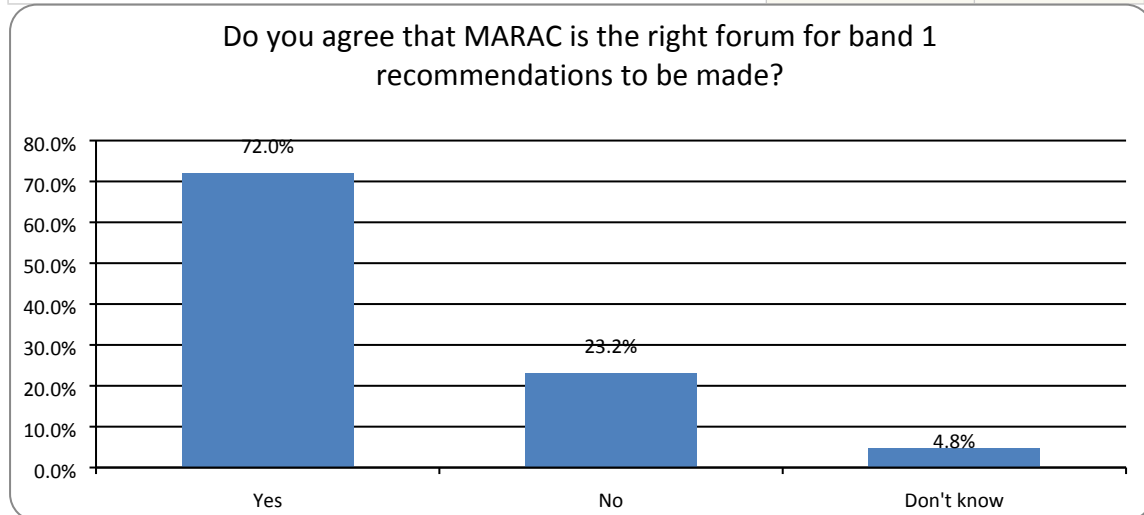
Yes	50.0%	62
No	19.4%	24
Don't know	30.6%	38



The response to this question indicates that whilst there is agreement that the change in policy will increase availability there appears to be a level of scepticism from some respondents as to whether this can be achieved.

Question 4 - Do you agree that the MARAC is the right forum for band 1 recommendations to be made?

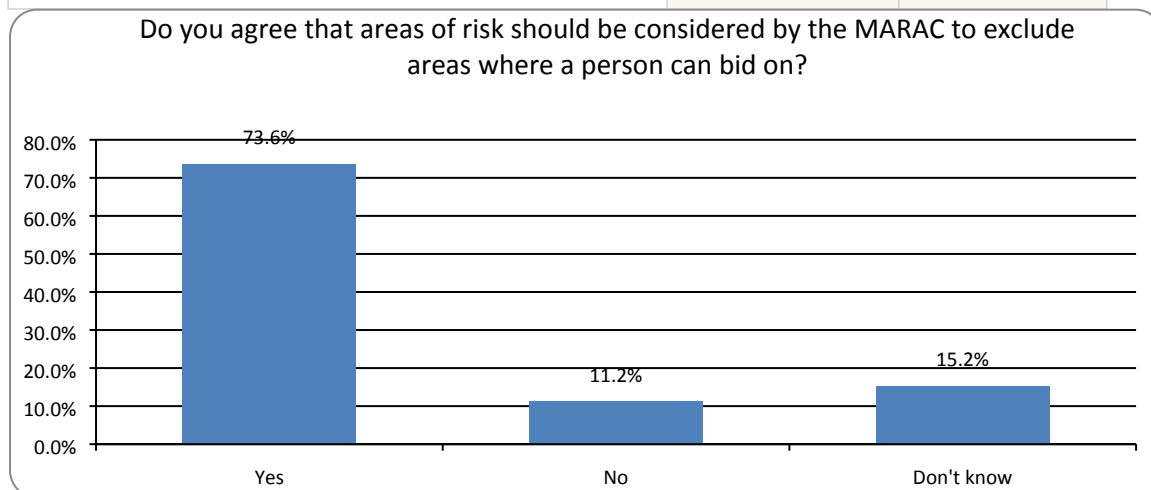
Yes	72.0%	90
No	23.2%	29
Don't know	4.8%	6



Responses indicate a strong agreement with the statement that the MARAC is the correct forum for band 1 recommendations.

Question 5 - Do you agree that areas of risk should be considered by the MARAC to exclude areas where a person can bid on?

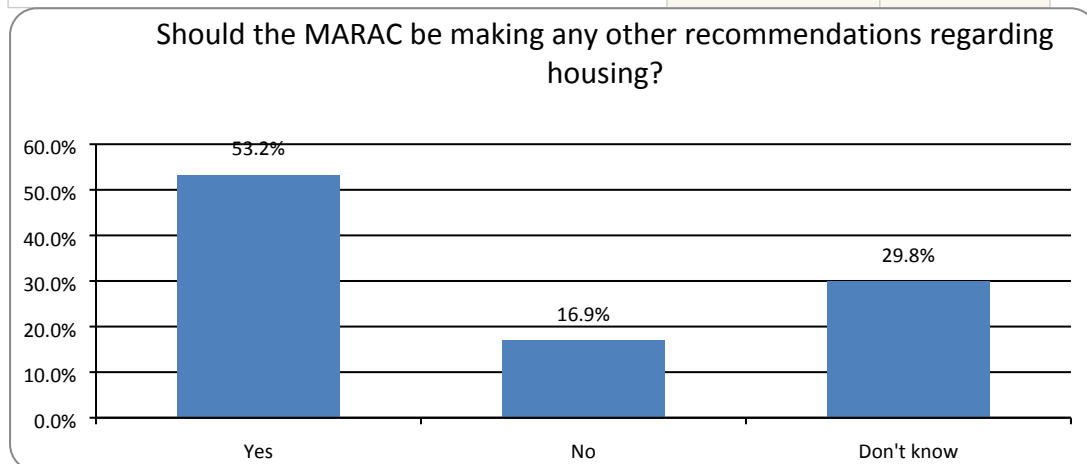
Yes	73.6%	92
No	11.2%	14
Don't know	15.2%	19



Responses indicate a strong agreement with the statement that areas of risk should be considered by the MARAC to exclude areas where a person can place a bid

Question 6 - Should the MARAC be making any other recommendations regarding housing?

Yes	53.2%	66
No	16.9%	21
Don't know	29.8%	37

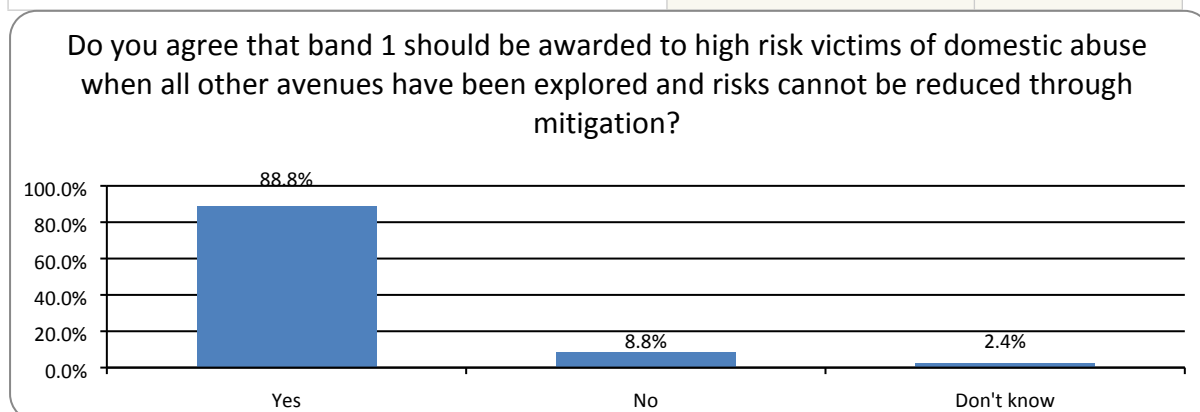


The response indicates support for the statement that the MARAC should be making other recommendations regarding housing. Significant number of no/don't know respondents

Question 7 - Do you have any further comments about the role of the MARAC? - There were 57 comments in answer to this question (see separate annex for details) with a common theme that *access to the MARAC is too limited in its scope*.

Question 8 - Do you agree that band 1 should be awarded to high risk victims of domestic abuse when all other avenues have been explored and risks cannot be reduced through mitigation?

Yes	88.8%	111
No	8.8%	11
Don't know	2.4%	3

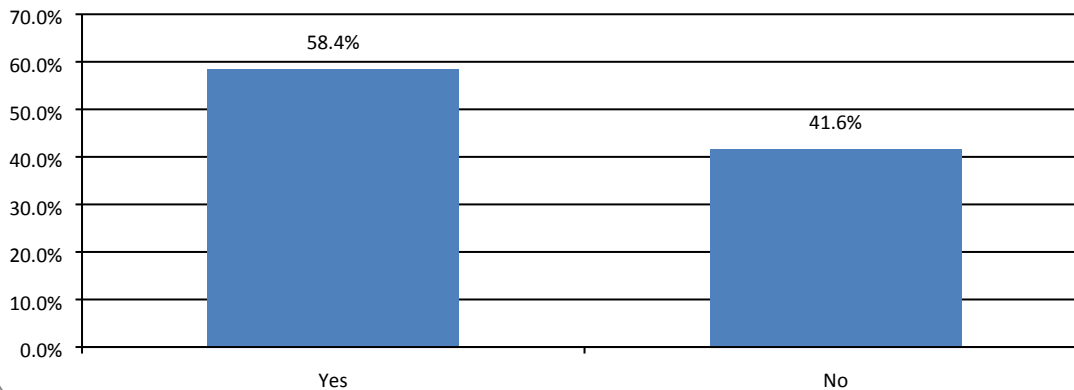


Response indicates a strong view with this option it also attracted 36 additional comments (see annex)

Question 9 - Should there be any conditions attached to awarding band 1? For example – engaging with support, agreement to bid regularly, anything else?

Yes	58.4%	73
No	41.6%	52

Should there be any conditions attached to awarding band 1? For example – engaging with support, agreement to bid regularly, anything else?



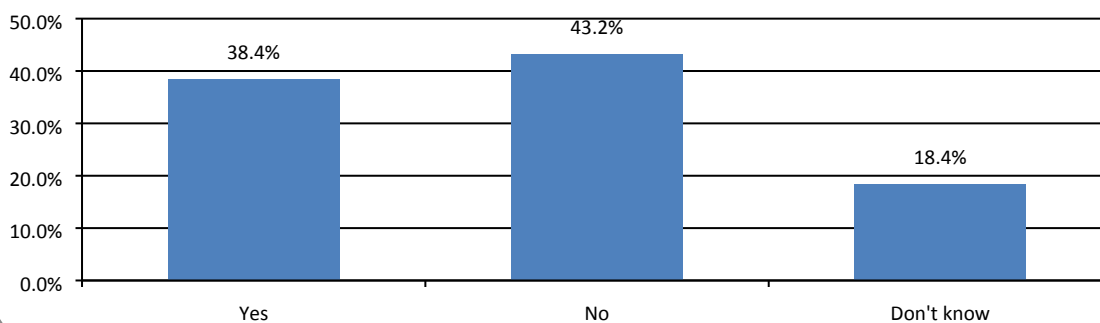
Response to this indicates split view on this option with a small number in favour of conditions being attached.

Question 10 - If yes, what conditions should be attached? – this question attracted 71 comments (see separate annex for details) most common being *engaging with support*.

Question 11 - Do you agree that high risk victims of domestic abuse should be awarded band 1 for only 3 months?

Yes	38.4%	48
No	43.2%	54
Don't know	18.4%	23

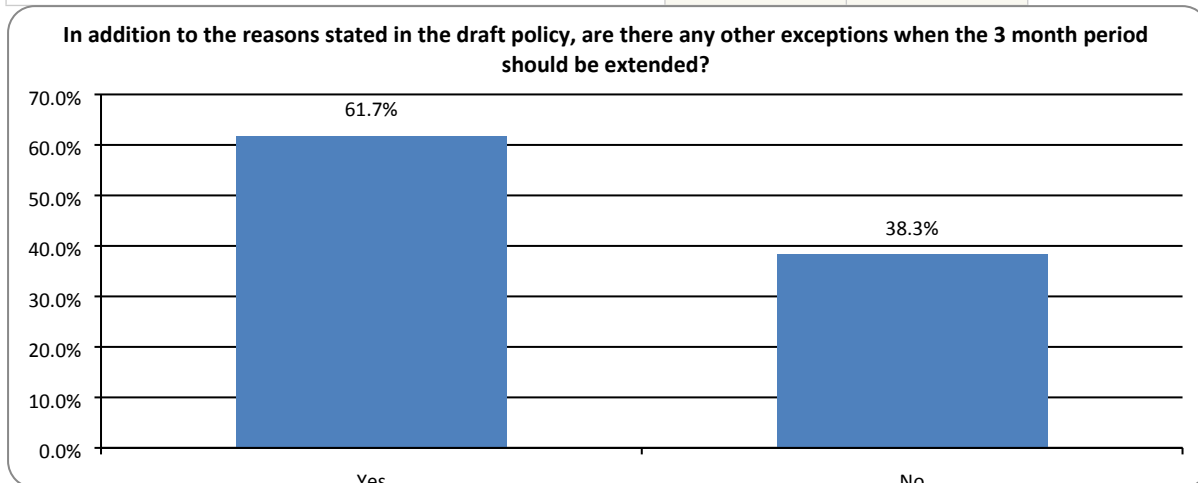
Do you agree that high risk victims of domestic abuse should be awarded band 1 for only 3 months?



Split response with slightly greater number of respondents against the statement and a significant number of don't knows

Question 12- In addition to the reasons stated in the draft policy, are there any other exceptions when the 3 month period should be extended?

Yes	61.7%	71
No	38.3%	44

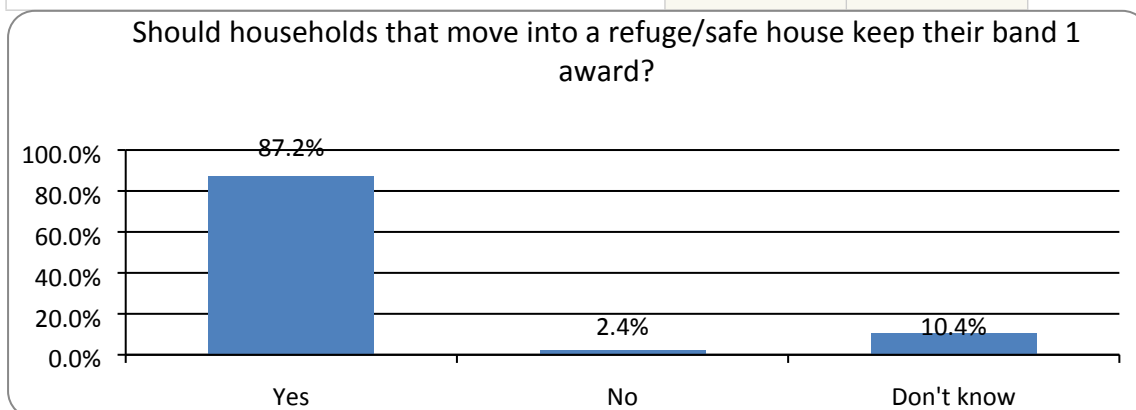


Greater number (majority) of respondents indicated there are other exceptions where the 3 month period be extended.

Question 13 - Exceptions or further comments on Limiting time in band 1; - This question attracted 62 comments from respondents (see separate annex for details) with the most common theme being that *3 month timescale was too limiting*.

Question 14 - Should households that move into a refuge/safe house keep their band 1 award?

Yes	87.2%	109
No	2.4%	3
Don't know	10.4%	13

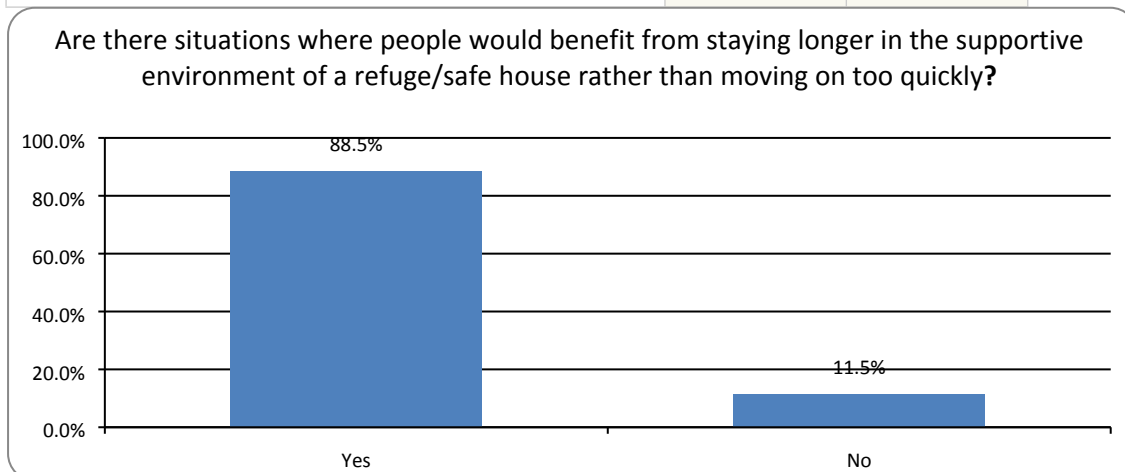


Strong agreement from respondents to this question

Question 15 - Are there situations where people would benefit from staying longer in the supportive environment of a refuge/safe house rather than moving on too quickly?

Yes	88.5%	108
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No	11.5%	14
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Respondents indicated a very strong view in answer to this question

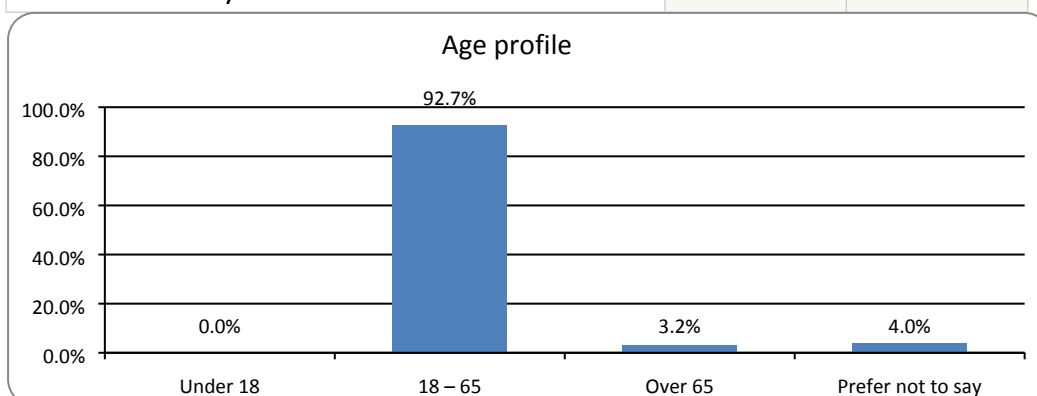
Question 16 - Further comments about moving on from refuge/safehouse; This question attracted 47 comments from respondents and the themes were wide-ranging with some repeated references to *mental health and psychological well being* (see separate annex for details).

Question 17 - Further comments or suggestions about any of the proposals; This question attracted 36 comments from respondents which ranged from the *need to build more housing, restricted resources* (see separate annex for details)

Questions 18-24 Respondent's equalities profile

Question 18 - What is your age?

Under 18	0.0%	0
18 – 65	92.7%	115
Over 65	3.2%	4
Prefer not to say	4.0%	5

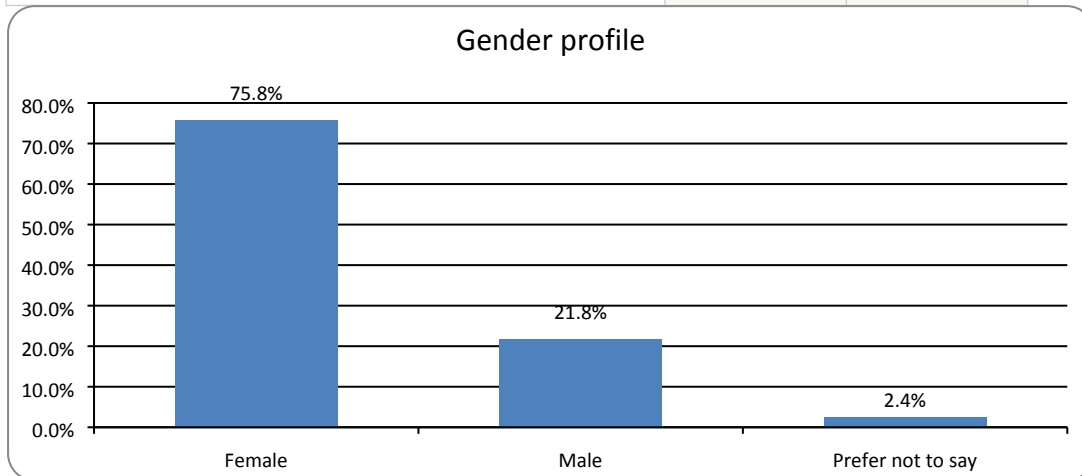


Unable to match age data with Bristol demographic profile

Question 19 - What is your gender?

Female	75.8%	94
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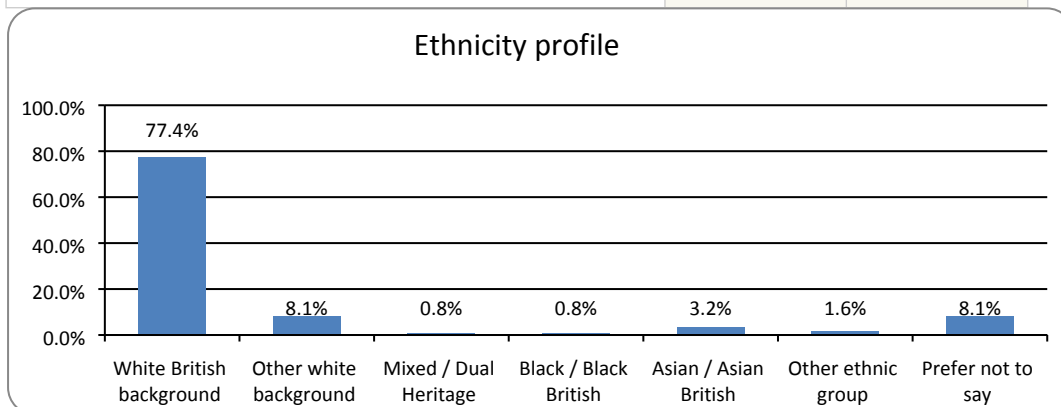
Male	21.8%	27
Prefer not to say	2.4%	3



Bristol demographic is 50:50

Question 20 – What is your ethnicity?

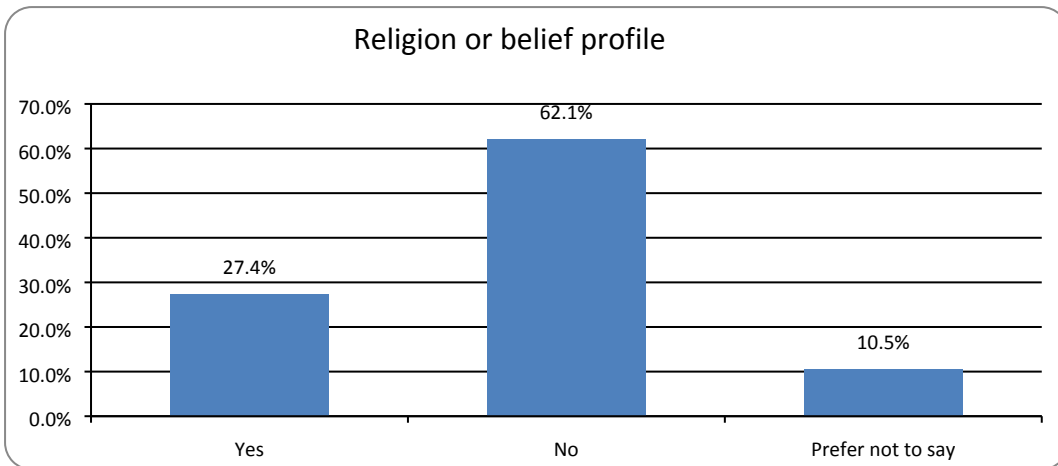
White British background	77.4%	96
Other white background	8.1%	10
Mixed / Dual Heritage	0.8%	1
Black / Black British	0.8%	1
Asian / Asian British	3.2%	4
Other ethnic group	1.6%	2
Prefer not to say	8.1%	10



Close correlation with Bristol profile with Black/Black British under-represented.

Question 21 – What is your religion or belief?

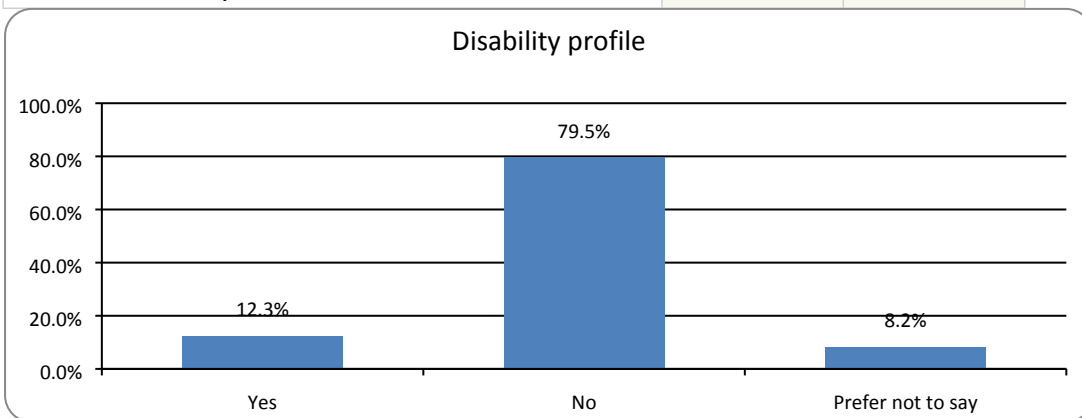
Yes	27.4%	34
No	62.1%	77
Prefer not to say	10.5%	13



Higher representation of the no religion category than Bristol profile

Question 22 – Are you disabled?

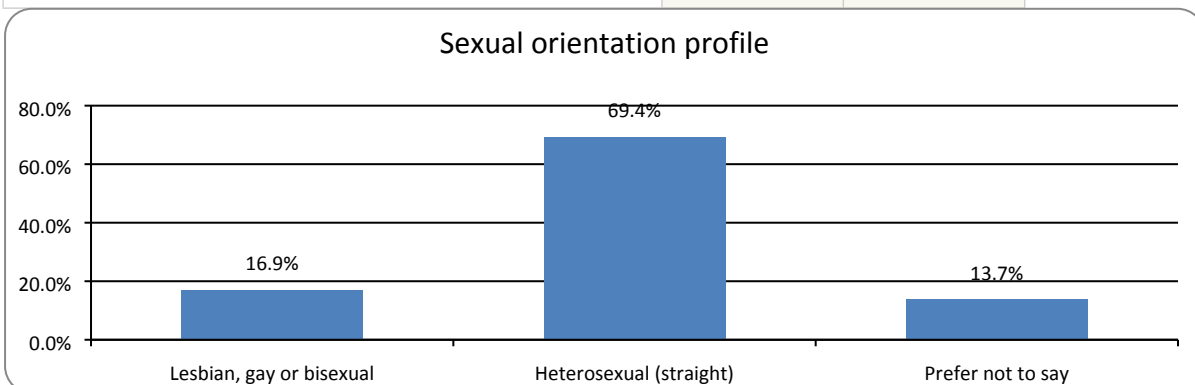
Yes	12.3%	15
No	79.5%	97
Prefer not to say	8.2%	10



Under-representation of disabled people among respondents.

Question 23 - What is your sexual orientation?

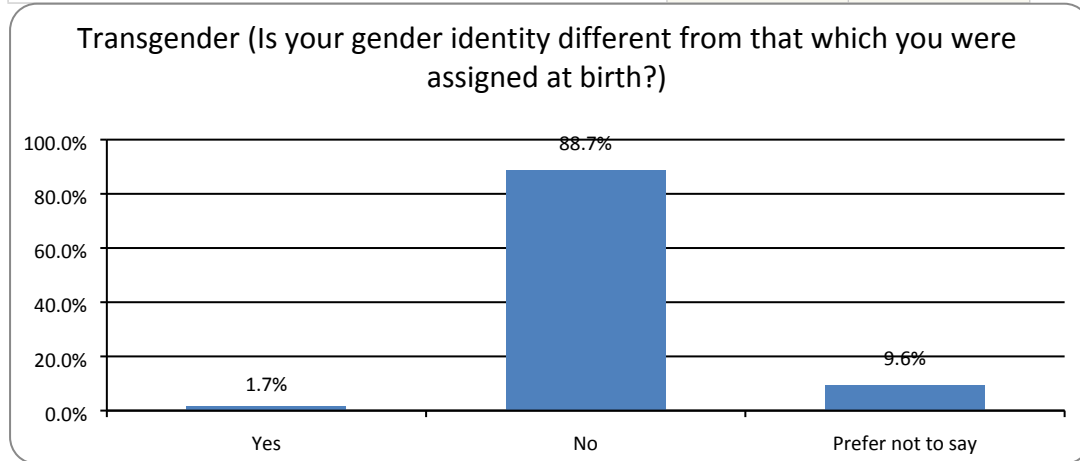
Lesbian, gay or bisexual	16.9%	21
Heterosexual	69.4%	86
Prefer not to say	13.7%	17



Over representation by LGB groups

Question 24 - Transgender (Is your gender identity different from that which you were assigned at birth?)

Yes	1.7%	2
No	88.7%	102
Prefer not to say	9.6%	11



Not able to compare with Bristol profile

Appendix 2 - Comments from Survey (free text)

Q1- You are responding as ?
golden key
Drug and alcohol worker - charity sector
Probation Officer working in field managing victims of DV
I know someone who has been through DV
Primary school Pastoral Lead (child protection and safeguarding)
Researcher into domestic abuse who has written 2 books on the subject and currently works for the university of bristol
Someone who has been exposed to domestic violence since birth.
Health Visitor
Supporter of the ACORN campaign
Bristol Zero Tolerance is a Bristol Women's Commission initiative run by Bristol Women's Voice and funded by Public Health as prevention work. The aim of the project is to work towards Bristol becoming a city free from gender-based violence, abuse, harassment and exploitation.
Bristol Women's Voice is a powerful voice for women aiming to make women's equality in Bristol a reality. We make sure that when key decisions are taken in Bristol, women's voices have been listened to and their ideas and concerns acted upon. We bring together women to share ideas, exchange experiences, support campaigns and events and celebrate success so that together we can make Bristol a showcase for women's involvement, empowerment and equality.

Q2 Do you agree with these aims?

Not all victims of abuse want to move, how can victims be made to feel safe and feel supported in their current homes if they want to stay

Vitally important to provide safe, secure space for people fleeing abuse. I support this key need.

Although the Safe Lives definition of high risk is 14+ ticks on the Risk Indicator checklist, therefore those DV victims discussed at pre-MARAC should also have the same means to access priority banding - just because they aren't discussed at main MARAC meeting, does not mean they are not high risk

Full negotiation/representation from IDVA/ISVA.IDSVA essential to determine risk & most importantly what the survivor wants - i.e not all victims want to move home

<p>Whilst the aims of the policy are admirable it lacks an overarching aim of ensuring victims of DV remain within their home environment and a vision that it is perpetrators who will be removed from the situation. It seems a missed opportunity to address the continuing unfairness of victims being the ones to have their world turned upside down.</p>
<p>There will be a need for a clear criteria as to high risk victims. What criteria will MARAC use?</p>
<p>With support from a support worker</p>
<p>We should be aiming to significantly reduce the time it takes to rehouse all victims, not jut those at high risk and especially those with children.</p>
<p>Although I think there are equitable risks for other cases, particularly for residents affected by hate crime</p>
<p>I think all safe house residents should be given Band 1 priority.</p>
<p>I think all domestic violence victims are high risk. As someone whose mother has been a victim of this for over 25 years and has never left because she felt there was no support, there needs to be as much support available right from the start. The longer someone is subject to such relationships, the more vulnerable (and mentally unwell) they may become, thus making them unable to live life away from the household. This may be due to financial reasons, trying to maintain their pride, not being able to take pets with them, not actually wanting to leave their home, lack of employability, lack of self worth or just general dependence on the abuser, just to name a few.</p>
<p>'Significantly reduce' is not good enough when women are at such high risk</p>
<p>I do not think the original campaign was to significantly reduce the amount of time taken to rehouse "high risk" victims of domestic abuse. Rather, the aim should be to significantly reduce the amount of time taken to rehouse victims of domestic abuse once they have made the decision to leave their abusive situation. This is because:</p> <ol style="list-style-type: none"> 1) Taking the decision to leave can come at any point in what is sometimes a process that will take years, and it takes multi-agency working to support the victim and to ensure that all the measures (including safety planning) are in place. A decision to leave will often be thought through carefully and will take into account the school year where there are dependent children involved, and so on. It may be time critical for a variety of reasons. Not all victims will require rehousing from a refuge/safe house. Some will prefer to be rehoused directly from their current home. 2) "High Risk" of death or injury should not be a criterion. Emotional abuse and financial abuse are human rights abuses and every citizen and child who is being abused in their home deserves to be rehoused swiftly. 3) As the recent report for Standing Together clearly shows (http://www.standingtogether.org.uk/sites/default/files/docs/STADV_DHR_Report_Final.pdf) most victims of domestic homicide were in any case not classed as "high risk" by MARAC and those that were assessed were almost all assessed as medium or 'standard' risk. MARAC is a tool which is not perfect and which does not perfectly protect all victims from violence.
<p>Third statement should be present which commits Bristol to providing an example at a national level regarding best practice in DV, and which underlines that Bristol will not accept a nationally handed-down status quo which harms women and children most at risk.</p>

We need to do better than this.

But this should not just be focused on 'high risk' survivors, all women in refuges and safe houses should be rehomed as quickly as possible. This could be achieved by giving women band 1 priority housing and generally increasing the amount of social housing available in the city.

While there is nothing inherently wrong the aims, victims of domestic abuse (DA), whether they apply through the homelessness or rehousing routes, are already given a high priority for the purposes of HomeChoice Bristol (HCB). I do not feel that sufficient consideration has been given to whether it is necessary to further elevate the HCB priority of DA victims above that of other homeless households who are also in that position through no fault of their own. The HCB criteria already allow for exceptional cases, whether DA victims or otherwise, to be given additional priority if this is considered appropriate. Additionally, because in most cases DA victims are not required to prove that violence or abuse has actually occurred, there is the potential for misuse of the system. Once it becomes public knowledge that DA is a quick route into the highest priority band on HCB, there is clear scope for people to falsely claim that they have been victims of DA in order to obtain this priority. I do not suggest that the majority of those claiming to be victims of DA are likely to do so falsely, but clearly in the current housing climate, it would be naïve not to consider the likelihood of this occurring in a minority of cases. I am aware that the campaign to give DA victims greater priority originated on social media and, while I have no doubt that it was well intentioned on the part of the person who started it, I do not feel that it is a policy which the Council should adopt without first giving full consideration to any unintended consequences which may result from its implementation.

As a male victim I was not picked up via MARAC

The percentage rate from MARAC does not meet national standards of victims proportionate to gender.

ONS data shows one in three survivors are men.

MARAC works with a gender biased slant.

Equality Legislation requires the Council to be more inclusive than this.

At no point do you say that high risk victims will receive priority which is surely the whole point of the policy. Reducing the length of time is meaningless without that assurance.

Prioritising one group over others at a time of sever [increasing] housing shortage, simply shifts the burden of the crisis to other [less 'powerful'/'attractive'] groups. When there is so little housing to go around; any restriction on treating each case on its merits will simply move the risk to other high risk households.

Of course the risk of domestic abuse must be addressed; but this policy does not identify who will lose out in the rationing process, and without that information it is impossible to support this initiative

Ideally extend the policy to include vulnerable women who could be "at risk" due to their fragile mental health. Prevention is always better

than cure. Within the framework of the NHS things move too slowly for the majority of people who need support. People are not seen as "at risk" until they have self-harmed or attempted to end their life.

Forward to the 19 century when workhouse provision was allocated to the deserving poor as against the undeserving poor.(Current government policy) Now we propose the deserving victims of domestic violence and abuse to the undeserving.

Q3 Do you feel the policy will achieve these aims?

It will always come down to having all the information and the ability to make a professional, informed, qualitative judgement. Lack of experience training or overly large caseloads loads impact significantly on this. The policy in action needs to be followed up regularly To establish whether it is working.

It needs to be backed up with long term sustainable funding that allows the services to plan and resource helping survivors of abuse dealing with the trauma and enable them to rebuild their lives

I feel it is a start in addressing these problems. A small step in the right direction.

The policy is only going to be implemented for only those survivors with a MARAC in place. As it is highly evidenced, people who experience domestic abuse do not necessarily access the services that would be involved in the MARAC process. Only 10% of cases will have a MARAC provision in place, so is far too small a field of use for this proposal. I will not reduce the amount of time spent within Safe Houses therefore not enabling Safe House spaces are available for those in need as quickly.

The petition and motion mentioned in your reasons for this consultation were to place all survivors in Band 1. The key emphasis of this was ensuring ALL who enter a Safe House in Bristol would be in Band 1, not just the very small percentage who have the MARAC in place.

It will depend on the number of cases that will achieve Band 1 and the amount of properties that meet the needs of this group of people. The more people that will be in band 1 will increase the waiting time of all those in band 1

Obviously the total number of housing available is still an issue

Does the council "that the level of risk for victims of domestic abuse varies greatly" could also mean certain cases of severe abuse might be seen as a snapshot, and thus categorised as minor/not major?

These aims are dependent on more than just the priority bands of the victims of DV. There needs to be more done to support them in the bidding process. It is also unlikely this will increase the availability of safe houses and refuges as these fulfil a very different role to the possibility of a council property 3 months down the line and require resources to be able to continue to offer availability which are not covered by this proposal.

It will depend upon the availability of housing. This will need to be available in areas which are safe for victims/families of domestic abuse, and

may need to be in a part of Bristol that is specific, due to need to be away from the perpetrator, and my concern is how this will be achievable
There simply are not enough homes in Bristol !

From my experience, there seems to be an unrealistic expectation on the type of stock is available via social housing so some victims are not actively bidding as they are waiting on the ideal property so this would need to be closely monitored through HCB

There needs to be a balance - as a MARAC representative and sometimes Chair I recognise that there is a need for additional action in some of the highest risk cases, and that it is not viable or necessary to issue band 1 for all instances of DVA.

I'm uneasy with pinning the success of the policy on MARAC when no independent evaluation of the forum's effectiveness has taken place and with the lack of internal monitoring by the MARAC over the effectiveness of the agreed actions for individual cases

So long as cases are monitored to ensure that bids are made and rehousing takes place within a specific time

Evidence needed.

Although there is a clear draft policy, it is not yet clear that MARAC arrangements will ensure the safe rehousing of domestic abuse survivors in bands 1 and 2 of HCB, partly because the policy has not yet been tested against the (limited) availability of social housing in Bristol, bearing in mind housing types and locations that may be safe for relevant survivors and their families.

Not without more investment in building homes for people on the housing waiting list, there are many other groups who are also at high risk and vulnerable with mental health and disability issues too.

Having women stay in refuge for long period of time blocks up space for other victims needing a safe environment to come to. In addition, women need intensive support when they first come into refuge and then they start to move forward. Unfortunately, however, their emotional health begins to deteriorate once more after six months and continues to decline the longer they remain in refuge living in one room with their family becomes extremely stressful affecting routines for children. Children look forward to moving into a more secure environment and we notice that they also become stressed living in a temporary environment.

The policy may have the intentions to reduce the length of waits and availability of refuges but this doesn't recognise shortage of social housing and refuge spaces.

There are a number of current weaknesses in banding decisions for DV.

The process of confirming the genuine existence of DV and classing it as 'high risk' needs to be extremely robust for a number of reasons.

1.) A number of people present as homeless to BCC stating they are victims of DV with no corroborating evidence. Some of these claims are in fact made dishonestly, in some cases to try and gain a Band 2. Granting Band 1 will inevitably encourage more people to claim DV dishonestly or contrive situations. This will have a negative impact on the many genuine cases as well as the other people in significant housing need who are in Band 2.

2.) DV services in Bristol are not always robust enough in their corroboration of DV. Stating that someone is 'high risk' and in need of a Band 1 needs to be extremely well documented and supported by the police, social services, etc.

3.) In the world of housing 'word gets around'. Implementing a new policy that is not robust or reserved for the most high risk cases will leave housing staff open to increased homelessness applications based on DV which is clearly not the intention.

4.) The nature of DV means that victims often return to the perpetrator. There should be a contractual clause stating that an historic perpetrator should not be allowed to reside in any property agreed under Band 1. Otherwise BCC is essentially rewarding DV perpetrators and setting victims up for further homelessness applications in the future. If Band 1 is granted because of the behaviour of an individual, that individual should by rights be excluded from benefiting from the outcome.

I believe that there should be a definite commitment to the most high risk cases being awarded a Band 1. Low risk DV cases should remain in Band 2 alongside other households in comparable need.

I have concerns about using MARAC as a way to determine priority. On average, only 1 in 10 of the most high risk survivors of domestic abuse have a MARAC in place. Furthermore, employing multi agency risk assessment conferences is a managerialist approach to personal crisis that is unlikely to reduce delays in moving on survivors from refuge and increasing the availability of refuge places.

At no point does the policy address move on from Safe House/Refuge provision at all.

I consider initiatives such as MARAC (multi agency risk assessment conference) to be very costly and that the funding taken up employing a whole range of professionals in this decision-making process could be better spent if decisions could be allocated to two or three responsible professionals or individuals who have the time to really unravel the needs of women who seek housing support because of the abuse they've experienced. The issue here is one of trust - trusting that a few well chosen individuals can arrive at sound decisions. I believe in the principle of 'need' rather than 'risk' because it is in the area of 'need' that preventative measures can be introduced. The concept of 'need' is based on the views of the women who suffer violence whereas allocating resources according to 'risk' tends to be based on professionals' decisions - and often involves comparing one form of 'risk' situation with another but where prediction is inevitably very difficult and often subjective but masked in the language of so-called 'evidence'.

More can be done in co-operation with other services to prevent a band 1 application after three months being reverted into band 2. Re-housing isn't necessarily the best/ only option. Special requirements within an application may suggest more people (i.e. children) or a more vulnerable person may be at risk within those households.

-
1. Only using MARAC will not ensure the move-on times are quicker for all those in refuge
 2. The policy does not address move-on from safe house/refuge provision

1. Only using MARAC will not ensure the move-on times are quicker for all those in refuge
2. The policy does not address move-on from safe house/refuge provision

A MARAC (multi agency risk assessment conference) is a meeting where information is shared and decisions are made on the highest risk domestic abuse cases between representatives of local police, health, child protection, housing practitioners, Independent Domestic Violence Advisors (IDVAs), probation and other specialists from the statutory and voluntary sectors. The DASH (Domestic Abuse, Stalking and Honour Based Violence) risk assessment is completed by individual agencies, which then determines which cases get considered by MARAC. The proposal is that only women who are engaged with a MARAC are moved into housing Band 1.

Would it not be best for all high risk to be placed in band 1?

There needs to be more funding put into this to allow appropriate training and action to be taken

This change in policy does little in the way of securing more social housing to meet the ever growing housing crisis the city is facing. These women are fleeing horrendous situations and we need to prioritise building more social housing in the city to tackle this issue. The proposal does not acknowledge that many women are not engaged with a MARAC and as a result they would not be moved into housing Band 1.

But see my comments on 1)

Only using MARAC will not ensure the move-on times are quicker for all those in refuge
The policy does not address move-on from safe house/refuge provision

I am not convinced that the policy will achieve what is needed within the current funding reality, and without significant pressure applied to the Govt.

I don't see a clear statement promising more safe houses to be provided for victims and children within the family.

I think this is the first step in resolving the issue of the effects of DV on both parties and children.

I am shocked to find out there are no safe houses for women and children in Bristol city. A victim is asked to leave the city boundaries. You can apply from outside for housing in this situation, but surely you will be coerced to apply to near you temporary address away from your friends and support systems?

I am a survivor and happy to have had an excellent experience at Dean crescent Hostel Bedminster.

The policy says that even if a household urgently needs to move due to abuse and significant risk of harm they still only get band 2. Decisions are also based on a victim's case being agreed at MARAC, which only around 10% of people get.

I hope so. I know women who have been told by CURO workers in Bath that they have made themselves "intentionally homeless" by leaving their housing when trying to leave abusive partners, and therefore not been given any priority in further housing. This runs counter to stated

policy, yet is happening. So the policy will only be as good as the staff who implement it. Staff training is essential alongside a good policy in the first place!

I believe the policy as set out above will achieve its stated aims, but as I explained above, I am not convinced that automatically giving further priority to DA victims is necessarily desirable in the current housing climate.

Because MARAC discriminates see above

Repeat above.

1. Only using MARAC will not ensure the move-on times are quicker for all those in refuge
2. The policy does not address move-on from safe house/refuge provision

For the reasons above, and if implemented the inevitable corollary that others will be placed more at risk. The focus of the Council's efforts should be on increasing the supply of accommodation; not more complex rationing processes.

This proposal does not go far enough to prioritise housing for women, and their families, who have experienced domestic abuse and are living in refuge provision. The Council motion which gained cross-party support at the Council meeting in March 2016 and was passed with full support from the Council members and the Mayor, pledged that all those fleeing domestic abuse in Bristol would be in Band 1 in terms of housing priority. This policy does not reflect this decision and will not ensure that those in this position receive housing priority.

The policy also does not specifically address move-on from safe house/refuge provision and the issue of 'bed blocking' which was the original aim of the Council motion.

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The policy is only as good as the staff who monitor and implement the policy.

Do you have any further comments about the role of Marac?

There are no time frames in this policy or in how the committee works. The client is also not directly involved. Could a video link be set up to address this?

In cases of domestic abuse HBV the need to move quickly is essential and saves lives

Marac should also look into making hoses safer when victims can't or don't want to move

Important that recommendations from Marac are implemented and resourced

I think the MARAC recommendations are vital and key in relation to safe and secure move on for people fleeing domestic abuse.

However.. I think using this over a DASH report is not going to be effective. It is evidenced nationally that victims of domestic abuse do not engage with police/criminal justice/social services. Many enter Refuge's with no prior contact at all and not wanting to report. The DASH 'score' assesses risk and need for safe accommodation. The initial petition was for all survivors within safe houses to be Band 1. Using the DASH score would be a much more appropriate and effective level. Meaning local domestic abuse service providers can directly be the recommending agency without women feeling pressured into legal system or other involvement.

The whole point of this is to ensure safe house spaces are used appropriately, providing the support and emergency housing women and their children need. To provide an appropriate move on time to ensure others in need can access services and are not left in danger.

If it's not safe as the perpetrator lives in the same city you should be able to apply to local councils in the surrounding areas.

If you are extremely limited in what areas you can bid on because the perpetrator is around a lot of the areas of the city that person should go higher in the list than someone who can bid on lots of areas in the city as they aren't as limited and would move on a lot quicker.

This could include the type of property that they are being offered,

Final say should still be down to HCB re: banding - Band 1 recommendations only in cases with significant evidence and support from police / other agencies and no alternative accommodation available, ie: safe house.

As a social worker (adults) I haven't always been invited to marac meetings in the past (managers from dept attending instead) - it should be ensured that people with relevant knowledge are able to attend and/or be included

- to comment on the ability of the victim/ reporter to maintain a general needs tenancy

- to comment on the ability of the victim/ reporter to be able to use the bidding system and place appropriate bids

MARAC is a process not a meeting, therefore, the victim does not need to be physically discussed at a MARAC for an action in relation to housing being considered. For example, a housing letter can be written by a MARAC Coordinator ahead of a meeting if thought to be appropriate.

In relation to Q.4 & 5, if MARAC are recommending a Band 1, the location and suitability could be imperative to ensure the on-going safety of the victim.

That the conditions people are moved into fit their needs. I.e. children have they're own space, not ask sharing one room for example I.

Re enforcing the housing teams duty in the safe guarding of children and that they need to be part of this process when requested by partner agencies such as health and social care.

The Marac route in theory should help the victim. However through personal experience i have found the Marac team need to work alot more closely together with one person being accounted for. This will allow the victim to not go from pillar to post considering the stress anxiety and fear they are already going through. I found Marac has failed miserably with my sister and not until I got the MP involved did any authority listen seriously. A more robust approach needs to be taken

Would there always be a professional from a housing perspective at every MARAC meeting?

MARAC & those high risk victims discussed at pre-MARAC

I feel negotiation with IDVA/ISVA/IDSVA more necessary - those attending MARAC may not know any depth of knowledge about each case MARAC in Bristol has excellent multi agency representation, including housing - it is the best forum to accurately assess risk of DVA for our highest risk victims and enables proposal of creative solutions to the many issues that they face.

As stated in previous answer - I'm uneasy with the MARAC making this decision due to there being no evaluation/monitoring of the effectiveness of its risk management of cases.

When there are children/young people involved it may be worth looking at changing their school. It may not be safe for the children to carry on going to the same school especially if this was really close to their previous address and might mean they may come across the person/people perpetrating the abuse, or relatives and friends that may inform the perpetrator(s). It's a difficult decision to disrupt children's education especially when they're already going through difficult times living in emergency accommodation, but I think their safety should be priority. Obviously each case would need to be looked at individually.

The case will be heard at marac only if the risk assessment triggers it.

Emotional abuse and coercion which is also considered domestic abuse, would not meet the threshold for marac.

There should be some other ways of making recommendations and decisions than MARAC.

Victims are not invited to marac panels, therefore their wishes will not be heard and the decisions will be made for them, rather than with them.

But need to ensure that rehousing is seen as fair to all - for example there is no unnecessary betterment.

Although MARAC would be a useful forum for some women to be recommended for band 1, I feel that this should be extended to all women who are in refuge. Not all women who use refuge are referred to MARAC, meaning they would be excluded from this priority. However, the longer a woman and her children are in refuge, the more detrimental it becomes to her recovery and moving on. Many women in our refuges suffer from depression and the longer they are in refuge the more they doubt they made the right decision to leave. This makes them and their children vulnerable to returning to an abusive relationship, or their mental health deteriorating further.

marac is a very helpful tool to diminish risk when used correctly... I think prioritising women who are at risk of DV to move quickly is absolutely the way forward through marac and clear discussions with housing professionals and others

A concern is that there may be domestic abuse survivors who's cases are not referred to / known to MARAC.

Due to the nature of domestic abuse and the urgency of rehousing needs two meetings per month seems inefficient in terms of decisions being made in a timely fashion.

MARAC isn't the best place as its too process driven and no one ever reviews the actions that were requested to be undertaken to keep a victim safe. If not independent in its role. There needs to be a way to check that each person identified is a high risk case.

Some high risk DVA cases may never go to a MARAC either and once victims know that they need to be reviewed at MARAC they will make sure the agency looking after them push them there as high risk. Which is understandable if someone needs to move.

I think it should be MARAC and Refuge Providers as not all women who are High Risk will be referred to MARAC once they are in refuge so I would like to see Local DV Refuge Agencies can also refer to priority banding..

Band 1 recommendations should be made at MARAC but there are other forums ie. from the IDVA working with the victim who should have a clear understanding of risk.

Band 1 for MARACs victims should not be a given as should be a case by case situation.

Other recommendations regarding housing could be around actions for housing officers and ASB teams.

That banding and bids are offered on a like for like basis and that the banding is not granted to address other housing preferences size of property etc.

Council houses should not be only for more extreme cases but for a victim of violence which are homeless because they had to escape violence for their and their children life

Marac should be able to identify 'high risk' and 'non-high risk' in order to differentiate between the need for Band 2 and band 1.

MARAC is too limiting for ensuring survivors can secure priority housing. They do not necessarily recognise survivors as key experts in their risk assessment and safety needs as research shows they are often excluded from meetings along with the practitioners that support them.

The majority of MARAC referrals are made through criminal justice services. It is highly evidenced DVA survivors (especially those in BME communities, disabled survivors and trans survivors) often do not report this way.

The policy should be able to support all who are in Safe Houses.

I have already said what I think about Marac and similar bodies. I believe that as far as possible the decision-making process needs to be transparent, open and fair - and I do not believe there is value for money having a whole range of expensive professionals meeting together to form a view. I consider this to be too costly and of limited advantage - it strikes me as a defensive reaction on the part of a local authority or group such as Marac to justify decisions and the decision-making process. We know from child protection conferences that 'groupthink' can operate to interfere with sound decision-making because professional can too easily comply with the voice that carries the greatest authority.

I just think it's disgusting that an organisation can make a decision on how dangerous a house hold is. No one can truly witness what goes on behind closed doors and no one should make judgement on what case is more severe or not. All cases should be dealt with the same. Someone should be able to be rehoused to prevent the inevitable increasing of the severity of the situations.

Many survivors do not go through MARAC. People who experience domestic abuse often don't access the services (e.g. the police) who undertake the MARAC process. This is particularly true for women of colour, LGBTQ women and disabled women. (Bristol Gov, 2015 & Safe Lives, 2014)

When women are in a refuge they can bid on Council housing that becomes available. This should exclude areas of Bristol where they might be at risk and they should not be penalised for not bidding on houses in areas where they might be at risk.

1. MARAC is too limiting for identifying priority in housing
2. Survivors are the key expert in their risk assessment and safety needs
3. MARAC should not form the basis of who gets referred for priority housing banding – the policy should address ALL women in safe houses

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I think perhaps there are women who do not go through Marac?

MARAC is great but it is excluding many women. Many BAMER victims slip through the net. Some of the most vulnerable are the least heard. This needs to be addressed immediately

MARAC is too limiting for identifying priority in housing as not everyone goes through this system.

Survivors are obviously the key experts in their risk assessment and safety needs as they have directly been through their situation. MARAC should not form the basis of who gets referred for priority housing banding – the policy should address ALL women in safe houses.

See my response to 1)

MARAC is too limiting for identifying priority in housing

Survivors are the key expert in their risk assessment and safety needs

MARAC should not form the basis of who gets referred for priority housing banding – the policy should address ALL women in safe houses

Marac should also make recommendations about the safety measures that should be put in place (ex: new locks, CCTV, etc.)

However, it is to be noted that not all cases go to MARAC who could benefit from priority band 1 housing

Stop penalising the victim. Ban the perpetrator from areas!

Advocates should be present. GPs and other professionals should be given sufficient funding and capacity to attend. MARAC does not work if the GP is too busy to go to it. The health and social care system is exactly that - a system, which relies on good integration and proper funding from the Govt.

I don't believe that Missing Link is a strong enough agency to be doing this job. This is also what I have heard experienced by support workers in the homeless housing agencies in Bristol.

I have first hand experience of ML as a service user and I found staff negligent, subjective, and over stressed by in house ego politics which is the general consensus of most agencies around them. They are difficult for male support workers to work with for example.

Objectively coming from a non drug and alcohol background, I find their criteria for women to be worked with over harsh and patronising. It is so common and understandable that women drink in DV situations just to cope and I feel it's a throw back to a 1960's mentality of 'it only happens to women like that!'. I was actually told on the quiet to say I was T total when I applied which made things a lot easier. So next links criteria is to be 'dry' for 3 months from drug or alcohol use before being accepted into a hostel. So what do women do? Sleep on the streets / return to offender?

I know there is evidence that women return to an abuser but I have never known the safety and assurance that I experienced at Dean Crescent. I rested and I have held onto my tenancy for 14 years. I think it's not trusting or giving women the right to their own use of intellect and support to cap there means to support. There are flaws and gaps in this system and it's barbaric and inhumane. Years ago I experienced judgement from the police for experiencing DV. I feel these judgements have not been reassessed in housing support. Where is the statistical evidence that women return or don't stay within a tenancy? Women are more independent now especially younger women.. Things take time once out of immediate abuse and I think all victims should be band 1 even if the waiting list stretches by 3-6 months. That's nothing when you're in a bad situation but it's purgatory when you're in and even worse one resulting in self harm, suicide or neglect! To quote 'to enable (victims) to remain in the home is contradictory in itself? We should all know the stress or lies of a bully or abuser. Would anyone like to be made to live with that by law? Waiting?

Surely it would be cheaper giving women and children a place in a secured hostel environment rather than long-term sub standard bedsit rentals paying full HB. Having staff to work on cases in the environment of safety could be in the long run quicker for re housing. It took me ages to open up to staff. I was there 3 months in 2002? I think they should be trained in MARAC. they can far see the reality of whether a

person is ready for a tenancy. You might as well pay HB to the hostel?

I do think if the policy change happens that the time to find a place on band one is cutting it fine . I think at least four months or to be kind six months. The stress of someone to find a place is immense anyway but the clock ticking while sometimes there is nothing on the website would be terrifying. I also think the victim should tick a box to say ' they would consider' the locality where they have been in danger. That means if a place came up they would have to bid for it. I think it should be suggested as an option but there choice.

Only 10% of survivors get MARAC. There is also evidence to show that BME women and other marginalised groups are under-represented in MARAC.

ensuring police and community safety officials take steps or make sure housing providers take steps to ensure house is as safe as possible, lighting, locks etc.

Yes. MARAC is prone to fall foul when cases of high risk have no previous history.

Such cases tend to be instinctive not reasoned and often happen prior to being heard within a magistrates court. The emphasis on the gender of the alleged victim does not comply with current legislation nor police practise.

A genderfree approach which encourages all victims and supports child protection is vital.

It should be implicit in any re-housing that the abuser does not have any access to the location.

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3. MARAC should not form the basis of who gets referred for priority housing banding – the policy should address ALL women in safe houses

Marac cannot see the full range of housing needs being presented to the Council at any one time - it will therefore, inevitably 'over' allocate Band 1 Recommendations linked to domestic abuse.

Focusing only on those women who are engaged in a MARAC and using this as an assessment process to determine which women go into Band 1 priority for social housing, means that the majority of women and children will be excluded. Many women do not go through MARAC and those who experience domestic abuse often don't access the services (e.g. the police) (1) who undertake the MARAC process.(2) This is particularly true for women of colour, LGBTQ women and disabled women. Therefore, only using this process will not ensure that move-on times are quicker for those in refuge as the numbers of women moved into Band 1 will be minimal. The Council estimate that "between 25-50 households each year, which currently go into Band 2, will go into Band 1 instead" but with only 36 safe house bed spaces in Bristol this will not have a huge impact.

Research(3) shows that most victims of domestic homicide were not classed as 'high risk' by MARAC and those that were assessed were almost all assessed as 'medium' or 'standard' risk. MARAC is a tool which is not perfect and which does not perfectly protect all victims from

violence therefore using the concept of ‘high risk’ of death or injury should not be used as the only criteria for support. Emotional and financial abuse are also human rights abuses and are included in the Government definition of domestic abuse(4) alongside controlling and coercive behaviour. Everyone who is being abused in their home and needs to leave deserves to be rehoused swiftly.

Survivors are the key experts in understanding the risk to themselves and their children and what their safety needs are. Taking the decision to leave can come at any point in what is sometimes a process that will take years, and it takes multi-agency working to support the survivor and to ensure that all the measures (including safety planning) are in place. A decision to leave will often be thought through carefully and will take into account the school year where there are dependent children involved, for example. Therefore, it may be time critical for a variety of reasons. By devolving the responsibility for this to an external body through the MARAC survivors have no voice in making these decisions that impact on their lives and are not able to make themselves and their families safe in an appropriate way.

This policy does not address the needs of all women in safe houses and refuge provision. The council argues that prioritising too many people "would negatively impact on waiting times for other high priority cases", however there are a limited number of safe house bed spaces in Bristol and many women in refuge provision have to wait up to 12 months before they are re-housed which is not enabling other women to take up these limited places. This highlights the lack of social housing in the city, where the most vulnerable are forced to compete for a scarce and substandard housing stock.

We would not want this policy to lead to other vulnerable groups not being prioritised for appropriate housing. For example, the lack of available accessible housing means that disabled people in Band 1 should continue to be prioritised for this type of housing. We therefore suggest that the Council invests in social housing in order to meet the needs of all survivors of domestic violence and other vulnerable groups in Bristol.

(1) Safe Lives., 2014. CAADA Report; Getting it right first time

<http://www.safelives.org.uk/sites/default/files/resources/Getting%20it%20right%20first%20time%20-%20complete%20report.pdf>

(2) Bristol Government Report., 2015. Violence and Abuse: a strategy against violence and abuse against women and girls and domestic and sexual violence against men 2012 – 2015 <https://www.bristol.gov.uk/documents/20182/32635/Bristol%20VAAWG%20Strategy%202012-15-accessible.pdf/ebcdc333-5c43-47f6-bfb0-1c1c305e535f>

(3) http://www.standingtogether.org.uk/sites/default/files/docs/STADV_DHR_Report_Final.pdf

(4) <https://www.gov.uk/guidance/domestic-violence-and-abuse>

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I don't understand question 4. For question 5 all options need to be considered.

In relation to Q5: Cultural needs and the safety of individuals moving to new communities should also be looked at when considering areas of risk.

Q6. Do you agree that band 1 should be awarded to high risk victims of domestic abuse when all other avenues have been explored and risks cannot be reduced through mitigation?

I feel that if a person is at risk of being abused if they stay where they are they should be given help to move as soon as possible

There has been recent reporting by victims of DV who have injunctions that police are not responding or arresting perpetrators. This is a critical issue that needs to be addressed immediately by local police forces

I think this should go further.. as stated previously. I think all victims of domestic abuse who have been accepted into a Bristol safe house (based on DASH score) should be put into Band 1.

This is of course where Band 1 should be given. It should also be implemented for people without a MARAC assessment but who are living within a Safe House in Bristol.

All people in Safe Houses (who have been risk assessed on the DASH scoring system) should get priority band 1.

As I have said before it is dependant on the number of people in band 1 and do we have the stock requirements that will meet there need.

If they meet criteria for band 1 (very high) then HCB should be monitored to ensure they're bidding regularly. If they're not able to bid themselves because of vulnerabilities etc, how will this be addressed? Will we be doing Direct Offers etc?

Obviously the person involved should be given other choices where possible and be included and central to decision making, but housing priority seems like a necessary part of reducing risks

- I also think that consideration should be given to making direct offers in some cases depending on the circumstances of the individual as

they are clearly at a highly distressing and stressful time in their lives and asking them to bid is placing more stress and uncertainty on them

No question, yes.

Yes and perhaps prior to all avenues being explored.

Mitigation and Band 1 priority should be kept separate - i.e Injunctions are more and more difficult to obtain with a lack of funding (Legal Aid provision) - the victim should not be penalised for not pursuing avenues that are impossible for him/her to achieve

I believe band 1 should be awarded to high risk and medium risk due to reasons I have previously expressed about women being in refuge for long periods of time.

I do accept that there are occasions when it is safe for a women to remain in her own home with additional safety measures being put in place but this would not be sufficient in all cases and most women who come into refuge fit into this category it would not be safe for them to remain in the property even with additional security measures such as TAU or even Skyguards and the only option is to flee the property and move to another area so I believe all women in refuge should be consider Priority.

However I do not think that a banding should be delayed or a victim forced to try these measures before awarding the band.

It should be faster and easier for these people to access band one

This still seems limited - all in Safe Houses should be Band 1

1. This is still limited

2. All women in safe houses should be considered Band 1

1. This is still limited

2. All women in safe houses should be considered Band 1

The need to be less restrictions. This seems problematic. Domestic Violence Survivors need to be awarded band 1 urgently not as a last resort.

This still seems limited, as all women in safe houses should be considered Band 1

This is still limited

All women in safe houses should be considered Band 1

It is not clear what mitigation would mean in an individuals personal circumstances. I think all women fleeing violence and abuse should have the opportunity to rebuild their lives as quickly as possible - band 1. It is not just women who have already been beaten and abused but their children too. This proposal will benefit only a tiny fraction of women who need help. It also would therefore only have a minor impact on freeing up space in domestic violence refuges, where one in three women are currently turned away. This is a shameful and appalling state of affairs. Are there any stats on how many women/children who are murdered in DV situations have tried to access a refuge and be turned away?

I don't accept that we should be attributing high risk to an ever-decreasing list of people. This creates a scenario in which advocates and other professionals will feel pressured to jump through hoops and perform to get a client into safety. Again, we need to apply pressure nationally to

create a service which keeps all women and children at risk safe.

I can't see mitigation works unless separation

But also to all other women at risk of domestic abuse

Yes, although it should not always have to be the victim who has to move, depending on circumstances. I think the wider community safety of the individual and any children should be looked at case by case regarding need to move

It depends on what is meant by 'high risk'. However, I would suggest that the Allocation Scheme as currently drafted already allows additional priority to be given in appropriate cases without the need for the Scheme to refer to high risk DA victims specifically.

Males invariably do not refer or are referred via MARAC

They often become homeless and suicidal.

Reaching this group should be a priority.

Abusers are extremely clever at coercive control; mitigation would be fruitless in some cases and only increase the level of danger to partner.

1. This is still limited

2. All women in safe houses should be considered Band 1

Without data on who has been housed under Band 1 in the past [numbers; reasons; household composition etc] it is not possible to be certain who will 'lose' from this change in policy - but the likelihood is that people/households with complex medical/support needs will be the main losers, as their needs are not so 'simple' to prioritise as they are not so easy to summarise; compared to the victims of domestic abuse. Evidence for this view is found in the lack of 'special interest' campaigns in their favour.

This is still limited and will not ensure that the majority of women experiencing domestic violence are able to move on safely. We believe that all women in safe houses should be considered Band 1 because of their vulnerability and risks to their safety.

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The city needs to protect women who are unable to protect themselves. Women may not be ready to fully "engage" (question 7).

Award Band 1 to all referred to MARAC.

This seems the wrong way around and waters down the intent of the policy. Fleeing domestic abuse under the category of high risk surely needs immediate action - chiefly a safe house, then rehousing. The desire to FIRST explore all other avenues and mitigation increases the risks and danger for those victims!

The MARAC process should be robust enough to only recommend those for Band 1 who are evidently high risk and in need of urgent rehousing.

Constraining the policy in this way appears to add pressure on the victim at the most vulnerable time and further pressure on agencies working to keep them safe.

Q7 Should there be any conditions attached to awarding band 1

Contact with agencies to ensure support is given to the victim and their family

Engagement with support and minimal bidding (as this is already the case for everyone)!

The three month limit will somewhat exclude the other issue I witnessed.. very rarely people will only bid on houses and not flats available. As much as I understand the preference of a house over other options.. staying in safe house for extended times, blocking that room to the next person in need, seemed very wrong to me.

Taking the responsibility away from Next Link in monitoring this and 'policing it' completely!! They are the support service, they should not have to issue warnings and evictions to people who are not bidding enough etc. That side of things needs to come from the council. So many would not come back and access services again if next link are having to monitor and police homechoice bidding etc.

You should have to bid every week - but every survivor I have met does every week as they are desperate to get out of this situation and move on as it effects your mental health drastically and if there not they aren't in a desperate situation and don't deserve help.

I'm not exactly sure but I think some sort of regular engagement

Bidding requirements including the type of accommodation that that they are bidding on. If they are only bidding on houses they need to be told to bid on flats and maisonettes to ensure that they get a move as quickly as possible.

Regular bidding (ie: for any eligible properties outside of area). I'm not sure if bidding on band 1 is the best method however. If we're acknowledging that the situation is so extreme they have to be moved extremely urgently and are eligible for band 1 according to the proposed policies criteria, would it not be more efficient and faster to do a direct offer? I believe its vital that bidding is checked regularly, ie: weekly. No point doing a review in 3 months only to find that no, or very few bids have been placed as there could be numerous reasons for this. ie: They could be too vulnerable to bid, have no internet access, being prevented from bidding by the perpetrator, no suitable properties advertised... or just being too selective, all of these issues need addressing sooner rather than later.

I think this needs to be done on a case by case basis with the needs of the victim/ reporter being central and an action plan being put in place around the individual as opposed to a blanket policy. For example someone in an entrenched cycle of abuse may benefit from engaging with support or the freedom programme but for someone else this may not be necessary. Also forcing anyone to do anything is not appropriate and their safety should be paramount.

I do think their bidding should be reviewed weekly (and everyone else in band 1) to quickly identify issues and prevent the risk from dragging

on longer.

Bidding regularly

Engaging with statutory and non-statutory agencies;
Appropriate areas;

engagement with support

support with bidding

Engagement with support services

Not sure but should be guide conditions, not fixed as in some cases women are so effected by DV they may not be able to demomstrate engagement esp if struggling with Mental Health and / or substance misuse

A bid should be made at least every 2-4 weeks unless the applicant can show that there were no appropriate properties to bid on.

Appropriateness should allow for size criteria and areas at risk, but not for accommodation type (house, flat, maisonette), landlord (LA/HA) or "preferred" areas

continue to get support from a IDVA

Agreeing to bid. Difficult to make it only applicable if they are engaging with services as there are often complex reasons why they are not.

Engaging with an IDVA

To engage with services to reduce ongoing DV risk

Engage with other agencies

I think the victim should be told that address cannot be disclosed to perp/his or her associates (possibly like living in a refuge) - onus isn't on victim however as perps can go to great lengths to find victims using their network of associates

Condition should be engaging with support and regularly bidding on suitable properties

Continuing to bid.

Perpetrator not to be listed as an occupant at the new address.

Engaging with IDVA service

engaging with support, maintenance of connection to IDVA, agreement to bid regularly.

Accommodation should be similar to the accommodation family are leaving unless there is a need for a different type of larger accommodation due to family size.

Engaging with support

Acceptable behaviour contracts. Contact arrangement contracts. Engagement with appropriate professional services such as early help.

Accepting support from specialised services.

To take up support from a agency or organisation.

Agreement not to tell the perpetrator their address

Conditions could and should vary according to the particular household. It is possible to create a long list of possible conditions: some would be set on a case-by-case basis i.e. for specific households. Others, such as bidding regularly, engaging with relevant support services to increase safety/reduce risk, might be conditions for all households.

Th

I accept that the condition for them to engage in support is important so that they get the support they need after leaving refuge for example Freedom Programme.

Engagement with support services e.g.IDVA, DHI,BDP.

property type - like for like saves time for victim who wait for house areas where they are safe

That banding and bids are offered on a like for like basis and that the banding is not granted to address other housing preferences

no contact with the perpetrator. Some women will allow the man back hoping the situation will improve. This means she has effectively jumped the queue for improved housing. I have seen this happen. If the perpetrator seeks court agreement for contact, the woman should be supported in court and the situation made clear to the magistrates

Condition that they bid on suitable properties in suitable areas.

Engaging with support

No further or reduced contact with perpetrator

Willingness to work with Police and other agencies

To accept medical advise support and treatment etc

Of course to commit to a behaviour which will not put the person in the same risk...e.g. go back to the person which was been violent

Historic pepetraors of DV towards the applicant should be excluded from residing in any property gained as a result of the Band 1 award. This would stop perpetrators from gaining from their actions and encourage victims not to return to perpetrators.

xxx

Engaging with support and agreeing to bid regularly is already the standard in place.

Engaging with support is very important

Women should remain in Band 1 until a safe new home has been found

this is already a standard in place

The proposal is that Band 1 will be agreed for 3 months. Households are expected to bid on properties on a city wide basis, excluding those areas where they would be at risk, as agreed by MARAC. Our modelling shows that 3 months is enough time in Band 1 for households to make

a successful bid.

Regular bidding. Engagement with IDVA support

They should be encouraged to bid regularly

agreement to work with agencies to maximise chances of safety and rehousing

pls refer to exceptions below

That a women agrees to complete certain tasks, courses, (if necessary) and completes safety planning

Engagement with services, attendance at programmes as deemed necessary (i.e. Freedom Programme).

Engaging with support

Agreement to bid in all areas except where there is an identified risk, and for all types of properties unless clear evidence is provided that a particular property is unsuitable. There should be automatic suspension from HCB where bidding is unduly restrictive or where a suitable offer is refused.

Engagement with support

That police have determined through co investigations the validity the victim. That Victim Support can validate.

To ensure that there is a fair distribution of allocation according to need.

Fulfilling the obligations of their current accommodation agreement [including temporary accommodation agreements]

This is already a standard which is in place and should be continued. However, the conditions should not limit the ability of any survivor of domestic abuse to be placed in Band 1 as a way to house them and their family to make them safe.

This is already a standard which is in place and should be continued. However, the conditions should not limit the ability of any survivor of domestic abuse to be placed in Band 1 as a way to house them and their family to make them safe.

Engagement in necessary support, injunctions, consistent bidding, in areas identified as safe for the individual, no contact with perpetrator

Engaging with support

Engaging with services.

No contact with abuser.

Agreement to work effectively with support

Commitment to bid as required

Engaging with support if safe to do so

to bid in appropriate safe areas to ensure a speedy move

Engaging with support

engaging with support because dv is not just a housing issue and often the same victims keep re-emerging.

Engaging in support and bidding on housing

Don't know

engaging with support

Engaging, regularly bidding

Q10 Please write exceptions or further comments on Limiting time in band 1 here

This is dependent on the numbers in safe houses and access to places across the country. These services are being axed or experiencing significant cuts. In this context putting time limits on band 1 is just another bureaucratic measure to drop victims off the list and reduce impact on services elsewhere. It can't work like this. It has to address all these other issues to be appropriately

So much can change in 3 months, injunctions don't always happen in such a small timeframe especially if the abuser contests allegations and there are several court dates

3 months is a short space of time to deal with the trauma of domestic abuse and be confident enough and feel safe enough to move on.

Consideration should be given to enable survivors to extend the time in consultation with service providers

If council housing stock is able to ensure those bidding effectively can be rehoused within three months this seems reasonable to me.

I don't believe 3 months is long enough I'm in band 2 and have been here for a year and 4 months bidding every week.

That's not a realistic amount of time!!

I don't think only using a MARAC recommendation on excluded areas is appropriate. As previously stated, these are only in place for around 10% of cases as people do not report domestic abuse. With the complexity of domestic abuse being a wide range of abuse such as emotional, physical, financial, coercive control and sexual.. survivors are the best form of risk assessment for their individual needs. Not allowing all survivors to have excluded areas for them to feel safe when moving is a huge problem.

If Band 1 guarantees a move within 3 months then it seems reasonable. However if limitations on area, risk issues etc result in a survivor being unable to bid 'effectively' within that time it should be extended.

There also needs to be provision of support, accessibility for all, translation and guidance to survivors when using the HomeChoice system. Having specialised staff that can assist in using HomeChoice systems and supportive staff within HomeChoice to recognise the vulnerability of this group.

Where there are no properties that meet their specific need advertised in that time scale.

Should be addressed on a case by case basis as there are so many variables in every instance.

3 months ordinarily but perhaps there should be some scope for considering exceptions, due to complexity of the issues involved often

It's too difficult to make hard and fast rules about exceptions because there will always be a new situation and extreme circumstances and these should be assessed on a case by case basis.

I also feel that expecting someone to bid city wide could increase their level of isolation and therefore their level of risk. For example if someone has all their friends and family support in South Bristol and they feel compelled to bid on something in Avonmouth for example this could lead to them being incredibly isolated and more at risk of forming further abusive relationships.

Those suffering from the complexities of trauma may take longer to be ready to make housing decisions

Prison releases, lack of provision within the area, such as appropriate housing, school places

- I feel in areas of high risk domestic abuse that risk to the individual should not be capped by a time limit, if the risk is on going or the threat has not subsided then it seems to be wilful neglect to only give a 3 month period to that victim.

There may be additional factors that prevent someone from bidding that quickly - they may have fled area, be dealing with mental health or substance misuse issues. Need to have individualised and flexible approach

Where preexisting mental or physical health conditions means this time is not sufficient.

The DV victim's circumstances should really be taken into account and the blanket application of a 3 month maximum period seems unreasonable when it is highly likely they would have a number of other priorities in a very difficult situation. The 3 month award would only really be reasonable if it were possible to ensure that the DV victim had a significant amount of support and encouragement to ensure they can use the bidding process and feel supported in making a major step in their lives.

High risk domestic abuse victims are extremely vulnerable, often with many additional needs, and so this needs to be considered more on an individual basis, perhaps through housing and next link liaison.

I do not believe 3 months is sufficient. This is because you are not taking into account the DV victim emotional state. Usually the DV victim has not only have to care for themselves but there are children involved including babies. In this situation 3 months is too short a time for a DV victim. At worst case 6 months time should be given due to children being involved and the vulnerability of the DV victim who has had to adjust to this new change in her life.

The only exception I envisage would be when the applicant has engaged in the rehousing process during the three month period, by bidding regularly, but has been unsuccessful in obtaining a property.

There should be no limit - individuals make their own judgements about where they want to live - they also know that this is a "once in a lifetime" move so must get it right.

To be considered on a case by case basis as some people may have individual circumstances that may impact on their ability/access to bidding.

If for any reasons they have been bidding throughout the 3 months but haven't been successful with getting any properties/ a property hasn't come up in the area they need to bid in (i.e if they need to avoid certain areas in Bristol due to avoiding the perpetrator and their friends and

family).

Where a suitable or safe property has not been found, or mitigating circumstances (court, illness and other things) have prevented things from moving forward

Victims may not have regular access to systems to bid, those that have alcohol/drug misuse issues or other complex needs will need a regular review - I think a designated housing officer should be the one to negotiate with victim as to if bidding is not occurring, why and how this can be achieved?

If the household is large and therefore suitable properties not becoming available as frequently.

Court or criminal proceedings, mental or physical health considerations, needs of children

The prime focus of the policy seems to be freeing up capacity rather than supporting victims to build a new life. Change can take time and forcing victims to make a life-changing decision in 12 weeks as well as including an expectation 'to bid on properties on a city-wide basis', thus limiting geographic choice as to where the victim will rebuild their lives, seems to put the Council's needs before the victim's

Why only 3 months?!

I agree with 3 months as long as they are definitely offered a property in this time. If they are not and they are still in refuge, it seems they would revert back to band 2 and be in the same position as women are in currently.

The Band should be awarded until they are rehomed

when nothing suitable has come up or a review process for them remaining in band 1

Perhaps being able to exercise a little discretion on individual circumstances may apply - can't think of a situation off hand but perhaps someone has been in hospital for some time or not had access to the internet or some other reason...

There may be special circumstances where 3 months may not be long enough....

when the woman is under pressure from other circumstances such as a further pregnancy or facing court proceedings to establish residency or contact. In these situations it can be very difficult to focus on bidding for accommodation due to the emotional strain

suitable housing in a location where the perpetrator of the DA is not connected or present may not always be available. To limit the Band 1 for 3 months means that the situation may not be resolved and Housing only within an area where said perpetrator resides and/or has connections might be the only housing available during this time frame.

Language barriers and technological literacy could delay or inhibit ability to use the only system. It's not clear how survivors will be supported through this process.

It is not clear if and how your modelling takes into account the depleting social housing stock in Bristol, therefore I am concerned that 3 months would not be an adequate time to find suitable accommodation.

Women should remain in Band 1 if it has not been possible to find a new home that is safe and secure

As I said before, there shouldn't be a limit

1. Limitations on areas survivors can bid on to ensure safety could result in it taking longer than 3 months to be successful
2. Accessibility through language barriers/technology barriers etc for many survivors could delay or inhibit their ability to use the online system
3. All women should stay in Band 1 until successfully finding a safe new home

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3 months is too short when all cases of domestic violence victims have different and complex circumstances.

Extensions should be assessed on a case by case basis

All women should be able to stay in a safe space until they are no longer at risk. There should be not limit on this across the board, but rather looked at on an individual basis.

Limitations on areas survivors can bid on to ensure safety could result in it taking longer than 3 months to be successful

Accessibility through language barriers/technology barriers etc for many survivors could delay or inhibit their ability to use the online system

All women should stay in Band 1 until successfully finding a safe new home

If a women has been unable to bid for a short period of time due to external influences/circumstances

Victims have been through severe trauma and being put under pressure could be detrimental to them. Putting too many stipulations on the process with deter victims from fleeing.

I think it should be four months maybe even six. Not so much pressure, but engage with support a must

Women should remain in band 1 until they have been rehomed

If a very specific area or type of property is required

When a survivor has been unable to get support due to barriers of inclusion.

From personal knowledge through a family member, I know that it can take many months for suitable accommodation in the right area to become available. In some cases, the time limit would be penalising the victim.

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2. Accessibility through language barriers/technology barriers etc for many survivors could delay or inhibit their ability to use the online system
3. All women should stay in Band 1 until successfully finding a safe new home

The policy does not take into account those who do not have access to the internet or may need support with making bids for housing which will impact on many women in refuge.

By limiting it to a three month window to find appropriate housing and penalising those who are unable to find suitable accommodation in this time, this policy disadvantages survivors who have accessibility issues in terms of language barriers and technology barriers such as not having access to the internet. There is a general lack of Internet access in safe houses/refuges and many residents do not have smart phones or laptops. If technology is available many older women or women from certain groups also struggle to use it. Women who do not have English as their first language and/or have poor/low literacy skills will also need support with this process. The Housing Allocation scheme itself is difficult to navigate and women may need support with this and/or arranging access to the internet which will inhibit them from using the online system for bidding which may also delay their opportunity to bid.

There should not be a time limit on being able to access priority housing, all women should stay in Band 1 until they have successfully found a safe new home.

If there are limitations on the areas that survivors can bid for housing in to ensure their safety then this could also result in the bidding process taking longer than three months to be successful and so bed spaces in refuge will still not be available to more women. There is a limited provision of safe house/refuge accommodation in Bristol which does not meet current demand. On average households stay for nine months before they move on even if they feel ready to do this much earlier so the reality of being able to offer suitable accommodation within three months is unlikely.

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When court cases are taking time, benefits claims still going through, perpetrator still attempting to make contact/intimidate. Although BCC modelling may show 3months is enough, in reality this may not be the case.

I think 3 months is a very short time-frame. Vulnerable women will need support; forms and procedures by their very nature are obstacles for vulnerable people.

In relation to Q8: 3 months may, through modelling, prove to be enough time to make a successful bid. However, 6 months is a more realistic timeframe given that you are dealing with victims of domestic abuse, with or without children.

victims with Learning disabilities, mental health and find it difficult to engage because of safety

Every case and situation is different but when there are clear complex difficulties and the risk is of significant harm, then I do feel that the 3 months will need to be extended

Safe Area's etc

Don't know, get safe

If they are only able to go to a certain area, 3 months is not a sufficient time to get a property-in the north of Bristol especially, which seems to rarely have more than a handful of properties. Where a client has identified they want to be in a certain area for support from networks such as family and friends, this should be taken into consideration rather than MARAC or Housing choosing and playing God. It is also empowering for the individual.

Q13. If you have any further comments about moving on from refuge/safehouse, please write here

This must be a judgement made on a case by case basis.

Refuges and safe houses are temporary and a last resort? So victims should be given time to decide what best suits their needs

As you state.. there is limited provision of safe house rooms available. Everyone in safe house should be in Band 1! This was the whole point of the petition and campaign.

I understand concerns about move on being too quick and reducing support systems and need. However, the current waiting time for

Homechoice applications to be processed is up to 9 weeks. That is two months in to the safe house stay. Then add the average 8 months and you are looking at close to a year.

Safe house is temporary emergency accommodation for those in serious danger with no where to go. The support staff are there to work with their clients in that initial crisis point and working towards gaining independence. They do this by setting up support systems and linking clients to outside support and help. They are amazing at what they do! Once you move on from safe house the support doesn't stop. The resettlement team support and continue to support once moved out. Other agencies and help are in place and working with individuals during time in safe house which continues on after.

Three months in Band 1 (plus two months of processing time to get your application approved!) is more than adequate time to have established support needs and sources. Every individual case of course will vary.. and if a client needs longer then the safe house staff can of course advise this to home choice.

There will of course be exceptions where the safety of the individual dictates that a longer stay within a safe house/refuge may be required and of course should be.

However in general terms, safe houses are supposed to be temporary/emergency accommodation where support and services are set up. Initial trauma and life changes are addressed and the person is taken in for their safety. This support does not end once you have left safe house and services are involved in all aspects of safety provision, support and access to other services outside of safe house provision. When someone make the massively brave decision to leave an abusive environment, and they have no other options that a stay within a refuge or safe house, they are stripped of everything and have to re start their lives. Keeping them for insurmountable amounts of time in the limbo state that being a resident here provides is actually detrimental to their recovery. It is detrimental to the council also as it costs significantly more in resources, housing benefit, provider costs etc. Please read Solace Women's Aid longitudinal research entitled 'Finding the Cost of Freedom'. <http://solacewomensaid.org/press-release-finding-the-costs-of-freedom/>

It is probably better to treat it as the same as priority move on. When they think that they are ready to leave the refuge they should be then placed in Band 1.

It is very hard to answer question 11 as this is subjective to the person in that situation.
support from Domestic Violence staff and protective measures/ safe environment.

Yes - there are a range of other issues that may take longer to resolve, often victims have experienced high level psychological harm that it may take considerably longer for them to plan and make appropriate decisions. They may also need to address other areas first.

Succubus should feel ready to move on. If they feel that they might end up going back to this person or ending up in another abusive relationship they should not move on from a supportive atmosphere.

People need to be supported in the move, and for it to be the right move for them.

I have witnessed this situation personally. Moving into a refuge with children can cause more stress anxiety and alone. Moving single mother with her children into a home will allow the DV victim to learn to become independent and grow confidence within herself to move forward with her children. The children will feel more safe if they are given stability.

Certain cases may require longer stays in supported accommodation. In particular individuals who have been placed in services such as the Complex Needs Safe House, where premature moving to independent living may be counterproductive in terms of safeguarding them in the future.

mental health - possibly those that would prefer more supported living as they have multiple complexities

Mental health and safety issues

I'm not an expert but there may be cases where it might be beneficial for the parent and children to live in a safe house for longer and have intensive support, e.g. parents and children who have severe mental health issues because of the trauma suffered and might benefit from having that period of intensive support.

If person is not moving on, what are the reasons for this? Engaging in support is vital.

A woman should keep her band 1 award even when she moves into a refuge due to concerns previously raised about women being in refuge for long periods of time.

There may be instances where women would benefit from additional support if they move on quickly, but this could be through things such as outreach support if necessary, or support groups such as the Freedom Programme.

The sooner a long term solution is found the better. Refuge can be a difficult place to live.

Support from agencies, time to build their confidence, to get adjusted to their new life.

for some women, 3 months is only long enough to calm down. It can take 6 months before they are ready to move on with a fair chance of successful transition to independent living.. Sending them out earlier is a recipe for them returning, or needing additional support by other agencies. This would not apply to all women, but can be an important factor for others.

It can be difficult for families or victims to move on from safe houses too quickly as it can be the first time they have felt safe, particularly considering the support attached. Different people will require different things.

Where there is still a significant risk from the perpetrator

If the victim is at high risk of returning to the perpetrator then moving on too quickly puts the tenancy at risk of failure, and increases the chance of a future application. It also increases the chance of a perpetrator benefitting from housing awarded to the victim.

Whilst situations do arise where staying longer in a refuge/safe house environment is appropriate, it takes up to 9 weeks for HomeChoice to process new applications, so survivors are likely to spend over two months in the supportive environment of safe house before bidding can begin. Refuge/safe house spaces are limited and classed as emergency accommodation yet many survivors end up staying for over a year. The lack of social housing in Bristol is causing 'bed blocking' in safe house which can result in women and children being turned away.

Given the lack of appropriate provision (through no fault of the council) some flexibility is needed here to ensure the best possible option are on offer. A bigger issue involved campaigning with the government for adequate funding for women and children struggling with the impact of domestic violence.

If mental health isn't strong, it may take those people longer to get themselves prepared for life outside the safe house. If it doesn't work out, they may revert to returning to the partner for dependence.

1. Refuge/safe house spaces are limited so all women should be Band 1
2. It is classed as temporary/emergency accommodation – however many live there for over a year
3. 2/3 women and children are turned away daily as there is no room
4. Women's Aid research shows staying longer than necessary can have serious detrimental effects for survivor's mental health and future
5. Lack of social housing in Bristol is causing 'bed blocking' in safe houses as women who are ready to move on cannot do so
6. Note - It takes up to 9 weeks for Home Choice to process new applications, so that is good couple of months in the supportive environment of safe house before bidding even begins.

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I think it sounds likely that in some cases some would want to stay longer, but others might not.

This is not a yes or no answer again it is a case by case situation. Each case will be complex that needs to be understood.

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It is important for someone to feel safe and learn how to live independently before moving into their own accommodations. If the right measures are not put in place, then she will still be vulnerable, either to the previous abusive partner, or a new partner or friends who may exploit that vulnerability and her property

People should be able to move on and rebuild their lives as soon as possible. 8 months average time means 8 months of having your life on hold. Being stuck in hostel accommodation with a whole family in one room is just extending the suffering of people who have already suffered enough.

You cannot put a timescale on how long a survivor needs supporting.

The support system needs to provide for clients once they move on. Many clients are desperate to move on - but feel there is nothing to empower them to do so.

Drug or alcohol abuse. Violence with the offender around the hostel

I think it is not bad to move on, but it is really important to have support services e.g. peer support and specialist support etc. in place to help integrate and recover. The refuge experience is often very isolating and impacts children a lot

If they have additional support needs

Every case should be treated individually and I agree that in some circumstances a supportive environment has longer-term benefits.

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Refuge/safe house spaces are limited and always in demand, therefore all women in this provision should be in Band 1. On average 2-3 women a day are turned away from refuges because of a lack of bed spaces and spaces are filled immediately because of long waiting lists. Refuge is classed as temporary/emergency accommodation, however many live there for over a year and research from Women's Aid(1) shows that staying longer than necessary can have serious detrimental effects for survivor's mental health and future.

Currently the average time for someone in Bristol bidding in Band 2 for a two bedroom property with Home Choice is nine months even if the

survivor is ready to move on. It also takes up to nine weeks for Home Choice to process new applications, this is potentially over two months in the supportive environment of a safe house before bidding even begins. Therefore, the lack of social housing in Bristol is causing 'bed blocking' in safe houses as women who are ready to move on cannot do so. This policy does not adequately address this issue and will not enable all the women who need to move on to safe accommodation to do so in a timely manner.

(1) <https://www.womensaid.org.uk/>

Refuge/safe house spaces are limited and always in demand, therefore all women in this provision should be in Band 1. On average 2-3 women a day are turned away from refuges because of a lack of bed spaces and spaces are filled immediately because of long waiting lists. Refuge is classed as temporary/emergency accommodation, however many live there for over a year and research from Women's Aid(1) shows that staying longer than necessary can have serious detrimental effects for survivor's mental health and future.

Currently the average time for someone in Bristol bidding in Band 2 for a two bedroom property with Home Choice is nine months even if the survivor is ready to move on. It also takes up to nine weeks for Home Choice to process new applications, this is potentially over two months in the supportive environment of a safe house before bidding even begins. Therefore, the lack of social housing in Bristol is causing 'bed blocking' in safe houses as women who are ready to move on cannot do so. This policy does not adequately address this issue and will not enable all the women who need to move on to safe accommodation to do so in a timely manner.

(1) <https://www.womensaid.org.uk/>

People need to be empowered to live independently, they should receive support in their own homes as quickly as possible rather than becoming dependant on the support of a safe house.

Please need to feel ready to move rather than be forced into another stressful situation.

Important that ongoing support needs are considered and met - perhaps for an agreed time post move on.

The same considerations taken at MARAC should be applied at the move on stage.

I think if someone is suffering from psychological distress and is engaging well with support then moving on too quickly could in some cases hinder there recovery. Some women are totally isolated and may be in a strange city not having the support network needed for positive living

Support from Agency

Q16. Do you have any further comments or suggestions you wish to make about any of the proposals

Evaluate its impact and act to address issues

Providing long term sustainable funding to enable Refuges and safe houses provide the necessary support to survivors of abuse is fundamental to rebuilding lives after escaping domestic abuse.

I am so grateful that this consultation is happening and the council are responding to this need.

However I'm very disappointed in the approach and limited parameters it is using.

This should be a case of considering all in safe houses to be Band 1!

I think the most important thing is to help survivors with children the most as it's so isolating if you have children just like it was with your perpetrator. If I was single with no children I wouldn't have even applied to homechoice and would have moved on with my life.

If you have children there is no where affordable or livable I have looked, women are so trapped in this situation.

It would be interesting to know roughly the numbers in band 1 and an estimate of how many cases would be effected by this decision.

Those who are pregnant or have just given birth may need longer

no

No

Without very significant housebuilding of all tenures this will fail.

I do not believe that all MARAC attendees know about each & every high risk case - reps for agencies change, therefore the IDVA/ISVA/IDSVA should determine /answer questions or alternatively whoever has the best engagement with the client, i.e Golden Key worker

It would be interesting to find out if other LA's have already followed this model and whether it's been successful

I feel very strongly that all women in refuge should be awarded band 1, not just women who are high risk and referred to MARAC. This would help them to move on from their experiences quicker and would mean we could offer more refuge space to other women each year who need refuge from an abusive relationship.

refuge is a temporary solution to a crisis...it is difficult living in refuge and it should only be used when there is no other alternative in my opinion

BCC needs to build more social housing and also take back any stock transferred to housing associations. There is a need to build many more social rental homes and buy back any right to buy homes that come up for sale in Bristol.

DVA is only one group who are vulnerable and a high risk cases.

Just that this proposal is long overdue and will make a big difference to women and children coming into refuge accommodation. It will help to

free up accommodation for new families waiting to come into refuge and allow us to support more women and children flee the abuse. Support should be made available for victims of domestic violence, this may be a long process and children especially need the support that charities like next link, survive and women's aid provide....

Providing band 1 to a victim should not be as much of a struggle as it currently is. It's unfortunate that it requires several emails to support a change in banding are currently required. This should not be the case and is a fundamental failing in the current re-banding process.

ALL IN SAFE HOUSES/REFUGES SHOULD BE BAND 1 AND USING MARAC WILL NOT ACHIEVE THE POLICY OBJECTIVES.

I'm aware of the massive cuts in funding that the local authority has to face and the failure of this government in this and other areas of social need. I wish everyone well in their efforts to provide fair and just decisions in such a desperate climate

1. ALL THOSE IN REFUGE PROVISION SHOULD BE BAND 1
2. Using the MARAC only does not achieve the policy objectives as stated
3. Majority of MARAC referrals are made through criminal justice services or police services. It is highly evidenced that survivors of domestic violence and abuse (especially those in black and minority ethnic communities, disabled survivors) do not report this way
4. This policy would not ensure safe house services in Bristol could be more effective in helping those needing to flee abuse

The council argues that prioritising too many people "would negatively impact on waiting times for other high priority cases", (though there are only 36 safe house bed spaces in Bristol.) This highlights the lack of social housing in the city, where the most vulnerable are forced to compete for a scarce and substandard housing stock.

The Council must invest in social housing in order to meet the needs of all survivors of domestic violence in Bristol.

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Please take action to implement a policy and take action that actually protects survivors and victims. This is not good enough. Women are in danger, dying, suffering physical and mental health problems and have children they need better support. It is their right!

We really need to start focusing on the issue of housing in a serious way. The council keeps telling us that austerity is necessary - but for who? It is not necessary for the people and we demand social housing for those that need it immediately! This problem is not going away and until we start building more social housing and denying developments that include no social or even the laughable "affordable" housing rates, we will get no where. Please consider the lives that these women lead, and the homeless in this city and start to build more housing!

Again emphasizing – ALL THOSE IN REFUGE PROVISION SHOULD BE BAND 1

Using the MARAC only does not achieve the policy objectives as stated

Majority of MARAC referrals are made through criminal justice services or police services. It is highly evidenced that survivors of domestic violence and abuse (especially those in black and minority ethnic communities, disabled survivors) do not report this way

This policy would not ensure safe house services in Bristol could be more effective in helping those needing to flee abuse

Domestic abuse services and their staff should be consulted extensively as to how to best put this proposal into practice

Bristol needs to be brave. Stand up to underfunding. We should not accept current national policy.

Build more safe houses and provide at least a new one for women with children

I hope it makes a positive difference and if so, has an impact on neighbouring councils and housing providers. Best practice should be shared :-)

No.

That adopting a gendered view of housing not in keeping with either equality legislation nor the new policing plan by Avon Somerset police that is fully inclusive.

Those drafting this policy need far better understand the plight of so called invisible or silent survivors. That is men, women abused by women, lgtbq people, disabled and elderly.

Refer to local diverse survivors group genderfreedv.

NO

It is encouraging to see that there are several support systems working together, but in some cases people can fall between the cracks. I trust all cross-referencing is carefully followed through.

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4. This policy would not ensure safe house services in Bristol could be more effective in helping those needing to flee abuse

Following the original Council motion and agreement, all those in refuge provision should be automatically in Band 1 to enable this essential service to be available to more women and their children who need it. The aim should be to significantly reduce the amount of time taken to rehouse survivors of domestic abuse once they have made the decision to leave their abusive situation, rather than limit this to those deemed 'high risk' through the MARAC process.

Using the MARAC process only to decide housing priority does not achieve the policy objectives as stated "to increase the availability of refuge/safe house places so more households can benefit from this safe and supportive environment". This policy would not ensure safe house

services in Bristol could be more effective in helping those needing to flee abuse.

The majority of MARAC referrals are made through criminal justice services or police services. It is highly evidenced that survivors of domestic violence and abuse (especially those in black and minority ethnic communities, disabled and LGBTQ survivors) do not report in this way or engage with this process. Therefore, they will not benefit from this policy although they may be the most vulnerable groups in need of re-housing.

We would also be concerned if the relationship of housing priority to MARAC led to an increase in MARAC referrals in Bristol as this is an already overloaded and underfunded system and would not be able to cope with an increased case load. There is also a danger that this could lead to survivors using the MARAC process as a way to access housing priority by increasing their risk in a bid to be housed more quickly and this would have a disastrous impact on their safety and that of their families.

Therefore, we feel that this policy, although a step in the right direction, does not meet its stated aims, the aims of the agreed Council motion, or the needs of those experiencing domestic violence in Bristol. This policy must feed into wider improvements to social housing provision in the city in order to ensure that the most vulnerable, including those fleeing domestic violence, are being adequately housed and are able to find safety for themselves and their families.

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Stop penalising the homeless and provide enough cheap, social ,supported if necessary, permanent accommodation . Stop giving millions each year to the company that provides temporary accommodation.

Appendix 3

Summary of Points from Meeting with Bristol Women's Commission and Sisters Uncut, 8th February 2017

The Women's Commission stated that proposals do not go far enough for women and referred to the motion with cross party support around moving survivors of domestic abuse in to band 1 for housing priority. It is felt that the policy does not reflect this nor does it address move on from refuges/safe houses

The Women's Commission and Sisters Uncut raised concerns about the use of MARAC as the route for band 1 recommendations. It was highlighted that time to discuss each case at MARAC is very limited and there is not always complete follow up on each case. It was proposed that Nextlink should also be able to recommend cases for band 1 outside of the MARAC process

Homechoice processing times need to be speeded up for priority applicants. This is being implemented

Proposed that the 3 month time period be extended up to 6 months where appropriate for individual cases. This had been raised by the Cabinet Member for Homes as the preferred way forward

There was discussion regarding direct offers and whether this would be suitable for survivors – may have its place on a case by case basis

It was proposed and agreed that training should be delivered to Housing staff on DVA and delivering a good quality and supportive service to survivors

It was highlighted that survivors should not be required to tell their story several times to different officers and that there should be lead officers in Housing Options that have specific knowledge and understanding of DVA and the impact on women and children

Recognised that communication with stakeholders could be managed better particularly in regards to policy development and consultation at an early stage of policy development

Consideration needs to be given to homeswaps for victims that have fled their home and to having a prioritisation panel (look at South Gloucestershire model)

Progress is being made on bringing empty homes and buildings in to use and on working with private landlords to improve housing supply

Heading: International Strategy	
Ward: NA	(if applicable)
Author: Shelley Nania (job share Caroline Twigg)	Job title: International Manager
City Outcome overview: Cross cutting	
Equalities Outcome overview : The International Strategy has the potential to have a positive impact on all people with protected characteristics for example through policy influencing, increasing funding and investment in to the city, and increasing social cohesion. We will maximise equality impact through having an equality representative on the Strategic Programme Board.	
Impact / Involvement of Partners overview: Consulted partners widely. See appendix B for list. Actions in the implementation plan includes those of partners.	

Purpose of briefing, summary of issue / proposal:

Bristol: Global City - working with the world for local and global benefit

The international strategy titled '*Bristol: Global City - working with the world for local and global benefit*' aligns the priorities of the council and city partners so we are able to have a more coordinated and intentional approach to developing relationships and business overseas. It will also help us capitalise on the diversity of our international communities in Bristol and grow global citizens that benefit from living in an increasingly globalised world.

A Strategic Programme Board composed of representatives from the council and its city partners will oversee the delivery of the strategy.

Recommendation(s) / steer sought:

Approval of the international strategy titled *Bristol: Global City - working with the world for local and global benefit* and the implementation plan in the Appendix.

Finance Issues: The European & International Programme will have a core budget of £351k for 17/18 and this includes the costs of the Twinning Officer and the Brussels office. This programme has been successful in developing partnerships and enabling departments to attract income from sources such as the H2020 European Commission Funding. This 10 year strategy builds on the previous successes and its scope depends on the funding and partnership contribution it will attract. However, with the move towards BREXIT we could have less reliance on the traditional sources of funding and attract new sources of funding that have different types of terms and conditions that we have been used to. I would recommend that finance are informed at the early stages of any grant or partnership contribution to ensure robust financial and resource management.
Finance Officer: Kevin Lock – Interim Business Partner Resources
Legal Issues: No legal concerns. However should consider: - when procuring goods work and services the Council cannot discriminate on the basis of nationality. Based on the strategy and implementation plan this is not a concern but if an issue arises you should contact legal/procurement. This includes where we are being provided with a service in exchange for us providing a service, use of an office, access to staff etc., not just where we are paying for services with money.

-when making a grant (of money, access to services, office space etc) the Council has to ensure the grant does not constitute State aid and should seek advice from legal/procurement.

Legal Officer: Sinead Willis, Contracts and Procurement Solicitor,

Comms issues:

Any communication issues have been discussed and incorporated.

Policy/Comms Officer: Kate Ashton

Other Issues:

Land / property implications:

No property implications beyond the Bristol Brussels Office lease commitment (Robert Orrett, Property Director) (note: this rental contract currently runs 1st February 2015 to 31st March 2018, at £12k a year, and is planned to be extended to October 2019 in line with Brexit)

Human resources implications:

- BCC HR team can support structured intern programmes.
- There are some resource requirements which may not be covered by the European and International team and therefore will need agreement with other Council employees in terms of resource and appetite for international and European work in the current climate (note: international team has discussed with relevant BCC employees).
(Alex Holly, HR)

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Di Robinson, Policy, Strategy and Comms 9/2/2017	SLT, 13/9/2016 CEX, 16/2/2017	Mayor 15/2/2016

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	YES
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES



Bristol: Global City

Working with the world for local and global benefit

Foreword

Bristol, historically, is a trading city that looks towards people and cultures beyond its boundaries. It is also a diverse, creative, innovative and open city, made up of communities from countries around the world that speak over 90 languages and practice at least 45 religions. I am proud of our twin city links, our innovation projects working with cities overseas, our global trade and research links, our partnerships and networks of organisations who contribute to tackling global challenges either here in Bristol or in the developing world, our diverse international communities living, studying and working in Bristol and I am pleased we welcome global visitors in to our city every day.

I am delighted that we are a City of Sanctuary and work with refugee organisations to support refugees and asylum seekers, and that we are England's first UNESCO Learning City, a Fairtrade City and were the UK's first European Green Capital in 2015. I am proud that, overall, Bristol voted to Remain in the EU. It shows me I am Mayor of an outward looking city that values its international links. I see our diversity as a source of our strength and I want all Bristol citizens to feel they benefit from us being an international city.

With that in mind I welcome this strategy which outlines our international plans over 10 years (2017-2027) to ensure that the city is at the forefront of international engagement well

into the future. This strategy is not just about international trade and investment. It is also about providing leadership on global values such as human rights and environmental sustainability and growing global citizens that feel they benefit from our increasingly global society.

However, creating a city of global citizens is not just an opportunity for one organisation. It is for every school, company, community group and every individual in Bristol. By ensuring cities around the world know we are 'open for business', my Cabinet and I, working with partners in the city, aim to encourage links with those who want to share their experiences with us on many issues including education, health and housing. Cities who want to trade with our companies, to connect with our people, to share our expertise, and approaches to similar challenges and learnings with each other. In true Bristol fashion, our determination, collaboration and long record of creativity and innovation mean partnering with others is in our nature.

Please come and visit Bristol and learn more about our city in person!



Mayor Marvin Rees

“ To be a global city, you need to interact with the world ”



Executive Summary

Bristol: Global City - Working with the world for local and global benefit. A 10 Year Strategy 2017 - 2027

Bristol is an international city and has a growing international reputation as a sustainable, innovative and culturally diverse place, winning national polls for being the UK's most liveable city, European awards for our green credentials and in China for our innovation. We are one of the top ten most visited cities by international and domestic tourists in the UK, have the strongest regional market in the UK, world leading universities and business incubator hubs.

However, like all cities, we have our challenges. The city's success does not reach everyone living here and brings some difficult issues, such as inequality, a higher cost of living and traffic congestion. Our International Strategy will support the city in addressing some of these challenges through delivering economic benefits (attracting trade, investment, funding, labour and visitors) social benefits (increasing social cohesion and reducing inequality within the city and greater international opportunities for our citizens), political benefits (to drive our city's reputation as a proactive one feeding into national and international policy and strengthening the voice of cities) and city service benefits (learning from the best).

The International Strategy aligns the priorities of the council and city partners so we are able to have a more coordinated and intentional approach to developing relationships and business overseas. It will also help us capitalise on the diversity of our international communities in Bristol and grow global citizens that benefit from living in an increasingly globalised world.

A Strategic Programme Board composed of representatives from the council and its city partners will oversee the delivery of the strategy.



Our vision for Bristol as a truly global city

Bristol will live up to and build on its heritage as a **truly global city**. Through our **international connectivity** and **trade and investment links** we will deliver a **powerful, resilient, progressive economy** that creates the entrepreneurial opportunities and decent jobs that will enable us to **reduce inequality**. We will also join with city, national and international leaders in delivering the **global values** and **development goals** that shape our future: planetary stewardship and sustainable development, including inclusive economic development, open democracies, human rights and hope.

Bristol will be a **liveable and inclusive** city that grows **global citizens** who understand the global challenges we face and who have all they need to participate in a globalised world and can enjoy the opportunities it brings. The culture of our **global citizenry**, its 91 languages and 180 countries of origin, our international universities and businesses will allow Bristol to be a **gateway** from the UK to the world and from the world into the UK. Our **diversity** will enable us to be a hub for dynamism, creativity and innovation that comes from accessing a multiplicity of world understanding and views.

Bristol will benefit from overseas **trade and investment leading to a prosperous and sustainable economy**. We will **collaborate with world leading cities to solve common urban challenges** and **rebalance sovereignty** from national governments towards local government in order to ensure cities and regions have a stronger national and global voice in a time of rapid urbanisation.

Strategic goal

Bristol: Global City – working with the world for local and global benefit

Delivering our local vision to be a stronger more inclusive city with a high quality of life and strong green credentials, and providing leadership on global development goals, including inclusivity, resilience and sustainability.

(The International Strategy will support delivery of the objectives of the Corporate Plan and the Resilience Plan).

Strategic outcomes

- 1) Leadership** on shared global values and development goals, including inclusivity, sustainability and resilience.
- 2) A stronger Bristol economy** and an international gateway to the UK.
- 3) Our international communities** and global citizens link Bristol to the world, creating a culturally vibrant, cohesive and welcoming city.
- 4) A rebalancing of sovereignty** giving a stronger voice to cities (a global agenda working with national and international partner cities).

How we work – the five ‘Ps’

- 1) Profile** – proactively building on Bristol’s international profile to leverage investment, funding and other global opportunities for citizens, businesses and universities.
- 2) Policy** – influencing local, regional, national, European and international policy to support the city’s ability to do business overseas, and to create policy that meets the needs of our city around shared global challenges like air quality and equalities.
- 3) Prosperity** – increasing and broadening prosperity to reach all parts of the city by successfully securing international project funding and attracting trade and investment. Bringing other opportunities to the city including education and cultural experiences.
- 4) People** – growing global citizens in Bristol that feel they understand the world’s challenges and can access opportunities in a globalising world. We will work with Bristol’s diverse communities including Somali, Polish and Indian communities, to build on their economic and cultural links.
- 5) Partnerships** – participating in target national and international networks that will provide the links, knowledge and funding we need to deliver our strategy. (including the Core Cities network, EUROCITIES, Rockefeller 100 Resilient Cities, Global Parliament of Mayors, ICLEI, Global Network of Learning Cities among others).

Case studies ...

“

The Bordeaux mini-assistants scheme has been running each year since 2004. It is coordinated by the Bristol Bordeaux Partnership and is sponsored by the charity organisation, Quartet. The Bristol Bordeaux Partnership works closely with the University of Bordeaux to select Masters Students who are specialising in primary level English teaching, and then liaises with a range of schools in South Bristol to agree a work programme and host families for the students. The students or 'mini assistants' carry out a two week placement helping Bristol's language teachers to deliver fun French through activities, songs and stories, with each bringing teaching materials and a presentation about Bordeaux and their region. The scheme impacts on at least 1800 local children each year and this year the participating schools are Ashton Gate, Bridge Farm, Dolphin, Compass Point, Kingfisher and Ilminster E-Act Academy.”

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Bristol International Twinning Association



For **Invest Bristol & Bath** (IBB) a strong reputation for the region in international markets is critical. The region's reputation provides important but often unquantifiable reassurance for investors that the region will provide a credible backdrop to the company's presence. The work that Bristol City Council has done to create a strong relationship in Guangzhou was vital in allowing IBB to secure investment from Huawei (based in Shenzhen) in 2014. The reputation of the University of Bristol and the strong collaborative approach between the University, SetSquared and IBB was instrumental in securing Cray Supercomputers European HQ in the city.

This investment has generated an ongoing relationship with the City of Seattle which has generated further investment for the region (such as DesAcc). Similarly it has been the region's growing reputation as a centre for collaboration and innovation that has secured major investment from Oracle.

Invest Bristol and Bath



“

International students form an integral part of the University of Bristol community, and significantly add to the dynamism and energy on our campus. Our China Graduation gives us an opportunity to specifically acknowledge and celebrate our largest cohort of international students, and in so doing allowing the students' friends and families back home to join in the celebrations. It really is a wonderful family event, and we do our best to give it a distinctive "Bristol" flavour. The loyalty and goodwill of our alumni in China is a tremendous asset both to the University and the City of Bristol, and the China Graduation is an excellent opportunity to demonstrate our appreciation for the students' commitment and hard work, and to celebrate their achievements.”

Dr Erik Lithander, Pro-Vice Chancellor (International), University of Bristol

Case studies ...

Local Bristol entrepreneur, Matt Thurling has developed an export journey for his new software, 'CPD for Teachers', which coaches teachers on how to teach children to do computer coding in line with the UK national curriculum. Pleased with the product's success on a national level in the UK, Matt considered making the leap to sell in the US market. He consulted with a Bristol-based International Trade Advisor who advised Matt to take advantage of market research to support him in his investigation of the US market. He also guided Matt on how to gather data and market validation, and provided funding to support travel costs. Matt has met with the Department for International Trade (DIT) team in New York and is now planning the next phase of his entry.

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Everyone working for DIT has been incredibly helpful. They go way beyond the brief. We still have a long way to go in the US but this process has made me truly believe there is a huge amount of opportunity for my services in other global markets and I will be embracing these possibilities in the near future. If I could give one piece of advice to entrepreneurs considering export then it would be to pick up the phone to DIT. What have you got to lose? "

Business West, contract holder for the Department for Industry and Trade (DIT)



Bristol Living Lab is part of the European Network of Living Labs which also includes other global members such as Japan and Canada. It is run by Knowle West Media Centre (KWMC), a non-profit organisation with 20 years' experience of working with people from the local community across all sectors to understand how digital technologies can be utilised to meet local needs and bring about positive social change. It believes in the value of linking Bristol's communities with others across the world, to share experiences, understand challenges, and devise new ways of working that will benefit people at both local and international level.

One of the KWMC Bristol Living Lab projects is Change Creators, a leadership and training programme where 18-25 year olds meet and learn from innovators working in Europe whilst developing their own social change campaigns. Due to this creativity and innovation happening in Knowle West the neighbourhood has been recognised by the Intelligent Community Forum (ICF) as one of the world's top 21 'smart communities'.

Knowle West Media Centre

Bristol successfully bid to be 1 of 100 cities along with New York and Seoul that would be funded through the Rockefeller Foundation to produce a resilience plan for the city to cope with urban challenges such as flooding, terrorism, traffic congestion and others. Along with 25 other major world cities we have signed up to the 100 Resilient Cities pledge to promise at least 10% of the city's annual budgets toward resilience actions in the city. This equates to just under £4billion committed by cities to resilience activities worldwide. We are also sharing our experience with fellow cities who are at the start of their resilience journey, for example our twin city of Tbilisi, Georgia.

Bristol Strategic Resilience Officer

Case studies ...

“ Building Bristol’s international profile, demonstrating our sustainability leadership and sharing best practice were key parts of Bristol’s year as European Green Capital 2015. This included: active participation at the COP21 international climate change conference; hosting over 70 international delegations; learning from other European Green Capital cities such as Stockholm and Copenhagen; developing the Bristol Method, a set of case studies charting Bristol’s sustainability journeys, now used by many other cities including Seoul, to help them define their own paths to sustainability; ‘Sustainable Shaun’, the on-line sustainable education game developed by Bristol 2015 and Aardman Animations, now translated into 24 languages and played in 171 countries; and hosting the United Nations Faith in the Future event resulting in the ‘Bristol Commitments’ a series of pledges for faith groups across the world to take action towards sustainable development goals.

Now in its 10th year, Bristol Green Capital Partnership has a key role to play in taking forward this work. Copenhagen, our European Green Capital predecessor, has created a similar body in recognition of our success at building partnership across all sectors in Bristol. We are committed to working with our partners to make Bristol a sustainable city with a high quality of life for all. ”

Bristol Green Capital Partnership



REPLICATE: Over the next few years, people in the Bristol wards of Ashley, Lawrence Hill and Easton will benefit from the European funded smart cities and communities project – REPLICATE. The project will be trialling new smart technologies to save energy and money and rethink transport choices. It aims to deliver a place based approach, working with and investing in our assets, people and place to improve their liveability and support inclusive growth and wellbeing. There will be plenty of opportunities for local people and community groups to get involved and shape the initiatives together.

The Bristol project is led by Bristol City Council working in partnership with the city’s universities and seven other local partners. The project is funded by the European Commission, with local partner organisations collectively receiving approximately €7 million to deliver the project in Bristol.

The project’s International partners of Florence (Italy) and San Sebastian (Spain) will be testing different smart solutions during the project with opportunities to then share experiences between the cities.

Find out more: connectingbristol.org/replicate

An international city – yesterday and today

Being an open and diverse, yet inclusive and integrated, city is not easy. Bristol has a long history of being an international city – our past includes an industrial base and port built on the slave trade, the Bristol Bus Boycott around race issues in 1963, and riots in St Pauls in 1980. Still today, the city faces similar challenges as others do around the UK to ensure communities from different backgrounds flourish together.

We believe that these are not blockers but simply challenges to overcome and that our diversity can also be our strength. We have over 91 spoken languages in Bristol and in 2016 we elected the first European Mayor of Black African-Caribbean descent. Bristol today is an open and diverse city with cultural, educational and business links across the whole world. We aim to be an open and welcoming city to all nations, a City of Sanctuary to those in need. A city others look to as innovative, progressive, integrated, green, prosperous for all, and fun.

Present-day Bristol has numerous strengths that contribute to our international engagement:

- **the diversity of our communities** – since 2001, the proportion of Bristol's population who are not 'White British' has increased from 12% to 22% of the total (2011 census) and is now made up for people from over 180 different countries who speak over 90 languages;

- **our commitment to being a City of Sanctuary**, working with the voluntary sector and learning from other international cities to improve opportunities for refugees and asylum seekers in the city;
- **being the UK's first European Green Capital in 2015** and working with the Bristol Green Capital Partnership to make Bristol a low carbon city with a high quality of living for all;
- **the development of the Bristol City Office**, the variety of multi-skilled partners within our city with a shared interest in tackling city challenges and our collective commitment to a joined up city approach in Bristol and a joined up offer abroad;
- **the diversity of our business sectors**, with world-leading expertise particularly in low-carbon technology, high tech, aerospace and advanced engineering, innovation, creative and digital media and financial and professional services. The Bristol region is home to the UK's largest aerospace cluster and the largest digital cluster outside of London (McKinsey/Centre for Cities, 2014). It is at the centre of the most productive tech cluster in the UK (TechNation, 2015), and the city also boasts one of the UK's leading centres for professional and financial services;



- outputs from our **diverse digital and creative industry** are featured around the world – 35% of global natural history programmes are produced in the region through Bristol having one of only three hub locations for the BBC. Bristol is also home to world-renowned Oscar winners Aardman Animation and The Bottleyard, the UK's second largest film production facility;
- we have a **large SME business sector**, and specifically a prospering **BME business community**;
- **the breadth of expertise within our education and research institutions:** our two world-class universities currently have an annual intake of around 5,000 international students and are globally- renowned for varied areas of research including robotics and assisted living, cardio-vascular medicine and smart cities. SetSquared was crowned the best university incubator in the world this year;
- **the variety of cutting edge innovation taking place** in facilities like SetSquared, Pervasive Media Studio, Knowle West Media Centre and across companies like Oracle, Cray, BBC, Aardman and many others is globally respected;
- **our links into vibrant international networks**, from the Rockefeller 100 Resilient Cities to EUROCITIES, from the European Green Capital Network and ICLEI – Local Governments for Sustainability to the EU-China Programme and the Global

Parliament of Mayors;

- **the growing hub of international development agencies in the region**, currently the largest group outside London. The South West International Development Agency Network (SWIDN) has 70 organisational members and over 300 individual members, all committed to tackling global poverty and working with partners in the city will contribute to meeting the UN Global Sustainable Development Goals;
- **our seven twin cities around the world**, with whom we have active cultural, educational, research and international development relationships;
- **our world-leading demonstration work as a city test bed** including: being a UK Future City Demonstrator and winner of the prestigious EU-funded 'lighthouse project' REPLICATE - providing investment in to innovative technologies for energy, transport and digital infrastructure in East Bristol; Urban ID a Research Council's project addressing urban challenges; and Bristol Is Open is a unique high speed fixed line and wireless communications platform that is citywide and cutting edge;



- **our externally-funded links to partners across the world** - from 2005 to 2015 Bristol City Council received £22m for European projects and the universities receive over £20 million a year from EU sources funding multi-country/city projects on varied issues including housing, air quality, energy and transport;
- **the connections we have through our Bristol Brussels Office** have allowed us to access EU funding and participate in policy dialogues impacting on our region. These connections will also play a part in our planning for future EU engagement following the EU referendum. The office is establishing co-investment from other partners in Bristol, helping us work towards a potential 'city office' based in Europe;
- **Physically the city is an international gateway to the UK** with a reach far beyond the West of England. Historically Bristol has a strong association with the growth of UK railways and has had a major port for centuries which currently directly trades with 14 countries and has indirect links to many more worldwide. Bristol is the UK's 8th most popular city with international visitors, and, in 2003, Concorde's last ever flight marked Bristol's significance as a hub for the aerospace industry. Today, through Bristol Airport, there are connections to most major international cities as well as Easyjet's biggest base outside London with flights to nearly 100 destinations. A train from Bristol to London now takes only 1.5 hours.

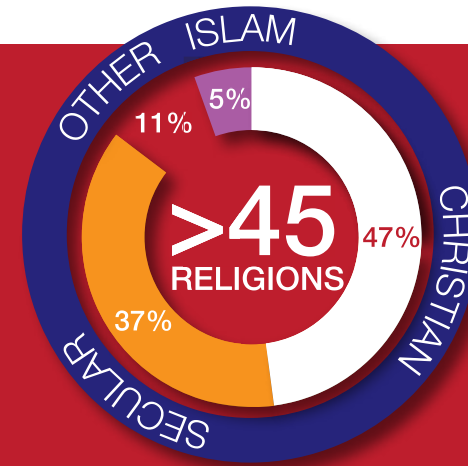
The following maps show the extent of our international links:

1. Countries of birth and languages.
2. International links through projects and other initiatives
(note: this was based on a consultation workshop in August 2016 and will not be comprehensive)
3. Locations of overseas investors in the West of England
4. Location and density of subsidiaries of West of England companies.
5. Destinations from Bristol Airport.



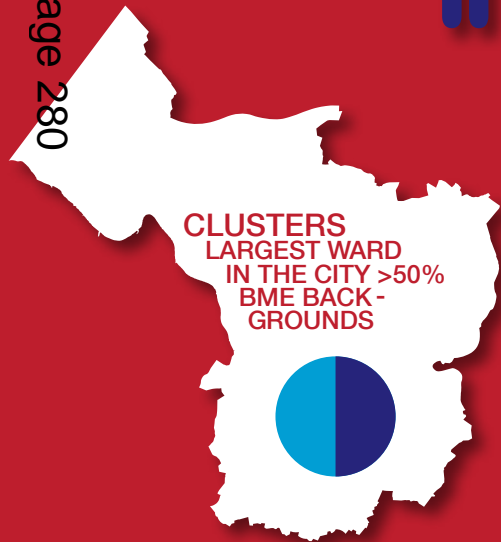
Bristol Countries of birth and languages

9TH LARGEST CITY IN THE UK

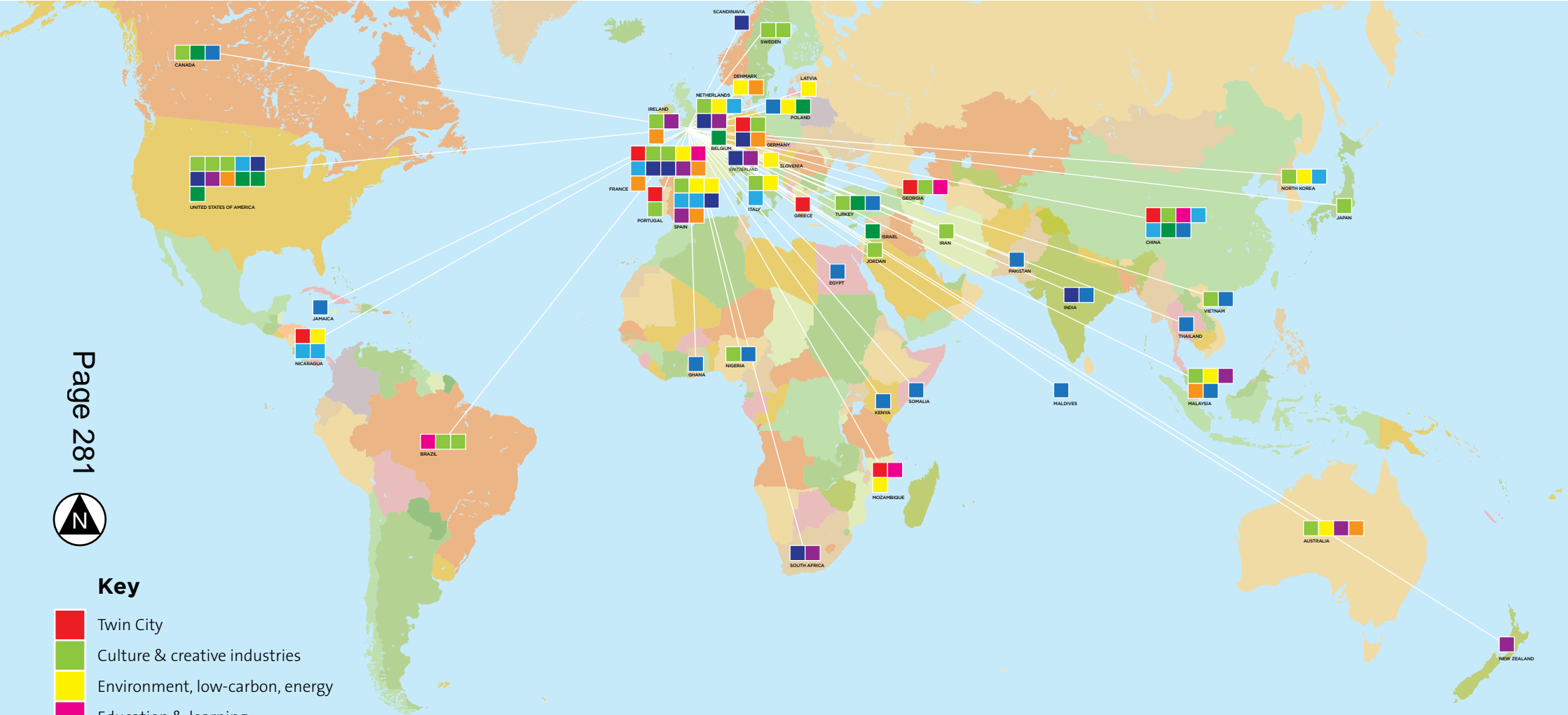


>91 LANGUAGES

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International links through projects and other initiatives

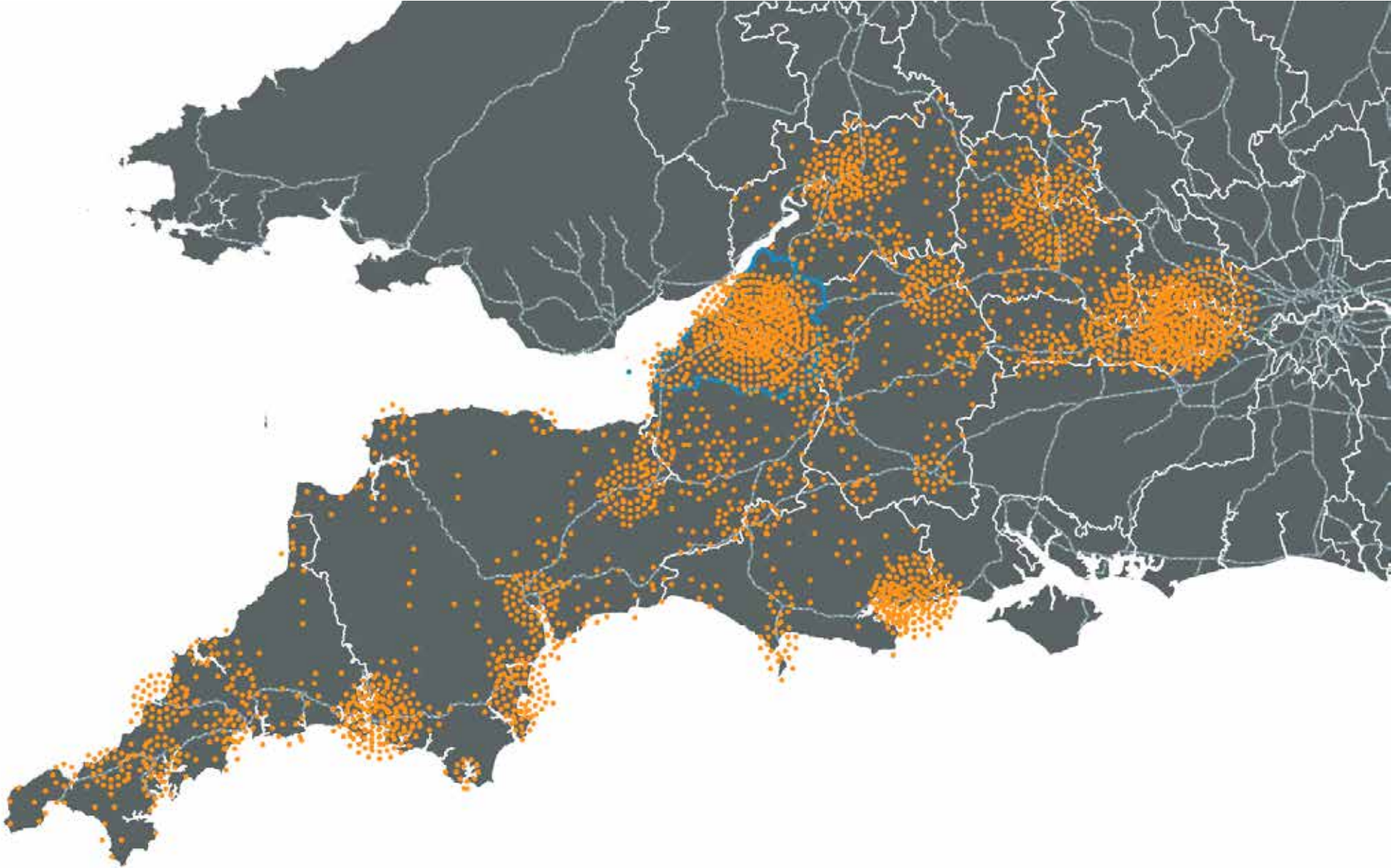


Key

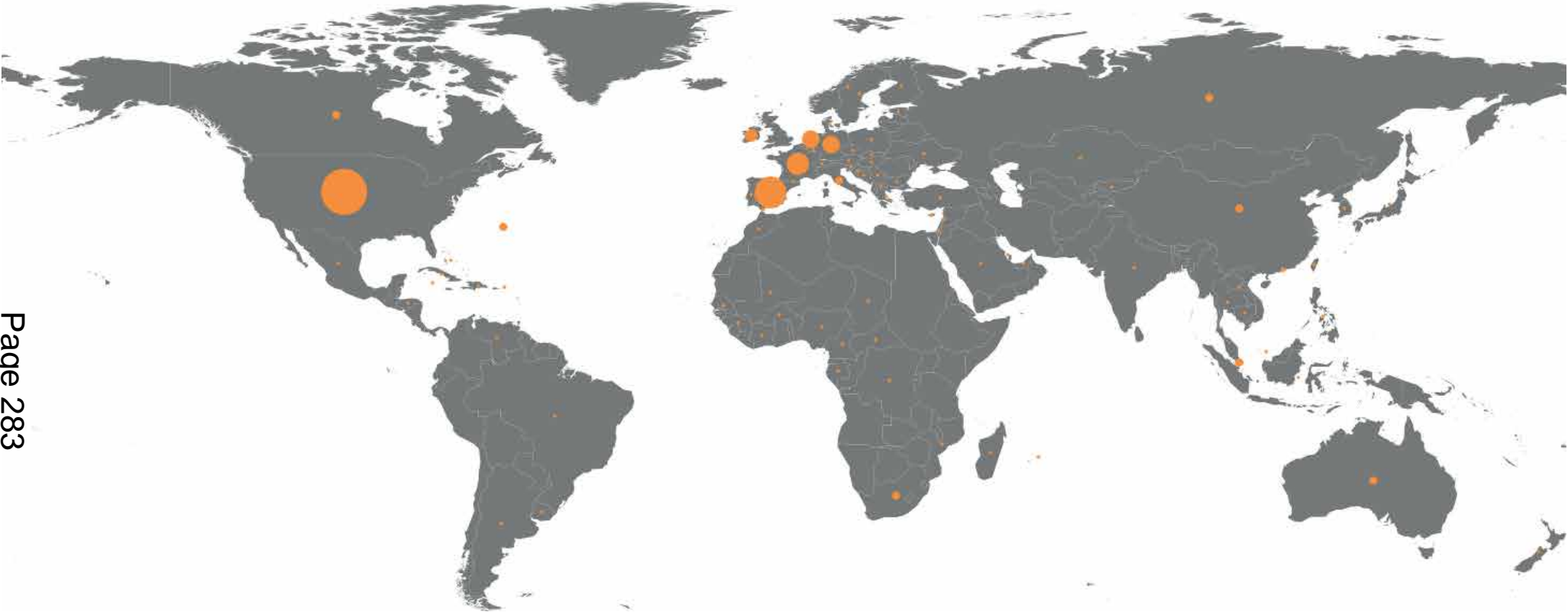
- Twin City
- Culture & creative industries
- Environment, low-carbon, energy
- Education & learning
- City innovation / collaborative research
- Aerospace, advanced manufacturing & construction
- Business services / financial services
- Retail & logistics, consumer & leisure
- ICT, security / defence
- Large international community in Bristol / key student communities / uni recruitment offices

Locations of overseas investors in the West of England

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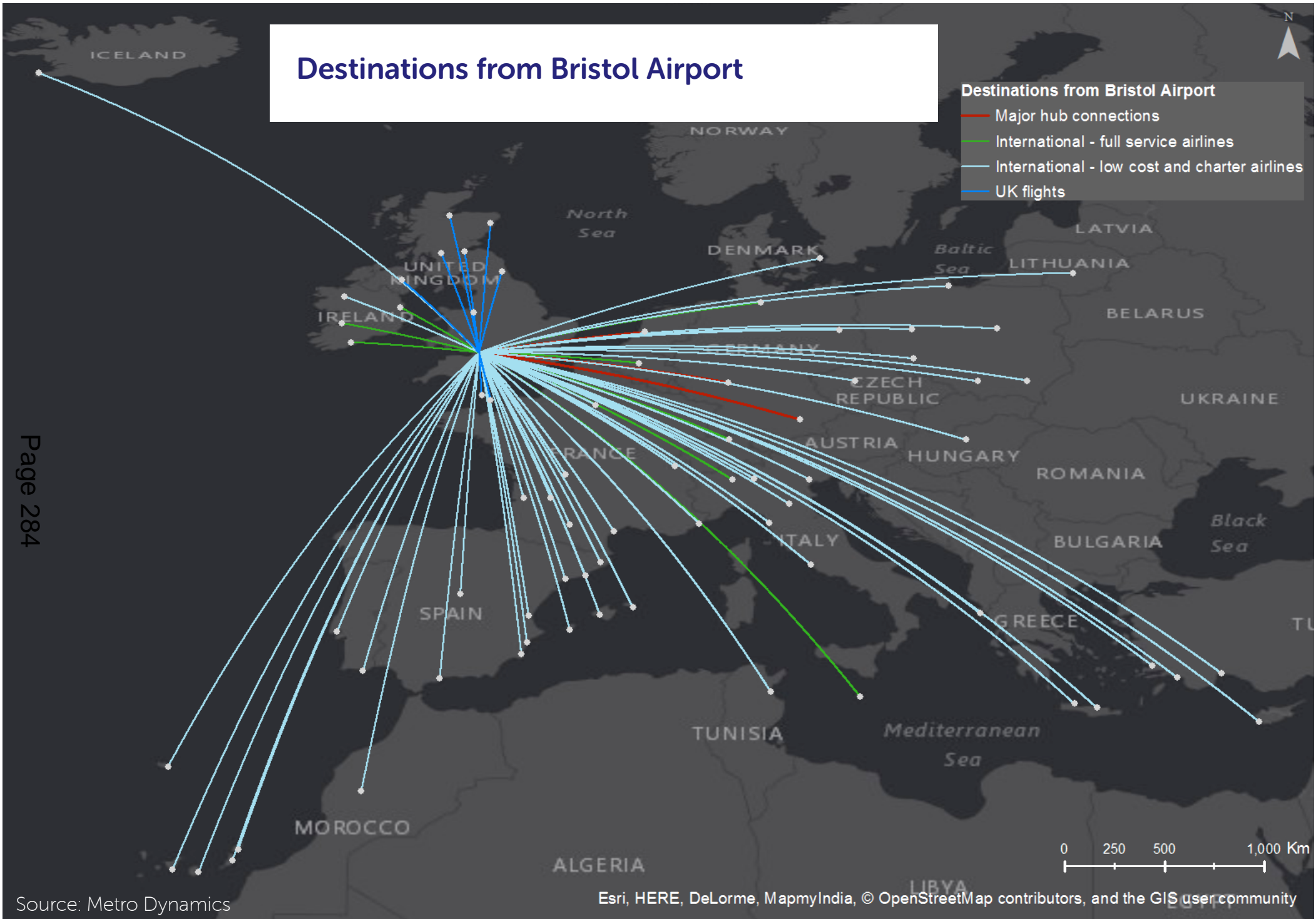
Location and density of subsidiaries of West of England companies



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Destinations from Bristol Airport

- Major hub connections
- International - full service airlines
- International - low cost and charter airlines
- UK flights



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Source: Metro Dynamics

Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

An international city – today and tomorrow:

“ Our vision for Bristol as a truly global city ”

Bristol will live up to and build on its heritage as a **truly global city**. Through our **international connectivity** and **trade and investment links** we will deliver a **powerful, resilient, progressive economy** that creates the entrepreneurial opportunities and decent jobs that will enable us to **reduce inequality**. We will also join with city, national and international leaders in delivering the **global values and development goals** that shape our future: planetary stewardship and sustainable development, including inclusive economic development, open democracies, human rights and hope.

Bristol will be a **liveable and inclusive** city that grows **global citizens** who understand the global challenges we face and who have all they need to participate in a globalised world and can enjoy the opportunities it brings.

The culture of our **global citizenry**, its 91 languages and 180 countries of origin, our international universities and businesses will allow Bristol to be a **gateway** from the UK to the world and from the world into the UK. Our **diversity** will enable us to be a hub for dynamism, creativity and innovation that comes from accessing a multiplicity of world understanding and views.

Bristol will benefit from overseas **trade and investment leading to a prosperous and sustainable economy**. We will **collaborate with world leading cities to solve common urban challenges and rebalance sovereignty** from national governments towards local government in order to ensure cities and regions have a stronger national and global voice in a time of rapid urbanisation.

(note on Global Citizen: someone who identifies with being part of an emerging world community and whose actions contribute to building this community's values and practice (Open Democracy UK). A Bristol global citizen will come from any background, ethnicity, religion or class. They will feel they are part of a ward and a city here in Bristol, but also part of the world beyond Bristol and beyond the UK. They will be interested in global issues, and how they impact their own lives but also lives of others elsewhere in the world. They will feel they have a responsibility to be engaged in global, as well as local, issues.)



Achieving our vision – what we should focus on

Bristol's international engagement is varied and extensive. One strategy cannot include all of the city's links to other countries. The strategy will **build connections and provide a framework** around which international activities can take place in the city, ensuring we can be **proactive** about international engagement not purely responsive. The strategy builds on past and current work and future ambitions of different organisations and communities in Bristol.

It is expected that more coordinated and focused international work will bring economic **benefits** (attracting trade, investment, funding, labour and visitors), **social benefits** (social cohesion within the city and greater international opportunities for our citizens), political benefits (to drive our city's reputation as a proactive one feeding into national and international policy and strengthening the voice of cities), **and service delivery benefits** (to learn from the best).

We intend to work with other partners at a regional and national level including **West of England local authorities** and the **Mayoral Combined Authority, Great Western Cities** and the **UK Core Cities Network** to identify key issues and priority cities and countries where we can work together to increase impact and to streamline resources.

The specific priorities that we address in our international work will be affected by the priorities of **national government**. We will work closely with government departments to collaborate on target issues and markets. Government support will help us

to secure policy and business commercial wins for our city and Bristol's global reputation for creativity, innovation and sustainability can also help to secure foreign policy and commercial outcomes for the UK.

We will work with city partners to ensure that we have a **co-ordinated response to the EU Referendum** and to ensure that Bristol remains a **welcoming and engaged global city that is open for business in a post-Brexit world**. The EU referendum in June 2016 unearthed division among cities and communities across the country. The majority of the electorate of Bristol voted for the UK to remain a part of the EU (62%) but 38% voted to leave the EU. We will work with partners across the city to ensure that Bristol remains a cohesive and welcoming city and continue to build better and deeper links with European and global cities for the good of all our citizens. We will look to address the issues and concerns of those citizens who feel they have not necessarily benefitted from our increasingly globalising world to ensure no-one is left behind. Our Brexit response work covers issues relating to business and funding, policy and legal, community cohesion and national and international relations and seeks to assert Bristol's voice at a national and international level as Britain leaves the EU. **This Brexit work is mainstreamed across the actions in this strategy and other work programmes taking place in the city.**



Strategic Goal:

The ambition to deliver our goal and its four strategic outcomes will drive the council's international work from 2017 to 2027 with a refresh of the deliverables each year. The implementation plan including deliverables and performance indicators is attached to the strategy.

Bristol: Global City – working with the world for local and global benefit.

Delivering our local vision to be a stronger more inclusive city with high quality of life and strong green credentials and providing leadership on global development goals including inclusivity, resilience and sustainability.

(The International Strategy will support delivery of the objectives of the Corporate Plan and the Resilience Plan)

Strategic Outcomes:

- 1) Leadership on shared global values and development goals, including inclusivity, sustainability and resilience;
- 2) A stronger Bristol economy and an international gateway to the UK;
- 3) Our international communities link Bristol to the world, creating a culturally vibrant, cohesive and welcoming city; .
- 4) A rebalancing of sovereignty giving a stronger voice to cities (a global agenda working with national and international partner cities).



How we work – the five ‘Ps’

This strategy proposes using five main mechanisms to achieve our four strategic outcomes.

1) Profile – we will proactively build on Bristol’s international profile to leverage investment, funding and other global opportunities for citizens, businesses and universities that will help to build a more prosperous and sustainable city. Working with partners we will develop a shared story of Bristol’s strengths and interests and articulate this as the ‘Bristol offer’ overseas. We will work to maintain and grow the city’s profile through awards, international networks and collective profile-raising where the international activities of one organisation complement and support those of others. We will use our profile to attract experience-sharing opportunities from cities facing similar challenges to us.

2) Policy – we will seek to influence local, regional, national, European and global policy to better support our city’s ability to do business abroad and to create policy that meets the needs of our city around shared global challenges like air quality and equalities. We will look to increasingly work regionally on our international programme, aligning with devolution, as well as at a national level for example through Core Cities. We will play a proactive role in securing the best Brexit deal for Bristol and other

cities and regions in the UK. Through global frameworks like the UN Sustainable Development Goals (SDGs) we will contribute to a shared global agenda of actions that raise standards of living in Bristol as well as working with partner cities around the world.

3) Prosperity – we aim to increase and broaden prosperity to reach all parts of the city by successfully securing international project funding and by building on our international links to enable trade and inward investment opportunities. Prosperity goes beyond money and we will use the international engagement programme to bring other opportunities to the city including education and cultural experiences.

4) People – we will help grow global citizens in Bristol by strategically building on twin city links, engaging with the leaders of Bristol’s diverse and international communities and by ensuring international students and staff at Bristol’s universities feel so connected to Bristol that they link back to the city and help create opportunities for collaboration when back in their home cities. ‘Growing global citizens’ means all citizens, especially Bristol’s young people, who

will identify with being part of a world community as well as a local one, and want to contribute to building this community’s values and practice. We will work in partnership with large local international communities e.g. Bristol’s Somali, Polish and Indian communities, to build on their economic and cultural links.

5) Partnerships – we will be an ‘active’ member of a few target international networks to help us deliver strategic priorities areas for the council and city partners. This will include EURO CITIES, Energy Cities, Rockefeller 100 Resilient Cities, Global Parliament of Mayors, ICLEI, Global Network of Learning Cities, and the World Health Organisation (WHO)’s European Healthy Cities Network. Nationally, we will continue to develop our partnerships with the UK Foreign and Commonwealth Office, the Department of Industry and Trade and other key government departments as well as with the Core Cities Network, regionally in the West of England, as well as with local agencies and organisations.



Bristol: Global City

This strategy proposes using five main mechanisms to achieve our four outcomes and overall goal.

1 Goal

Bristol: Global City – working with the world for local and global benefit.

Delivering our local vision of being a stronger more inclusive city with a high quality of life and strong green credentials, and providing leadership on global development goals, including inclusivity, resilience and sustainability.



4 Strategic Outcomes

- 1) Leadership on shared global values and development goals, including inclusivity, sustainability and resilience;
- 2) A stronger Bristol economy and an international gateway to the UK;
- 3) Our international communities link Bristol to the world, creating a culturally vibrant, cohesive and welcoming city;
- 4) A rebalancing of sovereignty giving a stronger voice to cities (a global agenda working with national and international partner cities).



5 Mechanisms



Priority cities/regions and countries for Bristol's international work

Bristol has many international links and partners that we currently work with or aspire to work with. To ensure that we deliver practical outcomes from those relationships within our resources, we will need to prioritise the cities, regions and countries we focus on. We will strategically leverage partnerships with priority cities, regions and countries where:

- they have comparable challenges, opportunities and outlook to Bristol;
- are engaged with Bristol on several fronts already including through links with the council, business, universities and colleges or other links in the community (identified through mapping sessions with partners);
- are part of networks we are prioritising;
- are also of interest to the UK government;
- they have cultural and economic links with our largest international communities.

We recognise that we need to be flexible in a changing world and therefore although the priority cities/regions and countries will be the main focus of our work, we will remain open to links with other places to continue current good work and to respond to new opportunities as they arise, for example on project work and trade and investment deals. For new engagements we will follow a set of criteria before committing resources, including existing links, language, funding availability, interest from UK national government, legal structure similarities and ease of doing business.

The prioritised list of cities/regions and countries will be developed as part of the implementation plan and will be reviewed on an annual basis.

Twin Cities

The partnerships of Bristol's seven twin cities (Hannover, Bordeaux, Guangzhou, Oporto, Beira, Puerto Morazan and Tbilisi) are a key feature of the city's international work and the International Strategy. The relationships and areas of interest are met through the council, partners in the city and the work of the Bristol International Twinning Association as well as the volunteers.

Measuring impact and value

Success will not always be immediately apparent for international work, relationships and multi-partner projects take time to nurture and deliver results. However there is often a strong 'virtuous circle' effect with international work and when smaller engagements are successful they lead to larger and other links in that same place.

This strategy focuses on efforts in the coming 10 years (2017-2027) and will be monitored quarterly and reviewed annually. The attached implementation plan includes actions and performance indicators.



Governance and resources

Bristol City Council's International Service, including the Bristol Brussels Office, will coordinate the implementation of the strategy. The council's International Service supports other teams within the council, the City Office and organisations across Bristol, whose work in turn benefits Bristol's businesses and citizens. The International Service offers a range of resources including international expertise and experience, global network membership, opportunities for international funding (e.g. a toolkit for others to access funding directly), oversight of delegations and visits and a coordination role across all partners in the city.

As set out in the implementation plan of the strategy, basic service delivery will rely on core revenue funding. However, other actions will require external funding from national and international funding programmes and through city partners. In addition, a key objective of the strategy is to develop a sustainable funding model that would potentially be income generating including trialling city, regional or even national co-funding opportunities. The implementation plan has been designed so that there can be progress on the strategic outcomes by only using existing council resources, with the expectation that additional

external funding would support full delivery of the outcomes.

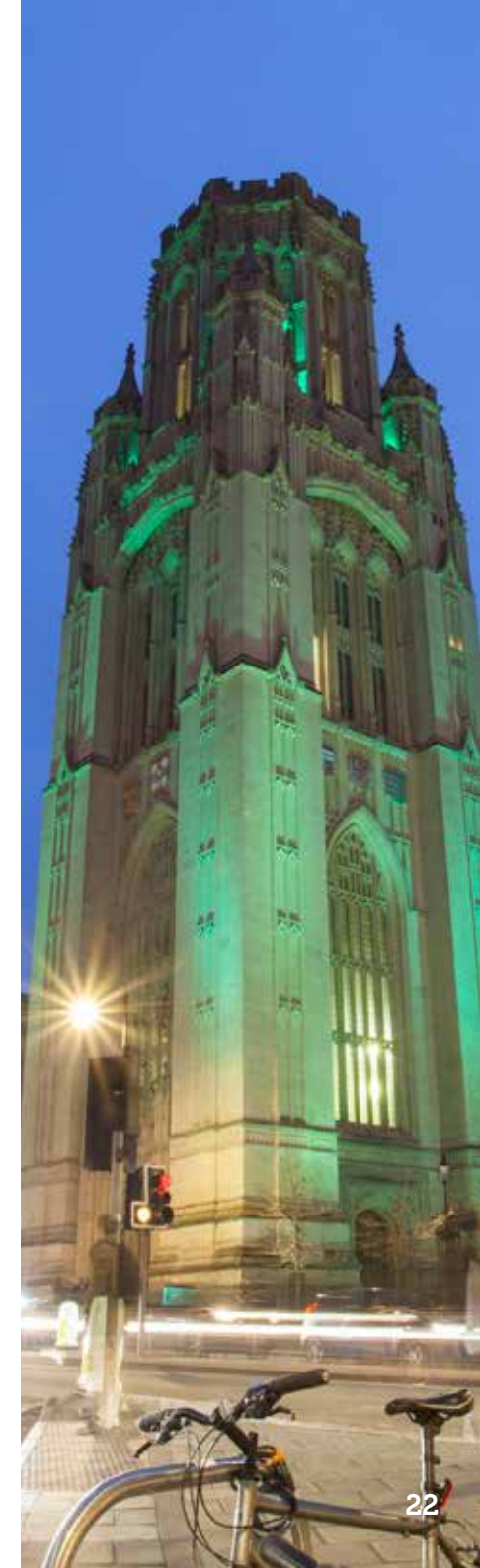
A **Strategic Programme Board, comprised of representatives from the council and our city partners** will be set up to oversee delivery of the strategy and to ensure the city has a coordinated approach to international work.

A '**Bristol International Ambassadors Group**' and '**Alumni Network**' will also be set up, comprised of experts from various sectors across the city who either have international profile and relationships, are key representatives from the large international communities in Bristol or are Bristol alumni. Some may be Learning City Ambassadors already and this will be part of or linked to the City Office.

The Ambassadors Group will be unpaid voluntary roles and will not require funding for travel as we will be capitalising on the fact that due to their expertise they are already involved in international work. As they travel, the International Ambassadors will share the Bristol story of our strengths and interests. The Council will make publicly available membership, terms, accountabilities and governance unless there are overriding legal or commercial restrictions.

Productive international relationships require face-to-face time with partners and it's key that an investment in time and resources is made with key contacts from priority cities and regions. It is the relationships that are built and the trust that is formed which brings results, alongside official discussions. Virtual meetings (skype, video) will be encouraged and are key to ongoing partnership relationships. Where travel is vital (for senior level representation, for in-depth learning-by-sharing, for key events), we will seek external funding to cover costs where possible and will follow Bristol's travel policy to only use flights where necessary.

For more information, please contact Bristol City Council's International Service, international@bristol.gov.uk



Further information

For more information, please contact Bristol City Council's International Service,
international@bristol.gov.uk or **00 44 117 92 23329**



Bristol:
Global City
Appendix
Implementation Plan

Implementation Plan

This implementation plan accompanies the International Strategy, 'Bristol: Global City'. It details specific actions that will support the strategy's overall vision and four outcomes. The actions are grouped in to five types of approach to our work – Profile (growing Bristol's international reputation), Policy (ensuring council policy and the international strategy are mutually supportive, and influencing policy that has an impact on our city), Prosperity (a focus on trade, investment and funding), People (the citizens of Bristol), and Partnership (collaboration to deliver the international strategy outcomes).

Partners: Although this is a Council approved strategy, its aims to complement the aims of our city partners, and where possible we have included actions of those organisations where this has been agreed.

Progress indicators and monitoring: Progress indicators are stated under each of the outcomes. First tier indicators will be more specific indicators that relate to the Council's corporate plan or other strategies. Second tier indicators are proxy progress indicators against the four outcomes.

NOTE: the first tier indicators will be turned in to more specific KPIs once the corporate plan indicators have been set by April/May.

The Strategy is a ten year strategy, but this implementation plan and its actions will be reviewed annually. Progress will be monitored on a 3 or 6 month progress by the International Strategic Programme Board composed of representatives from city office partners. At that time, a detailed learning exercise with Bristol partners will also take place, to understand better where successes and challenges lie in specific international engagement.

Funding: Actions will either be delivered through existing Council resources, through seeking external funding or the resources of partners (for example through working in partnership with the trade and investment partnerships or universities) or in some cases are income generating activities.

Each action has brackets at the end with the lead partner. Colours/logos indicate:

- Potential to generate external funding and income
- ★ Partner resources
- Cost neutral to council/already covered by relevant team resources/minimal Council resources
- ▶ Council resources required/seek external funding

Proposed next steps to start implementation plan:

1. Review this implementation plan and prioritise activities according to timing, ease of delivery, urgency and anticipated gain if done quickly
2. Consult with city partners again on actions where they are named
3. Confirm priority cities/regions and countries and run workshops on each priority area with relevant city partners, prioritising action and resources, and agreeing on responsibility and accountability
4. Speak to Bristol City Council (BCC) departments and city partners to identify sector specific issues to be supported through the international programme and to identify specific KPIs with performance management team
5. Arrange progress monitoring (quarterly or 6-monthly). Present to International Strategic Programme Board (representatives from city office partners).

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
<p>1 Leadership on shared global values and development goals, including inclusivity, sustainability and resilience.</p>	<ul style="list-style-type: none"> - Bristol SDG Alliance - Bristol Green Capital Partnership CIC - South West International Development Network - BITA and twinning associations - Accountancy for Sustainability - LGA - ICLEI Skills Bridge - Universities - Global Parliament of Mayors - EUROCITIES - UWE and University of Bristol, inc. Cabot Institute 	<ul style="list-style-type: none"> ○ Bristol seeks to be, then communicates that it is, a leader among UK cities on SDG implementation through events, communications (BCC intl, Resilience officer, Bristol SDG Alliance and BGCP CIC) ▶ Participates in events relating to the core global values (BCC and partners) ○ Work with universities to raise profile as world leading centres for research including on clean energy, climate change, resilience and other key issues (BCC Intl) 	<ul style="list-style-type: none"> ○ Nominate councillor/s or other City Partner reps to have oversight of local delivery on global development goals (BCC Intl) ○ Engage with intl SDG process and UN HABITAT through ICLEI and 100RC and Bristol SDG Alliance (BCC Intl team and Chief Resilience Officer) * Bristol SDG Alliance working with SWIDN to do joint mapping of which organisations are focusing on which SDGs and in which countries in order to support each other's efforts and focus resource (Bristol SDG Alliance and SWIDN) * Development of SDG index to measure progress (Happy City applying for funding (BCC Resilience Officer & Happy City) ○ Use international visits, networks and partners, and funding bids to support delivery of the Climate Change and Energy Framework and Mayor's commitment to be carbon neutral by 2020 (BCC Intl and Sustainable City teams) 	<ul style="list-style-type: none"> ○ Horizon scan for new funding opportunities to support work under this strand (BCC Intl) ● Work with SWIDN to develop strategic partnerships with businesses * Continuing to seek funding and mainstream outcomes from projects such as Green and Black Ambassadors programme; Research Councils UK (Urban ID) project on urban challenges (BGCP CIC, UoB, UWE and other partners) 	<ul style="list-style-type: none"> ▶ Develop Global Goals Centre to raise awareness of SDGs and Global Values amongst schools, community and business (BITA/BCC Twinning Co-ordinator) ○ Facilitate schools programmes through visits from twins (BITA/BCC Twinning Co-ordinator) 	<ul style="list-style-type: none"> ○ Continue to work with European Green Capital Network to share best practice and develop joint projects (BCC Intl, Green Capital Partnership) ○ Share Green Capital process learnings and partnership model including Bristol method with other cities (BCC intl, Sustainable City team, BGCP CIC) ○ Learn from other cities and work with national and international institutions on SDGs through SDG networks, ICLEI, 100RC UNDP (BCC Intl team, Resilience Officer and other teams) ○ Work in partnership with SWIDN to jointly support delivery on global values set in SDGs. For example, Mayor meeting with key overseas government contacts to open doors (BCC and SWIDN) ○ Work in partnership with Bristol Green Capital Partnership as they develop their international engagement strategy (BCC intl and BGCP) ○ Mayor as member of Global Parliament of Mayors Advisory Committee to develop the GPM network to address these issues working with other Mayors and their cities (BCC Intl team)

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
Page 296			<ul style="list-style-type: none"> ○ Support city level engagement with international frameworks on climate change and environment including Compact of Mayors and Covenant of Mayors. (BCC Intl and Sustainable City) ○ In line with Mayoral commitment, a City of Sanctuary Strategy will be developed by BCC and voluntary sector looking at improving education, employment and destitution issues for refugees and asylum seekers in the city (BCC Refugee Officer) 			<ul style="list-style-type: none"> * Support targeted exchange of delegations and examples of good practice from twinning network (BITA and BCC)

How will we know we are achieving?

1st tier (corporate plan)

- Evidence of leadership on delivery of clean and affordable energy, climate action, air quality improvement and access to green space.
- Evidence of leadership on increased equalities, including on health, education, employment and economic growth, culture and sports.

2nd tier (strategy level)

- Bristol City Council and partners working in collaboration with Bristol SDG Alliance, BGCP CIC, Global Parliament of Mayors, ICLEI, 100RC, BITA and other key organisations to develop a systematic approach to delivering and monitoring SDGs.
- Bristol seen as leader on working with other city's internationally to ensure that we are meeting SDGs locally and supporting delivery internationally.

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
<p>2 A stronger, Bristol economy and an international gateway to the UK</p>	<ul style="list-style-type: none"> - Bristol Brussels Office - City Office - LEP and WoE LAs - Bristol Brexit Response Group - Core Cities - IBB - Business West (Chamber of Commerce) - African Caribbean Chamber of Commerce and Enterprise - Destination Bristol - Visit Britain - Visit England - UKTI - FCO - Honorary Consuls - Bristol and West of England China Bureau - Bristol International Ambassadors and Alumni Group incl international community representatives - ESOL in Bristol's museum's service - Bristol Energy - Bristol is Open - Happy City - Low Carbon SW - UWE and University of Bristol - Bristol Green Capital Partnership CIC - European Green Capital Network 	<p>▶ Develop Bristol's reputation as a city that is open for business and interested in continuing strong collaboration with European and global partners via delegation visits, speaking events and the travel calendar of city reps (Mayor's Office, intl team incl Bristol Brussels Office). (WILL EXTERNALLY FUND WHERE POSSIBLE) (BCC International and city-wide Brexit Response Group)</p> <ul style="list-style-type: none"> ○ Agree on shared narrative for 'Bristol' story to be shared overseas (BCC and Partners) ○ Agree a set of target events to profile the city: e.g Horizon 2020 project meetings, EU Wk of Regions and Cities etc (BCC+Bristol Intl Ambassadors and Alumni Group+partners, intl team) ○ Support development of business links in cities/regions that are named as priorities and also twins e.g. with Junior Chamber of Commerce and Embassies, and to help build trust and relationships in those places (BITA/BCC International) 	<ul style="list-style-type: none"> ○ Work with each BCC dept and key city partners to understand specific priorities that can be met through International strategy activities e.g. visits, bids etc) (BCC Intl Team) ○ Act as coordinating hub for Bristol Brexit Response group as core issues are mainstreamed in to other work programmes including inclusive growth, hate crime reporting etc. (BCC International) ○ In preparation for Brexit, work with core lobby channels (LGA, Universities UK etc) to influence the UK's withdrawal agreement and future relationship with the EU to ensure future risks to Bristol are minimised. (BCC international and policy and city-wide Brexit Response Group) ○ Develop dialogue on international strategy and coordination, and Brexit, with other WoE authorities, LEP and MCA (BCC intl team) ○ Work with Core Cities to develop strategic approach to international work with narrative of city's strengths and interests (BCC Intl) 	<ul style="list-style-type: none"> ● Work with partners in the city and formal government channels to shape post-2020 (Brexit) EU funding mechanisms to benefit the city (BCC Int & policy and City-wide Brexit Group) (will consider equalities groups and issues) ● Horizon scanning and coordinating development of EU bids to make most of last two years of EU funding. – ● Horizon scanning for Prosperity and Newton funds and other UK and International Funding schemes that match priority objectives of the city ● Develop a list of 'investable projects' across the city that can be used to target international investors and funders (BCC Int team, EDMs +IBB) ● Investigate structured approach to working with philanthropic / foundation funds (esp USA and Germany) and banks and other business (BCC intl team) * Continue to attract venture capitalist investment to take uni research to mkt (partners) eg through Silicon Gorge and Venturefest (IBB/UoB/UWE) 	<ul style="list-style-type: none"> * Work with specific Cllrs and other key community contacts to identify route for engagement with BME communities to ensure access to information on investment opportunities and business services.e.g. IBB/Business West to deliver workshops to BAME business community. (IBB, Business West) ○ BCC: link to British Museum's International Partnership Project in priority cities and regions (BCC Intl and BCC Museums service) 	<ul style="list-style-type: none"> ● Build on pilot phase for Bristol partners co-investment in Bristol Brussels Office (income-generating) (BCC Intl and Bristol Brussels Office) * Work with partners (e.g. hotels, IBB, council) to grow our 'international welcome' (Destination Bristol) * Continue to grow consumer market and travel trade, drawing on other city partners' connections and international community links with priority cities and regions (Destination Bristol) * Develop intl conference offer in next 3 years for target sectors, incl specific focus on Professional & Financial Sector for growing conference market in legal, accounting, banking, insurance, property etc (Destination Bristol+UoB+airport+IBB) * Develop Chinese offer (hot water in rooms, Mandarin welcome, Chinese breakfast) to grow Chinese visitor economy (Destination Bristol but dependent on business uptake) * For new routes to priority cities/countries, work collectively to prompt flights and to promote long in advance (BCC: + airport + Hon Consuls + Dest Bristol)

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
	<ul style="list-style-type: none"> - Future Cities Catapult and other Catapults - British Council's 'Internationalising Cultural Skills' programme - EUROCITIES network - Energy Cities network - ICLEI - Rockefeller 100RC 	<ul style="list-style-type: none"> ○ Link to existing international networks of city partners for priority cities / regions (e.g. Osborne Clarke have an expanding intl network of offices with specific areas of growth on US East and West Coasts and in Asia (including China) (BCC intl team) ● Publicise strategy and build on relationships with FCO and embassies in priority cities and regions for access to funded trade missions, technical speaking opportunities etc (BCC International, potential to generate funding) ○ Work with universities to raise profile as world leading centres for research including on robotics, clean energy, resilience, climate change (BCC intl) ● Work with both universities to build global reputation for robotics work and assisted living through Bristol Robotics Laboratory (externally funded) ○ Work with IBB, Business West and other business partnerships to better understand how profile-raising re intl trade and investment can support outreach in our priority cities and vice versa. BCC (Intl team, IBB) ○ Mayor to be used as figure head to open doors for priority markets for IBB, Business West and Universities ○ Targeted profile-raising by Bristol Brussels Office to attract collaboration with leading cities and/or funding opportunities (Bristol Brussels Office) 	<ul style="list-style-type: none"> * Universities dialogue on international strategy and coordination, and Brexit, inc G4 and other regional organisations (WoE universities and BCC Intl input) ○ Use Bristol Brussels Office to maintain links with European Commission, MEPs, and UK govt representatives in Brussels (Bristol Brussels Office) ● Bristol used as exemplar city to support FCO's policy objectives overseas e.g. on low carbon, at the same time as progressing Bristol business wins (use of Prosperity and Newton Fund). 	<ul style="list-style-type: none"> * Working with DIT to align trade and investment activity. Also working with WoE Economic Dev. Managers (IBB) ● Look to banks for philanthropic trade mission funding (Barclays, Lloyds, Santander) (BCC intl team and partners) ● Develop a list of activities in the city that could be packaged and provided elsewhere generating income and profile e.g. Bristol Is Open, BGCP CIC, Bristol Energy and Bristol Waste set up, STEEP energy mgmt system, Low Carbon South West, Happy List, Situations public art installation processes, (currently Chair of European Network of Public Art Producers), 'Children of the 90s' datasets for health research (intl team and partner resources) (BCC and Partners) ● Work with Future Space (universities' enterprise zone) to develop and champion link between uni research and business start up (externally funded) (BCC and UWE) 		<ul style="list-style-type: none"> ○ Explore strategic business links with twin cities and develop forward plan for priority cities (BCC intl team, BITA) ○ Analyse potential for city projects to support international reputation building e.g. Playable City, VR World Congress, Venturefest, Wildscreen, iAero (BCC Intl team, partners) * BITA: helps build relevant links with twin city organisations e.g. UWE and State Uni of Tbilisi, Botanical Gardens and Guangzhou (BITA) * UWE: Business School: develop a model of study for intl students e.g. one country group spend 10 days with Bristol entrepreneur, then pitches a Bristol/Country X product to market in other places (UWE) ● Develop a 'city delegation' option for Festival of Future City delegates (BCC council and partner resources)

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
		<ul style="list-style-type: none"> ○ Development and implementation of International Ambassadors Programme, using expertise and networks of Ambassadors to raise profile and secure opportunities for Bristol ○ Work with European City of Sport Team and other sport partners to capitalise on international profile and develop sports opportunities in Bristol ○ Work with Culture team to use international profile and opportunities to support development of Bristol's culture offer. 		<ul style="list-style-type: none"> * Bristol Airport actively engaging with airports and industry groups across European Networks to lobby for continued and increased flight links (Bristol Airport) 		

How will we know we are achieving?

1st tier (corporate plan)

- Inward investment
- Narrowing of gap between rich and poor
- Increase in exports and jobs gained

Note: sector specific outcomes will need to be agreed with services following approval of strategy

2nd tier (strategy level)

- Shared narrative agreed by Bristol City Council and other city and West of England partners and where appropriate and used as key messaging for raising profile overseas.
- No of press/international events or international invitations where the Bristol brand is recognised.
- International Ambassadors Programme implemented to support profile raising, attracting trade and investment and other global opportunities for businesses and residents. 2017 to be first year and will grow with approx. 4 per year.
- GVA/Investment increase due to international funding/investment (needs to be agreed with Invest Bristol and Bath and BCC Economic Development team)

- Increase in facilitation of research opportunities.
- Evidence of continuing to secure EU funding from 2017 to 2019/while we are still a member of the EU.
- Increase in successful bids for international funding (non EU sources). This will also include potential use of UK government funding, philanthropic funding and other new types of funding.
- By 2018 piloting joint sustainable financing model for International service including working with core cities, WoE local authorities.
- Increased engagement of BME business community working with City Ambassador for trade and Investment and relevant partners, IBB, Business West.
- Evidence of ensuring coordinated approach with city partners to influence a Brexit deal that meets Bristol's interests including using formal channels of LGA.
- Development of overall stronger welcome message and associated activities to the city led by partners including BCC working with Destination Bristol and the universities.
- Evidence of Bristol maintaining its profile on the international stage including representation at key international events, hosting international events.
- Evidence of collaboration with key cities on projects and policy development.

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
<p>3 Our international communities link Bristol to the world, creating a culturally vibrant, cohesive and welcoming city;</p>	<ul style="list-style-type: none"> - Youth Mayors, - Bristol International Ambassadors and Alumni Group - BITA - Bristol West of England China Bureau and Chinese New Year Festival - Bristol schools' International Day(s) - UWE's Africa Week - Bristol employers - 91 Ways - Voscur - Community radio stations - EUROCITIES inc Social Affairs Forum 	<ul style="list-style-type: none"> ○ Connecting staff and students to city event ' dialogue with the Mayor (BCC+UWE+UoB) * Initiate 'How to stay connected to Bristol the city's week for intl students (and later employees) annually before students finish course, and follow up later in yr (time from Mayor's Office and intl team, funding and organisation from universities) * Continue programme of events around intl community calendar e.g. Chinese New Year, Georgian banquets, Harbour Festival (BITA and twinning associations) ○ Development of International Ambassadors Programme. Ensure reps from large international communities, young people, look at existing Learning City Ambassadors (BCC International team) ○ Develop Alumni network (BCC International) 	<ul style="list-style-type: none"> ● Develop programme to leverage Youth Mayors abroad (BCC intl team to secure external funding) ● Establish of Global Goals Centre (in CREATE), which will educated 60k/yr Bristol children about SDGs and global values (BCC Intl Twinning Coordinator) ○ Use development of city-wide cultural plan/ strategy as an opportunity to use cultural activities to engage all communities in international activities (BCC International and culture team) ○ In line with Mayoral Commitment, City of Sanctuary Strategy will be developed by BCC and voluntary sector looking at improving education, employment and destitution issues for refugees and asylum seekers in the city (BCC Refugee team) ○ If Happy City is to be embedded in to Council, use as a case study abroad (varied council resources) ○ Look at global success models on how to bring intl communities together (BCC Intl and Neighbourhoods teams) 	<ul style="list-style-type: none"> ○ Horizon scan for funding sources to support global citizens work e.g. Laureus Sports for Good Foundation for grassroots sports-related project funding (BCC Intl) 	<ul style="list-style-type: none"> ○ As part of Mayoral community engagement programme in specific wards, and in the context of Brexit, understand how residents would value from intl engagement, and continue normal agency liaison / community tension monitoring (BCC (communities team)) ○ BCC: regularly informing VOSCUR and SARI of international ambitions and opportunities (BCC intl team) * BCC+UWE: publicise UWE Africa Week in communities, expand to other continents / countries (uni-funded) * BCC+UWE: expand Global Pals (buddy) system to incl local communities (uni-funded) ○ Continue to prioritise schools programme (eg Bordeaux Mini Assistance programme, individual school links) (BITA and BCC Intl) ▶ Explore development of intern programme for students of schools and university in twin cities (BCC Intl and BITA) 	<ul style="list-style-type: none"> ○ BCC: establish group of representatives of each large intl community in Bristol, and bring together every 6 months to focus on intl strategy and how they can help input / deliver (Neighbourhoods, intl team) ▶ BCC and 91 Ways: investigate using '91 Ways' as a vehicle to set up internal 'twinning' relationships across Bristol ie bringing together varied communities (Neighbourhoods, intl team) ● UWE: link to UWE's HEFCE-funded Future Quest project to include strand on global citizenship (externally funded) ○ Regular meetings with Honorary Consuls. Grant them access to city hall for meetings and work space (BCC Intl team)

How will we know we are achieving?

1st tier (corporate plan)

- Quality of Life Survey (which indicators are relevant)
- Social cohesion

2nd tier (strategy level)

- Survey of university students and staff (% that say Bristol is a 'welcoming and open city').
- No's of Ambassadors in place (x4 each year).
- Increase in numbers of people staying and feeling connected to the city through Alumni Network and Bristol in Brussels Alumni events.
- Evidence of BCC working with representatives of large international communities to increase engagement. Positive feedback from those representatives.
- Through surveys/events understand how young people recognise and value the diverse cultures in Bristol, feel part of the global community and can access global opportunities.
- Evidence of using cultural and sporting events to engage Bristol residents with international activities and experiences.
- Evidence of tourists still being attracted to Bristol (use existing indicator from Destination Bristol that relates to increase in tourists and Bristol seen as welcoming city).
- Evidence of overseas staff, students still being attracted to universities (use existing indicator from the university).

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
<p>4 A rebalancing of sovereignty giving a stronger voice to cities (a global agenda working with national and international partner cities).</p>	<ul style="list-style-type: none"> - Global Parliament of Mayors - Core Cities - LEP and WoE local authorities - International partner cities - EUROCITIES 	<ul style="list-style-type: none"> ○ Participate in events, projects and networks which raise voice of cities. (BCC Intl working with Mayors Office and SLT) ○ Dialogue with UK government partners including FCO, DExEU inc visits to Bristol 	<ul style="list-style-type: none"> ○ Ensure that international programme complements BCC developing UK Government engagement strategy and Devolution programme (BCC Intl working with BCC policy team and MCA team) 			<ul style="list-style-type: none"> ○ Mayor will actively input in to the development of Global Parliament of Mayors to provide a network that will give a stronger voice to cities and encourage collaboration with world leading cities on common urban challenges. ○ Development of Core Cities international strategy working with Core Cities Network (BCC Intl and Core Cities teams) ○ Regular experience-sharing with Core City international teams (BCC intl team)

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How will we know we are achieving?

1st tier (corporate plan)

- Cross-cutting related to corporate objectives on Mayoral Combined Authority, Core Cities and achievement of specific sector based outcomes.

2nd tier (strategy level)

- Evidence that Bristol Mayor's participation in Global Parliament of Mayors, EUROCITIES and Core Cities is raising the voice of cities to lobby national, EU and international governments to achieve positive outcomes for cities, as well as taking a joint approach to tackling city challenges.
- Evidence that participation on this agenda is complementing wider devolution and government engagement programme.
- Development of international strategy with Core Cities and with West of England MCA, including sustainable funding model.

Specific action under five mechanisms

International strategy objective	Vehicles/Partners	Profile	Policy	Prosperity	People	Partnership
<p>5 Other cross cutting actions</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 303</p>	<p>- City Partners across Bristol</p>	<ul style="list-style-type: none"> ○ BCC: intl team review every intl speaking event and propose appropriate representative from across the city (BCC intl team) ▶ The Mayor, as the city's political representative, travels to priority cities e.g. annually where that is considered vital for relationship-maintenance, less often but during term for other priorities (Mayor's Office, externally funded where possible) 	<ul style="list-style-type: none"> ○ For each priority city or region, pull together interested city partners to develop a prioritised action plan for that city/country specifically and have regular catch ups (BCC Intl) ▶ Council collectively holds and makes accessible to Bristol partners (council resources) <ul style="list-style-type: none"> a) Forward travel calendar of mayor and CEOs / Directors b) Database of who's doing what where c) Intl contacts database (IBB?) d) funding bids 	<ul style="list-style-type: none"> ● Design package for incoming delegations (prioritisation, charges for non-partner cities visa/ other, website info re team and to online process to show interest, investigate targeted bids for specific delegations, establish joint delegation team for city? (income-generating) (BCC Intl team working with city partners) ○ Establish criteria for prioritising and declining incoming delegations (BCC intl team) 	<ul style="list-style-type: none"> ● Develop sustainable funding and delivery model for international work including exploring options with city office partners, WoE authorities/MCA and Core Cities. (BCC Intl) ● Write intl team into bids to help disseminate project work abroad internationally and thereby generate income (BCC intl team) 	<ul style="list-style-type: none"> ○ For city visits abroad aim to include another city partner not just council (esp if in Bristol Intl Ambassadors Group) (BCC Intl team + Bristol partners) ▶ Develop comms plan to sit alongside this strategy (BCC Intl and PR teams) ○ Review twin city collaborations and prioritise according to intl strategy aligned with each association's strategy (BCC intl team, BITA) ○ Review priority list of cities and countries every year, and maintain a RAG rating on the relationships in each, being prepared to reprioritise if relationships not working (BCC intl team and partners) ○ Build on twinning links made through Green Capital year and other efforts to build international strategy priorities into forward work plan for each twinning association (BCC Intl, Sustainable Cities team and BITA) * With priority cities / regions, BITA maintains long-term relationships and continuity of contact beyond shorter-term project partnerships (BITA)

How will we know we are achieving?

1st tier (corporate plan) N/A

2nd tier (strategy level)

- All international requests assessed against criteria before being accepted as a priority. Evidence that Mayor's time and other City Ambassadors has been focused on priority cities and countries and on priority issues.
- BCC work with twin cities is aligned to international strategy. Twinning Co-ordinator role moved in to international team to help this.
- International programme including visits, programmes, bids, contacts.

Further information

For more information, please contact Bristol City Council's International Service,
international@bristol.gov.uk or **00 44 117 92 23329**

Appendix B: Summary of Internal and External Consultation

a. Decision Pathway:

21/6/2016 June:	Mayor and Deputy Mayor briefing (note Mayor as lead member consulted throughout process)
24/8/2016:	Change DLT
29/8 – 6/9/2016:	Consultation with Legal, Equalities, Eco-Impact Assessment, Finance, Comms, Property and HR
5/9/2016:	Councillor Briefing (Councillor Cheney)
8/9/2016:	OSM
13/9/2016:	SLT
1/2/2017 – 9/2/2017:	2 nd consultation with equalities team, eco-impact assessment, finance, comms following final draft
16/2/2017:	Cabinet Agenda Conference

b. Internal consultation:

16/8/2016	Bristol Futures Management Team (Service Director, Sustainable Cities, City Innovation, Resilience)
9/8/2016	Future City Board
21/6/2016 and 1/2/2016	Deputy Mayor, Estella Tincknell
September – February	Mayor and Mayor's political advisor. Consulted throughout process
18/11/2016, 1/2/2017	CLr Hibaq Jama
August	International team members
13/6/2016	Becky Pollard, Health;
13/6 & 22/6/2016	Laura Pye, Finn White and Ray Barnett, Culture and Museums
21/9/2016 & 3/2/2017	Gavin Banks, Performance
9/6/2017, 21/9/2016, 5/2/2017	Di Robinson, Neighbourhoods/Policy and Strategy Division
20/9/2016	Howard Swift, Economic Development
16/2/2016	Stephen Hughes, CEX (as well as start of development of strategy)

c. External consultation:

25/5/2016, 8/2016, 19/9/2016	Bristol International Twinning Association (BITA)
20/9/2016	Destination Bristol
9/6/2016, 7/9/2016	Invest Bristol and Bath (IBB)
17/8/2016, 20/9/2016	West of England China Bureau
15/6/2016	Bristol Airport
21/6/2016	91 Ways
7/6/2016	Bristol Is Open
22/6/2016, 6/7/2016, 14/7/2016	University of Bristol (Research, Recruitment, Cabot Institute)
15/6/2016, 25/7/2016, 26/9/2016	University of the West of England (Research, Student Experience and Recruitment, Business School)
5/7/2016	Situations
2016	Watershed (by email);
14/6/2016	Knowle West Media Centre

14/7/2016	Green Capital Partnership
19/7/2016, 21/9/2017	Business West
4/7/2016	Happy City
19/7/2016	David Relph, Bristol Health Partnership
16/9/2016	The Bristol Port Company
28/7/2016, 26/9/2016	Polish community representative
12/9/2016	Romanian Honorary Consul
14/6/2016	Sector Marketing; Local Government Association (LGA)
19/7/2016	International team representatives from Core Cities (Nottingham, Cardiff and Leeds)
14/10/2016	Robin Hambleton, Professor UWE and advisor to the City Office
1/2/2017	Board members of South West International Development Network (SWIDN)
10/1/2017	Patricia Greer, LEP
14/2/2017	David Relph, City Office

Group Consultation: Mapping Session

In addition to individual feedback, the following people joined a mapping session on 27th July

- Pete Downes (Head of Aviation, Bristol Airport)
- Jessica Ellis (Director of Customer Success, Bristol Is Open)
- Penny Evans (Assistant Director, Knowle West Media Centre)
- Stephen Hilton (Director of Bristol Futures, Bristol City Council)
- John Hirst (CEO, Destination Bristol)
- Alix Hughes (Coordinator, Bristol International Twinning Association)
- Jen Jackson (Marketing Manager, Invest Bristol Bath)
- Fiona Jordan (Associate Dean (External Engagement) for the Faculty of Business and Law, University of the West of England)
- Andrew Kelly (Director, Bristol Cultural Development Partnership and Bristol Festival of Ideas)
- Valentina de Micheli (Head of Inward Investment, Invest Bristol Bath)
- Shelley Nania (EU and International Manager, Bristol City Council)
- Becky Pollard (Director of Public Health, Bristol City Council)
- David Relph (Director, Bristol Health Partners)
- Ian Townsend (CEO, Bristol Green Capital Partnership)
- Kalpna Woolf (Founder, 91 Ways)

Apologies but input sent from:

- Erik Lithander (Pro Vice-Chancellor – International, University of Bristol)
- Clare O’Doherty (Director), Situations
- Rich Pancost (Director), Cabot Institute, University of Bristol
- Claire Reddington and Dick Penny, Watershed
- Liz Zeidler (Founder and Director of Strategy & Production), Happy City
- Martin Boddy (Pro Vice-Chancellor for Research and Business Engagement, University of the West of England)
- Nishan Canagarajah (Pro Vice-Chancellor –Research, University of Bristol)
- Rob Harvey (Head of International Business, Business West)

Consultation on final draft: All partners with named actions in implementation plan were sent final document to review on 14 February and comments have been incorporated where appropriate.

Appendix C – Summary of Scrutiny Meeting

OSM (8th September)

Feedback received from OSM in September	How as the feedback been incorporated
Can it all be public, ie the strategy and the implementation plan?	International team recommends that the strategy and implementation plan will be available publically. There will be a linked document which prioritises cities, regions, countries which will not be shared publically.
How would the intl strategy change policy / legislation to help prevent racist attacks and similar events happening?	Strategic Outcome 3 addresses this issue by focusing on openly recognising and valuing our diverse international communities and ‘growing global citizens’ who respect diversity and feel they benefit from our globalising world. The strategy also includes specific actions around the Brexit Response work on community cohesion, hate crime monitoring etc.
how can we build on Green Capital year and profile raised through that?	Outcome 1 highlights that we want to be a global leader on good global values and the Un Sustainable Development Goals which includes climate action and sustainable development. There are specific actions to continue to engage with Green Capital Network Cities, ICLEI to maintain our profile and share best practice
twinning is not mentioned much – we must build on those links and the goodwill, not create something separate	Twinning, BITA’s and twinning associations’ links have been brought out more specifically in the strategy and the implementation plan. The SLA with the twinning association will be revised to ensure that the priorities of the BITA and the twinning co-ordinator align with the strategy.
the strategy has the risk of trying to be ‘all things to all people’ – could it have a clearer focus to help allocate resources?	Have decreased the number of strategic outcomes (to four) and made them clearer.
would rather see fewer outcomes and stronger KPIs to help measure success more quantitatively	Have decreased number of strategic outcomes, and working with Performance Team to agree clearer and stronger KPIs. There are draft indicators in the recent draft of the strategy but these will need to be made SMARTER when the corporate strategy indicators have been agreed.

Councillor Steve Pearce, Deputy Chair of OSM (17th August, 20th September)

Feedback received	How incorporated
Should speak to Port Authority	Subsequent phonecall with, and information shared by, John Chaplin, Director - External Affairs & Special Projects, The Bristol Port Company
Coastal cities seems sensible	Considered as part of strategy

Risk Register: International Strategy

Owner: Shelley Nania / Caroline Twigg, International Manager

L = Likelihood of occurrence score (1-5) - Likelihood of occurrence scoring where 1-5 (ALMOST CERTAIN, LIKELY, POSSIBLE, UNLIKELY, RARE)

I = Impact score (1-5) - Impact scoring where 1-5 (Insignificant, Minor, Moderate, Major, Catastrophic)

Risk ID	Risk Description		Controls: In Place and Active <i>Please add in any additional controls and proposed/planned controls</i>	Current		Controls: Proposed / Planned	Target		
				L	I		L	I	Date
1	Risk (Event)	The council spreading itself too thin re international work	The strategy proposes a targeted approach to international engagement in line with four outcomes and associated actions and then priority cities and regions. This will focus our work and resources. In addition, the strategy aims to align with international activities taking place by other organisations across Bristol, and proposes Bristol organisations and the council are open and consultative about their international ambitions and activities	2	4	International strategy adopted, communicated and implemented	4	2	From April 2017
	Cause(s)	There are numerous requests for international engagement by council colleagues at all levels – it is easy to feel these are all important and could open new opportunities, and to respond ‘too positively’ to too many							
	Effect(s)	Insufficiently strong relationships built and no multiplier effect of one relationship in a particular place snowballing into more; negative public image about lack of prioritised travel; inefficient use of resources researching new places, and weak external story about who we choose to engage with and why							
2	Risk (Event)	Negative publicity or lack of investment about time and resources being spent on early relationship-development and ongoing relationship maintenance internationally	The strategy prioritises council international work, so that minimum resources can be spent building strategic partnerships on multiple areas in priority places. All travel expenses and time spent on international engagement is weighed up against the anticipated outcomes for any particular effort, and these will be reinforced by the strategy’s adoption. In addition external funding is sought for international travel where possible, and skype/video links are used wherever feasible and productive, and where strong relationships already exist. In addition, communicating the international strategy more widely, in the context of Brexit and international trade opportunities, will help reinforce the message that the council is being strategic about its international work and prioritising on areas where it believes Bristol will gain including re external funding.	2	3	International strategy adopted, communicated in the context of Brexit and an increasingly globalised world, and implemented	4	1	From April 2017
	Cause(s)	In a time of limited finance, budget cuts, and an external focus on in-Bristol service delivery, it can be harder to focus on long-term investment in areas that can have a less tangible and less immediate outcome. This can include not enabling travel for face-to-face meetings, which are crucial for starting good international relationships							
	Effect(s)	International engagement often bears fruit over time, and can require strong input of resources and effort at the start, and then see an escalation in success as trust is built, and multiple relationships have success and reinforce each other. Not investing in priority relationships in the early days can be very counter-productive in the medium/longer-term, and instead should be seen as an investment in the longer-term success and prosperity of the city							
3	Risk (Event)	External expectation that by developing an international strategy, other partners in Bristol could look to the council to deliver work for them as well	Consultation re the international strategy has been wide since the very beginning, and it has been clearly stated that this is a council led strategy, but which complements and draws links to the international work of other city partners. Such messaging will continue as the strategy develops and is communicated after approval, and informal discussion is taking place with key partners during the strategy drafting to emphasis this	3	3	Careful messaging around launch and dissemination of the international strategy	4	1	Early in the strategy eg Spring/Summer 2017
	Cause(s)	Often an organisation who steps up to coordinate can be the fall back for delivery							
	Effect(s)	Resources too stretched, and international work not as high quality as it should be							
4	Risk (Event)	Uncertainty around the UK national process for Brexit may lead international partners to reduce their involvement with UK cities including Bristol	175 letters sent to international partners from the Mayor on taking up office and following the EU referendum, outlining commitment to maintaining and strengthening partnerships. Bristol Brexit Response Group composed of Leaders from sectors across the city working together to maintain international relations, and lobby government on funding and other issues needed to minimise impact of Brexit.	2	4	Continued cross-city Brexit response work, international strategy to provide a focus for future international work, specific efforts made to continue to engage with key partners	3	2	Ongoing as Brexit process continues March 2017 – March 2019
	Cause(s)	Lack of certainty about the wider Brexit process and worry among foreign partners or investors on currency rates, migration, trade rules, open market etc							
	Effect(s)	Increased efforts required to maintain existing relationships abroad and to develop new ones							

Risk ID	Risk Description		Controls: In Place and Active <i>Please add in any additional controls and proposed/planned controls</i>	Current		Controls: Proposed / Planned	Target		
				L	I		L	I	Date
5	Risk (Event)	Uncertainty around the priorities that used to be funded by the EU but will now be supported in the long-term by UK Government	Ongoing work by Bristol Brexit Response Group, including letters to David Davis (Department for Exiting the EU) and through other formal lobby channels including the LGA to highlight what we see as essential funding and to help shape future funding programmes. UK govt stating Treasury assurance of some funding streams will be underwritten and guaranteed until we exit the EU.	2	4	Start and/or strengthen relations with UK govt depts. involved in Brexit through Bristol Brexit Response Group and Policy team, and analysis of Bristol EU funding. Exploring non-EU funding opportunities eg Prosperity Fund, foundations	2	2	Ongoing
	Cause(s)	Lack of certainty about what funding will be available to local government after Brexit.							
	Effect(s)	In the short-term, funding programmes uncertain and so potential delay in designing or initiating projects with support from the international team. In the longer-term, potential funding shortfall on key areas of international work							
6	Risk (Event)	Actions in implementation plan are not implemented by City Partners.	We have consulted with partners and will continue to meet regularly. There are enough actions in the strategy that are owned by BCC to have a positive impact on outcomes. One of the aims of the strategy is to bring international work of BCC and partners together and so it is important to have actions of partners in the implementation plan.	3	3	Will continue to meet regularly to ensure priorities align, resources are in place.	3	3	Ongoing
	Cause(s)	Change in priority of city partner or resource issues							
	Effect(s)	We are unable to deliver all of the actions in the implementation plan and therefore reduce our ability to deliver the strategic outcomes of the city.							



Executive Summary of Agenda Item No. 14

Report title: VCS Grants Prospectus – Allocation of Bristol Impact Fund 2017-2021

Wards affected: Citywide

Strategic Director: Alison Comley

Report Author: Jane Houben

Recommendation for the Mayor's approval:

- That the detail for allocations for investing the Bristol Impact Fund is approved for the next 4 years, including small grants allocations (2 years) and Medium/Large allocations (4 years).
- That the Mayor approves the decommissioning process for those organisations previously funded through council grant investment
- That the Mayor approves the reserved allocation for the next four years to address specific equalities led voice and influence commissioning with the Bristol Impact Fund.

Key background / detail:

a. Purpose of report: To approve the detail of investment of £3.29m grants funding to the Voluntary Community Sector, aligned to the challenges and principles set out in the Voluntary Sector Prospectus.

b. Key details:

1. 70 organisations are recommended for funding to deliver 49 proposals. 20 of these are small grants and 29 are medium/large grants. Of these organisations, 23 have had no previous grant funding from the council.
2. This recommendation provides citywide and ward-specific impact, focused on addressing the key challenges as outlined in the VCS Prospectus, to reduce disadvantage and tackle inequalities. The proposals provide coverage both to inner city wards and those on the outer rim of the City in the North and South.
3. The main beneficiary groups targeted include people with mental health difficulties, low income families, unemployed people, single or lone parents and refugees and asylum seekers.
4. Of the 70 organisations currently funded by the Bristol City Council grant streams being pooled to form this new Bristol Impact Fund, 39 have been successful in one or more of their applications, 27 will no longer receive grant funding from the Council after 30th June 2017.
5. £140k has been retained to commission a new Voice & Influence service for the city focused on Equalities communities within protected characteristics, as we were unable to allocate to all of these through the process.
6. If approved, the new grants will begin on 1st July 2017.

Executive Summary of Agenda Item No. 14



Report title: VCS Grants Prospectus – Allocation of Bristol Impact Fund 2017-2021

Wards affected: Citywide

Strategic Director: Alison Comley

Report Author: Jane Houben

Recommendation for the Mayor's approval:

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**BRISTOL CITY COUNCIL
CABINET
7th March 2017**

REPORT TITLE: VCS Grants Prospectus – Allocation of Bristol Impact Fund 2017-2021

Ward(s) affected by this report: All

**Strategic Director: Alison Comley,
Neighbourhoods Strategic Director**

Report author: Jane Houben, Investment & Grants Manager

**Contact telephone no. 0117 903 6437
& e-mail address: jane.houben@bristol.gov.uk**

Purpose of the report:

To approve the detail of investment of £3.29m grant funding to the Voluntary Community Sector, aligned to the challenges and principles set out in the Voluntary Sector Prospectus.

RECOMMENDATION for the Mayor's approval:

- 1. That the detail of the allocations for investing the Bristol Impact Fund is approved for the next 4 years, including the small grants allocations (2 years) and Medium/Large allocations (4 years).**
- 2. That the Mayor approves the decommissioning process for those organisations previously funded through council grant investment.**
- 3. That the Mayor approves the reserved allocation for the next 4 years to address specific equalities-led voice and influence commissioning within the Bristol Impact Fund**

1. Summary of the proposal:

The City Council invests significant funding into the voluntary and community sector (VCS) to deliver services which meet many different needs across the city. Following the Council's agreement to use the VCS Grants Prospectus as our strategic guide to voluntary and community sector investment, officers and external partners have now completed the process to allocate the £3.29m funding in grants to VCS organisations.

This report lays out the process which has informed the allocation of small, medium and large Bristol Impact Fund grants, the proposed allocations themselves, and acknowledges where previously funded organisations will be decommissioned.

2. Background

- 2.1 The Council made a decision on 11th August 2016 to agree the VCS Grants Prospectus (included in Background Papers). This strategic guide to our investment over the next 4 years aligns Council grant streams to form a new Bristol Impact Fund which has a clear focus on reducing disadvantage and inequality, improving health and wellbeing and increasing resilience in the city. The purpose of this is to ensure that the Council's investment makes the maximum impact on the major challenges faced by the city, that the people that need it most get the best value and the maximum benefit and that where possible, other city funders can recognise where they may be able to complement our funding to address common issues. It was also a key aim to open up Bristol City Council's grant investment as an opportunity to new organisations, where their work is focussed on the aims of the Prospectus. This has been achieved and we are recommending funding to a number of organisations never previously funded by the Council. The VCS Grants Prospectus can be found at <https://www.bristol.gov.uk/documents/20182/32598/Grant+funding+prospectus+colour+version>
- 2.2 In designing this strategic approach it was essential to work collaboratively with the voluntary and community sector, as outlined in the previous report. Their work, close to communities all across the city, brought insight into the needs and issues faced by some of our less advantaged communities, as well as ways of working together to tackle these issues. We used a co-design process to develop the Prospectus and the Bristol Impact Fund and our aim has been to continue this approach by inviting external partners into the allocations process. We

were joined by: Quartet Community Foundation, Locality, Bristol Ageing Better, Big Lottery (South West), and Meadows Consulting (Sandra Meadows, advisor on Black and Minority Ethnic VCS).

These partners, along with senior commissioning officers in Bristol City Council, brought different expertise, knowledge of Bristol and the sector, and knowledge of grant giving, which provided the process with the broadest possible understanding and intelligence against which to make our recommendations. We thank them for their commitment and contribution to this work.

3. Equalities Impact:

The purpose of developing the VCS Grants Prospectus was to shape our grant investment to specifically address disadvantage and inequality within the city. During the process it has been vitally important to have an ongoing Equality Impact Assessment (EqIA), developing alongside the process. This was iterated as a result of the VCS consultation and as part of the allocations process.

In summary, the developing EqIA has:

- Informed our approach to setting the initial key challenges in the Prospectus and the ways of working
- Informed our approach to consultation, particularly in identifying the support needs both of equality led organisations and those working with and to equality groups to prepare for the new grants process. This included questions to organisations about their support needs to access the new grants process.
- Resulted in us running 7 equalities-specific consultation sessions and collating feedback from these to inform us about intended and unintended impacts for different equalities groups. This led to the commissioning of a piece of work with a number of BME-led organisations, one strand of which was looking at how the Prospectus can be developed to support BME organisations.
- Changed and informed our approach to how we intend to facilitate our Public Sector Equalities Duty.
- Changed and informed our approach to the application processes, particularly for the small grant.
- Formed part of the framework for our allocation considerations.

The full EqIA is at Appendix A.

4. The Bristol Impact Fund Allocation Process:

- 4.1 There has been a rigorous process to appraise the applications received for the Bristol Impact Fund. The following key steps were the core of the process:
- a. Eligibility Assessment: Organisational assessments to verify eligibility, check governance and financial risk– done by the internal grants team and finance officer.
 - b. Technical Appraisal: appraisal of proposals by relevant BCC subject matter experts, (10 specialist technical appraisal panels), against the considerations published in the grant guidance focused on three main areas: Impact, Quality and Value for Money. Only those proposals that met these criteria to the agreed and published level were presented to the Allocations Advisory Panel for discussion.
 - c. Allocations Advisory panel: This panel was made up of senior BCC officers and external partners, bringing expertise in grant awarding and in depth knowledge of and expertise in the voluntary community sector in the city. This panel followed an innovative process (detail of the process is at Appendix B) to ensure that we achieve a balance in allocating grant to proposals across:
 - i. Impact against the key challenges outlined in the Prospectus
 - ii. Beneficiary groups (including communities of interest)
 - iii. Geographic spreadTo achieve this, the panel used a series of mapping tools to visualise what impact their decisions were having on the above 3 issues, to check for balance across the city, communities and challenges. The final version of this tool is included at Appendix D.

5. Impact

- 5.1 As a result of this process we are recommending that the Council grant funds 70 organisations to deliver 49 proposals. A list of the 20 small grant proposals and the 29 medium and large grant proposals is included at Appendix C.
- 5.2 This recommendation will deliver a strong positive impact with activities delivered across the city, both city-wide and specifically targeted at particular wards. The geographic spread of the allocations, shown in the

map at Appendix D (page 7), gives coverage both to the inner city wards, and those on the outer rim of the city in the North and South. The Panel has worked to ensure that all deprived wards will benefit from some relevant activity and we will ask those organisations which have identified a number of wards to focus their work on those have the highest levels of disadvantage and the least targeted activity (the outer estates in the North and South of the city)

5.3 The Panel has considered how the activities will address the range of our Key Challenges. Many of the proposals will address several Key Challenges, demonstrating the connectivity between the challenges, all of which address disadvantage and inequality. To clarify this we have identified what we believe to be the primary and secondary Key Challenge for each proposal so that we can show grant spend against each (Appendix D, page 4). The Panel has also considered how the mix of proposals will target a range of beneficiary groups and equalities communities. The main beneficiary groups targeted are people with mental health difficulties, low income families, unemployed people, single or lone parents and refugees and asylum seekers. In terms of Equalities groups we have worked to ensure that we fund a range of proposals to benefit people across all Protected Characteristics. We have provided detail about the impact across equalities groups, beneficiaries, our key challenges and the city in Appendix D and in our Equality Impact Assessment at Appendix A.

5.4 In order to grant fund as many proposals and organisations as possible to achieve the right balance of investment, we have not been able to offer the full amount requested by Medium and Large grant applicants. We looked across all the applications to consider how and where we could make a considered reduced offer. This included:

- specific recommendations for reduction where relevant: for example, where part of a proposal would not directly address a key challenge or duplicated other activity or provision
- looking at the financial level of the applications, proposing proportionate 10%, 15% or 20% reductions across the piece, within which organisations would be able to scale their activity to the offer.

This will mean some negotiated changes to the outputs and level of delivery for some of the proposals but will enable us to support a larger number of organisations offering important and relevant services to communities. Organisations will of course also be able to use our contribution as a lever to draw in other investment.

6. Who & what we will cease funding & mitigations

- 6.1 Of the 70 VCS organisations currently funded through grants streams being pooled to form the Bristol Impact Fund (BIF):
- 6 organisations did not apply for a BIF grant
 - 9 organisations applied for a small grant (one organisation applied for both a small and a medium/large grant). We are recommending allocating grant funding to 5 of these organisations.
 - 56 organisations applied for one or more medium/large grants. Of these -
 - 1 organisation withdrew their grant application.
 - 3 organisations did not pass the Part 1 eligibility checks.
 - 14 organisations did not pass each of the Impact, Quality and Value for Money elements of the Part 2 Technical Appraisals and their proposals were not considered by the Allocations Advisory Panel.
 - 39 organisations were part of at least one proposal that passed the Stage 2 Technical Appraisal process and were considered by the Allocations Advisory Panel.
 - We are recommending allocating grant funding to 34 of these organisations.
- 6.2 Our grant funding relationship with 27 organisations will end on 30th June 2017. The impact of ending the grants to these organisations is outlined in our Equality Impact Assessment. Each organisation will be offered a Decommissioning Impact Assessment to be undertaken with the relevant council officer before the grant ends. This process aims to flag up any risks for the organisation and service users and to mitigate these where possible through providing advice and information.
- 6.3 The VCS Grants Prospectus was designed to refocus our grant to address the City's current challenges and open the opportunity for funding to a wider group of organisations. We were therefore aware that this was likely to result in changes to the activities we grant fund, and we regularly raised this issue with the VCS during all of our consultation work over the past 12 months. This does not mean that those unsuccessful grant applications were necessarily poor or not of value – but that their proposals were not prioritised in the context of seeking balance across beneficiaries, geography and key challenges as outlined in the Prospectus.
- 6.4 We will be ending our funding relationship with these organisations and want to thank them for their previously grant funded activities, the work

they all do to benefit their communities and the value they bring to the city through their positive contributions as part of the local voluntary and community sector. Where possible, we will also be enabling these organisations to connect with other funders in the city, with whom we have been working on this process, and where there may be potential for some funding opportunities.

7. Commissioning Voice & Influence:

- 7.1 Many of the applications being recommended for funding include an explicit element of Voice & Influence for their service users, or their localities. This is a very helpful development through the new focus on ways of working in the Prospectus.
- 7.2 However, one of the key aims of the Prospectus was to strengthen the voice and influence of protected characteristic (equalities) communities across the city. This has not been delivered effectively across all of the key equalities areas through the applications process on this occasion, (we are only making a funding recommendation for one application, Bristol Women's Voice), and because this is a vital issue for the city, we have looked at an alternative way of ensuring this work is delivered.
- 7.3 We have reserved £140,000 annual investment to enable us to fund the work on Voice & Influence that we need in the city. We are proposing to begin a focused commissioning process led by The Cabinet lead for Neighbourhoods and senior officers to deliver increased reach and voice of equalities communities in the city. We will aim to complete this process within the time frame of the wider Prospectus allocations. If this is not deliverable, we will seek to continue to support the individual existing Voice and Influence organisations until the process is complete.

8. Financial Information: Budget and allocations:

- 8.1 We have a total Bristol Impact Fund budget for 2017/18 of £3,289,120 based on our identified 2016/17 allocated grant streams. In order to financially manage the Fund we intend to create a 'pooled' service and to move the existing budgets under the new service. This will be used to finance the Bristol Impact Fund, making grant payments to the voluntary and community sector over the next four years.
- 8.2 The Bristol Impact Fund grants will start on 1st July 2017. We are recommending that:
- 20 small grant proposals are funded at a total cost of £156,510 in year 1 and in year 2. These grants will end on 30th June 2019. We intend to re-run the small grants round, opening the allocated **£156,510** fund

for new applications for grants starting on 01/07/2019.

- 50 organisations delivering 29 medium and large grant proposals are funded at a total cost of **£2,982,600** in year 1.
- **£740,410** of this is allocated to fund local community transport proposals and these allocations may be subject to the agreement of the new West of England Combined Authority (WoECA) in its transitional year. We recommend that grant agreements for this work are put in place for 1 year for the affected organisations with the potential to extend, subject to the agreement of WoECA, until 30th June 2021.
- All other medium and large grants will end on 30th June 2021.
- A fund of £140,000 is retained to commission equalities voice and influence work until 30th June 2021.

8.3 Grant Allocations and savings

£2,982,600	Medium/large grant allocations
£ 156,510	Small grant allocations
£ 140,000	Retained to fund Equalities Voice & Influence

£3,279,110	Total allocation

8.4 Bristol Impact Fund grants will be for a period of four years and a significant proportion (with a value of **£2.24m**), **will have a tapered reduction of 10% from the initial value in year 3 and 15% from the initial value in year 4**. This means that the revenue budget profile of the Bristol Impact Fund would be as per the table below.

Table 1: Revenue budget profile of the Bristol Impact Fund

	2017/18	2018/19	2019/20	2020/21
Small grants not subject to taper	£0.16m	£0.16m	£0.16m	£0.16m
Retained Equalities Voice & Influence fund	£0.14m	£0.14m	£0.14m	£0.14m
Community Transport related grants transferred to WoECA	£0.74m	<i>£0.74m subject to WoECA agreement</i>	<i>£0.74m subject to WoECA agreement</i>	<i>£0.74m subject to WoECA agreement</i>
Medium & large grants subject to taper	£2.24m	£2.24m	£2.02m	£1.91m
Total	£3.28m	£3.28m	£3.06m	£2.95m
Annual reduction	-	-	£0.22m	£0.11m

9. Timeline

- 9.1 Bristol Impact Fund grants will start on 1 July 2017. Existing grants were due to end on 31 March 2017 and as agreed by Cabinet in August 2016 we have extended grant funding to existing recipients by three months to 30 June 2017.
- 9.2 All organisations will be informed of Cabinet's allocations decisions and the outcome of their application(s) by the 31 March 2017. This will give them 3 months' notice as required by the Bristol Compact.

Consultation and scrutiny input:

a. Internal consultation:

This work has been developed with the Cabinet lead for Neighbourhoods and senior BCC commissioning leads. The BCC officers have a lead on all the grants amalgamated through the VCS Grants Prospectus from all directorates, and they have worked alongside the external stakeholders in the co-design group. Therefore consultation and shaping has been ongoing throughout the process.

Neighbourhoods Scrutiny Commission was actively engaged with this development work throughout the process with input at November 2014, July 2015 (testing the vision and values) in January 2016 (as part of the consultation).

Place Scrutiny Commission was engaged in the consultation in January 2016 regarding the inclusion of community transport grants in the pooled fund.

The Executive Member for Neighbourhoods has also been involved in the developing allocations process for both small and medium/large grants throughout the process, since June 2016.

b. External consultation:

The process of designing the VCS Prospectus and the resulting Bristol Impact Fund has itself been a 14 month co-design process with key stakeholders in the voluntary sector.

There was then a three-month consultation period on the draft

Prospectus and Grants Process with the Voluntary Community Sector, co-designed and co-led with Voscur, as the Councils VCS Infrastructure organisation. 265 local people were consulted face-to-face through 14 events and meetings. In total over 170 organisations engaged in the consultation via these events, electronic survey, small group meetings. There was also targeted consultation with Equalities led organisations across all protected characteristics.

The process was amended in line with some of the key findings from the consultation process including:

- Designing these grants processes differently so that the allocations decisions are not based exclusively on scores but on how we can achieve the best mix and balance of services or activities for the city to best meet the aims of the Prospectus. This means that it is not a purely competitive process.
- Considering the focus of other funders and the services the council provides and commissions. We decided to focus the Bristol Impact Fund on early intervention/early help because we think this is where this grant funding can make the biggest impact. We also invited key external funders to join our Allocations Advisory Panel to bring this expertise into our decision making.
- Including tapers for our medium and large grants (which will be 4 year grants) but not for our small grants (which will be 2 year grants). Funded organisations will have time to plan for the reductions in years 3 and 4 once funding has been agreed – and we are proposing these reductions at a percentage level that should mean organisations can realistically seek alternative funding, reduce costs through new ways of working or scale down their service delivery.
- Setting out the challenges faced by people in the city based on the revised Joint Strategic Needs Assessment with information about needs in the city. We co-designed our approach which tells people what our aims are (our impacts) and what our focus is (addressing five key challenges). We invited VCS organisations to apply telling us how they want to address the challenges.

**Other options considered:
Risk management / assessment:**

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	The strategic focus is likely to result in changes to the current patterns of investment, which may lead to currently funded organisation being unsuccessful in their applications. Some of these organisations may find themselves without other funding and therefore ceasing their services.	High	Med	Extensive consultation has provided 12 months of notice of change. All groups on current funding have also received direct communications advising them that their current funding has been extended and will end on 03 June 2017. Voscur as our funded infrastructure organisation will be offering support to groups to help them diversify their funding income	Med	Med	Di Robinson
2	There is a risk of significant political lobbying from unsuccessful organisations, which has potential to undermine the strategic process.	High	High	Politicians across the parties have been engaged in this development since its' inception and the work has been through Neighbourhoods Scrutiny and Asst. Mayors during its development. This level of engagement and transparency should provide confidence to Cabinet that an appropriate process has been followed.	High	Med	Di Robinson
3	There is a risk that we do not achieve the right mix and balance of provision across the issues to be tackled, across geographic areas and across communities if we apply a system that only considers the best written applications and a risk that we may be challenged if we do not.	High	High	We have designed a process that does not allocate against application scores but which considers the best mix of fundable applications against key challenges, beneficiaries and geographic areas. We are making this process and our considerations clear in order to reduce the risk of challenge.	High	Med	Di Robinson

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	That the grant investment for BCC does not focus on the highest level of need for the city, and therefore mitigating against some of the impacts of the wider budget reductions for the next 4 years.	High	High	The evidence based used for developing the Prospectus and the co-design process involving key VCS partners will provide confidence that the focus of the investment is right. The ongoing involvement from Cabinet and Scrutiny Commissions in developing this work, coupled with the level and commitment to consultation and informing the wider VCS will provide the confidence to support the findings.	High	High	Di Robinson

Public sector equality duties:

Many of the council's VCS funding agreements help the council to deliver their public sector equalities duty as contained within section 149 of the Equality Act 2010 to:

- * eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- * advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it.
- * foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.

The VCS Grants Prospectus and the Bristol Impact Fund grant allocations are highly relevant to the 3 parts of the Public Sector Equality Duty (PSED) because the fund is focussed on reducing disadvantage and inequality. The Equality Impact Assessment (EqIA) demonstrates how equalities have been factored in to allocation of Bristol Impact Fund grants as well as demonstrating mitigation of the impact of decommissioning.

We have given due regard to all 3 duties in the design and execution of the process by ensuring the following:

- the co-design of the VCS Grants Prospectus and Bristol Impact Fund based on consultation feedback
- an open grants process with information and support available from Voscur
- a nine week period to apply for grant
- objective assessment criteria that appraised evidence of need and impact (theory of change), quality and value for money – without favouring existing groups over new groups or vice versa
- working with the Allocations Advisory Panel to make funding recommendations
- adherence to Bristol Compact and the council's baseline standards to ensure fair treatment of the VCS and that all funded organisations have an effective equalities policy
- a portfolio of funded organisations that will deliver to a range of equalities communities and disadvantaged groups – contributing to equality of opportunity and the elimination of discrimination
- open and regular communication to ensure community cohesion and good relations were not negatively affected and that people understood our process and rationale, even if they are unhappy with the result.

The full EqlA is at Appendix A

Eco impact assessment

The environmental impacts arising from this proposal relate to the delivery of services resulting from the allocation of Bristol Impact Funding. One of the five criteria for acceptance of the proposals is to demonstrate commitment to environmental sustainability. Related social benefits will include addressing fuel and food poverty, access to transport and resilience. Additionally, there will be environmental benefits from the expectation to reinvest surpluses in social, environmental & cultural services.

Whilst it is not possible to assess the cumulative effect of the successful proposals, the council's award criteria and appraisal process should ensure that the net effect of this proposal is improved sustainability within the city.

Advice given by Steve Ransom – Environmental Project Manager
Date 9/2/17

Resource and legal implications:

a. Financial (revenue) implications:

The approval of allocations for investing the Bristol Impact Fund has revenue implications for the Council for the next four financial years from 2017/18 to 2020/21. The profile of expenditure against budgets is set out in section 8 of the report.

The total to be approved in 2017/18 is £3.28m and budgets are in place to support this level of expenditure. As set out in section 8, existing budgets are to be moved under a new service (with the exception of £0.74m of Community Transport budgets that are due to be transferred to the West of England Combined Authority from 2017/18).

Large and medium grants totalling £2.98m and the £0.14m Voice and Influence fund are to be approved for a period of period of four years and small grants totalling £0.16m for a period of two years.

The amount of expenditure to be approved for 2018/19 is £3.28m noting that £0.74m of this relating to Community Transport will also be subject to the approval processes of the West of England Combined Authority.

For 2019/20 and 2020/21 the expenditure to be approved relates to the continuing Voice and Influence fund of £0.14m and the large and medium grants, which will reduce by 10% in 2019/20 (from £2.24m to £2.02m) and by

15% in 2020/21 (from £2.24m to £1.91m). These amounts exclude the £0.74m for Community Transport residing with the West of England Combined Authority.

As set out in the report the reductions set out in section 8 in 2019/20 and 2020/21 would be revenue budget savings and will be incorporated into the Council's medium term financial plan.

There is no impact on 2016/17 budget performance as a result of this decision.

Advice given by Robin Poole, Finance Business Partner
Date 9/2/17

b. Financial (capital) implications:

None

Advice given by Robin Poole
Date 9/2/17

c. Legal implications:

Procurement

Whenever the Council enters into a contract for the provision of goods, works and/or services where the value is over a certain threshold, the Council must comply with the Public Contracts Regulations 2015, and procure the contract via a regulated tender process.

When the Council enters into a grant agreement, it is not obliged to comply with the Public Contracts Regulations. Provided the proposals in this report constitute grant agreements rather than contracts, the Council will not be obliged to carry out regulated procurements, and this will be low risk vis a vis the Public Contracts Regulations.

State Aid

Whenever the Council grants a benefit to another organisation, it needs to assess whether that it is conferring a selective advantage on an organisation that operates in a market, which does or may affect trade between member states (if it does, the benefit will constitute State aid which is prohibited under the Treaty on the Functioning of the European Union). Provided the grants do not constitute State aid, the proposals will be low risk.

Advice given by **Sinead Willis**
Date 9/2/17

d. Land / property implications:

The recommendations in this report will have no material impact on our current situation, which is that BCC provides a wide range of buildings to organisations in receipt of Grants at nil or peppercorn rents, which equate to an unrealised rental value of £1.5 million.

e. Human resources implications:

No significant internal impacts arising from this proposal

Appendices:

Appendix A	Equality Impact Assessment
Appendix B	Summary of Allocations Advisory Panel process
Appendix C	Summary of recommended allocations
Appendix D	Summary to show balance achieved across key challenges, beneficiary groups and geographic spread

Link to VCS Grants Prospectus

<https://www.bristol.gov.uk/documents/20182/32598/Grant+funding+prospects+colour+version>

Access to information (background papers):

- i) 2nd December 2014 Cabinet Paper – VCS Strategic Grants Approach
- ii) June 2015 Neighbourhoods Scrutiny Commission minutes
- iii) January 2016 Neighbourhoods Scrutiny Commission minutes
- iv) January 2016 Place Scrutiny Commission minutes
- v) 11th August 2017 Cabinet Paper – VCS Grants Prospectus

Appendix A

Bristol City Council Equality Impact Assessment Form

(Please refer to the Equality Impact Assessment guidance when completing this form)



Name of proposal	VCS Grants Prospectus – Allocation of Bristol Impact Fund 2017-2021
Directorate and Service Area	Neighbourhoods (& cross-council)
Name of Lead Officer	Jane Houben

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

Bristol City Council has changed the way it delivers grant funding to organisations in Bristol. We have worked with colleagues in the voluntary and community sector (VCS) to co-design this new approach to the way we use grant funding. It is called the VCS Grants Prospectus and it is bringing £3.29m of the council's grant funds together to form the new Bristol Impact Fund to improve the lives of disadvantaged people in the city and reduce inequality. The prospectus outlines what we want to achieve and what we expect from grant organisations and it is a change from the way previous grants have been delivered.

There are many pressures faced by disadvantaged people in our city and we want to ensure that our investment of public funding into the voluntary and community sector helps to tackle disadvantage and has a positive impact for Bristol citizens. We recognise that although £3.29 million is a significant fund, it is clearly not of a scale to tackle all the factors shaping disadvantage in Bristol. We have therefore agreed five different 'key challenges' which we want the grants-funded activity to address and these are below:

- Reducing financial, food and fuel poverty
- Tackling unemployment and underemployment
- Improving access to information, services and opportunities in the city

and increasing digital inclusion

- Enabling influence and participation in the community
- Reducing social isolation and improving wellbeing mental health and wellbeing

Organisations were invited to apply for one or more Bristol Impact Fund grants to address at least one of the Key Challenges, using their skills and experience and agreeing to our four stated 'Ways of Working' listed:

- Giving the right help at the right time
- Helping people to help themselves and each other
- Building on the strengths of people and communities
- Connecting people and organisations within and across communities

They have told us how their work will contribute to our grant impacts:

- reducing disadvantage and inequality,
- improving health and wellbeing,
- increasing resilience of individuals and communities.

We have appraised 100 VCS proposals to the Bristol Impact fund medium & large grants and have discussed over 70 small grant proposals with VCS organisations. This proposal is making grant funding recommendations for the Council's new pooled Bristol Impact Fund.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

The Prospectus focuses £3.29m of council revenue grant money on the most disadvantaged people in Bristol. The evidence of disadvantage in the city is set out in the VCS Grants Prospectus Key Challenges which uses data about disadvantage from the following sources:

Joint Strategic Needs Assessment (JSNA) 2015
Fairness Commission Report
Social Isolation Report

Early Intervention Report

We know that people who experience discrimination (because they have one or more protected characteristics) are more likely to experience other factors contributing to disadvantage, thus compounding their experience.

We know from the above data sources that there is also a spatial dimension to disadvantage in the city, as shown in the JSNA 2015.

People experience more disadvantage in the South (particularly the outer areas) and in the north and west outer areas of the city as well as in the inner eastern areas.

In our VCS Grants prospectus we have provided examples backed up by available data for each of the five Key Challenges in order to give shape to our grant process. These are only examples and do not in any way illustrate or reflect our priorities.

2.2 Who is missing? Are there any gaps in the data?

We know that data about incidence and service take up does not capture LGB or Transgender people because of poor monitoring practice and reluctance/distrust from the LGB and T communities towards completing returns. Therefore our available data for LGBT+ people is poor.

We know that we do not have full information about the number of refugees and asylum seekers in the city and we know that the number is going to increase and currently the proportion of grant funding used to support migrants is only 2%. The two currently grant-funded organisations (working with asylum seekers and refugees) have data about demand and use of their services but this cannot be used to predict future need.

We have some data about the diversity of VCS organisations in the city but this is not comprehensive. In terms of equalities-led organisations we know that:

Eighty seven organisations who proactively target one or more equalities groups were funded by the council in 2014/15, twenty four of which are equalities led organisations (i.e. over 75% of their management committee are women/disabled people/people from BME communities/LGBT/older).

We recognise that the VCS sector is changing rapidly. This is due to a combination of factors, for example austerity has reduced public funding,

charitable donations are decreasing, procurement and commissioning can favour larger organisations and consortiums, organisations may have dissolved due to funding problems or management issues. For example, there are fewer BME led VCS organisations in the city today compared with five years ago, in particular we have seen a reduction in the number of African-Caribbean led organisations. However there are many more BME led social enterprises and social entrepreneurs who are keen to deliver services to BME communities.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

We co-designed the grants prospectus with colleagues from the local VCS. We included two colleagues from local equalities voice and influence organisations in this co-design group and established links with BEING (Bristol Equalities & Inclusion Networking Group), both through these two members and through engaging with BEING at key points in the process (such as 'testing' the vision and principles). We engaged with and involved BEING in the consultation and post consultation.

We ran a 13 week consultation from mid-November 2015 to mid-February 2016 and had face-to-face contact with 265 people from 170 VCS organisations in the city and 6 non-VCS organisations. We had survey responses from 22 people, telephone and other meeting contact with 10 people and a further two organisations provided written submissions. We briefed Neighbourhood Partnership Coordinators and provided summary papers for all Neighbourhood Partnerships so that they were aware of the proposal and the consultation process.

We designed the new Bristol Impact fund small and medium/large Grants processes using the feedback we received from the consultation exercise. The application processes were designed collaboratively with Voscur's Compact Officer.

The council also commissioned a piece of facilitated work with some leaders from local BME voluntary sector organisations to which provided us with possible solutions to a number of concerns and we used these to help us develop the final processes.

We advertised and ran 4 briefing sessions about the grants application processes for interested organisations in different areas of the city and at different times of day (and evening). Working collaboratively with Voscur's

Compact Officer meant that Voscur was able to plan and deliver a range of events and sessions to support organisations with the process.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

The focus of the prospectus is to reduce disadvantage and inequality. However we will need to ensure that grant funding is used in a way that gives us the right distribution and balance of provision in terms of factors that contribute to disadvantage, communities of interest and geographic communities and that our use of grant-funding does not counter our stated vision and principles approach to increase understanding and respect between different people.

Tackling discrimination, advancing equality of opportunity and fostering good relations are fundamental principles and the intention is that people with protected characteristics will benefit from the new arrangements.

128 organisations applied for medium and large grants and 110 organisations submitted an expression of interest form for small grants. Clearly a large number of organisations will be disappointed that their applications have not been successful and a number of these will be equalities-led organisations.

70 organisations are currently funded through council grant streams that will be pooled to form the new Bristol Impact Fund and some of these organisations currently receive more than one grant. 39 of these organisations will receive some grant funding as a result of this process.

With the exception of Bristol Women's Voice, the process has not delivered the level of equalities voice and influence applications we were expecting. We are committed to ensuring that people with protected characteristics have a strong voice and influence in the city and we will therefore set aside £0.14m per year from the Bristol Impact Fund to commission equalities voice and influence through a separate process to enable us to fulfil our Public Sector Equality Duty effectively. We will work with the affected equalities voice and

influence organisations to support them through this process (Bristol Disability Equality Forum, Bristol Multi Faith Forum, Bristol Older People's Forum, LGBTBristol, Voscur BME Voice).

Our grant funding relationship will end with the following 27 organisations, 6 of which did not apply for grant, 1 withdrew from the process and the remaining 20 are not part of any proposal recommended for funding:

Age UK Bristol	Knowle West Health Association
Alive!	LinkAge
Avon University Settlement	Malcolm X Centre
Awaz Utaoh	Mothers for Mothers
Boss Employment Project	Overseas Chinese Association
Bristol & Avon Chinese Women's Group	Playing Out
Bristol Community FM	Rethink
Bristol Shopmobility	Royal Mencap
Bristol Stroke Association	Shirehampton Public Hall CA
Centre for Deaf People	Sixteen Cooperative
Easton Community Centre	Southmead CA
FORWARD	Upper Horfield Community Trust
Hartcliffe Community Park Farm	Working In Southmead for Health (WISH)
Integrate Bristol	

And of these -

- 11 organisations do not target their activities at any specific equalities group
- 5 target some or all of their activities at women (Chinese women, Asian women, women suffering from perinatal depression and raising awareness of FGM).
- 7 target some or all of their activities at Disabled people (of these, 3 are targeted at people with Learning Difficulties and 1 is targeted at Deaf people).
- 6 target some or all of their activities at BME people (as above, these are Chinese women and elders, Asian women, communities practising FGM, African Caribbean people).
- 3 target some or all of their activities at older people.
- 5 of the organisations are equalities-led (the majority of board members or trustees share the same protected characteristics as the targeted

users).

For some user groups, such as women experiencing mental health issues, older Asian women and African Caribbean women and men we have recommended allocations to organisations that will be offering targeted services to them. For Chinese women we are aware that the Lottery-funded Chinese Lantern project offers information and signposting to the Chinese community across the South West.

However the removal of funding to three Learning Difficulties services, one Deaf people's service and a local service to raise awareness of FGM could have potentially adverse effects on these communities.

The process has also resulted in the failure of a number of community centres to successfully apply for funding. Some of these have received grant for only a few years but others have benefited from council grant funding for a significant period. Whilst these are not targeting their services at specific equalities groups we know from their equalities monitoring figures that some of them have a significant percentage of BME users.

3.2 Can these impacts be mitigated or justified? If so, how?

We made it clear from the outset that we will need a balance of provision across the city and we designed a grants process to make this possible (i.e. not based on scoring). We designed processes based on feedback received from consultation and from commissioned BME VCS work.

The small grant was designed to be as accessible as possible. It was a three-step process:

Step 1 – a brief expression of interest form

Step 2 – eligible organisations invited to a 15 minute face to face discussion session after which feedback was given.

Step 3 – organisations invited to submit an application, with support available from Voscur.

The medium and large grant process was designed to reduce the work needed by organisations making multiple applications because they had to complete only one Part 1 form (about the organisation) and we designed a single Part 2 form which could be used for solo or partnership proposal applications.

We have asked organisations to tell us if they currently meet baseline standards or to commit to doing so within 6 months. In order to support BME-

led, Disabled-led and LGBT+-led organisations we have said that we will give them an extended timescale (12 months) in which to meet these standards.

We published our appraisal criteria in the grant guidance and put in place a score card for each of the technical appraisal considerations which was used by all the panels to help ensure consistency and objectivity. Our emphasis is on impact for disadvantaged communities and proposals had to pass each of the impact, quality and value for money elements of the technical appraisal process to be considered by the Allocations Advisory Panel.

We developed an allocations matrix which shows the impact assessments we made (considering the mix of allocations geographically, across the range of beneficiaries and across Key Challenges) and this was published in the Prospectus. The Allocations Advisory Panel was made up of council and external members (3:5) with expertise and knowledge of the city, VCS, funding and equalities issues.

We worked with Voscur, our local VCS support provider to identify support needed by organisations to help them apply under the new prospectus grants process and have identified priorities for support.

We will use our Bristol Compact agreed Withdrawal of Grant Protocol and meet with organisations that will lose grant funding in order to understand and plan to mitigate the impacts of funding loss and to plan communications with them for their service users.

We will focus our resources on undertaking decommissioning impact assessments with the two local Learning Difficulties services, the Deaf people's service and the local FGM project. We will work with other funders active in the city and with Voscur to support these organisations to secure other funding.

3.3 Does the proposal create any benefits for people with protected characteristics?

13 proposals will not target any specific equalities group (these proposals have a total spend of £0.83m in year 1) but will be open to all people in the community. All funded organisations have agreed to use fully accessible venues to deliver their activities.

Of the remaining £2.5m we are retaining £0.14m for equalities voice and

influence services which will directly benefit BME people, Disabled people, LGBT+ people, women, older people and people of faith. £2.3m of grant will be allocated to proposals that specifically target one or more equalities group. Detail is shown in Appendix D of the Cabinet report and an overview is given below.

Black & Minority Ethnic People

We are proposing allocations to 17 proposals that specifically target BME communities with a grant spend of £1.18m in year 1. We have increased our reach into African and Caribbean communities through this process, particularly through the small grants process and through medium and large partnership proposals.

Our proposals will also increase our support to Refugee and Asylum and seekers, funding 3 proposals (5 organisations) and to victims of modern slavery, many of whom are from BME communities.

Disabled People

We are proposing grant allocations to 18 proposals that will specifically target Disabled people with a grant spend of £1.59m in year 1.

We have a spread of proposals to benefit Disabled people with physical impairments, mental ill health and specific long term health conditions. These proposals address wide needs of Disabled people including travelling around the city, reducing fuel poverty, learning new skills and reducing isolation. All organisations have agreed to use fully accessible venues to deliver their activities.

Women

We are proposing grant allocations to 8 proposals that specifically target women with a grant spend of £0.73m in year 1. These targeted proposals will address women's mental health and employment, women's voice and influence, discrimination and hate crime.

Men

We are proposing grant allocations to 2 proposals that specifically target men's health issues with a grant spend of £0.03m. We have not included the hate crime and discrimination services in these figures because there are no cases brought to the current services where people have been victims of discrimination or hate crime because of they are men.

Older people

We are proposing grant allocations to 9 proposals that specifically target older people with a grant spend of £0.86m. We have not included the hate crime and discrimination services in these figures because there are very few cases brought to the current services where people have been victims of

discrimination or hate crime because of they are older. The funded proposals address the needs of older people with impairments, counter isolation and improve wellbeing and engagement.

Young people

We are proposing grant allocations to 5 proposals that specifically target young people with a grant spend of £0.09m. These proposals address employment, volunteering and engagement. We have not included the hate crime and discrimination services in these figures because there are very few cases brought to the current services where people have been victims of discrimination or hate crime because of their youth.

LGBT+ people

We are proposing grant allocations to 3 proposals that specifically target LGBT+ people with a grant spend of £0.47m to the hate crime and discrimination services and to other targeted proposals.

Faith communities

We are proposing grant allocations to 1 proposal that specifically targets faith communities with a grant spend of £0.41m to the hate crime and discrimination services.

3.4 Can they be maximised? If so, how?

We will maximise benefits in the following ways:

- We will ensure that all grant-funded organisations have grant agreements in place with their agreed outcomes and outcome measures, clearly identifying the benefit for targeted equalities groups. We will require them to provide us with performance monitoring information against these outcomes so that we can understand the benefit and act to support the organisations to improve performance if required.
- We will share best practice and learning between funded organisations so that benefits can be maximised.
- We will encourage closer collaboration between organisations and where we have the capacity to do so will broker relationships between organisations and agencies for the increased benefit of disadvantaged people.
- We will ensure that all grant-funded organisations have fit-for-purpose equalities policies in place and that these are meaningfully implemented (by checking their policies at grant allocation stage) and by requiring them to provide us with annual equalities monitoring information and evidence of how they use this information to address gaps and increase understanding.

3.5 (i) What are the positive and negative impacts for people from the City's disadvantaged **beneficiary groups**?

We asked organisations to tell us who their activities will benefit from a range of 17 beneficiary groups. From the information they provided we can see that the beneficiary groups served by the highest number of proposals will be:

- People with mental health difficulties
- Low income families
- Unemployed people
- Single or lone parents
- Refugees and asylum seekers

We had very few proposals that targeted care leavers (but only a few which targeted young people).

We have identified the loss of grant funded services for people with Learning Difficulties and people with sensory impairments in section 3.1 above. There are 6 proposals which will provide activities targeted at people with Learning Difficulties and 4 proposals which will provide activities targeted at people with sensory impairments.

We have achieved some coverage with proposals targeted across each of the 17 beneficiary groups with the exception of ex armed forces.

3.5 (ii) How can these benefits be maximised and risks minimised?

We stated in the Prospectus that we will expect grant funded organisations to monitor their service users and report to us about the number of care leavers benefiting from their activities. We will ensure that this is included in grant agreements and that we ask them to report against this.

We will consider the benefit and feasibility of including monitoring for ex armed forces personnel in these grants and will seek advice about compliance with the Council's armed forces covenant.

3.6 (i) What are the positive and negative impacts for the most **disadvantaged and deprived areas of the city**?

Of the £3.28m Bristol Impact Fund we are recommending that 43% (£1.42m) is allocated to proposals that will work in specific wards. The remaining 57% of the budget will be allocated to proposals which will be city-wide (they will be open to disadvantaged people no matter where they live in the city).

We received proportionately fewer proposals from the more deprived outer edges of the city and some of these did not pass the technical appraisal. We

have therefore weighted our allocations in favour of proposals that are based in and delivering to the deprived outer estates, ensuring that our grant has a reach into these areas. (We applied percentage reductions to the amounts of grant requested in order to enable us to fund as many of the proposals as possible. These reductions are 10% for £0.01m to £0.05m; 15% for £0.05m to £0.1m; 20% for over £0.1m. We reduced or removed the percentage reductions for proposals based in and delivering benefit to deprived outer wards).

For mapping purposes, where a proposal targets specific wards, we have shared the total amount of recommended funding for that proposal evenly across those wards. Based on these calculations:

- The highest level of proposed funding is in Ashley ward (£174,541).
- Lawrence Hill and Easton Wards and Hartcliffe and Bishopsworth wards will all benefit from over £90,000 of the recommended funding.
- Avonmouth and Lawrence Weston, Henbury and Brentry and Eastville wards will each receive at least £75,000 of proposed funding.
- Five wards, all in West Bristol have no ward specific funding but disadvantaged people from these wards will be able to access city-wide proposals.
- We have mapped the allocation distribution across wards and the coverage of key challenges across wards in Appendix D.
- There are few proposals that are working to address the poverty key challenge in South Bristol across some of the most deprived wards.

3.6 (ii) How can the benefits be maximised and the risks minimised?

From the proposals presented to panel we are satisfied that we have achieved a satisfactory mix and balance of activities across the city with the desired focus on the most deprived wards.

Where organisations have stated that they will work in several wards we will ask them to focus on deprived areas where there is least relevant activity. We will also ask 4 of the city-wide proposals to target the outer estates in the North and South of the city in wards which have high deprivation rates and we will monitor against this.

There are few proposals that are working to address the poverty key challenge in South Bristol across some of the most deprived wards. We were unable to address this through this process but will feed this into the current Information, Advice and Guidance review which will inform future commissioning.

3.7 (i) What are the positive and negative impacts against our 5 Key Challenges?

We have considered the balance of key challenges across the city, taking into account for each challenge the most disadvantaged beneficiary groups and the most disadvantaged areas. We have also considered pattern of other service provision and other funding streams contributing to the key challenges. We have identified primary and secondary key challenges for all proposals that were presented to the Allocations Panel and this has allowed us to consider total spend against each.

We have allocated the largest sums to the following two key challenges:

- Improving access to information, services and opportunities in the city and increasing digital inclusion (£1.45m).
- Reducing social isolation and improving wellbeing mental health and wellbeing (£1.02m).

We have allocated significantly less to the other three Key Challenges:

- Enabling influence and participation in the community (£0.5m including the retained funds for equalities Voice & Influence)
- Reducing financial, food and fuel poverty (£0.23m)
- Tackling unemployment and underemployment (£0.1m).

The context of the panel's recommendations is provided below.

- In addition to this grant allocation the council also currently invests £0.75m grant each year to support advice services which address this Key Challenge and provides a further £1.1 million investment through in-house and commissioned services which are currently being reviewed as part of our Information Advice and Guidance commissioning. The Panel is recommending that we grant fund the small number of proposals that address fuel poverty and those with wrap-around advice and/or skills development to improve financial poverty and food poverty.
- The Panel found that the majority of proposals which will address the challenge to enable influence and participation in the community are local community-based and smaller in terms of spend.
- The Panel recommended funding to a small number of proposals that will directly contribute to the Key Challenge to tackle unemployment and underemployment. In addition to this grant allocation the City will benefit from £6m investment across the West of England as part of the West of England Works (funding from Big Lottery and European Social Fund announced in December 2016) allocated across a range of VCS partners with a focus on young people who are not in employment, education or training and some of which has been allocated to BIF

applicant organisations. In addition the council commissions engagement support for young people and support into employment and apprenticeships from local VCS organisations. The Panel took this into consideration when allocating grant against this Key Challenge and chose to allocate grant to employment support for people with complex needs. A number of small grant proposals will address this as a primary or secondary key challenge.

3.7 (ii) How can the benefits be maximised and the risks minimised?

We have broadly categorised the activity types of the proposals to help us better understand the balance across key challenges. This is included in Appendix D- and shows the significant funding levels to three activities: community transport services, hate crime and discrimination services and social prescribing services. Allocating funds to four large proposals (partnerships involving 15 organisations) has skewed our allocation against the access to information and social isolation key challenges.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

This EqIA

- (a) Changed and informed our approach to how we intend to facilitate our Public Sector Equalities Duty.
- (b) Provided a framework for our allocation decisions, we have added the considerations against key challenges, beneficiary groups and geographic spread.
- (c) Helped to explain how decisions have been made, the context and narrative behind the Panel’s decisions and the benefits to equalities groups.
- (d) Helped to identify areas where the Bristol Impact fund process has not delivered the desired results.
- (e) Enabled us to consider the broad impact of ending grants for currently funded organisations in June 2017.

4.2 What actions have been identified going forward?

- (a) We will undertake decommissioning impact assessments with all organisations whose grant will end in June 2017 and we will focus capacity on the organisations (and their service users) identified.
- (b) We will ask organisations who have specified several wards for their proposals to focus on disadvantaged areas where there is least relevant activity.
- (c) We will ensure that monitoring processes are proportionate but still include equalities monitoring of service users.

4.3 How will the impact of your proposal and actions be measured moving forward?

Organisations funded through the Prospectus pooled grant will be asked to suggest measures for the changes they expect to create. These measures must relate to the stated impacts (reduce disadvantage and inequality, improve health and wellbeing, increase resilience). We will work with organisations to develop a shared 'basket' of indicators through the life of the grant. This will enable us to measure the impact of the Prospectus pooled grant. All funded organisations will be required to undertake equalities monitoring for their service users and report this collated information to us annually so that we can see the overall impact of the fund. They will also be asked to tell us how they have used this information, what gaps they have identified in their uptake/provision and how they will address these in the following year.

Appendices:

Appendix D Summary to show balance achieved across key challenges, beneficiary groups and geographic spread

Service Director Sign-Off: Di Robinson	Equalities Officer Sign Off: Anne James
Date: 23/2/17	Date: 23/2/17

Appendix B

Bristol Impact Fund Allocations Advisory Panel – Summary of Allocations process

The proposals that have been appraised as ‘fundable’ (those that scored over 66% in each of the impact, quality and VfM elements of the technical appraisal) are taken to Allocations Advisory Panel.

Information and data is presented to the panel and is made available to them through a closed Alfresco group to include:

- The fundable proposals mapped against wards
- Context map overlays
- Links to JSNA and strategic intelligence data sources
- Proposal and budget information for fundable Medium & Large Grant proposals (Part 2 applications)
- Overview of the proposals by Key Challenge, showing proposal summary, targeted equalities groups and outcomes
- Proposal and budget information for fundable Small Grant proposals (Step 3 applications)

The mapping process uses data from the application forms (key challenge(s) addressed, beneficiary groups targeted, equalities groups targeted, wards serviced, location of organisations) and plotted this information for each proposal. Information has also been plotted for context maps for Child Poverty, DWP Out of Work Benefits Persistence; DWP Youth Claimant Rate Persistence; Fuel Poverty; Health Deprivation and Disability; Income Deprivation; Multiple Deprivation.

Each panel member reads all the fundable Medium/Large Grant proposals and for each of these proposals the panel members consider the following two questions and use a simple matrix to put forward their own view about if the proposal should be funded:

Q1. Does the proposal address at least 1 Key Challenge for communities in the most deprived area(s) of the City? (Based on the mapping information we have provided, and on their knowledge of local need, existing pattern of provision and resources).

Q2. Does the proposal address at least 1 Key Challenge for the communities of interest that are most disadvantaged? (Based on the information we have provided, and on their knowledge of local need, existing pattern of provision and resources available to those communities).

Each proposal is then discussed as a whole panel, which aims to reach an agreement about allocation. These discussions also question and consider how the proposal complements or duplicates other proposals or existing provision.

The results of these discussions are then analysed, costed and mapped. The analysis and interim maps show the recommendations in terms of key challenges, equalities groups, beneficiaries and spatial distribution (specified ward coverage).

A draft Equality Impact Assessment, which has been widened for this process, is done alongside this to identify any risks and/or gaps. Where risks/gaps are identified we will make recommendations about appropriate actions to remedy them.

This process continues until the Panel is satisfied that their allocation recommendations offer the best mix of proposals to give a spread and balance of provision across the city, in order to achieve the best possible impacts for people facing disadvantage.

Proposal Name	Organisation(s)
Avonmouth Community Centre	Avonmouth Community Centre
Bristol Mindline	Bristol Mind
Welfare Rights Advice Service	Bristol Poverty Action Group
Increase Advice in Knowle West	Filwood Hope Ltd
Dundry View Health & Wellbeing	Hartcliffe Health and Environment Action Group (known as HHEAG)
Confronting Disadvantage in Bristol	Home-Start Bristol
Employment & Skills Social Enterprise Project	Julian House
Citizen Circuits	Knowle West Media Centre
Go For It at Lawrence Weston Community Farm	Lawrence Weston Community Farm

Jabari Brave Mens Project	Nilaari
The Resilience Lab	Off The Record
One25's specialist support for women involved in, or at risk of becoming involved in street sex work in Bristol.	One25
The Get In On The Act Project	St Werburghs Community Association
Resettlement Service for Trafficked Persons	Unseen UK
Bristol Asylum Seeker & Refugee Hubs	Borderlands (South West) Ltd, Bristol Refugee Rights, RWoB HUB
Bristol Hate Crime & Discrimination Services	Avon & Bristol Law Centre, LGBTBristol, Bristol Mediation, Bristol Mind, SARI, Brandon Trust

Bristol HIV Services	The Brigstowe Project, The Terrence Higgins Trust
Bristol Integrated Community Transport Network	Bristol Community Transport Limited, Social Access Limited (known as Bristol Dial-a-Ride)
Bristol Social Prescribing Service for Equality and Resilience (SPEAR)	Knowle West Health Park Company, Southmead Development Trust Ltd, The Care Forum, Wellspring Healthy Living Centre
East Bristol Citizens' Alliance	Boundless Futures CIC, Easton and Lawrence Hill Neighbourhood Management (known as Up Our Street)
The Network	Barton Hill Settlement, Bristol Somali Resource Centre, St Werburghs City Farm, Wellspring Healthy Living Centre
BOOST	Barton Hill Settlement (with Talking Money, Bristol Somali Resource Centre)

Bristol BME Elders Health and Wellbeing Project	Dhek Bhal (with Bristol Black Carers, Evergreens, Golden Agers, Malcolm X Elders).
Bristol Fuel Poverty Partnership	Centre for Sustainable Energy (with Talking Money, WE Care & Repair Ltd)
Bristol Sexual Violence and Abuse Partnership	The Green House Bristol (with Womankind Bristol Women's Therapy Centre Ltd)
SELECT (Shared Engaged Local Efficient Community Transport)	Hartcliffe & Withywood Community Partnership (with Lawrence Weston Community Transport, The Inns Court Community and Family Centre)
SPAN Parent Support Service	SPAN
Bristol Women's Voice	Bristol Women's Voice
Windmill Hill City Farm	Windmill Hill City Farm
Small Grant Proposal	Organisation

Independent Sex-workers Against Violence Vanquish Internet Exploitation	Independent Sex-workers Against Violence Vanquish Internet Exploitation
Cruse Bereavement Care	Cruse Bereavement Care
Bristol Organisation for Sickle Cell and Thalassaemia Research (OSCAR)	Bristol Organisation for Sickle Cell and Thalassaemia Research (OSCAR)
Alzheimer's Society	Alzheimer's Society
Henbury and Brentley Community Council	Henbury and Brentley Community Council
Step Together Volunteering	Step Together Volunteering
RSVP West Region (Retired & Senior Volunteer Programme)	RSVP West Region (Retired & Senior Volunteer Programme)
African-Caribbean Men's Wholistic Health	African-Caribbean Men's Wholistic Health

The Misfits Theatre Company UK	The Misfits Theatre Company UK
Rise	Rise
Oasis Community Hub North Bristol	Oasis Community Hub North Bristol
Bristol City of Sanctuary	Bristol City of Sanctuary
Bristol Hearing Voices Network	Bristol Hearing Voices Network
Bipolar UK	Bipolar UK

Growing Support CIC	Growing Support CIC
Rising Arts Agency CIC	Rising Arts Agency CIC
Bristol Zimbabwe Association	Bristol Zimbabwe Association
Growing Futures UK C.I.C	Growing Futures UK C.I.C.
Trinity Community Garden	Trinity Community Garden
Hype Dance Company	Hype Dance Company

Summary of proposal	Allocation yr 1	Allocation yr 2
Manage a community building to offer a range of activities to promote Health and Well-being for all in Avonmouth Village and wider area of benefit. The centre also acts as a hub for delivering health and well-being interventions from partners.	£ 35,820.00	£ 35,820.00
An 'out of hours' telephone based emotional support Freephone helpline that is open 5 nights per week, 8pm-midnight, Wednesday to Sunday, staffed by Volunteers to providing active listening, support and sign-posting.	£ 11,445.00	£ 11,445.00
Provision of a welfare rights advice service for 24 hours per week, offering weekly open access sessions in Henbury Library, Bristol City Council's Citizen Service Point in Lawrence Weston, monthly outreach in a lunch club for older people & home visits.	£ 16,725.00	£ 16,725.00
Provision of support, counselling, signposting and assistance through a drop-in service in Filwood, Knowle and part of W'mill Hill.	£ 12,495.00	£ 12,495.00
HHEAG will develop its role as a community hub from where local people can improve their health and wellbeing. It will also offer volunteering opportunities. In this way they can help to 'grow the social assets' of their neighbourhood.	£ 135,485.00	£ 135,485.00
Part-fund our new project 'Confronting Disadvantage in Bristol'. It will contribute funding for the support of an estimated 70 adults (in 50 families) per year.	£ 26,355.00	£ 26,355.00
The project will provide socially excluded individuals who have experience of homelessness, substance misuse, offending, mental ill-health and long-term unemployment, with education, skills, training and employment opportunities.	£ 19,790.00	£ 19,790.00
KWMC will deliver a programme of activities to support disadvantaged communities in Bristol to gain digital and communication skills. The programme will enable people at risk of social and digital exclusion to access information and services and develop new digital tools to enable more people to take up their right to contribute to their city. Our project will involve residents in South Bristol, Lawrence Hill, Ashley, Easton, Southmead, Lockleaze and communities of interest including BAME and disabled people across Bristol.	£ 95,485.00	£ 95,485.00
Our proposal will deliver targeted support to deprived local people (over the age of 16) per year. We will deliver arrange of flexible, interrelated and holistic services that are appropriate to the needs of individuals at any particular time, but we are keen to help people make positive changes to the lives before they reach crisis point.	£ 49,940.00	£ 49,940.00

Our aim is to use the Jabari project to work directly with Bristol based BAME adult males with a history of mental health and/or offending behaviour and help them to engage with and access primary mental health provision, reduce admissions into secondary care resulting in a reduction in offending behaviours.	£ 23,610.00	£ 23,610.00
We will mobilise and train young people aged 16-24 across Bristol to deliver and develop a citywide public mental health intervention. This includes the creation and co-ordination of a network of 80 trained and accredited volunteer young people and 80 adults delivering a rolling programme of peer-led workshops, training and resources that work to build the mental health literacy and resilience of individuals and communities.	£ 69,210.00	£ 69,210.00
Each year One25 works with women. some of whom are street sex-working; some are building new lives away from the streets; and some are at risk of entering street sex work. The service provides night outreach, drop-in and casework.	£ 44,660.00	£ 44,660.00
We will provide a comprehensive signposting and support service 7 days a week daytime and evening. Our main beneficiaries are people living in the local area as described. We will support people 'there and then', i.e. when they ask for help. We support them in building their skills, increasing their confidence and linking them with others in their community. We produce our Current Timetable and update our online platforms and notice boards, and utilise digital technology to increase volunteering and establish volunteer neighbourhood champions.	£ 35,560.00	£ 35,560.00
Support survivors of modern slavery as they transition into living in communities in Bristol to ensure prevention of isolation, social deprivation and disadvantage. Resettlement Service to assist those living in the community to settle and access services they need and are entitled to.	£ 44,995.00	£ 44,995.00
Three partner charity hubs will offer a safe, welcoming space for asylum seekers and new refugees to offer targeted support, advice and services at all of the stages where they need help to make the transition to living successfully in Bristol	£ 114,560.00	£ 114,560.00
Provide advocacy, casework, restorative justice and other support to victims of hate crime, work with stakeholders – to achieve positive outcomes. Monitor community change and existing and emerging needs to inform service developments.	£ 412,460.00	£ 412,460.00

Brigstowe and THT will offer complementary services to ensure a holistic support service for people living with HIV. Specialist 1-2-1 support services will be used to meet specific needs around finance, physical and mental health. Onward referral into peer support services will then be used to create sustained changed, helping the community to help each other in supporting health behaviours, resilience and reducing isolation.	£ 45,525.00	£ 45,525.00
The beneficiaries of our services are individuals, groups of people and communities of interest across the city of Bristol, particularly older and disabled people. We will offer them a full range of community transport (CT) services to alleviate their mobility challenges. Our services will comprise of independent travel training, community bus services, Group transport (providing a service to organised groups with particular mobility needs) and Door-to-door transport aimed at meeting individual mobility needs.	£ 460,410.00	£ 460,410.00
The SPEAR programme offers leadership on social prescribing in Bristol, with a focus on areas of deprivation. It takes forward the model that has been developed by the Short Life Working Group on Social Prescribing Group by Public Health and key providers. Offered to all residents in the areas of benefit but particularly: those with long-term conditions, including poor mental health; newly-migrated communities; those who are socially-isolated and lonely; those who are bereaved; carers; and those who are considered frequent attenders at G.P. surgeries.	£ 338,135.00	£ 338,135.00
The project will develop and increase the voice and influence, civic participation, and social capital of residents across Ashley, Easton and Lawrence Hill wards in Bristol.	£ 60,500.00	£ 60,500.00
The Network is a three-stage programme which will build inclusive and natural networks and develop sustainable solutions to challenges faced by people living in Ashley, Easton and Lawrence Hill. The bedrock of the programme is the recruitment of resident Networkers, who will be trained and equipped with the skills, resources and capacity to implement a programme of activities that meet challenges faced by local residents.	£ 222,700.00	£ 222,700.00
BOOST Finance Basic is a project that offers opportunity for the local community to explore the community and economic benefits of having a range of financial advice and support services in one place.	£ 44,895.00	£ 44,895.00

Creating improved pathways to access for BME older people to existing services, support and allowances. Co-ordinating and delivering a programme of activities for BME older people which address social isolation, mental and physical health and wellbeing, and build skills and knowledge around key areas. Creating a platform for BME older people to understand their rights and give feedback concerning their access to services.	£ 45,860.00	£ 45,860.00
The partnership will assist families in low incomes, unemployed people and lone parents in private sector accommodation struggling to stay affordably warm at home through providing energy, financial capability and home improvement support.	£ 93,260.00	£ 93,260.00
Our proposed service will provide a combination of general support to improve the health and wellbeing of women in Bristol and specialist, wrap-around support for survivors of sexual abuse through a helpline, counselling and therapeutic groups.	£ 75,005.00	£ 75,005.00
All three organisations will work together to connect people and organisations within and across communities. We will provide accessible and affordable transport to those who face barriers to accessing mainstream transport due to physical or mental health needs, taking people from their doors to the shops and essential services that they need.	£ 280,000.00	£ 280,000.00
Offering a programme of support for highly vulnerable parents in some of Bristol's most disadvantaged areas. The key issues addressed : Social isolation and mental wellbeing; Financial, food and fuel poverty; Access to information, services and opportunities in the city.	£ 49,500.00	£ 49,500.00
Work with women in Bristol to identify the specific disadvantages they experience, what needs to be done to address these and support women to work together to campaign on these issues. Work in partnership with over 100 organisations to collaborate on joint campaigns and activities and bring together organisations that support Bristol women to lobby under a collective voice. Work collaboratively to ensure a collective and strategic approach to amplifying the voice and influence of equality in the city.	£ 42,920.00	£ 42,920.00
This programme will reach out to and give help to those people in deprived circumstances who need extra help to do so. It will develop with people a programme of activities that help to keep them away from crisis and set them on a path to stable, mainstream engagement in their community. It will help them to develop their social capital (networks, confidence and resources) and bolster their resilience to the challenges that life can hold.	£ 75,295.00	£ 75,295.00
Medium & large grant totals	£ 2,982,600.00	£ 2,982,600.00
Summary of proposal	Allocation yr 1	Allocation yr 2

We will work with the community of adult Internet based sex workers in Bristol (male/female/LGBT) to provide casework support to those with complex needs to improve safety and reduce harm.	£8,450.00	£ 8,450.00
We provide care and support for children, young people and adults in Bristol, who have been bereaved and are struggling to cope with their loss. We are seeking a grant to run regular support groups for people in Bristol who have been bereaved by suicide.	£5,430.00	£ 5,430.00
Sickle Cell and Thalassaemia are community health issues and we would like to continue bringing awareness to the general public to eliminate the prejudice and stigmatisation that those who are affected are confronted with. The OSCAR centre hosts social awareness events and support group sessions to discuss issues affecting us.	£3,720.00	£ 3,720.00
Alzheimer's Society provides services developed specifically for people with dementia, their carers and family members. This grant will allow us to continue to provide 'Singing for the Brain' activities in Horfield. These structured group sessions use music to encourage communication and participation and include opportunities to talk to other people. Each session includes a range of activities including vocal warm-up and singing a variety of familiar and new songs.	£6,100.00	£ 6,100.00
The local residents of Henbury and Brentry have been successful in stage 1 of the CAT process for the Henbury Centre and want to run it as a Community Centre and need help to achieve this.	£5,000.00	£ 5,000.00
Step Together Volunteering helps those people most in need of support to transform their lives through community volunteering. Working through a team of outreach workers we provide tailored 1-1 support to help individuals into volunteering placements that match their needs and interests, and help them develop the personal and practical skills required to build a more positive future.	£10,000.00	£ 10,000.00
Volunteers will work in three main areas: 1. Independent Lay Assessors for Bristol Care Homes and Home Care services, working with the Council's QA officers; 2. Bristol GP Surgery-based Volunteer Support Groups providing transport and wellbeing services to their frail, isolated and elderly patients; 3. Volunteers working with Schoolchildren in Bristol Schools.	£3,750.00	£ 3,750.00
This organisation works mainly with African-Caribbean men who experience poor mental health and / or problematic drug and alcohol use. We will also use the grant to deliver a weekly peer-support group for these men.	£9,990.00	£ 9,990.00

<p>The Misfits Theatre Company is a unique Bristol based theatre and social group, led by people with learning disabilities (PWLD), that work to entertain and disperse misconceptions people have about PWLD, increasing social cohesion and tolerance for diversity. We want to increase our number of activities and services to develop participants' skills and confidence to devise and act their original work, emphasising independence, healthy living, self-advocacy and creative practice.</p>	<p>£10,000.00</p>	<p>£ 10,000.00</p>
<p>The grant will help to provide BME women who wish to start their own business, the knowledge, skills, self confidence and belief they need. The grant will also provide BME women over 45, who find themselves trapped and feeling excluded and no longer a valuable part of society, a chance to re-launch their lives/careers through a series of workshops & 1 to 1 coaching sessions, to help increase confidence, self esteem and an alternative future.</p>	<p>£10,000.00</p>	<p>£ 10,000.00</p>
<p>We wish to use this grant to develop the Oasis Community Shop Project, building on the firm foundations already established. Through the workshops, we have developed residents basic skills but this has highlighted a clear need for the "next stage" in terms of moving these long term unemployed residents into employment.</p>	<p>£9,000.00</p>	<p>£ 9,000.00</p>
<p>Our vision is of "Bristol as a place where we celebrate the contribution of people seeking sanctuary, and welcome, support and include them wherever they go." We will employ a part-time worker to coordinate, consolidate and develop our initiatives (eg Transport Fund for destitute asylum seekers, work with our supporters to translate their pledges into action), and to recruit and support volunteers for the next 3 years.</p>	<p>£9,000.00</p>	<p>£ 9,000.00</p>
<p>The Bristol Hearing Voices Network is a self-help group for people who hear voices, have intrusive thoughts or other unusual experiences. The aim of the BHVN is to promote positive explanations of voice hearing and to give people a framework for developing their own ways of coping. The grant would enable us to continue holding our weekly meetings where no referral from mental health services is necessary.</p>	<p>£6,000.00</p>	<p>£ 6,000.00</p>
<p>Bipolar UK supports people affected by the lifelong disability, bipolar. A grant will enable us to provide a blend of peer support services for individuals and families.</p>	<p>£10,000.00</p>	<p>£ 10,000.00</p>

<p>Growing Support works with people with health and social care needs who are at risk of social isolation, loneliness and inactivity. We would use the grant to deliver a sociable and therapeutic community gardening group for 25 people with learning disabilities, people with dementia and older people in the gardens of the Public Health 5 Ways Bungalow in Lawrence Weston.</p>	£ 8,400.00	£ 8,400.00
<p>Rising Arts Agency provides support for those 16 - 25 year olds who want to work in the creative sector, particularly those currently under represented. Through a programme of mentoring, skills development and leadership training we will support young people on their first steps into work while increasing their skills, raising their self esteem, and for many, improving their mental health and well being.</p>	£ 9,810.00	£ 9,810.00
<p>ZIMBA FC- a multi-national football club will facilitate the recruitment and participation of 20 young refugees who have recently arrived in Bristol. Football tournaments and community events are held to build social cohesion by enabling participants to attend regular gatherings and develop friendships.</p>	£ 5,080.00	£ 5,080.00
<p>Growing Futures UK C.I.C works with a variety of disadvantaged communities across Bristol. The grant will be spent on our energy project</p>	£ 9,000.00	£ 9,000.00
<p>A grant will allow us to deliver a regular series of organic gardening and cooking sessions, providing a safe, controlled space where a variety of groups will gain hands-on experience in the garden. We will deliver an inclusive programme of weekly workshops led by an experienced Garden Co-ordinator and an Assistant. Participants will gain skills such as communication, team working, problem solving and leadership.</p>	£ 9,260.00	£ 9,260.00
<p>Help Young People Excel (HYPE) Dance Company is a BME led organisation that has been working with children and young people from challenging backgrounds for over 11 years, developing and building their confidence though dance whilst improving their access to other opportunities in the city and beyond. A grant will allow us to implement a two year mentoring project for at least 25 young people aged 16 to 25; building on our strengths we will be able to give help at the right time, enabling participation, developing new skills and improving young people's chances of further education and employment.</p>	£ 8,520.00	£ 8,520.00
Small grant totals	£ 156,510.00	£ 156,510.00

Allocation yr 3	Allocation yr 4	Total allocation
£ 32,238.00	£ 30,447.00	£ 134,325.00
£ 10,300.50	£ 9,728.25	£ 42,918.75
£ 15,052.50	£ 14,216.25	£ 62,718.75
£ 11,245.50	£ 10,620.75	£ 46,856.25
£ 121,936.50	£ 115,162.25	£ 508,068.75
£ 23,719.50	£ 22,401.75	£ 98,831.25
£ 17,811.00	£ 16,821.50	£ 74,212.50
£ 85,936.50	£ 81,162.25	£ 358,068.75
£ 44,946.00	£ 42,449.00	£ 187,275.00

£ 21,249.00	£ 20,068.50	£ 88,537.50
£ 62,289.00	£ 58,828.50	£ 259,537.50
£ 40,194.00	£ 37,961.00	£ 167,475.00
£ 32,004.00	£ 30,226.00	£ 133,350.00
£ 40,495.50	£ 38,245.75	£ 168,731.25
£ 103,104.00	£ 97,376.00	£ 429,600.00
£ 371,214.00	£ 350,591.00	£ 1,546,725.00

£ 40,972.50	£ 38,696.25	£ 170,718.75
£ 414,369.00	£ 391,348.50	£ 1,726,537.50
£ 304,321.50	£ 287,414.75	£ 1,268,006.25
£ 54,450.00	£ 51,425.00	£ 226,875.00
£ 200,430.00	£ 189,295.00	£ 835,125.00
£ 40,405.50	£ 38,160.75	£ 168,356.25

£ 41,274.00	£ 38,981.00	£ 171,975.00
£ 83,934.00	£ 79,271.00	£ 349,725.00
£ 67,504.50	£ 63,754.25	£ 281,268.75
£ 252,000.00	£ 238,000.00	£ 1,050,000.00
£ 44,550.00	£ 42,075.00	£ 185,625.00
£ 38,628.00	£ 36,482.00	£ 160,950.00
£ 67,765.50	£ 64,000.75	£ 282,356.25
£ 2,684,340.00	£ 2,535,210.00	£ 11,184,750.00



Executive Summary of Agenda Item No. 15

Report title: Public Health Contract Waivers 2017-18

Wards affected: All

Strategic Director: Alison Comley, Service Director, Neighbourhoods

Report Author: Barbara Coleman

Recommendation for the Mayor's approval:

To delegate authority to the Director of Public Health to extend the public health contracts listed in paragraphs 2 to 4 of the main report for the period set out for each contract.

Key background / detail:

a. Purpose of report: Insert text

This report is to seek agreement to extend a number of public health contracts to March 2018 whilst the commissioning processes are completed.

b. Key details:

The following public health contracts require a waiver to extend whilst commissioning processes are completed:-

- Sexual Health Services delivered in primary care (GP surgeries and pharmacies) extended to 30th September 2017– total annual value £578,384
- Substance Misuse Services delivered in primary and secondary care extended to 30th September 2017- total annual value £1,839,579
- Healthy Lifestyle Services – various providers extended to 31st March 2018 – total annual value £1,155,000



Cabinet

07 March 2017



Report Title: Public Health Contracts Waivers for 2017-18

Ward: All Wards

Strategic Director: Alison Comley

Report Author: Barbara Coleman

Contact telephone no. & email address 0117 922 2935
Barbara.coleman@bristol.gov.uk

Purpose of the report:

This report is to seek agreement to extend a number of public health contracts to March 2018 whilst the commissioning processes are completed.

Recommendation for the Mayor's approval:

To delegate authority to the Director of Public Health to extend the public health contracts listed in paragraphs 2 to 4 below for the period set out for each contract.



The proposal:

1. Background

Since the transfer of public health services to the council in April 2013, the public health teams have been working through the services we commission with a view to re-procurement processes being put in place where appropriate. The Commissioning and Procurement Group has, subject to cabinet approval, agreed to the extension of contracts for public health services for 2017-18.

Key decisions to commence procurement processes and award contracts for sexual health services and substance misuse services were taken at the Health & Wellbeing Board meetings on 17th February 2016 and 19th October 2016 respectively. To date, two of the largest contracts have been through a re-procurement process and new contracts have been awarded. Commissioning plans are in place for the remainder of the contracts with a view to completion during 2017-18. Contract extensions were required to ensure the continuation of public health services during 2017-18, as the contract end dates are 31st March 2017. A number of the contracts exceed the £500,000 threshold and comprise a key decision, as follows:-

2. Contracts Requiring Extension – Sexual Health Services delivered in primary care

As part of the specialist sexual health re-procurement, primary care practitioners (GPs and Pharmacies) delivering sexual health interventions were considered out of scope for the main service specification. Following advice from our legal and procurement colleagues, it was agreed that a separate process needed to be followed for these services. It has not been possible to complete this process within the original timescale of March 2017 completion. We commission these services through 145 separate annual contracts with different surgeries and pharmacies across Bristol to provide improved access to sexual health services as required under the Health and Social Care Act 2013. The delivery of these services will be reviewed to ensure the most effective and efficient use of resources in primary care e.g. a more centralised model may be used. Consideration of using a **Dynamic Purchasing System** will be undertaken during 2017-18, with a view to completion by 30th September 2017. The cumulative value of the contracts for a year is £578,384.

3. Contracts Requiring Extension – Substance Misuse Services delivered in primary and secondary care

The substance misuse team commissions some of our specialist drug and alcohol services from Avon and Wiltshire Partnership Mental Health Trust and other providers on behalf of public health. A significant proportion of this funding comes from the Public Health Grant. The rest of the services are commissioned by the public health team. All of these services are part of a procurement process which is already under way, with an anticipated completion date of 30th September 2017. The current contracts for these services end in September 2017.

The services commissioned by the public health team provide controlled drug prescribing (methadone and subutex) and dispensing and supervision of consumption of such drugs. This is only deliverable by GPs and pharmacies respectively and is the most cost effective place for lower level drug and alcohol problems to be addressed. It is also the most accessible venue for vulnerable, marginalised groups to be able to access services to treat drug and alcohol misuse and also access wider health services to deal with multiple health issues. These services are provided through 145 individual contracts with an annual value of £1,684,000. As part of the procurement process, a new pathway will be developed to provide integrated drug and alcohol services in primary care. The commissioning model will follow a **Dynamic Purchasing System**, in that any eligible, appropriately qualified primary care provider would be able to deliver the service and be paid on a cost per case basis.

Specialist substance misuse nurses in secondary care (UHB and NBT) provide substance misuse assessments of patients referred from other hospital departments as misusing substances and provide psychotherapeutic interventions, plan safe discharge, including referral to community services. They also provide training in screening and brief advice for substance misuse. There is also a specialist midwifery service which provides holistic care for pregnant women and their babies where there is a substance misuse issue. As part of the procurement process, a new pathway will be developed to provide integrated drug and alcohol services in secondary care. A separate lot will be offered as part of the re-procurement process for the specialist services. The annual value of the services is £155,579 (Taken with the expenditure to date, the extended contract value will exceed the key decision threshold).

4. Contracts Requiring Extension – Healthy Lifestyle Services – various providers

These services are currently commissioned as separate contracts across a variety of providers as set out below. A procurement process is underway to bring together all of these services under one contract to provide a holistic healthy lifestyle service, with an anticipated completion date of 31st March 2018. This will provide a better pathway for patients and may generate some economies of scale. The services which exceed the £500,000 threshold (having regard to the cumulative contract value) are as follows:-

- Weight Management centre – tier 2 weight management service for children and families, annual value £185,000
- Slimming World and Weight Watchers – Tier 1 weight management service for adults, annual value £100,000
- GP practices and pharmacies – stop smoking services, annual value £520,000
- GP practices and pharmacies and voluntary sector providers – health checks, annual value £350,000

All of the above contracts will end on 31st March 2017 unless an extension is granted.

Consultation and scrutiny input:

Specialist Sexual Health Services and Substance Misuse Services have been through the decision pathway of the council. This has included extensive consultation with relevant stakeholders as follows:-

a. Internal consultation:

- Neighbourhoods Leadership Team
- Strategic Leadership Team
- Cabinet briefings
- Health & Wellbeing Board
- Cabinet Member Briefings
- Neighbourhoods Scrutiny Commission

b. External consultation:

- Provider events
- Focus groups

All services listed above will be re-commissioned and consultation and equality impact assessments will form part of the process.

Other options considered:

Not to extend the contracts. This would put us in breach of the terms of the public health grant.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Possible challenge from other potential providers	High	Medium	Ensure commissioning processes take place during 2017-18 to mitigate against risk of challenge	High	Low	Becky Pollard
2	Risk that cost of new services will exceed the funding available in the public health grant	High	Medium	Set clear funding envelop for potential bidders which takes account of the reduced levels of funding.	High	Low	Becky Pollard

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	All of the above services are either mandated or targeted at the most deprived citizens in our communities. If no services in place for those most at risk of poor health outcome:-	High	High	Agree to waivers for one year	High	Medium	Becky Pollard

	<ul style="list-style-type: none"> Sexual health – STIs would increase, risk of outbreaks, increase in teenage conceptions and unwanted pregnancies Substance misuse - Crime would increase. Drug / alcohol users would relapse causing problems in communities / families etc. Healthy lifestyles – increase in poor health outcomes for people in our most deprived communities and adverse impact on health and social care services. 						
2	Failure to comply with statutory duty to provide mandated services (sexual health services and health checks)	High	High	As above	High	low	Becky Pollard
3	Failure to comply with conditions of public health grant	High	High	As above	High	low	Becky Pollard
4	Public health outcomes will not be met	High	High	As above	High	low	Becky Pollard

Public sector equality duties:

Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.

ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:

- remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);

- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.

Where recommissioning has already begun, equality impact assessments will have been carried out. For those services which are commencing during 2017-18, this will form part of the commissioning process.

Eco impact assessment

Not applicable

Resource and legal implications:

Finance

The financial value of the contract extensions recommended to be approved from 1 April 2017 have been itemised in the report. Revenue budgets approved by the Director of Public Health are in place to support this expenditure within 2017/18. There are no revenue implications for financial year 2016/17 arising from this report.

a. Financial (revenue) implications:

Advice given by Robin Poole – Finance Business Partner
Date 23rd February 2017

b. Financial (capital) implications: Not applicable

Advice given by Insert name / job title
Date Insert date

Comments from the Corporate Capital Programme Board:

Not applicable

c. Legal implications:

These contracts are schedule 3 services and therefore subject to the light touch regime under Public Contracts Regulations 2015. Most, in view of their value, will be caught by the Regulations by virtue of aggregation. It will therefore be necessary to publish an advert in the OJEU and to run a compliant procurement process, where appropriate. Advice is being provided to the client department with a view to this taking place as soon as possible; however the council also has a statutory duty to provide most of these services, as well as being required to comply with the conditions of the public health grant in relation to all of them and therefore direct awards appear to be the only alternative as a bridging measure. The re-procurement of the services in the longer term will also need to be compliant with the 2015 Regulations.

Advice given by Eric Andrews - Solicitor
Date 22nd February 2017

d. Land / property implications:

Not applicable

Advice given by Insert name / job title
Date Insert

e. Human resources implications:

Not applicable

Advice given by Insert name / job title
Date Insert

Appendices:

Appendix 1 - insert title of appendix

Appendix 2 - insert title of appendix etc.

Access to information (background papers):

HWB Paper 17th February 2016 – Sexual Health Re-procurement

HWB Paper 19th October 2016 – Substance Misuse Re-procurement

CPG Paper

CABINET – 07 03 2017

EXECUTIVE SUMMARY OF AGENDA ITEM 17

Report title: Supported Bus Service Review

Wards affected: City Wide

Strategic Director: Barra Mac Ruairi, Place

Report Author: Nicola Phillips

RECOMMENDATION for the Mayor's approval:

To award the supported bus service contracts in Appendix 1 in accordance with the parameters agreed in the medium term financial plan subject to ratification with West of England Combined Authority Board in line with Paragraphs 16 and 17

Key background / detail:

a. Purpose of report: To seek approval to award the supported bus service Contracts.

b. Key details:

1. The majority of bus Services in Bristol are provided on a commercial basis by private bus companies. Bristol City Council provides support to a number of bus services in the city that supplement the commercial network with services that it considers to be socially necessary. These are fully supported services where the council pays for the full operation of the service; or partially supported services where the Council pays for certain journeys or extensions to the route. We refer to these services as supported services.

2. Many of the supported services are orbital in nature or create links between communities that are not connected by arterial routes. As above, these routes are deemed as being socially necessary and without the Council support, they would not otherwise be provided. The Council is given powers to procure socially necessary services under the Transport Act 1985 (and as amended).

3. Bristol City Council currently provides support to a number of bus services throughout the city, a list of these services can be found in the Appendices of the Cabinet Report.

4. We have received bids from 4 operators to run our supported bus services. We have reviewed the bids and applied our considerations and priorities for making decisions on what services to award; these are (in no particular order):

- Bus Strategy guide on good value for money
- Bus Strategy priorities on services to support,
- Where there is no other commercial provision;
- Feedback from consultation;
- Value for money on tender returns
- Potential for commercialisation.

5. A full list of bus services that we are proposing to award can be found in Appendix 1. A map showing these services can be found at <http://arcg.is/2kAD3W9>.

Cabinet

7th March 2017



Report Title: Supported Bus Service Review

Ward: City Wide

Strategic Director: Barra Mac Ruairi

Report Author: Nicola Phillips, Principal Transport Officer

**Contact telephone no.
& email address** 22582
Nicola.phillips@bristol.gov.uk

Purpose of the report:

To award the supported bus service contracts.

Recommendation for the Mayor's approval:

To award the supported bus service contracts in Appendix 1 in accordance with the parameters agreed in the medium term financial plan subject to ratification with West of England Combined Authority Board in line with Paragraphs 16 and 17



The proposal:

- 1. The majority of bus Services in Bristol are provided on a commercial basis by private bus companies. Bristol City Council provides support to a number of bus services in the city that supplement the commercial network with services that it considers to be socially necessary. These are fully supported services where the council pays for the full operation of the service; or partially supported services where the Council pays for certain journeys or extensions to the route. We refer to these services as supported services.**
- 2. Further to paragraph 14 below, First Bus are now planning to run their “add on” evening and weekend services without the need for subsidy thanks to the increasing bus market which has resulted in achieving over £400,000 of savings from the budget with no loss of routes. Bristol is one of the minority of Councils that have seen an increase in the bus market over the last 5 years (along with the three neighbouring authorities in the West of England), and is now in the top ten for bus journeys per head of population for the first time.**
- 3. Many of the supported services are orbital in nature or create links between communities that are not connected by arterial routes. As above, these routes are deemed as being socially necessary and without Council support, they would not otherwise be provided. The Council is given powers to procure socially necessary services under the Transport Act 1985 (and as amended).**
- 4. Bristol City Council currently provides support to a number of bus services throughout the city, a list of these services can be found on pages 2/3 of Appendix 2.**
- 5. The current contracts for the supported service are due to expire on 2nd September 2017. In advance of the contract end, these services were reviewed to establish whether they are still fit for purpose. As part of the review process we carried out a consultation exercise. The consultation ran from 22 August until 30 September and sought views from existing users of our supported services and the public’s view on unmet access needs and opportunities for new connections. A copy of the consultation document can be found in Appendix 2.**
- 6. The consultation document was available to complete in both paper format and online. Paper copies were available on the specific buses providing the supported services, through passenger engagement on bus, in libraries, through neighbourhood partnerships and equality groups. We received a total of 1304 responses to the consultation, compared with 200 responses when this exercise was last carried out in 2011.**
- 7. Following on from our consultation the Council has carried out a Corporate Strategy Consultation from 13/10/2016 until 5/1/2017, which includes a proposal to reduce the Supported Bus Service budget by 50% over the next 2 years.**
- 8. The consultation report is attached at Appendix 6. 73% of respondents were users of supported bus services. The response rate varied between services, with the highest response rates from service users on services 77, 505 and 506. Due to the budgetary restrictions we are currently facing we asked residents how they would make their journey if the service was no longer provided, the top responses were: I would not be able to travel 23.47%, I would use an alternative bus service 19.25% and I would use my car 17.59%.**

9. We asked residents a variety of questions on the service they use and a full breakdown of the results for each service can be found in Appendix 7.

10. Following the consultation exercise and assessment of responses, we commenced the tendering process to re-tender a package of services. The services tendered were: 5 Evenings, 5 Sundays, 6 Evenings, 7 Evenings, 18 Evenings, 18 Sundays, 18A Saturdays, 24 Evenings, 36 Evenings, 36 Sundays, 50 Evenings, 77, 90 Evenings, 505, 506, 508, 511, 512, 513, 514 and 515. For each of these services multiple timetable options were tendered, for example; 505 half hourly daytime service, hourly daytime service, half hourly evenings until circa 2300, hourly evenings until circa 2300, half hourly evenings until circa 2100, hourly evenings until circa 2100, hourly Sunday service. This will ensure that there will be the flexibility to fit the available budget and to ensure the council receives the best value for money on each of the contracts.

11. We have received bids from 4 operators to run our supported bus services. We have reviewed the bids and applied our considerations and priorities for making decisions on what services to award; these are (in no particular order):

- Bus Strategy guide on good value for money
- Bus Strategy priorities on services to support,
- Where there is no other commercial provision;
- Feedback from consultation;
- Value for money on tender returns
- Potential for commercialisation.

12. As part of the consultation we asked residents 'If this service was no longer provided, how would you have made this journey?'. To ensure there is no loss of connection between communities we have concentrated on maintaining routes which if withdrawn would leave communities without a bus service. However, this may require a reduction in frequency to ensure that no service is completely removed. A full equalities assessment has been carried out on each individual service, the results of the assessments can be found in Appendix 7.

13. As part of the consultation we also asked residents for suggestions for new services in the city, a word cloud showing the suggestions are in Appendix 6. Due to the current savings requirement from the Supported Bus Service budget, we are proposing no new supported bus routes.

14. As part of the Corporate Strategy there is a targeted saving requirement from Supported Bus Service budget of £900k over the next 2 years. We are proposing to make the agreed savings through the below:

- First bus has advised us that they will be operating the following journeys on a commercial basis; these services operate in the main on a commercial basis. They have advised us that there may be some scheduling changes to the services, however these are not planned to be significant. Services 1 (5 Monday to Saturday evening journeys), 2 (5 Monday to Saturday evening journeys), 5 (3 Monday to Friday and 1 Saturday morning journeys, 11 Monday to Saturday evening journeys, All Sunday journeys), 6 (5 Monday to Saturday evening journeys), 7 (6 Monday to Saturday evening journeys), 24 (5 Monday to Saturday evening journeys), 36 (7 Monday to Saturday evening journeys, All Sunday journeys), 50 (5 Monday to Saturday evening journeys) and 90 (7 Monday to Saturday evening journeys). This provides the Council with circa £400k of the targeted savings requirement and we are not therefore proposing to award any contracts relating to these as there will be commercial provision.
- Amendment to frequency of daytime journeys on service 505. Removal of the 11 additional short working journeys between Long Ashton Park and Ride and Blackboy Hill which operate during

peak times. The service will operate a half hourly frequency between Long Ashton Park and Ride and Southmead Hospital during the daytime.

- Amendment to frequency of evening journeys on service 505. The service will see a reduction in evening journeys from every 30 minutes to every hour.
- Amendment to route of service 506. Due to the upcoming introduction of MetroBus route Ashton Vale to Temple Meads (AVTM) it is proposed that the service 506 will no longer operate to the Create Centre and will now terminate in Broadmead. Passengers using the service between the Create Centre and Temple Meads/Broadmead will have access to AVTM which is proposed to operate every 10 minutes, providing passengers with an improved service frequency over the current half hourly service provided. However AVTM will not go into Gasferry Road and will therefore serve the SS GB from Cumberland Road. Any passengers wishing to continue their journey past Broadmead will need to change onto the 506 at Broadmead.
- Withdraw funding for the Severn Beach Line Rail Replacement service. This service currently operates 9 journeys between Avonmouth and Severn Beach on a Saturday, to link in with rail journeys which do not continue onto Severn Beach. Any passengers wishing to continue onto Severn Beach will have to use a train service which operates the full route every 2 hours on a Saturday. This service is lightly used and costs us £10 per passenger journey, which is not good value for money at more than double the threshold.
- Given the Council's financial position our ability to respond to future commercial changes will be severely constrained.

A full list of bus services that we are proposing to award can be found in Appendix 1. A map showing these services can be found at <http://arcg.is/2kAD3W9>. Services continuing to operate with no changes can be seen in blue, Services continuing to operate with changes can be seen in purple and services/sections of route no longer served can be seen in red.

15. Using the 2011 census journey to work data we were able to identify any trip patterns which have a lower than expected amount of journeys to work by bus. This data can identify where there is a lack of public transport provision; however there may be other reasons for the low levels of journeys to work by bus such as good rail or cycle links. We have identified the top 20 trip patterns with the lowest percentage of journeys to work by bus this can be seen in appendix 3. The majority of these trip patterns were journeys made to/from the North Fringe within the South Gloucestershire area, with only 2 trip patterns being identified within the Bristol City Council boundary; Ashton Gate/Southville to Temple Meads and Clifton Wood/Hotwells to Temple Meads.

16. This review has been conducted with a focus on Bristol. This has been conducted in consultation with neighbouring authorities, which will be further enhanced and developed at a strategic level by the forming of the Mayoral Combined Authority.

17. The power to support bus services is being conferred as a joint power both for the councils and the West of England Combined Authority (WECA). This means that from the establishment of WECA, this power can be used with approval from WECA and the constituent councils. Therefore any decisions about service level or budget post WECA cannot be taken in isolation by the councils. It is proposed that the budgets remain local in 2017/18 and that the 3 councils continue to provide services in line with current aspirations. The award of supported services will need endorsement by the WECA Board following Bristol City Council Cabinet approval.

Consultation and scrutiny input:

a. Internal consultation:

Internal consultation has taken place with the Place Directorate, through Cabinet Member briefings and Place scrutiny. Officers attended place scrutiny on 11th February 2016 to discuss transport poverty where our supported service consultation was discussed and scrutiny members requested additional questions and options to be added to the draft survey. Following the consultation officers attended Place scrutiny on 17th November 2016 to discuss the results of the consultation. Scrutiny members were happy with the proposed way forward with the review process and provided their comments on the outcome of the consultation.

Neighbourhood Partnerships were provided with access to the online tools to respond to the consultation, and there is evidence that it was discussed at Neighbourhood Partnership meetings.

b. External consultation:

Consultation was carried out with Bristol residents via a consultation survey form which was available in paper format and online.

Local bus operators

SS Great Britain management

Corporate Strategy Consultation, which included a reduction to the supported bus service budget.

Other options considered:

The review process has included meetings with local bus operators for their views on the commercial viability of some of the existing contracted services, to identify whether there are services that can continue without public subsidy. The proposed list of services to be contracted is reflective of this work.

To allow existing contracts to expire and not procure any replacements. Not considered acceptable option especially as there is an agreed budget

We looked at options to affect the savings in other ways, but any alternative option resulted in the loss of services and connections that we were seeking to avoid.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Operator not having an operator licence in time to start operating the service.	Very High	Low	Operator will need to operate from a different base until the licence is have been issued.	High	Low	Contract Manager
2	Inflation will further erode the overall available budget.	Medium	Medium	Apply the criteria matrix	Low	Low	Contract Manager

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	

1	Not procuring any supported bus services. The contracts would expire resulting in a loss of services around the city and the connections and accessibility that they provide.	High	High	Agree to let contracts. Existing contracts can be extended for an additional 2 years.	Low	Low	Contract Manager
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Public sector equality duties:

An Equalities Impact Assessment has been carried out for the supported bus services and can be found in Appendix 4.

Eco impact assessment

The significant impacts of this proposal are...

- The operation of supported buses will result in the emission of climate changing gases, consumption of fossil fuels and air pollution.
- Supported bus services provide an alternative to private car use

The proposals include the following measures to mitigate the impacts...

- Vehicles used on the services will be at a minimum Euro 4 emission standard,
- As part of the quality specification we will give bidders additional points for reducing their environmental impact and fuel consumption.
- Bidders will be asked to quote for Euro 6-compliant buses

The net effects of the proposals are

- The net effect of supported buses depends on the number of buses operating (in comparison with current arrangements), the level of patronage, and alternative methods of transport passengers would take if the service was not available.
- The change in environmental impact from current arrangements is unknown.

Resource and legal implications:

Finance

a. Financial (revenue) implications:

The 16/17 revenue budget for the supported bus services (i.e. bus subsidies) is circa £2.3m, of which £0.45m is funded by the Bus Service Operator Grant (BSOG). It has been confirmed by the Department for Transport (DfT) that this grant allocation will remain unchanged for the financial year 17/18.

As a part of the corporate strategy and the budget consultation, a saving proposal has been put forward against the supported bus services contracts. Saving scheme RS06 under the budget consultation paper proposes to achieve 50% savings (£0.9m) on the general fund element of the supported bus service budget (£1.8m) over the next 2 years. As the contracts will be awarded around September 2017, £0.45m saving is expected in 17/18 and the full year effect of the savings will be realised in 18/19.

There is a risk associated with the DfT BSOG allocation beyond 17/18 which may result in funding pressures in the future and would require mitigation actions.

A further significant assumption is that, at present, the funding for joint powers around bus subsidies will not flow to the West of England Combined Authority (WECA) and will subject to further discussion and agreement between the authorities on how such joint powers will be exercised going forwards.

Advice given by Tian Ze Hao/ Finance Business Partner
Date 15/02/2017

b. Financial (capital) implications:

N/A

Advice given by Tian Ze Hao / Finance Business Partner
Date 15/02/17

Comments from the Corporate Capital Programme Board:

N/A

c. Legal implications:

The contracts should be procured in accordance with EU law and the council's internal procurement rules. The procurement documentation will need to make clear that the Council will not necessarily take up the opportunity to award contracts on all routes for which it is seeking bids.

Advice given by Eric Andrews, Solicitor
Date 19 December 2016

d. Land / property implications:

This matter has no bearing on Corporate Property as it is a contract award matter relating to the Council's Transport provision, and as such we have no comment.

Advice given by Steve Matthews, Project Leader Assets
Date 06/01/2017

e. Human resources implications:

The proposals do not affect the council's workforce. However, if a new provider is appointed, staff working for the existing provider will transfer to the new provider in accordance with the TUPE regulations. The obligation to manage the transfer rests with the respective employers.

Advice given by Mark Williams, People Business Partner
Date 06/01/2017

Appendices:

- Appendix 1 – Service Details**
- Appendix 2 – Supported Bus Service Consultation Survey**
- Appendix 3 – Journey to work trip patterns**
- Appendix 4 – Eco Impact Assessment**
- Appendix 5 – Equality Impact Assessment**
- Appendix 6 – Consultation Report**
- Appendix 7 – Supported Service Info Sheets**

Access to information (background papers):

Appendix 1 – Service Details

Services to be Commercialised – Services shown in Blue on the map.

Service	Level of Service to be Commercialised
Service 1	5 Monday to Saturday evening journeys
Service 2	5 Monday to Saturday evening journeys
Service 5	3 Monday to Friday and 1 Saturday morning journeys, 11 Monday to Saturday evening journeys, All Sunday journeys.
Service 6	5 Monday to Saturday evening journeys

Service 7	6 Monday to Saturday evening journeys
Service 24	5 Monday to Saturday evening journeys
Service 36	7 Monday to Saturday evening journeys, All Sunday journeys
Service 50	5 Monday to Saturday evening journeys
Service 90	7 Monday to Saturday evening journeys

Services Proposed to Support with no changes – Services shown in Blue on the map.

Service	Level of Service to be Awarded	Feedback from Consultation.
Service 52	12 Journeys, no change to current provision.	Passengers have access to no alternative bus service.
Service 77	25 Journeys, no change to current provision.	Passengers have access to no alternative bus service.
Service 508	Hourly service, no change to current provision.	Passengers on sections of the route have access to no alternative bus service. 68% of passengers who use this service are over 50 years old and 25% class themselves as disabled.
Service 511	12 Journeys, no change to current provision.	Passengers have access to no alternative bus service. 81% of passengers who use this service are over 50 years old and 35% class themselves as disabled.
Service 512	8 Journeys, no change to current provision.	Passengers have access to no alternative bus service. 95% of passengers who use this service are over 50 years old and 44% class themselves as disabled.
Service 513	11 Journeys, no change to current provision.	Passengers have access to no alternative bus service. 95% of passengers who use this service are over 50 years old and 43% class themselves as disabled.
Service 514	11 Journeys, no change to current provision.	Passengers have access to no alternative bus service. 93% of passengers who use this service are over 50 years old and 41% class themselves as disabled.
Service 515	Hourly service, no change to current provision.	Passengers on sections of the route have access to no alternative bus service. 66% of passengers who use this service are over 50 years old and 39% class themselves as disabled.

Services Proposed to Support with Changes – Services shown in Purple/Red on the map.

Service	Level of Service to be Awarded	Feedback from Consultation
Service 505	Half Hourly service from Long Ashton Park and Ride to Southmead Hospital. Frequency reduction during peak hours, the current short working journeys to/from Blackboy Hill will no longer operate. Evening journeys will now operate on an hourly basis.	The majority of passengers use this service for Hospital/Medical appointments. So the proposed changes will have no impact on these passengers.
Service 506	Half Hourly service from Southmead Hospital to Broadmead. Route change to service,	The stretch of the service being withdrawn will be served instead by

	service 506 will no longer continue past Broadmead to the Create Centre.	Metrobus
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Services Support Withdrawn – Services shown in Red on the map.

Service	
Severn Beach Line Rail Replacement	Service withdrawn as cost is over £10 per passenger journey

Appendix 2 – Supported Bus Service Consultation Survey

Public Consultation on Supported Bus Services



Introduction

Improving Public Transport has been a high priority for the council for over a decade, and continues to be as part of our corporate plan 2014-2017. We have had many major transport schemes over the years including the Greater Bristol Bus Network and the current MetroBus project.

This survey will form part of the council's review and assessment of supported bus services (excluding Park and Ride). We are seeking your views on our supported bus services, how they can be improved and what they will look like in the future, within the current financial climate.

The council has worked hard to make savings over the past 5 years including saving £1.5million from the supported bus services budget, which was achieved with a relatively small loss of access as many of the services were taken on commercially. Due to the continued tightening in national funding we remain vigilant that further savings maybe required from the supported services budget, and if so that we would have to prioritise our spending in this area. Should any savings be required the council will need to determine how to effect savings by reducing the number of services it supports. This assessment will be based on feedback from this consultation, the impact on the network, tender prices and value for money.

Please note this could result in cuts to your local supported bus service so it is important that you make your views heard so they can form part of the review.

Bus Services Operating in Bristol

Most of the bus services operating in Bristol are 'commercial services' run by private businesses for profit. The council has little influence over these services. However we work with the bus companies to improve journeys through improved bus priority, bus stops, electronic real-time information and publicity. On commercial services, the council has no direct control of the route, timetables or fares. The council **does** improve the infrastructure – such as bus stops and bus lanes. And it **can** help with technology such as smartcards. Examples of commercial services are the daytime services on main routes into the city run by First.

The council **does not** pay anything towards keeping these services running except reimbursing bus companies for free travel by concessionary fare card-holders, which is a government requirement.

The council financially supports some transport services for the following reasons:

At times when commercial operators claim services or parts of services are unprofitable such as: routes with low passenger numbers, early morning services, late evening services and Sundays.

On routes which are deemed to be socially necessary or help connect commercially operated routes e.g. orbital services/shopper services. These financially supported services are known as Supported Bus Services. They currently cost £2,074,953 a year (2015/16) they are:

- Orbital services including 505/6 (around Southmead Hospital, Easton and other Bristol areas).
- Local shopper services including 511/2/3/4 (Knowle, Bedminster and Brislington orbitals)
- Add-ons to commercial bus services (early morning, late evening and Sunday services)

Please see Appendix A for further information on the supported bus services cost and passenger information.

1. Are you answering this survey as:

- A Bristol resident who uses subsidised bus services
- A Bristol resident who does not use subsidised bus services
- Someone who works for a company providing subsidised bus services
- Someone who works for Bristol City Council
- Other (please specify):.....

2. Please state which, if any of the below subsidised local bus services you have used in the last 12 months?

- 1** – Broomhill to Cribbs Causeway, Monday to Saturday: 21:15, 22:15 and 23:15 departures from Broomhill
- 1** – Cribbs Causeway to Broomhill, Monday to Saturday: 21:55 and 22:55 departures from Cribbs Causeway
- 2** – Stockwood to Cribbs Causeway, Monday to Saturday: 21:23, 22:23 and 23:23 departures from Stockwood
- 2** – Cribbs Causeway to Stockwood, Monday to Saturday: 22:06 and 23:06 departures from Cribbs Causeway
- 5** – Broadmead to Downend, Monday to Friday: 06:20, 06:50, 07:10 departures from Broadmead. Saturday: 06:30 departure from Broadmead.
- 5** – Broadmead to Downend, Monday to Friday: 20:25, 20:50, 21:20, 21:50, 22:20, 22:50 and 23:20 departures from Broadmead. Saturday: 20:20, 20:50, 21:20, 21:50, 22:20, 22:50 and 23:20 departures from Broadmead.
- 5** – Broadmead to Downend - Sunday: 09:00, 09:30, 09:50, 10:20, 10:50, 11:20, 11:50, 12:20, 12:50, 13:20, 13:50, 14:20, 14:50, 15:20, 15:50, 16:20, 16:50, 17:20, 17:50, 18:20, 18:50, 19:20.
- 5** – Downend to Broadmead, Monday to Saturday: 21:05, 21:35, 22:05 and 22:35.
- 5** – Downend to Broadmead, Sunday: 09:00, 09:50, 10:20, 10:50, 11:20, 11:50, 12:20, 12:50, 13:20, 13:50, 14:20, 14:50, 15:20, 15:50, 16:20, 16:50, 17:20, 17:50, 18:20, 18:50
- 6** – The Centre to Kingswood, Monday to Saturday: 21:25, 22:25 and 23:25 departures from the Centre
- 6** – Kingswood to The Centre, Monday to Saturday: 21:09 and 22:09 departures from Kingswood
- 7** – The Centre to Staple Hill, Monday to Saturday: 20:40, 21:40, 22:40 and 23:10 departures from the Centre
- 7** – Staple Hill to The Centre, Monday to Saturday: 21:57 and 22:27
- 24** – Ashton Vale to Southmead, Monday to Saturday: 20:38, 21:38 and 22:38
- 24** – Southmead to Ashton Vale, Monday to Saturday: 21:40 and 22:40
- 36** – The Centre to Hengrove Park, Monday to Saturday: 20:20, 20:50, 21:20, 22:20 and 23:30
- 36** – Hengrove Park to The Centre, Monday to Saturday: 21:10 and 22:20

- 36** – The Centre to Hengrove Park, Sunday: All journeys
- 36** – Hengrove Park to The Centre, Sunday: All journeys
- 50** – The Centre to Hengrove Park, Monday to Saturday: 22:40 and 23:40
- 50** – Hengrove Park to The Centre, Monday to Saturday: 20:25, 21:25 and 22:25
- 51** – The Centre to Hengrove Park, Monday to Saturday: 21:10, 22:10 and 23:10
- 51** – Hengrove Park to The Centre, Monday to Saturday: 20:55, 21:55 and 22:55
- 77** – The Centre to Thornbury, Monday to Saturday: All journeys
- 90** – Broadmead to Hengrove Depot, Monday to Saturday Evenings
- 505** – Long Ashton Park and Ride to Southmead Hospital, Monday to Sunday: All journeys
- 506** – Create Centre to Southmead Hospital, Monday to Saturday: All journeys
- 508** – Sea Mills to Southmead, Monday to Saturday: All journeys
- 511** – Hengrove to Bedminster, Monday to Saturday: All journeys
- 512** – Totterdown and Windmill Hill to Bedminster, Monday to Saturday: All journeys
- 513** – Knowle to Brislington, Tuesday and Thursday: All journeys
- 514** – Knowle to Brislington Tesco, Monday, Wednesday and Friday: All journeys
- 515** – Stockwood to Imperial Park, Monday to Saturday: All journeys

3. How often you use these bus services?

- Daily
- Once or twice a week
- 3 or 4 times a week
- Once or twice a month
- Once or twice a year
- Never used

4. What times of the day do you use these bus services?

- Before 09:00
- 09:00 – 16:00
- 16:01 – 19:00
- After 19:00

5. Where do you travel to and from?

Start:

Finish:

6. What is the purpose of your journey?

- Work
- School/College
- Shopping/Leisure
- Business
- Hospital/Medical appointments
- Leisure
- Entertainment
- Socialising
- Visiting friends/Relatives
- Other (please specify):

7. If these services were no longer provided, how would you have made this journey?

- | | |
|---|--|
| <input type="radio"/> Alternative bus service | <input type="radio"/> Taxi |
| <input type="radio"/> Car | <input type="radio"/> Train |
| <input type="radio"/> Car Share | <input type="radio"/> Scooter/Motorbike |
| <input type="radio"/> Community Transport | <input type="radio"/> Walk |
| <input type="radio"/> Cycle | <input type="radio"/> I would not have been able to travel |

8. If these services were no longer provided what impact would this have on you?

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9. How would you rate the current service provided?

- | | |
|------------------------------------|---------------------------------|
| <input type="radio"/> Very Good | <input type="radio"/> Poor |
| <input type="radio"/> Good | <input type="radio"/> Very Poor |
| <input type="radio"/> Satisfactory | |

10. Do you have any suggestions on how to improve these services?

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Equalities Form

Bristol City Council is committed to making equal opportunities a reality in the provision of all of our services. We need to know who our customers are to check that everyone in the city is accessing the services they are entitled to and that no-one is discriminated against unlawfully. Information provided will be treated confidentially and in accordance with the Data Protection Act 1998 and only used to ensure that everyone is treated fairly.

Every year, each service gathers information about its customers to check whether the service is reaching all communities and takes action if necessary. Data on uptake of council services by equalities communities is published on our website at www.bristol.gov.uk/equality

All questions are voluntary and it will not make any difference to the service you receive if you do not answer them. However, by answering the questions you will help us to ensure that our services are fair and accessible to all.

1. How would you describe your ethnic origin? (Please tick)

White

- | | |
|--|---|
| <input type="checkbox"/> English/Welsh/Scottish/
Northern Irish/British | <input type="checkbox"/> Gypsy (including English, Scottish and
Roma Gypsy) or Irish Traveller |
| <input type="checkbox"/> Irish | <input type="checkbox"/> Any other White background
(please describe) |
| <input type="checkbox"/> Eastern European | |

Mixed / multiple ethnic groups

- | | |
|---|--|
| <input type="checkbox"/> White and Black Caribbean | <input type="checkbox"/> Any other Mixed/multiple ethnic
background (please describe) |
| <input type="checkbox"/> White and Black African (non Somali) | |
| <input type="checkbox"/> White and Asian | |

Asian / Asian British

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Indian | <input type="checkbox"/> Caribbean |
| <input type="checkbox"/> Pakistani | <input type="checkbox"/> Any other Asian background
(please describe) |
| <input type="checkbox"/> Bangladeshi | |
| <input type="checkbox"/> Chinese | |

Black / African / Caribbean / Black British

- | | |
|---|--|
| <input type="checkbox"/> African (non Somali) | <input type="checkbox"/> Any other Black / African / Caribbean
background (please describe) |
| <input type="checkbox"/> Somali | |

Other ethnic groups

- Arab
 Iranian
 Iraqi
 Kurdish

- Turkish
 Any other ethnic group
 (please describe)

.....

- Prefer not to say

2. What is your gender?

- Female
 Male

- Prefer not to say

3. Are you transgender?

(Is your gender identity different from the gender you were assigned at birth?)

- Yes
 No

- Prefer not to say

4. What is your age group?

- 15 or under
 16 to 24
 25 to 49
 50 to 64

- 65 to 74
 75 and over
 Prefer not to say

5. Do you consider yourself to be a disabled person?

- Yes
 No

- Prefer not to say

5b It helps us to know whether we are reaching all disabled people, please can you tick the relevant impairment (disability) group below and you are welcome to tick more than one box if appropriate.

- Physical impairment
 Visual impairment
 Hearing impairment
 Deaf BSL user
 Learning difficulties

- Specific learning difficulties like dyslexia
 Mental and emotional distress
 A health condition e.g hiv, multiple sclerosis, cancer
 Prefer not to say

6. Please say how you would you usually describe your sexual orientation?

- | | |
|--------------------------------|---|
| <input type="radio"/> Lesbian | <input type="radio"/> Heterosexual (straight) |
| <input type="radio"/> Gay | <input type="radio"/> Prefer not to say |
| <input type="radio"/> Bisexual | |

7. What is your religion? (Each category includes all denominations and sects)

- | | |
|-----------------------------------|---|
| <input type="radio"/> No religion | <input type="radio"/> Muslim |
| <input type="radio"/> Christian | <input type="radio"/> Sikh |
| <input type="radio"/> Buddhist | <input type="radio"/> Any other religion or belief
(please describe) |
| <input type="radio"/> Hindu | |
| <input type="radio"/> Jewish | <input type="radio"/> Prefer not to say |

8. I do not wish to provide any of the information requested on this form

- (Please tick)

Appendix A - Supported Bus Services Cost and Passenger Information (based on 15/16 figures)						
Service	Summary of Route	Current Provider	Cost Per annum	Annual Total Passengers	Cost per passenger Journey	Notes
Commercial Add On's						
1	Broomhill, The Centre, Westbury on Trym, Cribbs Causeway	First	£22,674	40932	£0.55	
2	Stockwood, Knowle, The Centre, Henleaze, Cribbs Causeway	First	£24,520	45434	£0.54	
5	Oldbury Court, Stapleton, St Pauls, The Centre	First	£7,167	29851	£0.24	
5	Oldbury Court, Stapleton, St Pauls, The Centre	First	£37,162	23833	£1.56	
5	Oldbury Court, Stapleton, St Pauls, The Centre	First	£27,340	31090	£0.88	
6	Kingswood, Hillfields, Whitehall, The Centre	First	£31,469	22716	£1.39	South Gloucestershire Council provide support towards these journeys
7	Staple Hill, Soundwell, Speedwell, Whitehall, The Centre	First	£30,002	27439	£1.09	South Gloucestershire Council provide support towards these journeys
24	Ashton Vale, Bedminster, The Centre, Eastville, Lockleaze, Southmead Hospital	First	£55,289	43156	£1.28	
36	Hengrove Park, Knowle, Brislington, St Annes, The Centre	First	£57,546	28433	£2.02	
36	Hengrove Park, Knowle, Brislington, St Annes, The Centre	First	£26,029	25026	£1.04	
50	Hengrove Park, Whitchurch, Knowle, The Centre	First	£13,395	12502	£1.07	
51	Hengrove Park, Whitchurch, Hengrove, Totterdown, The Centre	First	£24,470	25487	£0.96	
77	The Centre, Bishopston, Westbury on Trym, Southmead, Bristol Parkway, Almondsbury, Thornbury	First	£62,861	248693	£0.25	South Gloucestershire Council and Section 106 funding provide support towards this service.
90	Hengrove Depot, Knowle, Bedminster, The Centre	First	£44,470	28125	£1.58	

Orbital Services						
505	Long Ashton Park and Ride, Clifton, Bristol Zoo, Redland, Horfield, Southmead Hospital	Wessex Connect	£527,451	162206	£3.25	Section106 funding provides support towards this service.
506	Create Centre, Temple Meads, Broadmead, Lawrence Hill, Easton, Eastville, Southmead Hospital	Wessex Connect	£357,451	89366	£4.00	
508	Sea Mills, Coombe Dingle, Westbury on Trym, Southmead	Wessex Connect	£83,748	21093	£3.97	
Shopper Services						
511	Hengrove, Knowle, Bedminster	Wessex Connect	£57,016	25976	£2.19	
512	Bedminster, Windmill Hill, Totterdown	Wessex Connect	£77,558	18616	£4.17	
513/514	Knowle, Arnos Vale, St Annes, Brislington, Brislington Tesco (514)	Wessex Connect	£41,084	15088	£2.72	
515	Stockwood, Whitchurch, Hengrove Park, Imperial Park	Abus	£108,226	36499	£2.97	

You can send your completed forms back by **30 September 2016** via our Freepost address below:

**Freepost RTKJ-SGBZ-ULSH
Sustainable Transport –
Bus Consultation (City Hall)
Bristol City Council
PO Box 3176
BS3 9FS**

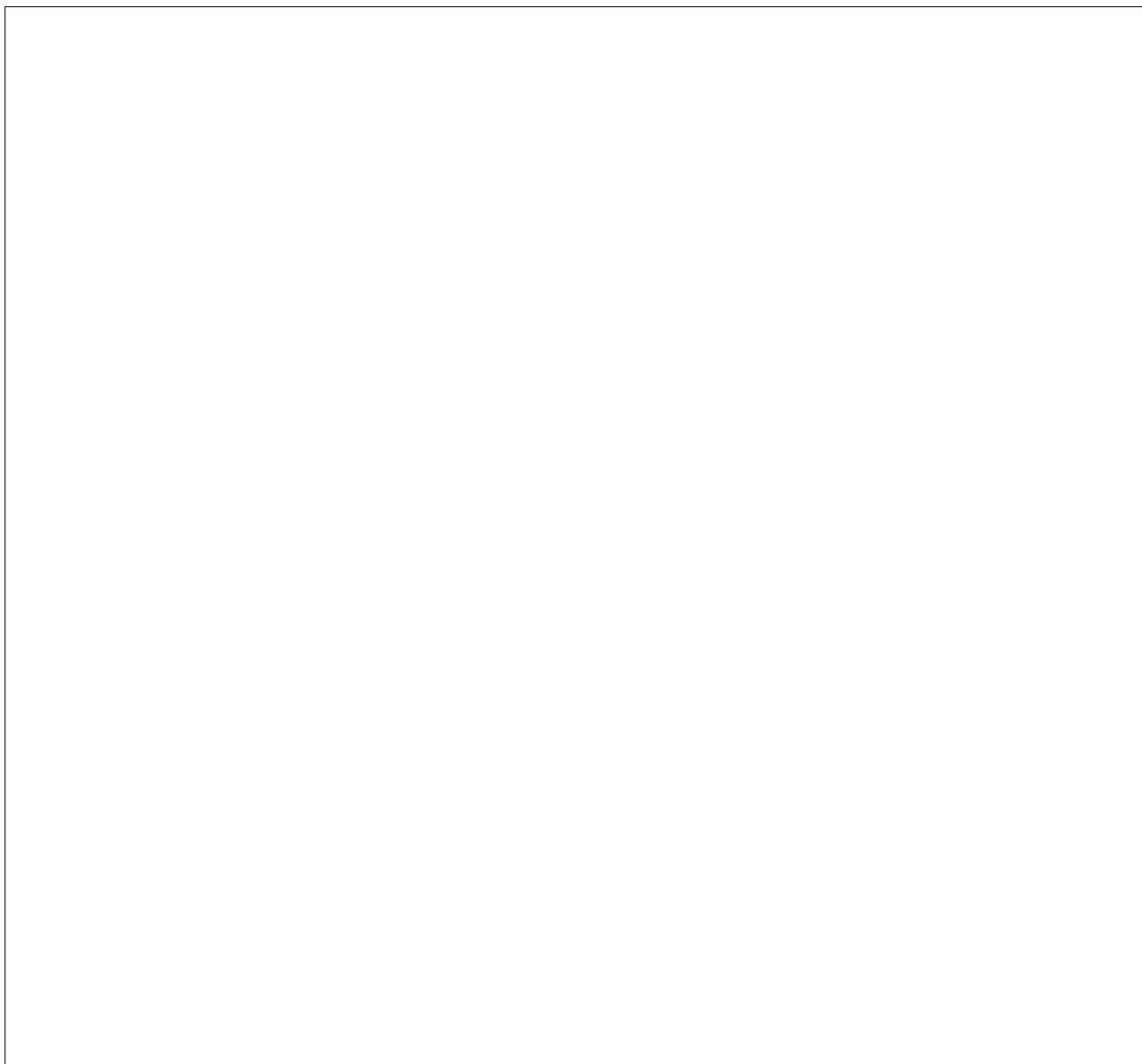
Documents available in other formats:

If you would like this information in another language, Braille, audio tape, large print, easy English, BSL video or CD rom or plain text please contact: **Sustainable Transport**

Appendix 3 – Journey to work trip patterns

Journeys with Low Bus Use	TotalTrips	BusTrips	%Bus
Bradley Stoke (Central) to UWE Frenchay/Abbey Wood	669	38	6%
Emerson's Green to UWE Frenchay/Abbey Wood	628	13	2%
Bradley Stoke (East) to UWE Frenchay/Abbey Wood	619	18	3%
Filton to UWE Frenchay/Abbey Wood	531	19	4%
Ashton Gate/Southville to Temple Meads	455	19	4%
Patchway/Aztec West to UWE Frenchay/Abbey Wood	331	17	5%
Clifton Wood/Hotwells to Temple Meads	324	14	4%
Frampton Cotterell to UWE Frenchay/Abbey Wood	287	6	2%
Downend (North) to UWE Frenchay/Abbey Wood	270	8	3%
Mangotsfield (South) to UWE Frenchay/Abbey Wood	260	11	4%
Staple Hill to UWE Frenchay/Abbey Wood	241	14	6%
Warmley to UWE Frenchay/Abbey Wood	231	2	1%
Longwell Green/Oldland to UWE Frenchay/Abbey Wood	223	4	2%
Westbury Park to UWE Frenchay/Abbey Wood	211	11	5%
Stockwell Hill to UWE Frenchay/Abbey Wood	207	10	5%
Cadbury Heath to UWE Frenchay/Abbey Wood	198	3	2%
Yate (South) to UWE Frenchay/Abbey Wood	191	3	2%
Bradley Stoke (Central) to Filton	182	0	0%
Mayfield Park to UWE Frenchay/Abbey Wood	177	8	5%

Eco Impact Checklist**Title of report: Supported Bus Service Review****Report author: Nicola Phillips****Anticipated date of key decision: 24 January 2017****Summary of proposals:****Will the proposal impact on...**

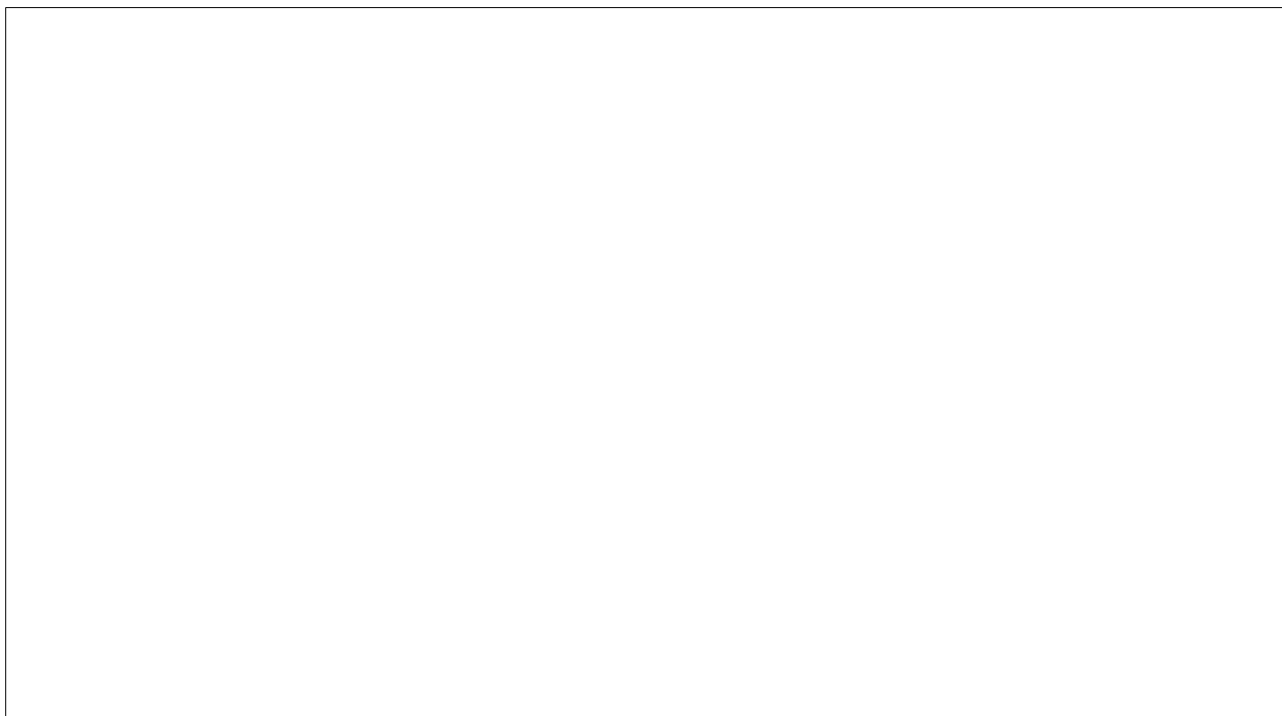


Bristol's resilience to the effects of climate change?

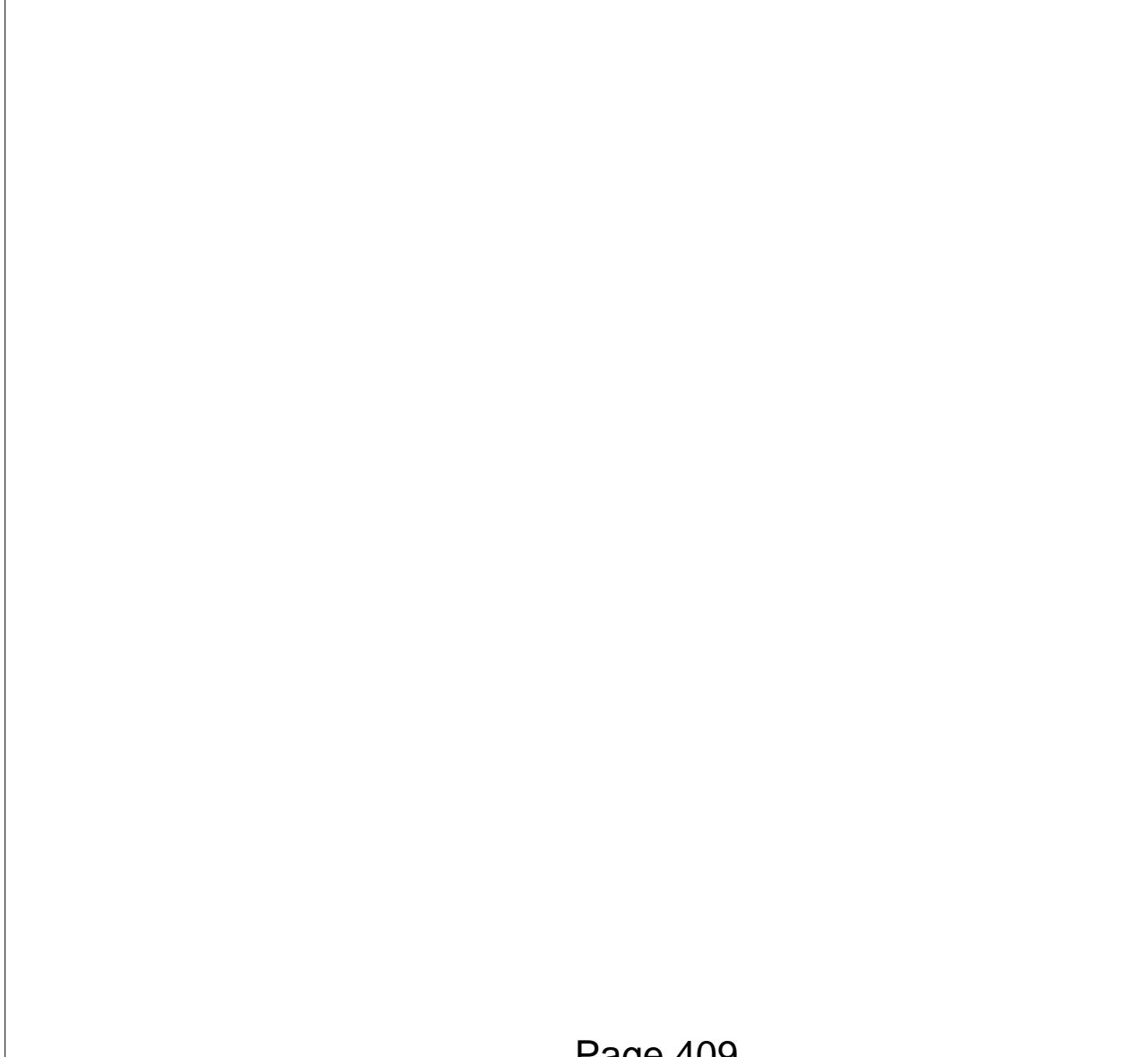
Consumption of non-renewable resources?

Production, recycling or disposal of waste

The appearance of the city?



Pollution to land, water, or air?



--

Wildlife and habitats?

Consulted with: Steve Ransom, Energy Service

Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report

The significant impacts of this proposal are...

- The operation of supported buses will result in the emission of climate changing gases, consumption of fossil fuels and air pollution.
- Supported bus services provide an alternative to private car use

The proposals include the following measures to mitigate the impacts...

- Vehicles used on the services will be at a minimum Euro 4 emission standard,
- As part of the quality specification we will give bidders additional points for reducing their environmental impact and fuel consumption.
- Bidders will be asked to quote for Euro 6-compliant buses

The net effects of the proposals are

- The net effect of supported buses depends on the number of buses operating (in comparison with current arrangements), the level of patronage, and alternative

methods of transport passengers would take if the service was not available.

- The change in environmental impact from current arrangements is unknown.

Checklist completed by:

Name:

Dept.:

Extension:

Date:

Verified by
Environmental Performance Team



Appendix 5 – Equality Impact Assessment

Bristol City Council Equality Impact Assessment Form

(Please refer to the Equality Impact Assessment guidance when completing this form)

Name of proposal	Supported Bus Service Review
Directorate and Service Area	Sustainable Transport, Place
Name of Lead Officer	Nicola Phillips

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal?

Page 415

We are looking to review and re-tender our supported bus services. We currently provide support 18 bus services across the city, either fully or partially. These services complement the commercial bus network and would not be provided if the council did not support them. The bus network in Bristol is de-regulated meaning any private bus operator can run a bus service on the route which they choose. This then leaves sections of the city without a bus service. As a council we are able to provide socially necessary bus services which complement the commercial bus network. These services are classed as supported services. Many of the supported services are orbital in nature or create links between communities that are not connected by arterial routes.

The re-tender of the supported services may impact service users and staff due to change in supplier.

If we decide not to award an existing service this may impact service users, due to no longer having access to the service.

As part of the Corporate Strategy there is a targeted saving requirement from Supported Bus Service budget of £900k over the next 2 years. We have tried to focus on maintaining routes to ensure there is no loss of connection between communities, this may result in a reduction in frequency to ensure that no service is completely removed.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected?

We have carried out a consultation exercise with passengers from 22 August until 30 September 2016, which has provided us with details on who is travelling and if they have any protected characteristics. We had 1304 responses to the consultation. The survey has identified the following statistics:

The results have shown us that 58% of the respondents were female and 31% were male. This is not a true representation of the population of Bristol which is split 50.02% Male to 49.98% Female (ONS 2015), this shows us that more females use bus services than males.

24% of passengers on supported bus services defined themselves as disabled, with 17% preferring not to say or not providing a response. This figure is comparatively higher than the Bristol average of 16.7% of the population living with a long-term health problem (2011 Census).

The majority of residents completing the consultation were in the age ranges of 24 to 49 and 50 to 64. This is similar to the population of the city, where the highest age range is 25 to 49, with the remaining age ranges being represented in similar proportions (ONS 2015).

The majority of respondents 82.95% to the consultation were of a white background. This figure is very similar to the 2011 Census which shows us that 84% of the population were of a white background, and 16% were of a BME background. The consultation results tell us that 4.45% of respondents were of a BME background, which does not represent the true ethnic breakdown of the Bristol population. However we had 12.59% of respondents who did not provide us with their ethnic origin which might explain the difference in figures.

The largest number of respondents to the consultation we're either Christian or had no religion. The 2011 Census data shows us that the split of respondents to the consultation were representative of the population of Bristol.

The results have shown us that the largest number of respondents class themselves as heterosexual, with only 6% of respondents stating they were lesbian, gay or bisexual. This figure is in line with the Government's estimates that 5–7% of the population are lesbian, gay or bisexual.

2.2 Who is missing? Are there any gaps in the data?

We do not have any data on Marital status, pregnancy and maternity. The data on sexual orientation is likely to be affected by non disclosure.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

As part of the consultation process we contacted all of the equality groups in the city and provided them with details of the consultation and how to complete it. Paper copies of the consultation were provided to any groups which requested them.

The consultation specifically asked how the traveller would make the journey

if the bus service ended. 455 people said they would not be able to make alternative arrangements.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

The supported bus services enable people who don't have their own transport to travel across the city so this is those with the lowest incomes or cannot drive due to age or disability.

As part of the consultation carried out we asked residents how they would make their journey if the service was no longer provided. 455 respondents told us they would no longer be able to travel. Looking in detail at these respondents we are able to establish that we might be affecting: White People 86%, Females 62%, residents over 65 35%, Heterosexual's 64%, residents with no Religion 38% or Christian's 34% and people with Disabilities 35%, of these residents the majority of people have a physical disability 42%.

1.2 million journeys are made on these services per year. 1304 people responded to the survey. We can extrapolate that therefore that a concerning number of people will be affected by a reduction or cessation of some of these services and some of these will have protected characteristics.

Disability – The consultation found that supported bus services are underused by disabled people, this may be due to them having a local commercial service to use or them not being able to use the bus.

Age – The consultation showed us that the under 15 group underuse supported bus services, this is likely to be due to them travelling with parents/guardians. 32% of the respondents were 65 or over, which might mean they have limited mobility or no other means of transport.

Gender Reassignment – no effect/no data

Marriage and Civil Partnership – no effect

Pregnancy and Maternity – no effect

Race – The consultation has shown us that supported bus services are underused by BME residents, this is likely due to the areas in which our supported bus services operate.

Religion or belief – This may affect any passengers using the evening journeys, who do not feel safe using alternative means of transport.

Sex – This may affect any passengers using the evening journeys, who do not feel safe using alternative means of transport.

Sexual Orientation – This may affect any passengers using the evening journeys, who do not feel safe using alternative means of transport.

3.2 Can these impacts be mitigated or justified? If so, how?

Some services are under used due to the barriers of travelling on the bus. This impact can be mitigated by making sure that the vehicles used on the service are low floor and abide by the Public Service Vehicle Regulations 2000 to allow more disabled people to use them.

If the reduction in service is implemented we can mitigate the impact because we can identify which buses are used frequently and by those with protected characteristics so these services could be continued.

3.3 Does the proposal create any benefits for people with protected characteristics?

The continuation of the services enables less well off people to travel to areas not served by the commercial bus service. This could decrease isolation for a group of people although it is hard with the current data to determine the size of this group.

All buses used on supported bus services are low floor vehicle and are accessible for wheelchair users and also has allocated spaces for elderly and disable passengers. Parents with buggies can also use the wheelchair accessible spaces.

The buses must be cleaned and maintained at all times whilst in operation of the contract. Including deductions if vehicles are not cleaned.

3.4 Can they be maximised? If so, how?

The services could be promoted better to increase passenger usage.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

The equalities impact assessment will be used as part of our supported service award criteria.

With the outcome of the budget consultation being to reduce the supported bus service budget by £900k, we were able to use the service the data gathered to inform us of which services have the greatest positive impact on those with protected characteristics and guide the remodelling of the service. When reviewing the service provision we have tried to focus on maintaining routes to ensure there is no loss of connection between communities, this may result in a reduction in frequency to ensure that no service is completely removed.

4.2 What actions have been identified going forward?

It has introduced equalities monitoring into service surveys.

We recognise some under usage by younger and BME people and will take measures to advertise more widely.

4.3 How will the impact of your proposal and actions be measured moving forward?

We will do surveys with equalities monitoring at least once every 2 years on those services that continue to exist.

Service Director Sign-Off: Peter Mann	Equalities Officer Sign Off: Wanda Knight
Date: 04/01/2017	Date: 04/01/2017

Appendix 6 – Consultation Report

Supported Bus Service Review 2016/17 Consultation Report

Aim of the consultation:

The consultation sought views from existing users and the public's view on unmet access needs and opportunities for new connections.

The consultation ran from 22 August until 30 September.

How was the consultation conducted:

The Council used various methods to ensure that residents knew that the consultation was taking place. The channels used were:

Press Release

Paper copies on bus

Passenger engagement on bus

Online

Paper copies at Libraries

Through the Neighbourhood Partnerships

Emails to Equality Groups

Hospitals

Social Media

A listing on the Council's Consultation Hub

We asked residents to respond to the consultation by either completing a paper copy of the survey or online.

We had a total of 1,304 responses, these were broken down into:

Online 575

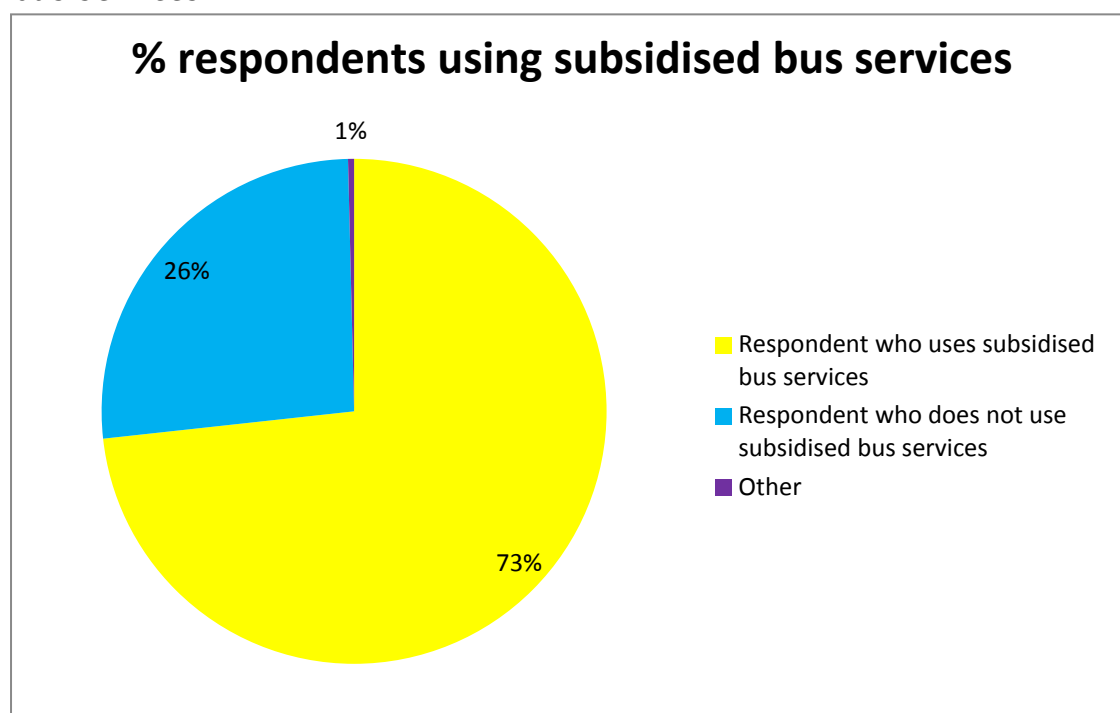
Paper 727

Neighbourhood Partnership 1

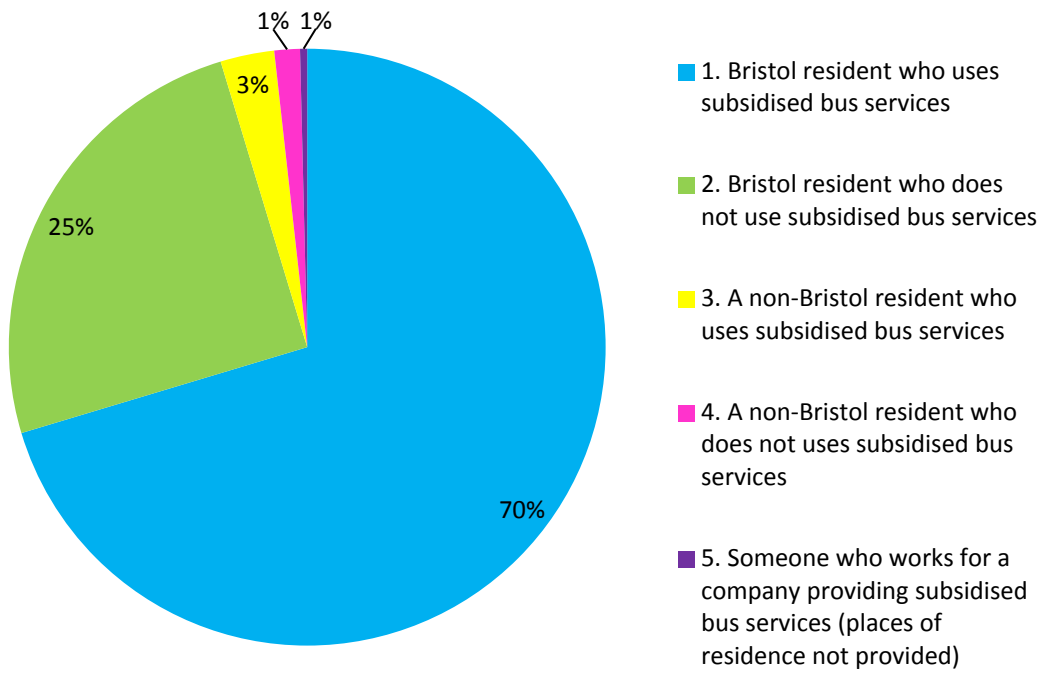
Town Council 1

Consultation Results:

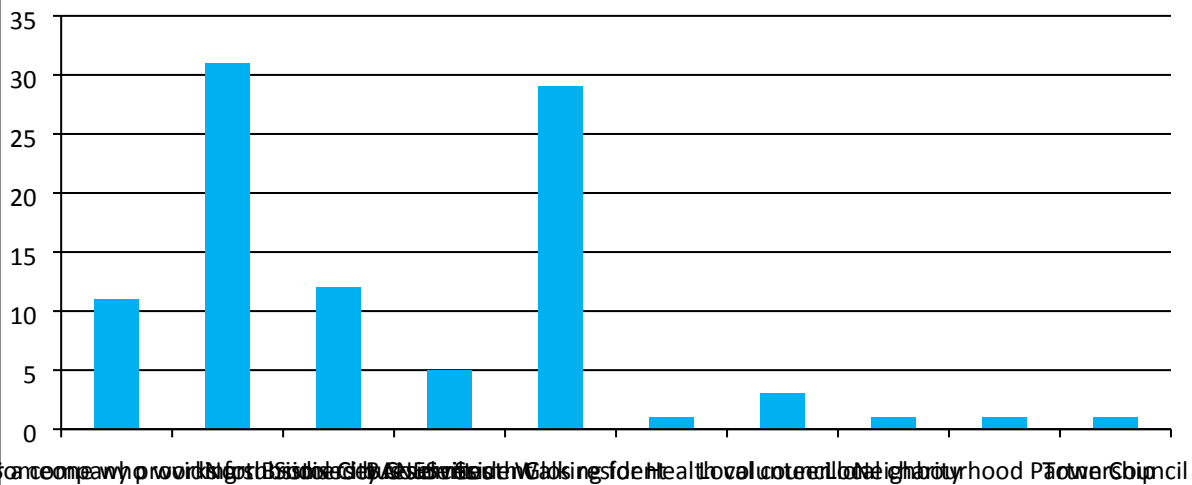
As part of the consultation we asked residents if they were users of supported bus services or not, to ensure that we were capturing the views of all residents and not just existing users. The results show us that 27% of respondents are not users of supported bus services.

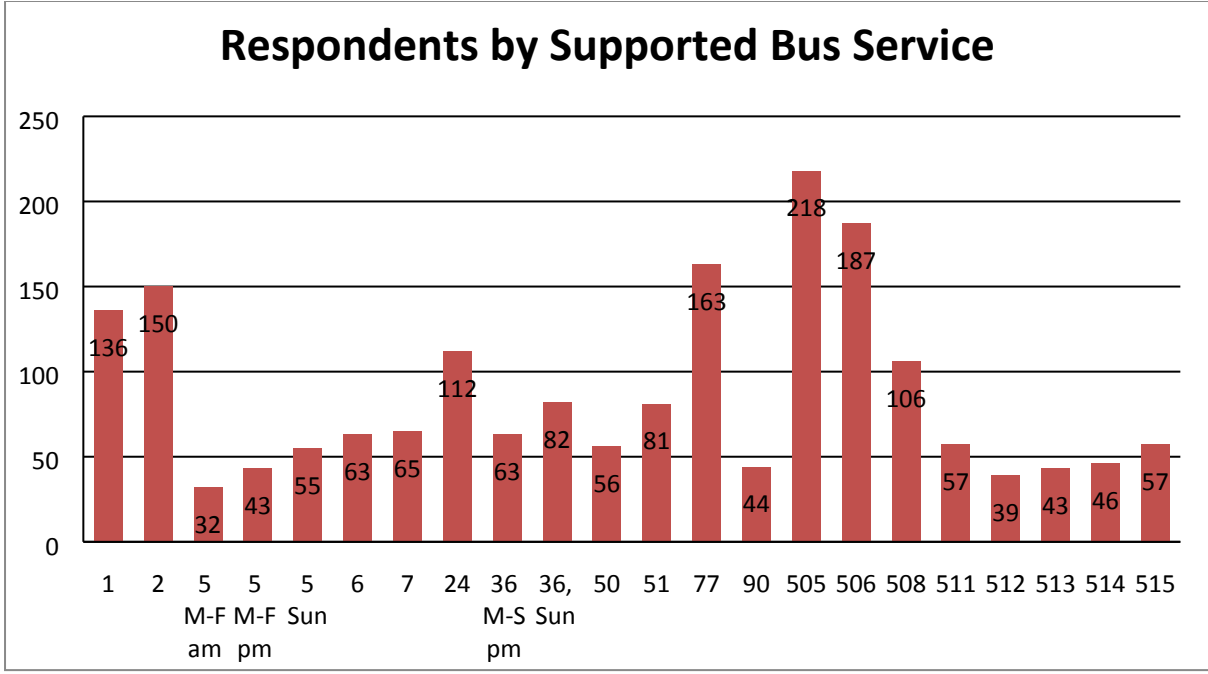
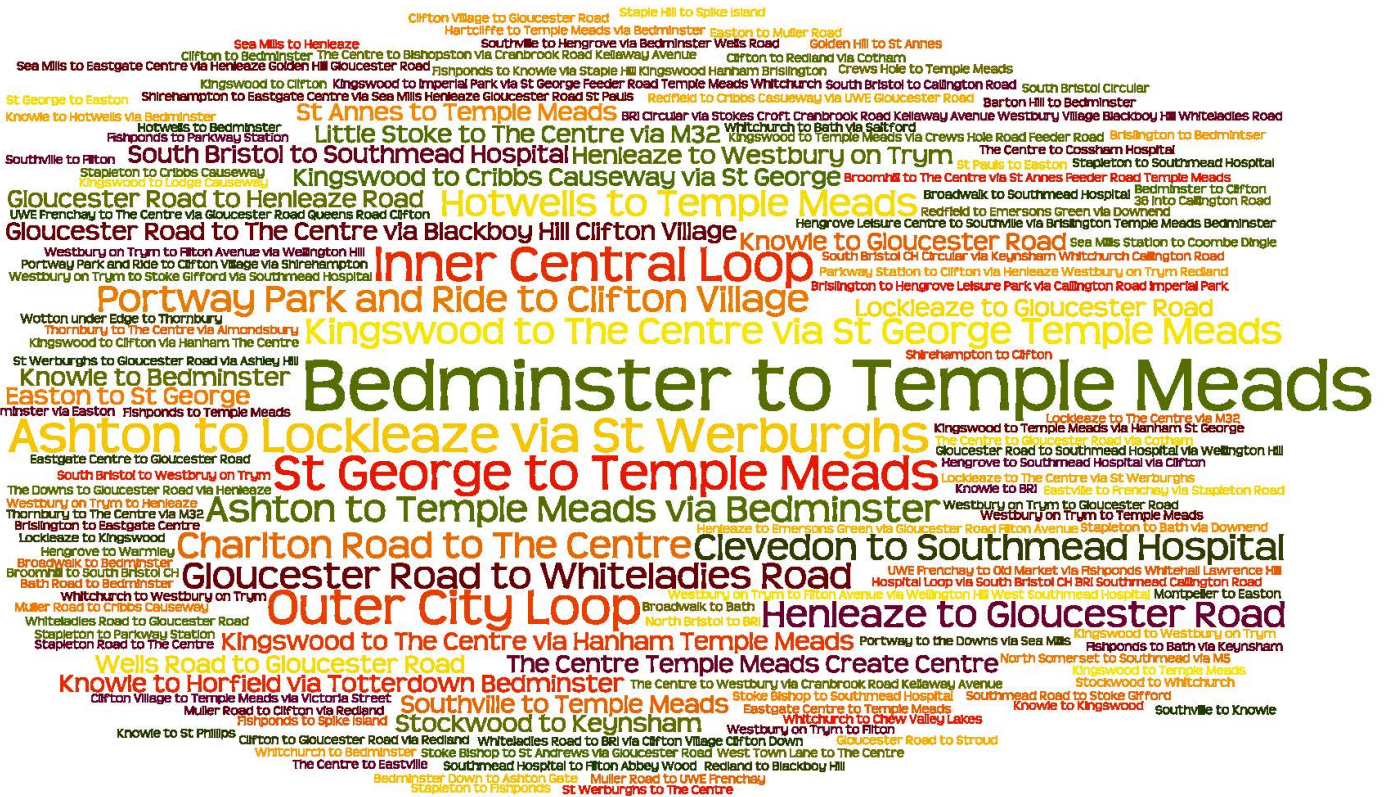


Respondents by category (%)



Respondents: Other (by type)

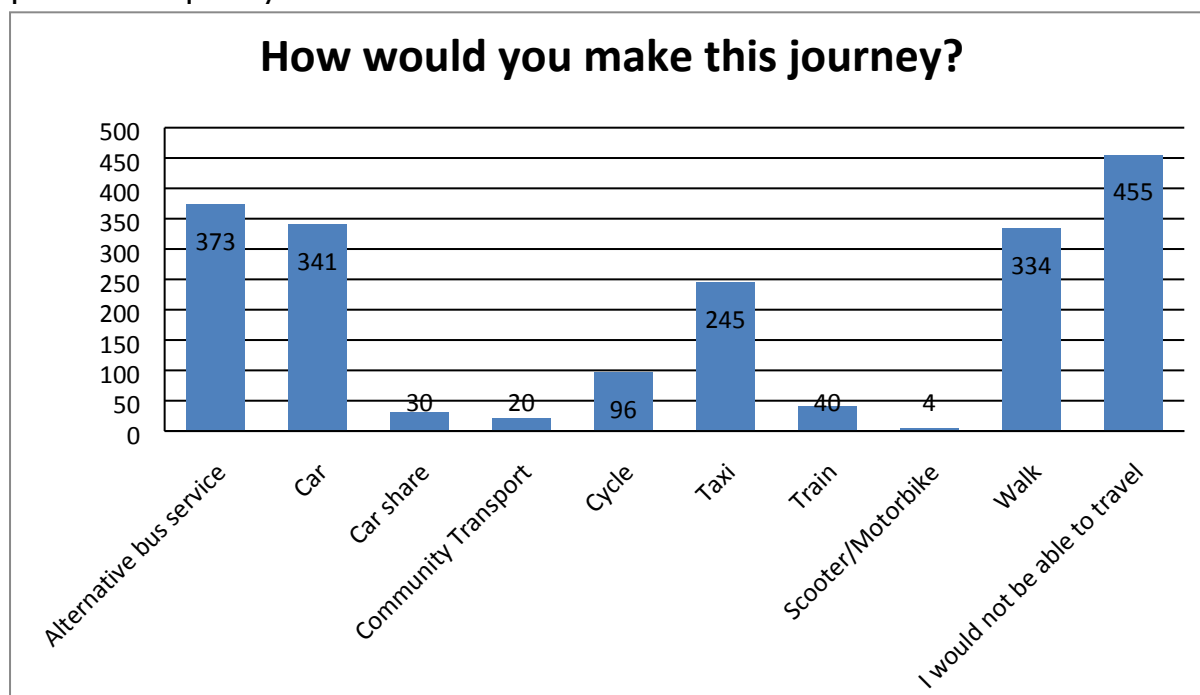




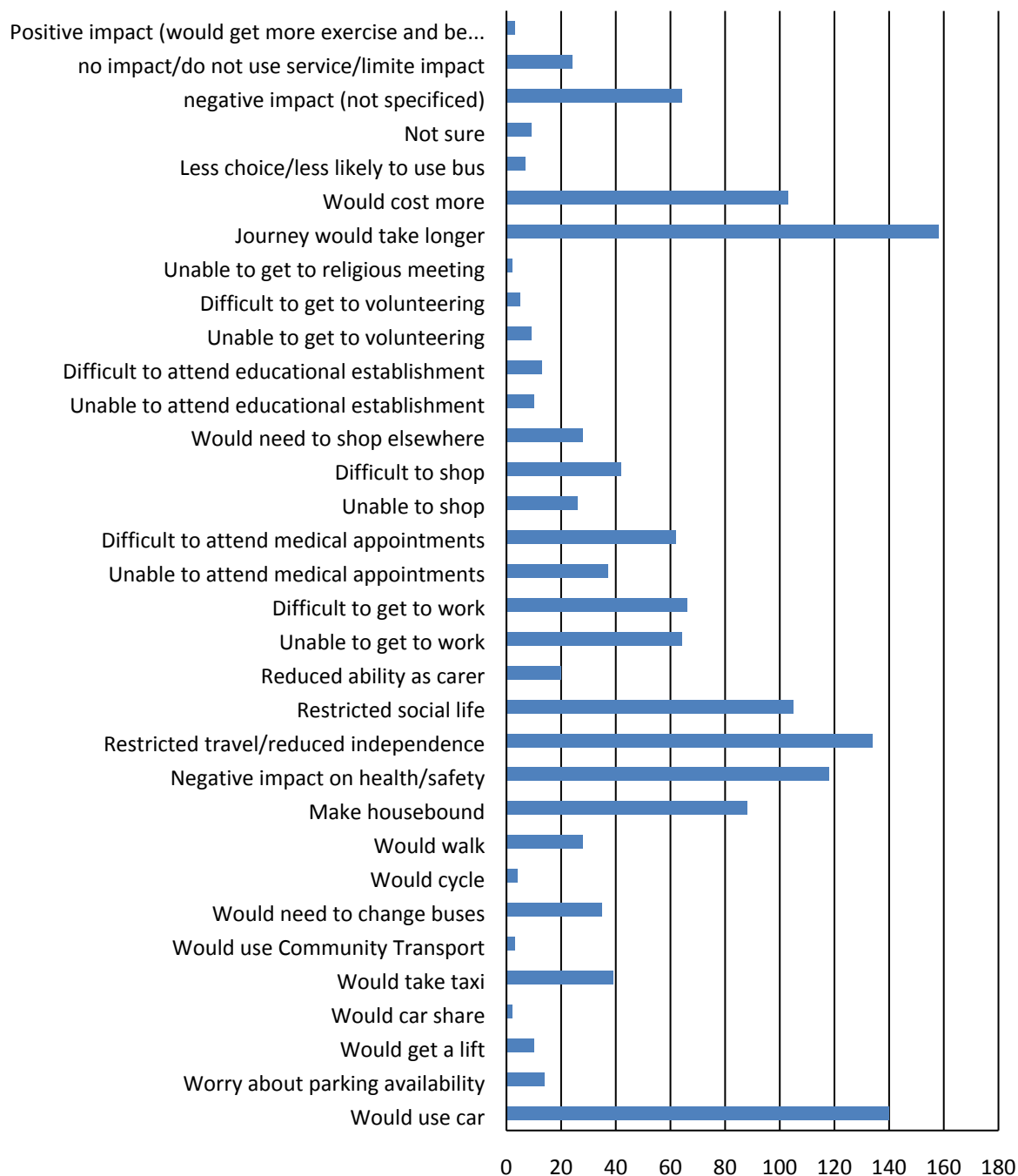
As part of the consultation we asked residents for their suggestions for new bus services in the City. We received 264 route suggestions of these 214 suggestions were new routes. The below word cloud shows the route suggestions made by residents.

We can establish from the above Word Cloud that Bedminster to Temple Meads, Kingswood to Temple Meads, St George to Temple Meads, Ashton to Temple Meads and Ashton to Lockleaze via St Werburghs are the highest requested routes from residents in the city.

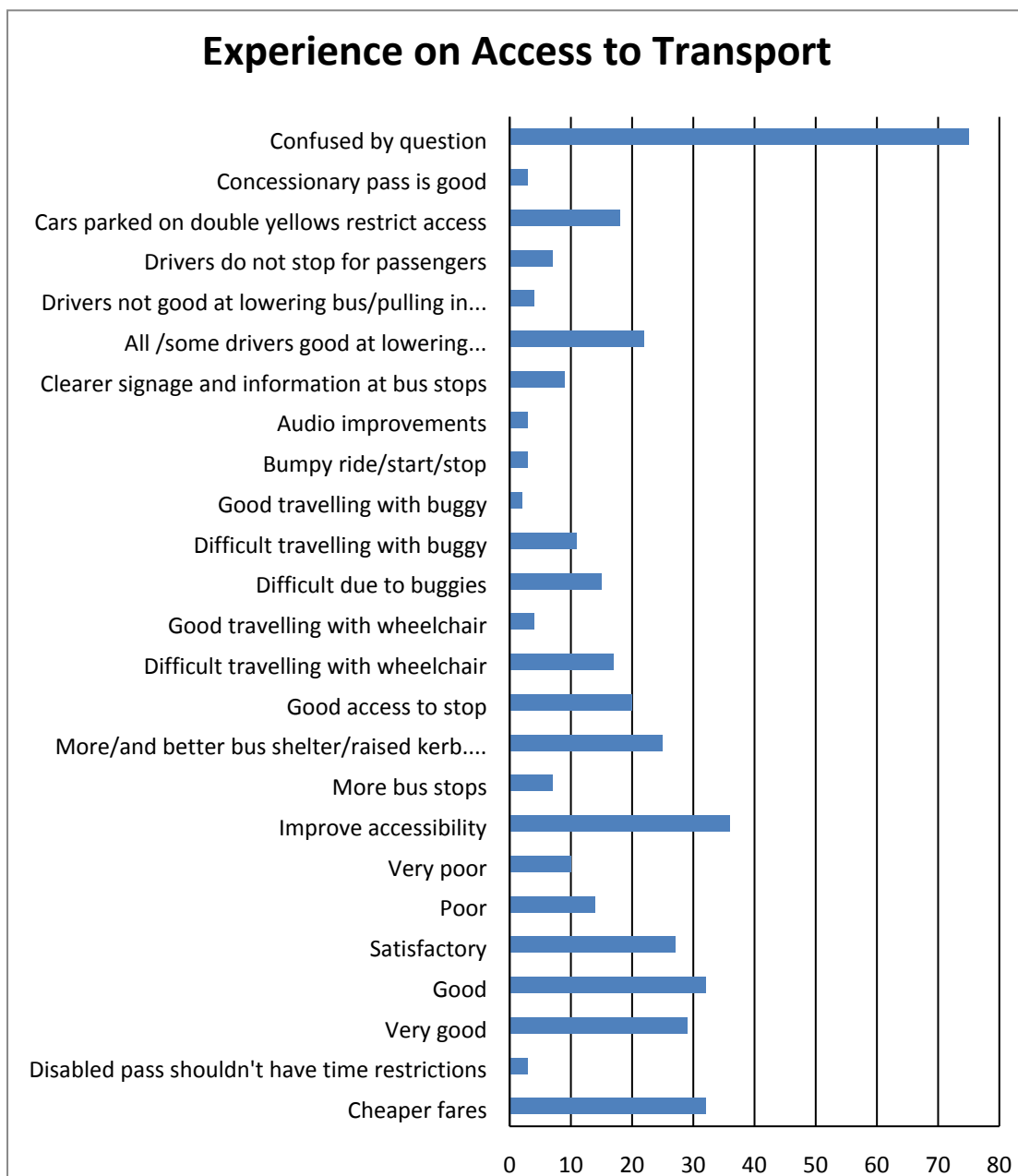
Due to the current budgetary restrictions which we are facing residents were asked questions on how they would have made their journey if it was no longer provided and what impact this would have on them. The below charts show us that 455 residents would no longer be able to travel, 373 residents have access to an alternative bus service, 341 would use their car and 334 could walk to complete their journey. The impacts on residents vary with the highest impacts on residents being, increased costs, longer journey time, restricted social life, restricted travel/reduced independence, poorer health/vulnerability and would use their cars more resulting in more congestion and poorer air quality.



Impact on users if the services were no longer provided

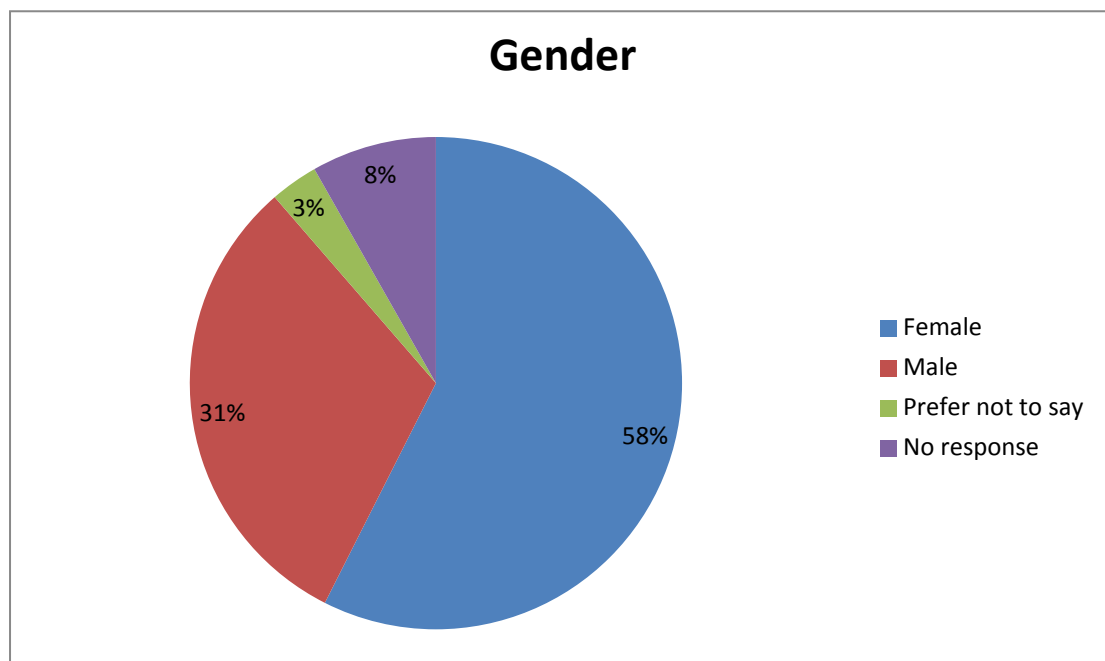


In order to establish people’s views on access to Transport, we asked residents to provide us with their experiences. The results have shown us that a large number of residents were confused by the question, this is helpful information and we will look at how to amend the question for the future. There was a split on the majority of responses with users stating that access was satisfactory/good/very good, whereas others stated they would like more bus shelters/raised kerbs installed at bus stops, improved accessibility and cheaper fares.

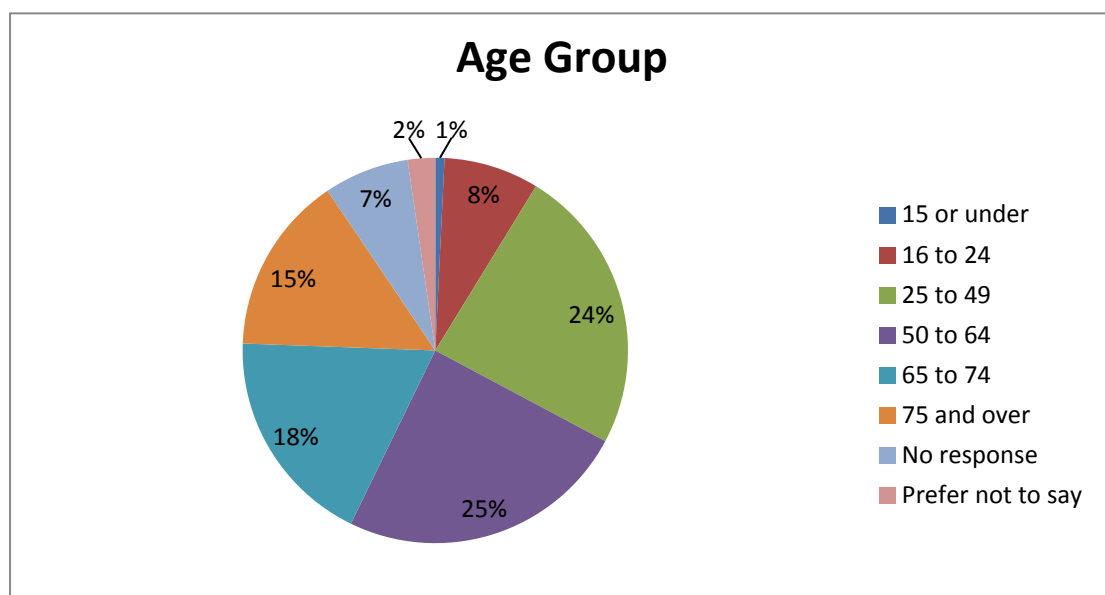


Equalities Results:

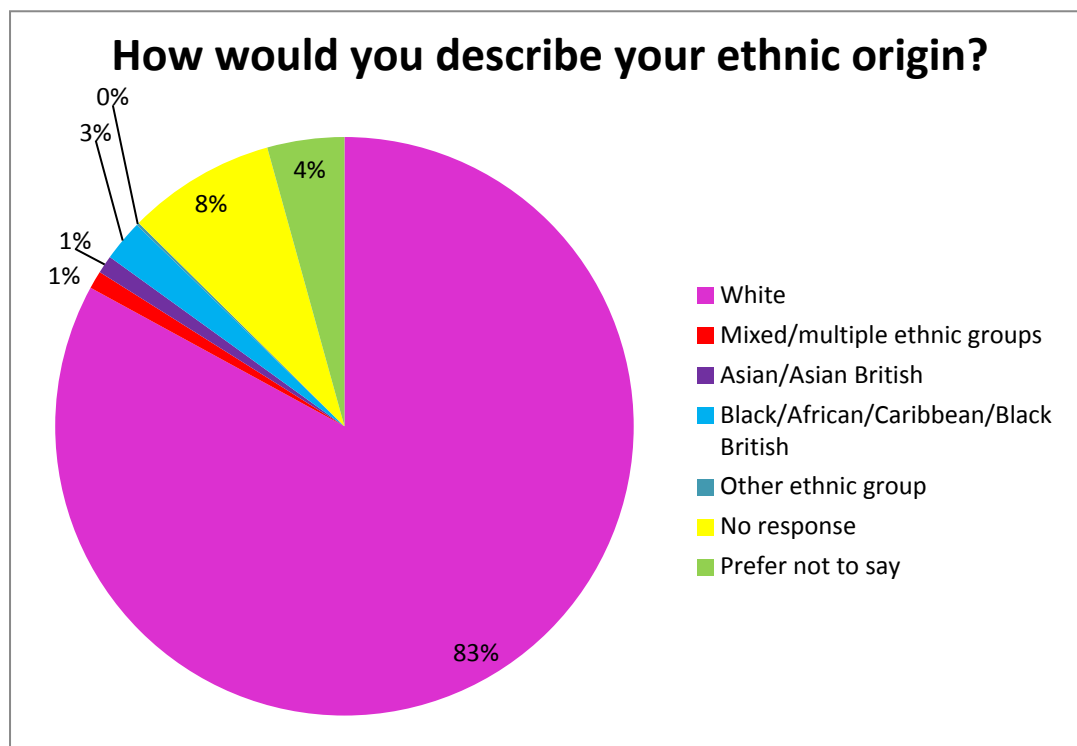
Where respondents to the consultation provided equalities information, we were able to gather the following information.



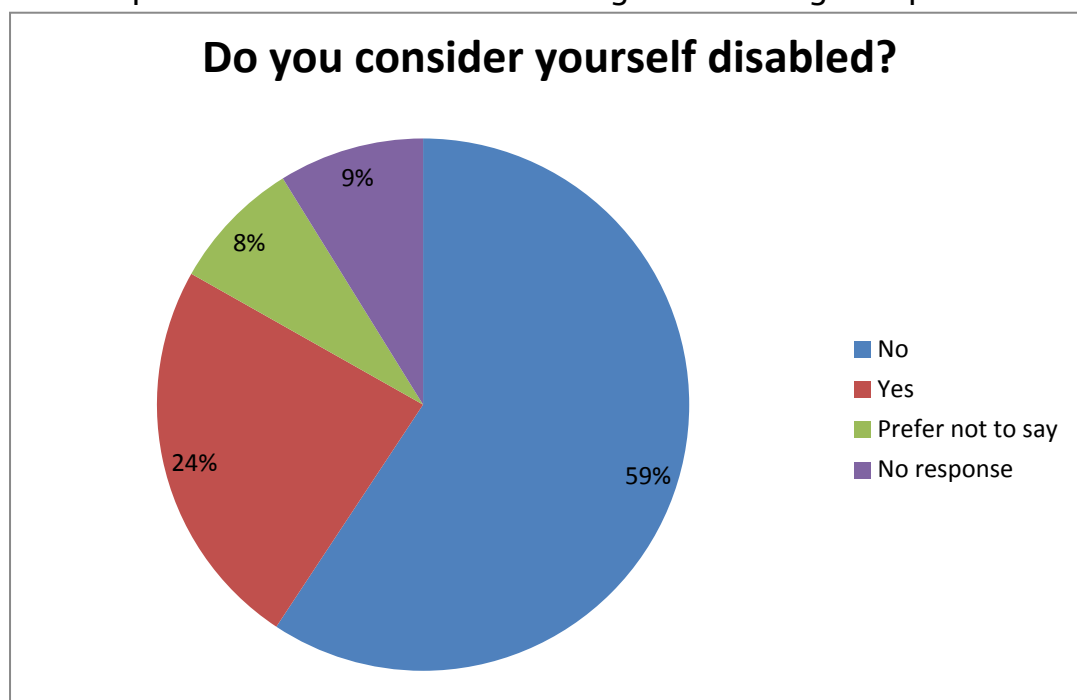
The results have shown us that 58% of the respondents were female and 31% were male. This is not a true representation of the population of Bristol which is split 50.02% Male to 49.98% Female (ONS 2015), this shows us that more females use bus services than males.



The majority of residents completing the consultation were in the age ranges of 24 to 49 and 50 to 64. This is similar to the population of the city, where the highest age range is 25 to 49, with the remaining age ranges being represented in similar proportions (ONS 2015).

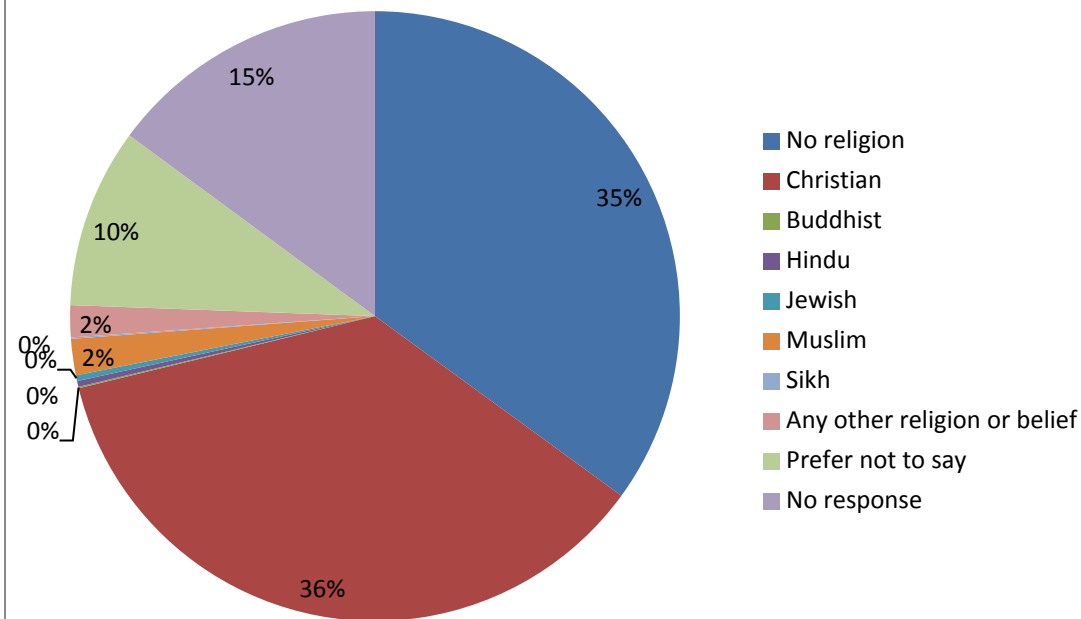


The majority of respondents to the consultation were of a white background. This figure is very similar to the 2011 Census which shows us that 84% of the population were of a white background, and 16% were of a BME background. The consultation results tell us that 4.45% of respondents were of a BME background, which does not represent the true ethnic breakdown of the Bristol population. However we had 12.59% of respondents who did not provide us with their ethnic origin which might explain the difference in figures.



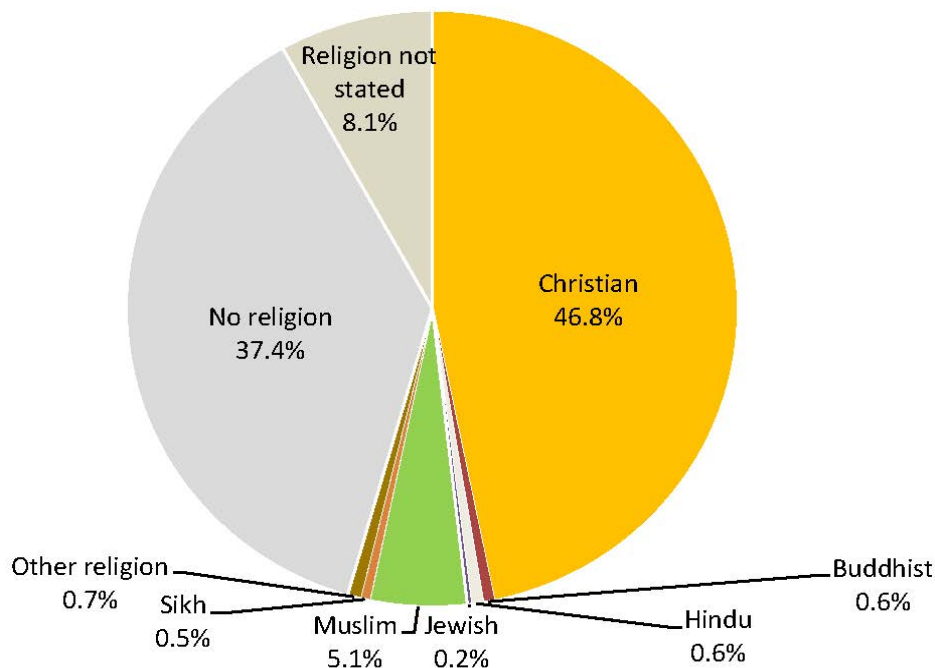
The consultation results show us that 59% of the respondents are not disabled with 24% informing us that they are disabled. This figure is comparatively higher than the Bristol average of 16.7% of the population living with a long-term health problem (2011 Census).

Religion of respondents

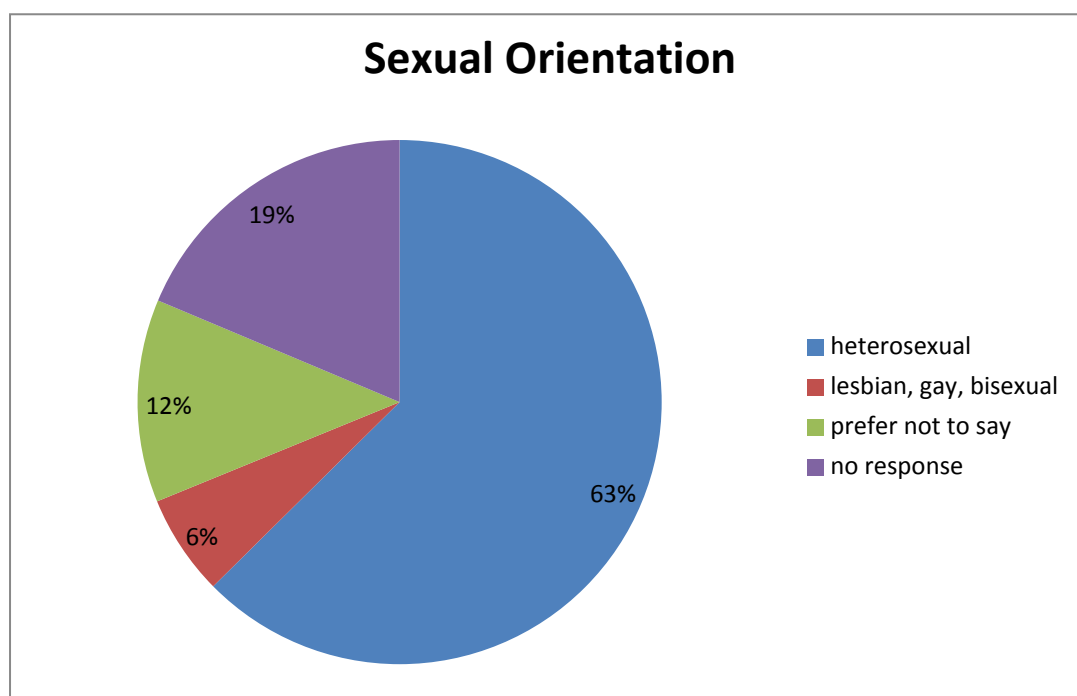


Bristol Population by Religion

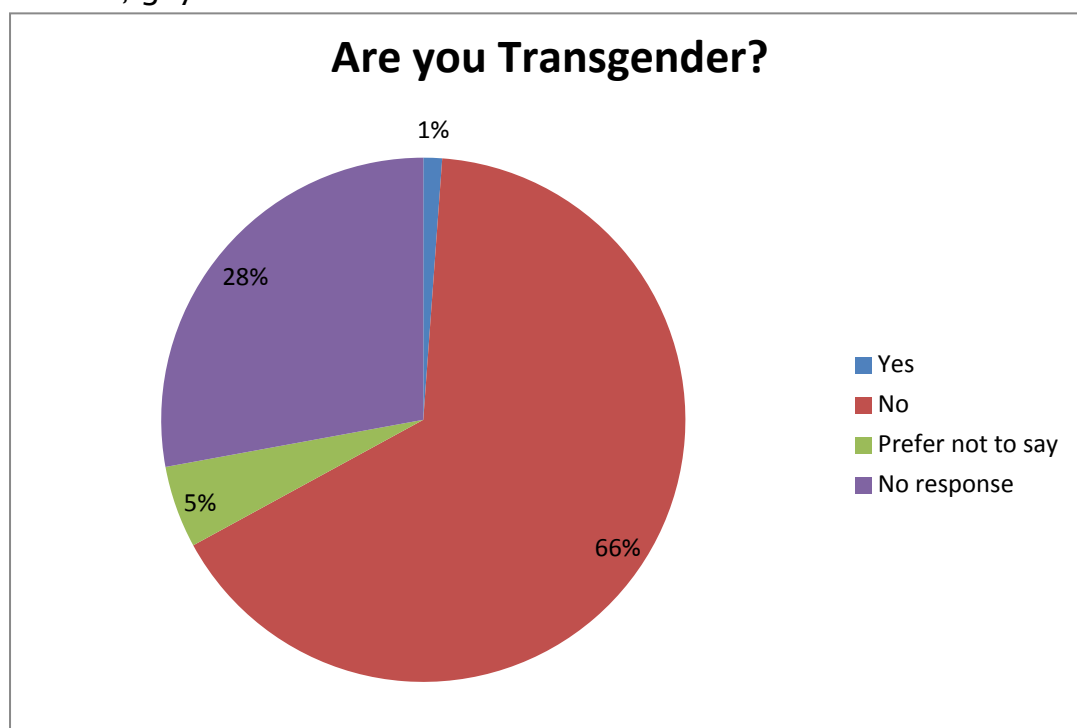
Source: 2011 Census Office for National Statistics © Crown Copyright 2013 [from Nomis]



The largest number of respondents to the consultation we’re either Christian or had no religion. The 2011 Census data shows us that the split of respondents to the consultation were representative of the population of Bristol.



The results have shown us that the largest number of respondents class themselves as heterosexual, with only 6% of respondents stating they were lesbian, gay or bisexual. This figure is in line with the Government's estimates that 5–7% of the population are lesbian, gay or bisexual.



The majority of respondents to the consultation were not transgender at 66%, with 1% of the respondents stating that they were transgender. This is above the UK average where the Gender Identity Research and Education Society estimate that 0.025% of the UK population is transgender.

Appendix 7 – Supported Services Info Sheet

Service 77

Contracted service details:

Daily service between Southmead and the Centre

Current Council contracts provide:

Page 432

All journeys

Note: Service 520 was re-numbered to service 77 in August 2015.

Cost Per Passenger Journey (CPPJ)

£1.14 (2015/2016)

Total Passenger Numbers:

54,839 (2015/2016)

Contract Cost:

£68,476

Wards Served:

Westbury-on-Trym and Henleaze, Southmead, Horfield, Bishopston & Ashley Down, Redland, Ashley, Cotham, Central

Alternative Bus Routes:

Service 1 – Westbury on Trym to Centre

Service 2 – Centre to Southmead

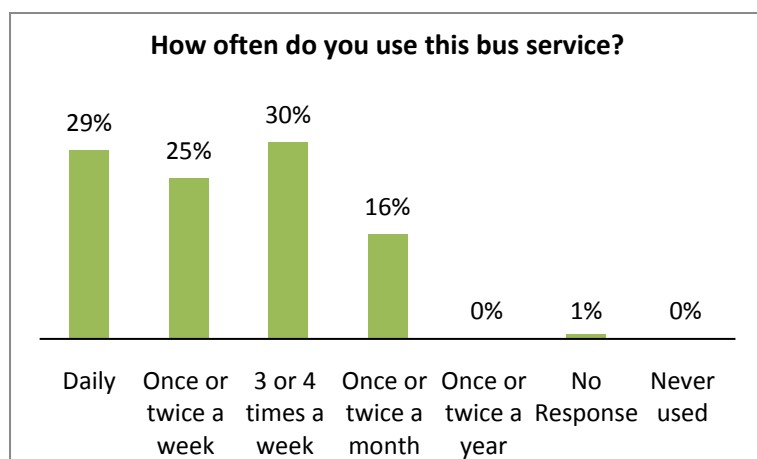
Service 9 – Redland to centre

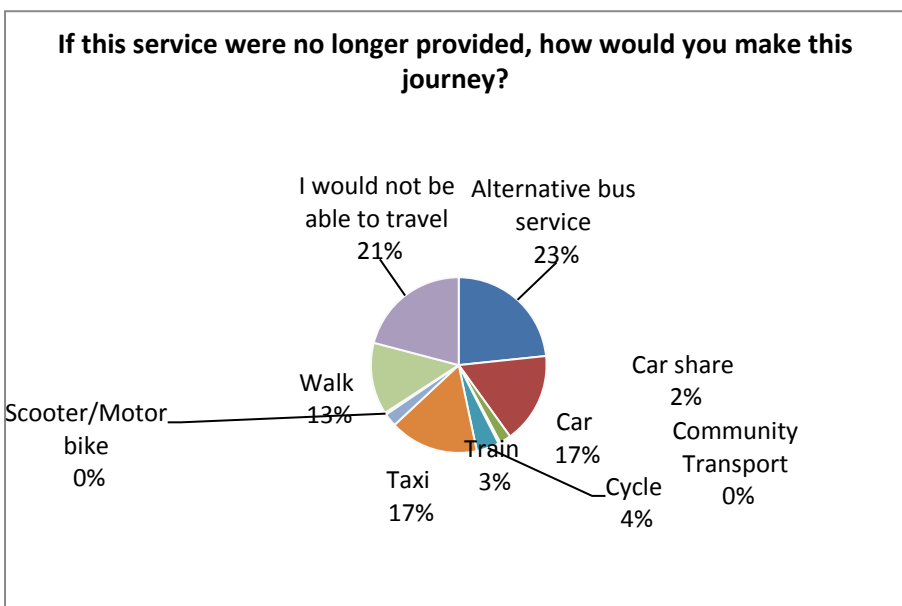
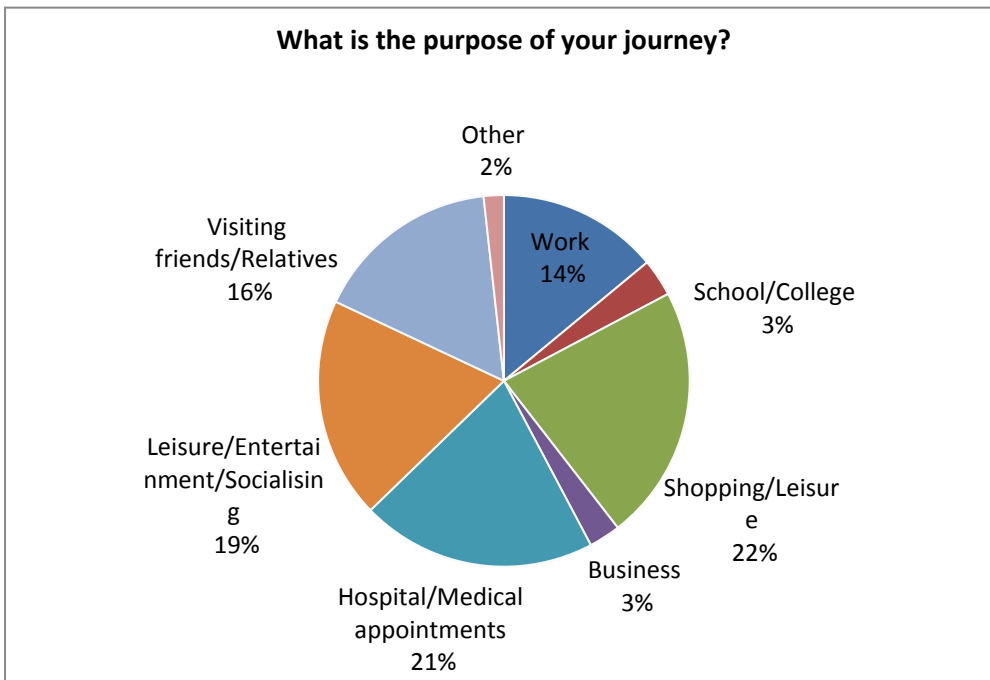
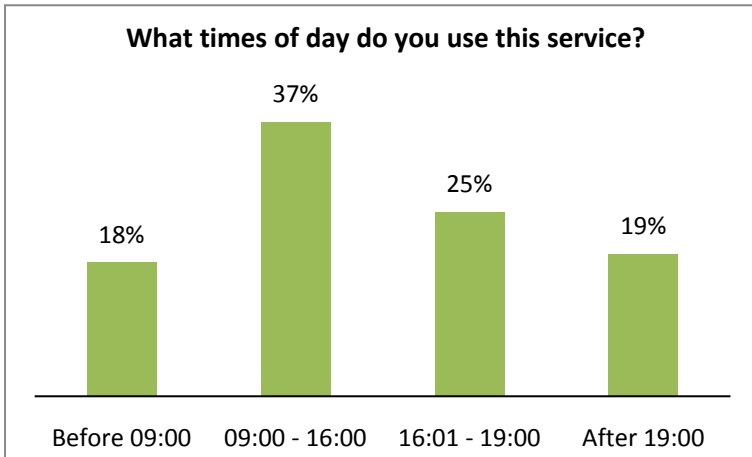
Service 76 – Southmead to Centre

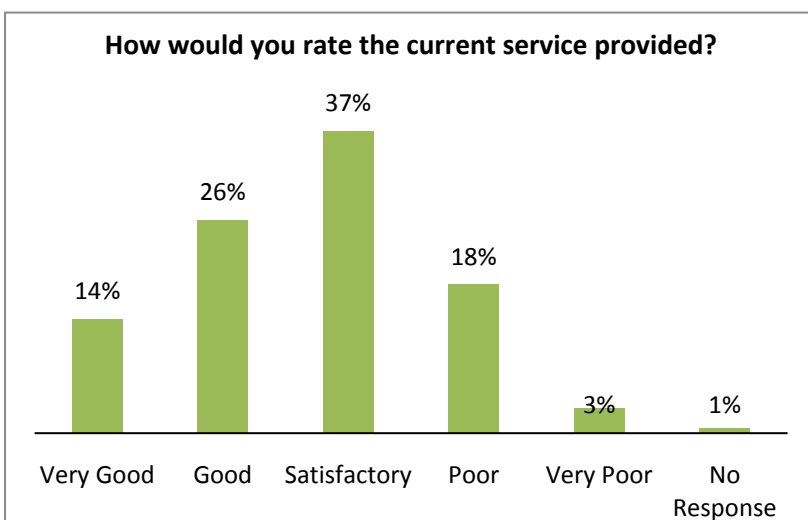
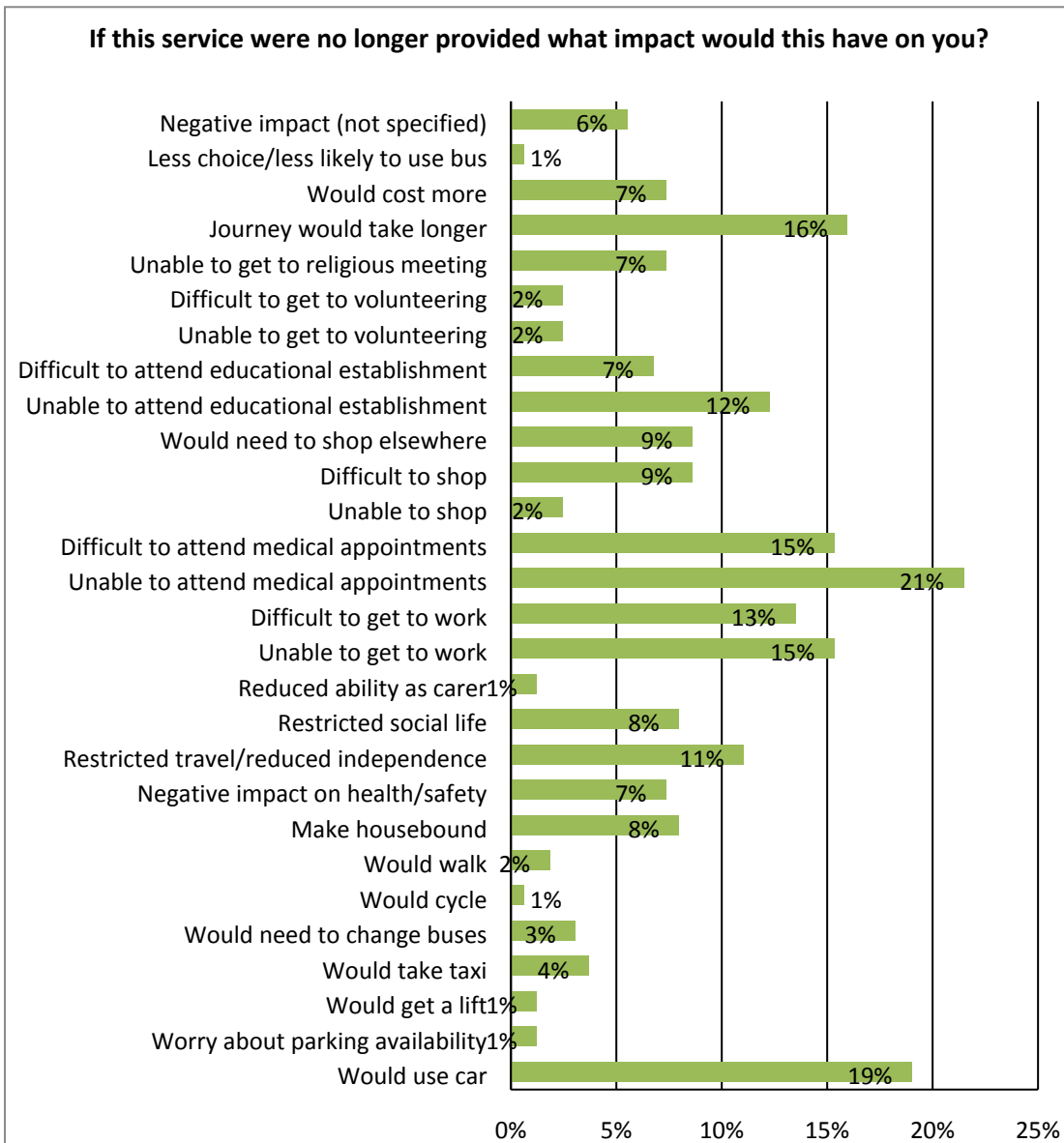
Service 505 – Southmead to Bishopston

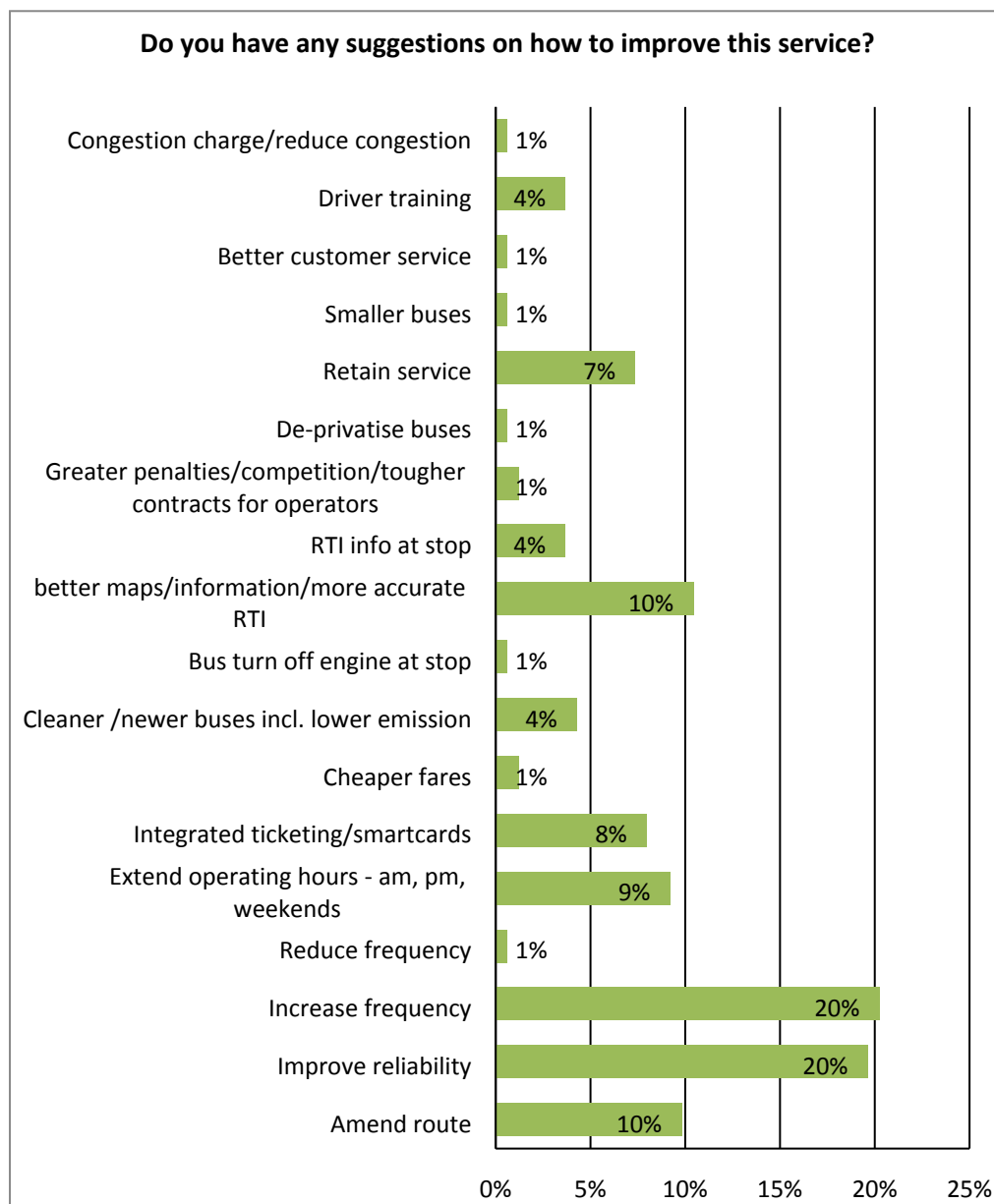
Survey Results

Information from Summer 2016 Passenger Consultation





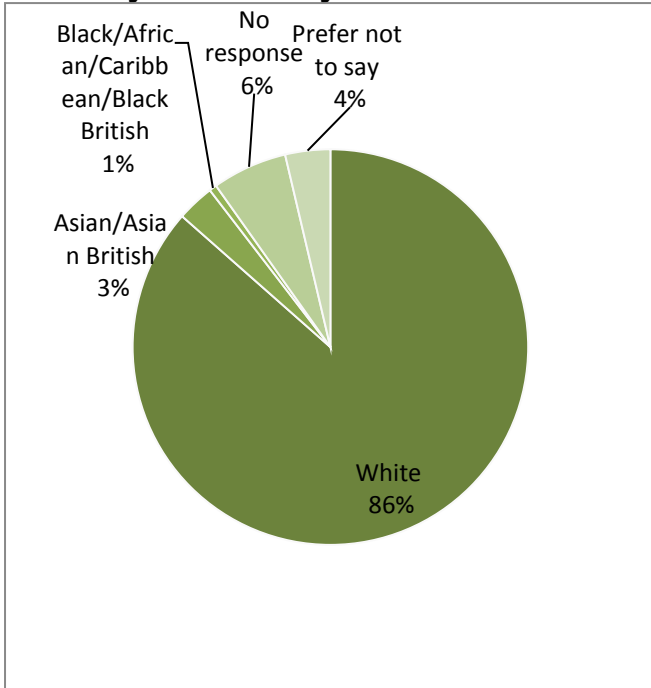




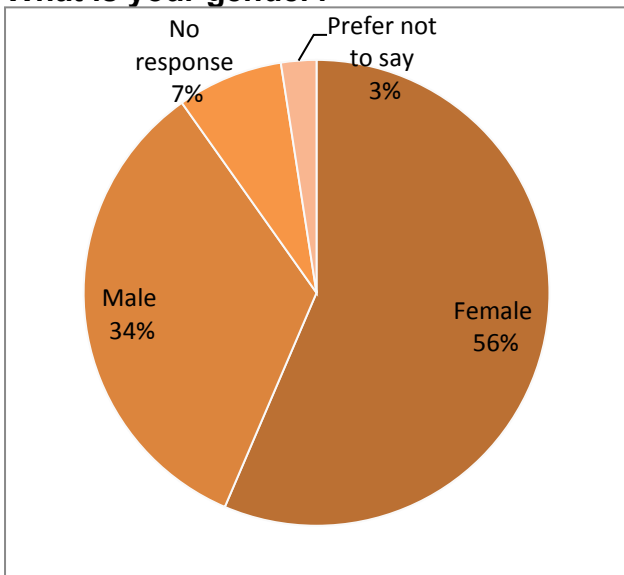
Suggestions for “amend route” include:

- City Road> Ashley Hill> Ashley Down Road> Gloucester Road (Horfield)
- Broadmead> Cranbrook Road> Bishop Road> Westbury on Trym> Kellaway Avenue> Southmead Hospital
- The Downs>Henleaze>Gloucester Road
- Continue route to Abbey Wood
- Top of Cranbrook road, Coldharbour Road and top of Redland Road
- Continue route to Abbey Wood and Parkway
- Re-route via UWE, MOD and Filton Abbey Wood
- Re-route via Parkway and Filton Abbey Wood
- Re-route via Parkway or UWE. Enter via Dorian road entrance and exit on the Monks Park Avenue exit to continue to Parkway.
- Continue road to Filton Abbey Wood
- An express service between Bristol and Thornbury
- A motorway service from Thornbury

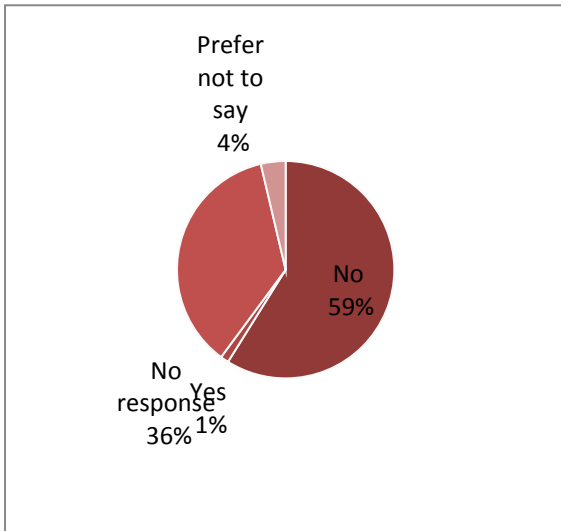
What is your ethnicity?



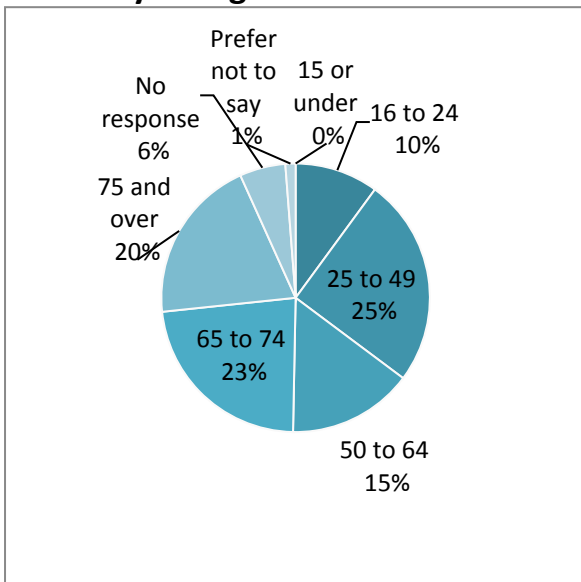
What is your gender?



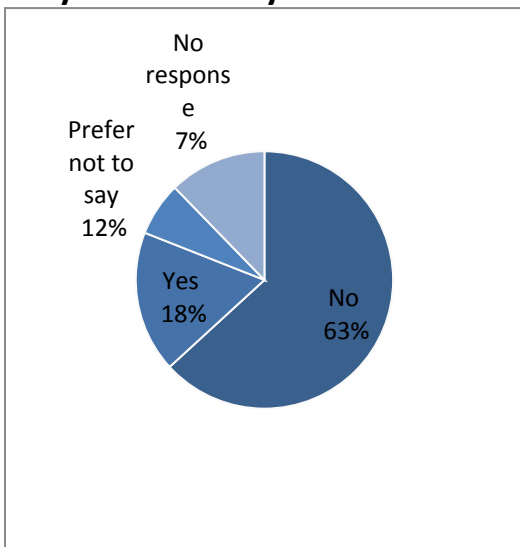
Are you transgender?



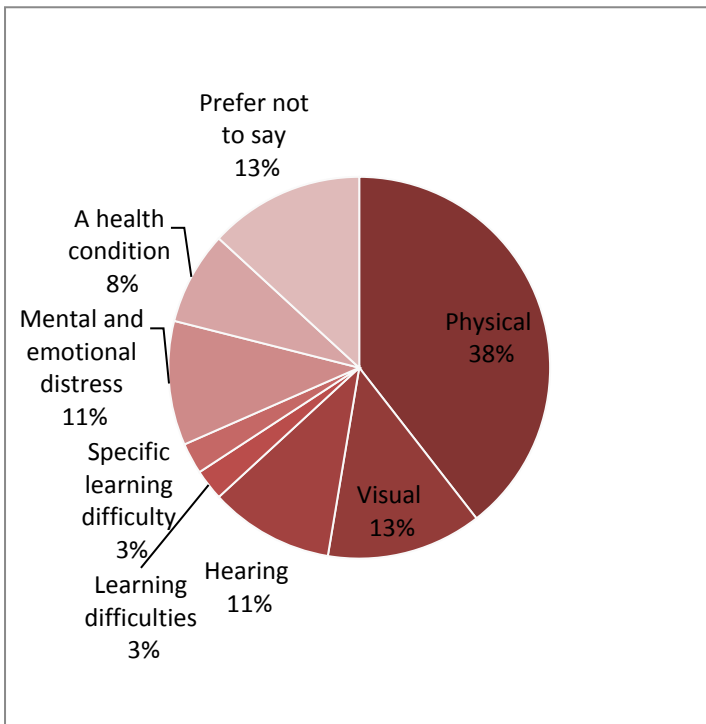
What is your age?



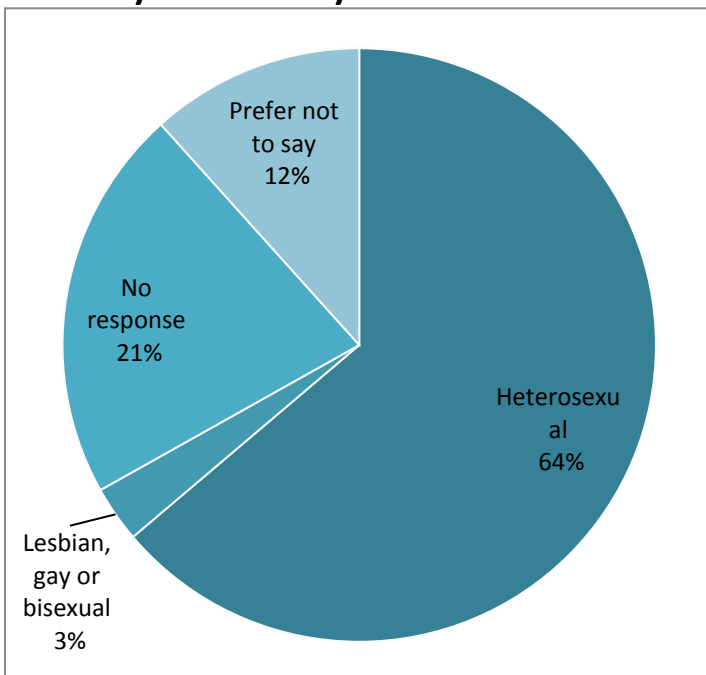
Do you consider yourself disabled?



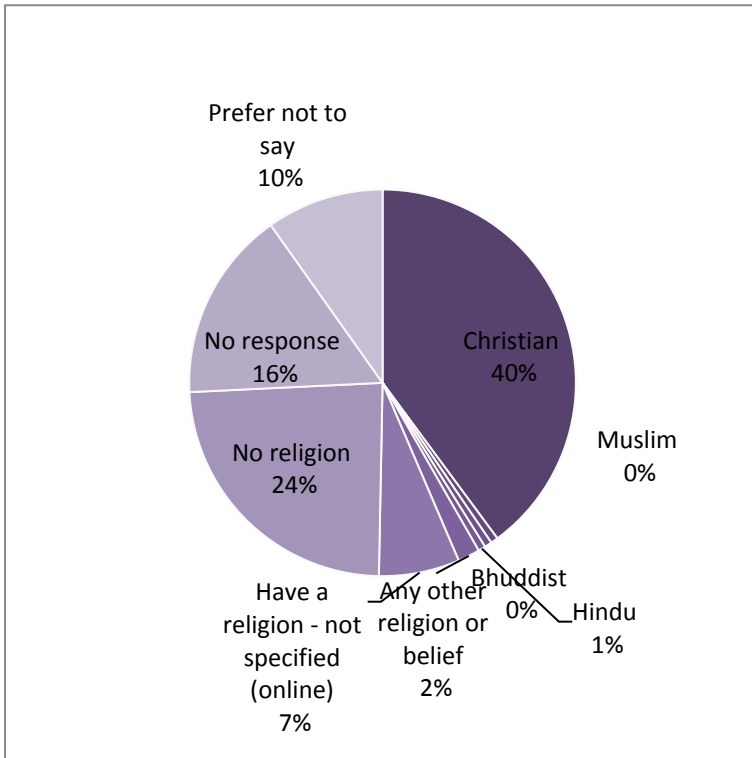
If so, what is your impairment?



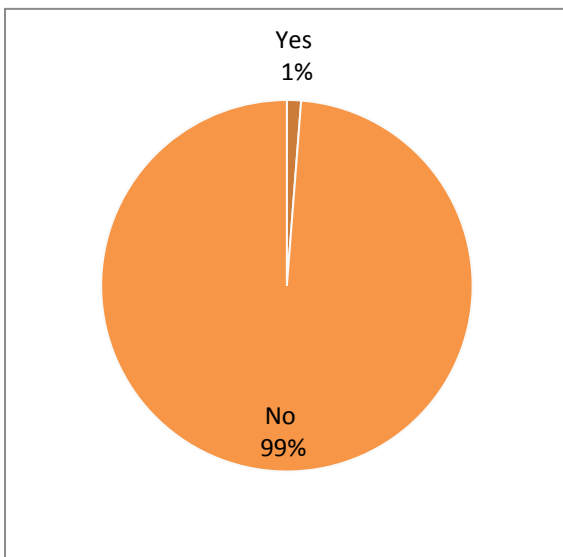
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Long Ashton Park & Ride to Southmead Hospital

Current contracts provide:

All Journeys

Cost Per Passenger Journey**2015/2016**

£3.22

2014/2015

£4.59

2013/2014

£4.04

2012/2013

£4.43

Total Passenger Numbers:

162,206 (2015/2016)

113,770 (2014/2015)

46,454 (2013/2014)

42,364 (2012/2013)

29,252 (2011/2012)

Contract Cost

£527,820* This includes some capital funding.

Wards Served:

Bedminster, Southville, Hotwells & Harbourside, Clifton, Central, Clifton Down, Cotham, Redland, Westbury-on-Trym & Henleaze, Bishopston & Ashley Down, Horfield

Alternative Bus Routes:

Service 2 - Centre to Southmead

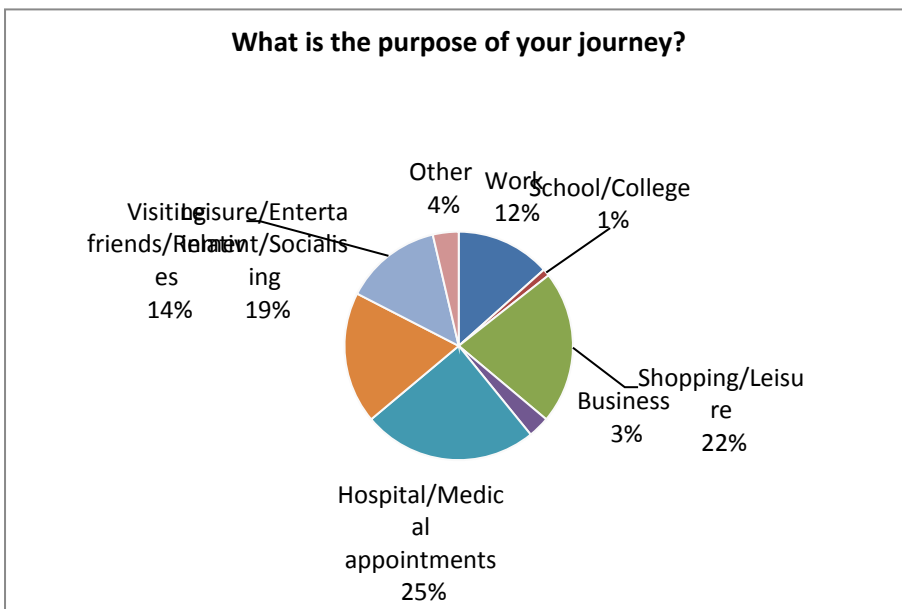
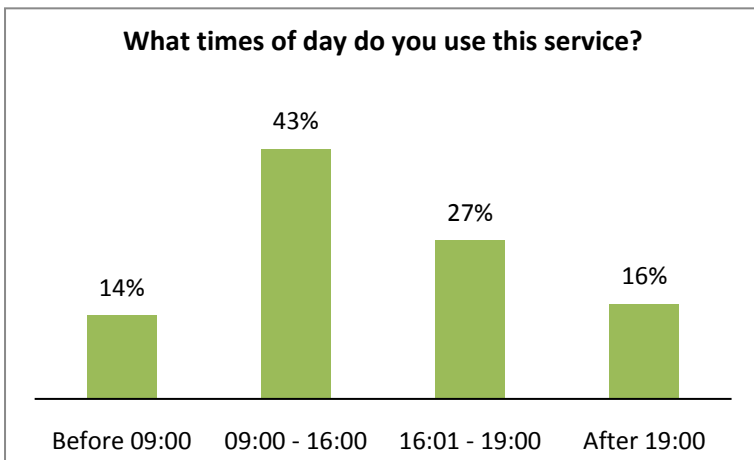
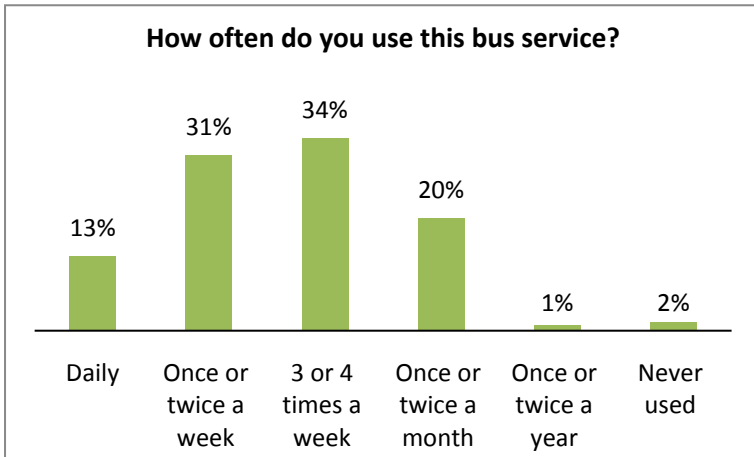
Service 3/4 - Centre to the Downs

Service 8/9 – Centre to Clifton Village/The Downs

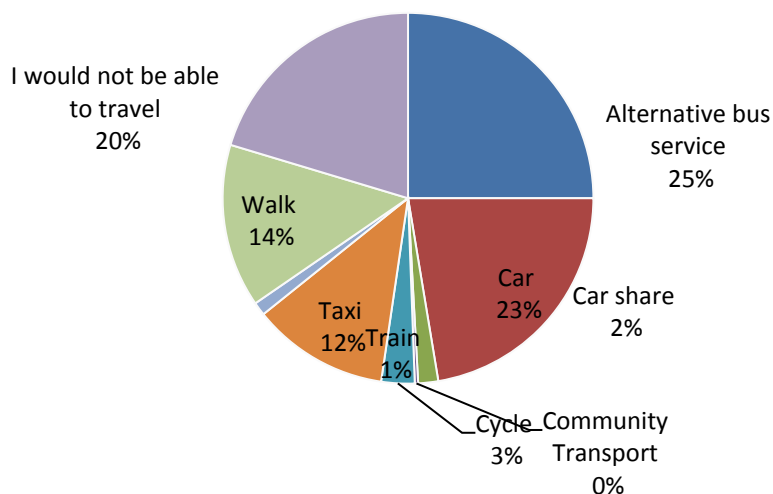
Service 77 – Centre to Southmead

Survey Results

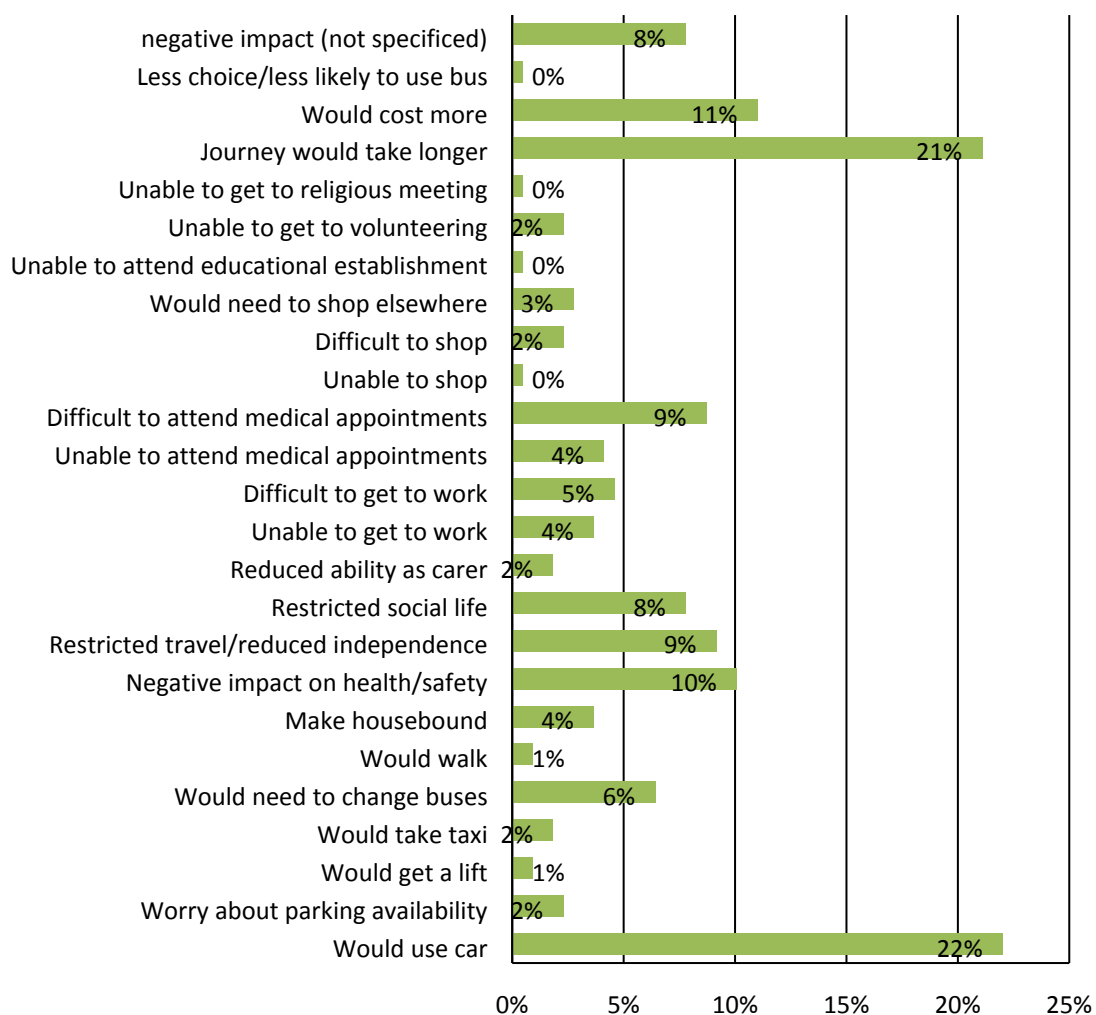
Information from Summer 2016 Passenger Consultation

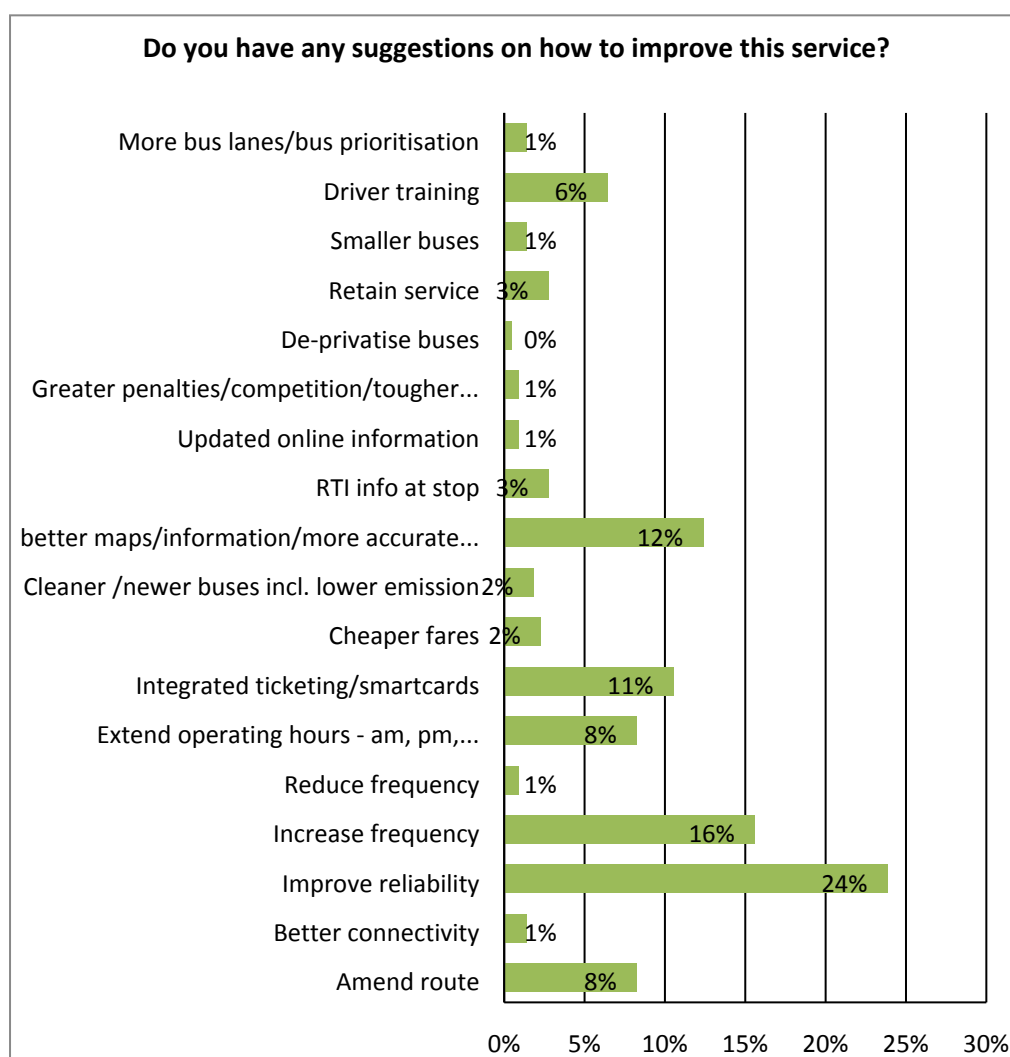
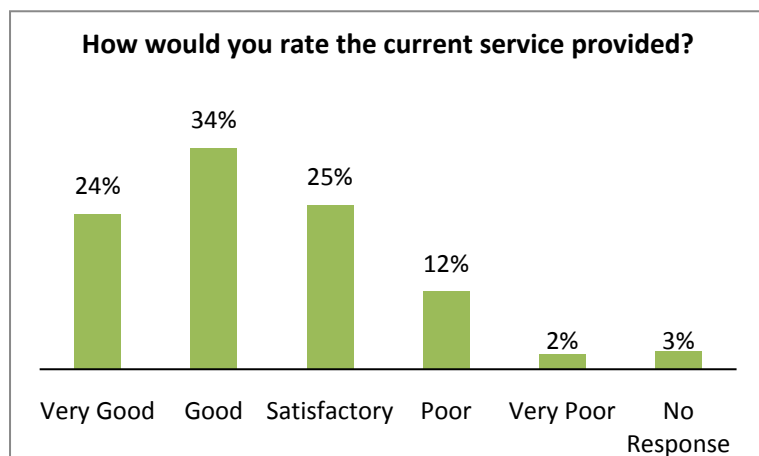


If this service were no longer provided, how would you make this journey?



If this service were no longer provided what impact would this have on you?

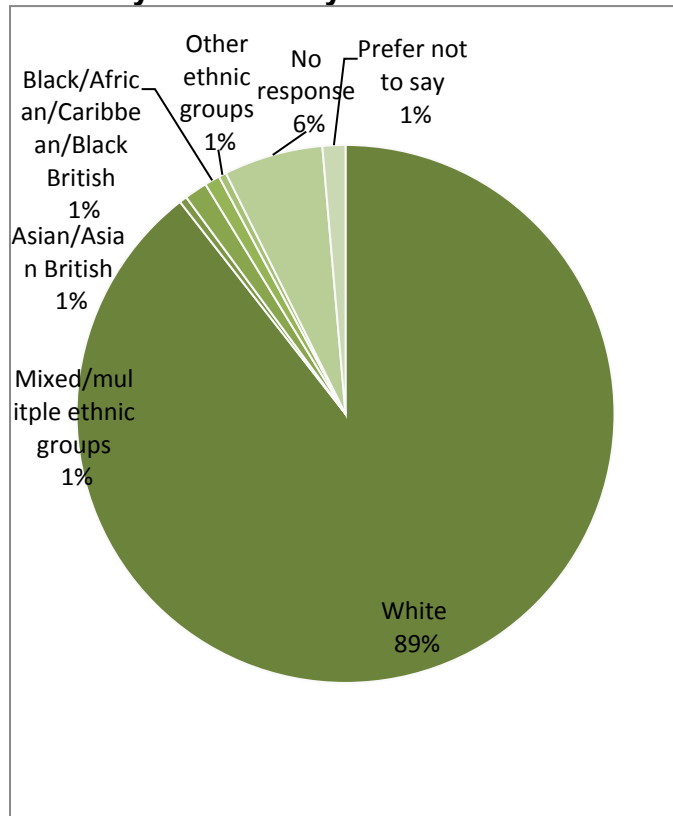




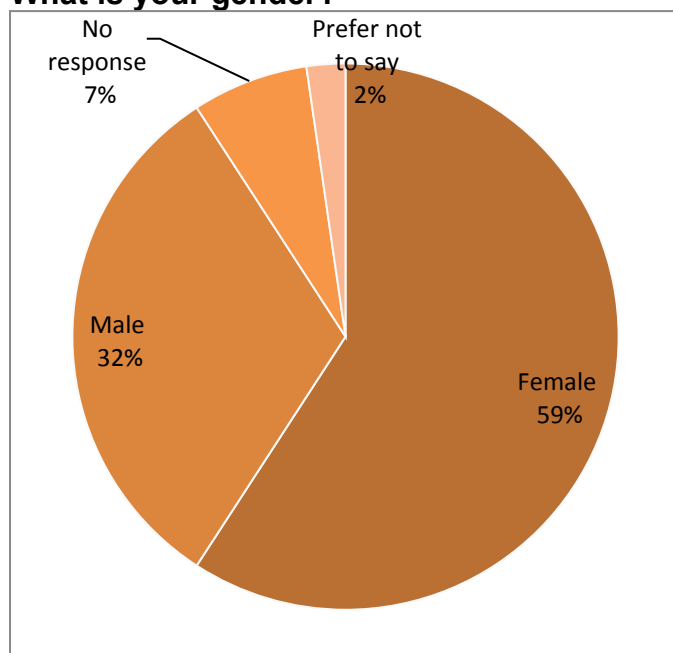
Suggestions for “amend route” include:

- Re-route the 505 to restore the link between Clifton and Redland
- Re-route via Whiteladies Road
- Re-route via Clifton, Redland, Cotham and Bristol Zoo
- Re-route via Clifton Down station and shopping centre
- Re-route to create a Clifton/Redland link
- Re-route via Clifton Village and Clifton Down Shopping Centre

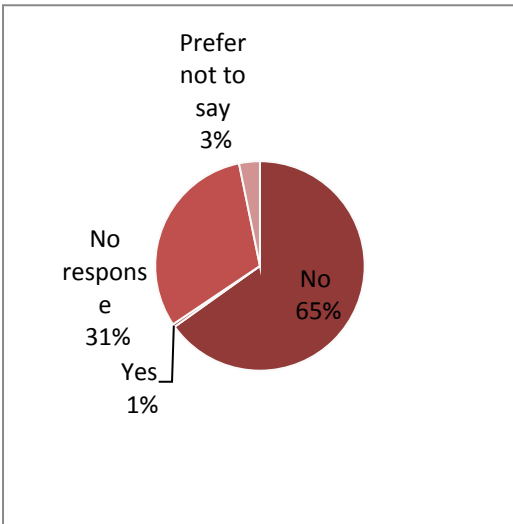
What is your ethnicity?



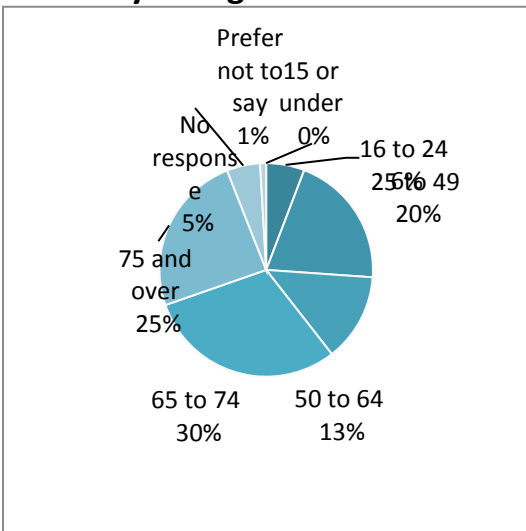
What is your gender?



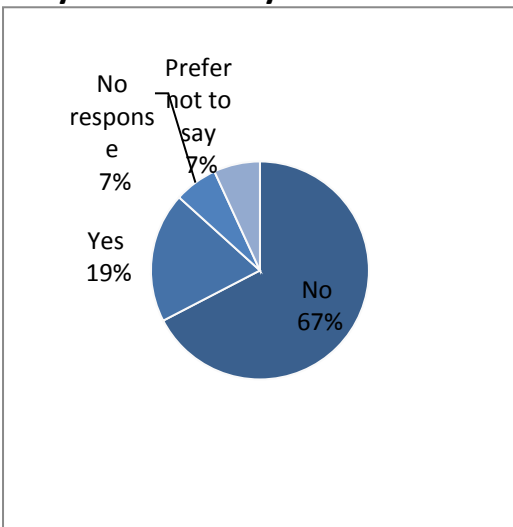
Are you transgender?



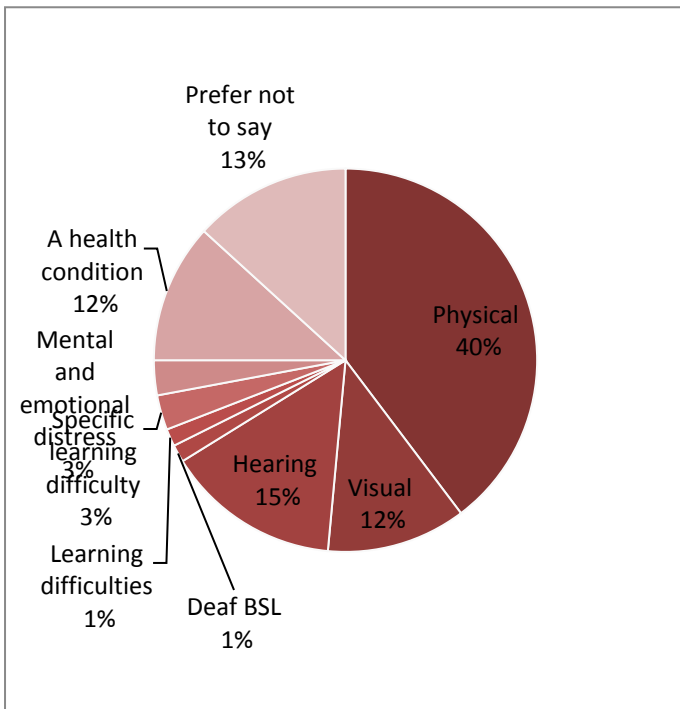
What is your age?



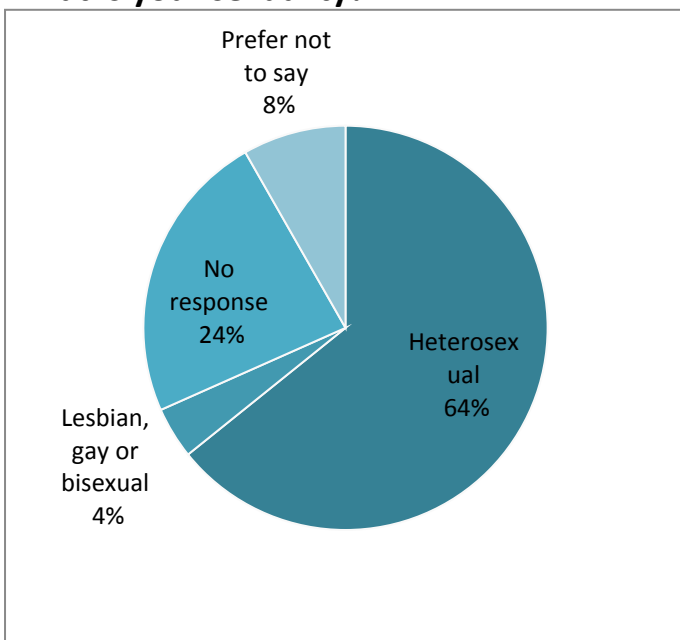
Do you consider yourself disabled?



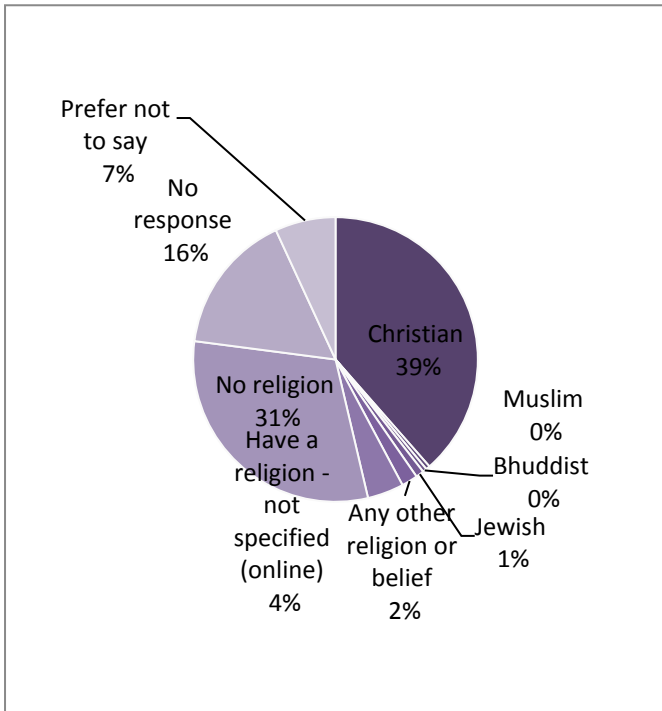
If so, what is your impairment?



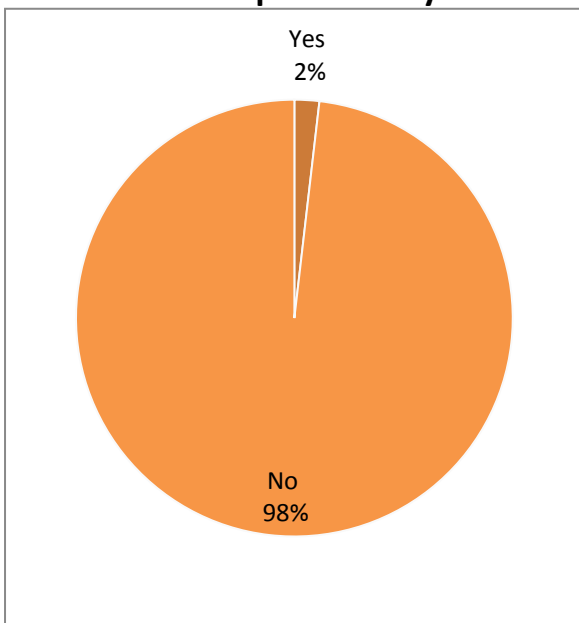
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Create Centre to Southmead Hospital

Current contracts provide:

All Journeys

Cost Per Passenger Journey**2015/2016**

£3.95

2014/2015

£4.06

2013/2014

£3.42

2012/2013

£2.96

2011/2012

£4.54

Total Passenger Numbers

89,366 (2015/2016)

87,004 (2014/2015)

79,349 (2013/2014)

91,703 (2012/2013)

58,383 (2011/2012)

Contract Cost

£357,701

Wards Served:

Hotwells & Harbourside, Central, Lawrence Hill, Easton, Eastville, Lockleaze, Bishopston & Ashley Down, Horfield

Alternative Bus Routes

Service 2 – Centre to Southmead Hospital

Service 24 – Southmead Hospital to Eastville

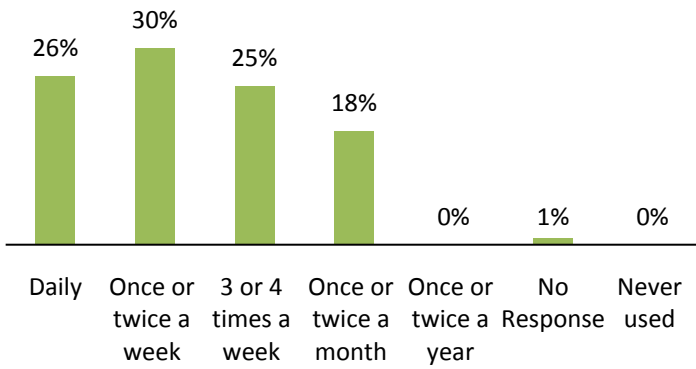
Service 71 – Horfield to Hotwells

Service 77 – Centre to Southmead Hospital

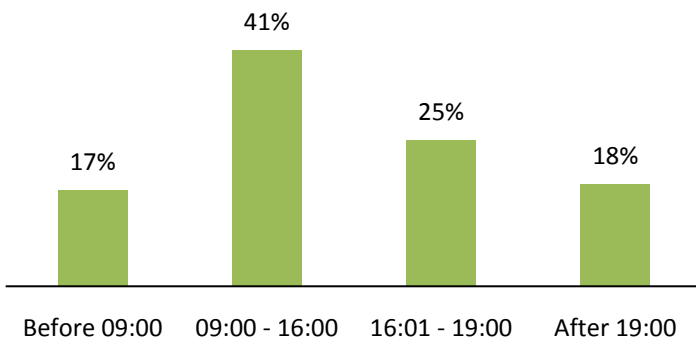
Survey Results

Information from Summer 2016 Passenger Consultation

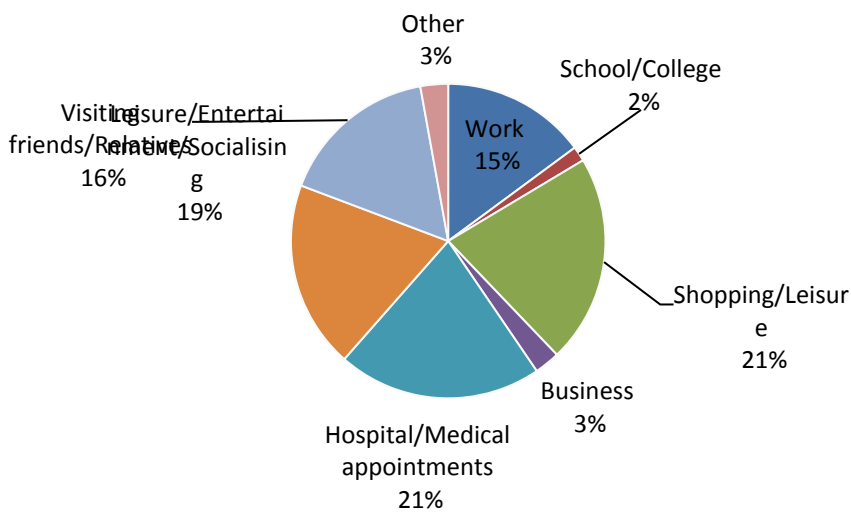
How often do you use this service?



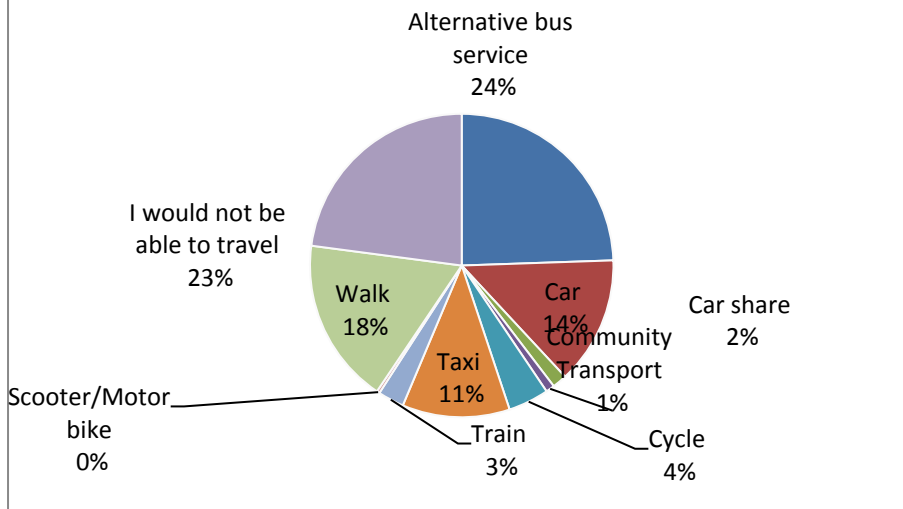
What time of day do you use this service?



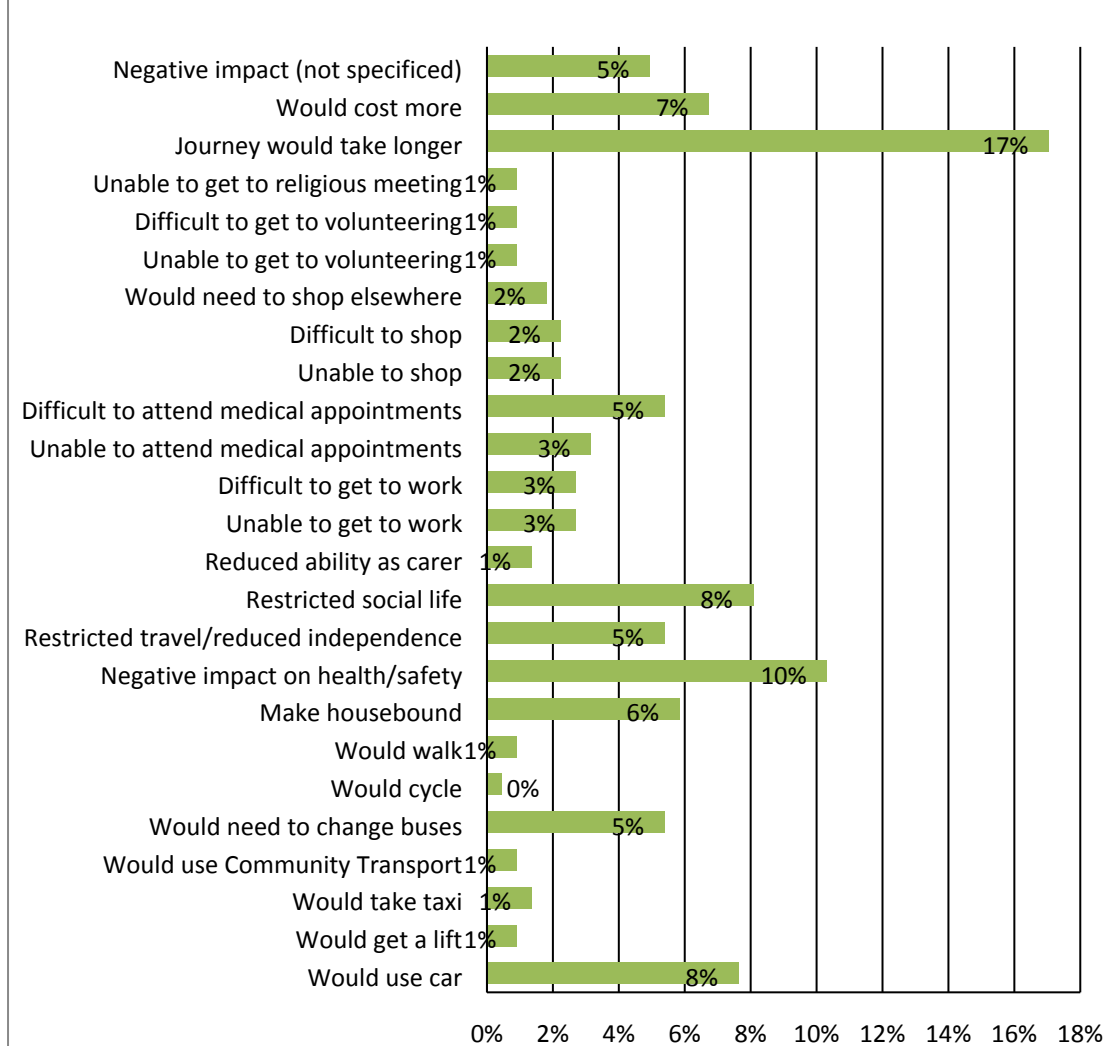
What is the purpose of your journey?

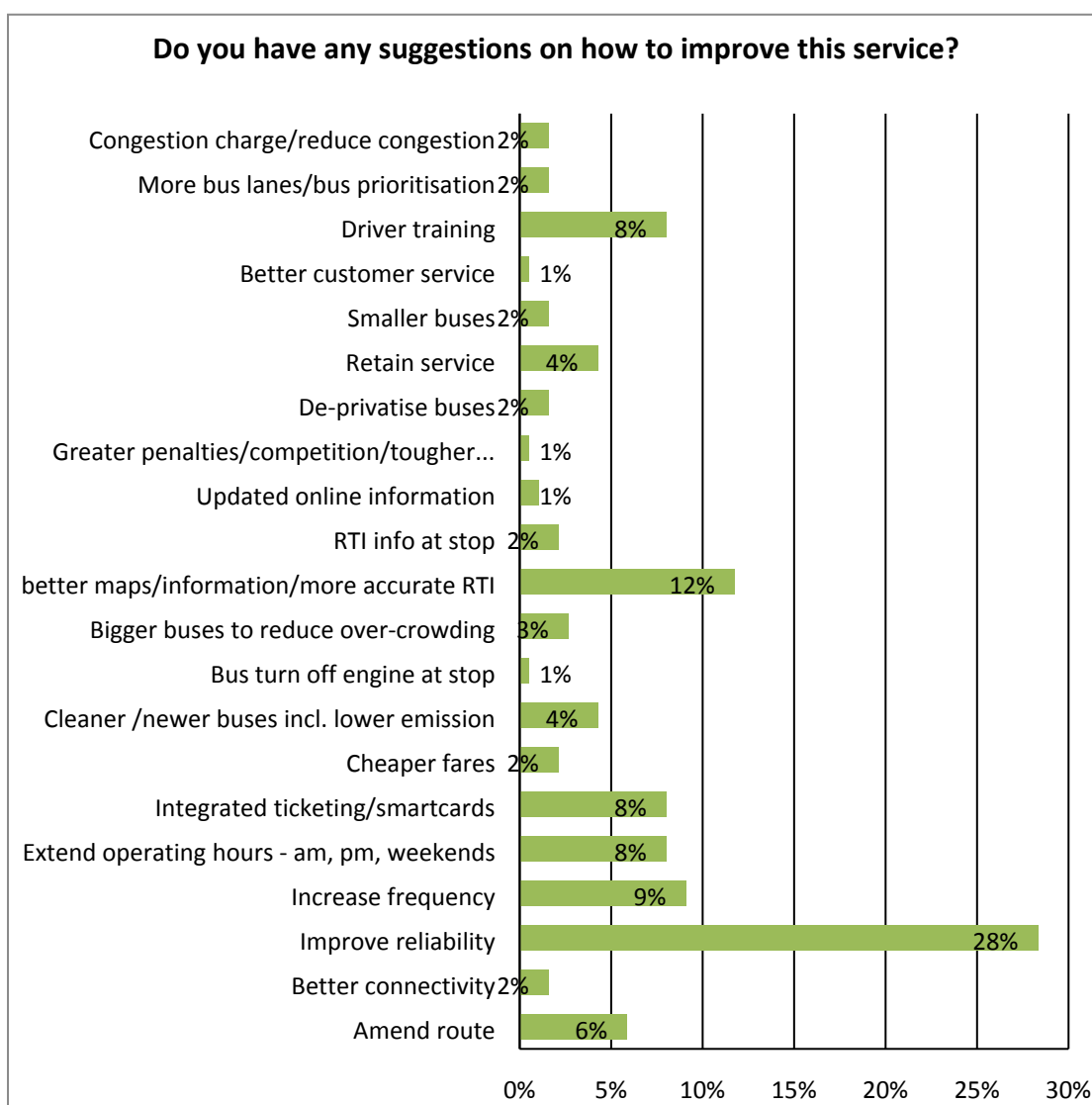
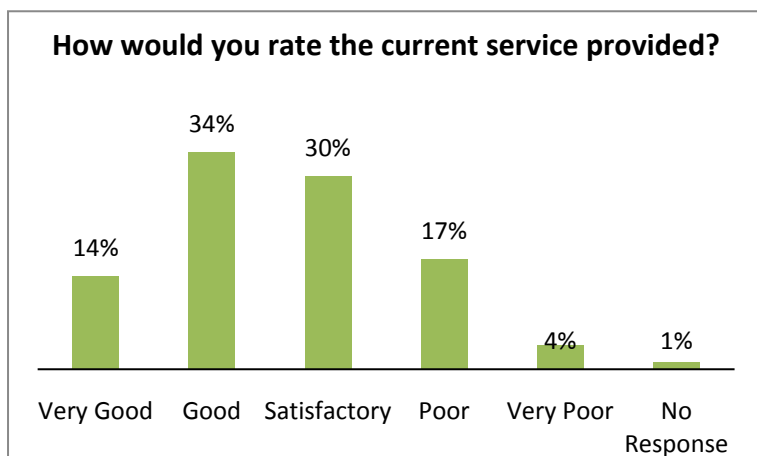


If this service were no longer provided, how would you make this journey?



If this service were no longer provided what impact would this have on you?



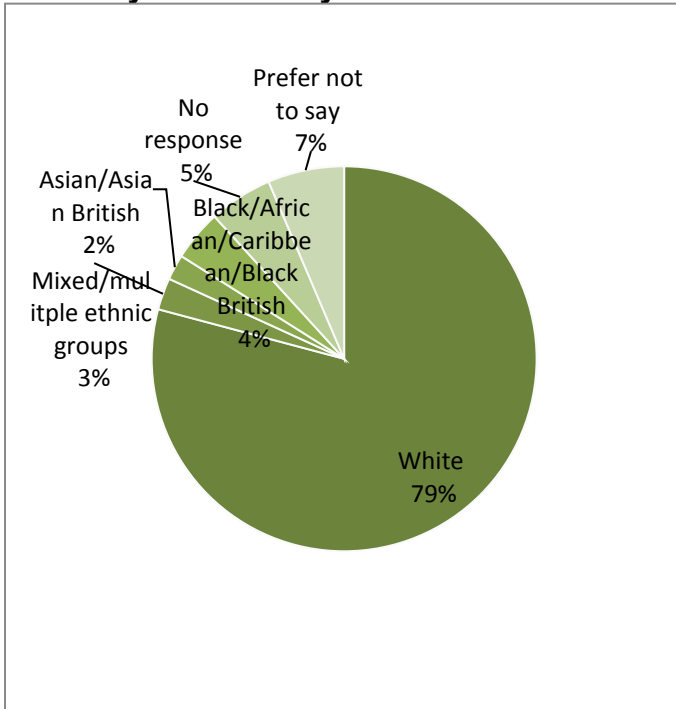


Suggestions for “amend route” include:

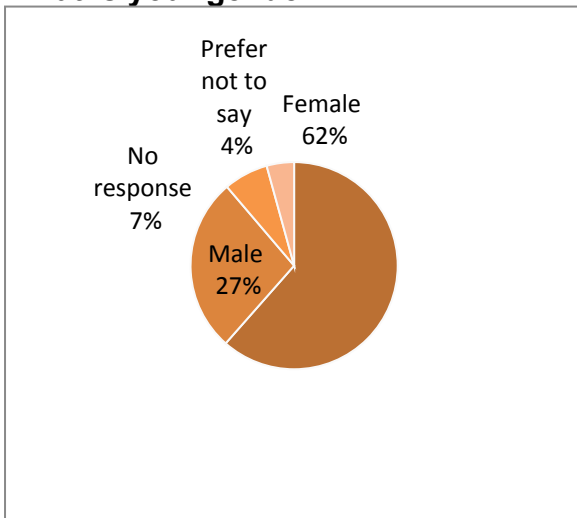
- Divert along City Road, Ashley Hill and Ashley Down road to Gloucester Road in Horfield
- Extend to Staple Hill
- Extend to UWE
- Extend to Frenchay
- Extend between Kingswood and Temple Meads
- Re-route via Clifton Zoo, Clifton Village and Westbury Village
- Extend to Filton College

- Split route into two shorter routes: Town to Southmead and Town to Create Centre
- Extend to Westbury Village

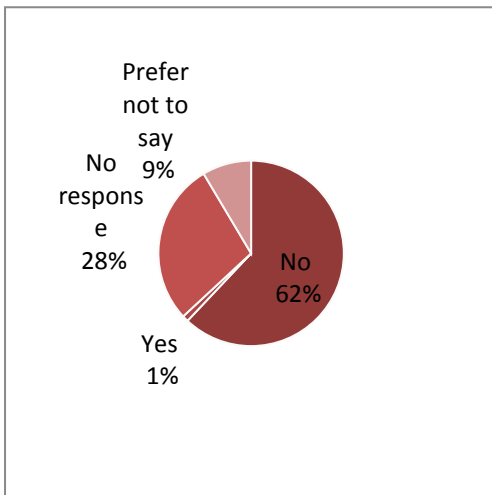
What is your ethnicity?



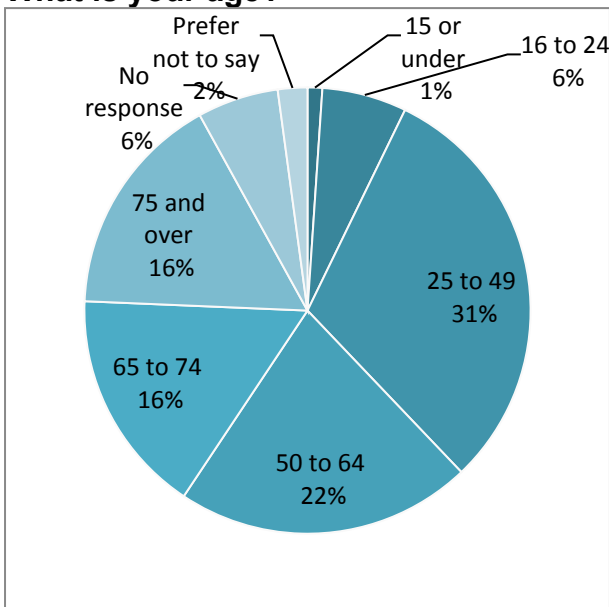
What is your gender?



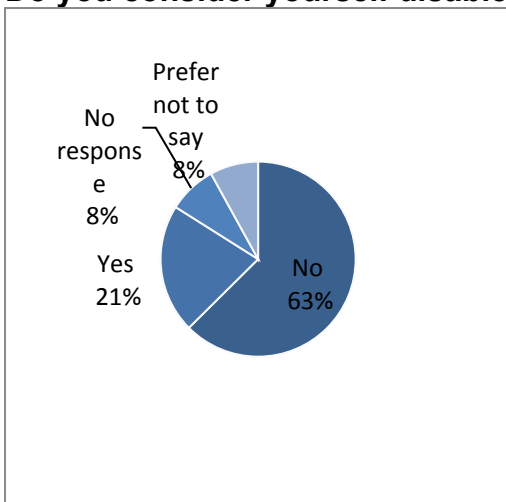
Are you transgender?



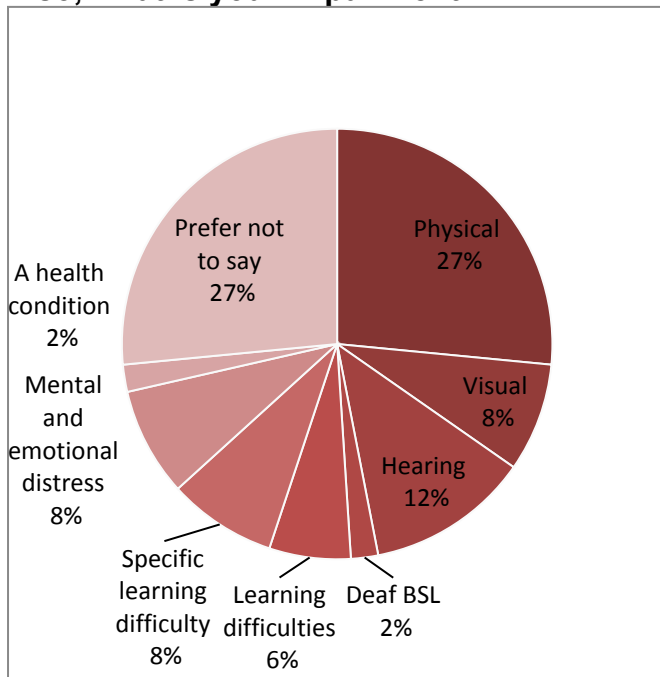
What is your age?



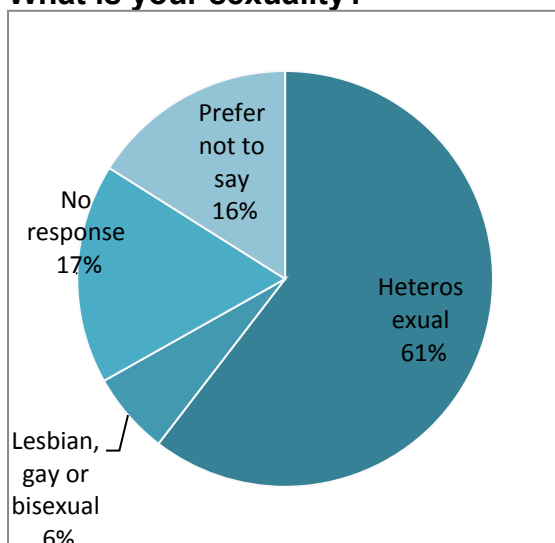
Do you consider yourself disabled?



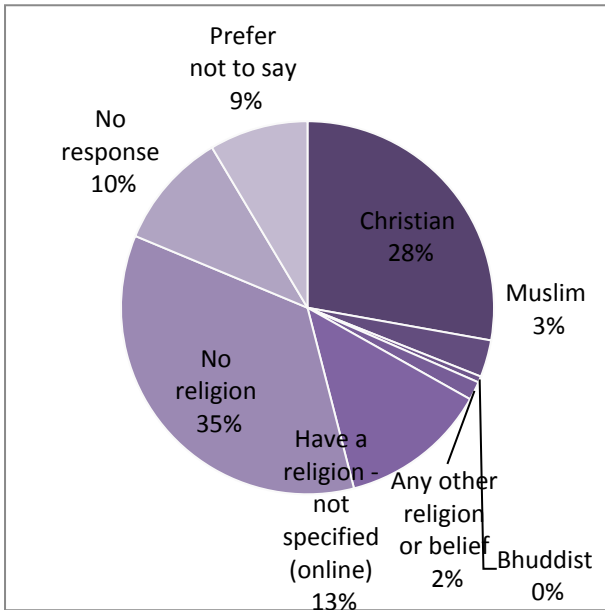
If so, what is your impairment?



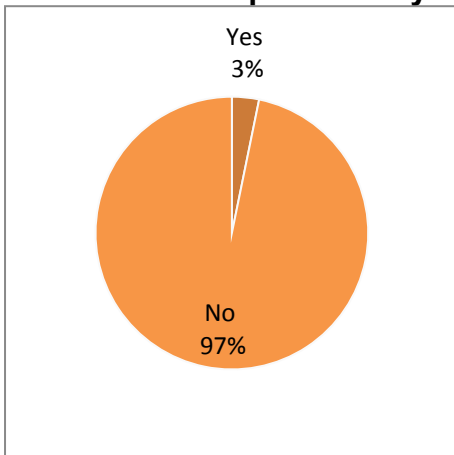
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Service 508

Contracted service details:

Daily service between Shirehampton and Southmead

Current contracts provide:

All Journeys

Cost Per Passenger Journey

2015/2016

£3.92

2014/2015

£3.73

2013/2014

£3.27

2012/2013

£3.09

2011/2012

£6.17

Total Passenger Numbers:

21,093 (2015/2016)

22,167 (2014/2015)

24,168 (2013/2014)

25,538 (2012/2013)

12,491 (2011/2012)

Contract Cost

£193,534

Wards Served:

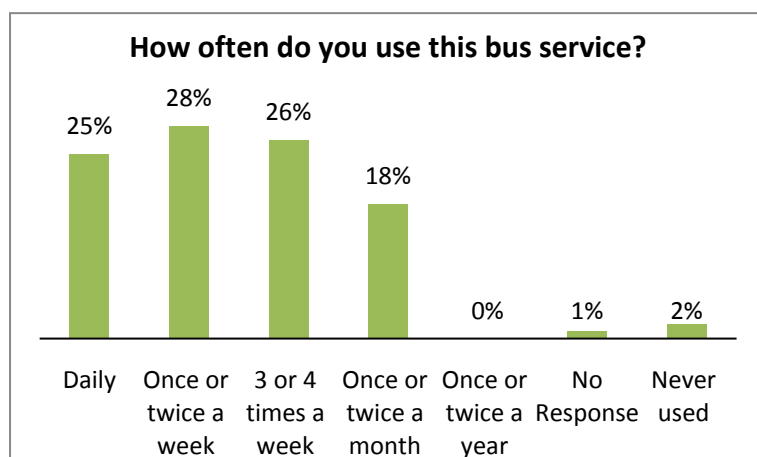
Stoke Bishop, Avonmouth & Lawrence Weston, Westbury-on-Trym & Henleaze, Southmead, Henbury & Brentry,

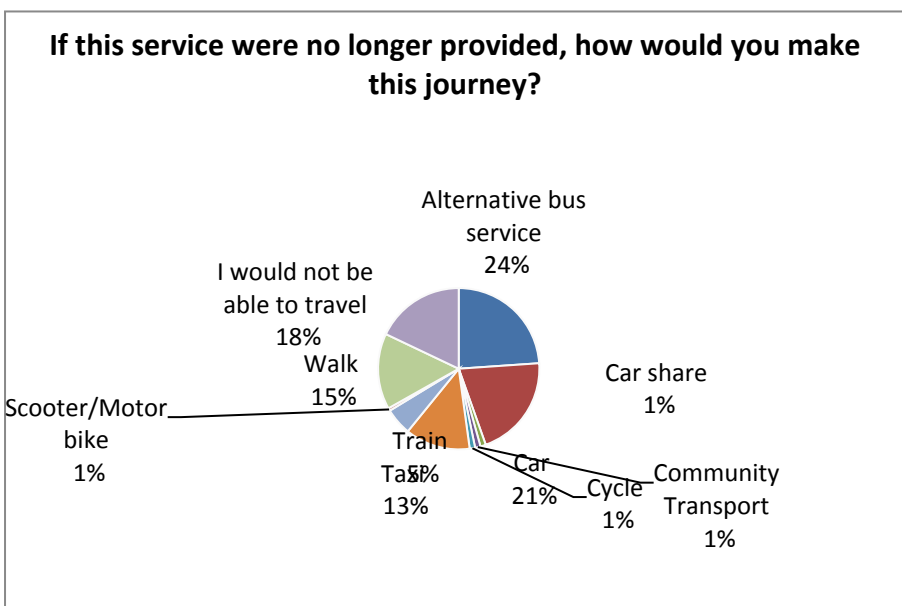
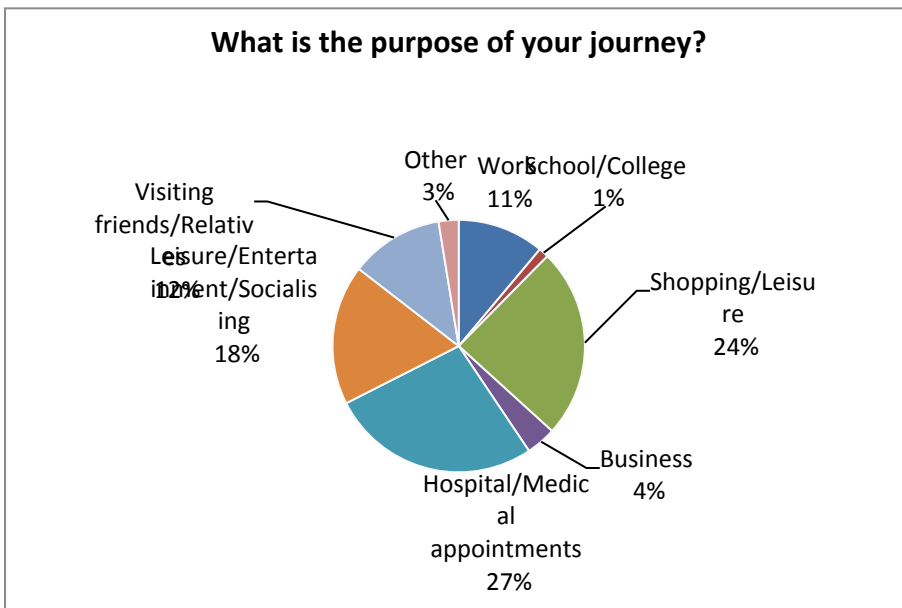
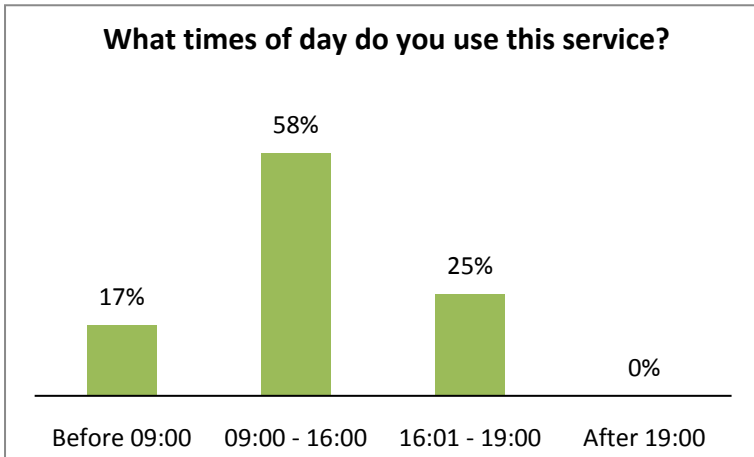
Alternative Bus Routes:

Service 18 – Southmead to Westbury-on-Trym/Coombe Dingle

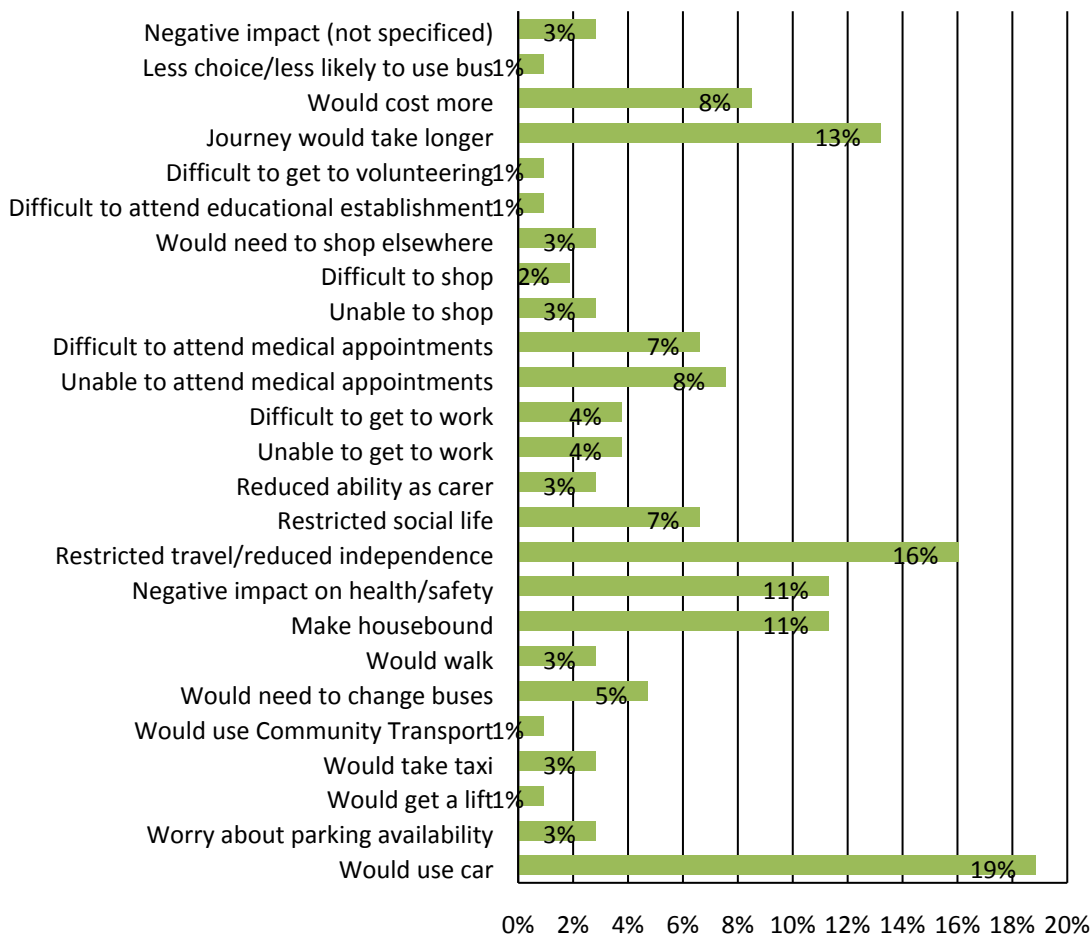
Survey Results

Information from Summer 2016 Passenger Consultation

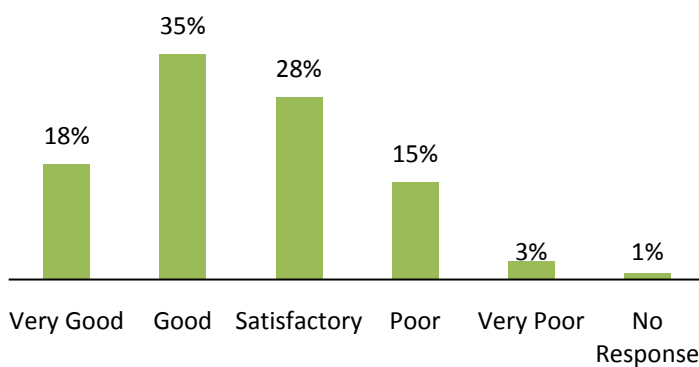


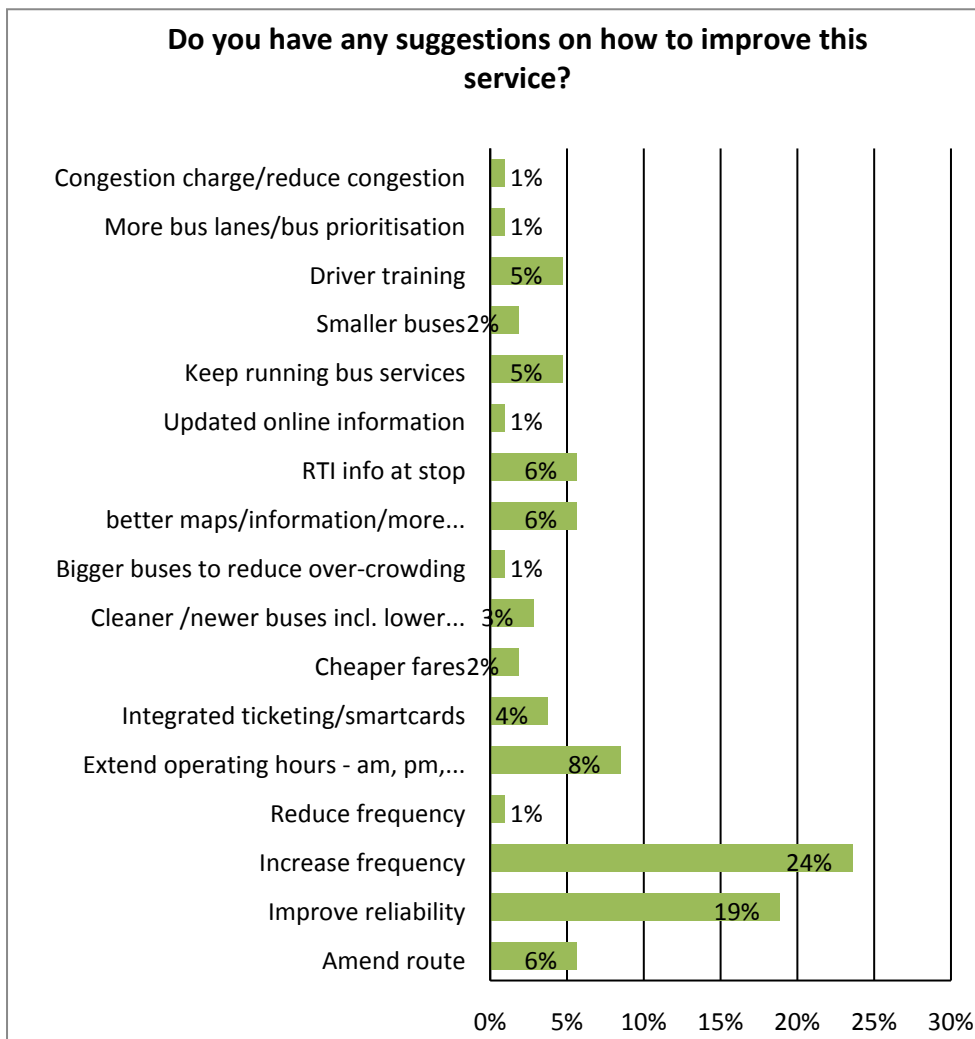


If this service were no longer provided what impact would this have on you?



How would you rate the current service provided?

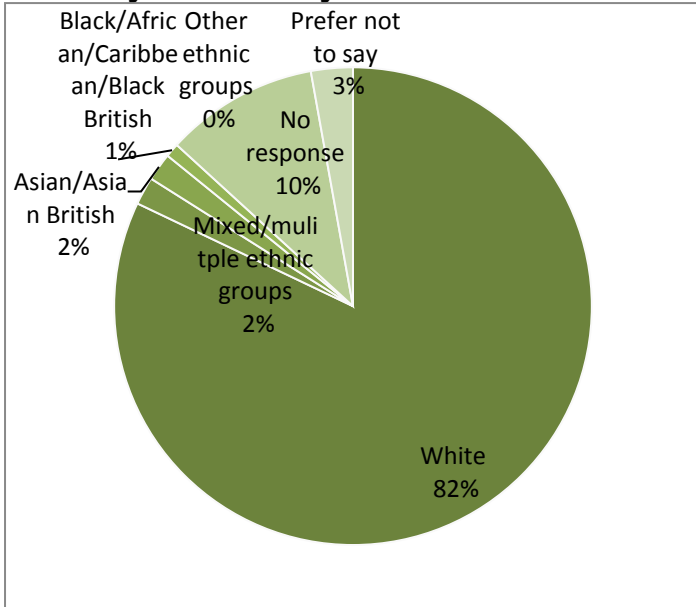




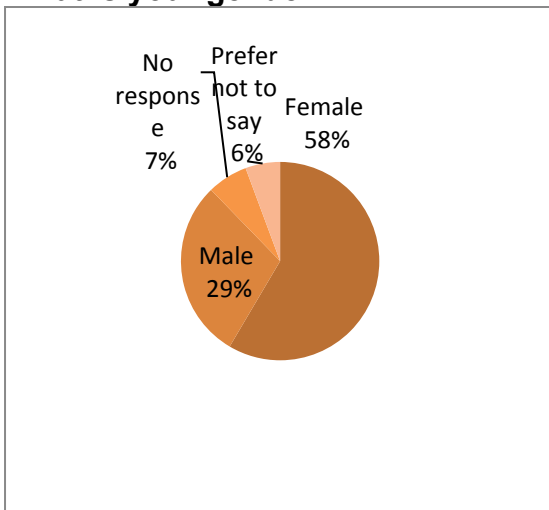
Suggestions for “amend route” include:

- Better access to the Oncology Centre in Westbury on Trym

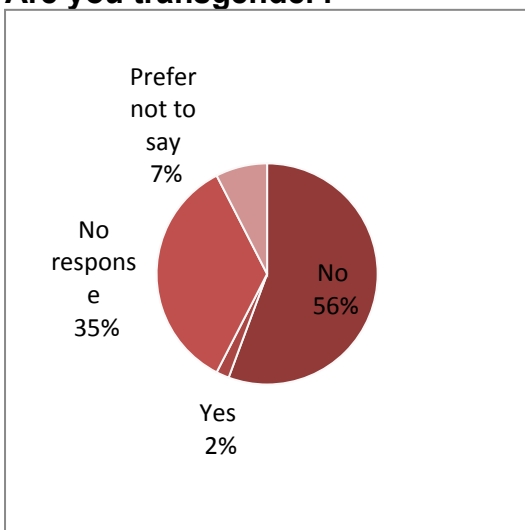
What is your ethnicity?



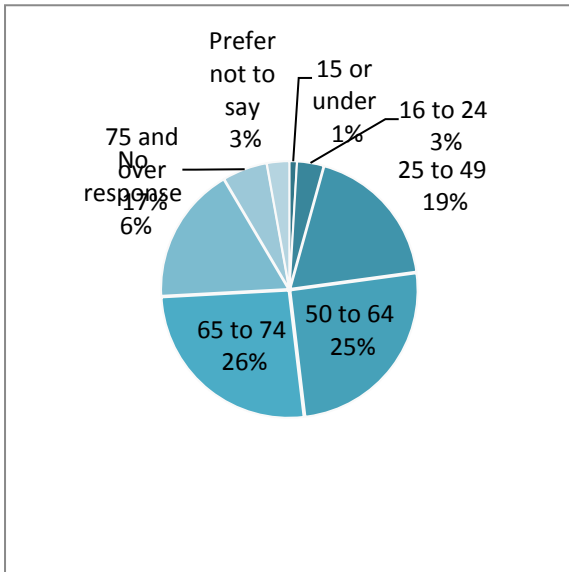
What is your gender?



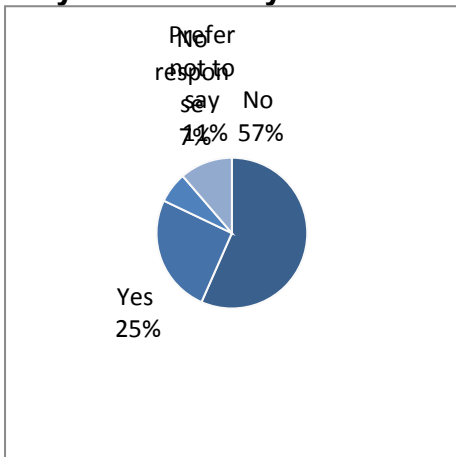
Are you transgender?



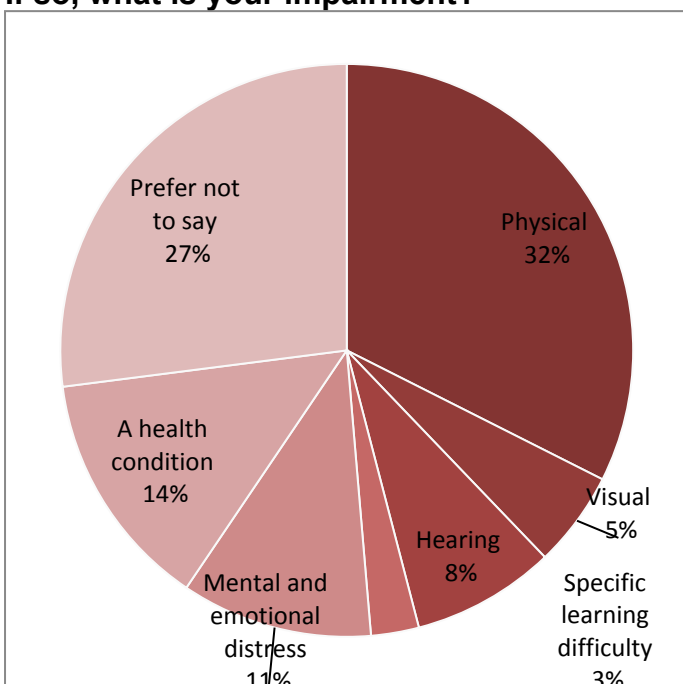
What is your age?



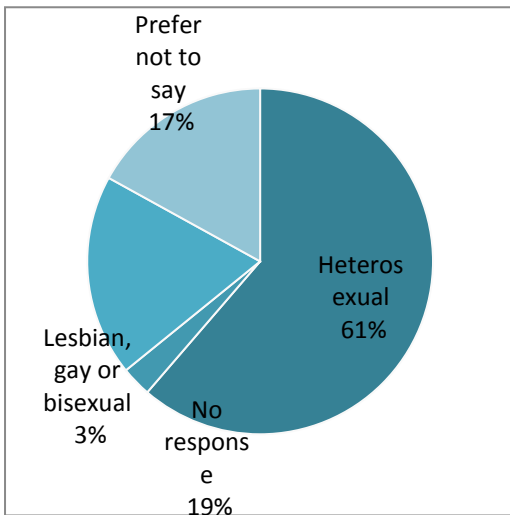
Do you consider yourself disabled?



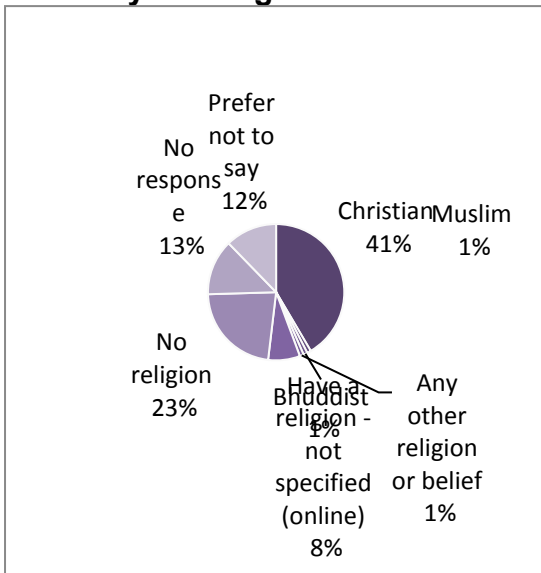
If so, what is your impairment?



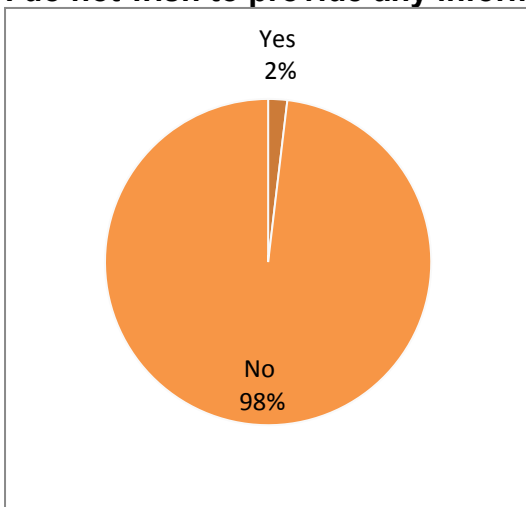
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Hengrove and Bedminster

Current contracts provide:

All Journeys

Cost Per Passenger Journey**2015/2016**

£2.17

2014/2015

£1.94

2013/2014

£1.49

2012/2013

£1.56

2011/2012

£1.75

2010/2011

£1.13

Total Passenger Numbers:

25,976 (2015/2016)

29,098 (2014/2015)

36,025 (2013/2014)

34,509 (2012/2013)

29,360 (2011/2012)

28,228 (2010/2011)

Contract Cost

£57,055

Wards Served:

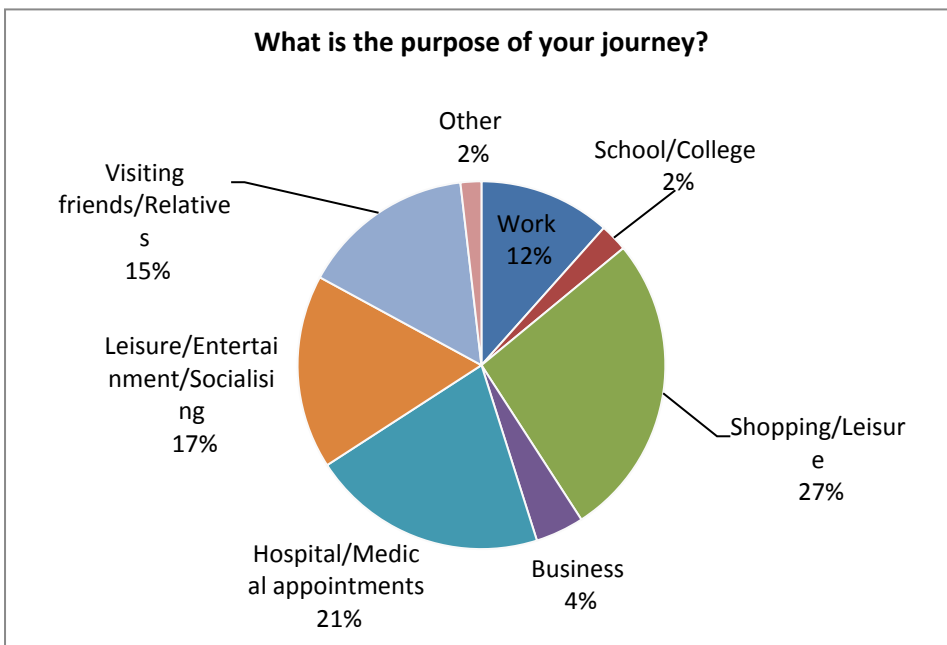
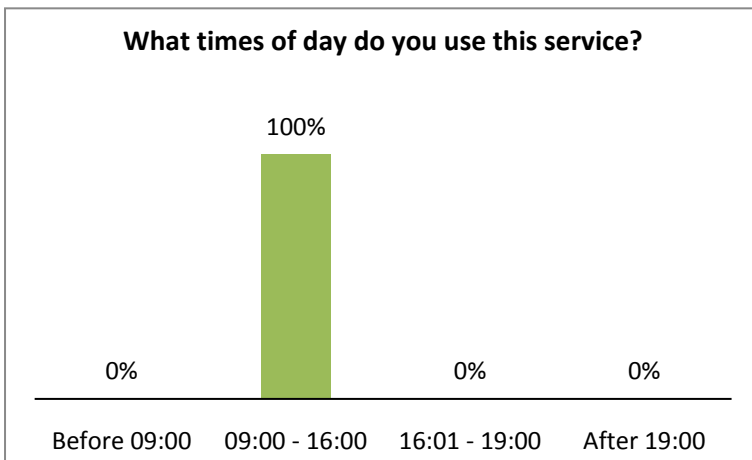
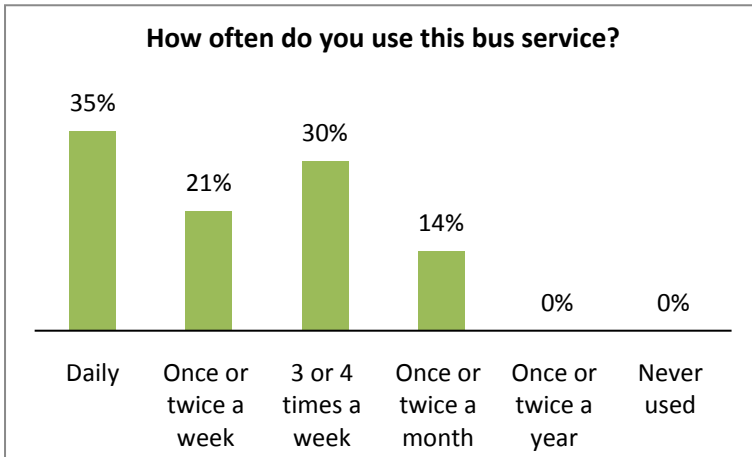
Stockwood, Knowle, Windmill Hill, Filwood, Hengrove & Whitchurch Park

Alternative Bus Routes:

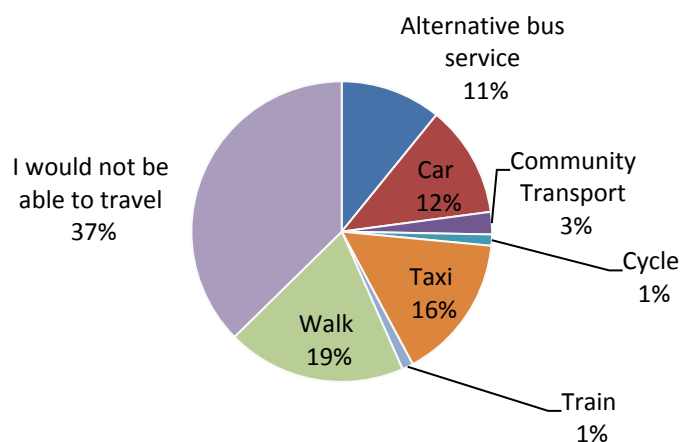
No alternative services

Survey Results

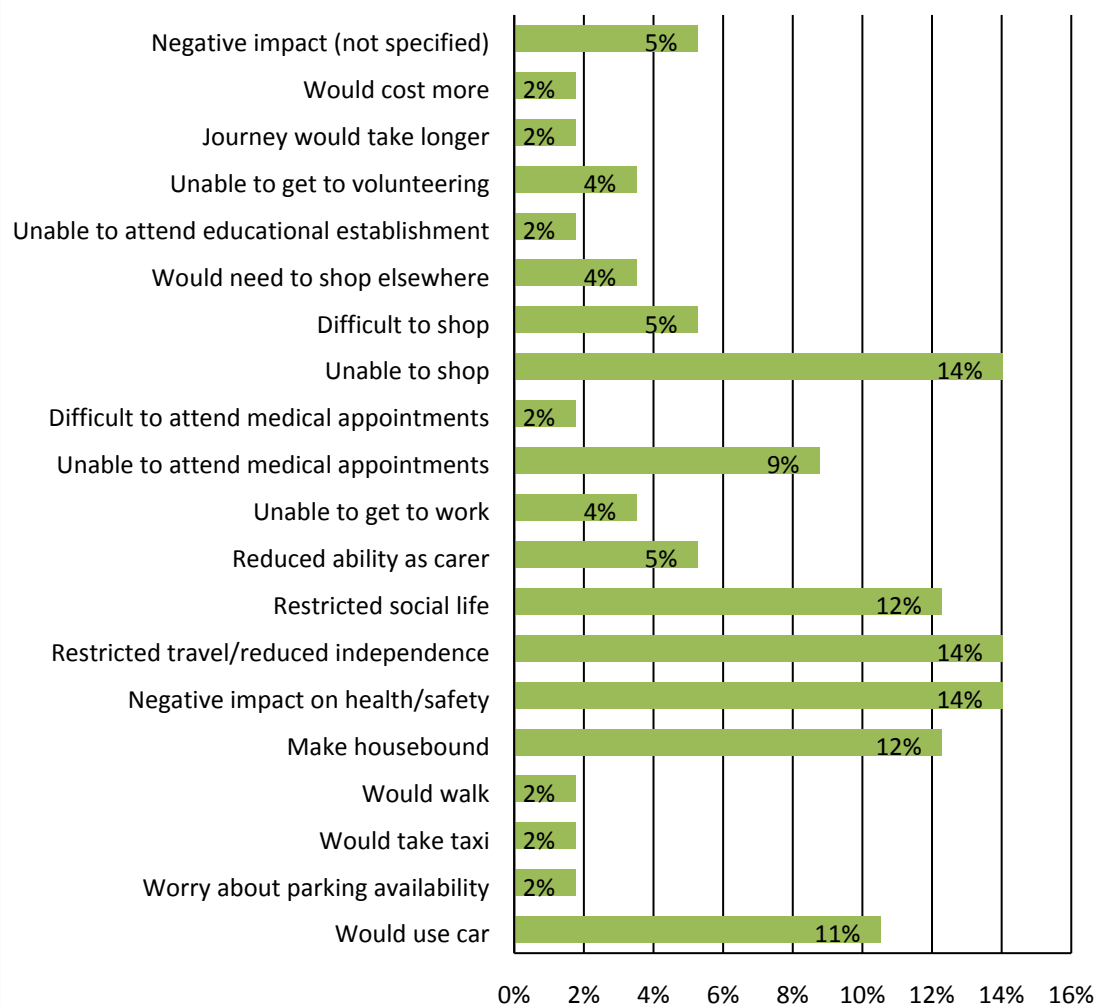
Information from Summer 2016 Passenger Consultation

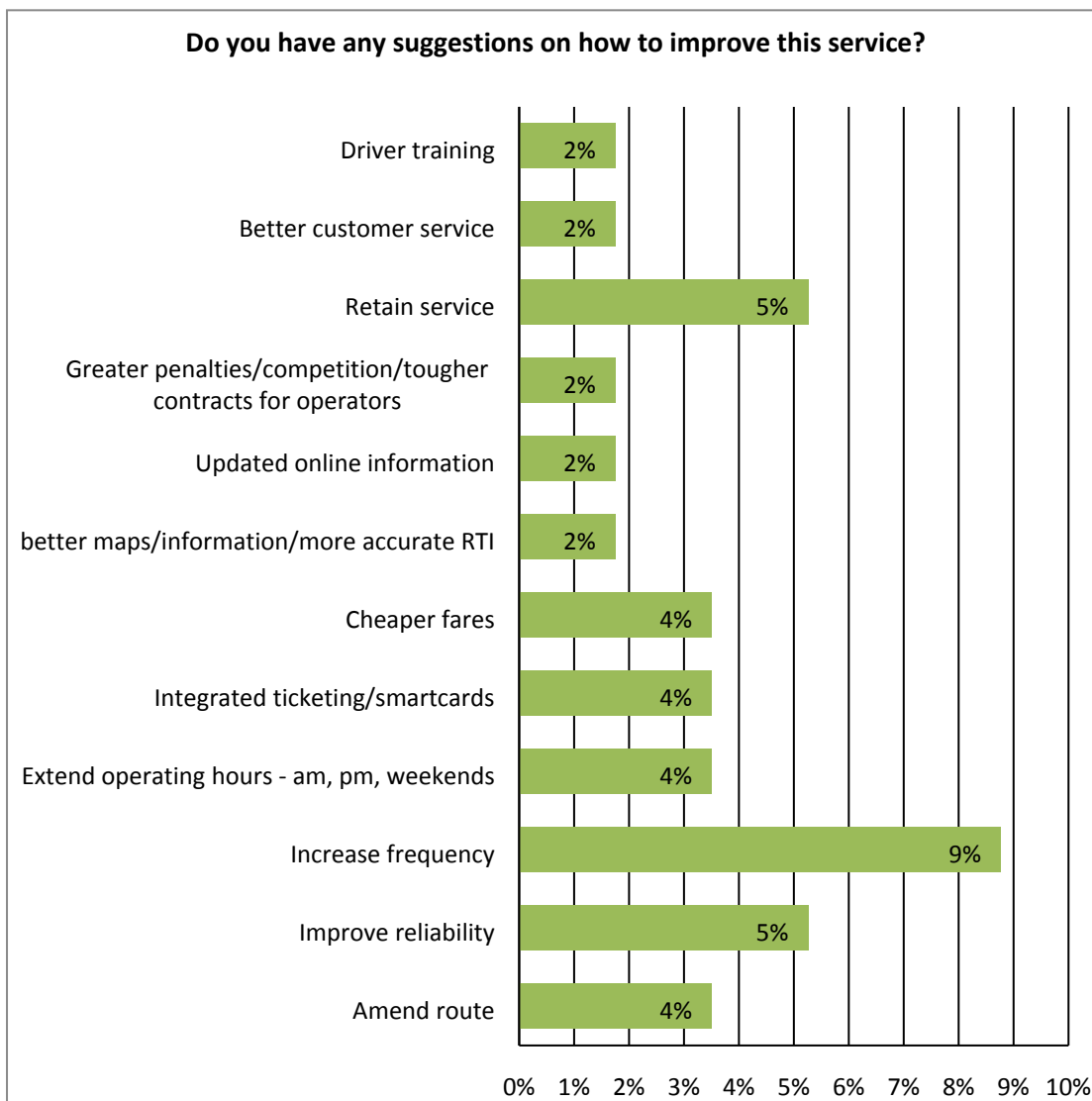
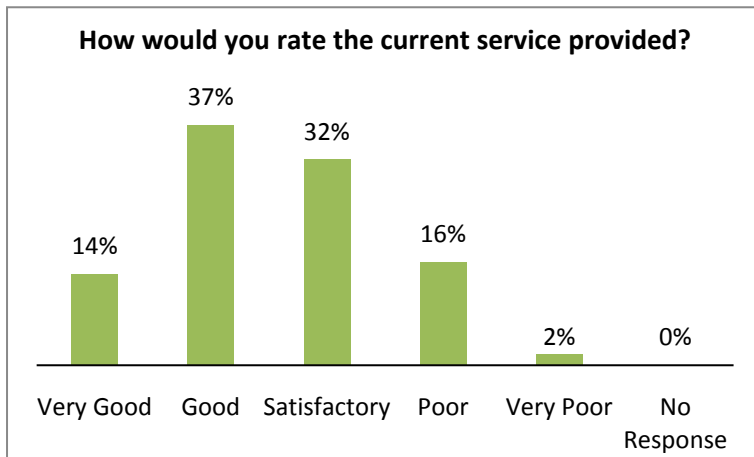


If this service were no longer provided, how would you make this journey?



If this service were no longer provided what impact would this have on you?

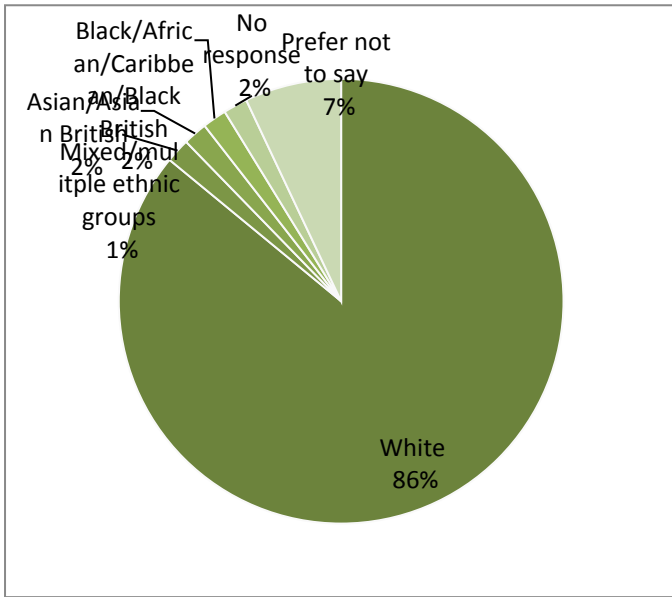




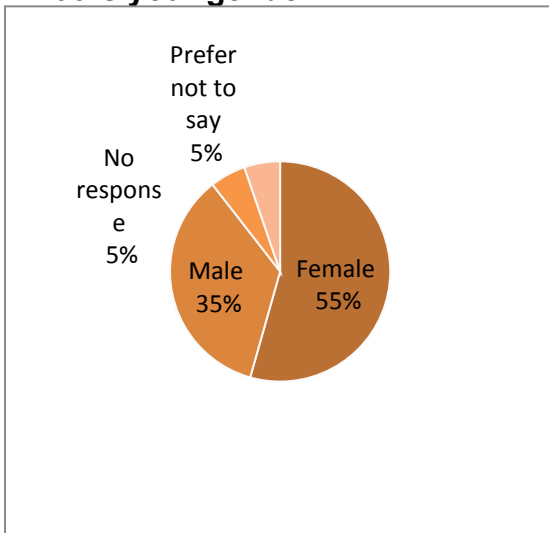
Suggestions for “amend route” include:

- Run both outgoing and incoming service via Dalby Avenue

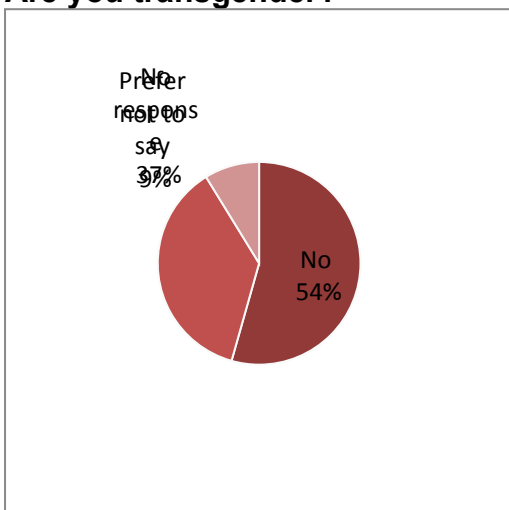
What is your ethnicity?



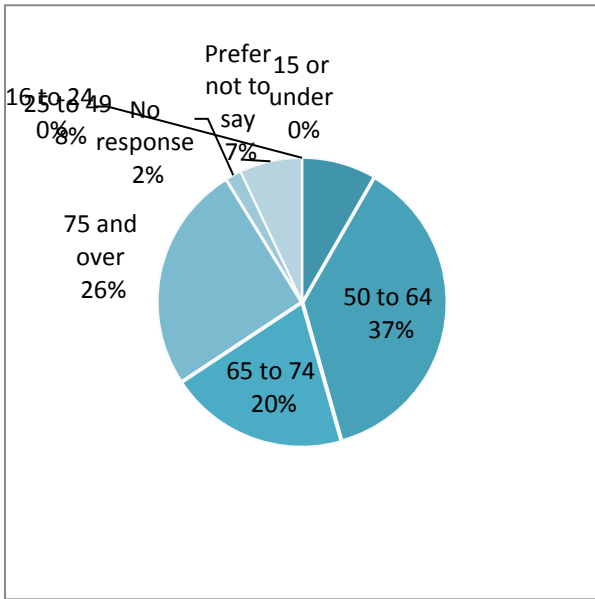
What is your gender?



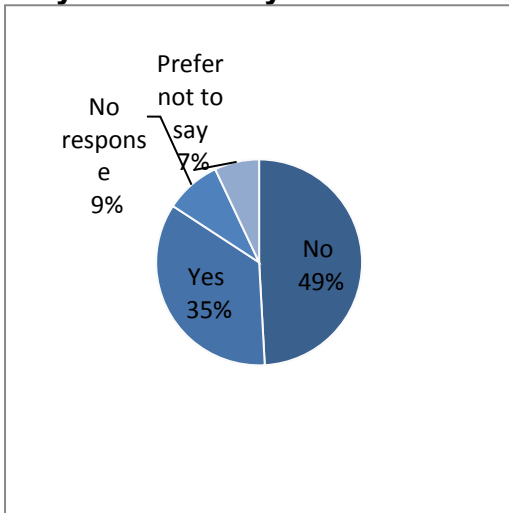
Are you transgender?



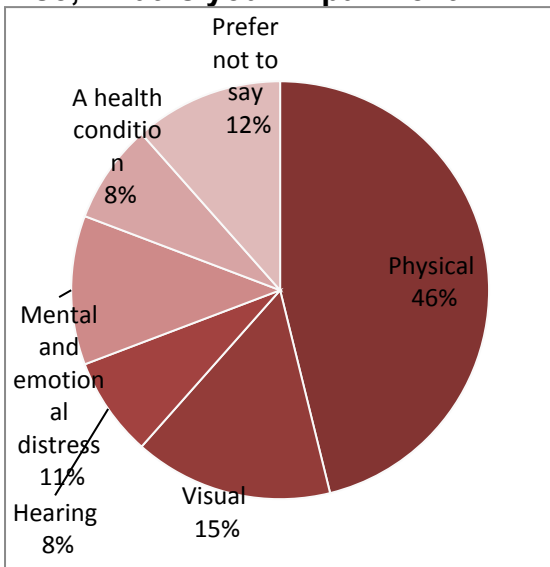
What is your age?



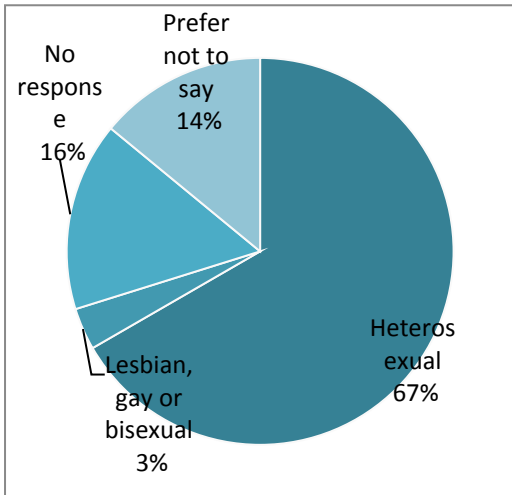
Do you consider yourself disabled?



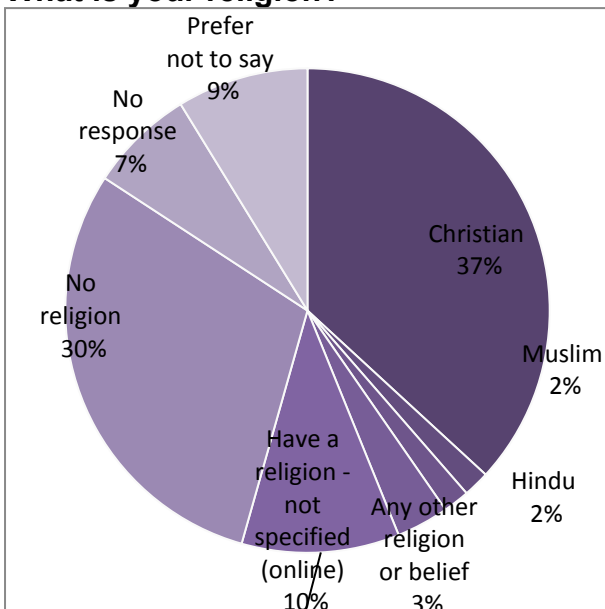
If so, what is your impairment?



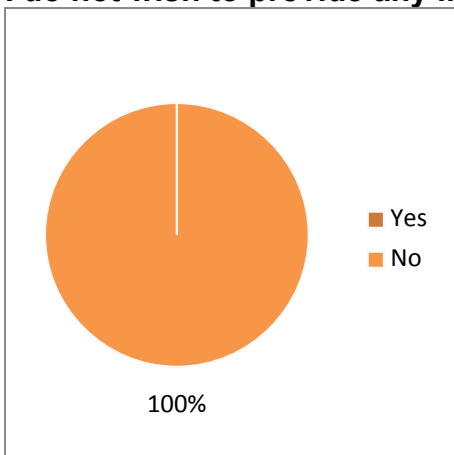
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Totterdown/Windmill Hill and Bedminster

Current contracts provide:

All Journeys

Cost Per Passenger Journey**2015/2016**

£4.11

2014/2015

£4.36

2013/2014

£4.30

2012/2013

£4.10

Total Passenger Numbers:

18,616 (2015/2016)

17,561 (2014/2015)

17021 (2013/2014)

17844 (2012/2013)

Contract Cost

£77,612

Wards Served:

Windmill Hill, Southville, Central

Alternative Bus Routes:

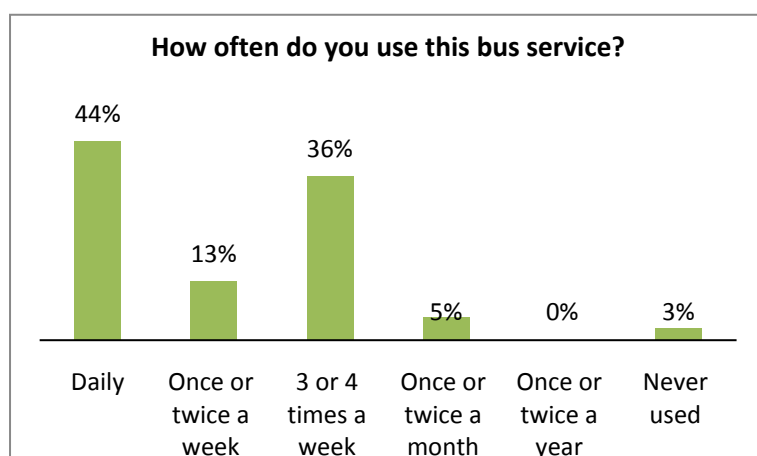
Service 2 – The Horsefair to Totterdown

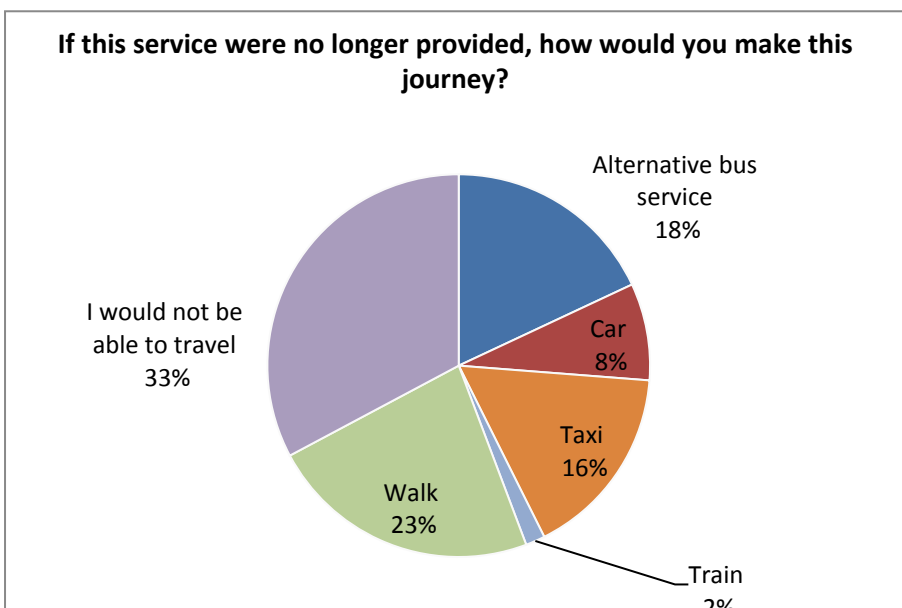
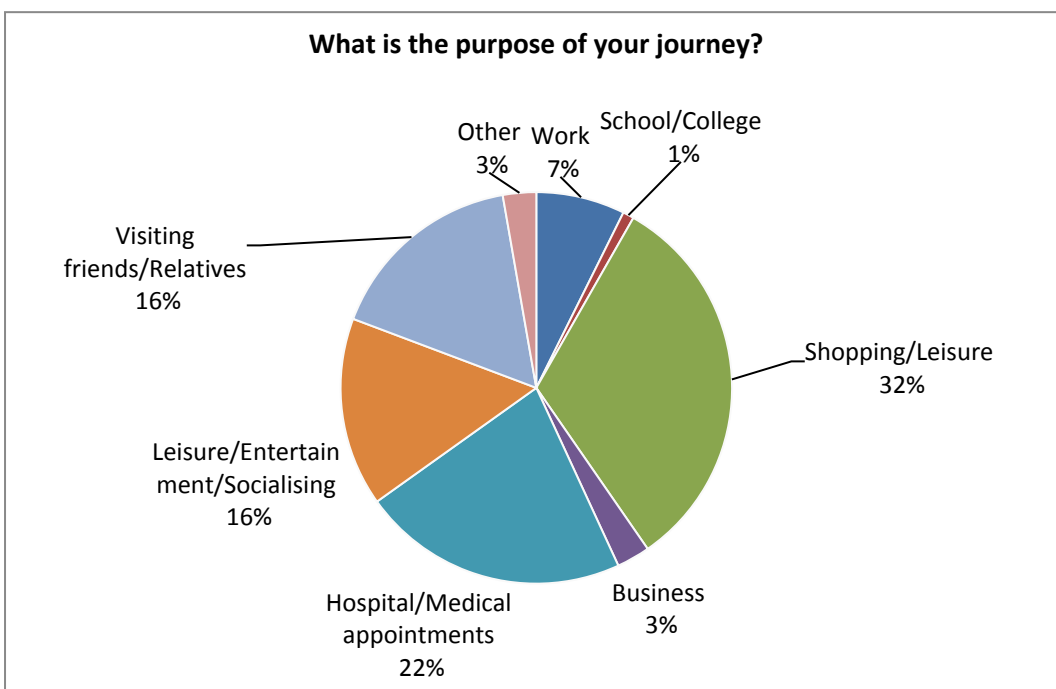
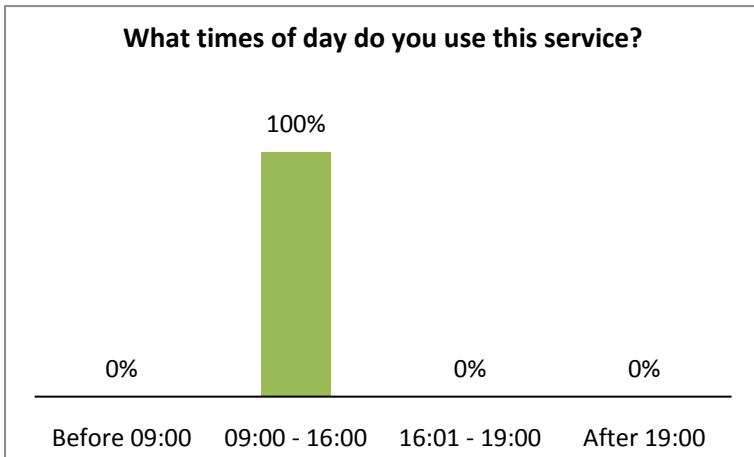
Service 50 – The Horsefair to St John's Lane

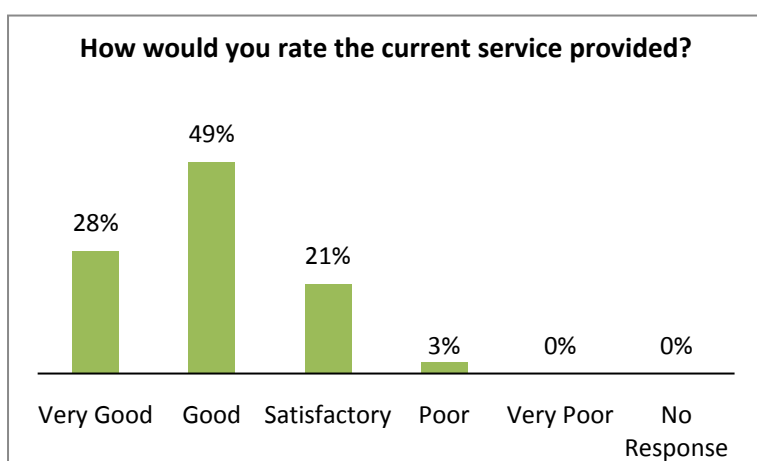
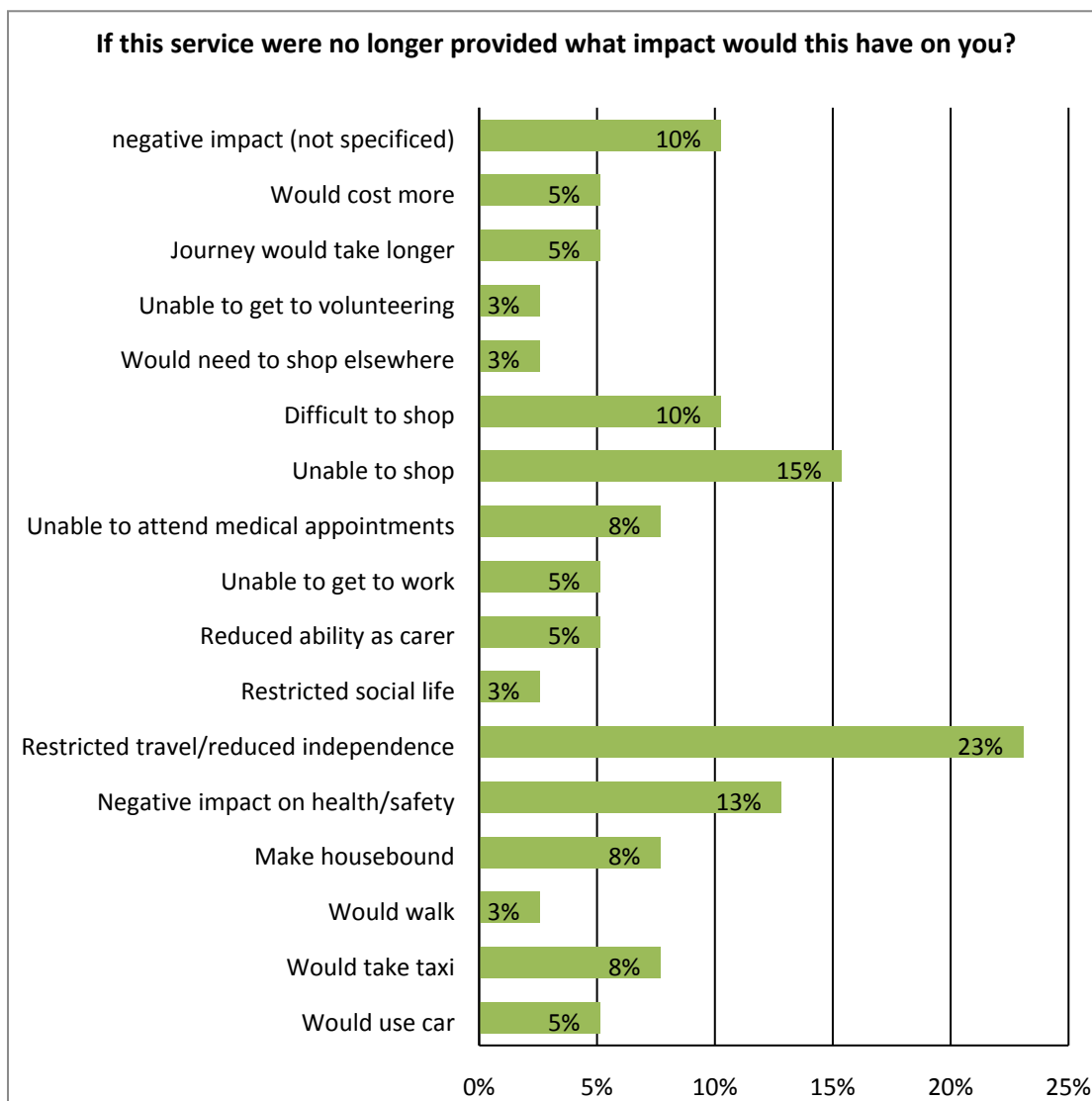
Service 90 – The Horsefair to Redcliff Hill/Bedminster Parade/St John's Lane

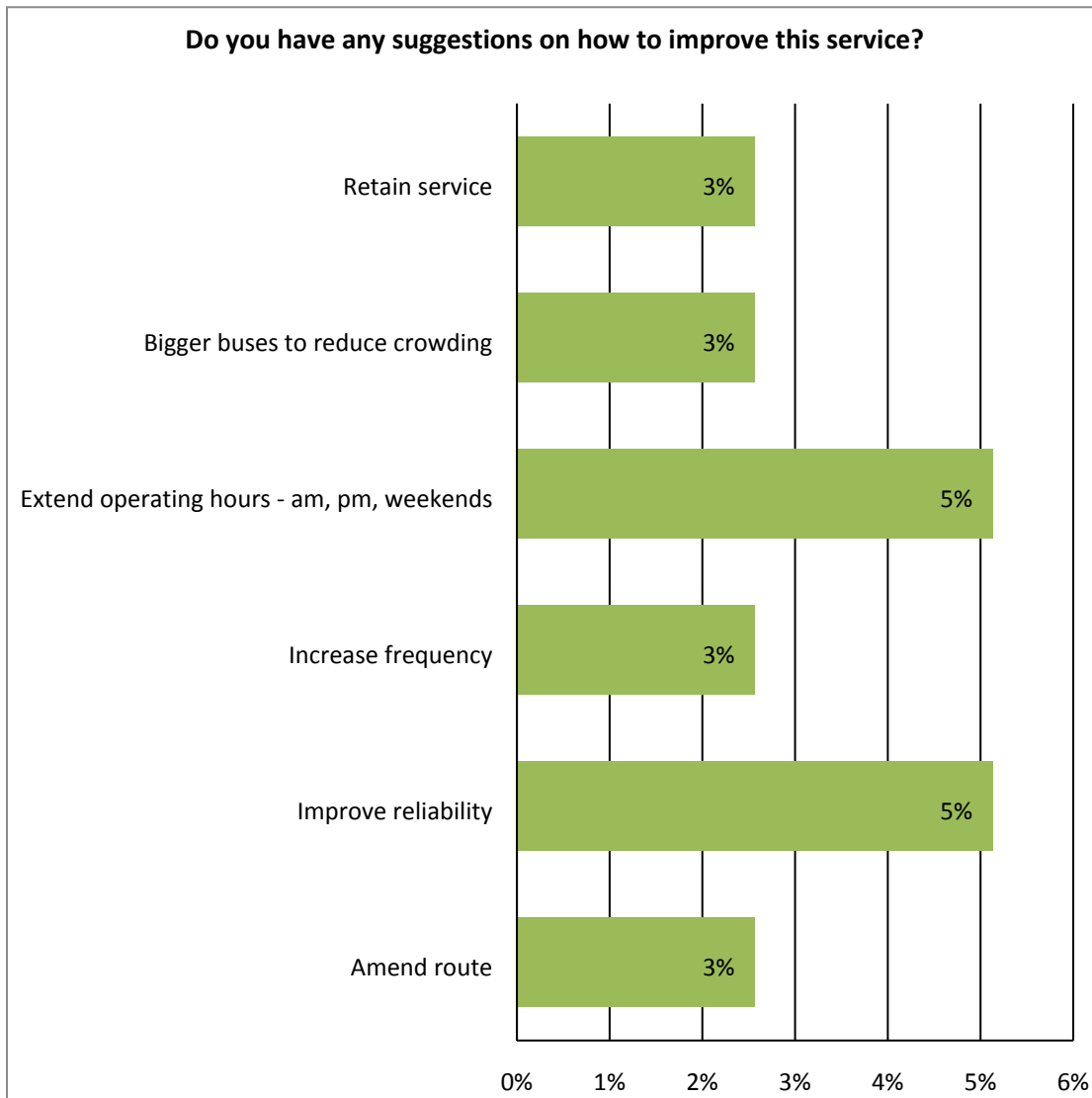
Survey Results

Information from Summer 2016 Passenger Consultation

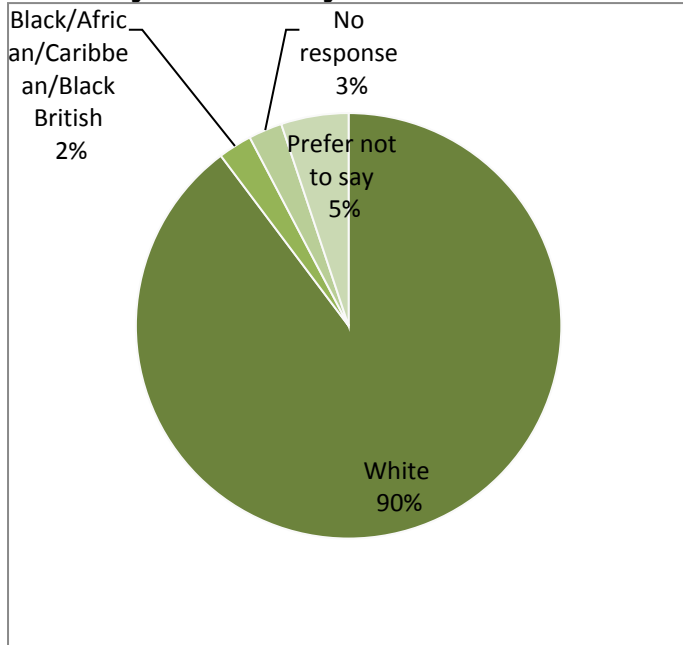




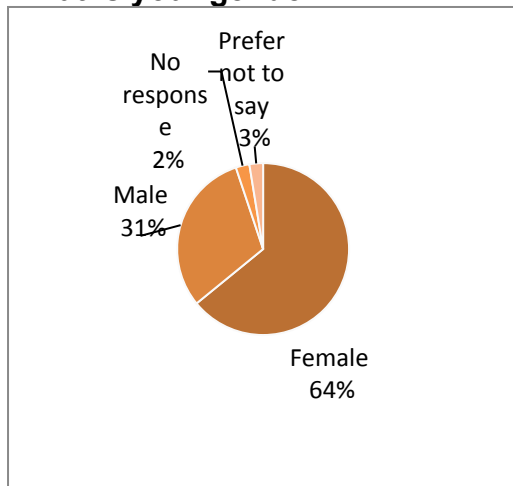




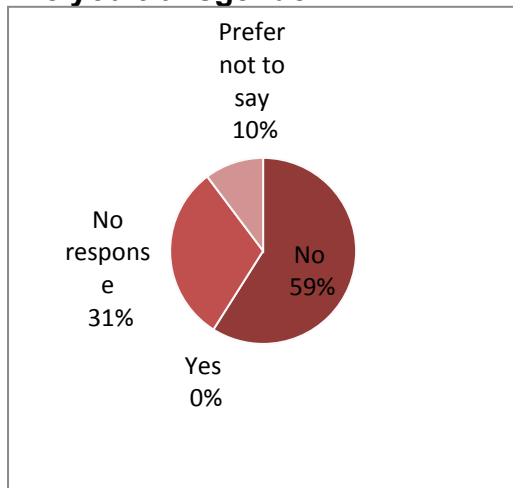
What is your ethnicity?



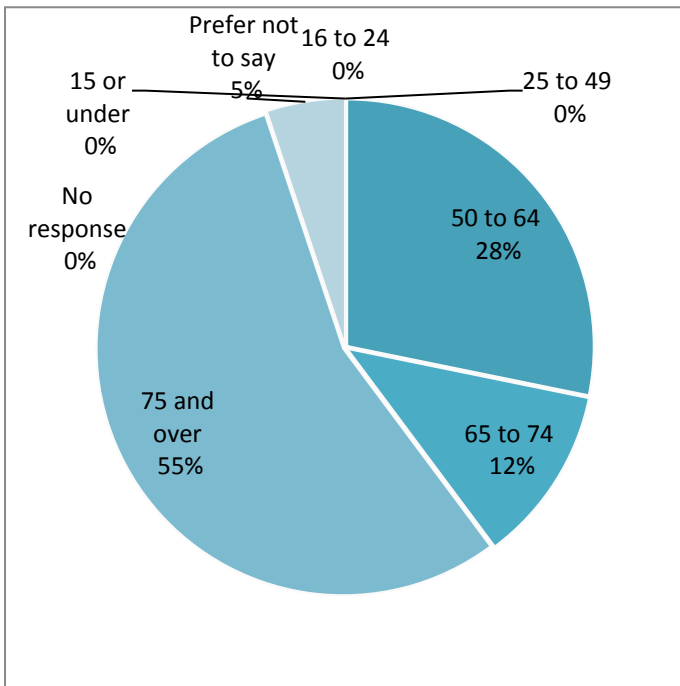
What is your gender?



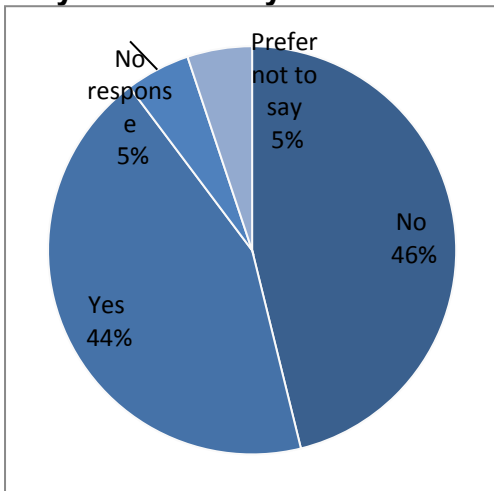
Are you transgender?



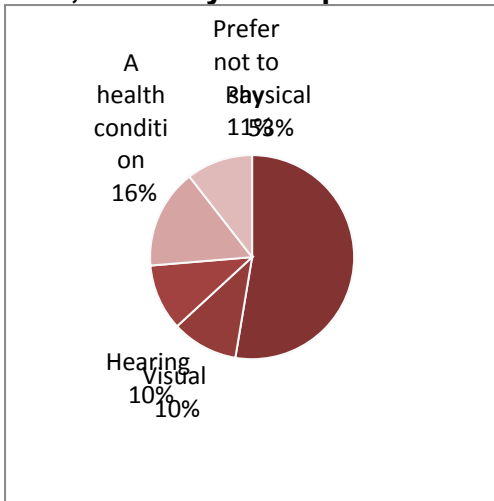
What is your age?



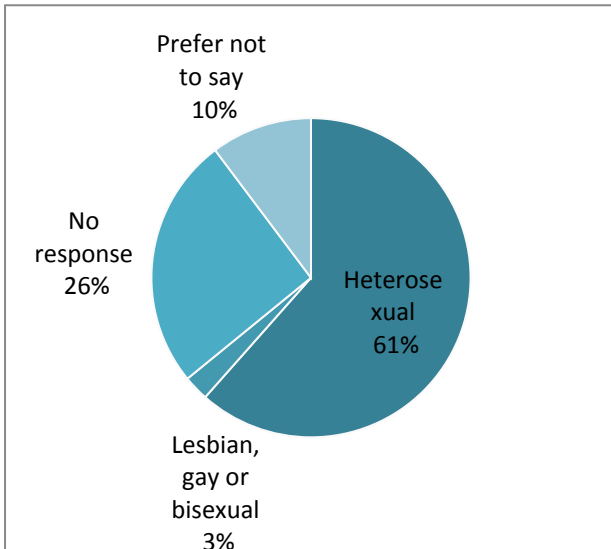
Do you consider yourself disabled?



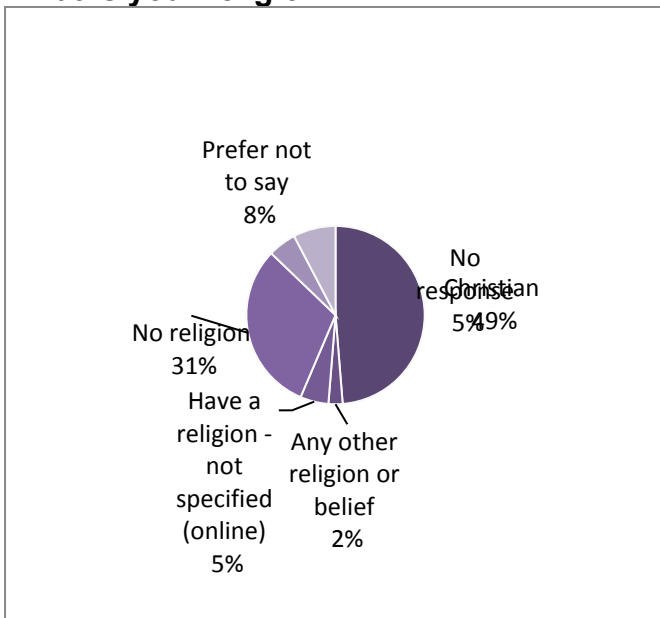
If so, what is your impairment?



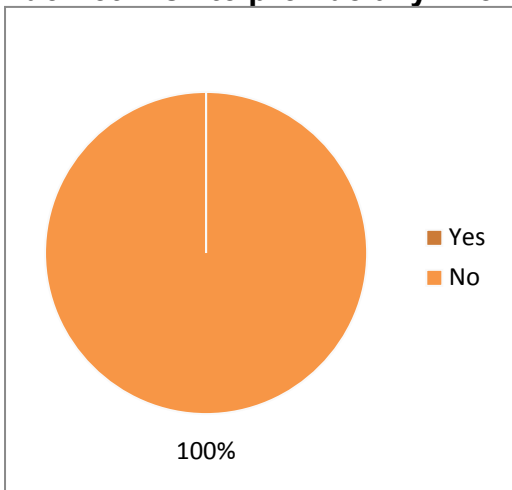
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Service 513

Daily service between Knowle and Brislington
 Current contracts provide:
 All Journeys

Cost Per Passenger Journey*

2015/2015

£2.69

2014/2015

£2.03

2013/2014

£2.17

2012/2013

£1.69

Total Passenger Numbers

5,736 (2015/2016)

7,152 (2014/2015)

6,119 (2013/2014)

8,028 (2012/2013)

Contract Cost*

£41,113

*These figures are combined with those for Service 514

Wards Served

Brislington East, Brislington West, Knowle

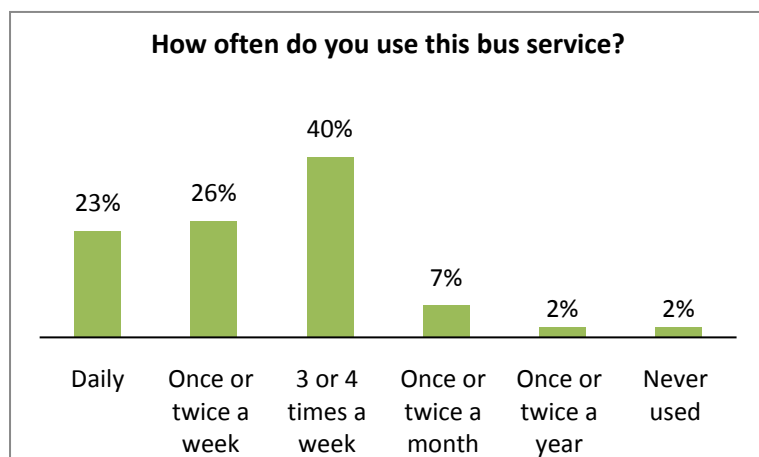
Alternative Bus Routes

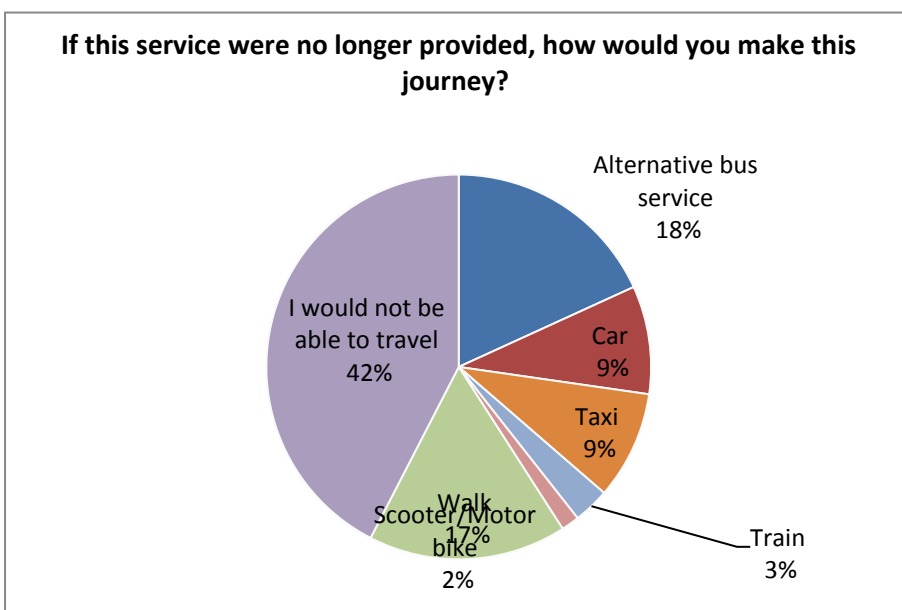
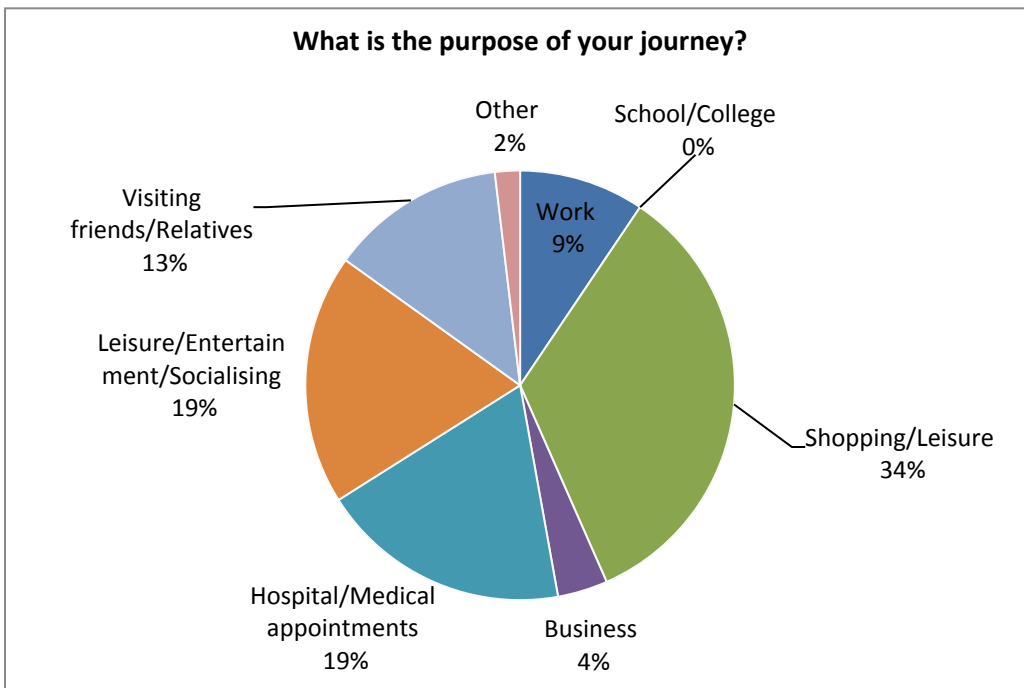
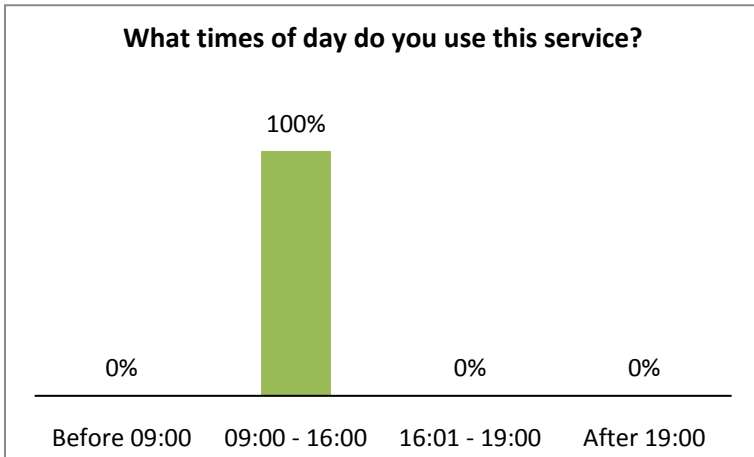
Service 36 – Brislington Square/St Anne’s to Broadwalk Shops

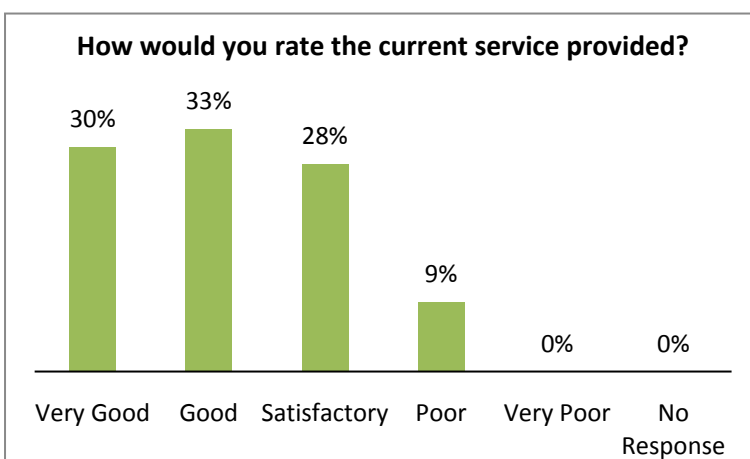
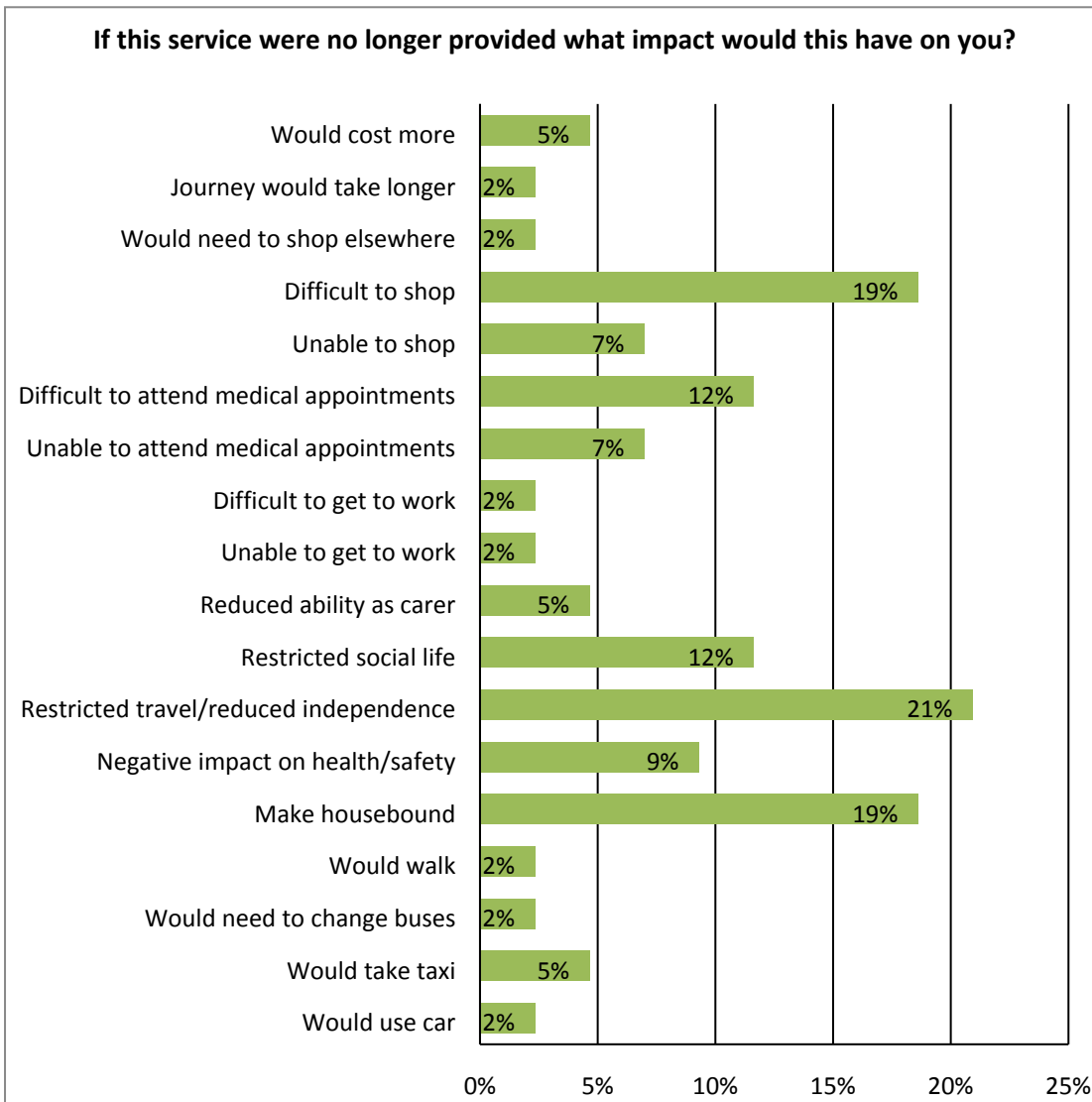
Service 514 – Knowle to Brislington

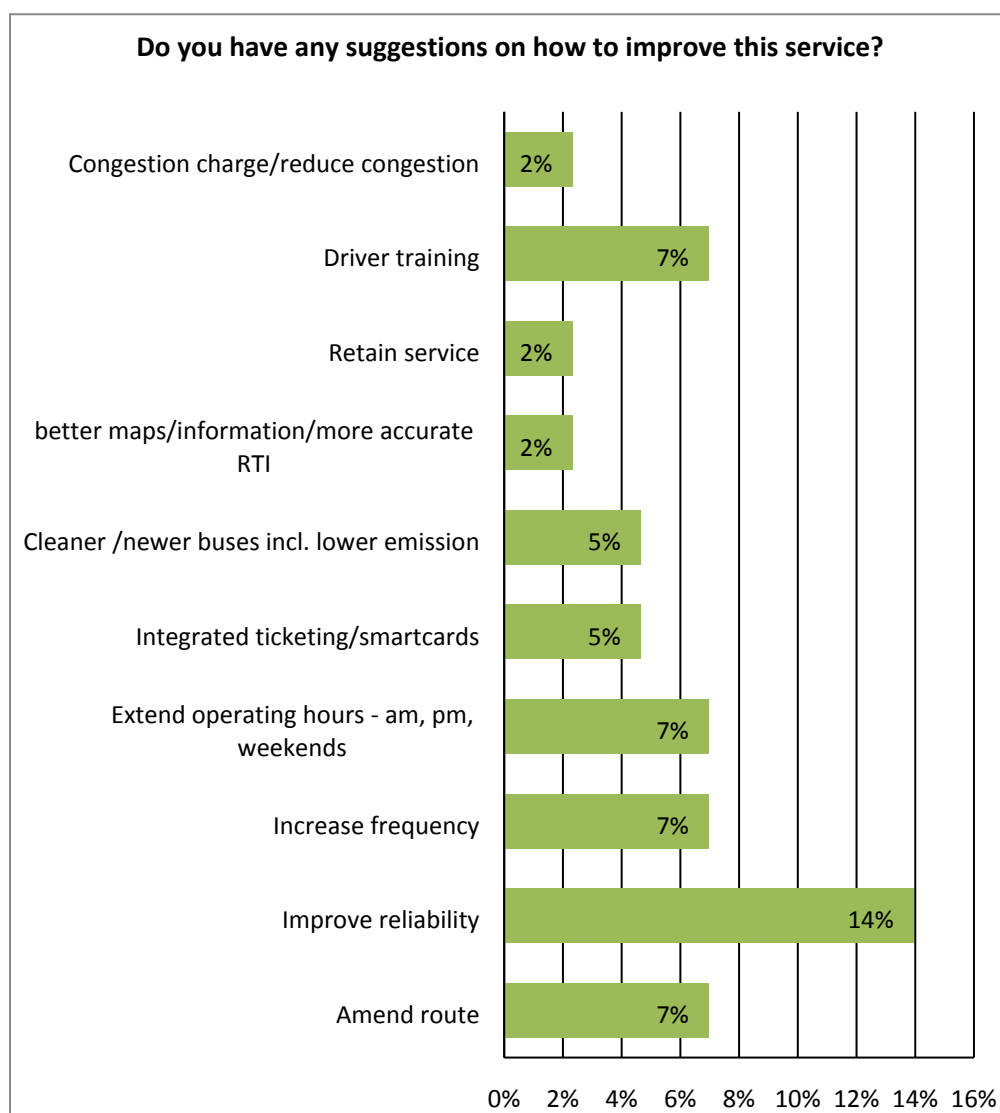
Survey Results

Information from Summer 2016 Passenger Consultation





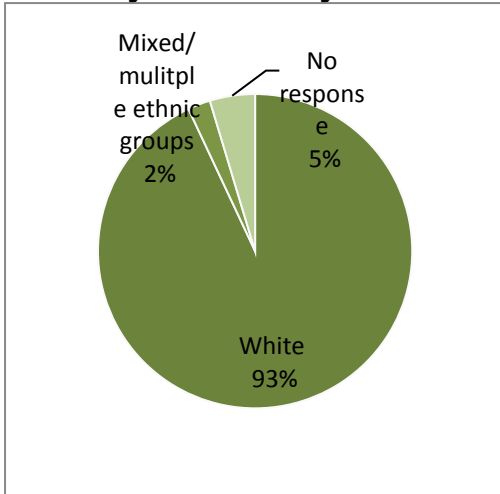




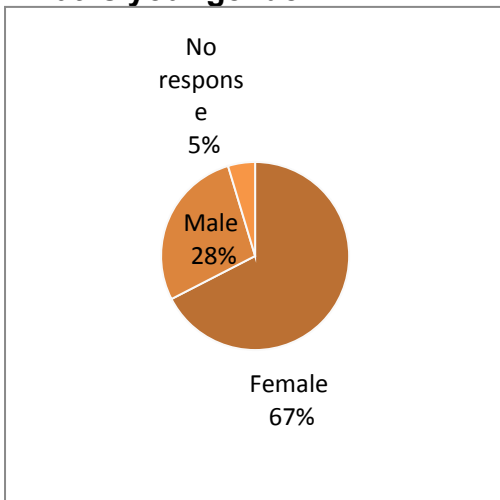
Suggestions for “amend route” include:

- Amend route to avoid Salisbury road which is dangerous due to car parking
- Make the 513 the same as the 514 so that all buses go to Tesco

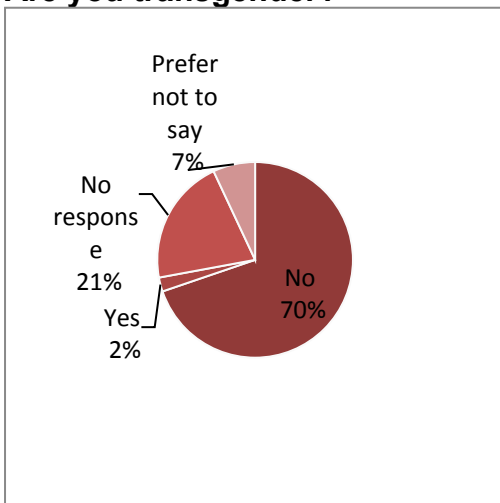
What is your ethnicity?



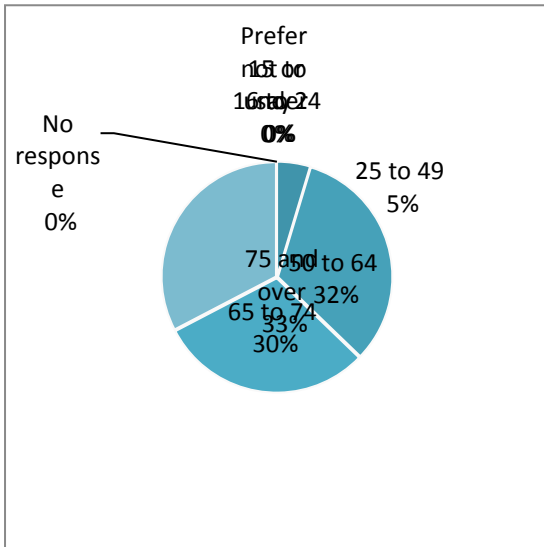
What is your gender?



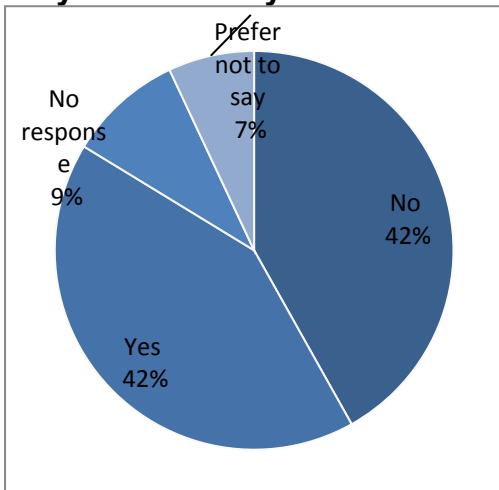
Are you transgender?



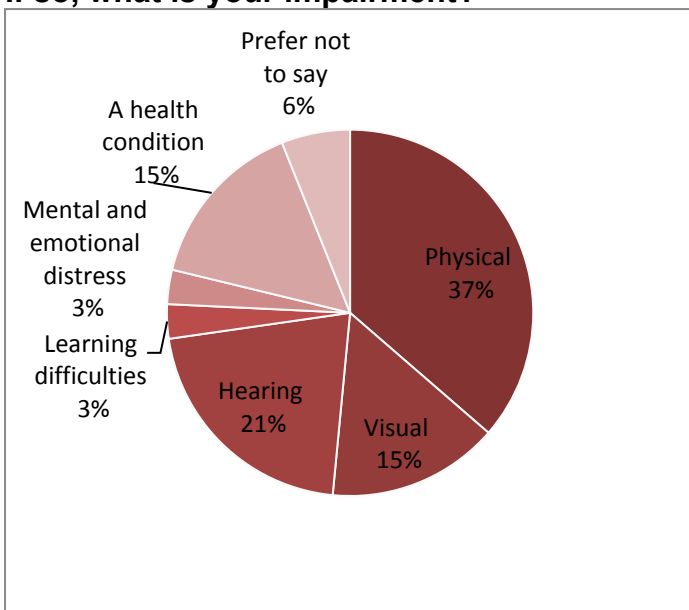
What is your age?



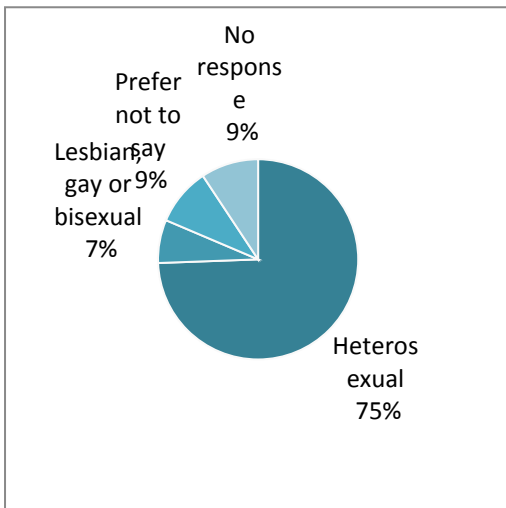
Do you consider yourself disabled?



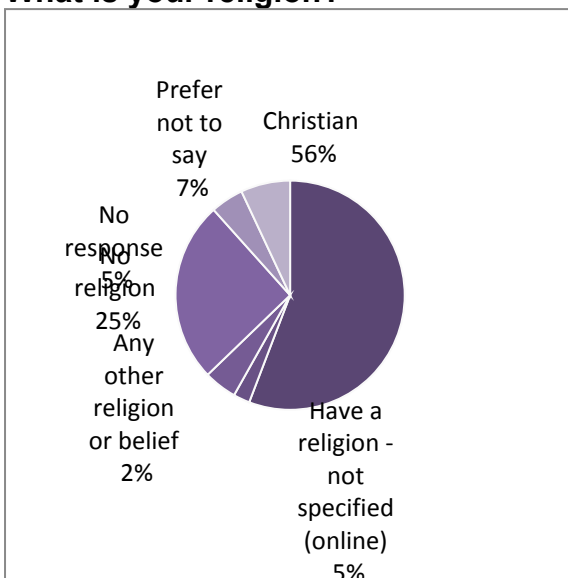
If so, what is your impairment?



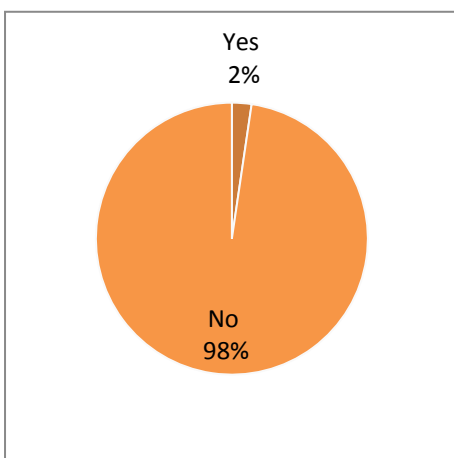
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Knowle and Brislington Tesco

Current contracts provide:

All Journeys

Cost Per Passenger Journey***2015/2016**

£2.69

2014/2015

£2.03

2013/2014

£2.17

2012/2013

£1.69

Total Passenger Numbers

9,352 (2015/2016)

12,841 (2014/2015)

11,777 (2013/2014)

14,922 (2012/2013)

Contract Cost*

£41,113

*These figures are combined with those for Service 513

Wards Served

Brislington West, Brislington East, Knowle

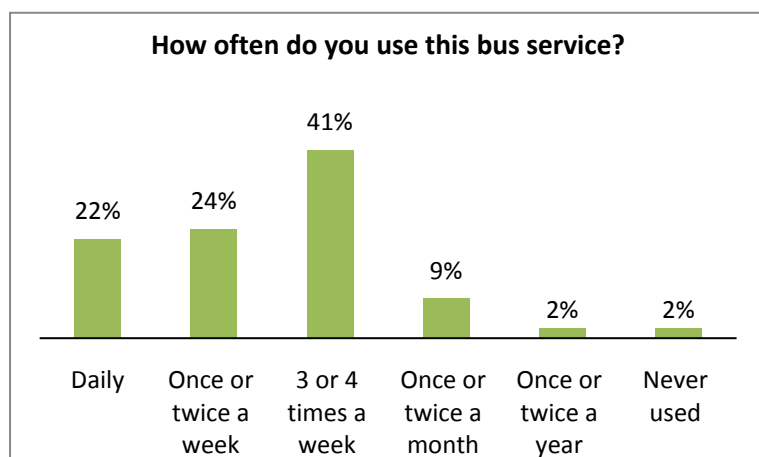
Alternative Bus Routes

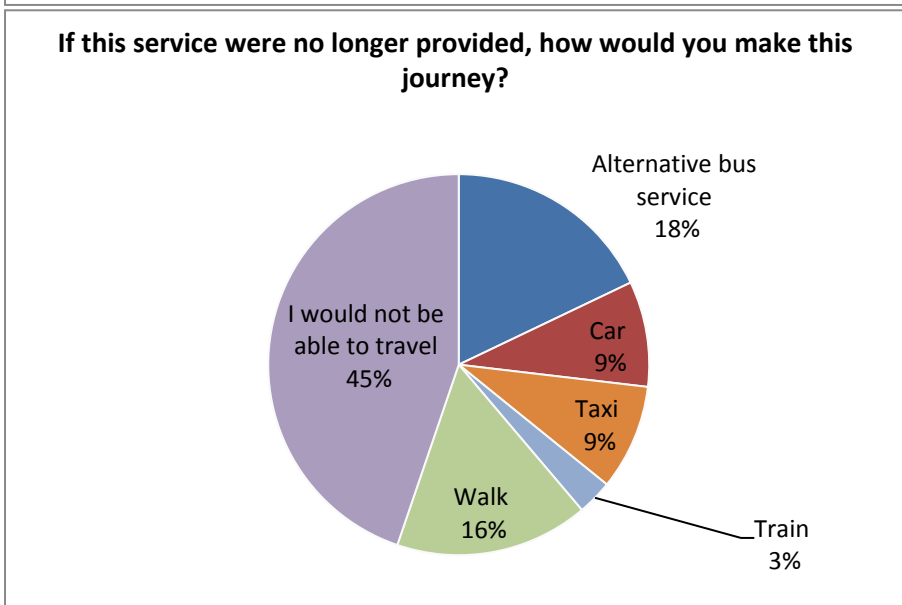
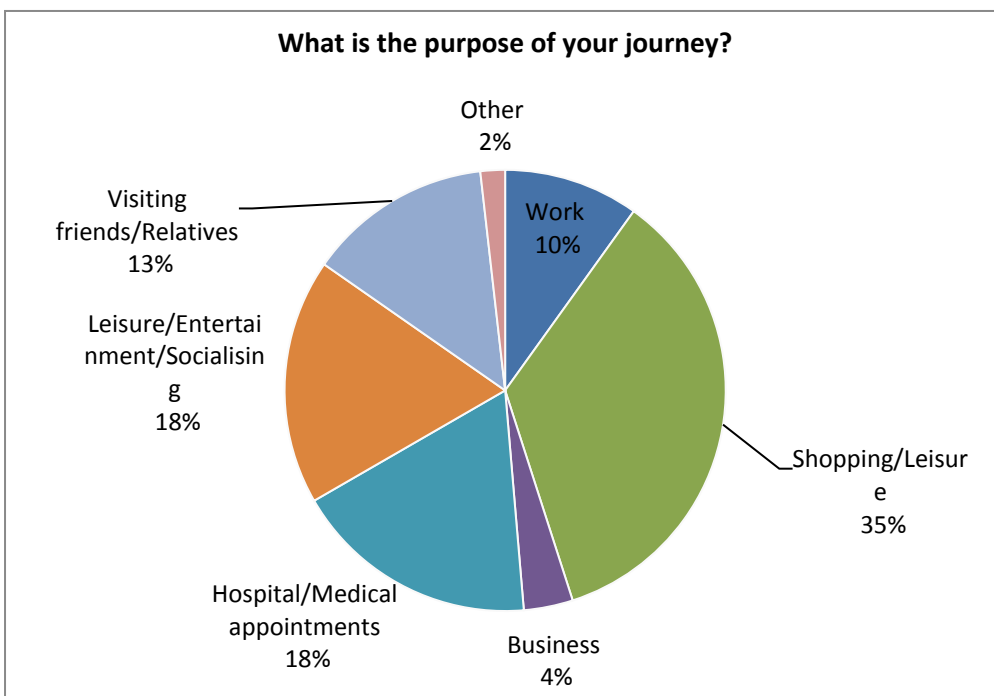
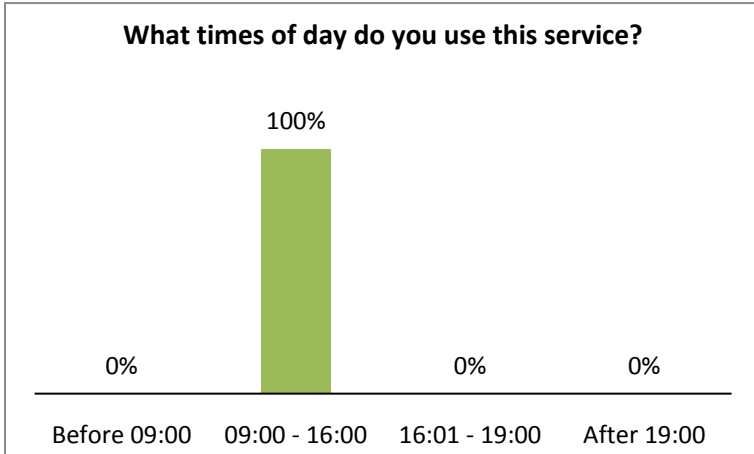
Service 36 – Brislington Square/St Anne’s to Broadwalk Shops

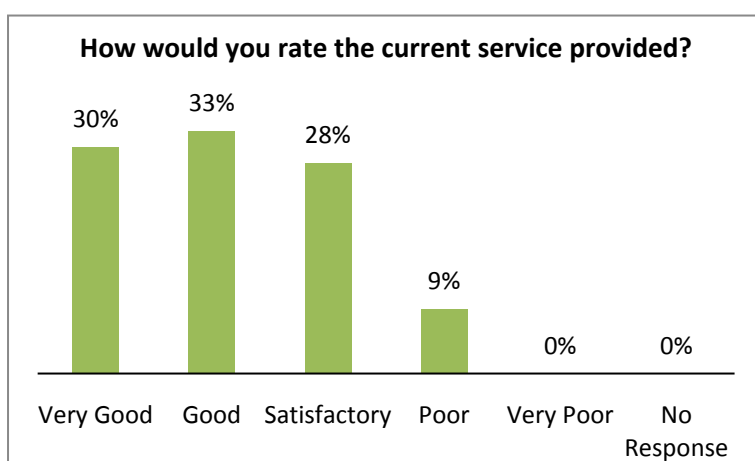
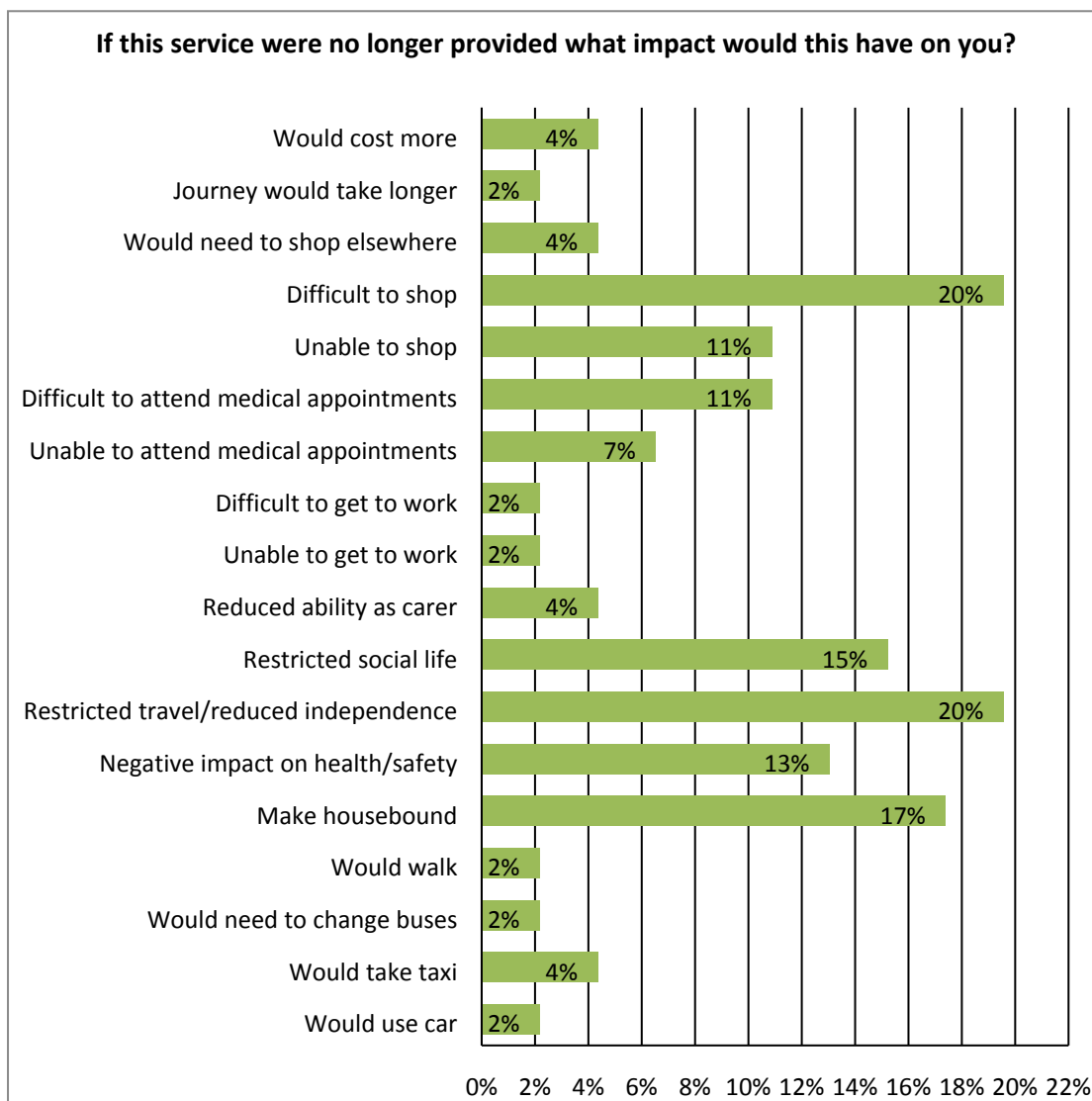
Service 513 – Knowle to Brislington

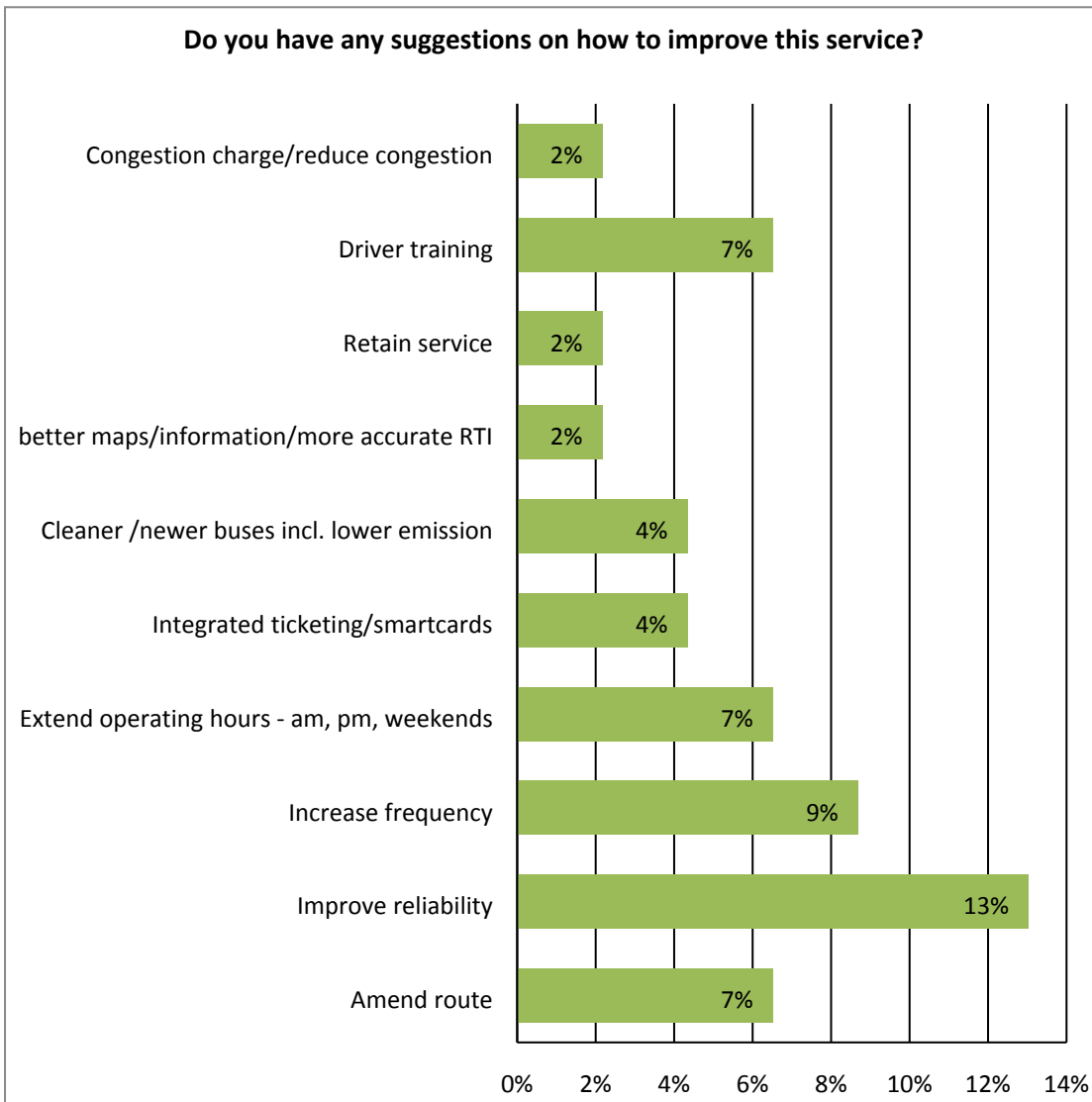
Survey Results

Information from Summer 2016 Passenger Consultation





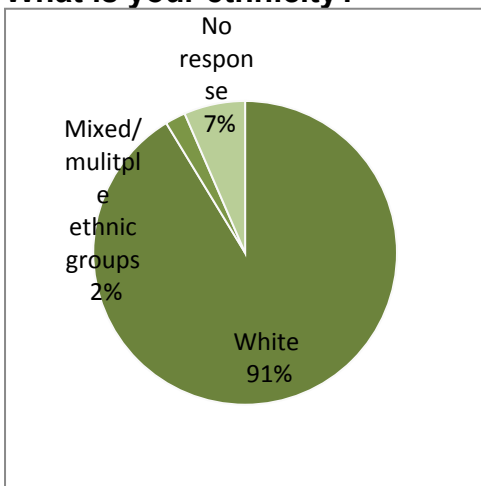




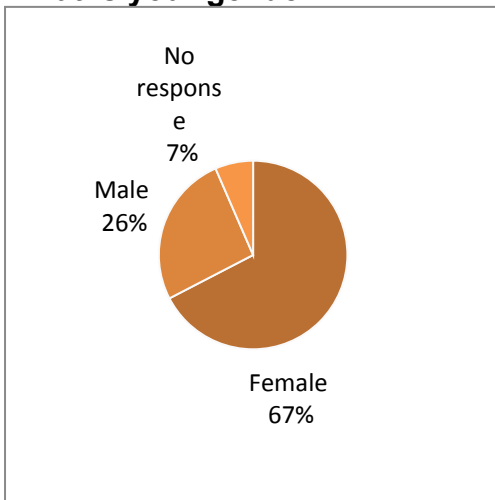
Suggestions for “amend route” include:

- Amend route to avoid Salisbury road which is dangerous due to car parking
- Make the 513 the same as the 514 so that all buses go to Tesco

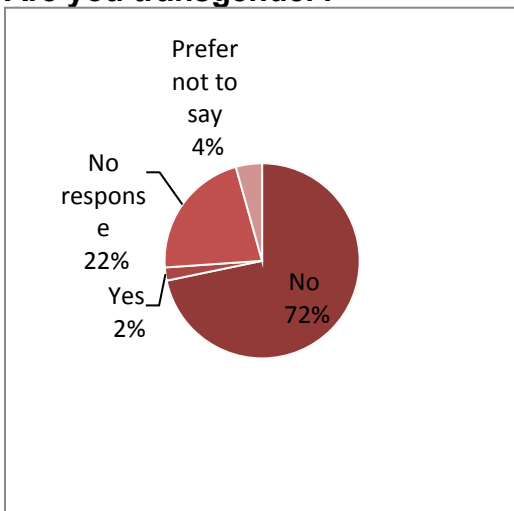
What is your ethnicity?



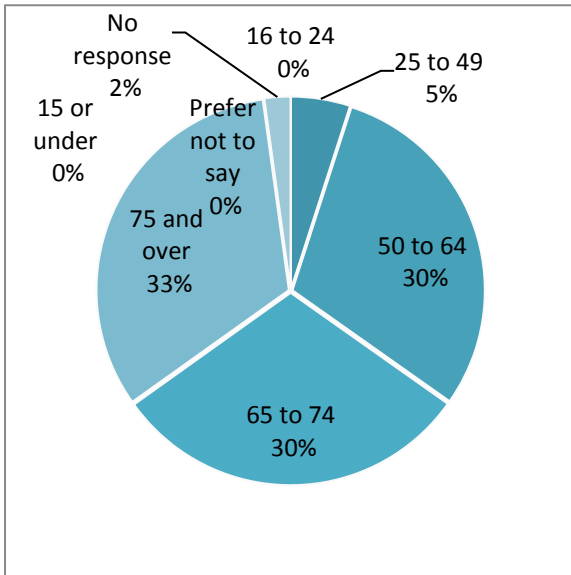
What is your gender?



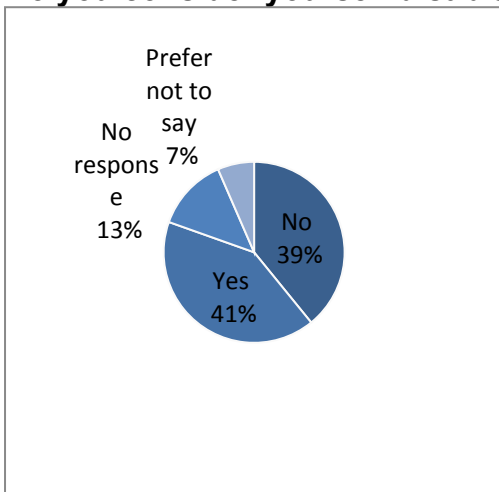
Are you transgender?



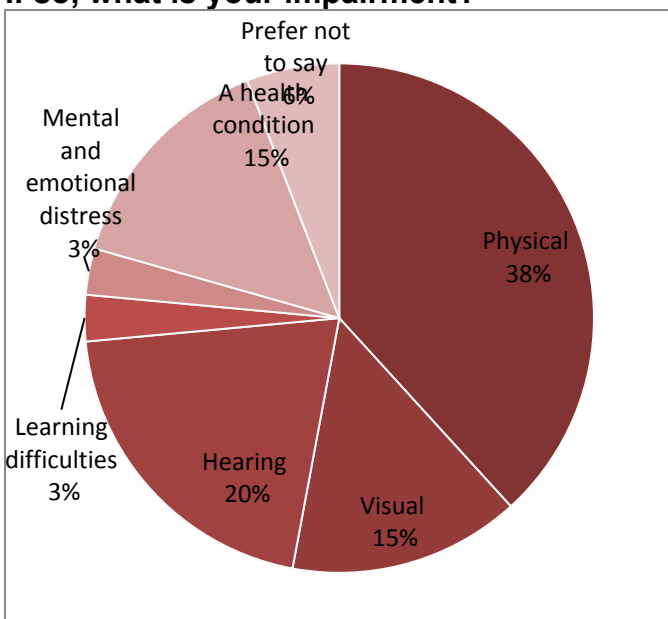
What is your age?



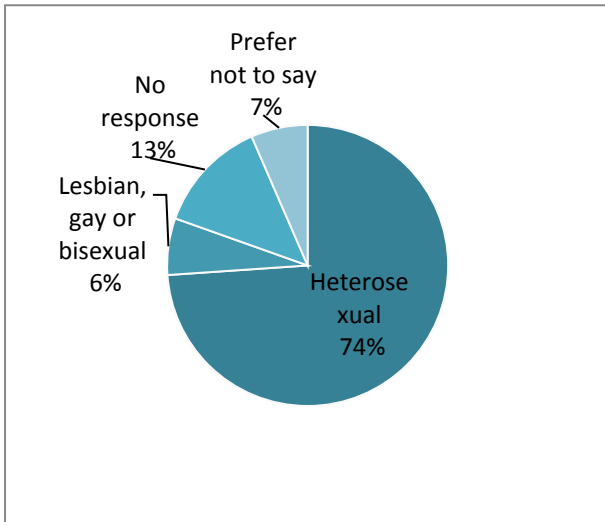
Do you consider yourself disabled?



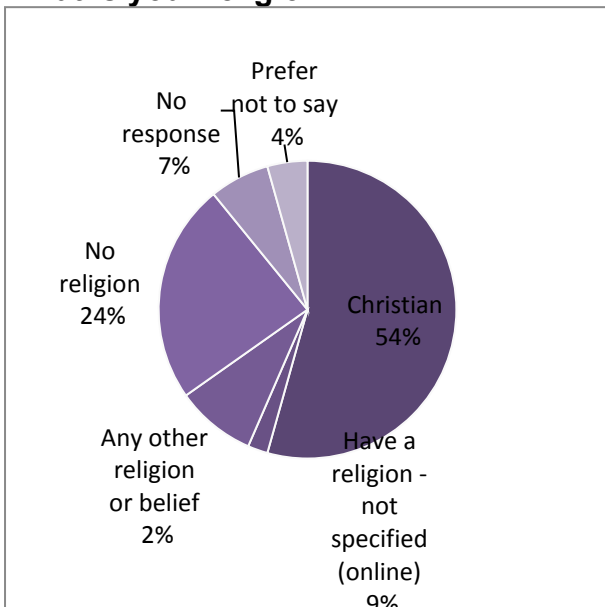
If so, what is your impairment?



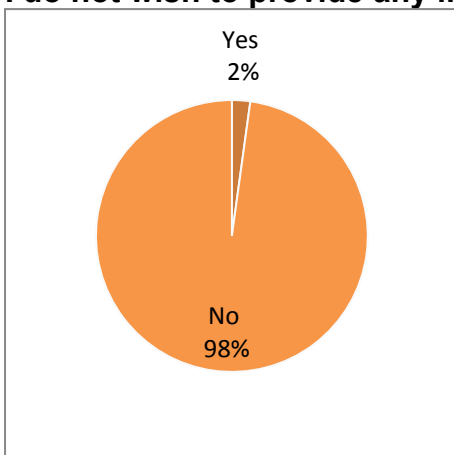
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form



Contracted service details:

Daily service between Stockwood and Imperial Park (Hartcliffe)

Current contracts provide:

All Journeys

Cost Per Passenger Journey**2015/2016**

£2.85

2014/2015

£2.91

2013/2014

£3.18

2012/2013

£5.36

Total Passenger Numbers

36,499 (2015/2016)

35,768 (2014/2015)

31,213 (2013/2014)

12,388 (2012/2013)

Contract Cost

£106,450

Wards Served

Stockwood, Hengrove & Whitchurch Park

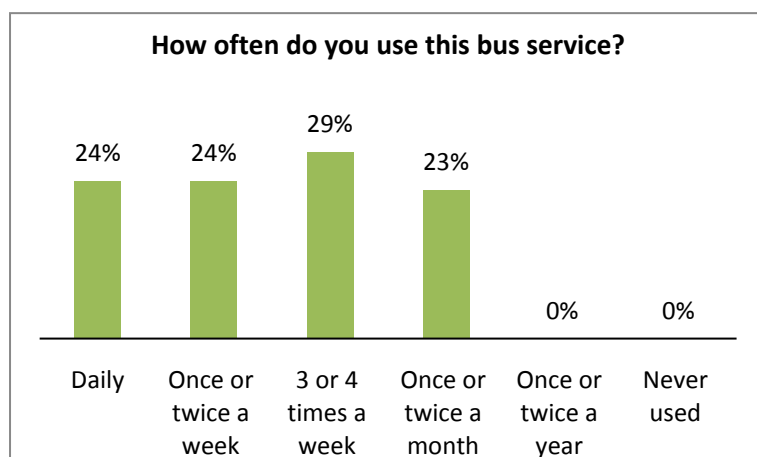
Alternative Bus Routes

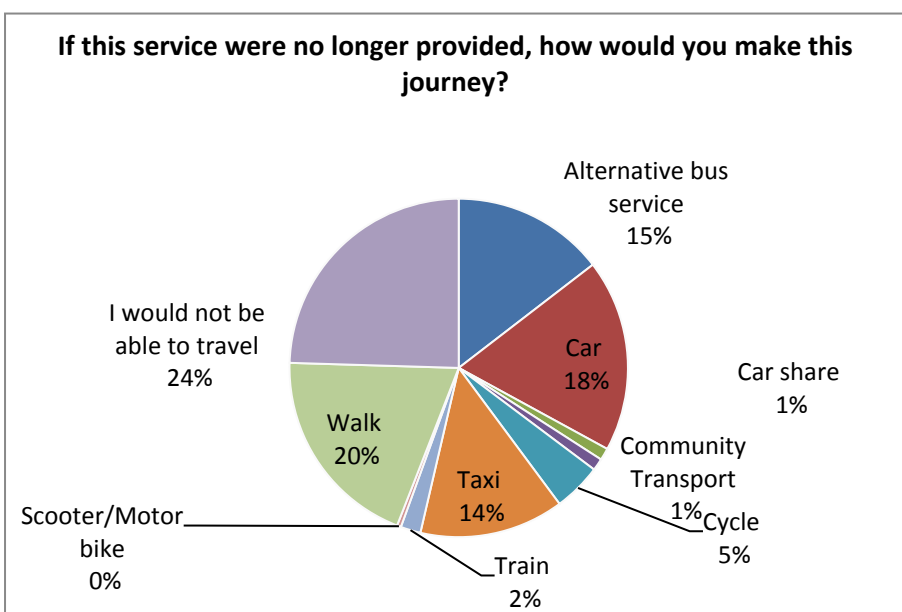
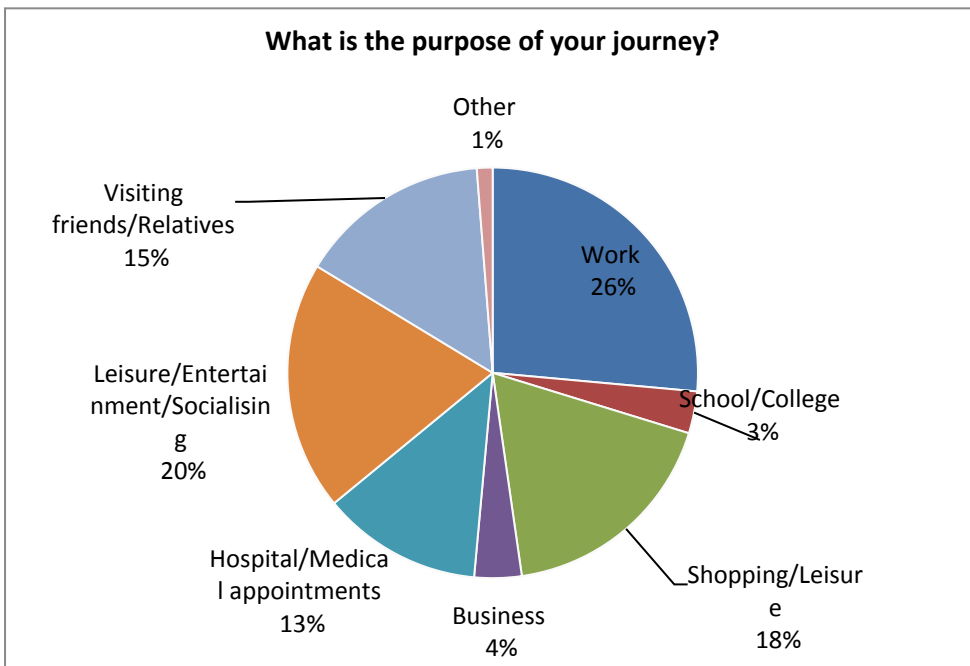
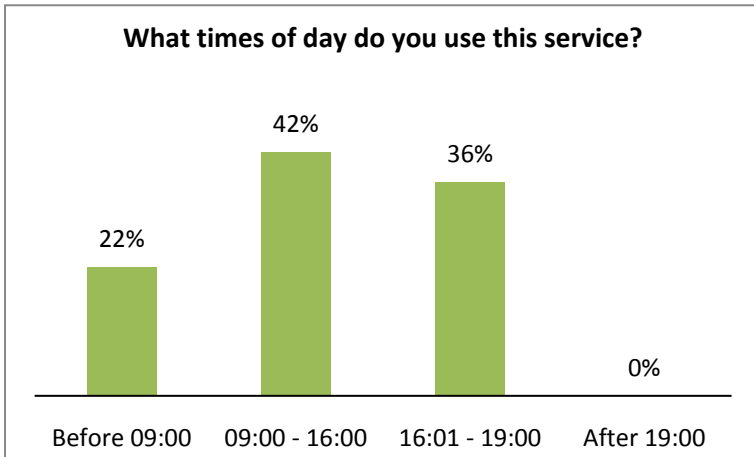
Service 2 - Brislington to Stockwood

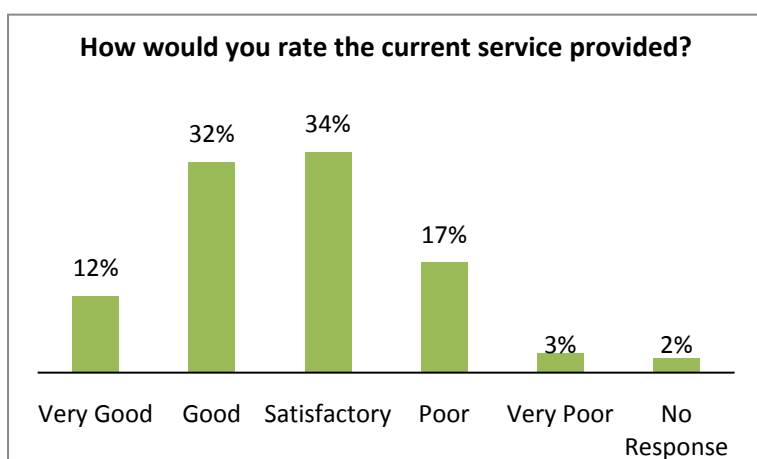
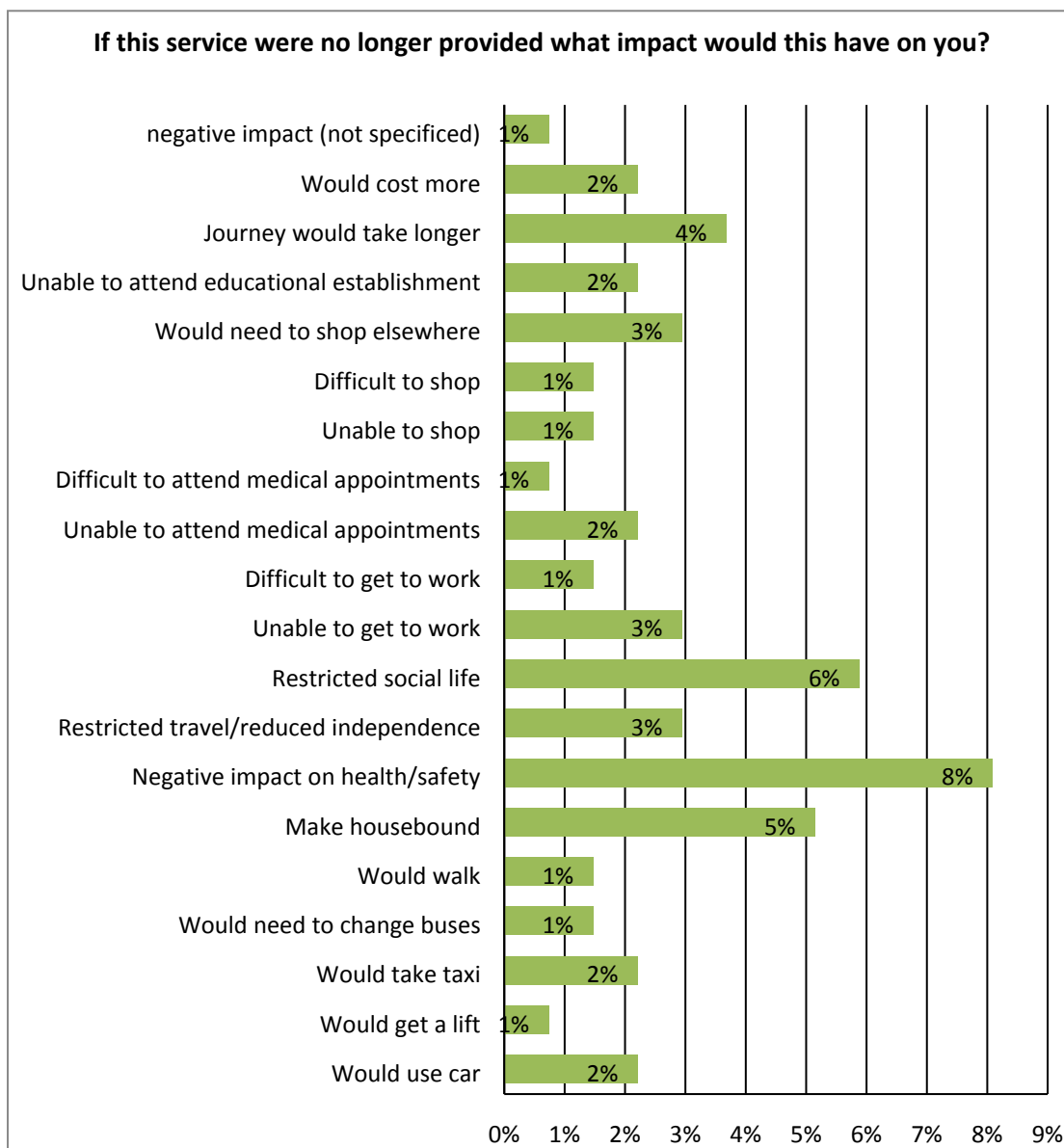
Service 36 - Hengrove to Brislington

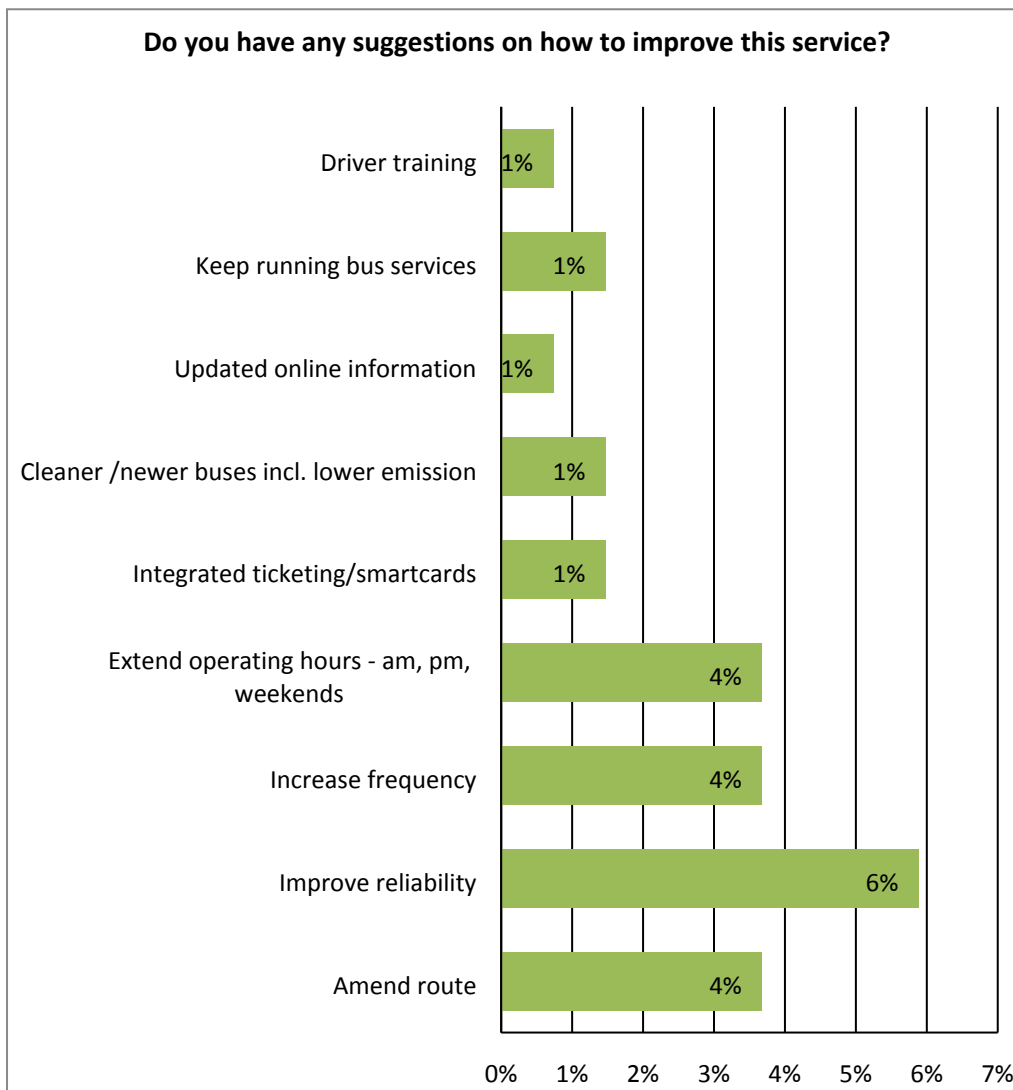
Survey Results

Information from Summer 2016 Passenger Consultation





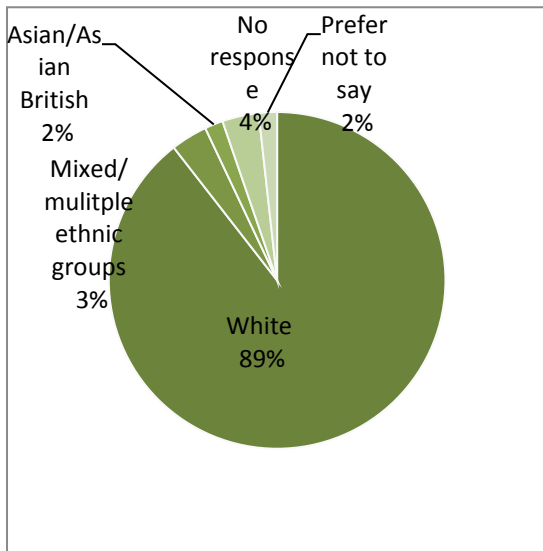




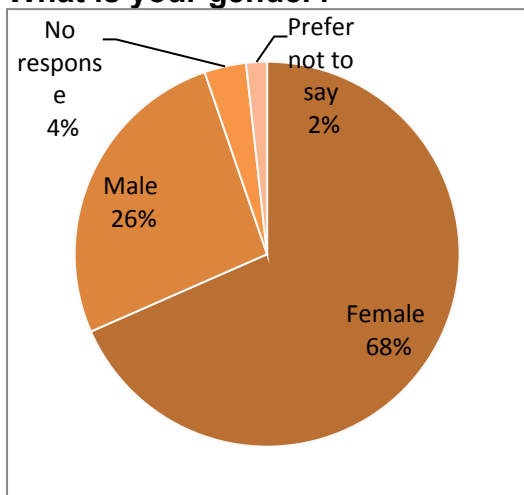
Suggestions for “amend route” include:

- Extend service to Whitchurch, Keynsham and Longwell Green

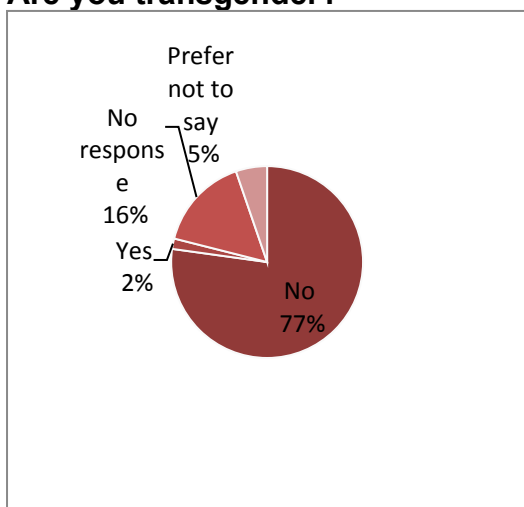
What is your ethnicity?



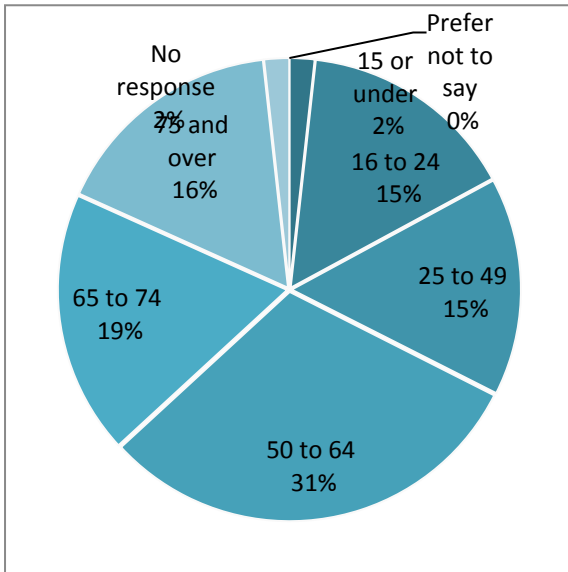
What is your gender?



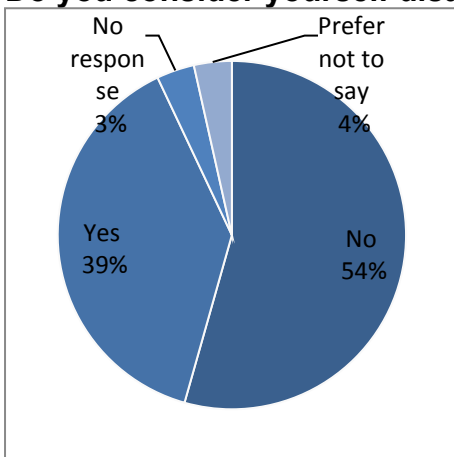
Are you transgender?



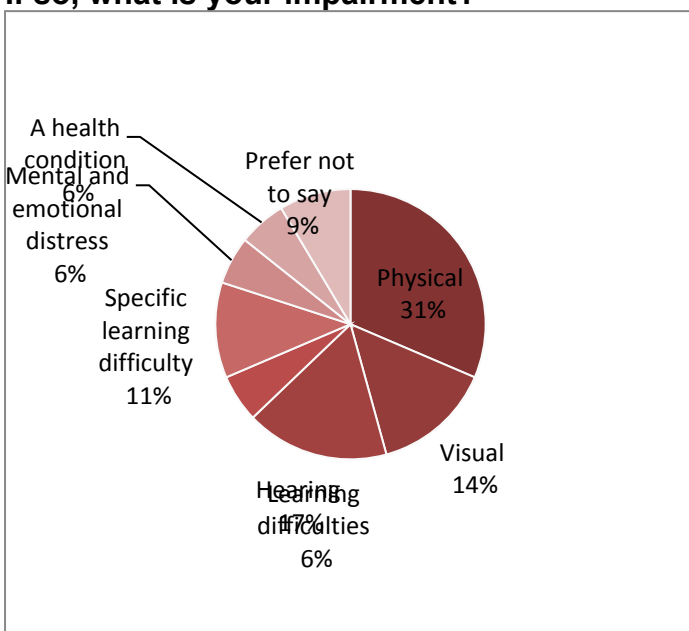
What is your age?



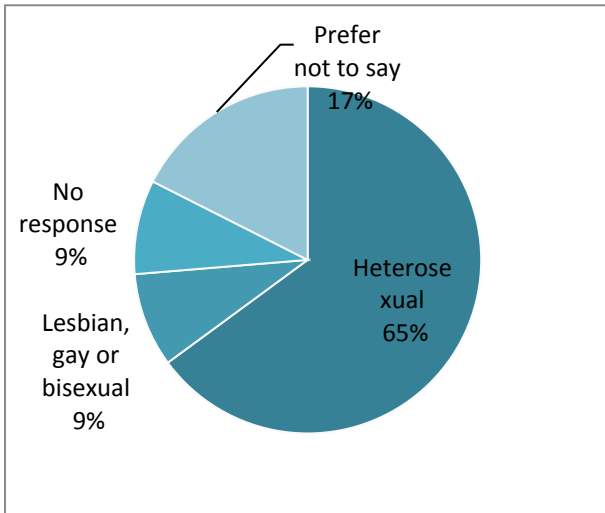
Do you consider yourself disabled?



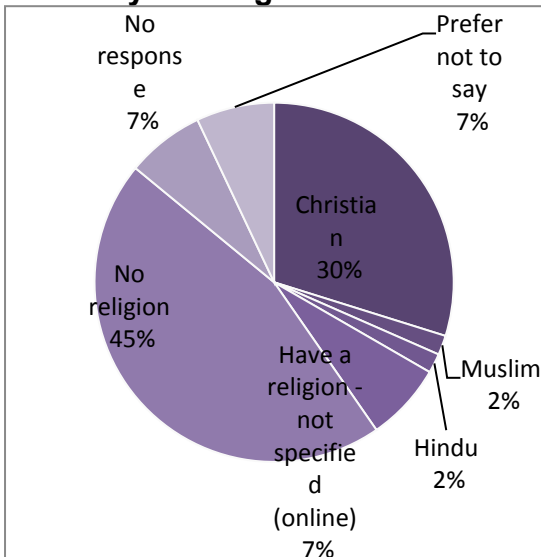
If so, what is your impairment?



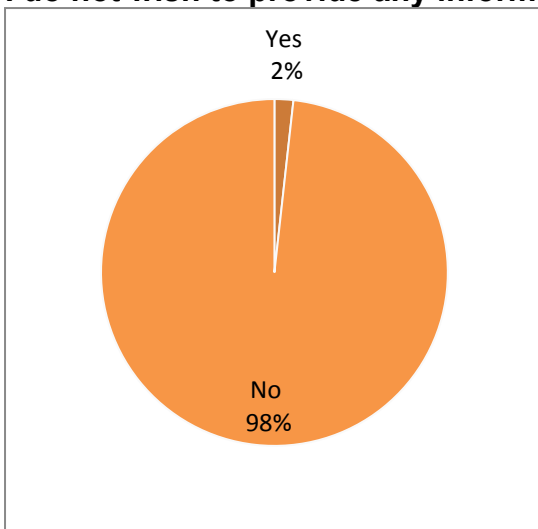
What is your sexuality?



What is your religion?



I do not wish to provide any information on this form





Executive Summary of Agenda Item No. 17

Report title: Callowhill Court New Lease
Wards affected: Central
Strategic Director: Barra Mac Ruairí / Strategic Director: Place
Report Author: Robert Orrett / Service Director: Place - Property

Recommendation for the Mayor's approval:

- 1 To agree that the Council will merge the existing 26 long lease agreements currently held by Bristol Alliance from the Council, into a single new consolidated lease agreement, on the terms described in this paper, in order to enable the future redevelopment of Callowhill Court.
- 2 To authorise the Strategic Director: Place, to approve completion of the new lease on the following basis; to resolve any other issues in terms of the new lease, including land ownership issues within the scope of the defined land area, subject to:
 - a. Briefing of the Cabinet Member for Place on due diligence, details of the new lease, legal arrangements, and the contribution of the new lease to the overall regeneration and economic growth in the area.
 - b. Advice from the Service Director: Place - Property, recommending the terms of the new lease and any other property implications that might affect the Council's interests as a result of the new lease.
 - c. The agreed amount paid for the new lease meets the Council's obligation to achieve best consideration pursuant to s123 of Local Government Act 1972.

Key background / detail:

a. **Purpose of report:** To obtain Cabinet approval to consolidate 26 existing long lease agreements, currently held by The Bristol Alliance from Bristol City Council, into a single new lease agreement, in order to facilitate further major redevelopment in Broadmead, in the area known as Callowhill Court.

b. Key details:

1. The Bristol Alliance wish to bring forward the next phase of Cabot Circus, by redeveloping a substantial area of Broadmead, adjacent to Cabot Circus, known as Callowhill Court. The Alliance needs to consolidate all these into a single, new long lease arrangement, to ensure that additional large-scale funding can be secured, and that the new scheme can be successfully delivered and managed.
2. Bristol City Council has strongly objected to the proposed expansion of The Mall at Cribbs Causeway. The Cribbs Causeway application proposals would also significantly impact on shopper, retailer and investor confidence in the city centre and act as a deterrent to investment. In order to put up a viable challenge, it must be shown that future demand can be met within the City centre.



3. It is proposed that the 26 existing long leasehold interests held by The Bristol Alliance at Callowhill Court are consolidated into a single new 250-year lease that will enable the Alliance to seek appropriate funding for scheme construction, and provide sufficient land control to enable development management and future scheme management. The existing ground rent of £249,023 pa will be maintained at the same level until redevelopment of the site, when a new rent will be payable based on the net rents received by the Bristol Alliance.

4. The size of the new scheme is currently proposed to be c. 102,480 sq m (1,103,000 sq ft). This will be partly replacing existing retail floorspace that is now failing to meet the needs of shoppers or retailers. By comparison the existing Cabot Circus scheme is c. 140,000 sq m (1,506,950 sq ft). The new scheme will provide a mix of uses including retail, commercial, leisure and hospitality floor space, as well as flats, car parking, access, landscaping, public realm works.

5. Upon grant of the new lease the Council will receive a capital receipt based on the increased market value of the new leasehold interest created. The value of the capital receipt is based upon external valuation advice from CBRE, and commissioned by the Council's Property Investment Team. The values and details are commercially sensitive for both parties. Accordingly, the supporting details and valuation advice is contained the Exempt Appendix C to the report.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Cabinet

17 March 2017



Report Title:	Callowhill Court New Lease
Ward:	Central
Strategic Director:	Barra Mac Ruairí / Strategic Director: Place
Report Author:	Robert Orrett / Service Director: Place - Property
Contact telephone no & email address	0117 922 4086 robert.orrett@bristol.gov.uk

Purpose of the report:

To obtain Cabinet approval to consolidate 26 existing long lease agreements, currently held by The Bristol Alliance from Bristol City Council, into a single new lease agreement, in order to facilitate further major redevelopment in Broadmead, in the area known as Callowhill Court.

Recommendation for the Mayor's approval:

- 1 To agree that the Council will merge the existing 26 long lease agreements currently held by Bristol Alliance from the Council, into a single new consolidated lease agreement, on the terms described in this paper, in order to enable the future redevelopment of Callowhill Court.**
- 2 To authorise the Strategic Director: Place, to approve completion of the new lease on the following basis; to resolve any other issues in terms of the new lease, including land ownership issues within the scope of the defined land area, subject to:**
 - a. Briefing of the Cabinet Member for Place on due diligence, details of the new lease, legal arrangements, and the contribution of the new lease to the overall regeneration and economic growth in the area.**
 - b. Advice from the Service Director: Place - Property, recommending the terms of the new lease and any other property implications that might affect the Council's interests as a result of the new lease.**
 - c. The agreed amount paid for the new lease meets the Council's obligation to achieve best consideration pursuant to s123 of Local Government Act 1972.**

The proposal:

Introduction

- 1 The Bristol Alliance wish to bring forward the next phase of Cabot Circus, by redeveloping a substantial area of Broadmead, adjacent to Cabot Circus, known as Callowhill Court (shown below).



- 2 Before any redevelopment project can proceed, the Alliance needs to secure a land interest that will enable them to implement the scheme. The Alliance already holds current and separate 26 long lease agreements from the Council which are most of the retail units it would require. In addition, there are land areas held by the Council as public realm that would become part of the scheme. The Alliance needs to consolidate all these into a single, new long lease arrangement, to ensure that additional large-scale funding can be secured, and that the new scheme can be successfully delivered and managed.
- 3 External Valuers CBRE (one of the leading property consultancies), were instructed on behalf of the Council to assess the additional value arising from the proposed consolidated single lease and the appropriate value for the Council's land, so as to ensure that the value agreed between the parties achieves best consideration for the Council. The values and details are commercially sensitive for both parties. Accordingly, the supporting details and valuation advice is contained in Exempt Appendix C.

Background

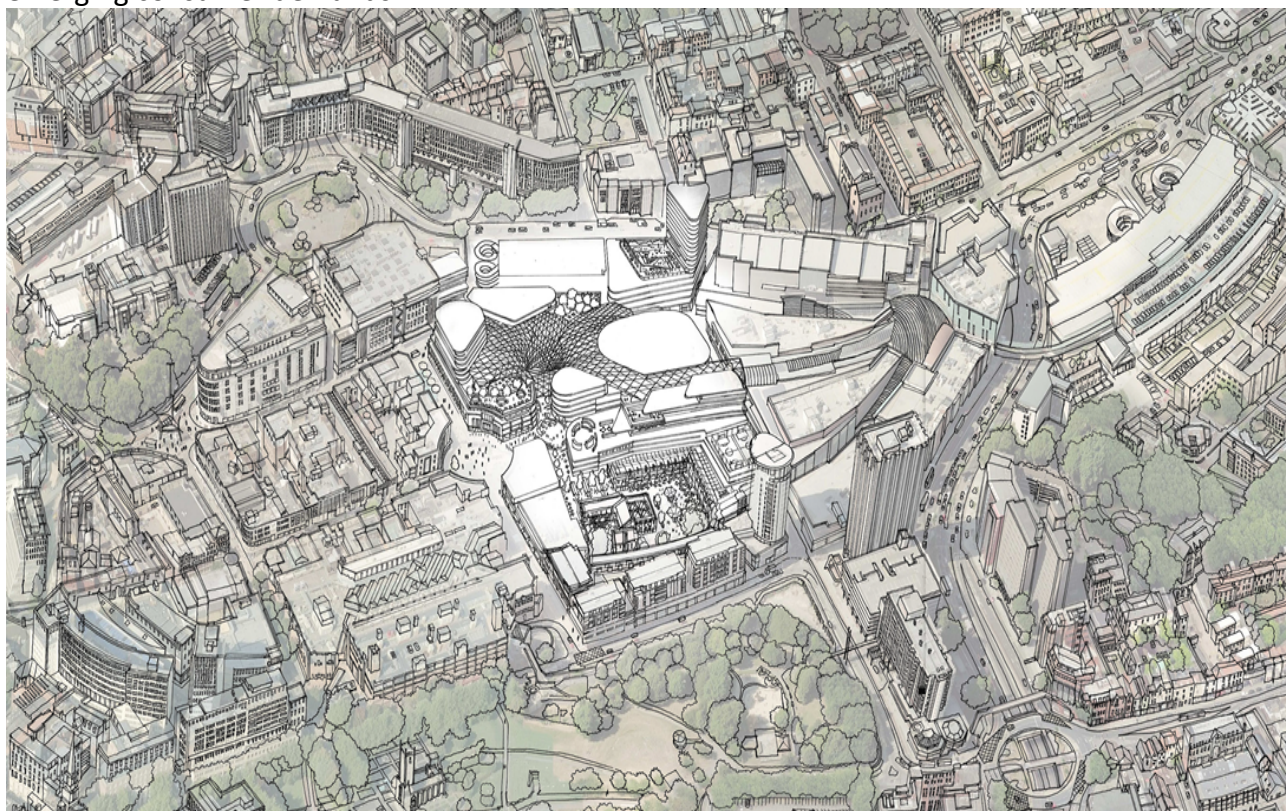
The role of Bristol Alliance

- 4 Cabot Circus was developed by a 50:50 joint venture between Hammerson PLC and Land Securities - known as the Bristol Alliance - and opened in 2008. The £500 million mixed-use development, which received detailed planning consent in December 2003, comprises a 77,110 sq m (830,000 sq ft) covered shopping centre, Quakers Friars a 15,795 sq m (170,000 sq ft) luxury goods and dining quarter, and 34,355 sq m (370,000 sq ft) of adjoining high street shops.

- 5 In August 2014 AXA Real Estate Investment Managers (“AXA Real Estate”) - a leading European real estate portfolio and asset manager - announced that it had agreed the acquisition of a 50% stake in Cabot Circus for £267.8 million, from Land Securities.
- 6 Hammerson retained its 50% stake in Cabot Circus and took over the management of the centre, encompassing property and asset management, leasing and marketing in respect of the retail occupiers of the scheme. AXA Real Estate retains a strategic asset management role on behalf of its clients.
- 7 To date, the Alliance has invested over £500m in Bristol City Centre, creating over 3,780 retail, leisure and hospitality jobs at various positions and for all sectors of society. The partnership is committed to on-going investment in the city, supporting Bristol City Centre’s role as the regional capital for the South West.

The Bristol Alliance Vision

- 8 The Council is committed to continued improvement in the city centre retail offer and the overall quality of the city centre for the benefit of citizens and visitors.
- 9 Bristol Alliance believes that it is essential to deliver new format retail spaces in city centres that will continue to attract visitors. To this end, the Bristol Alliance masterplan for Callowhill Court proposes a framework that will facilitate the long term vision to:
 - a. Reinforce Bristol City Centre as the regional shopping destination of choice, by improving the mix and type of town centre uses available.
 - b. Create a structured retail expansion capable of adapting the Callowhill Court offer to meet emerging consumer demands.



- c. Create leisure space that extends the current Cabot Circus leisure offer and reinforces Bristol as the primary regional leisure destination.
 - d. Create a masterplan that improves transport connectivity and quality of streetscape, eases localised congestion and improves environmental quality for people.
 - e. Create a place that has a commercial offer that extends activity from day through to evening into the night.
- 10 The size of the new scheme is currently proposed to be c. 102,480 sq m (1,103,000 sq ft). This will be partly replacing existing retail floorspace that is now failing to meet the needs of shoppers or retailers. By comparison the existing Cabot Circus scheme is c. 140,000 sq m (1,506,950 sq ft). The new scheme will provide a mix of uses including retail, commercial, leisure and hospitality floor space, as well as flats, car parking, access, landscaping, public realm works.



The potential impact of expansion at Cribbs Causeway

- 11 The currently proposed expansion of The Mall, Cribbs Causeway includes more than 35,000 sq m (376,000 sq ft) of retail floor space, leisure, and hotel and restaurant facilities alongside a new multi-storey car park, an events plaza and up to 150 residential apartments.
- 12 Bristol City Council has strongly objected to this proposal (the objection was agreed by the Council's Cabinet at its meeting of 3rd March 2015). South Gloucestershire Council is minded to grant permission for the application, which in turn has now been referred to the Secretary of State, who is considering whether to call it in for his decision. Council's objection explains that the proposal is

contrary to the development plan, contrary to national policy, unsustainable and likely to cause significant harm to Bristol city centre. National planning policy aims at ensuring the vitality of town centres (NPPF paragraphs 23 – 27). The application proposals would result in a huge scale development of main town centre uses at an out-of-centre location. This would clearly be at odds with the Government’s ‘town centre first’ policy. The proposals fail the sequential test set out in the NPPF and would have a significantly harmful impact on existing centres.

- 13 The Cribbs Causeway application proposals would also significantly impact on shopper, retailer and investor confidence in the city centre and act as a deterrent to investment. Evidence suggests that proposals facilitated by the city’s local plan (Bristol Central Area Plan Policy BCAP36) would not proceed in the event of such a huge expansion of out-of-centre retailing being permitted.

Callowhill Court – existing and proposed land use and ownership

Bristol City Council’s existing land ownership at Callowhill Court

- 14 Bristol City Council owns the freehold title to all of the land held within the proposed demise of the new long lease red line boundary.

The Bristol Alliance existing leasehold ownership at Callowhill Court (See Appendices Plans A and B)

- 15 The Bristol Alliance also holds 26 existing leases that relate to the proposed Callowhill Court redevelopment and produce a rental income to Bristol City Council of £249,023 per annum.

Land use and new lease (see Appendix A – PLAN C)

- 16 The red line shows the boundary of the land that is to be included in the new lease between Bristol City Council and The Bristol Alliance, and encapsulates all the existing 26 leases currently held by the Bristol Alliance in this position. The Bristol Alliance holds other lease also, comprising their interests in Cabot Circus.
- 17 The yellow coloured land is currently a service court which is in part Highway land. The cost of repair and maintenance is the responsibility of the Council. The land is used to service the surrounding shop units, by providing space for refuse storage and vehicular deliveries of stock. Under the proposed new lease, the responsibility for the cost of managing and repairing the land will pass to the Bristol Alliance at the start of major redevelopment works. It is likely that the land will be built upon, with alternative shop service areas provided elsewhere in the scheme, which in turn will be the responsibility of the Bristol Alliance.
- 18 The purple coloured land is Public Highway, and areas not taken up by the development be managed by the Bristol Alliance i.e. the responsibility and cost of maintenance, cleaning, and managing the land will become the contractual obligation of the Bristol Alliance under the terms of the new lease, in a similar fashion to the provisions that were agreed when the original lease of Cabot Circus was granted to the Bristol Alliance.
- 19 The land hatched blue on the plan reflects the boundary of income and management in respect of the existing commercialisation agreement of the street outside the red line site boundary. This area is known as the Podium and the agreement in respect of the management of this area can be

terminated by either Party upon the service of 12 months written notice should the site be required for or in connection with a scheme of redevelopment. It is proposed to extend this area to the north of Merchant Street. There would be the ability to commercialise and hold events in the area commensurate with the existing commercialisation agreement terms.

- 20 The areas hatched green on the plan are long leases not currently held by the Bristol Alliance but are within the Council’s Freehold ownership. They are included within the proposed new lease because the Bristol Alliance may need to purchase the interests in connection with the new development. In the meantime the Council will continue to receive rent as normal.
- 21 It is proposed that the 26 existing long leasehold interests held by The Bristol Alliance at Callowhill Court are consolidated into a single new 250-year lease that will enable the Alliance to seek appropriate funding for scheme construction, and provide sufficient land control to enable development management and future scheme management.
- 22 The principle - that rent received by the Council relates to the overall rent received by the head lessor - is retained in the new agreement, as normal market practice. Therefore the prospects for (the Council) achieving future rental growth remains linked to overall market performance, albeit that it would be reasonable to expect a new scheme to have better rental growth performance than the existing buildings on the Callowhill Hill Court site.

New Lease Terms

- 23 The main terms of the new lease are as follows:
- a. The term of the new lease will be 250 years from the grant date. Upon grant of the new lease the existing lease interests will be surrendered;
 - b. Upon grant of the new lease the Council will receive a capital receipt based on the increased market value of the new leasehold interest created. The value of the capital receipt is based upon external valuation advice from CBRE, and commissioned by the Council’s Property Investment Team (see Basis of Valuation below);
 - c. The current ground rent payable under the existing 26 leases is £249,023 per annum and will be maintained in the new single lease at the same level; as per the current leases, the rents received by BCC vary according to their percentage of actual rents receivable by the Bristol Alliance each year.
 - d. Following redevelopment of the site, a new rent would be payable, based upon a percentage of the total rents received by the Bristol Alliance, with deductions for costs incurred by The Alliance under normal estate management, and will be based upon those within the existing lease between the Parties on Cabot Circus (the Cabot Lease) where appropriate. The revised rent will not fall below the existing rent. A summary of the existing rents has been attached to these terms as appendix B;
 - e. Following redevelopment, the percentage of rent received by the Council will be no greater than 5% of the estimated rents received by the Bristol Alliance, and any element above 5% would form part of the Financial Consideration as a capital payment to The Council.
 - f. Redevelopment trigger – Works that constitute a cumulative net addition of more than 20% of the Base Gross External Area of the existing buildings are deemed “Major Works” and in order to undertake these works the Bristol Alliance must meet the following conditions:

- i. The Alliance will provide such reasonable floor plans and sections illustrating the Major Works for the Landlords approval prior to the submission of a planning application. The Landlord will be reasonable in granting consent to the Major Works.
 - ii. Prior to the implementation of the Major Works the Alliance will have received all necessary planning, highways and other consents as are required.
 - iii. The Alliance will put forward its proposal for the new rent to be payable upon the completion of the Major Works (the Revised New Rent), and if this is not agreed it can be referred to an independent expert for determination;
 - iv. The Alliance will propose any other financial consideration (Financial Consideration) in respect of the Major Works.
- g. The existing Commercialisation rights that the Alliance currently holds under a separate agreement with the Council, will be transferred (as existing) into the new lease, which includes the small area hatched blue on the plan explained above which will be licenced. The current rent payable under this agreement is currently being reviewed, and is expected to be settled at c. £90,000 per annum; this amount will be added to the rent payable under the new lease.

Valuation

Basis of Valuation

- 24 CBRE have undertaken a series of calculations to assess the Marriage Value that will be created if the 26 existing head leases are replaced by a single, new 250 year head lease, and this Marriage Value is then apportioned equally between the parties. Marriage Value is the term used to describe an additional element of value created by the combination of two or more assets or interests where the combined value is more than the sum of the separate values. Typically this can only be achieved by a transaction between specific parties which hold those interests and not by a general sale to the open market.
- 25 The Council's approach recognises that it is necessary to provide the Bristol Alliance with certainty that they have a property interest, as achieved by this new lease, to enable them to proceed with the redevelopment if all other aspects – planning and highways consents, investor backing, market conditions – are achieved. This is required in order to justify the substantial investment at risk in bringing forward the design of the redevelopment scheme.
- 26 This does mean that at the point of agreeing the new lease, the anticipated future redevelopment project is not defined or known and therefore cannot be valued on this basis. The Council has adopted the basis of valuation will enables BCC in its negotiations with The Bristol Alliance on restructuring their leasehold interests, to be satisfied that it is achieving best consideration in accordance with s123 of the Local Government Act 1972.
- 27 CBRE consider that the approach reflects the best combined price and rent BCC should reasonably expect to achieve as a landlord in this transaction having regard to all the factors which affect value of the property interests. As this is a Marriage Value situation, this approach is applied to each of the components in the valuation process. The overall value is based on market value levels but reflects the additional value arising from combining and revising the current freehold and long leasehold interests.

28 All assessments are restricted to the current uses and the existing buildings. The new lease specifically provides for additional value which may arise when a known redevelopment project is actually implemented to be assessed and a return identified at the time as the further best consideration to the Council being agreed as further rent, and if appropriate capital. If that amount cannot be agreed, the Council may obtain a determination from an independent expert to set the amount.

Consultation and scrutiny input:

- a. **Internal consultation:**
Senior Leadership Team; Place Leadership Team and Legal Services
- b. **External consultation:**
Destination Bristol

Other options considered:

Do not restructure the existing leases. This would result in the redevelopment not taking place. It would also deprive the Council of an immediate capital receipt.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Redevelopment does not take place after new lease granted	High	Low	Work with the developer	High	Low	Author/Bristol Alliance
2	Cannot agree lease terms	Low	Low	Detailed Heads of Terms already agreed	Low	Low	Author/Bristol Alliance

FIGURE 2							
The risks associated with <u>not</u> implementing the (subject) decision:							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation)	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Redevelopment does not take place	High	High	n/a	High	High	Author

Public sector equality duties:

Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.

Comment: No equalities impact assessment is needed for this proposal at this juncture in the project. There are no equalities issues in the current proposal to amalgamate the 26 long leases in order to enable the future development of Callowhill.

Advice given by **Wanda Knight, and Anne James, Equalities & Community Cohesion Team.**
Date **6 February 2017**

Eco impact assessment

Comment: Consolidation of the Callowhill Court leases has no direct environmental impact. Any redevelopment plans will not be produced by the council and will be subject to planning approval, which will include relevant environmental considerations. As a result, no Eco-Impact Assessment checklist is needed for this cabinet report.

Advice given by **Giles Liddell and Steve Ransom, Environmental Performance Team.**
Date **6 February 2017**

Resource and legal implications:**Finance****a. Financial (revenue) implications:**

The proposal seeks approval to combine the existing 26 lease agreements currently held by Bristol Alliance on the Council’s freehold land, into one single new consolidated lease agreement to enable the future redevelopment of Callowhill Court.

The existing 26 leases vary in contract length and starting date, and are due to expire individually between the next 40 to 100 years. These leases are currently generating a combined rental value / revenue income of £249,023 p.a. for the Council. The proposal will replace these existing leases with a single 250 year lease, which would produce the same amount of minimum rental income.

The new lease also allows for a new rent payable following redevelopment of the site, based upon a percentage of the total rents received by the lessee net of deductible costs. The new contract will ensure that the revised rent will not fall below the existing rental aggregation mentioned previously. Any potential uplift on the rent receivables will present additional revenue contributions to the Council's general fund. However this will depend on the speed of the commercial development.

A separate licence agreement is currently being review (currently generating income of circa £70,000 p.a.) and this is expected to be transferred into the new lease. The expected value for the rent is circa £90,000 p.a. this amount will be added to the rent payable under the new lease.

Advice given by Tian Ze Hao / Finance Business Partner
Date 15/02/2107

b. Financial (capital) implications:

Please see attached the exempt appendix for the full financial commentary.

By way of combining and extending the leases, a Marriage Value will be created and apportioned equally between the parties. Professional consultant CBRE has been engaged to provide necessary advice to assist with the negotiations in order to achieve the best consideration for the Council. The benefit of the currently lease combination presents a capital receipt. This is in scope for the delivery of existing capital receipts targets set out in the MTFP.

Advice given by Tian Ze Hao / Finance Business Partner
Date 15/02/2017

Comments from the Corporate Capital Programme Board:

N/A

c. Legal implications:

The report states the price payable and rent to be achieved under the new lease is the best price the Council should reasonably expect to achieve and as such satisfies the Council's obligation to achieve best value pursuant to S123 of Local Government Act 1972.

Advice given by Andrew Jones – Team Leader (Property)
Date 8/2/2017

d. Land / property implications:

The report and recommendations were prepared by the Property Investment Team. All property implications are covered by the report and appendices.

Advice given by **Richard Fear – Property Investment Manager**
Date **8/2/2017**

e. Human resources implications:

There are no HR issues in the current proposal to amalgamate the 26 long leases in order to enable the future development of Callowhill.

Advice given by **Mark Williams**
Date **8/2/2017**

Appendices:

Appendix A - *PLAN A - Existing leases (Callowhill – North side).*

- *PLAN B - Existing leases (Callowhill – South side).*

- *PLAN C - Proposed new lease plan extract from the agreed Heads of Terms for the proposed new lease of Callowhill Court.*

Appendix B - SCHEDULE - *of existing long leasehold interests held by Bristol City Council.*

Exempt Appendix C - *February 2017 addendum to CBRE's valuation reports.*

Appendix A - PLAN A - Existing leases (Callowhill – North side).



Bristol - Broadmead



50 metres

Experian Goad Plan Created: 15/01/2016

Created By: CBRE Limited



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PLAN B - Existing leases (Callowhill – South side).



Bristol - Broadmead



Experian Goad Plan Created: 02/09/2016
Created By: CBRE Limited



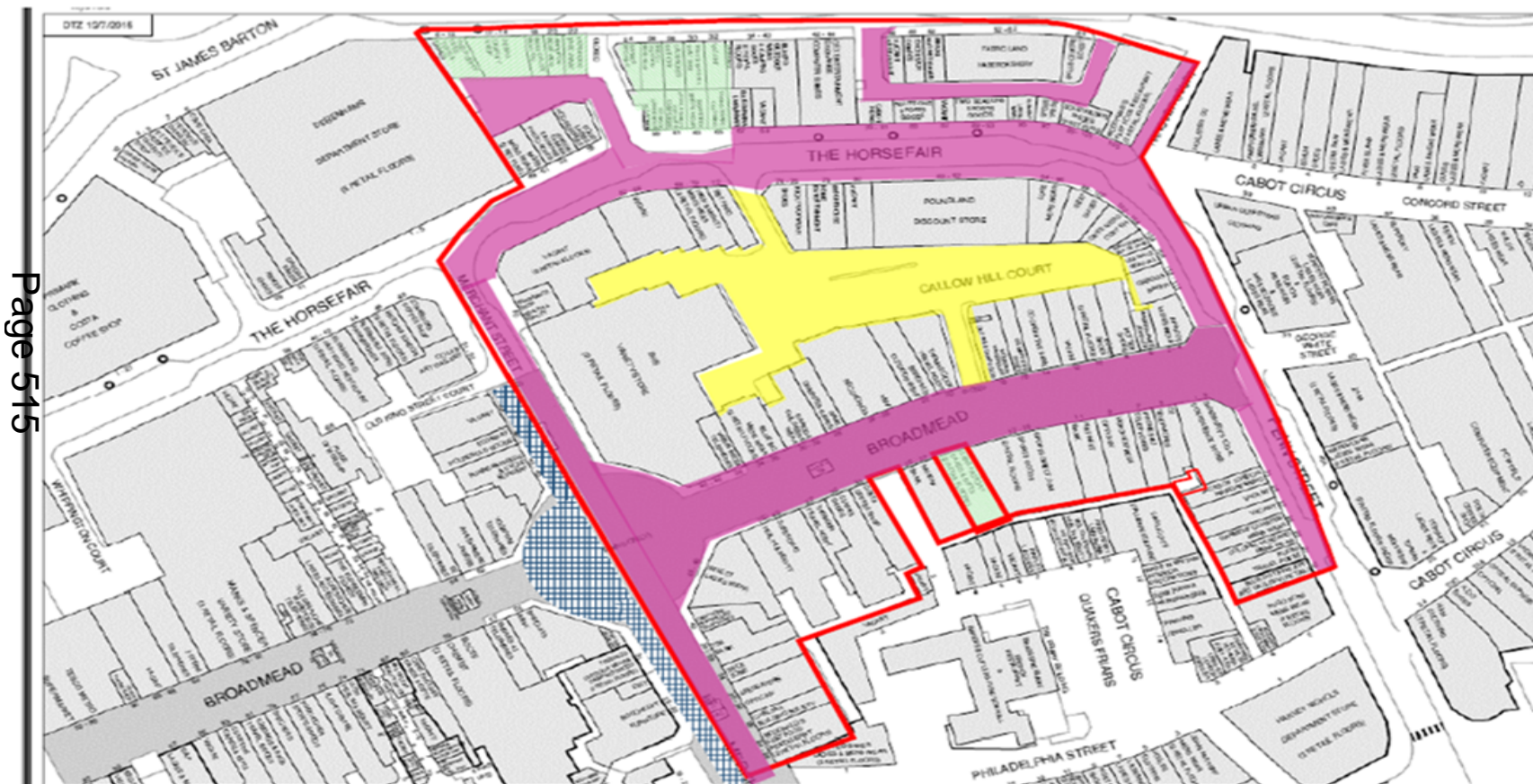
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PLAN C

Proposed new lease plan extract from the agreed Heads of Terms for the proposed new lease of Callowhill Court.

Note: all land within the red line is owned by Bristol City Council.



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Appendix B

Schedule of existing long leasehold interests held by Bristol City Council

	Interest	Term (Years)	Expiry	Rent (Paid)	Rent Type	Review Pattern	Next Review
1	67-71 The Horsefair and 34-38 Bond Street	125	30/01/2110	£5,575	To 2.50% of open market rent, upward and downward	5 yearly from 25/03/19	25/03/2020
2	73-77 The Horsefair and 40-44 Bond Street	125	24/12/2114	£35,075	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
3	79-105 The Horsefair and 46-70 Bond Street	125	24/12/2114	(included in above)	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
4	2-6 Broadmead and 108-112 The Horsefair	125	24/12/2114	£15,200	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
5	12-14 Broadmead	125	29/09/2110	£5,500	To 2.50% of open market rent, upward and downward	5 yearly from 30/09/19	30/09/2020
6	16-18 Broadmead	125	23/06/2111	£4,300	To 2.50% of open market rent, upward and downward	5 yearly from 25/12/19	25/12/2016
7	26-30 and 34-36 Broadmead, 50-72 The Horsefair and 72-78 Merchant Street	125	24/12/2114	£12,250	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
8	33-43 Broadmead	125	24/12/2114	£31,300	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
9	45-49 Broadmead and 30-46 Merchant Street	125	24/12/2114	£25,925	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
10	18-28 Merchant Street	125	24/12/2114	£12,750	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
11	49-51 The Horsefair	125	27/08/2111	£1,725	To 2.50% of open market rent, upward and downward	5 yearly from 28/08/19	28/08/2016
12	74-76 The Horsefair	125	31/03/2120	£0	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
13	78-106 The Horsefair	125	24/12/2114	£33,375	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
14	1-19 Broadmead and 33-35 Penn Street	99	30/10/2057	£15,100	Fixed rent	N/A	N/A
15	21-31 Penn Street	125	24/03/2110	£6,600	To 2.50% of open market rent, upward and downward	5 yearly from 29/09/19	29/09/2019
16	38-54 Broadmead & 50-70 Merchant Street	125	30/12/2107	£0	A peppercorn	N/A	N/A
17	25-27 Broadmead	125	29/08/2121	£9,750	To 5.00% of open market rent, upward and downward	5 yearly from 30/08/20	30/08/2016
18	8 Broadmead	99	14/10/2059	£1,460	Fixed rent	N/A	N/A
19	10 Broadmead	99	24/03/1958	£1,450	Fixed rent	N/A	N/A
20	20 Broadmead	125	31/03/2120	£6,875	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
21	22 Broadmead	99	23/06/1983	£2,500	To 2.50% of open market rent, upward and downward	5 yearly from 24/06/19	24/06/2018
22	24 Broadmead	125	10/12/2114	£17,069	Rents receivable - 5.00% of annual net revenue	Rents receivable	31/03/2016
23	32 Broadmead	125	24/03/2110	£2,275	To 2.50% of open market rent, upward and downward	5 yearly from 24/06/19	24/06/2018
24	Kiosks 1A & 1B and sitting out areas		28/09/2033	£0	A peppercorn	N/A	N/A
25	Kiosks 2 and sitting out area		28/09/2033	£0	A peppercorn	N/A	N/A
26	53-55 The Horsefair	125	05/12/2110	£2,969	To 2.50% of open market rent, upward only	5 yearly from 06/12/19	06/12/2015
TOTAL RENT RECEIVABLE				£249,023			



Executive Summary of Agenda Item No. 18

Report title: University of Bristol – Second Campus at Temple Meads East
Wards affected: Lawrence Hill, Windmill Hill, City wide
Strategic Director: Barra Mac Ruairí / Strategic Director: Place
Report Author: Robert Orrett / Service Director: Place - Property

Recommendation for the Mayor's approval:

- 1. To approve the sale of the Council's freehold interest in land comprising all of the Cattle Market Road site and the part of Arena Island not required for the Arena development, on the basis set out in this report.**
- 2. To authorise the Strategic Director: Place, in conjunction with the Cabinet Member for Place, to approve the contract for the sale where the overall terms accord with this report.**
- 3. To approve delivery of the individual project obligations, described in this report, which the Council would commit to in the sale contract.**

Key background / detail:

a. Purpose of report:

1. This report recommends that the Council contracts to sell the freehold interest in 2.9 hectares of land east of Temple Meads station to the University of Bristol. The purpose of the sale would be to enable the development and opening of a new major second city campus for the University. The contract to sell would be subject to conditions such that the sale would only complete when BCC has procured demolition of the structure of the former Royal Mail sorting office building and secured full vacant possession of the land, and outline planning permission for the proposed development has been obtained by UoB.
2. The contract would involve further commitments by both parties necessary to secure proper regeneration of this land. The sale price payable by UoB would represent best consideration.

b. Key details:

1. The University of Bristol is intending to establish a major new campus in Bristol located in the Temple Quarter Enterprise Zone (TQEZ). The University will be an important anchor for regeneration of the TQEZ and will attract other businesses to locate in the area. Main elements are Digital Innovation Hub, New Business School for the 21st Century, and University City Village, purpose built student accommodation.



2. The UoB is eligible for charitable relief from business rates, the proposed campus can be expected to generate less business rates income for the Council than it would be the case with purely private sector occupiers on the same sites. However the UoB's proposal is expected to bring forward other development, occupation and business rates sooner and faster than alternative development scenarios. For the wider EZ it would create the right conditions, give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth.

3. The land will be transferred from BCC to UoB under a transaction to be structured through a conditional contract being entered into, subject to an agreed development capacity to be established through an outline planning application, with all land being transferred in a single phase. The purchase must be completed by 31 December 2019. The parties' intent is that the majority of the site will be developed for university campus purposes but in paying market value for the site, the University will retain the long term ability to assume a full range of uses and have future flexibility. The contract will require first occupation of a minimum 25,000 m2 gross internal area (GIA) will be for non-residential university purposes. Details are provided to Cabinet in an exempt appendix due to commercial confidentiality.



Cabinet

07 March 2017



Report Title: University of Bristol – Second Campus at Temple Meads East

Ward: Lawrence Hill, Windmill Hill, City wide

Strategic Director: Barra Mac Ruairí / Strategic Director: Place

Report Author: Robert Orrett / Service Director: Place - Property

Contact telephone no. & email address 0117 922 4086
robert.orrett@bristol.gov.uk

Purpose of the report:

To obtain Cabinet approval for the sale by the Council of 2.9 hectares of land east of Temple Meads station. This will enable construction of a new second campus by the University of Bristol and provide an exceptional new contribution to achievement of the objectives for the Bristol Temple Quarter Enterprise Zone.

Recommendation for the Mayor's approval:

- 1. To approve the sale of the Council's freehold interest in land comprising all of the Cattle Market Road site and the part of Arena Island not required for the Arena development, on the basis set out in this report.**
- 2. To authorise the Strategic Director: Place, in conjunction with the Cabinet Member for Place, to approve the contract for the sale where the overall terms accord with this report.**
- 3. To approve delivery of the individual project obligations, described in this report, which the Council would commit to in the sale contract.**



The proposal:

Introduction

1. This report recommends that the Council contracts to sell the freehold interest in 2.9 hectares of land east of Temple Meads station to the University of Bristol. The purpose of the sale would be to enable the development and opening of a new major second city campus for the University. The contract to sell would be subject to conditions such that the sale would only complete when BCC has procured demolition of the structure of the former Royal Mail sorting office building and secured full vacant possession of the land, and outline planning permission for the proposed development has been obtained by UoB.
2. The contract would involve further commitments by both parties necessary to secure proper regeneration of this land.
3. The sale price payable by UoB would represent best consideration.

Bristol Temple Quarter Enterprise Zone

4. Bristol Temple Quarter Enterprise Zone (BTQEZ) is one of the UK's largest urban regeneration projects. The zone comprises of 70 hectares of land in the area around Bristol Temple Meads station. It will have a particular focus on attracting creative, digital and high-tech businesses, building on the world-class reputation Bristol has in these sectors.

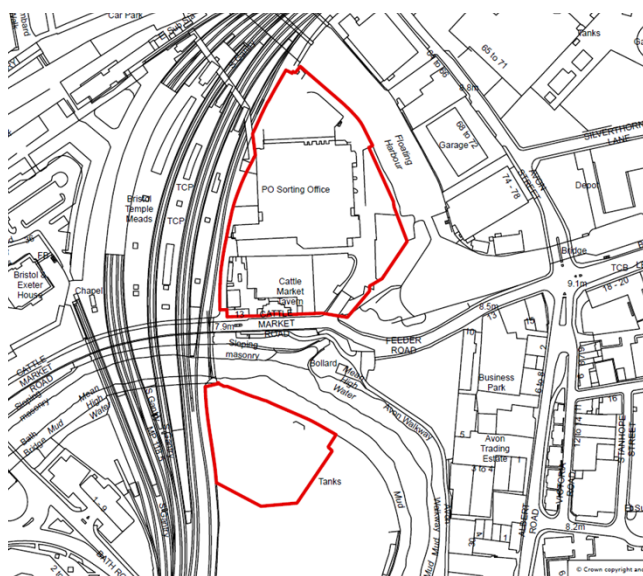


5. The core objective of the BTQEZ project is to speed up the pace of delivery on the stated objectives of the LEP in its Strategic Economic Plan (SEP):
 - a. Create the right conditions for business to thrive. Give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth.
 - b. Ensure a resilient economy, which operates within environmental limits. That is a low carbon and resource efficient economy, increases natural capital, and is proofed against future environmental, economic and social shocks.

- c. Create places where people want to live and work, through delivery of cultural infrastructure and essential infrastructure, including broadband, transport and housing to unlock suitable locations for economic growth.
 - d. Shape the local workforce to provide people with skills that businesses need to succeed and that will provide them with job opportunities.
 - e. Ensure all our communities share in the prosperity, health and well-being and reduce the inequality gap.
6. BTQEZ will contribute to the delivery of these objectives through:
 - a. Delivery of 17,000 new jobs and 240,000 sq m of floor space by 2037
 - b. Wholesale regeneration of the area around and including Temple Meads Station
 - c. Generation of more than £173 million of business rates growth, which will go to the Economic Development Fund for investment in projects leading to further economic development and growth.
 7. The Council has the desire to see a quantum of housing in BTQEZ. This will exist beyond the student residential component in the proposals of the University.

The Site

8. The land proposed to be sold by BCC to UoB extends to 2.9 hectares, located immediately east of Temple Meads station.



9. The boundaries will need to be precisely defined during the due diligence process. Both areas of land are currently owned by BCC. The land parcel to the south is part of Arena Island. The entire Arena Island area, and a further property at 1-9 Bath Road, was acquired by BCC from the Homes and Communities Agency by means of a grant in kind by DCLG of £5.425m of capital funds in order to facilitate regeneration of the BTQEZ and in particular so that BCC could deliver the new Arena for Bristol. The boundary shown represents the area for the second phase of development – the part not directly being delivered as the Arena project. Outline planning permission has already been granted for development of that land.
10. The land parcel to the north was acquired by BCC, known as Cattle Market Road, was purchased by BCC from Kian Gwan Land based on market valuation at the time (mid 2015).

University of Bristol Proposals

11. The University of Bristol is intending to establish a major new campus in Bristol located in the Temple Quarter Enterprise Zone (TQEZ). The University will be an important anchor for regeneration of the TQEZ and will attract other businesses to locate in the area. Through collaboration with the private sector in research, teaching and innovation of products and services, the campus will lead in the further development of the digital economy in Bristol and the West of England. The activities in the new campus will also be fully engaged with local communities and with the City of Bristol's enterprise activities.
12. The Temple Quarter Campus will involve three key developments:
 - a. Digital Innovation Hub (DIH); this will be a major generator of skilled postgraduates, underpinning technologies and innovative applications needed for the modern knowledge economy of digital goods and services. It will be the first, anchor building, to make up the new campus and is currently anticipated to open in 2021.
 - b. New Business School for the 21st Century; opening one year later, and following the lead of the DIH, the new Business School is expected to embrace a new model of delivering education in a research intensive environment in the 21st century. The Business School will provide the other half of the jigsaw to enable the University to develop 1+1 masters degrees, providing the combination of skills (technical skills combined with business and economics) that businesses report they are lacking, and which a report by BIS identifies as a systems failure that is slowing down growth in important areas of expertise for Bristol, such as creative industries, future city systems, and big data, and,
 - c. University City Village; approximately 1,185 rooms are planned as purpose built student accommodation. These will help to improve the vibrancy of the area at night-time; contributing, in conjunction with the proposed new Arena, to a more diverse range of social and economic activities in the area. The accommodation will be spread over a number of blocks at a range of heights.
13. The intention is also to incorporate the existing Engine Shed business start-up incubator building in the wider campus development, together with a new building, Engine Shed 2, which has been addressed in a separate Cabinet report. In addition, the campus buildings will house the University of Bristol Centre for Innovation and a City Engagement Forum for outreach and widening community participation. The City Engagement Forum will play a crucial role in widening participation and facilitating community engagement, to ensure the new campus is of benefit to the whole city. For example, widening participation, through initiatives such as the Bristol Scholars Programme, will help to broaden the range of students who attend the University:

"Widening participation brings considerable public benefit. A diverse student population is essential to vibrant intellectual enquiry and a resilient knowledge economy"
14. Through the Forum, the University will also work with local schools, establishing a variety of outreach activities, to raise aspirations and support progression to university.
15. The focus will be on innovation, both in a new model of education and in collaboration between the University and industry partners. In education, the campus will offer new challenge-based degree programmes, co-developed and co-delivered by the University and its industry partners. These will

contribute to developing the intellectual property and highly-skilled graduates needed for growth of the digital economy in Bristol, the South West and the UK as a whole.

16. Through co-location of the University and businesses, many of the market and systems failures that inhibit innovation can be overcome, enabling concepts to progress quickly from theory to practice. Ideas will be commercialised and economic value added, driving productivity gains and strengthening Bristol’s economic position. Current plans indicate that the campus could directly support over 1,000 University staff, over 900 industry employees and over 3,000 students. The value of this activity to the West of England Economy is estimated at approximately £1.1bn over the appraisal period 2019-2034, according to an Economic Impact Assessment prepared for the University.
17. In order to develop street level activity throughout the development, and encourage the public to use and engage in the University’s activity in the new campus, 3,000 sq m of ground floor space has been allocated for a combination of shops, cafés, bars and restaurants. This space will be let to a range of private sector providers.

Business Rates

18. Under the City Region Deal, the West of England (WoE) authorities are allowed to keep 100% of the growth in business rates raised in the city region’s network of Enterprise Areas, over a 25 year period. This income is used, in combination with other funding sources, to create an Economic Development Fund for the WoE, estimated by the LEP at £1bn over 25 years. Income can also be used to manage local demographic and service pressures arising from economic growth. The Fund is expected to deliver an investment programme designed to maximise economic returns in all the Enterprise Areas, including BTQEZ.
19. Since the activities of the University are eligible for charitable relief from business rates, the proposed campus can be expected to generate less business rates income for Bristol City Council (BCC) than would be the case with purely private sector developments on the same TQEZ sites. The large prospective benefits of the campus are therefore set against a potential level of “foregone income” from business rates and council tax income for BCC. The University proposal is expected to bring forward development, occupation and business rates sooner and faster than alternative development scenarios. Accordingly, while the quantum of business rates generated in relation to the scale of accommodation, once completed, is lower than purely commercial floorspace, the overall business rate generation for the City Deal period is estimated to be less. There will be greater confidence that the business rate income will actually flow from the University proposal, while the alternative prospects are more subject to economic and market cycles.

Council analysis of rates generating potential of various scenarios

20. The Council has compared likely business rates income from the development of the Temple Quarter Campus and rates growth forecasts for the Cattle Market Road and Arena Island sites contained in the original City Deal rates growth retention model. This analysis is based on different data from that used by Arup in their EIA report for the University which was based on a stated 60,000m² of development, reflecting a further iteration of the emerging masterplanning (80,000m² of development) of the sites and consequently a greater scale of development. It does not include an analysis of lost council tax income.

21. Please note students in halls of residence are exempt paying council tax. Assuming the 1185 rooms are assessed as Band A in line with other recent student developments in the City, the council tax forgone would be £1.223m.
22. Our forecasts assume business rates growth across the sites will be as follows:

Site	Use	Net internal area (sq m)	Rateable value	Gross rates income per annum	Net rates income after charitable relief applied per annum
Arena Island – UOB development	Retail	1120	£0.168m	£75,000	£75,000
	Office	7009	£1.051m	£476,000	£95,000
Former PO Sorting Depot	Retail	5292	£0.794m	£356,000	£356,000
	Office	26075	£4.694m	£2,127,000	£425,000
Expected business rates income per annum after sites developed out					£952,000

Note: monetary values have been rounded.

23. Here officers have applied an 80% discount to all office space, to account for University of Bristol property currently benefiting from charitable relief. No allowance has been made for voids and other reliefs that may be available.
24. The Temple Quarter Campus is estimated to deliver a peak business rates income of £952,000 per annum at maturity. This figure is heavily influenced by the application of an 80% discount to all office space, to account for University of Bristol property currently benefiting from charitable relief. This is significantly less than the £2.3 million per annum peak income that could be obtained if the private sector occupied the equivalent amount of space developed on this land with on an average of 25% of blended rates relief being applied. If there were to be a commitment to a commercially driven/private sector development, that would ultimately reach this greater level, the timing to reach the peak is uncertain and probably a considerable period of years into the future. There could be reductions from that peak if there would have been a greater proportion of residential content, or less total quantum.

Basis of transfer

25. The land will be transferred from BCC to UoB under a transaction to be structured through a conditional contract being entered into, subject to an agreed development capacity to be established through an outline planning application, with all land being transferred in a single phase. The purchase must be completed by 31 December 2019. The parties' intent is that the majority of the site will be developed for university campus purposes but in paying market value for the site, the University will retain the long term ability to assume a full range of uses and have future flexibility. The contract will require first occupation of a minimum 25,000 m2 gross internal area (GIA) will be for non-residential university purposes.
26. UoB is to procure a masterplan for their proposals informed by design objectives, which will be the subject of an outline planning application which in turn will fix development capacity of the site or sites. UoB will keep BCC informed of its approach, progress and proposals and consider the comments of BCC.

27. BCC will enter into contractual obligations affecting the site to include deliver of already committed infrastructure projects improving the area. There will need to be amendment to the Council's Capital Programme to incorporate those obligations not already covered or any amended costs. The scope of these obligations is:
- a. Demolition of existing buildings on the Cattle Market site including asbestos removal.
 - b. Relocation and clearance or other appropriate requirements related to the cholera burial site on the Cattle Market site.
 - c. Any measures required to secure the adjoining Network Rail structures, where not the responsibility of Network Rail.
 - d. Completion of the Harbour walkway and subsequent maintenance.
 - e. Completion of the Cattle Market Road improvements and subsequent maintenance.
 - f. Continuing responsibility for and maintenance of harbour walls adjacent to the properties.
 - g. Responsibility for and maintenance of public roadways and supports for public roadways adjacent to the properties.
 - h. Best endeavours to secure with Network Rail a 'ticketed' route through the Station to the Cattle Market Road property at no cost to UoB.
 - i. Reasonable endeavours to secure with Network Rail a more fundamental un-ticketed public route through the station to the Cattle Market Road site.
 - j. Provision of adequate emergency access to the Cattle Market site.
 - k. Procurement of off-site parking for the Arena so that the phase 2 Arena Island site is not used for that purpose.
28. BCC and UoB will also agree how the impact will be handled of currently unknown and unquantified costs arising due to the condition or quality of the site or properly considered to be abnormal costs for this scale of development.
29. The price of the land represents best consideration as required by s123 Local Government Act 1972. BCC has received external appraisal and valuation advice to confirm this, referred to the in exempt appendix. The basis to finalise the price will be set by the contract between the parties. The net capital benefit to BCC will comprise the final price payable less the cost of the direct works BCC undertakes to carry out and the impact on price of arrangements to deal with abnormal costs. This net capital benefit from the sale price less the impact of the obligations is expected to be between £11 – 16 million.
30. It is the recommendation to proceed with the UoB proposals on the basis that they optimise the development approach in capital terms for the Council, as well as the wider benefits of accelerating regeneration and the major contribution to economic progress for the city. The UoB proposal is considered to provide the greatest prospect for accelerated regeneration of the area, aligning with the strategic objectives for BTQEZ.

Consultation and scrutiny input:

- a. **Internal consultation:**

Senior Leadership Team and Legal Services

b. External consultation:

BTQEZ Strategic Directors Board

Other options considered:

UoB has evaluated site availability in the City. This site is considered to be the best opportunity in terms of location, sustainability, scale and suitability.

BCC has evaluated all of BTQEZ in relation to its Spatial Framework and the overall leadership with partners of the Enterprise Zone. The Spatial Framework indicates mixed use development of these sites. Overall consideration of regeneration options has been considered by the Council's BTQEZ Programme team and BTQEZ Strategic Director's Board.

These sites have been undeveloped for many years. Arena Island was originally operational railway land where use ceased in 1995. Acquired by South West Regional Development Agency in 2003 and then transferred the successor agency - the Homes & Communities Agency (HCA), these Government Agencies enabled eventual regeneration of the land by extensive remediation works and more recently investment in the new bridge providing proper access to the land. As part of the BTQEZ, the main intention for Arena Island has been for the development of Bristol's new arena. The masterplan for Arena Island provides a residual two acre phase 2 site for mixed use development. The scale of development and capital returns to the Council directly reflect the expected optimum approach from all previous options.

The Cattle Market Road site was the main central Royal Mail sorting office for Bristol until the late 1990's connected to the national rail system by major conveyors and tunnels. The property was sold by Royal Mail to developers in the late 1990's. Planning consent was granted for mixed use redevelopment but even through the economic, property market and development boom up to 2007, the market did not deliver any redevelopment. After 17 years of increasing dereliction, and market failure, the Council was able to agree to purchase the site and decided to intervene in order to enable regeneration of this major eyesore.

The BTQEZ programme has brought together lead partners – the Local Enterprise partnership, HCA, Network Rail and the Council with the overall objective of shaping a new city quarter. The ambition is to create a place that is welcoming to all – to live, work, enjoy leisure time and build on Bristol's strengths as a world class city. The BTQEZ programme has drawn on the expertise of internal project experts and external consultants to shape a range of projects and opportunities. In relation to these areas of land advice on development options has been received, and updated over time. Most recent advice from leading property consultants JLL was referred to in the Cabinet report on 1 March 2016 "Arena Island and Cattle Market Road Development". The consultants were commissioned to undertake two distinct but complimentary pieces of work, namely a development appraisal of the Arena Island and Cattle Market Road sites and property market advice to support the development of the EZ Growth Plan. For the Arena Island land, JLL considered that an even mix of employment and residential accommodation was a likely development outcome, but that a PRS (private rental scheme – residential) may be more marketable). They also supported a possibility of an education use. For Cattle Market Road, JLL stated this would be considered a prime development site. They did identify a development approach that may be over 50% residential with employment, retail and leisure comprising the balance. They identified significant additional costs on this land attributable to the current condition.

Overall, JLL identified the Market value of the land in its existing condition, for development purposes as being in the range from £7 – 15.9 million depending on whether the eventual development would be low, medium or high density. This appraisal study and report was referred at length in that Cabinet report, identifying potential market development quantum and outcomes. The land receipt was identified as part of the Arena funding basis in the same report.

It is evident that the net value outcome from the proposed transaction with the University and their intended development exceed the potential assessed by JLL, recognising that in both scenarios there is a range involved due to variances in the scale of the development and the eventual cost of resolving all infrastructure and site development costs.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	The development does not proceed.	High	Medium	There are many component parts to this project. BCC will use its BTQEZ programme governance and management for all its direct obligations. There will be structured engagement with UoB regulated by the land contract	High	Low	Service Director: Economy
2	Net capital receipt is reduced	High	High	Masterplanning for optimum development will include structured engagement between UoB and BCC. Contingent costs and obligations will draw on the BTQEZ programme governance and management	High	Low	Service Director: Economy
3	Delivery timing is delayed	Medium	High	There are many component parts to this project. BCC will use its BTQEZ programme governance and management for all its direct obligations. There will be structured engagement with UoB regulated by the land contract	Medium	Low	Service Director: Economy

FIGURE 2**The risks associated with not implementing the (subject) decision:**

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (ie controls) and Evaluation (ie effectiveness of	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Regeneration of the area does not occur	High	High	BTQEZ programme would evaluate alternate delivery options and implement a new preferred approach	High	Medium	Service Director: Economy
2	The business rate revenue is not generated due to delay in development delivery or departure from strategy	High	High	BTQEZ programme would evaluate alternate delivery options and implement a new preferred approach	High	Medium	Service Director: Economy

Public sector equality duties:

Before making a decision, section 149 of the Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

i) eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.

ii) advance equality of opportunity between persons who share a relevant protected characteristic and those do not share it. This involves having due regard, in particular, to the need to:

- remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);

- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to tackle prejudice and promote understanding.

There are no inherent equalities issues in the sale of the land to UoB. UoB have an equalities policy that will apply to their development on the land. The issue for BCC is the wider issue of the accessibility of the TQEZ.

Advice given by **Wanda Knight/ Equalities & Community Cohesion Officer**

Date **13 February 2017**

Eco impact assessment

An environmental checklist, verified by the Sustainability City Group, has been completed and is Appendix 1 to this report. The main negative impact relates to the demolition of the Post Office building. The

project team will draw on support from colleagues in advising on management of waste and any other impacts.

Advice given by Steve Ransom / Environmental Programme Manager
Date 8 February 2017

Resource and legal implications:

Finance

This proposal seeks approval to the sale of the Council's freehold interest land at Cattle Market Road site and a part of the Arena Island site to UoB, enabling development and the opening of a new major second city campus. Please see attached the exempt appendix for the full financial implications. These include the financial details associated with the land sale, estimated gross and net capital receipts, development costs associated with disposal, other issues and obligations, and the net benefits scenario analysis.

Please note UoB will commence site investigation throughout the enabling phase, a key risk may arise if UoB would deem the scheme unviable and would not proceed with the purchase. Another key risk also includes potential liabilities in relation to Network Rail works in the EZ.

It is also worth noting that UoB is eligible for charitable relief from business rates, the proposed campus can be expected to generate less business rates income for the Council than it would be the case with purely private sector occupiers on the same sites. UoB commissioned a Temple Quarter Campus Economic Impact Assessment in November 2016 by Arup which estimates the a total foregone income over the 15 year appraisal period between 2019 to 2034 to be £1.2m (Present Value 2015) taking into account early years benefit in business rates ramp ups, and a maximum level of foregone income of £2.0m per annum in terms of absolute potential, beyond 2034.

However the UoB's proposal is expected to bring forward other development, occupation and business rates sooner and faster than alternative development scenarios. For the wider EZ it would create the right conditions, give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth. These benefits are more difficult to quantify.

The Council's economic development team also stress tested the business rates scenarios based on the development master plan please see section 22 for further details. The outcome on the high level business rates impact i.e. business rate forgone comparing to the original EZ model is broadly consistent with the Economic impact analysis commissioned by the University, taking into account changes in a number of variables. Please see the exempt appendix for the high-level scenario analysis.

Advice given by Tian Ze Hao / Finance Business Partner
Date 14/01/2017

Comments from the Corporate Capital Programme Board:

N/A

c. Legal implications:

The report states that the price payable is the best price the Council should reasonably expect to achieve, and with the external valuation report to support that advice from Property the Council's obligation to achieve best value pursuant to S123 of Local Government Act 1972 has been satisfied.

Advice given by **Andrew Jones / Team Leader – Legal Services: Property**
Date **Insert**

d. Land / property implications:

This report addresses a range of issues which have land and property implications. The report has been prepared by Property who have been directly involved with discussions throughout. The transaction is considered to represent best consideration in accordance with the Council's powers to dispose of land and property under the Local Government Act 1972.

Advice given by **Robert Orrett / Service Director: Place - Property**
Date **8 February 2017**

e. Human resources implications:

There are no material Human Resource implications for the Council arising from these recommendations.

Advice given by **Mark Williams / HR Business Partner**
Date **8 February 2017**

Appendices:

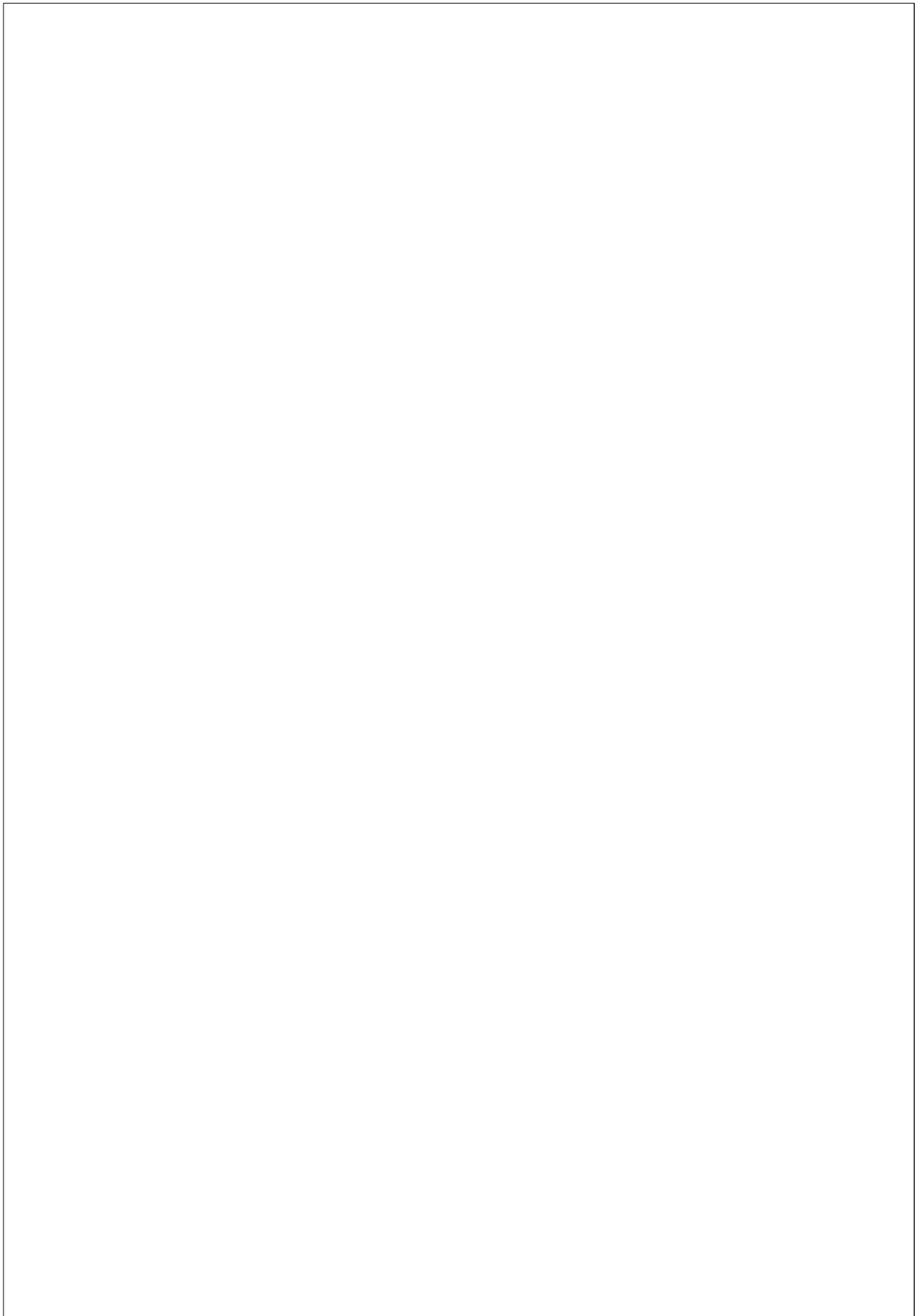
Appendix 1 - Eco Impact Checklist

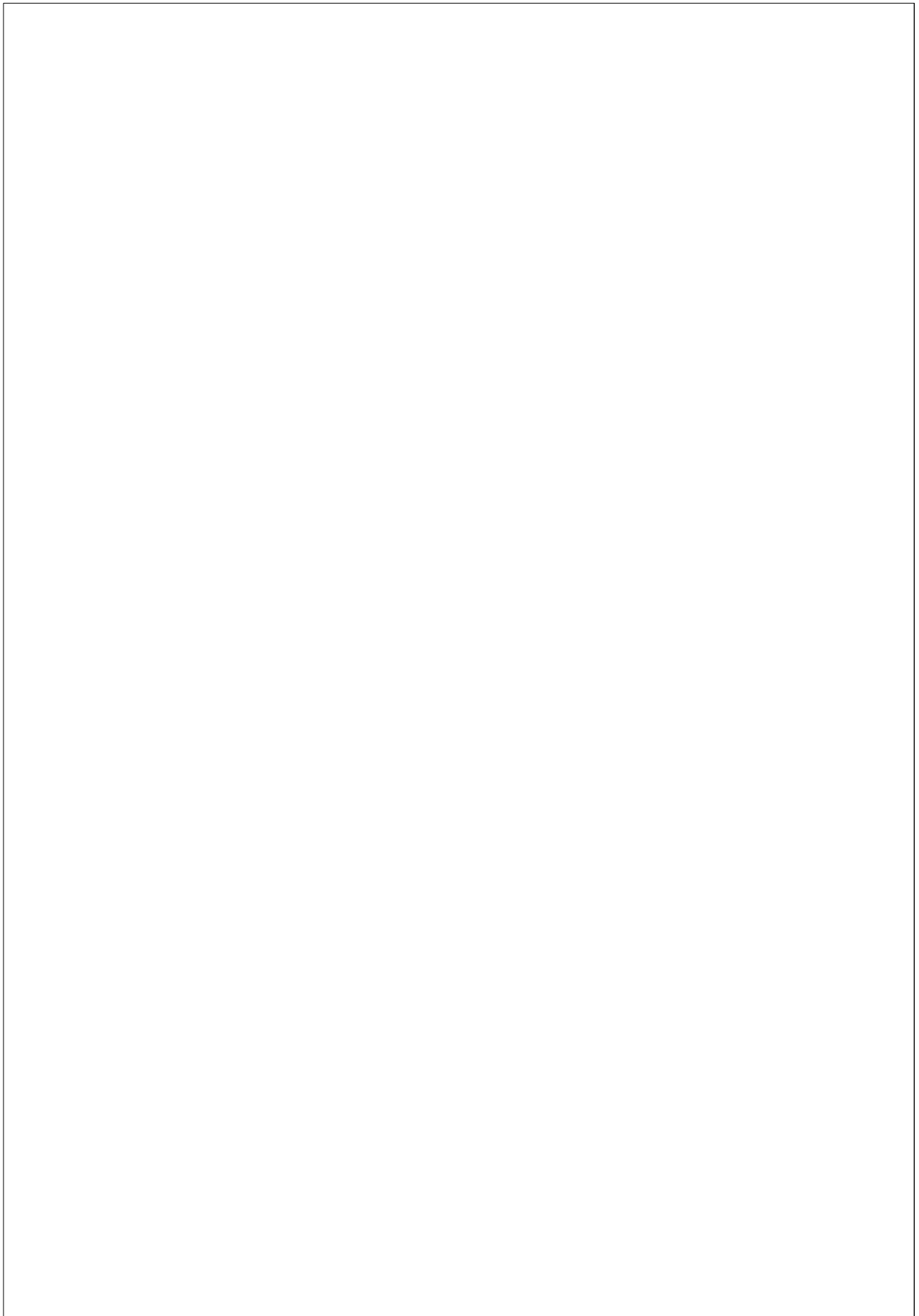
Appendix 2 – Confidential information

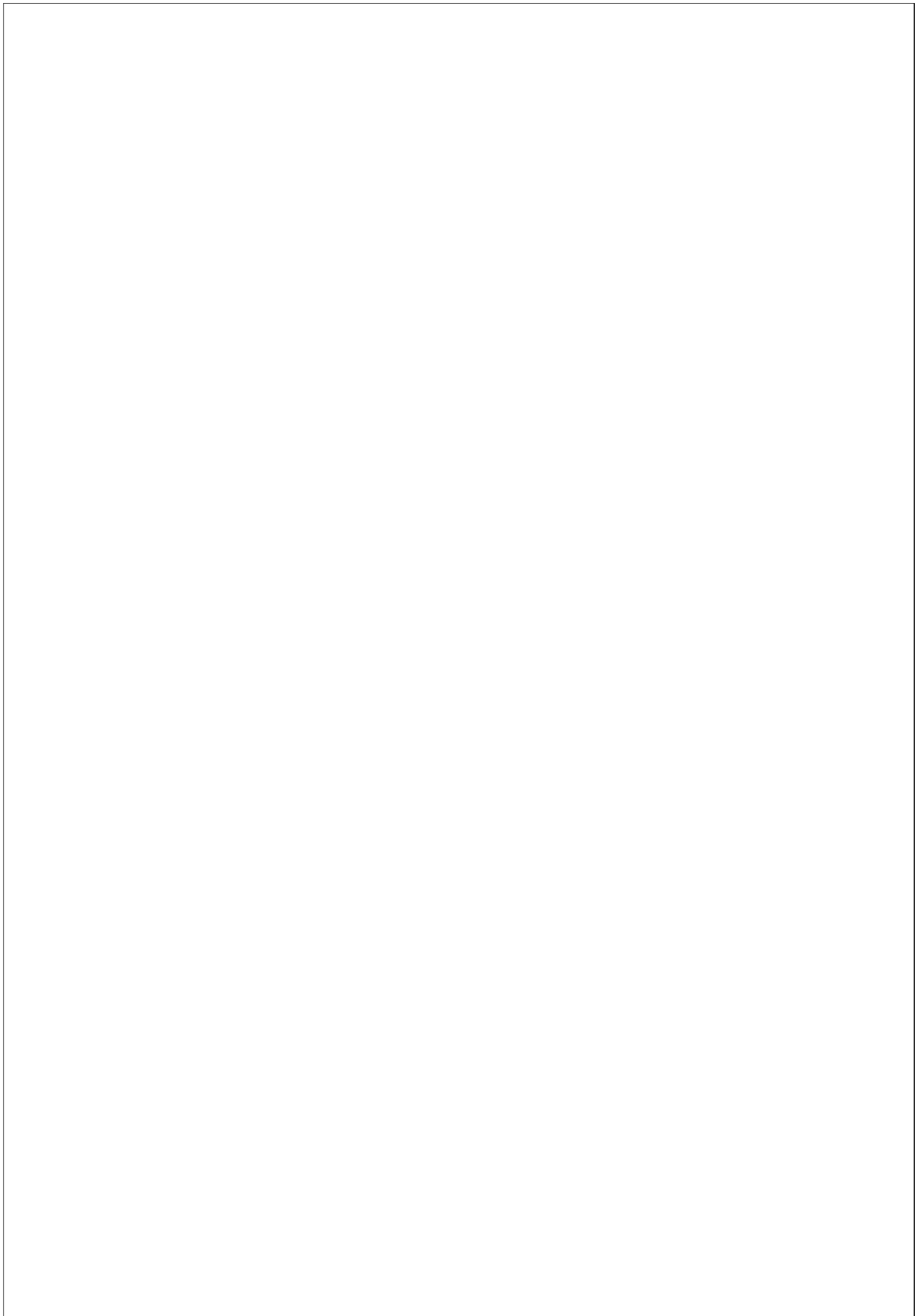
**Appendix 1
Eco Impact Checklist**

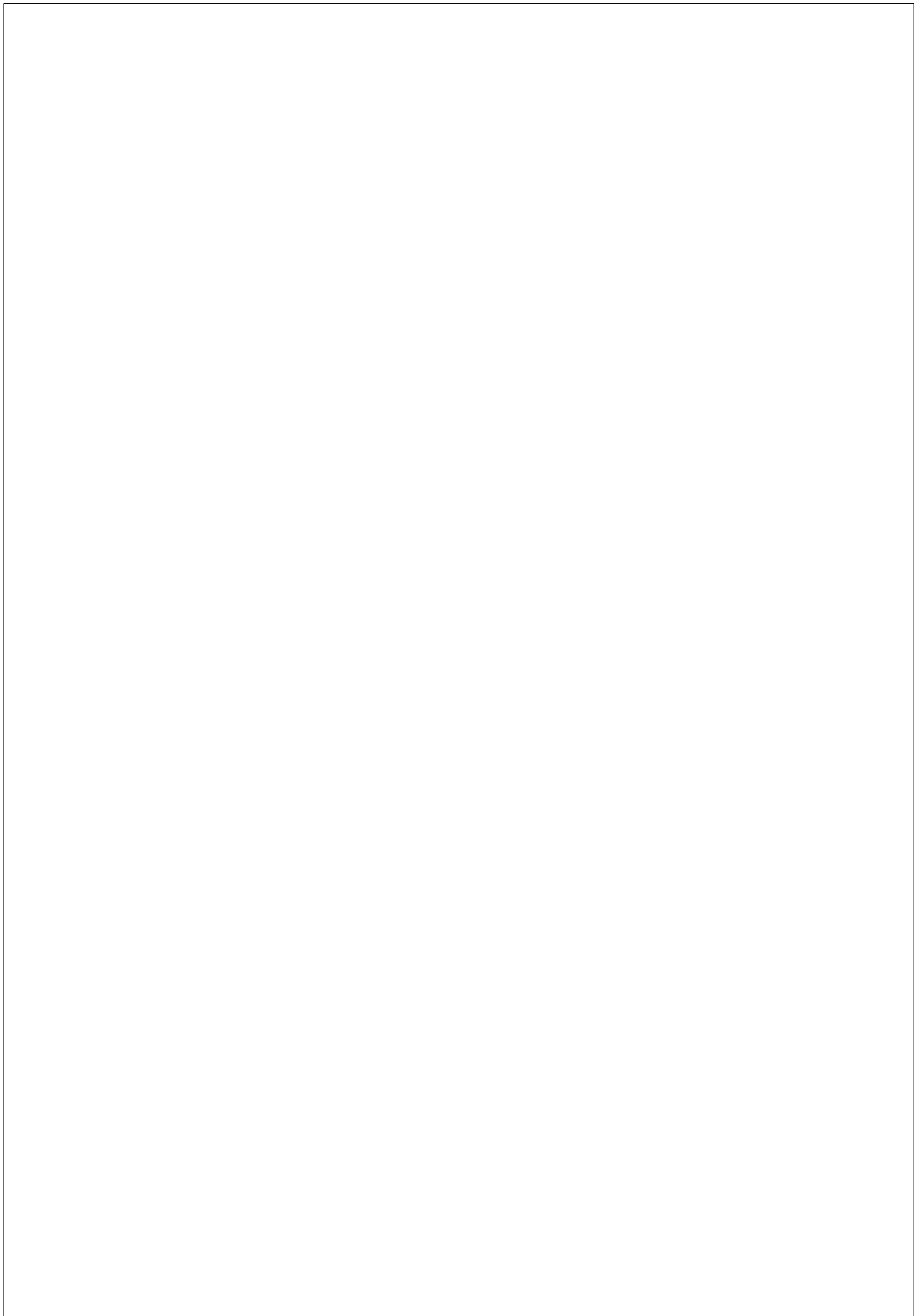
Title of report: University of Bristol – Second Campus at Temple Meads East
Report author: Robert Orrett
Anticipated date of key decision: March 2017
Summary of proposals: Sale by the Council of 2.9 hectares of land east of Temple Meads station. This will enable construction of a new second campus by the University of Bristol
Will the proposal impact on...

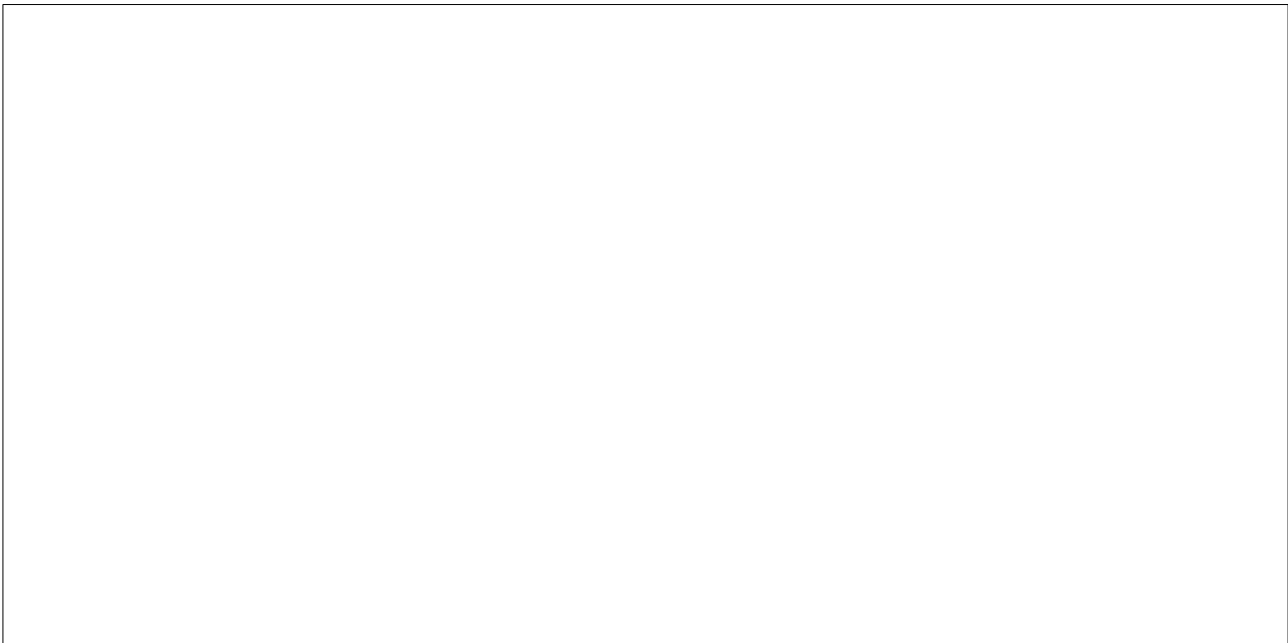
Emission of Climate Changing Gases?



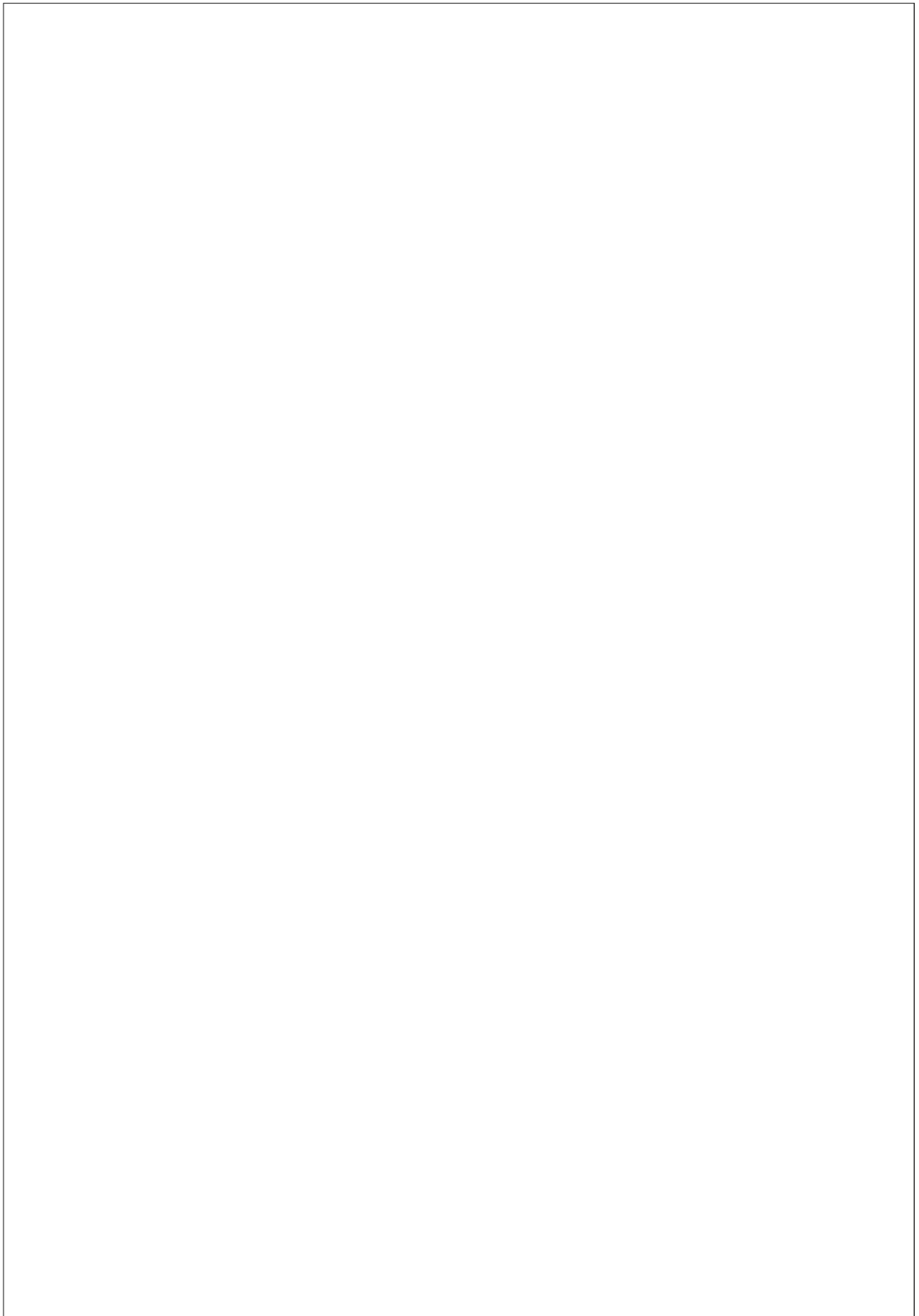


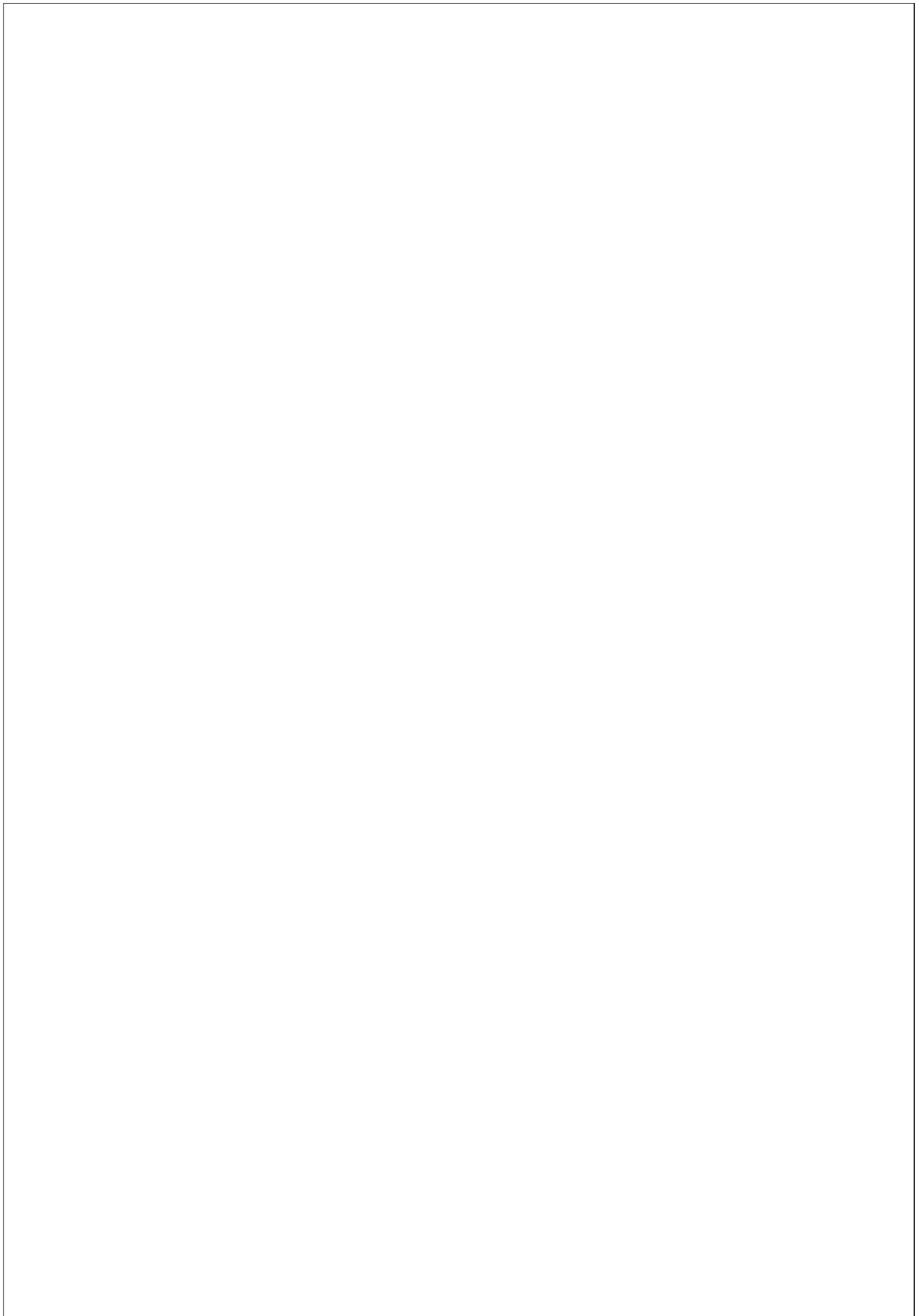


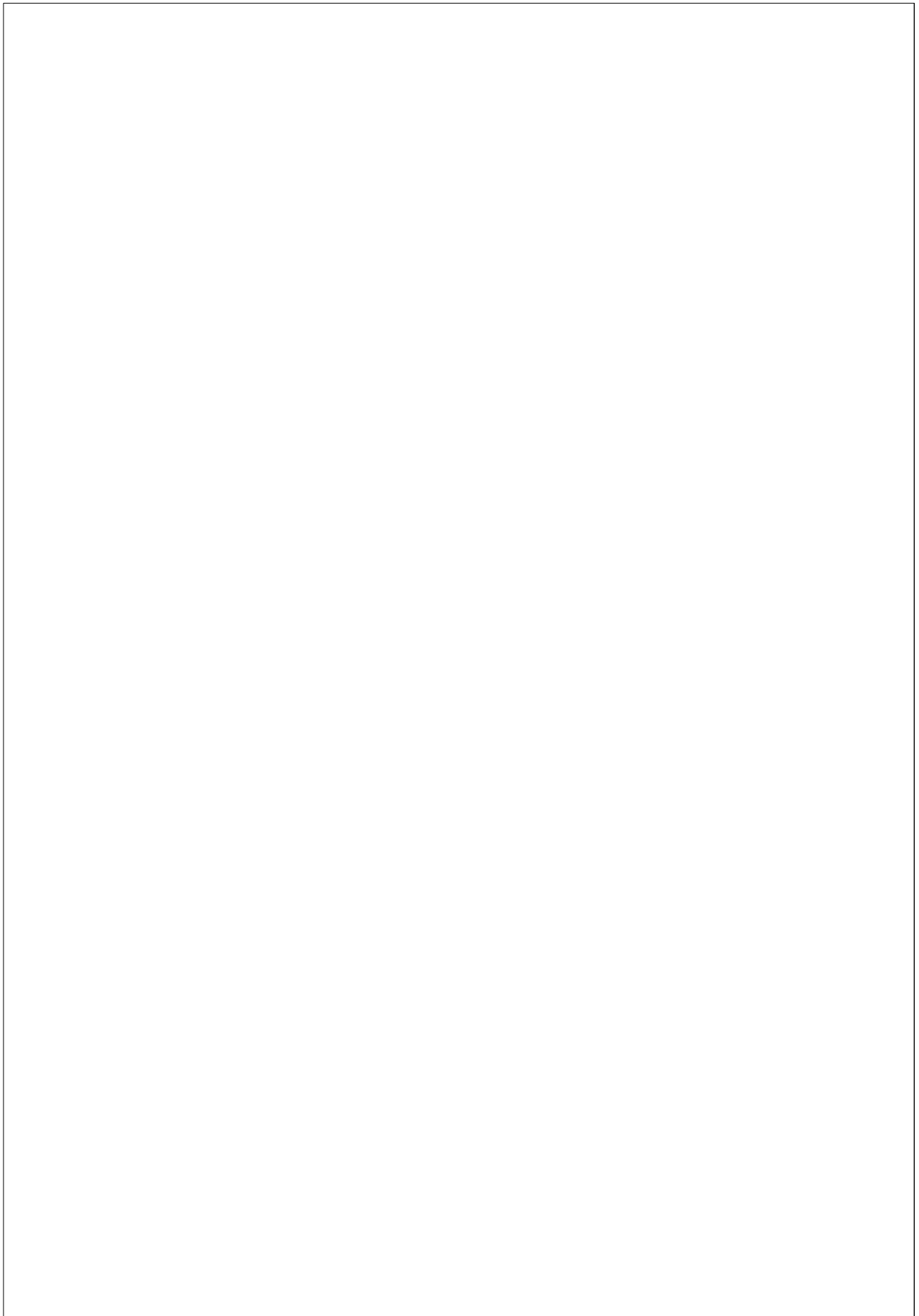




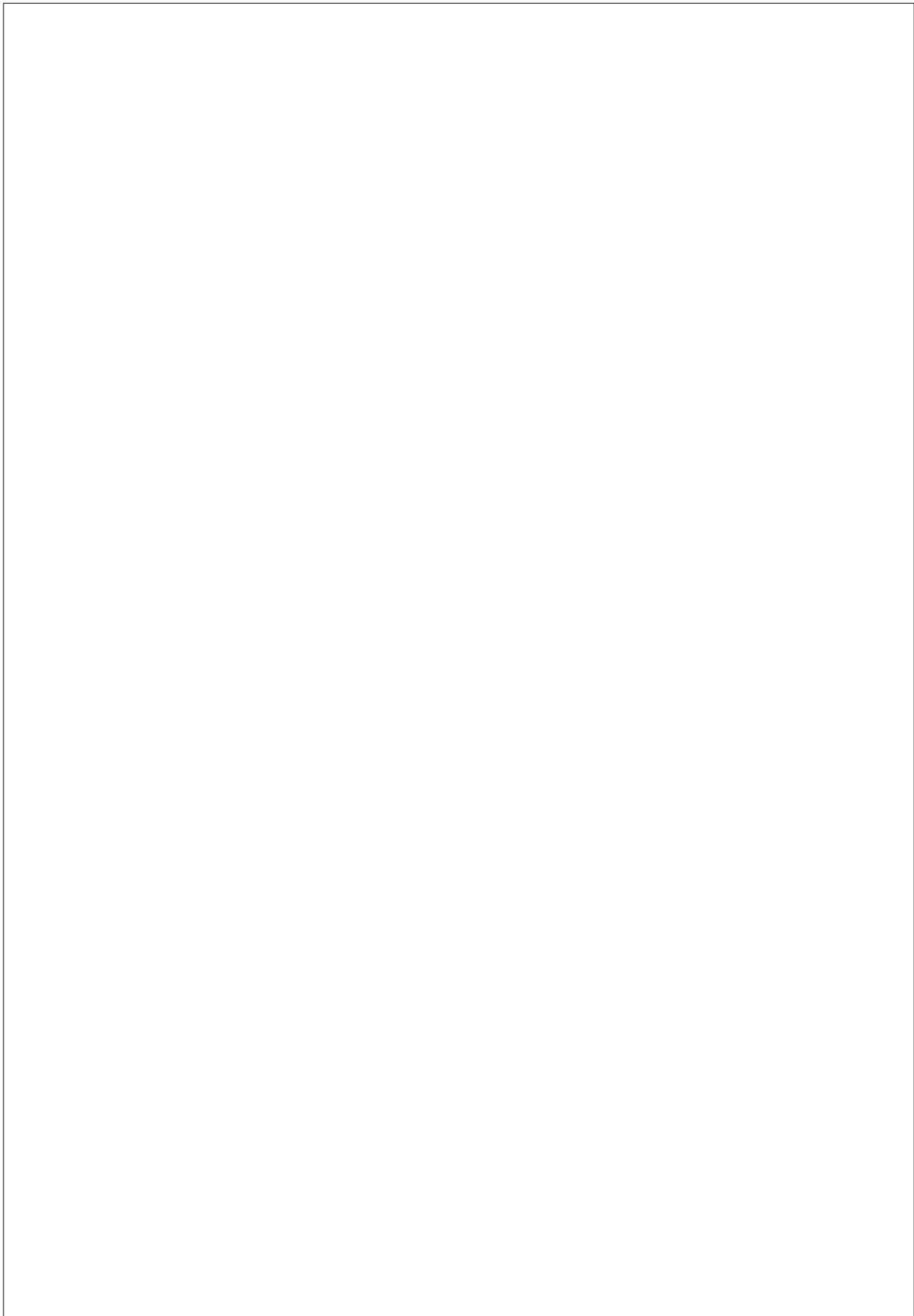
Bristol's resilience to the effects of climate change?

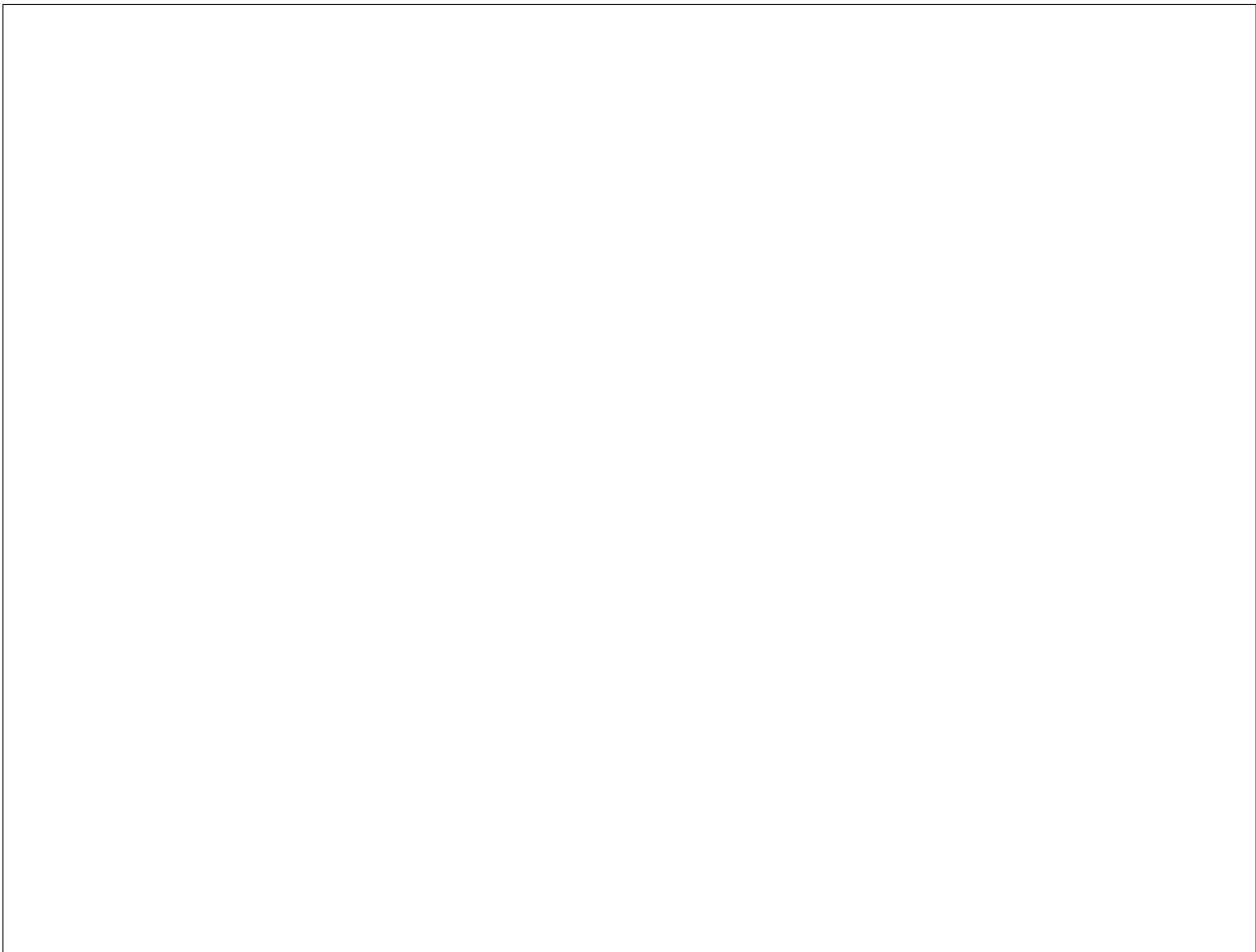






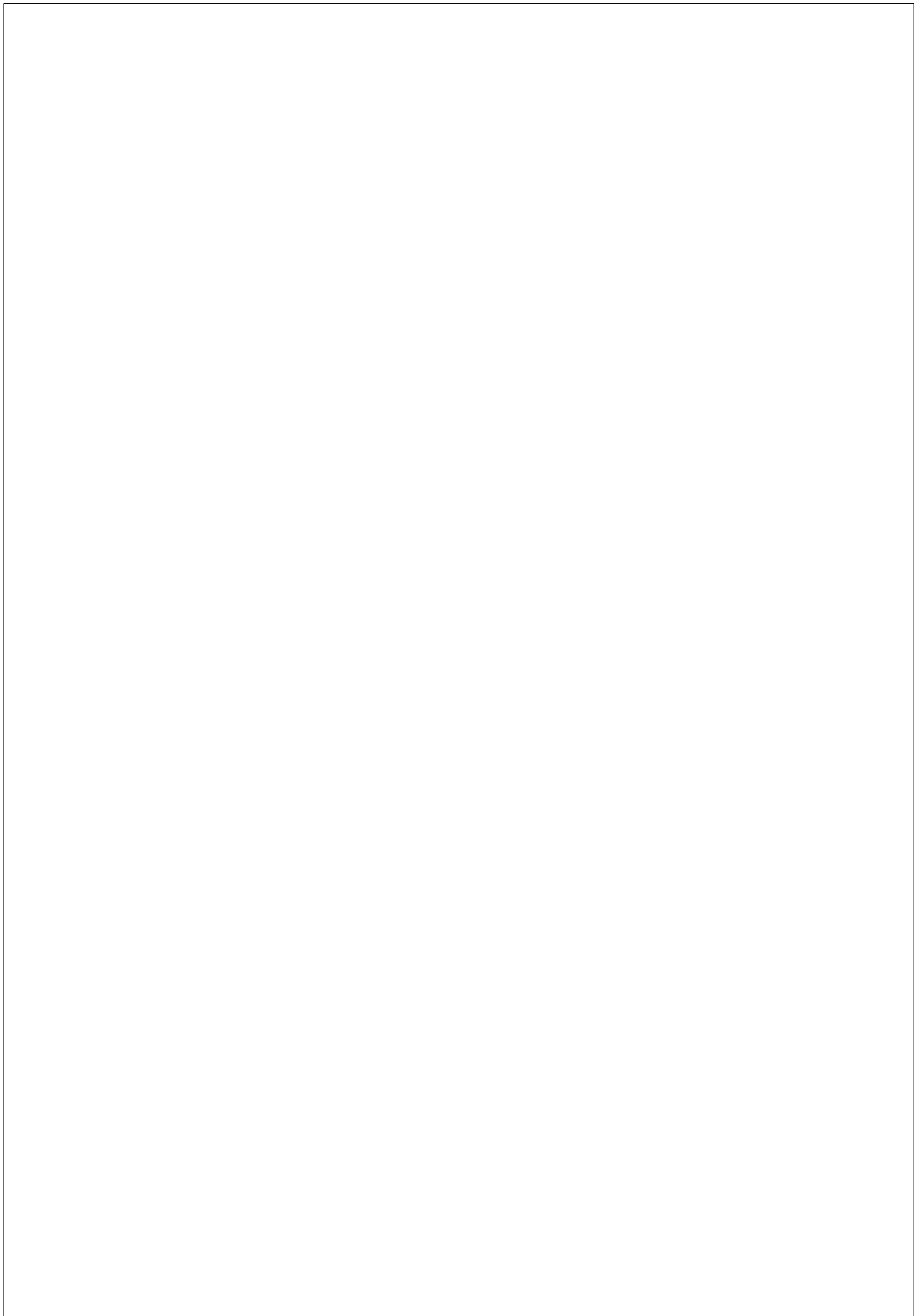
Consumption of non-renewable resources?

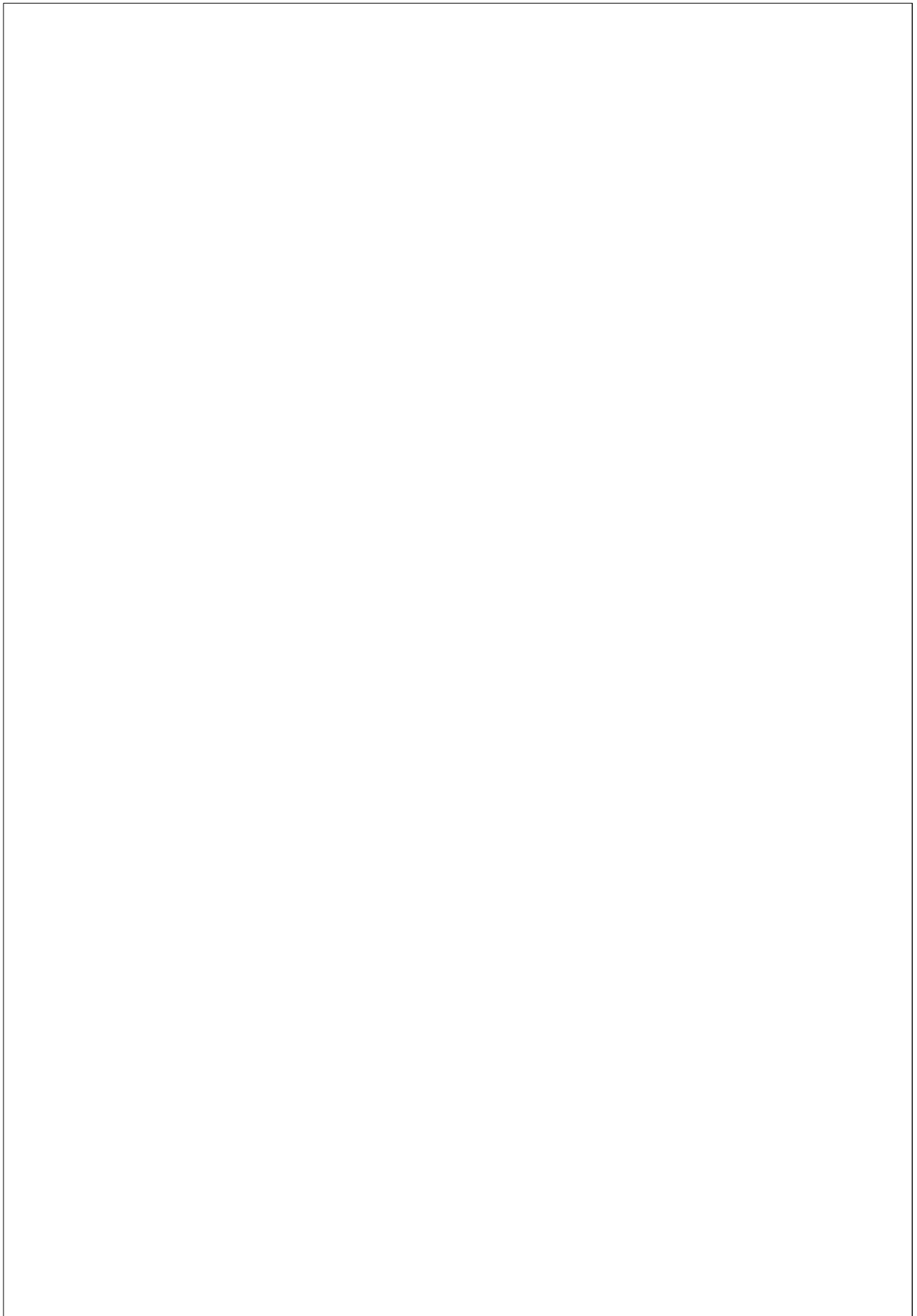


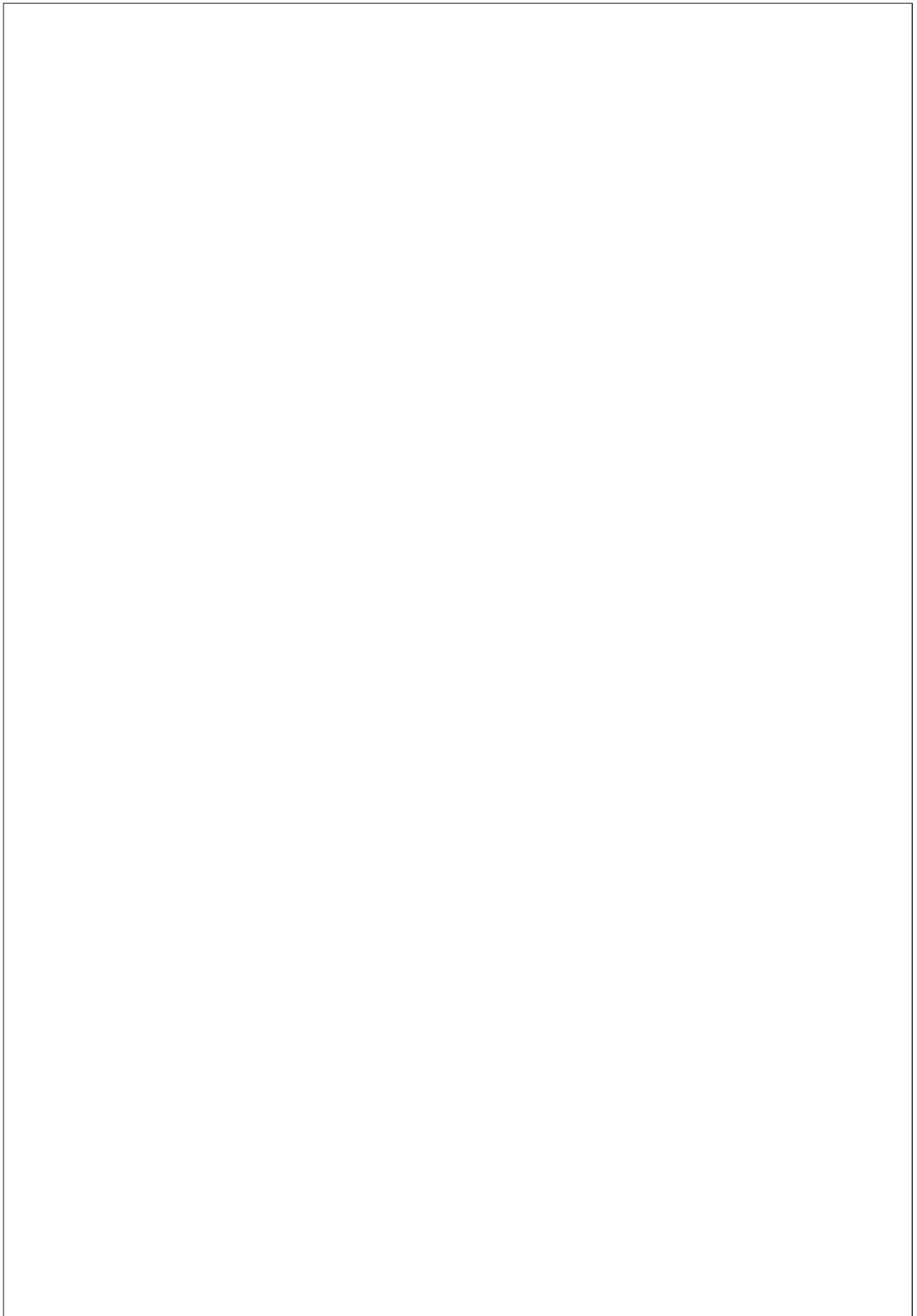


Production, recycling or disposal of waste



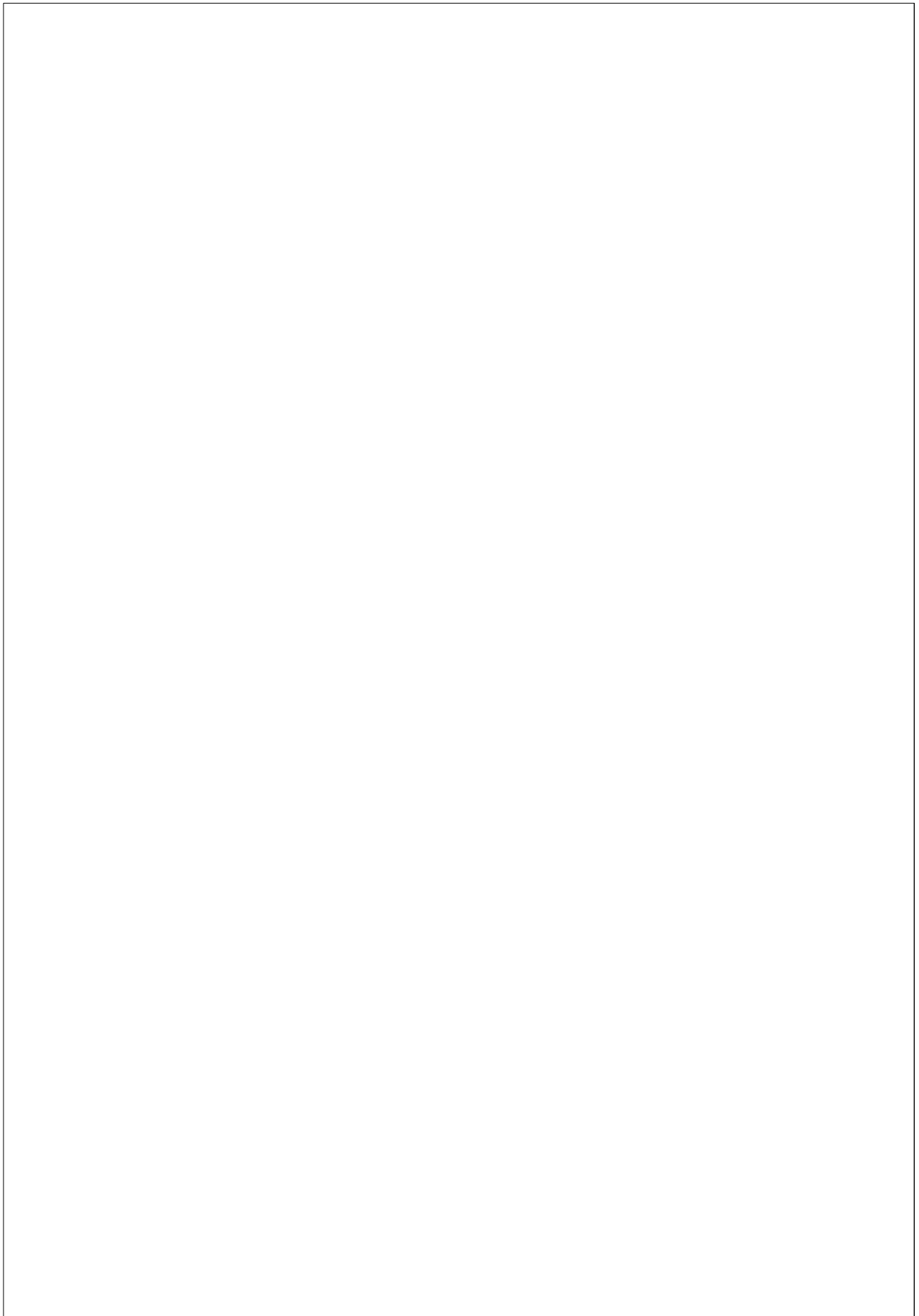




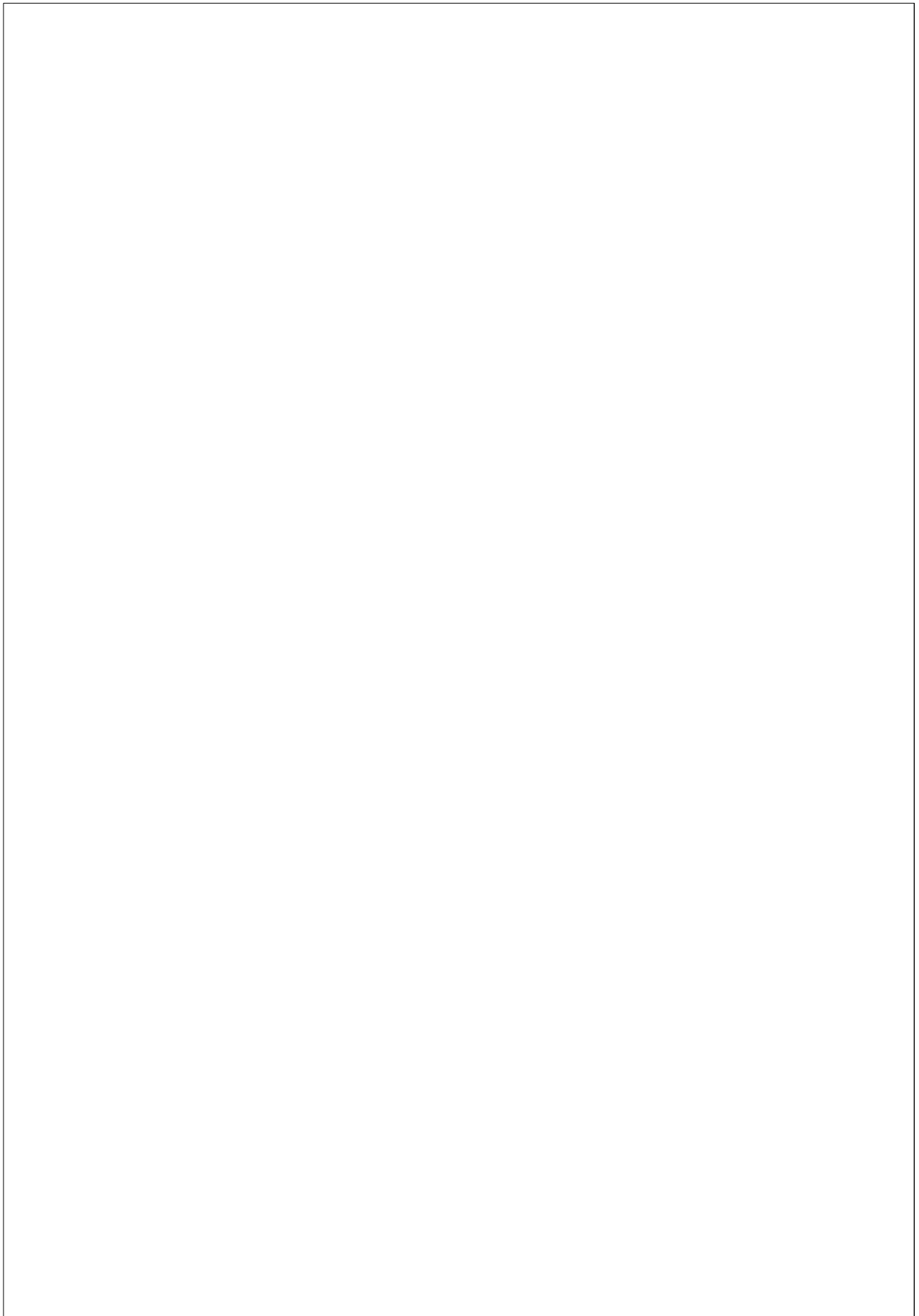




The appearance of the city?



Pollution to land, water, or air?



Wildlife and habitats?

**Consulted with: Steve Ransom, Energy Service
Amy Farthing, City Innovation & Sustainable City**

Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report

The significant impacts of this proposal are...

- This proposal considers the sale of the site and related enabling works – it does not consider the future redevelopment of the site.
- The sale of the land does not in itself create any significant impacts
- One of the conditions of sale is the demolition of the derelict Post Office building. This will create a large quantity of waste (some of which is asbestos), noise and dust

The proposals include the following measures to mitigate the impacts...

- Demolition contractor(s) will produce a detailed proposal for managing waste, asbestos, noise and dust.
- The University will be encouraged to connect to a heat network as part of its outline planning consent
- The council will complete planned sustainable transport improvements and seek to implement new walking routes via Temple Meads station

The net effects of the proposals are...

The short-term impacts of this proposal are negative. In the long-term, improved appearance of the area, provision for sustainable transport and availability of a heat network are positive impacts.

Checklist completed by:
Name:
Dept.:
Extension:
Date:
Verified by Environmental Performance Team

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Cabinet Report / Key Decision
7th March 2017

Heading: Period 9 (end pf December 2016) Finance Report	
Ward: City Wide	
Author: Denise Murray	Job title: Service Director; Finance and s.151 Officer
City Outcome overview:	
Equalities Outcome overview :	
Impact / Involvement of Partners overview:	

Purpose of briefing, summary of issue / proposal:

To provide a progress report on the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year that were approved by Council on the 16th February 2016. The report focuses on significant variances to meeting the budget in 2016/17 in order to take timely actions to deliver a balanced position at year end.

The Council is in a serious financial position forecasting a General Fund revenue position of **£11.0m forecast outturn deficit** before further mitigating actions or use of general reserves. This represents a **net decrease to the deficit of £6.6m**, being increases of £0.8m less decreases of £7.4m, from the Period 7 forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.

The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.

As outlined in previous reports, the Strategic and Service Directors have put in place a number of activities which should bring the position closer to balance and details of the actual and potential impact of these actions are included in this report. It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.

In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spend and the impact of this in reducing the council's actual and forecasted 2016/17 expenditure will be monitored and reflected in future reports.

Capital spending in year is forecast to be £216.9m compared to the current budget of £224.3m, resulting in a **forecast underspend of £7.4m**. Movements in the capital programme have been identified, being slippage from 2016/17 into 2017/18.

Recommendation(s) / steer sought:

That the Mayor:

1. Notes the contents of the Report and in particular the continuing seriousness of the General Fund financial position of £11.0m forecast outturn deficit, as at the end of December 2016. This represents a net decrease to the deficit of £6.6m, being increases of £0.8m less decreases of £7.4m, from Period 7 forecast and is mainly the result of reductions in forecast expenditure within service areas, which are outlined in the remainder of the report;
2. Cabinet where appropriate, continue to work with Officers in undertaking mitigating actions to bring the General Fund position closer to balance, in particular endorsing the actions to be led by the Interim Chief Executive, Service Director: Finance and Strategic Leadership Team set out at paragraph 11 of Appendix A;

3. Notes the total net movement in the Capital Programme from £222.8m to £224.3m, as outlined in paragraph 27 of Appendix A.

Finance Issues: This is a Finance Update Report and all financial implications are set out within the main body and Appendices to the report. .

Finance Officer: Denise Murray Service Director: Finance and S.151 Officer

Legal Issues: No significant legal issues are raised by the report. The recommendations are in accordance with the Council's constitution and financial regulations

Legal Officer: Shahzia Daya Service Director: Legal Services

Policy/Comms Officer:

Other Issues - Human Resources:

In line with the financial position and the mitigating actions set out in this paper (paragraph 13) a Section 188 notice was issued in August 2016. The s188 notice provided formal notification to Trade Unions that the scale of the potential workforce reduction is estimated to be up to 975 employees by 31 March 2017.

As previously reported, an initial voluntary severance opportunity was implemented through to the end of September 2016. Following responses to applications that have approved severance for 303 employees to date, further actions to close the budget gap are now being implemented. This includes the actions taken to further extend the Council's spending freeze on non-essential spending, including the recruitment of agency and permanent staff. While further review of service designs are likely to result in redundancies, we are seeking to avoid compulsory redundancies wherever possible.

Full consultation with Trade Unions is being undertaken throughout the period of organisation change and restructure and we will seek to reach agreement with the recognised Trade Unions on how to mitigate the need to make any further compulsory redundancies.

If, after meaningful consultation and after mitigating actions have taken place, compulsory redundancies are unavoidable, employees will be given notice of dismissal in accordance with the Council's agreed policies.

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Anna Klonowski	Stephen Hughes	Cllr Cheney

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO

Background

1. The Report provides information and analysis on the Council's financial performance and use of resources to the end of Period 9 of 2016/17. Council set its budget for 2016/17 on 16th February 2016 and this report focuses on forecast variances to meeting the budget for 2016/17, in order to take timely actions to deliver a balanced position at year end.
2. The Council is in a serious financial position forecasting a General Fund revenue position of £11.0m forecast outturn deficit before further mitigating actions or use of general reserves. This represents a net decrease to the deficit of £6.6m, being increases of £0.8m less decreases of £7.4m, from the Period 7 forecast. Although there has been a reduction in the forecast outturn deficit, the remaining deficit must be addressed to ensure that we end the financial year in a balanced position.
3. The movement in the deficit arises mainly from reduced expenditure forecasts across service areas, in particular within the Place Directorate, which are detailed in section 13 of the report.
4. It should be noted that as savings are being identified through the Corporate Savings Programme, as they are validated, these savings are secured by reducing relevant budgets across directorates. Therefore, net revenue service budgets are reducing through the financial year.
5. In addition to the mitigating actions highlighted in previous reports, the Council continues its freeze on non-essential spends. Non-essential spend can be considered as all spend associated with activities that are not wholly and exclusively funded from; specific ring fenced grant, other external funding (cash neutral to the Councils General Fund) or funded from trading / operating income. The main exceptions are where failing to act would expose the council to a statutory, regulatory or legal risk or presents an imminent danger to the public and staff.
6. This action is required not only to mitigate the forecast outturn deficit in this financial year but also to ensure a balanced budget for next financial year, as many of the actions taken to date to manage the position in this financial year are one-off rather than recurring solutions. The impact of the freeze in reducing the council's actual and forecasted 2016/17 expenditure as at Period 9 is reflected in this report.
7. Future reports will include further recommendations on mitigating actions, where required.

A - Revenue Expenditure

8. The Council's overall annual revenue spend is managed across a number of areas:

- a. The General Fund with a net budget of £345.4m, providing revenue funding for the majority of the Council's services;
 - b. The Dedicated Schools Grant (DSG) (£175m in 2016/17), which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the People Directorate;
 - c. Public Health, a ring-fenced grant of £36.2m in 2016/17, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Neighbourhoods;
 - d. The Housing Revenue Account (HRA) of £152.7m gross spend in 2016/17, is reported separately to the general fund, and is managed within Neighbourhoods.
9. Each area represents a significant element of the Council's overall revenue expenditure. Further details of the current spend position against budget is provided in the remainder of this section.

General Fund

10. Table 1 below provides a summary of how each directorate is performing against the general fund revenue budget for the 2016/17 financial year. Actions are in progress and further actions are being identified to manage and mitigate the identified budget pressures and risks. The Strategic and Service Directors are actively identifying proposals to minimise the gap, with all budget holders ensuring the forecasting is as accurate as possible.
11. As previously reported, officers have established a series of work streams designed to reduce the deficit. A summary of the actions taken and outcomes of these actions is summarised below:

Item	Action Taken	Potential Financial Impact
1. Review of the Capital Programme	Item closed following update in Period 7 Report	
2. Voluntary Severance Programme	Programme complete and item closed following update in Period 7 Report	
3. Technical Accounting Adjustments	<ul style="list-style-type: none"> • Review of Reserves – items closed • Use Capital Receipts – closed following report to Full Council • Review of MRP Policy – closed following report to Full Council; • MRP overprovision – this is incorporated into the 2017/18 budget report as part of the Treasury Management Strategy • VAT Report – external report is still outstanding, but potential savings are likely to be minimal. 	<ul style="list-style-type: none"> • MRP Overprovision – subject to approval should generate additional resources to supplement Council Reserves from 2017/18.
4. Capital Disposals Programme	Specific action now closed following update in Period 7 report.	

Item	Action Taken	Potential Financial Impact
5. Reduction in non-essential expenditure	As reported above, the Council continues its spending freeze on non-essential expenditure (see para 5 to 6).	<ul style="list-style-type: none"> There has been a reduction in the forecasted outturn in a number of service areas; and the impact will continue to be monitored in future reports.
6. Review of Income	All Service Directors have been tasked with reviewing sources of income and reviewing inflation assumptions on fees and charges.	Recommendations for increases to fees and charges are incorporated in propositions underpinning the 2017/18 budget
7. Review of agency spend	Item closed following update in Period 7 Report	
8. Budget Review Meetings	Item closed	

12. The following forecasts are based on actual expenditure to the end of December 2016 and Budget Managers' estimates of future spending for the rest of the financial year, as approved by each DLT. The net overall forecast outturn of £11.0m represents 3.1% of the General Fund net revenue budget.

13. The following table provides a summary of the general fund revenue position at directorate level. A more detailed analysis is provided at Annex 1A, with directorate details provided at Annex 1B to 1G. Budgets are profiled equally across the year, but spending profiles may be different.

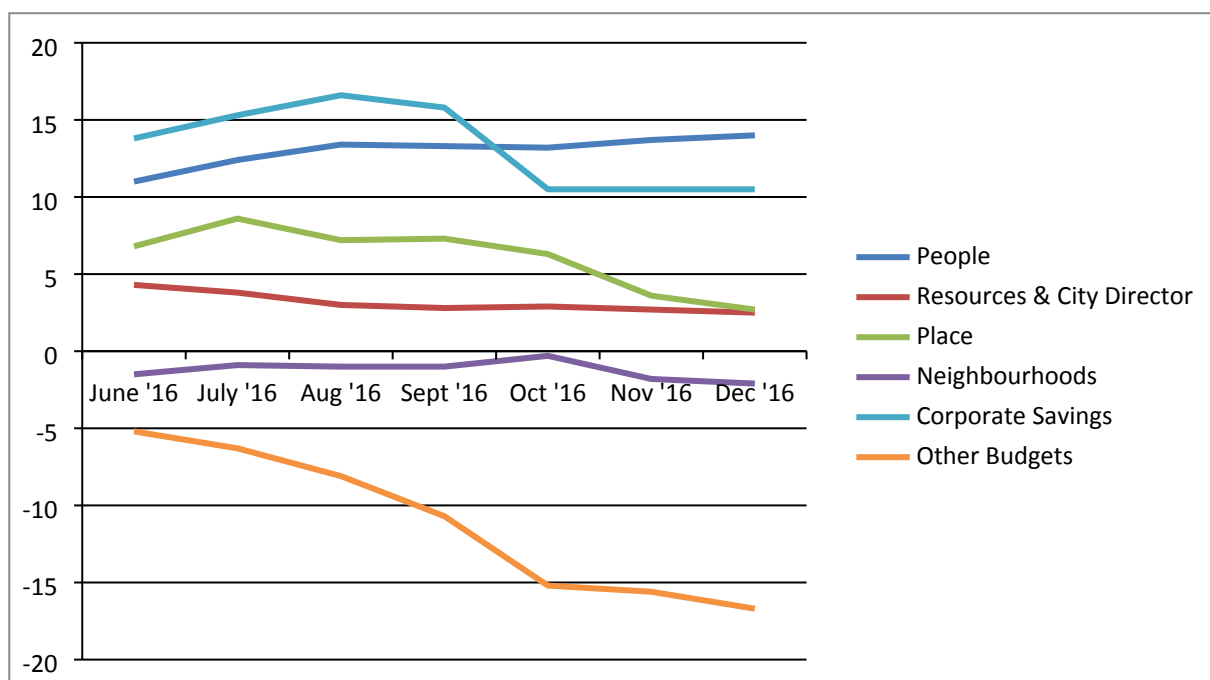
Table 1: General Fund Forecast Net Expenditure

General Fund Revenue Budgets - Period 9			Forecast Outturn Variance (Under)/Over Spend	Forecast Outturn Variance at Period 7	
Directorate	Net Budget £m	Forecast Outturn £m	£m	£m	
People	206.1	220.1	14.0	13.2	↑
Place	17.2	20.0	2.8	6.3	↓
Neighbourhoods	69.1	67.0	-2.1	-0.4	↓
Resources	25.6	28.5	2.8	3.1	↓
City Director	6.9	6.6	-0.3	-0.4	↓
Corporate Savings Programme (Net Budget)	-8.7	1.8	10.5	10.5	
SUB TOTAL – SPENDING ON SERVICES	316.2	343.9	27.7	32.7	↓
Other Budgets *	29.6	15.3	-14.3	-13.4	↓
Released from Reserves	0.0	-2.4	-2.4	-2.4	↓
TOTAL	345.8	356.8	11.0	16.9	↓

*Other Budgets includes capital financing & borrowing costs, un-apportioned central overheads and contingencies.

The following chart provides a trend analysis of the forecast outturn, by directorate, reported since quarter 1, end of June 2016.

Chart 1: Trend Analysis of Forecast Outturn



13.1 People Directorate - £14.0m Forecast Overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
People Directorate	462.7	(255.6)	207.1

The major areas of identified pressures within the People Directorate are within Children’s and Adults’ Social Care. The reported position of £14.0m is after mitigating actions identified and there are further mitigating activities in development to achieve greater reductions this year. The most significant cause of pressures is both a mix of demographic pressures of both an increasing child population (15% in the last ten years) and an ageing population (21% adults living over 85 than 10 years previously). This is combined with a number of legislative changes that increase statutory responsibilities of local authorities without sufficient national financing.

Care & Support Adults - £7.1m Forecast Overspend

There are significant pressures in demand for services as set out above and specifically due to the increasing numbers of frail older people, people living longer with dementia and people living longer with lifelong conditions, which require significant input from health and social care services. Care packages for these people are provided based on eligibility identified in a statutory assessment of need and income.

The very significant work being undertaken to commission services differently is vital in supporting the delivery of a balanced budget. A better, more productive relationship with the local care market is envisaged. Recommissioning of Home Care, Residential and Nursing Care and Community Support Services are seen as key to ensuring we have services which deliver value for money, increased quality and better outcomes for service users and carers.

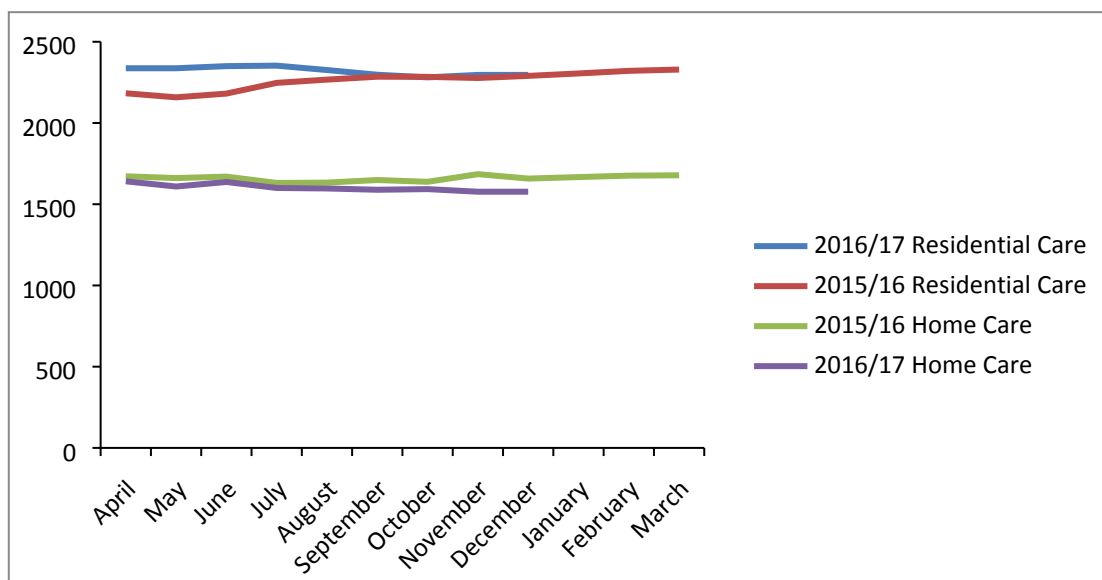
There is also on-going work to manage demand through implementation of the three tier model of support to help people live more independently where appropriate delaying or avoiding the need for high cost care.

There is significant overspend on care packages, this is shown by a £10.9m overspend on Third Party Payments which is due to £7.6m overspend on residential and nursing placements, £3m overspend on Community Support Services, and £0.7m on Home Care. There is also a £3.4m overspend on Direct Payments to fund care placements due to additional demand.

Some of this overspend is offset by increased contribution from NHS towards users with long term mental health conditions (£1.0m) and an increase in level of contributions from service users in line with increases in demand (£2.6m)

In the current year the following tables set out the pattern of demand.

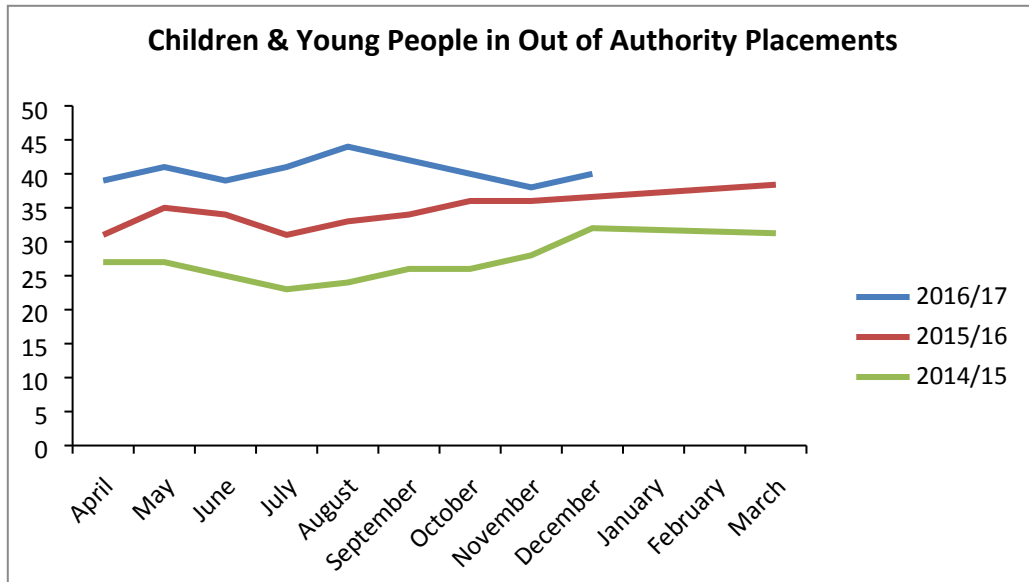
Chart 2: Trend in Monthly Residential and Home Care Activity



Care & Support Children and Families - £3.5m Forecast Overspend

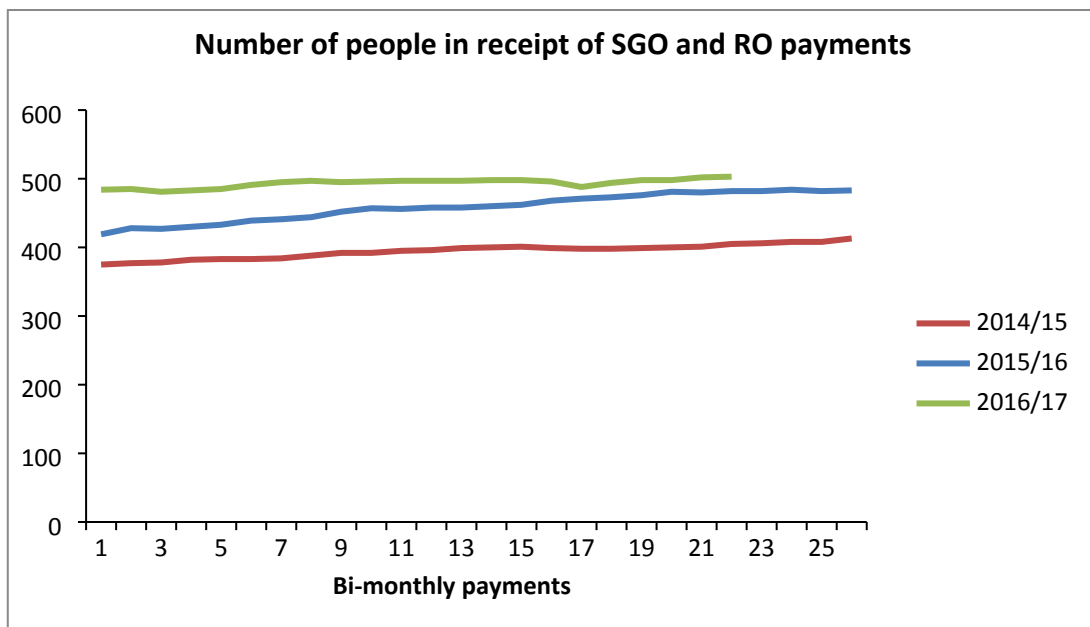
In the context of both a rising child population and increasing complexity of need in a number of cases, budget pressures are being faced in Children in Care. Whilst the numbers of Children in Care have remained around 700 over the last five years, against a rising child population, the average unit cost has increased due to an increase in the number of out of authority placements from an average of 26 during 2014/15 to currently 38, resulting in a budget pressure of £2.3m.

Chart 3: Children and Young People in Out of Authority Residential Placements



There also continues to be a significant pressure as a result of increases in special guardianship orders (SGOs) and residency orders (ROs). The number in receipt of SGO's and RO's has increased from 375 in 2014/15 to just fewer than 500 in 2016 resulting in a budget pressure of £1.9m. However this is balanced in part by some positive savings in numbers of children in independent fostering.

Chart 4: Increase in Numbers of SGO and RO Payments



Unaccompanied Asylum Seeking Children

Bristol has agreed to support an additional 10 Unaccompanied Asylum Seeking Children (UASC) as part of the National Transfer Protocol for UASC. A grant is paid to local authorities by the Home Office in relation to the age of the child for the period in which they are in care, this grant is not sufficient to cover the full costs of support required. This could cost Bristol City Council an additional £0.4m per annum.

Early Intervention & Targeted Support - £3.0m Forecast Overspend

The main areas of financial pressure within Early Intervention are in providing care for young people with Disabilities in the Preparing for Adulthood service. This is currently showing a £2.8m overspend. There is currently insufficient budget provision to meet new responsibilities under legislation of the Children and Families Act requiring Local Authorities to support young people up to 25 prior to adulthood.

Where a family is homeless but not deemed eligible under the Housing Act, we have a responsibility to provide emergency accommodation for children of families under the Children and Families Act. Due to the increase in homelessness across Bristol this is a financial pressure of £0.6m in 2016/17.

The overspends are in part offset by (£1.0m) underspends in Early Intervention – Adults. This is due to holding of vacancies and reduction in non-essential spend across provider services such as Bristol Community Links and Community Meals services and non-recurrent income relating to a service user in Concord Lodge funded by Continuing Healthcare.

13.2 Place Directorate - £2.8m Forecast Overspend

2016/17 Budget	Gross Revised Expenditure £m	Gross Revised Income £m	Net Revenue Budget £m
Place Directorate	121.3	(104.1)	17.2

The directorate is reporting a £2.8m overspend against budget and this represents a movement of (£3.5m) since Period 7 principally due to Residents Parking refinancing (£2.0m) and additional income within the Parking (£0.3m) and Planning Divisions (£0.2m) as well as a reduction in the forecast cost of Energy Utility purchase costs (£0.2m).

The most significant forecast variance for the directorate is a £9.1m overspend within the Property division, which is offset by underspends of (£4.2m) in Transport, (£1.6m) in Energy and (£0.5m) in Planning.

Energy – (£1.6m) Forecast Underspend

A large proportion (£1.3m) of the forecast underspend is due to the decision to reallocate the use of grant income from Capital to Revenue which resulted in a one-off gain to the Revenue account this year. This means that some capital projects will be transferred to prudential borrowing at an estimated annual revenue cost of £0.08m p.a. In addition, a one-off saving of (c.£0.5m) is now anticipated as a result of the Green Deal revenue contribution.

Planning - (£0.5m) Forecast Underspend

In the Planning division there is a forecast underspend of (£0.5m) which is as a result of increased income forecast within Engineering design team as well as increased income from Development Management fees and savings plans being implemented.

Property - £9.1m Forecast Overspend

This overspend largely relates to a forecast £7.7m shortfall in the delivery of the MTFS savings target (relating to 2015/16 and 2016/17), which broadly assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

There is a £0.6m historic overspend (since before 2012) on Facilities Management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

Transport – (£4.2m) Forecast Underspend

The forecast underspend in Transport of (£4.2m) has increased by (£3.0m) since period 7.

The largest part of this increase (£2.0m) is as a result of the refinancing of loans relating to Residents Parking, where accelerated loan payback was previously applied, and the payback period is being extended such that the initial £6m capital loan will now be fully paid back in financial year 2019/20 (instead of 2017/18 as with the existing accelerated repayment plan).

In addition, there has been (£0.3m) of additional income in Parking Services (bringing the total underspend in Parking Services to £1.2m) and (£0.2m) savings in Concessionary fares, based on the latest passenger data.

The remaining underspend is a result of (£0.2m) savings from Supported bus services as well as (£0.3m) savings in controllable spend in Highways services as a result of; (£0.3m) in Strategic City Transport, (£0.2m) increased income in Signals and Lighting, reduced by additional costs in Park and Ride services of £0.2m.

13.3 Neighbourhoods – (£2.1m) Forecast Underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Neighbourhoods	324.7	(255.6)	68.7

The Neighbourhoods directorate is reporting a forecast underspend of (£2.1m) as at the end of Period 9 compared to a forecast underspend of (£0.4m) forecast at the end of Period 7, which represents a movement of (£1.7m). The main constituents of this movement are as follows:

- There have been savings of (£0.7m) in Neighbourhoods and Communities

- There have been savings of (£0.5m) forecast in Housing Services – General Fund

The largest elements of the (£2.1m) forecast underspend are a (£1.0m) surplus in Neighbourhoods and Communities and a (£0.9m) underspend in Waste.

Neighbourhoods & Communities - (£1.0m) Forecast Underspend

The forecast underspend in Neighbourhoods and Communities has increased by (£0.7m) since period 7.

Neighbourhood management - (£0.2m) Forecast Underspend

This Service is forecasting an underspend of (£0.2m), mostly due to underspends in the NH ABS team (£0.07m) due to higher than expected funding from Public Health; Stapleton road project (£0.07m) and Community Development operations (£0.05m). Not included in the above is the effect of the current spending freeze on Neighbourhood Partnerships (£0.3m). This underspend has increased by (£0.15m) since period 7 and will be reflected in the P10 report.

Parks and Green Spaces (£0.6m) Forecast Underspend

This Service is forecasting an underspend of (£0.6m), partly (£0.2m) due to increased income at Cemeteries and Crematoria, partly due to reductions in planned expenditure as a result of the current spending freeze.

Libraries - (£0.1m) Forecast Underspend

This Service is forecasting an underspend of (£0.1m), due to the delayed installation of 'extended access', which is a one-off saving for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

13.4 Resources - £2.8m Forecast Overspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m
Resources	40.1	(14.4)	25.7

The Resources directorate is reporting a forecast outturn of £2.8m overspend for period 9 which is an improvement of £0.4m from period 7. The main variance within Resources is within the ICT Service, which has been offset by savings in other areas. The overspend against budget for ICT relates to additional hardware and maintenance costs (£2.8m) and software development service increases (£1.3m) as a result of growth in additional demand for license costs. This is in part as a result of investment in new technology and digital developments.

13.5 City Director – (£0.3m) Forecast Underspend

2016/17 Budget	Gross Expenditure £m	Gross Income £m	Net Revenue Budget £m

City Director	10.6	(3.7)	6.9
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Although there have been movements within the detailed forecast the City Directorate forecast remains at a 0.3m underspend as per P07.

13.6 Corporate Savings Programme - £10.5m Forecast Overspend

There has been a reduction of £0.06m against the forecast pressure in the change programme expenditure since period 7 due to the freeze on expenditure.

It is expected that the forecast position may fluctuate during the next few months as planned restructures are agreed and implemented.

At the beginning of the financial year, the Council had a savings target against the Change Programme of £34.7m, which comprised £15.2m undelivered savings from 2015/16 and £19.5m relating to 2016/17. For the purposes of this report, we have shown a net figure. The following table provides estimates of the forecast savings delivery as at end Period 9 (December 2016).

Table 3: Summary of Net Corporate Savings Programme Budget Position

	£m
2016/17 Change Programme Savings	19.5
2015/16 Undelivered change programme savings	15.2
TOTAL	34.7
Less:	
Savings Identified/Secured to address the gap	(14.1)
Release of Contingency	(6.3)
TOTAL TO BE IDENTIFIED	14.3
Overspend against change programme expenditure	1.5
Less: Use of forecast capital receipts to fund transformation activity	(5.3)
TOTAL CHANGE PROGRAMME	10.5

The Council has initiated a Council Wide programme of activities and work streams to specifically focus on delivering the savings needed in the current financial year. This has included:

- A review of all spend against corporate budget lines resulting in reduced budgets across areas such as staff expenses, conference and training budgets, printing etc.;
- A review of all vacancies to delete any vacant posts that are no longer required, resulting in budget reductions;
- All services and directorates developing and preparing savings proposals for delivery through the remainder of this financial year;
- A contingency was included in the original programme to mitigate against risks of non-delivery of savings or savings double counts. This has been released;
- A review is underway of all the Council's service directorate earmarked reserves;
- In period 9, a further assessment of the risk to delivery is being undertaken, the

outcome will be reported in the Period 10 Report.

As savings are validated, budgets across services and directorates are being reduced to secure these savings.

Within this budget line, there is investment required to facilitate the delivery of some of the savings. There is a current forecast overspend of £1.5m against these items, which includes the delivery of IT solutions.

13.7 Other / Corporate Budgets – (£14.3m) Forecast Underspend

The forecast underspend in Period 9 has increased to £14.3m. The main budget in this area is the capital financing budget of £19.3m. It is currently forecast that this budget will be underspent by £10.6m as a result of re-profiling of the capital programme and a further adjustment to the forecast further to the amendment to the Minimum Revenue Provision Policy (agreed at Full Council on 13th December 2016). This area also includes certain contingency budgets and other expenditure budgets of a corporate nature, including expenditure on levies.

The Council receives S31 grant each year to cover various business rate reliefs. The budget for this financial year was assumed to be £1.0m. The latest forecast indicates this is likely to be £3.0m in this financial year, which is £2.0m above the budgeted amount. This is reflected in the forecast for Other / Corporate Budgets.

Included within the forecast is income from the Port Dividend of £2m. We have now been informed that the actual income will be c£2.6m and this is now reflected in the forecast for Other/Corporate Budgets.

The general contingency included in other budgets stands at £2.8m. This is held as a contingency to cover miscellaneous cost pressures across all service areas. As previously reported, to date £1.1m has been set aside to cover the forecast cost of workforce court ruling, support to the Children's Service as part of the Ofsted Improvement Plan and to support the Corporate ERP Project.

Therefore, the remaining contingency is reduced to £1.7m and it is assumed that this will be required by the end of the financial year.

Ring-fenced Accounts

Dedicated Schools' Grant (DSG) - £4.3m Forecast Overspend

14. In 2016/17, the Council will receive £175m Dedicated Schools' Grant, which is ring-fenced and passported through to fund schools, with an element retained centrally by the Council to provide a range of support to Schools. Schools that have transferred to academy status receive their funding directly from the Department for Education – this amounts to a further £137.9m.

There continues to be pressures against the high needs block, which is forecast to be c£5.3m in the financial year, which includes brought forward pressures from 2015/16 of £1.9m. In response to national concerns regarding High Needs funding, the

Government has recently announced a one off grant to Local Authorities to help find solutions to the funding challenge.

15. The service is undertaking significant level of work in conjunction with the Schools Forum in order to manage this budget:

- a) In April the top up rates were reviewed and reduced across mainstream schools which has been followed by a further reduction in September, generating a total annual saving of £2.1m;
- b) an inclusion panel has been created with the aim of reducing pupil exclusions – as a result there have only been two secondary exclusions in term 1 compared to seventeen in the same period in the previous academic year;
- c) Special school and Pupil referral unit budgets have also been reviewed, top up and site specific rates have been cut by 5% which will generate an annual saving of £600k, further work is planned to continue review of special schools and also resource bases.

16. Any deficit on the DSG at the year-end would need to be carried forward - thereby creating a further pressure for the DSG in future years.

Public Health

17. The ring-fenced Public Health service is currently forecasting an overspend of £1.6m. This is mainly due to a government in year cut of the grant of 7.6% in year during 2015/16 and further 2% cut to the grant this year. Public Health are managing this overspend through the Public Health reserves which currently has a balance of £4.8m. There is no impact on the general fund of this overspend in this financial year, however the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

Housing Revenue Account (HRA)

18. The following is a summary of the HRA budget position as at the end of Period 9 compared to the position as at end of period 7. Further detail is included as part of Appendix A to the report.

Table 5: Housing Revenue Account Budget Forecast

HOUSING REVENUE ACCOUNT - Period 8	Gross Exp £m	Gross Income £m	Revised Net Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	Period 7 Forecast Outturn Variance £m
Strategy, Planning & Governance	24.7	-131.3	-106.6	-108.0	-1.3	-0.8
Responsive Repairs	47.4	-17.4	30.0	30.6	0.5	0.5
Planned Programmes	18.0	-1.3	16.7	14.6	-2.1	-2.2
Estate Management	16.2	-2.1	14.2	14.0	-0.1	-0.2
HRA Financing & Funding	46.2	-0.5	45.7	45.7	0.0	0.0
HOUSING REVENUE ACCOUNT TOTAL	152.6	-152.6	0.0	-3.1	-3.1	-2.7

19. There is currently a forecast underspend within the HRA of (£3.1m), which has increased by (£0.4m) since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets;
- Identification of a further (£0.4m) income from energy efficiency schemes;
- There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce;
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a saving against budget; Contractor issues have also led to some delays, resulting in a (£0.7m) underspend. A housing procurement specialist is being recruited who when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

20. Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore this does not impact on the General Fund. However, the HRA Business Plan has been recalibrated to take account of the impact of the 1% rent reduction and other proposed government changes and to reflect what is likely to be a very financially challenging future.

B - Managing Savings

21. To ensure that there is transparency and clarity in relation to the source of savings (from which department and service area from which the saving is to be delivered) and avoid any possible double counting etc;, we are monitoring savings using a single savings tracker. This will be reported under each directorate and will be risk assessed for full delivery within the planned timescales.

C - Reserves

22. The general reserve is set annually as part the budget process in the context of the risks to which the Council is exposed. The balance on the General Reserve is £20m and at present the Service Director: Finance is taking all appropriate actions to avoid any utilisation in 2016/17. This will be kept under constant review.

23. At the start of the financial year the Council had general fund earmarked reserves of £106m. Some of these reserves will be spent during this financial year and others will be earmarked for specific purposes with spend to be incurred in future years.
24. Where reserves are identified as no longer required for the purpose that they were earmarked, they will be released to the Operational Reserve and made available to mitigate the financial pressures in this financial year. A total of £2.4m has so far been identified that could be released from reserves and this has been included in the forecast reported in Table 2 and the full movement on reserves will form part of the Outturn report.

D - Capital Programme

25. The capital programme changes during the year as the phasing of schemes is reviewed and the notifications of additional schemes and resourcing are received (to the extent that these projects are fully funded). The Capital Board (an officer working group) oversees the coordination of the Capital Programme, ensuring that projects are delivered within their allocation of funding and planned timescales. As at the end of Period 9, there is a forecast underspend for the year of £7.4m. Monitoring indicates that capital spending in 2016/17 will be £216.9m compared to the latest approved budget of £224.3m. It should be noted that this is primarily slippage and will increase costs in 2017/18.

The following table sets out the forecast of spend by Directorate. Additional detail is provided at Annex 2.

Table 6: Capital Programme Forecast Expenditure & Financing

	Period 7 2016/17 Budget	Capital Budget Adjustments	Period 9 2016/17 Combined Budget	2016/17 Forecast Outturn	2016/17 Forecast Outturn Variance	2016/17 Actual Spend to Date
	£m	£m	£m	£m	£m	£m
People	40.8	(0.1)	40.7	41.3	0.6	19.2
Place	87.3	0.4	87.7	82.5	(5.2)	44.4
Neighbourhoods	9.8	1.1	10.9	9.5	(1.4)	5.5
Resources	18.7	(7.0)	11.7	12.2	0.5	8.9
City Director	0.0	7.0	7.0	6.9	(0.1)	0.6
Housing Revenue Account	56.0	0.0	56.0	52.9	(3.1)	39.3
Corporate	10.2	0.1	10.3	11.6	1.3	7.6
Totals	222.8	1.5	224.3	216.9	(7.4)	125.5
Finance By:						
Prudential Borrowing			83.7	83.8	0.1	
Capital Grants			70.3	65.9	(4.4)	
Capital Receipts *			0.4	0.4	0.0	
Revenue Contributions			13.9	13.9	0.0	
Housing Revenue Account (Self-Financing)			56.0	52.9	(3.1)	
TOTAL CAPITAL FINANCING			224.3	216.9	(7.4)	

26. The actual capital spend to the end of Period 9 is £125.5m (56% of Combined Budget). Whilst historic trends indicate that capital spending increases towards the end of the financial year, the level of forecast spend to date (31st December 2016) is low compared to the current budget for the financial year. Projected spend to the year end, based on a pro-rata basis, would be £167.3m or 75% of the current budget (67% as at Period 7).

27. During Period 9, there has been the following approved changes resulting in the budget for Period 9 increasing from £222.8m to £224.3m:

- a virement of budget (£7m) from the Resources Directorate to the City Director, reflecting the Bristol Futures service moving between the directorates. A budget increase of £0.4m for Severn Road Avonmouth development to provide the construction of a road access as part of the contract agreement funded from the resulting capital receipt.
- Minor variations to the budget agreed by the Capital Board of £0.1m, which is now reflected in the Neighbourhoods budget. This relates to the receipt of external funding to support the provision of additional play facilities.
- Colston Hall Phase II – At the meeting of the 29th June 2016, Cabinet approved a contribution of £1.6m to progress design work to enable a detailed planning application to be submitted. In addition to this, the Bristol Music Trust have been granted £0.4m from the Arts Council England (ACE) to contribute to this work. It is anticipated that the spend will be £1.6m in 2016/17 and £0.4m in 2017/18.
- The additional award of Disabled Facilities Grants for the year has been incorporated (£1m)

28. As at the end of December 2016, there is a forecast net underspend against the Capital Programme of £6.4m, against an overspend of £3.1m at the end of Period 7. The following is a summary of the significant areas where budget pressures have been identified.

29.1 Neighbourhoods – (£1.4m) Forecast Underspend

Bristol Operations Centre – (£0.7m) Forecast Underspend

While spend over the life of the budget is forecast on budget, £0.7m of budget is waiting to be re-phased from 2016/17 into 2017/18, to match with forecast expenditure which has been re-phased into 2017/18 to reflect updated view of contract award dates and subsequent activity.

Parks & Green Spaces – (£0.6m) Forecast Underspend

Re-profiling of budgets and forecasts is required across all years in order to properly reflect an expected breakeven in expenditure on Parks capital.

Neighbourhoods & Communities – (£0.1m) Forecast Underspend

While spend over the life of the budget is forecast to budget, £0.1m of budget is waiting to be re-phased from 2016/17 into future years, to match with forecast expenditure which has been re-phased into those years.

29.2 Housing Revenue Account – (£3.1m) Forecast Underspend

The majority (£2.8m) of the forecast underspend is due to issues affecting three new-

build sites, including contractor liquidation, construction issues and procurement delays.

There is a forecast under spend of (£1.0m) under Heating installations, where access to properties is an ongoing issue and a further (£100k) reduction in spend on replacement TRV's (radiator valves) is caused by the same issue.

For the External High-rise Block Cladding schemes, an additional amount of £0.3m has been forecast to be spent, covering agreed additional works to be completed. There is a £0.1m forecast saving in the Replacement Lift Programme due to procurement delays with issue of contracts.

29.3 People Directorate Services - £0.6m Forecast Overspend

The main areas of spending pressure are related to the Education Capital Programme and also the transformation programme in Care Management. Managers have been closely monitoring the actual and forecast expenditure against the revised budget, with further work ongoing to review budget profiles and project spend across the life of the projects.

29.4 Place Directorate Services – (£5.2m) Forecast Underspend

Place directorate is reporting a (£5.2m) underspend against budget for 2016/17 financial year which consists of forecast underspends of (£4.5m) in Energy, (£0.4m) in Property, (£0.3m) in Economy and (£0.2m) in Planning whilst Transport is forecasting an overspend of £0.2m. This represents a movement of (£6.2m) since Period 7.

Economy – (£0.3m) Forecast Underspend

The re-phasing of the Enabling Activities project to future years has been approved by Capital Board but not reflected yet in ABW.

Energy – (£4.5m) Forecast Underspend

More than half (£2.4m) of this underspend relates to underspent Green Deal grant derived from Department of Energy & Climate Change / Department of Business Energy & Industrial Strategy funding which originally totalled £7.3m this will either need to be paid back to funders or allocated to a loan fund scheme.

A further (£1.2m) of this relates to ELENA grant funding, where the project is now complete. In addition, (£1.3m) reflects the use of Energy ECO funds to support revenue. A £1.3m requirement for additional prudential borrowing has been shown within the Energy Infrastructure project, but it does not relate to an actual underspend. The above has been partly offset by a forecast overspend of £0.3m re: Carbon Trust where income from the revolving fund needs to be recognised.

Planning – (£0.2m) Forecast Underspend

There is a (£0.2m) forecast underspend on Planning projects due to resources being prioritised on Corporate projects with external funding eg CAF/MetroBus.

Property – (£0.4m) Forecast Underspend

There is a (£0.3m) underspend on works to refurbish Eastville depot and (£0.1m) underspend on renovation of lifts at BMAG, as work on both these projects is completed these budgets are due to be handed back.

Transport – £0.2m Forecast Overspend

There is a £0.8m forecast overspend on the Bus Shelter Replacement project as the MetroBus Programme didn't slow down the delivery of the Shelter Replacement Project as was originally envisaged. This has been offset by an underspend of (£0.2m) in the forecast spend on Southmead Hospital S106 where part of the funding is being returned to the developer. In addition there is a forecast (£0.1m) underspend reported against LSTF Local Growth Fund where funding has had to be returned and the budget is to be reduced. A further (£0.2m) underspend is forecast this year on the River Avon Path project as a result of procurement delays.

Capital Receipts

29. The assumed level of 2016/17 Capital Receipts are to support 2016/17 general fund revenue transformational schemes. The current disposal programme estimates general fund gross receipts of £5.3m for 2016/17. We have so far completed £2.3m and the remaining £3.0m has contracts exchanged.

Furthermore, please see the table below for the risk adjusted 5-year forecast for all assets in-scope under the capital disposal programme: £6.6m for £2017/18 and £8.4m for 2018/19.

Table 7: Capital Receipt Forecasts

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
All In-scope Assets Delivery	8.5	9.5	21.1	4.3	1.9	45.4
Base Case Forecast Delivery	5.3	6.6	8.4	6.5	6.3	33.1

Capital Financing

30. The capital financing assumptions are detailed in Table 6 above. As part of the overall review of the capital programme already referred to, the capital financing assumptions and the future revenue implications will be kept under review. However, with a programme of this size, it is unlikely that there will be future underspends on the capital financing budget, and therefore the contribution being made towards the 2016/17 forecast outturn variance should be assumed to be a one-off position.

31. The current capital financing assumptions exclude anticipated capital receipts of £5.3m. As set out in the Full Council report of the 13th December 2016 new flexibilities allow these receipts to fund revenue transformational activities. This will mean that these receipts will no longer be available in 2016/17 to finance this proportion of the Capital Programme.

32. Included in the General Revenue Fund is a capital financing budget of £19.3m, which is currently forecasting an underspend of £10.6m, an increase of £6.5m from the

previously reported underspend of £4.1m The additional savings are in relation to:

- a. Full Council approved a change to Minimum Revenue Policy (MRP), the minimum amount that the local authority should set aside to repay future debt at its meeting on the 13th December. As set out in the report, this change resulted in a reduction of £4.3m to assist with mitigating the current revenue budgetary pressures;
- b. Higher dividend income than expected (£1.1m) from the Bristol Port Company;
- c. The delay of taking borrowing while the authority has liquid investments and interest rates remain at low levels has reduced the authorities net borrowing costs and along with a review of the Corporate contribution for PFI schemes has resulted in a reduction of costs (£1.1m).

E – Managing Income

33. Collection rates for both business rates and council tax are broadly on target for 2016/17. A report on the Collection Fund position was presented to Full Council on 17 January 2017. This estimated the surplus on the council tax element of the Collection Fund to be £4.6m (Bristol City Council share £3.9m) and on the business rates element an estimated surplus of £13.2m (Bristol City Council share £6.5m). These figures include an estimated year end position for 2016/17 along with adjustments relating to previous financial year. The in-year Collection Fund position for 2016/17 indicates an estimated surplus on Council Tax of £3.7m (Bristol City Council share £3.1m) and a deficit on business rates of £5.3m (Bristol City Council share £2.6m). The deficit on business rates is due to the volatility around the appeals provision. This is monitored on a monthly basis, but the final position will not be known until year-end. As the surplus position on the Collection Fund for 2016/17 has now been agreed and built into the base budget for 2017/18, any adjustment to this figure will not impact on the budget until 2018/19.
34. The Council has received applications from a number of health care trusts for mandatory charitable rates relief. In line with advice from the Local Government Association, all claims have been rejected and, to date, no counter applications have been made. The trusts are continuing to pay their business rates. The Council is also aware of an application from a telecommunications company to have their telecommunication network transferred from the local rating list to the central list, with a potential for a backdated refund. Officers are in contact with the Valuation Office but currently very little information is available to the Council as Billing Authority.
35. The council currently has a total of 34,970 outstanding debts. Of the £30.6m outstanding debt included in Table 8, the top 20 debtors, ranging from £0.1m to £2.05m amounts to £9.91m of the debt, or 32% of the total outstanding debt. A detailed analysis is set out in Annex 3 of this appendix.
36. At the end of each financial year, the Council is required to calculate a bad debt provision based on its level of outstanding debt. The amount of provision required is dependent on the age of the debt, with all debt over 2 years, being 100% provided for. The current bad debt provision (as at 31st March 2016) is £11.8m. Based on the

current level of debt in table 8, if no further action is taken, the required bad debt provision is estimated to be £15.9m. Single, large debts can have a disproportionate impact on the provision required. However, action will continue to be taken between now and the end of the financial year to ensure that the value of outstanding debt is reduced.

Table 8 - Outstanding Sundry Debt Analysis by Directorate

Directorate	Outstanding Value £000's	Average Value £
People	17,724	1,606
Resources	317	568
Neighbourhoods	3,416	353
Place	5,387	1,549
City Director	135	9,627
Corporate & Other	3,632	1,691
TOTALS	30,610	875

F - Treasury Management

37. No borrowing has been undertaken to date during 2016/17. Net debt (borrowing less investment) has increased by £12m between the 31st October to 31st December 2016 from £284m to £296m due to expected changes in grant income.

38. The average level of funds available for investment purposes during the first nine months of the year was £0.160m. The return for period was 0.58% compared to the recognised benchmark of 0.23% (7 day Libid average for period).

39. The 2016–2019 Treasury Strategy identified a medium term borrowing requirement of £0.150m to support the existing and future Capital Programme. The Council's agreed policy is to defer borrowing while it has significant levels of cash balances (£118m at December 2016, £70m estimated for March 2017). The authority is planning on borrowing £20m during the year at a preferential rate from the PWLB that expires on the 31st March for the Bristol Temple Meads East Regeneration (Arena) scheme with the net financing costs contained within the existing capital financing budget. No further borrowing is anticipated in the current financial year unless rates are expected to rise significantly from their current position to enable the authority to reduce its exposure to interest rate risk.

40. The Council has complied with all treasury management legislative and regulatory requirements during the period and all transactions were in accordance with the approved Treasury Management Strategy.

G – Bristol City Council Owned Companies

41. Since Period 7 2016/17, a further £3.3m investment has been made to Bristol Holding Company. The amount of loans / investments as at the 31st December 2016 is set out below:

Bristol Holding Company - £12.9m
Bristol is Open - £0.350m

Period 9 Budget Monitoring - Summary

	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
People						
Strategic Commissioning & Commercial Relations	20,611	20,262	19,097	(1,165)	123	18,974
Care & Support - Adults	102,297	111,119	118,388	7,268	617	117,771
Care & Support - Children & Families	43,338	43,446	46,955	3,509	97	46,858
Education & Skills	7,509	6,408	7,135	727	(821)	7,957
Dedicated Schools Grant	0	95	95	0	(0)	95
Management - People	(26)	(25)	679	705	11	668
Early Intervention & Targeted Support	23,436	24,792	27,765	2,973	(108)	27,873
Capital - People	0	0	0	0	0	0
Total People	197,165	206,096	220,114	14,018	(81)	220,195
Resources						
ICT	8,384	8,865	12,539	3,675	(70)	12,609
Legal and Democratic Services	7,362	6,490	6,585	95	140	6,444
Finance	6,341	4,188	4,137	(50)	(42)	4,179
HR & Workplace	6,728	6,100	5,189	(911)	(341)	5,530
Total Resources	28,815	25,642	28,450	2,809	(312)	28,762
Neighbourhoods						
Citizen Services	13,143	12,591	12,880	290	(436)	13,317
Waste	27,548	27,423	26,531	(892)	(133)	26,664
Neighbourhoods & Communities	14,319	14,457	13,472	(986)	(158)	13,629
Women's Commission	5	5	5	0	0	5
Public Health - General Fund	2,474	1,940	1,673	(267)	(593)	2,266
Housing Services - General Fund	13,730	12,704	12,469	(235)	(735)	13,204
Total Neighbourhoods	71,219	69,120	67,029	(2,090)	(2,055)	69,085
Place						
Property	(7,493)	(7,468)	1,668	9,136	(379)	2,047
Planning	324	387	(70)	(457)	(198)	128
Transport	16,107	14,091	9,931	(4,161)	(3,005)	12,935
Economy	6,163	5,435	5,435	(0)	(50)	5,485
Economy - ABS Team	2,020	1,818	1,661	(157)	31	1,630
Capital - Place	0	0	0	0	0	0
Energy	3,124	2,921	1,353	(1,568)	(460)	1,813
Total Place	20,244	17,184	19,978	2,793	(4,061)	24,039
City Director						
Policy, Strategy & Communications	2,802	3,227	2,821	(406)	(28)	2,850
Bristol Futures	1,664	1,509	1,405	(104)	98	1,307
Executive Office Division	2,025	2,164	2,361	197	(52)	2,413
Total City Director	6,490	6,901	6,587	(314)	18	6,569
CORPORATE SAVINGS PROGRAMME TOTAL	(16,304)	(8,691)	1,768	10,459	423	1,346
SERVICE NET EXPENDITURE	307,630	316,252	343,926	27,675	(6,070)	349,996
OTHER CORPORATE BUDGETS	37,807	29,554	15,311	(14,243)	(475)	15,786
RELEASED FROM RESERVES	0	0	(2,400)	(2,400)	0	(2,400)
TOTAL REVENUE NET EXPENDITURE	345,437	345,806	356,837	11,031	(6,545)	363,382
HOUSING REVENUE ACCOUNT SUMMARY						
	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
Housing Revenue Account						
Strategy, Planning & Governance	(103,803)	(106,623)	(107,972)	(1,349)	(511)	(107,461)
Responsive Repairs	30,113	30,040	30,588	547	0	30,588
Planned Programmes	16,965	16,703	14,702	(2,001)	221	14,481
Estate Management	11,031	14,187	13,808	(379)	(185)	13,993
HRA - Funding & Expenditure	13,939	13,939	13,939	0	0	13,939
HRA - Year-end transactions	31,754	31,754	31,754	0	0	31,754
Total Housing Revenue Account	(0)	(0)	(3,182)	(3,182)	(476)	(2,706)
RING FENCED PUBLIC HEALTH						
	2016/17 - Full Year				Period 7 Forecast	
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
	£000s				£000s	
Public Health	29	29	29	0	0	29
Total Public Health	29	29	29	0	0	29

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Strategic Commissioning & Commercial Relations

Services provided by Strategic Commissioning & Commercial Relations

Practice lead for commissioning and procurement for the Council. Commissioning, contract management and QA for commissioned adults services and some children social care services. Shareholder and client support for companies the council owns.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
111	Joint Commissioning (Adults)	506	909	828	(81)	383	445
112	Joint Commissioning (Children)	3,968	3,971	3,777	(194)	(47)	3,823
115	Contracts & Quality	15,196	14,474	13,660	(815)	(65)	13,724
117	Service Director- Sp&C	942	908	578	(330)	(65)	643
119	Companies	0	0	0	0	0	0
191	Project Management & Support	0	0	254	254	(83)	338
Total Strategic Commissioning & Commercial Relations		20,611	20,262	19,097	(1,165)	123	18,974

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	8,955	9,007	8,974	(33)	209	8,765
2	Premises-Related Expenditure	1	0	4	4	3	1
3	Transport-Related Expenditure	30	21	53	32	(0)	54
4	Supplies & Services	704	886	794	(92)	83	710
5	Third Party Payments	13,566	14,579	13,528	(1,051)	(14)	13,543
6	Transfer Payments	0	0	0	0	0	0
7	Support Services	318	223	255	33	129	126
Expenditure		23,575	24,715	23,608	(1,107)	409	23,199
9	Income	(2,963)	(4,454)	(4,511)	(58)	(286)	(4,225)
Income		(2,963)	(4,454)	(4,511)	(58)	(286)	(4,225)
NET Expenditure		20,611	20,262	19,097	(1,165)	123	18,974

Notes

Within Contracts and Quality service, an underspend of £465k relates to a reduction in spend on Supporting People contracts due to lower activity than expected. There is also a staffing underspend of £250k due to in-year restructuring of procurement team.

£318k of third party payments relates to an underspend on a contract due to contract expiring and service in process of being recommissioned

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Care & Support - Adults

Services provided by Care & Support - Adults

The service's key function is the provision of support services for adults aged 18 plus including care, support and safeguarding for those people in our communities who have the highest level of need and for their carers.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
141	Complex Case/Transitions/AMHP	30,938	34,059	35,688	1,629	613	35,075
142	Front Door Services / Hospitals	27,190	31,729	34,943	3,214	(262)	35,205
143	Strategic Safeguarding	1,469	1,479	1,212	(267)	162	1,050
144	Area Community Teams/Care Brokerage/SI	30,314	31,903	35,964	4,061	821	35,144
145	Reablement, Intermediate Care & Regulated Services	11,321	11,108	9,838	(1,270)	(624)	10,462
146	Technical Specialist Mental Health/PSW	1,064	1,054	742	(311)	(92)	834
Total Care & Support - Adults		102,297	111,332	118,388	7,056	617	117,771

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	22,542	23,943	21,845	(2,098)	(769)	22,614
2	Premises-Related Expenditure	395	393	203	(191)	(241)	443
3	Transport-Related Expenditure	280	280	262	(18)	2	260
4	Supplies & Services	3,098	2,956	3,057	101	(15)	3,072
5	Third Party Payments	99,359	108,200	119,092	10,892	1,686	117,406
6	Transfer Payments	10,460	13,683	17,084	3,401	215	16,870
7	Support Services	344	344	359	14	123	236
Expenditure		136,478	149,800	161,901	12,101	1,001	160,900
9	Income	(34,182)	(38,468)	(43,514)	(5,046)	(384)	(43,130)
Income		(34,182)	(38,468)	(43,514)	(5,046)	(384)	(43,130)
NET Expenditure		102,297	111,332	118,388	7,056	617	117,771

Notes

There is significant change in the forecast due to the transfer of resources (£944k) to Early Intervention and Targeted Support from Care and Support – Adults as we restructure to create an Early Intervention and Targeted Support service for adults. This position is subject to further review.

There is significant overspend on care packages, this is shown by a £10.9m overspend on Third Party Payments which is due to £7.6m overspend on residential and nursing placements, £3m overspend on Community Support Services, and £0.7m on Home Care, also a £3.4m overspend on Transfer payments is additional demand for Direct Payments to fund care placements.

This is partially offset by forecast underspend of £2m on staffing due to vacancies being held in services (£196k Care Brokerage, £381k Care Direct, £543k Reablement)

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Care & Support – Children & Families

Services provided by Care & Support – Children & Families

This service provides and commissions targeted and specialist services to children, young adults, and families in Bristol. These services aim to meet the needs of children where universal services alone will not ensure their well-being.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
153	Quality Assurance, BSCB	1,434	1,442	1,441	(0)	19	1,422
154	Area Social Work (North)	1,893	1,901	2,126	225	(53)	2,179
155	Area Social Work (East/Central)	2,888	2,918	3,553	636	(27)	3,580
156	Area Social Work (South)	2,026	1,948	2,030	82	57	1,972
157	Placements Service	6,917	6,922	6,320	(602)	(211)	6,531
158	Looked After Children & Aftercare	25,429	25,577	28,682	3,106	334	28,349
159	Children & Family Support - Management	1,171	1,171	1,170	(1)	(10)	1,181
15A	Safeguarding and Area Services	1,581	1,568	1,632	64	(12)	1,644
Total Care & Support – Children & Families		43,338	43,446	46,955	3,509	97	46,858

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	16,796	17,108	17,771	663	186	17,586
2	Premises-Related Expenditure	297	212	274	62	64	210
3	Transport-Related Expenditure	515	538	461	(77)	(3)	464
4	Supplies & Services	1,909	1,895	2,392	498	(96)	2,489
5	Third Party Payments	26,116	25,929	30,882	4,954	314	30,569
6	Transfer Payments	243	243	301	58	(6)	308
7	Support Services	159	185	(429)	(613)	(106)	(323)
Expenditure		46,035	46,110	51,654	5,545	352	51,302
9	Income	(2,697)	(2,664)	(4,699)	(2,035)	(255)	(4,444)
Income		(2,697)	(2,664)	(4,699)	(2,035)	(255)	(4,444)
NET Expenditure		43,338	43,446	46,955	3,509	97	46,858

Notes

£3,681m overspend mainly due to: continuing pressure on placement budgets – SGOs £1.9m and Out of Authority £2.3m. There is also an overspend on asylum seekers accommodation and ex gratia payments of £322k. There also continues to be pressure on emergency accommodation costs and use of agency staff due to a 20% increase in caseloads resulting in an inability to achieve the turnover provision of £558k. These pressures are partially offset by an underspend on fostering and adoption of (£602k), in house fostering (£605k) and independent fostering agencies of (£1,200k).

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Education & Skills

Services provided by Education & Skills

This service has statutory duties for Early Years including providing a Children's Centre offer, Specialist Education & Access, School Partnerships and provide Trading with Schools and Employment, Learning & Skills

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
161	Early Years Learning	6,488	5,418	5,560	142	(858)	6,417
162	Primary Learning	798	797	797	0	(3)	800
163	Secondary Learning	136	137	87	(49)	1	87
164	Additional Learning Needs	673	674	683	9	(17)	700
165	Employment & Skills	988	956	819	(136)	56	764
166	Trading with Schools	(1,573)	(1,573)	(811)	762	0	(811)
Total Education & Skills		7,509	6,408	7,135	727	(821)	7,957

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,798	7,545	7,154	(391)	(78)	7,231
2	Premises-Related Expenditure	231	218	318	100	(1)	319
3	Transport-Related Expenditure	54	52	55	3	2	54
4	Supplies & Services	2,292	2,242	2,544	302	80	2,464
5	Third Party Payments	13,372	7,123	7,489	367	124	7,365
6	Transfer Payments	10	10	10	0	0	10
7	Support Services	1,480	7,719	8,273	554	245	8,028
Expenditure		25,237	24,908	25,843	935	372	25,471
9	Income	(17,728)	(18,500)	(18,708)	(208)	(1,193)	(17,515)
Income		(17,728)	(18,500)	(18,708)	(208)	(1,193)	(17,515)
NET Expenditure		7,509	6,408	7,135	727	(821)	7,957

Notes

£811k forecast overspend due to TWS not achieving income target and forecasting to generate less income than last year, also deficit balance on Childrens Centres of £161k to be written off to general fund.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Dedicated Schools Grant

Services provided by Dedicated Schools Grant

Statutory duties to ensure sufficient, high quality primary, secondary & post 16 provision; current statutory duties for maintained schools causing concern; oversee admissions processes; statutory duties for Raising Participation Age (NEET)

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
171	Dedicated Schools Grant	1,165	1,165	1,165	0	0	1,165
172	Primary Learning - DSG	860	860	860	0	0	860
173	Management - DSG	1,783	2,128	(2,544)	(4,672)	(207)	(2,337)
174	Finance - DSG	(77,103)	(75,823)	(76,996)	(1,173)	(1,173)	(75,823)
175	Early Years Learning - DSG	30,338	30,507	31,009	502	625	30,384
176	Additional Learning Needs - DSG	42,695	40,996	46,339	5,343	755	45,583
177	Secondary Learning - DSG	23	23	23	0	0	23
178	Additional Learning Needs (non-HNB) – DSG	239	239	239	0	0	239
Total Dedicated Schools Grant		0	95	95	0	(0)	95

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,352	2,352	2,386	34	(222)	2,609
2	Premises-Related Expenditure	243	243	263	20	50	213
3	Transport-Related Expenditure	29	29	30	1	(1)	31
4	Supplies & Services	8,167	8,179	7,845	(334)	1,006	6,839
5	Third Party Payments	165,742	156,471	159,760	3,289	(1,868)	161,628
7	Support Services	170	8,076	9,937	1,861	897	9,040
Expenditure		176,703	175,349	180,221	4,872	(138)	180,360
9	Income	(176,703)	(175,255)	(180,127)	(4,872)	138	(180,265)
Income		(176,703)	(175,255)	(180,127)	(4,872)	138	(180,265)
NET Expenditure		0	95	95	0	(0)	95

Notes

£5.3m forecast overspend on High Needs block due to the cost of top up payments – though £1.8m of this relates to overspend from 2015/16 carried forward. The service is undertaking a significant level of work in conjunction with Schools Forum in order to manage this budget which will ultimately be contained within the DSG with no effect on the People General Fund budget.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Management - People

Services provided by Management - People

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
181	Management - People	(26)	(25)	679	705	11	668
Total Management - People		(26)	(25)	679	705	11	668

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,726	2,727	2,563	(164)	2	2,561
2	Premises-Related Expenditure	0	0	2	2	2	0
3	Transport-Related Expenditure	4	4	0	(3)	(3)	4
4	Supplies & Services	170	170	129	(41)	(41)	170
5	Third Party Payments	1,949	1,949	1,953	4	78	1,875
7	Support Services	(983)	(983)	(804)	179	10	(813)
Expenditure		3,866	3,867	3,844	(23)	48	3,796
9	Income	(3,893)	(3,893)	(3,164)	728	(37)	(3,128)
Income		(3,893)	(3,893)	(3,164)	728	(37)	(3,128)
NET Expenditure		(26)	(25)	679	705	11	668

Notes

Education Services Grant income has been cut in 2016/17 therefore showing a overspend of £728k - this has been addressed as part of the proposed 17/18 budget.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Early Intervention & Targeted Support

Services provided by Early Intervention & Targeted Support

Services span all ages and include three area based Early Help teams supporting children and families, taking a 'Think Family' approach (inc Troubled Families). This division has strategic leadership of targeted youth support.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
113	Targeted Support	7,585	7,568	8,252	684	(119)	8,371
152	0-25 Integrated Service	9,476	10,915	14,066	3,151	9	14,057
1A1	Service Director - EI & TS	0	0	87	87	(30)	117
1A2	Early Intervention – Adults	6,375	6,309	5,360	(950)	32	5,327
Total Early Intervention & Targeted Support		23,436	24,792	27,765	2,973	(108)	27,873

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	13,895	13,842	13,710	(131)	127	13,583
2	Premises-Related Expenditure	206	205	270	66	37	233
3	Transport-Related Expenditure	1,051	1,048	997	(51)	(25)	1,022
4	Supplies & Services	1,231	1,169	1,060	(109)	120	940
5	Third Party Payments	11,848	14,508	16,828	2,320	157	16,671
6	Transfer Payments	1,879	2,067	2,232	164	16	2,216
7	Support Services	5,306	5,314	4,721	(593)	163	4,559
Expenditure		35,416	38,153	39,819	1,666	596	39,223
9	Income	(11,980)	(13,361)	(12,054)	1,308	(704)	(11,350)
Income		(11,980)	(13,361)	(12,054)	1,308	(704)	(11,350)
NET Expenditure		23,436	24,792	27,765	2,973	(108)	27,873

Notes

Early Intervention - Adults

A £300k underspend in Community Links teams due to held vacancies, £280k underspend on equipment within the meals service due to freeze on non-essential spending and £240k income relating to Continuing Healthcare for a service user at Concord Lodge

0-25 Integrated Service

There is a £2.8m overspend on care placements primarily residential placements for 18-25 year olds with Learning Disabilities. There is currently insufficient budget provision to meet new responsibilities under legislation of the Children and Families Act requiring Local Authorities to support young people up to 25 prior to adulthood.

Savings from the Home to Schools travel budgets relating to provision of new school provision for those with Special Educational Needs have not been delivered as the new schools have yet to be commissioned. Therefore the Home to school travel budget is showing a £446k overspend

Targeted Support

Where a family is homeless but not deemed eligible under the Housing Act, we have a responsibility to provide emergency accommodation for children of families under the Children and Families Act. Due to the increase in homelessness across Bristol this is a financial pressure of £640k in 2016/17.

Local Authorities have a duty to fund accommodation costs of Youth Offenders on remand. These are low frequency high cost placements which are currently creating significant strain on budgets. Local Authorities can access some funding for this but it is insufficient to meet the full cost of placements, they are low volume/high cost placements and show an overspend of £197k this year.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Property

Services provided by Property

The strategic and operational management of the council's land, buildings and office accommodation (excluding social housing). The estate comprises property held for either service delivery, investment or development purposes.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
411	Facilities Management	2,913	2,927	4,958	2,031	(193)	5,151
412	Asset Strategy	418	418	195	(223)	(204)	399
413	Property Management	(10,824)	(10,812)	(3,484)	7,328	18	(3,502)
Total Property		(7,493)	(7,468)	1,668	9,136	(379)	2,047

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	10,757	10,578	10,675	97	(40)	10,715
2	Premises-Related Expenditure	9,266	9,415	12,014	2,599	2,294	9,720
3	Transport-Related Expenditure	4,288	4,288	1,986	(2,302)	(35)	2,021
4	Supplies & Services	4,793	4,793	3,871	(921)	(642)	4,514
5	Third Party Payments	474	474	457	(17)	23	434
6	Transfer Payments	68	68	68	0	0	68
7	Support Services	(2,649)	(2,594)	259	2,853	375	(115)
8	Depreciation and Impairment Losses	1,945	1,945	879	(1,065)	(234)	1,114
X	Capital Financing Costs	5	5	5	0	0	5
Expenditure		28,947	28,972	30,216	1,244	1,740	28,475
9	Income	(36,440)	(36,440)	(28,252)	8,187	(1,824)	(26,428)
Income		(36,440)	(36,440)	(28,252)	8,187	(1,824)	(26,428)
N	Income & Expenditure outside of Net Cost of Service	0	0	(295)	(295)	(295)	0
Transfer to \ from reserves		0	0	(295)	(295)	(295)	0
NET Expenditure		(7,493)	(7,468)	1,668	9,136	(379)	2,047

Notes

Property - £9.1m forecast overspend

Since period 7 there has been a £0.38m improvement the reported overspend for the Property division.

The overspend in the Property service largely relates to a forecast £7.7m shortfall in the delivery of the MTFS savings target (relating to 2015/16 and 2016/17), which broadly assumed savings in the following areas:

- Increased return on investment property holdings;
- Reduced running costs from the disposal of admin buildings;
- Reductions in facilities management costs.

There is a £600k historic overspend (since before 2012) on Facilities Management that mostly relates to unachievable recovery on internal trading income target for corporate waste management activities.

There is a £125k forecast deficit regarding a potential shortfall on rechargeable income for equipment use and maintenance services provided by Fleet to waste management (in turn by the Bristol Waste Company). Fleet service is actively exploring options with Waste Management team and Bristol Waste to mitigate this deficit including reductions on borrowing charge by sale of not-in-use assets under the waste contract, and seeking agreement on TUPE maintenance staff to the Bristol Waste company. It is to fully resolve this current forecast deficit back to £0.

There is a £153k forecast overspend against the budget for National Non Domestic Rates (NNDR) due to the historic absence of budget allocated for M-shed and Junction 3 when these buildings were constructed in 2011/12 and when budgets were centralised since financial year 2014/15. Savings achieved on NNDR for buildings that the Council no longer occupy have been separately given up under savings programmes.

There is a £125k forecast shortfall in income against the budget target for Markets as a result of an historic revenue target, which has not been met for the last 5 years. This deficit reduces to £78k when savings in Repairs and Maintenance are taken into account.

There are £67k costs due to increased workload in Security due to staff sickness and vacancies however this has reduced from £137k since period 7 due to savings in non-essential spend.

There is a £100k shortfall in income at the Create Centre resulting from loss of external tenants due to reduced parking; a letting rationalisation is underway to mitigate this.

There is a £54k shortfall in conference services income from the Passenger Shed (old station building Temple Meads) due to its poor condition, but the position is expected to improve.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Planning

Services provided by Planning

Planning is divided into Strategic City Planning, Development Management which includes Building Control and Planning Enforcement and City Design which includes Engineering Design.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
421	Strategic City Planning	691	808	796	(11)	(4)	800
422	City Design	11	2	(242)	(244)	(240)	(2)
425	Development Management	(378)	(423)	(625)	(202)	46	(671)
Total Planning		324	387	(70)	(457)	(198)	128

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	5,483	5,490	5,230	(260)	(20)	5,250
2	Premises-Related Expenditure	4	1	2	1	(0)	2
3	Transport-Related Expenditure	10	10	17	7	1	16
4	Supplies & Services	284	256	704	448	13	691
5	Third Party Payments	25	25	15	(10)	0	15
7	Support Services	24	74	77	3	(14)	91
Expenditure		5,828	5,855	6,044	190	(20)	6,065
9	Income	(5,504)	(5,579)	(6,115)	(536)	(178)	(5,937)
Income		(5,504)	(5,579)	(6,115)	(536)	(178)	(5,937)
N	Income & Expenditure outside of Net Cost of Service	0	111	0	(111)	0	0
Transfer to \ from reserves		0	111	0	(111)	0	0
NET Expenditure		324	387	(70)	(457)	(198)	128

Notes

Planning - (£0.5m) forecast underspend

In the Planning division there is a forecast underspend of (£0.5m) which has increased by (£0.1m) since period 7 as a result of increased income forecast within Engineering design. The remaining variance is due to increased income from Development Management fees as well as from savings plans being implemented.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Transport

Services provided by Transport

The Service is split into four distinct areas of operation – Strategic City Transport, Traffic, Highways and Sustainable Transport.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
431	Highways	4,701	4,299	4,007	(292)	24	3,983
432	Traffic	(3,370)	(4,391)	(7,817)	(3,426)	(2,490)	(5,327)
433	Strategic City Transport	2,148	1,523	1,226	(296)	(269)	1,495
434	Sustainable Transport	12,628	12,661	12,514	(146)	(270)	12,784
Total Transport		16,107	14,091	9,931	(4,161)	(3,005)	12,935

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	11,716	11,381	10,868	(513)	(89)	10,958
2	Premises-Related Expenditure	1,769	1,639	1,344	(294)	(225)	1,569
3	Transport-Related Expenditure	5,155	5,155	4,331	(824)	(0)	4,332
4	Supplies & Services	2,528	2,299	4,476	2,178	(133)	4,609
5	Third Party Payments	20,098	27,610	29,949	2,338	(1,513)	31,462
6	Transfer Payments	2,976	8,181	7,528	(653)	(931)	8,460
7	Support Services	3,697	3,707	2,746	(961)	(719)	3,465
8	Depreciation and Impairment Losses	600	600	(16)	(616)	(616)	600
Expenditure		48,540	60,572	61,227	655	(4,226)	65,454
9	Income	(32,309)	(46,356)	(50,512)	(4,156)	1,238	(51,751)
Income		(32,309)	(46,356)	(50,512)	(4,156)	1,238	(51,751)
N	Income & Expenditure outside of Net Cost of Service	(124)	(124)	(784)	(660)	(17)	(767)
Transfer to \ from reserves		(124)	(124)	(784)	(660)	(17)	(767)
NET Expenditure		16,107	14,091	9,931	(4,161)	(3,005)	12,935

Notes

Transport – (£4.2m) forecast underspend

The forecast underspend has increased by (£3.0m) since period 7. The largest part of this movement (£2.0m) is as a result of the refinancing related to Residents Parking, where accelerated loan payback was previously applied, and the payback period is being extended such that the initial £6m capital loan will now be fully paid back in financial year 2019/20 (instead of 2017/18 as with the existing accelerated repayment plan). The remainder includes (£0.3m) additional income in Parking Services (bringing the total underspend in Parking Services to £1.2m) and (£0.2m) from savings in Concessionary fares, based on the latest passenger data.

The remaining underspend consists of (£0.2m) savings from Supported bus services; (£0.3m) savings in controllable spend in Highways services; (£0.3m) in Strategic City Transport and (£0.2m) increased income in Signals and Lighting, reduced by additional costs in Park and Ride services of £0.2m.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Economy

Services provided by Economy

The Economy team supports the delivery of capital programmes and projects including culture, specific interventions, the development of housing, the physical regeneration of Bristol Temple Quarter Enterprise Zone and building schools across the City.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
Service		£000s				£000s	
441	Culture Services	3,360	3,380	3,469	89	12	3,457
442	Cultural Development	1,178	1,111	1,097	(14)	(12)	1,109
443	Economic Development	485	442	4	(438)	(75)	79
444	Major Projects	925	767	927	160	24	903
445	Management – Place	215	(266)	(62)	204	1	(63)
Total Economy		6,163	5,435	5,435	(0)	(50)	5,485

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
CIPFA description		£000s				£000s	
1	Employees	6,638	6,610	6,758	148	(40)	6,798
2	Premises-Related Expenditure	1,062	944	1,227	284	74	1,153
3	Transport-Related Expenditure	44	43	35	(7)	(8)	44
4	Supplies & Services	1,883	1,792	2,808	1,017	(91)	2,899
5	Third Party Payments	2,389	2,323	2,609	285	146	2,463
6	Transfer Payments	357	367	130	(237)	(110)	240
7	Support Services	600	200	797	597	46	751
Expenditure		12,975	12,279	14,365	2,086	18	14,347
9	Income	(6,812)	(6,844)	(8,452)	(1,609)	(95)	(8,357)
Income		(6,812)	(6,844)	(8,452)	(1,609)	(95)	(8,357)
N	Income & Expenditure outside of Net Cost of Service	0	0	(477)	(477)	27	(504)
Transfer to \ from reserves		0	0	(477)	(477)	27	(504)
NET Expenditure		6,163	5,435	5,435	(0)	(50)	5,485

Notes

Economy – on budget

Although this division is forecasting to be on budget overall, this includes elements of increased rental income at Filwood Green Business Park (£0.2m); increased trading income from at the Bottleyard (£0.1m) and an in-year benefit from reduced Economic development grant payments. However these are offset by overspends of £0.2m in the Place Directors account and £0.1m relating to the Temple Quarter Enterprise Zone.

The forecast has been adjusted to take into account the agreed amendment to Museum Opening hours agreed by Cabinet on 6th September 2016, which resulted in partial mitigation for the current year overspend and the remaining overspend (£0.2m) will be fully mitigated in 17/18.

The reported position for the Division in Period 9 has improved by £45k comparing to the Period 7 position due to the increased income explained above

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Economy - ABS Team

Services provided by Economy - ABS Team

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
451	Economy - Major Projects	2,020	1,818	1,661	(157)	31	1,630
Total Economy - ABS Team		2,020	1,818	1,661	(157)	31	1,630

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,478	2,277	2,042	(235)	20	2,022
3	Transport-Related Expenditure	0	0	1	1	0	1
4	Supplies & Services	8	7	11	4	(1)	12
7	Support Services	0	0	73	73	11	62
Expenditure		2,486	2,284	2,126	(157)	31	2,096
9	Income	(465)	(465)	(465)	0	0	(465)
Income		(465)	(465)	(465)	0	0	(465)
NET Expenditure		2,020	1,818	1,661	(157)	31	1,630

Notes

There are forecast savings against salary budgets in the Admin and Business Support (ABS) service of £0.2m.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Energy

Services provided by Energy

The Energy Service is made up of a number of different teams, including Housing (Warm Up Bristol), Investment programmes, Infrastructure, Community Energy, Environmental performance, energy supply and marine.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
531	Energy Programme Manager (Corporate)	2,713	2,504	2,732	228	(323)	3,056
532	Energy Programme Manager (Community)	411	417	(1,379)	(1,796)	(136)	(1,242)
Total Energy		3,124	2,921	1,353	(1,568)	(460)	1,813

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,658	1,613	1,578	(35)	(5)	1,583
2	Premises-Related Expenditure	8,880	8,880	8,486	(394)	(361)	8,848
3	Transport-Related Expenditure	20	20	142	122	(2)	144
4	Supplies & Services	416	409	(612)	(1,021)	(2,146)	1,534
5	Third Party Payments	20	20	2,092	2,072	2,037	55
6	Transfer Payments	0	0	692	692	328	364
7	Support Services	776	776	(28)	(804)	(514)	486
8	Depreciation and Impairment Losses	(543)	(543)	(2,622)	(2,079)	(1,930)	(692)
X	Capital Financing Costs	161	161	161	0	0	161
Expenditure		11,388	11,335	9,890	(1,446)	(2,592)	12,482
9	Income	(8,264)	(8,464)	(9,009)	(544)	1,710	(10,719)
Income		(8,264)	(8,464)	(9,009)	(544)	1,710	(10,719)
N	Income & Expenditure outside of Net Cost of Service	0	50	472	422	422	50
Transfer to \ from reserves		0	50	472	422	422	50
NET Expenditure		3,124	2,921	1,353	(1,568)	(460)	1,813

Notes

Energy – (£1.6m) forecast underspend

£1.3m of the forecast underspend is due to the decision to reallocate the use of grant income from Capital to Revenue which resulted in a one-off gain to the Revenue account this year. This means that some capital projects will be transferred to prudential borrowing at an estimated annual revenue cost of £81k p.a.

There is anticipated to be a shortfall in rechargeable income from the HRA and Trading for Schools in the Energy (utility purchase) budget. This is due to the Energy price reduction in recent years being captured as a corporate saving which was not reflected in income target for the energy service. This presents a net overspend of £418k this year however this has reduced by £220k since period 7, following recent utility eProcurement via DPS.

It should be noted that this forecast is based on the assumption of a mild winter, and that an overspend of up to £400k may emerge should the remaining winter weather become severe.

There is a 72k income shortfall in District Energy / Biomass (Renewable Heating Incentive). A saving in prudential borrowing costs of £140k has been partly offset by reduced Wind Energy income (£97k).

A one-off saving of £491k is now anticipated as a result of the Green Deal revenue contribution. Lastly, there is a £189k surplus reported under Solar based on a previously unforecast receipt from BEC for grid connection.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Citizen Services

Services provided by Citizen Services

Citizen Service comprises our corporate contact centre, customer relation team and citizen service points. It also contains our revenues and benefits teams, regulatory services (e.g. licensing) and Safer Bristol.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
133	Safer Bristol (Crime & Substance Misuse)	3,582	3,472	3,430	(42)	(121)	3,551
231	Revenue, Benefits & Rent	5,229	4,973	5,050	77	(653)	5,704
232	Customer Service Operations	3,961	3,836	3,684	(151)	266	3,419
333	Regulatory Services	371	310	716	406	72	644
Total Citizen Services		13,143	12,591	12,880	290	(436)	13,317

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	16,526	16,504	16,453	(50)	(32)	16,485
2	Premises-Related Expenditure	7	9	10	0	(1)	11
3	Transport-Related Expenditure	92	78	81	3	(3)	84
4	Supplies & Services	3,888	3,412	3,607	195	(161)	3,768
5	Third Party Payments	12,923	12,804	13,325	521	42	13,283
6	Transfer Payments	189,008	189,008	187,557	(1,452)	(1)	187,557
7	Support Services	567	545	640	96	35	605
Expenditure		223,012	222,360	221,673	(687)	(121)	221,794
9	Income	(209,407)	(209,362)	(208,396)	966	(381)	(208,015)
Income		(209,407)	(209,362)	(208,396)	966	(381)	(208,015)
N	Income & Expenditure outside of Net Cost of Service	(462)	(407)	(396)	11	66	(462)
Transfer to \ from reserves		(462)	(407)	(396)	11	66	(462)
NET Expenditure		13,143	12,591	12,880	290	(436)	13,317

Notes

Citizen Services: £0.3m overspend

The overall overspend in Citizen Services reduced by (£0.2m) since Period 7 Monitoring for the following reasons: the Local Crisis Prevention Fund is forecasting that it will underspend by (£86k) to help offset pressures elsewhere; there has been a saving on salaries throughout the division of (£150k) as posts are not filled: these savings have offset additional pressures within Regulatory Services of £79k, consisting of reduced income in Pest Control (£20k) and Trading Standards (£9k); additional temporary staff not previously included in the forecast of £30k; and additional money that needs to be set aside to a ring fenced reserve: £21k. There are also movements within Revenues, some of which are offsetting, which result in a net reduction in pressures of (£78k).

The other reasons for variances in Citizen Services are:

Payments: the pressure relating to Temporary Accommodation Housing Benefits payments has previously been reported. Work has recently been undertaken in this service area to better acknowledge and quantify an issue which has been developing over the last year, namely the cost of Housing Benefits paid on temporary accommodation, which is only around 60% covered by subsidy received from the Department of Works and Pensions.

Although in previous years there was sufficient budget for this growing pressure to be contained, we are currently forecasting an amount of £550k as a pressure in this service area. Unfortunately there is not sufficient reserve to offset all of this and only £270k can be covered, leaving a pressure of £280k.

Another issue to note is that there is an income target of £2m relating to repayment of overpaid Housing Benefit within Citizen Services and although this budget is currently forecast at breakeven there is the possibility of a shortfall. In December 2016 a decision was made to increase the weekly amount collected per tenant from £3 to around £11 and it is anticipated that this will remove any risk of a shortfall (estimated to be in the region of up to £0.2m based on a straight line projection).

Lastly, there is a budget of £450k relating to Bad Debt Allowance which is also forecast to budget. Work is currently underway within Corporate Finance to confirm this forecast.

Benefits Administration:

There is a forecast underspend of (£243k) against this budget which is mostly the result of forecast additional forecast grant of (£406k), which has increased from a forecast underspend of (£73k) as at period 7. Significant savings have been made in this area but there is still an ongoing structural pressure on this budget as there may not be enough reserve to cover this year's (and future years') grant reduction.

Revenues: within Revenues is a budget of £1.6m relating to court summons income. Our collection rates of council tax and business rates in cash terms have significantly improved this year which has resulted in less court action for non-payment and hence a reduction in summons income from courts summons fines, which is projected at £78k under budget for the year. In addition there has been £175k set aside for the cost of providing for bad debt (increased from £140k at period 7), related specifically to court summons income not recovered. There are also higher than budgeted court costs that we are due to pay from prior years amounting to £82k. These pressures are offset by additional income as mentioned above of £55k and staff savings of £104k due to delays in filling vacancies.

Customer Services Operations: there are forecast underspends of (£99k) in the Customer Service centre and (£47k) in the Customer Service Points, mostly due to salary savings, partly offset by other costs (£34k).

Other: in addition there are forecast underspends in the Local Crisis and Prevention Fund of (-£86k) and the Hardship Fund of (-£61k)

Regulatory Services: there are pressures due to errors in budgeting for income in Pest control (£105k), Trading standards (£100k) and Health & Safety (£46k) which have increased from amounts of (£86k), (£58k) and (£46k) respectively as at period 7. These are offset by a one-off contribution from (£130k) HRA income to Pollution control and Animal welfare, which was agreed in order to fund a bespoke service for dealing with Housing nuisance complaints. Most of the remaining overspend relates to Licensing where a pressure of £283k has arisen through providing for income that will need to be used to support licensing, which is currently being reviewed.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Waste

Services provided by Waste

This includes the management of our key contract with the Bristol Waste Company and the administration for associated services, e.g. bulky waste and garden waste collections.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
311	Waste	27,548	27,423	26,531	(892)	(133)	26,664
Total Waste		27,548	27,423	26,531	(892)	(133)	26,664

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,259	1,226	1,067	(159)	(241)	1,309
2	Premises-Related Expenditure	191	225	259	34	107	152
3	Transport-Related Expenditure	189	184	427	243	44	382
4	Supplies & Services	457	399	98	(300)	(199)	297
5	Third Party Payments	29,753	43,920	32,792	(11,128)	(1,478)	34,270
7	Support Services	917	937	723	(214)	(135)	858
Expenditure		32,766	46,890	35,366	(11,524)	(1,902)	37,269
9	Income	(5,217)	(19,467)	(7,654)	11,813	1,384	(9,038)
Income		(5,217)	(19,467)	(7,654)	11,813	1,384	(9,038)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,182)	(1,182)	386	(1,567)
Transfer to \ from reserves		0	0	(1,182)	(1,182)	386	(1,567)
NET Expenditure		27,548	27,423	26,531	(892)	(133)	26,664

Notes

Waste: £(0.9)M underspend

Waste Disposal is forecasting an underspend of (£0.9m), mainly due to one-off accrued expenditure from the previous year (£1.0m) which is no longer required. The underspend has increased by (£0.2m) since period 7.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Housing Services - Housing Revenue Account (HRA)

Services provided by Housing Services - Housing Revenue Account (HRA)

Responsibilities for Council housing, including the management of our responsive and planned maintenance, estate management and our business planning function, including asset management and new build programme.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
321	Strategy, Planning & Governance	(103,803)	(106,623)	(107,972)	(1,349)	(511)	(107,461)
322	Responsive Repairs	30,113	30,040	30,588	547	0	30,588
323	Planned Programmes	16,965	16,703	14,702	(2,001)	221	14,481
324	Estate Management	11,031	14,187	13,808	(379)	(185)	13,993
Total Housing Services - HRA		(45,693)	(45,693)	(48,875)	(3,182)	(476)	(48,399)

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	24,911	28,426	27,400	(1,026)	(110)	27,509
2	Premises-Related Expenditure	39,699	39,712	36,813	(2,899)	(16)	36,829
3	Transport-Related Expenditure	129	140	117	(23)	2	115
4	Supplies & Services	9,395	8,676	8,788	112	(22)	8,810
5	Third Party Payments	11,549	8,331	8,192	(140)	7	8,185
6	Transfer Payments	0	0	0	0	0	0
7	Support Services	20,616	20,958	22,170	1,212	54	22,116
8	Depreciation and Impairment Losses	33	33	33	0	0	33
X	Capital Financing Costs	74	74	74	0	0	74
Expenditure		106,405	106,351	103,587	(2,764)	(84)	103,671
9	Income	(152,280)	(152,226)	(152,643)	(418)	(391)	(152,252)
Income		(152,280)	(152,226)	(152,643)	(418)	(391)	(152,252)
N	Income & Expenditure outside of Net Cost of Service	182	182	182	0	0	182
Transfer to \ from reserves		182	182	182	0	0	182
NET Expenditure		(45,693)	(45,693)	(48,875)	(3,182)	(476)	(48,399)

Notes

Housing Revenue Account (HRA)

There is currently a forecast underspend within the HRA of (£3.2m), which has increased by (£0.5m) since period 7. This is the result of the following:

- Savings released in Strategy, Planning and Governance and Estate Management through employee reductions and review of training and stationery budgets;
- Identification of a further (£0.4m) income from energy efficiency schemes
- The Investment Review Plan (in response to imposed rent reductions planned for the HRA) has changed the paint programme in planned programmes resulting in a (£1.9m) saving against budget, although it should be noted that contractor issues have led to some delays which account for some of the underspend. A housing procurement specialist is being recruited who, when in post, should significantly reduce the risk of procurement delays and enhance contract management generally.

There is a pressure of £0.5m in Responsive Repairs due to greater than budgeted cost of relets repairs, however, contractor spends are being reviewed so this pressure is expected to reduce.

Any under or overspend at the year-end will increase or decrease the HRA Reserve and therefore this does not impact on the General Fund. However, the HRA Business Plan has been recalibrated to take account of the impact of the 1% rent reduction and other proposed government changes and to reflect what is likely to be a very financially challenging future.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Neighbourhoods & Communities

Services provided by Neighbourhoods & Communities

Neighbourhood and Communities comprises: Neighbourhood Management, which includes Neighbourhood Partnerships and VCS infrastructure, Library Services and Parks and Green Spaces, including a number of traded services e.g cemeteries and crematoria.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
331	Neighbourhood Management	5,776	5,723	5,203	(520)	(451)	5,654
332	Library Services	4,656	4,688	4,540	(148)	5	4,536
334	Stronger Communities	0	96	96	(0)	0	96
335	Parks and Green Spaces	3,887	3,950	3,632	(318)	288	3,343
Total Neighbourhoods & Communities		14,319	14,457	13,472	(986)	(158)	13,629

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	14,474	14,411	14,765	354	614	14,151
2	Premises-Related Expenditure	1,643	1,884	1,600	(284)	(153)	1,752
3	Transport-Related Expenditure	357	350	152	(198)	(131)	282
4	Supplies & Services	3,022	3,140	2,988	(152)	(1)	2,988
5	Third Party Payments	4,926	5,437	4,224	(1,213)	(425)	4,649
7	Support Services	979	979	2,092	1,113	258	1,833
Expenditure		25,401	26,200	25,820	(380)	163	25,657
9	Income	(11,081)	(11,743)	(12,648)	(905)	(621)	(12,027)
Income		(11,081)	(11,743)	(12,648)	(905)	(621)	(12,027)
N	Income & Expenditure outside of Net Cost of Service	0	0	300	300	300	0
Transfer to \ from reserves		0	0	300	300	300	0
NET Expenditure		14,319	14,457	13,472	(986)	(158)	13,629

Notes

Neighbourhoods & Communities: (£1.0m) underspend

The forecast underspend in Neighbourhoods and Communities has increased by (£0.7m) since period 7.

Neighbourhood management:

This Service is forecasting an underspend of (£220k), mostly due to underspends in the NH ABS team (£70k) due to higher than expected funding from Public Health; Stapleton road project (£74k) and Community Development operations (£47k). The effect of the current spending freeze on Neighbourhood Partnerships (£298k) is balanced out by a planned transfer of these funds into Reserves of £298k. This underspend has increased by (£150k) since period 7.

Parks and Green Spaces.

This Service is forecasting an underspend of (£617k), partly (£220k) due to increased income at Cemeteries and Crematoria and partly due to reductions in planned expenditure as a result of the current spending freeze.

Libraries.

This Service is forecasting an underspend of (£148k), due to the delayed installation of 'extended access', which is a one-off saving for this year. The predicted underspend has not increased due to the spending freeze as the only discretionary spend is on books and the book fund has already been allocated this year.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Public Health

Services provided by Public Health

Public Health comprises health protection and sexual health protection, mental health and social inclusion, services for adults and older people, children and young people and core support provided to the CCG.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
341	Public Health	29	29	29	0	0	29
Total Public Health		29	29	29	0	0	29

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	4,364	4,364	4,137	(227)	47	4,090
2	Premises-Related Expenditure	77	77	122	45	(15)	137
3	Transport-Related Expenditure	0	0	13	13	1	12
4	Supplies & Services	12,553	12,553	17,371	4,819	(205)	17,577
5	Third Party Payments	5,785	5,785	2,440	(3,345)	(33)	2,472
7	Support Services	12,246	12,246	12,413	167	(9)	12,422
Expenditure		35,025	35,025	36,496	1,471	(215)	36,710
9	Income	(34,995)	(34,995)	(34,926)	69	(5)	(34,921)
Income		(34,995)	(34,995)	(34,926)	69	(5)	(34,921)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,540)	(1,540)	220	(1,760)
Transfer to \ from reserves		0	0	(1,540)	(1,540)	220	(1,760)
NET Expenditure		29	29	29	0	(0)	29

Notes

Public Health

The ring-fenced Public Health service is currently forecasting an overspend of £1.54m. This is mainly due to a government in year cut of the grant of 7.6% in year during 2015/16 and further 2% cut to the grant this year. As a reduction in the grant was anticipated, Public Health are managing this overspend to prevent impact on service delivery through the Public Health reserves built up for this purpose. The reserve currently has a balance of £4.8m and is as a result of underspends in previous years. Therefore, there is no impact on the general fund of this overspend in this financial year, however the service is currently undertaking a thorough financial review to ensure that delivery is brought within the new budget envelope, reflecting key priorities.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Women's Commission

Services provided by Women's Commission

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
Service		£000s				£000s	
352	Women's Commission	5	5	5	0	0	5
Total Women's Commission		5	5	5	0	0	5

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
CIPFA description		£000s				£000s	
2	Premises-Related Expenditure	0	0	0	0	0	0
4	Supplies & Services	5	5	5	0	0	5
Expenditure		5	5	5	0	0	5
NET Expenditure		5	5	5	0	0	5

Notes

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Public Health - General Fund

Services provided by Public Health - General Fund

Public Health activity enabled by the general fund includes the management of our sports strategy, city-wide leisure contracts and sports and physical activity development

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
342	Public Health - Non PHE Funded	2,474	1,940	1,673	(267)	(593)	2,266
Total Public Health - General Fund		2,474	1,940	1,673	(267)	(593)	2,266

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	922	523	438	(85)	(339)	777
2	Premises-Related Expenditure	95	30	30	0	(65)	95
3	Transport-Related Expenditure	3	2	2	0	0	2
4	Supplies & Services	177	66	147	81	(111)	258
5	Third Party Payments	5,249	5,249	5,196	(52)	(120)	5,316
7	Support Services	280	280	90	(190)	0	90
X	Capital Financing Costs	160	160	220	60	0	220
Expenditure		6,885	6,309	6,123	(186)	(634)	6,757
9	Income	(4,411)	(4,370)	(3,270)	1,100	42	(3,311)
Income		(4,411)	(4,370)	(3,270)	1,100	42	(3,311)
N	Income & Expenditure outside of Net Cost of Service	0	0	(1,181)	(1,181)	0	(1,181)
Transfer to \ from reserves		0	0	(1,181)	(1,181)	0	(1,181)
NET Expenditure		2,474	1,940	1,673	(267)	(593)	2,266

Notes

Public Health - General Fund: (£0.3m) underspend

The Service is (£267k) underspent of which (£190k) relates to charges for repayment of prudential borrowing relating firstly to Easton and Kingsdown leisure centres: (£100k) and secondly to Imperials Sports: (£90k); (£119k) underspend on feasibility work related to strategic need for new sports provision. These underspends are all offset by a £60k pressure relating to Hengrove leisure centre.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Housing Services - General Fund

Services provided by Housing Services - General Fund

Housing Services includes our management of work within the private housing sector and accessible homes, e.g. housing adaptations

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
131	Housing Options	11,451	10,967	10,898	(70)	(460)	11,357
132	GF - Private Housing & Accessible Homes	1,749	1,480	1,389	(91)	77	1,312
135	Housing Solutions	530	257	182	(75)	(353)	535
Total Housing Services - General Fund		13,730	12,704	12,469	(235)	(735)	13,204

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,699	7,263	7,433	170	(421)	7,854
2	Premises-Related Expenditure	169	169	289	120	(9)	298
3	Transport-Related Expenditure	69	46	47	1	0	47
4	Supplies & Services	720	645	687	42	(191)	878
5	Third Party Payments	14,581	14,758	16,437	1,679	(123)	16,559
6	Transfer Payments	0	0	0	0	(0)	0
7	Support Services	122	102	152	51	28	124
Expenditure		23,361	22,983	25,046	2,063	(715)	25,761
9	Income	(9,631)	(10,279)	(12,117)	(1,838)	(20)	(12,097)
Income		(9,631)	(10,279)	(12,117)	(1,838)	(20)	(12,097)
N	Income & Expenditure outside of Net Cost of Service	0	0	(460)	(460)	0	(460)
Transfer to \ from reserves		0	0	(460)	(460)	0	(460)
NET Expenditure		13,730	12,704	12,469	(235)	(735)	13,204

Notes

Housing Options: (£0.3m) underspend

Rising demand for emergency accommodation is contributing to a £0.4m forecast overspend, although this is offset by new income from service and accommodation recharges and additional one-off savings on salaries and payments. The position has improved since period 7 due to a reduction in the forecast cost of emergency accommodation (£90k); savings in staff costs (£70k); increased forecast income (£70k) and savings in the expected cost of an upgrade to the Arbitras system (£37k).

Private Housing and Accessible Homes are forecasting a (£0.1m) underspend due to additional income and some salary savings, which has not changed since period 7.

Within Housing Solutions there has been savings of (£75k) found in the Housing programme since period 7.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: ICT

Services provided by ICT

ICT provide high quality Information and Communications Technology (ICT) needed to enable the council to safely deliver efficient and effective business services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
212	ICT Delivery	8,292	7,459	10,438	2,979	21	10,417
213	Digital Transformation	1,033	2,365	3,308	943	(12)	3,320
21A	Business Change & ICT	(1,711)	(1,735)	(1,736)	(1)	(7)	(1,729)
21B	ICT Sourcing	769	775	529	(246)	(72)	601
Total ICT		8,384	8,865	12,539	3,675	(70)	12,609

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	6,460	6,707	6,423	(283)	186	6,237
2	Premises-Related Expenditure	1	0	5	4	(1)	5
3	Transport-Related Expenditure	12	10	19	9	(0)	20
4	Supplies & Services	6,703	5,979	10,081	4,102	(186)	10,267
5	Third Party Payments	0	0	1	1	1	0
7	Support Services	309	269	293	25	3	290
Expenditure		13,483	12,964	16,822	3,858	3	16,819
9	Income	(5,100)	(4,100)	(4,283)	(183)	(73)	(4,210)
Income		(5,100)	(4,100)	(4,283)	(183)	(73)	(4,210)
NET Expenditure		8,384	8,865	12,539	3,675	(70)	12,609

Notes

The overspend against budget for ICT has been reported monthly and relates to additional hardware and maintenance costs (£2.8m) and software development service increases (£1.3m) as a result of growth in additional demand for license costs and investment in new technology and digital developments. The overspend is partly offset by savings on employees, additional income and the freeze in non-essential expenditure. The movement from period 7 of a £70k reduction in forecast is mainly due to the reduction of costs resulting from the early departure of the interim service director. It is proposed to increase the budget envelope for ICT in the 17/18 budget subject to final budget approval.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Legal and Democratic Services

Services provided by Legal and Democratic Services

Legal Services includes the child protection team, community and litigation team, property team, planning transport and the regulatory team. The division also includes statutory registration services and democratic services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
221	Legal - Place	934	807	1,248	441	121	1,127
222	Statutory & Democratic Services	3,506	2,722	2,625	(97)	(54)	2,679
224	Legal - People	1,404	1,408	1,300	(109)	104	1,195
225	Legal Services - Other	524	526	385	(141)	(137)	522
291	Electoral Services	993	1,026	1,027	0	106	921
Total Legal and Democratic Services		7,362	6,490	6,585	95	140	6,444

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	6,921	6,520	6,717	196	(64)	6,781
2	Premises-Related Expenditure	55	55	64	8	(8)	72
3	Transport-Related Expenditure	195	194	158	(36)	(12)	169
4	Supplies & Services	4,284	4,105	3,908	(197)	(93)	4,001
5	Third Party Payments	151	1	3	2	0	3
7	Support Services	622	481	582	101	(56)	639
Expenditure		12,229	11,357	11,432	75	(233)	11,665
9	Income	(4,868)	(4,868)	(4,847)	20	373	(5,221)
Income		(4,868)	(4,868)	(4,847)	20	373	(5,221)
N	Income & Expenditure outside of Net Cost of Service	0	0	0	0	0	0
Transfer to \ from reserves		0	0	0	0	0	0
NET Expenditure		7,362	6,490	6,585	95	140	6,444

Notes

Legal Services are forecasting an overspend of £95k and this is shown broken down by service as shown below:

Legal Place

£440k overspend: This is broken down as £227k on salaries mainly for agency staff who bring in income (shown in Legal People), a reduction in forecasted income from land charges of £194k due to lower volume of searches and increased cost from litigation cases where the council is being challenged in the High Court through claims and judicial review and £19k for increased Counsel fees. The proposed new structure for Legal Services aims to reduce the higher costs of agency fees by use of permanent staff who will generate income. **Statutory and Democratic Services £97k underspend:** The underspend is mainly as a result of the expenditure freeze with underspends across the service in transport, catering and other fees. **Legal People £109k underspend:** This mainly relates to £186k increased income which offsets agency expenditure in Legal Place, offset by a forecast overspend of £23k in disbursements and £49k for consultancy costs. **Legal Services - Other £141k underspend:** This relates to a forecast increase in income in Registrars of £136k and £5k underspend across the Coroners and Mortuary Services. **Electoral Services:** As previously reported, there are cost pressures in year as a result of the cost of running elections and electoral registration (£1.3m), but these will be managed over a period of years through an offsetting arrangement, whereby budget is set aside in non election years to fund election years. These pressures will be managed this financial year through drawdown from reserves.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Finance

Services provided by Finance

Finance comprises our financial planning function, financial management budget support services, internal and external reporting, finance operations and finance business partnering. Finance also includes the management of our internal audit services.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
242	Corporate Finance	5,554	3,421	3,421	(1)	(1)	3,422
243	Chief Internal Auditor	788	766	717	(49)	(40)	757
Total Finance		6,341	4,188	4,137	(50)	(42)	4,179

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	5,615	5,260	5,007	(253)	5	5,002
2	Premises-Related Expenditure	367	0	0	0	0	0
3	Transport-Related Expenditure	366	5	5	(0)	(2)	6
4	Supplies & Services	1,833	770	1,053	283	(22)	1,075
5	Third Party Payments	122	122	20	(102)	(20)	40
7	Support Services	155	116	116	(0)	(1)	116
X	Capital Financing Costs	0	0	13	13	0	13
Expenditure		8,458	6,274	6,214	(60)	(39)	6,253
9	Income	(2,117)	(2,086)	(2,077)	9	(3)	(2,074)
Income		(2,117)	(2,086)	(2,077)	9	(3)	(2,074)
NET Expenditure		6,341	4,188	4,137	(50)	(42)	4,179

Notes

The Finance Division covers the Finance and Audit Services and the forecast £50k savings relates to the Audit service which mainly relates to £57k of salary savings offset by a £7k income pressure due to loss of a contract relating to break up of an academy partnership. The Finance service has further reviewed spend against the service budget to minimise the outturn forecast spend. Expenditure is being maintained within budget by holding a number of vacancies within the service and stopping non essential expenditure against non staffing budgets. Movement from period 7 is due to vacancies and additional income from internal staff recharges. As previously reported, the Finance Transformation work must continue and will be funded from reserves earmarked for this purpose.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: HR & Workplace

Services provided by HR & Workplace

HR provides both a strategic and advisory role for the attraction, delivery and continuous development of a strong, capable, agile and effective workforce.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
251	People Operations	3,966	3,344	2,733	(611)	(100)	2,833
252	Change & Performance	2,066	2,054	1,807	(247)	(230)	2,037
283	Corporate Communications	696	702	650	(52)	(10)	660
Total HR & Workplace		6,728	6,100	5,189	(911)	(341)	5,530

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	7,511	6,972	6,347	(625)	(360)	6,707
2	Premises-Related Expenditure	4	3	(0)	(3)	(0)	0
3	Transport-Related Expenditure	43	36	7	(29)	(2)	9
4	Supplies & Services	2,481	2,427	2,522	95	27	2,495
5	Third Party Payments	13	13	0	(13)	0	0
6	Transfer Payments	4	4	0	(4)	(1)	1
7	Support Services	62	34	33	(0)	(5)	38
Expenditure		10,118	9,489	8,910	(580)	(341)	9,251
9	Income	(3,390)	(3,390)	(3,721)	(331)	0	(3,721)
Income		(3,390)	(3,390)	(3,721)	(331)	0	(3,721)
NET Expenditure		6,728	6,100	5,189	(911)	(341)	5,530

Notes

Human Resources is reporting a forecast underspend of £911k and this is broken down by service as shown below:

People Operations £611k underspend. There is an underspend of £556k relating to salary vacancies. These are being held as part of the planned savings and restructure in HR and parts of this budget will be removed later in 16/17 and also as part of the budget proposals for 17/18. Further underspends of £134k relate to an underspend of £58k in the redeployment fund which is under review, £65k set aside for graduate trainees which is under review for 17/18 and a reduced activity level in self organised groups giving a £11k saving. These are all offset by forecast overspends of £79k which mainly relate to £35k for the temporary overlap of costs as we outsource the Occupational Health contract and a forecast reduction of £31k for the holiday purchase scheme due to staff leaving the organisation. **Change and Performance £247k underspend.** This relates to a forecast underspend of £197k in Learning and Development which is due to the current freeze on expenditure plus a £50k underspend in the Admin and Business Support team which is due to be centralised in 17/18 and contribute to proposed savings programme. **Corporate Communications £52k underspend.** This mainly relates to salary savings in Marketing and Design in preparation for the future restructure and budget reduction.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Change Programme

Services provided by Change Programme

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
271	Programme Management Office	(6,023)	(6,127)	(6,266)	(139)	(18)	(6,249)
272	Change Programme Workstreams	10,500	10,500	12,022	1,522	0	12,022
273	Change Programme Savings	(22,519)	(14,802)	(426)	14,376	(47)	(379)
274	BWP Project	1,691	1,691	1,691	0	0	1,691
275	BWP Business Change	47	47	47	0	0	47
Total Change Programme		(16,304)	(8,691)	7,068	15,759	(64)	7,133

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	(1,181)	(2,140)	11,778	13,917	(38)	11,816
2	Premises-Related Expenditure	0	0	8	8	0	8
3	Transport-Related Expenditure	189	189	173	(16)	(1)	174
4	Supplies & Services	819	947	3,172	2,225	0	3,172
5	Third Party Payments	(2,862)	0	12	12	12	0
7	Support Services	(1,891)	690	754	63	(25)	779
Expenditure		(4,926)	(313)	15,897	16,210	(52)	15,949
9	Income	(11,378)	(8,378)	(8,828)	(451)	(12)	(8,816)
Income		(11,378)	(8,378)	(8,828)	(451)	(12)	(8,816)
NET Expenditure		(16,304)	(8,691)	7,068	15,759	(64)	7,133

Notes

This Division covers the final year of the planned three year Change Programme. The forecast outturn of £15.7m overspend relates to a £1.4m reported overspend on the in-year programme budget plus an estimated £14.3m unidentified change programme savings. We have previously reported that £5.3m of this figure will be funded by one off receipts. This forecast will reduce in the next few months as we remove savings made from other Directorates. However we cannot revise the forecast in this division until the savings are taken as this could lead to a double count with the directorates that currently hold the savings. The variance in the CIPFA employee category is not related to an employee overspend, the reason is that the corporate savings target code is held in this area as the majority of savings related to this saving is expected to come from employee savings.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Policy, Strategy & Communications

Services provided by Policy, Strategy & Communications

The services included are Policy & Strategic Planning, International, PR & Communications, Business Intelligence & Performance, Resilience and Social Action

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
282	Public Relations	431	428	411	(17)	(18)	429
284	Performance & Infrastructure	1,611	1,586	1,379	(207)	(30)	1,409
285	Strategic Planning & Development	540	1,000	902	(98)	21	881
286	Health and Wellbeing	219	213	129	(84)	(1)	130
287	Devolution PSC	0	(0)	0	0	0	0
Total Policy, Strategy & Communications		2,802	3,227	2,821	(406)	(28)	2,850

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	3,067	3,197	3,021	(177)	(258)	3,279
2	Premises-Related Expenditure	12	13	2	(11)	(0)	2
3	Transport-Related Expenditure	3	9	2	(8)	(0)	2
4	Supplies & Services	96	622	506	(117)	(53)	558
5	Third Party Payments	451	611	578	(33)	0	578
7	Support Services	32	140	138	(2)	(16)	153
Expenditure		3,661	4,593	4,245	(348)	(327)	4,573
9	Income	(859)	(1,116)	(1,326)	(210)	(153)	(1,173)
Income		(859)	(1,116)	(1,326)	(210)	(153)	(1,173)
N	Income & Expenditure outside of Net Cost of Service	0	(250)	(98)	152	152	(250)
Transfer to \ from reserves		0	(250)	(98)	152	152	(250)
NET Expenditure		2,802	3,227	2,821	(406)	(328)	3,150

Notes

Policy, strategy and Communications has a forecast underspend of £406k which mainly relates to forecast saving of £133k within Performance & Infrastructure for employee costs partly off-set by costs of an unfunded resource working on a review of National Social Care data collection, £119k employee savings within the Policy Team and £82k forecast saving within Health & Wellbeing of which £40k is ring-fenced and will have to be given back to Public Health. The savings are not fully reflected in the CIPFA employee category above which is currently holding costs of voluntary severance that will be funded corporately prior to year end. The Devolution full year budget is showing as zero as all costs are funded by income leaving a net zero.

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Bristol Futures

Services provided by Bristol Futures

The services included are Sustainable City Team, Civil Protection Unit and City Innovations.

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
511	City Innovation	321	320	263	(57)	94	169
512	European & International Programme	245	348	349	1	(4)	353
513	Sustainable City & Climate Change	570	532	479	(53)	(22)	502
514	Head of Bristol Futures	528	309	313	4	30	283
Total Bristol Futures		1,664	1,509	1,405	(104)	98	1,307

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,529	1,581	1,440	(141)	(16)	1,457
2	Premises-Related Expenditure	43	45	34	(11)	(4)	37
3	Transport-Related Expenditure	41	52	29	(22)	(2)	32
4	Supplies & Services	1,118	1,445	823	(622)	(35)	859
5	Third Party Payments	162	162	424	262	25	399
6	Transfer Payments	278	120	120	(0)	24	96
7	Support Services	325	484	356	(127)	(38)	394
Expenditure		3,495	3,888	3,227	(661)	(47)	3,273
9	Income	(1,831)	(1,048)	(1,393)	(345)	3	(1,396)
Income		(1,831)	(1,048)	(1,393)	(345)	3	(1,396)
N	Income & Expenditure outside of Net Cost of Service	0	(1,331)	(429)	902	142	(571)
Transfer to \ from reserves		0	(1,331)	(429)	902	142	(571)
NET Expenditure		1,664	1,509	1,405	(104)	98	1,307

Notes

Bristol Futures are reporting a £104k forecast underspend which mainly relates to staffing savings of £209k and other efficiencies of £25k offset by a provision of £86k for anticipated non-claimable costs for business case development and £42k for Bristol is Open project legal costs. The movement from P7 to P9 relates to the afore mentioned business case development provision.

Period 9 Budget Monitoring - Detailed budget summary by division\service
Division: Executive Office Division

Services provided by Executive Office Division

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
541	Management - City Director	801	687	743	57	(65)	808
542	Senior Leadership Team	1,224	1,478	1,618	140	13	1,605
Total Executive Office Division		2,025	2,164	2,361	197	(52)	2,413

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	1,683	1,705	1,611	(94)	(13)	1,624
2	Premises-Related Expenditure	6	6	4	(1)	(2)	6
3	Transport-Related Expenditure	11	10	6	(4)	(0)	6
4	Supplies & Services	118	239	545	305	(38)	583
5	Third Party Payments	200	200	192	(8)	(12)	205
7	Support Services	7	4	26	23	14	13
Expenditure		2,025	2,164	2,385	220	(52)	2,437
9	Income	0	0	(24)	(24)	0	(24)
Income		0	0	(24)	(24)	0	(24)
NET Expenditure		2,025	2,164	2,361	197	(52)	2,413

Notes
The forecast overspend of £197k mainly relates to a previously reported payment to the previous City Director of £196k plus £50k other staff costs which includes a redundancy payment offset by a £50k forecast underspend in the Innovation fund

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Levies

Services provided by Levies

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X20	Levies	1,119	1,119	1,119	0	0	1,119
Total Levies		1,119	1,119	1,119	0	0	1,119

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
5	Third Party Payments	1,119	1,119	1,119	0	0	1,119
6	Transfer Payments	0	0	0	0	0	0
Expenditure		1,119	1,119	1,119	0	0	1,119
9	Income	0	0	0	0	0	0
Income		0	0	0	0	0	0
NET Expenditure		1,119	1,119	1,119	0	0	1,119

Notes	

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Corporate Expenditure

Services provided by Corporate Expenditure

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X30	Corporate Expenditure	36,688	17,307	9,337	(7,970)	(1,158)	10,495
Total Corporate Expenditure		36,688	17,307	9,337	(7,970)	(1,158)	10,495

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
1	Employees	2,710	2,976	3,179	203	203	2,976
2	Premises-Related Expenditure	0	367	367	0	0	367
3	Transport-Related Expenditure	0	360	360	0	0	360
4	Supplies & Services	9,243	4,194	4,194	0	0	4,194
X	Capital Financing Costs	171	13,867	12,668	(1,199)	(1,199)	13,867
Expenditure		12,124	21,764	20,767	(996)	(996)	21,764
9	Income	(1,635)	(10,301)	(11,463)	(1,162)	(162)	(11,301)
Income		(1,635)	(10,301)	(11,463)	(1,162)	(162)	(11,301)
N	Income & Expenditure outside of Net Cost of Service	26,199	5,845	33	(5,812)	0	33
Other items outside of the Net Cost of Service		26,199	5,845	33	(5,812)	0	33
NET Expenditure		36,688	17,307	9,337	(7,970)	(1,158)	10,495

Notes	

Period 9 Budget Monitoring - Detailed budget summary by division\service

Division: Corporate Expenditure

Services provided by Corporate Expenditure

Summary by Service		2016/17 - Full Year				Period 7 Forecast	
Service		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
X40	Capital Financing	0	10,950	6,677	(4,273)	(4,273)	10,950
X41	Capital - Year-end transactions	0	178	178	0	0	178
Total Capital Financing		0	11,128	6,855	(4,273)	(4,273)	11,128

Summary by CIPFA group (Account Type)		2016/17 - Full Year				Period 7 Forecast	
CIPFA description		Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	Movement in Forecast	Forecast Outturn
		£000s				£000s	
N	Income & Expenditure outside of Net Cost of Service	0	11,128	6,855	(4,273)	(4,273)	11,128
Other items outside of the Net Cost of Service		0	11,128	6,855	(4,273)	(4,273)	11,128
NET Expenditure		0	11,128	6,855	(4,273)	(4,273)	11,128

Notes

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
People								
Education Capital Programme 2								
Major Projects Programme 2	20,945	591	21,536	22,235	699	6,871	0	0
Site Acquisitions	132	(2)	130	130	0	0	0	0
Early Years	54	(54)	0	0	0	0	0	0
Universal Free School Meals	7	0	7	7	0	0	0	0
Schools Access Initiative SAI/DDA	119	(59)	60	91	31	111	80	0
Lifecycle (R&M)	39	0	39	39	0	0	0	0
Urgent/Emergency	110	3	113	110	(3)	79	0	0
Completed Projects	47	3	50	50	0	0	0	0
Total - Education Capital Programme 2	21,453	482	21,935	22,662	727	7,061	80	0
Schools' Devolved Capital								
Capital, Assets & Access 1	4,528	0	4,528	4,528	0	2,005	0	0
Total - Schools' Devolved Capital	4,528	0	4,528	4,528	0	2,005	0	0
CYPS non-Schools								
CYPS non-Schools	1,564	(26)	1,538	1,565	27	127	50	0
Total - CYPS non-Schools	1,564	(26)	1,538	1,565	27	127	50	0
Education Capital Programme 3								
Major Projects	11,440	(598)	10,842	10,042	(800)	16,675	6,382	0
Site Acquisitions	0	0	0	750	750	0	0	0
Commissioning	0	0	0	0	0	0	1,420	0
Feasibility	100	0	100	100	0	1,098	0	0
Lifecycle (Capital R&M)	485	0	485	485	0	520	695	0
Total - Education Capital Programme 3	12,025	(598)	11,427	11,377	(50)	18,293	8,497	0
Early Intervention								
0-25 Integrated Service	190	0	190	190	0	430	0	0
Youth & Play	204	0	204	204	0	0	0	0
Total - Early Intervention	394	0	394	394	0	430	0	0
Children & Families								
Fostering and Adoption	129	0	129	129	0	0	0	0
Total - Children & Families	129	0	129	129	0	0	0	0
Care Management								
Transformation - Capital	(346)	0	(346)	176	522	0	0	0
Total - Care Management	(346)	0	(346)	176	522	0	0	0
Care Services								
Operations - Capital	209	0	209	377	168	0	0	0
Total - Care Services	209	0	209	377	168	0	0	0
Strategic Housing								
Extra Care Housing	819	0	819	19	(800)	3,075	0	0
Total - Strategic Housing	819	0	819	19	(800)	3,075	0	0
Totals - Directorate: People	40,775	(142)	40,633	41,227	594	30,991	8,627	0

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Place								
Strategic Property								
Building Practice Capital	2,767	1	2,768	2,793	25	1,716	0	0
Corporate Property	433	361	794	380	(414)	0	0	0
Docks	22	0	22	0	(22)	0	0	0
Total - Strategic Property	3,222	362	3,584	3,173	(411)	1,716	0	0
Major Projects								
Place, Major Schemes	7,922	0	7,922	8,814	892	51,593	50,000	6,000
Filwood Broadway	184	0	184	3	(181)	1,012	169	0
Hengrove Park	27	(12)	15	15	0	0	0	0
Kingswear and Torpoint Flats	715	0	715	383	(332)	7	0	0
Filwood Green Business Park	1,494	0	1,494	1,493	(1)	0	0	0
Economy Development	818	0	818	440	(378)	0	0	0
Strategy & Commissioning	720	0	720	425	(295)	3,461	2,500	0
Total - Major Projects	11,880	(12)	11,868	11,573	(295)	56,073	52,669	6,000
Planning & Sustainable Development								
City Design Group	391	(1)	390	150	(240)	786	500	0
Total - Planning & Sustainable Development	391	(1)	390	150	(240)	786	500	0
Transport								
Sustainable Transport	9,996	1	9,997	10,498	501	12,088	3,000	1,940
Strategic City Transport	7,249	(1)	7,248	4,715	(2,533)	11,197	0	0
Highway Drainage Capital Works	2,771	0	2,771	2,771	0	0	0	0
Highways & Traffic	6,431	1	6,432	6,566	134	149	0	0
Parking Services	82	0	82	61	(21)	0	0	0
Passenger Transport	1,605	1	1,606	1,271	(335)	1,292	0	0
Residents Parking Zone	1,200	0	1,200	1,606	406	977	0	0
Transport Major Projects (Metrobus)	31,123	12	31,135	33,184	2,049	15,310	0	0
Total - Transport	60,457	14	60,471	60,672	201	41,013	3,000	1,940
Energy Services								
Energy Management Unit	3,686	(1)	3,685	2,734	(951)	7,759	0	0
Warm Up Bristol	5,769	0	5,769	3,423	(2,346)	0	0	0
Energy Services	1,923	0	1,923	743	(1,180)	0	0	0
Total - Energy Services	11,378	(1)	11,377	6,900	(4,477)	7,759	0	0
Totals - Directorate: Place	87,328	362	87,690	82,468	(5,222)	107,347	56,169	7,940

2016/17 Capital Proposed Budget, Forecast and Variance Analysis

Directorate	PERIOD 7 2016/17 BUDGET TOTAL £000's	2016/17 BUDGET ADJUSTMENTS £000's	PERIOD 9 2016/17 BUDGET TOTAL £000's	2016/17 FORECAST TOTAL £000's	2016/17 VARIANCE TOTAL £000's	2017/18 BUDGET TOTAL £000's	2018/19 BUDGET TOTAL £000's	2019/20 BUDGET TOTAL £000's
Neighbourhoods								
Bristol Operations Centre								
Bristol Operations Centre	5,509	0	5,509	4,825	(684)	2,447	0	0
Total - Bristol Operations Centre	5,509	0	5,509	4,825	(684)	2,447	0	0
Environment & Leisure								
Cemeteries & Crematoria	108	1	109	109	0	0	0	0
Parks	1,603	150	1,753	1,163	(590)	958	300	0
Waste Services	36	0	36	36	0	0	0	0
Total - Environment & Leisure	1,747	151	1,898	1,308	(590)	958	300	0
Neighbourhoods & Communities								
Libraries	641	1	642	461	(181)	822	0	0
Total - Neighbourhoods & Communities	641	1	642	461	(181)	822	0	0
Housing Services - Capital								
Private Housing & Adaptations	1,892	1,034	2,926	2,926	0	700	387	0
Total - Housing Services Capital	1,892	1,034	2,926	2,926	0	700	387	0
Totals - Directorate: Neighbourhoods	9,789	1,186	10,975	9,520	(1,455)	4,927	687	0
Resources								
Bristol Futures								
City Innovation	6,980	(6,980)	0	0	0	0	0	0
Totals - Directorate: City Director	6,980	(6,980)	0	0	0	0	0	0
Information & Communication Technology								
ICT Refresh Programme	0	0	0	0	0	1,500	1,500	1,500
Total - Information & Communication Technology	0	0	0	0	0	1,500	1,500	1,500
Bristol Workplace Programme								
BWP - Design Contract, Buildings & Technology	11,701	(1)	11,700	12,233	533	2,235	0	0
Total - Bristol Workplace Programme - Buildings	11,701	(1)	11,700	12,233	533	2,235	0	0
Totals - Directorate: Resources	18,681	(6,981)	11,700	12,233	533	3,735	1,500	1,500
City Director								
Bristol Futures								
City Innovation	0	6,980	6,980	6,875	(105)	8,823	0	0
Total - Bristol Futures	0	6,980	6,980	6,875	(105)	8,823	0	0
Totals - Directorate: City Director	0	6,980	6,980	6,875	(105)	8,823	0	0
Housing Revenue Account								
Planned Programme	40,330	0	40,330	38,327	(2,003)	41,000	47,000	44,000
Responsive Repairs	700	0	700	700	0	0	0	0
Strategy, Planning & Governance	14,989	0	14,989	13,919	(1,070)	0	0	0
Total - Housing Revenue Account	56,019	0	56,019	52,946	(3,073)	41,000	47,000	44,000
Totals - Housing Revenue Account	56,019	0	56,019	52,946	(3,073)	41,000	47,000	44,000
Corporate								
Capital Funding								
Capital Funding	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
Total - Capital Funding	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
Totals - Directorate: Corporate	10,254	80	10,334	11,669	1,335	11,670	1,600	1,500
TOTALS - CAPITAL PROGRAMME	222,846	1,485	224,331	216,938	(7,393)	208,493	115,583	54,940

Future years budget TOTALS 379,016

Capital Programme Tier 1 budget (all years) TOTALS 603,347

ANALYSIS OF OUTSTANDING DEBT - PERIOD 9

Directorate(T)	Not Due	1-29 Days	30-59 Days	60-89 Days	90-119 Days	120-365 Days	1-2 Years	2 - 4.5 Years	Over 4.5 Year	Outstanding Amount	Number	Average Value
People	0	2,676,862	3,169,399	742,090	663,905	6,485,170	2,676,174	1,018,964	291,611	17,724,175	11,038	1,606
Resources	0	77,131	37,583	3,179	23,457	61,897	50,259	52,235	10,989	316,729	558	568
Neighbourhoods	0	701,724	257,203	93,372	188,488	875,122	367,444	619,718	312,532	3,415,602	9,673	353
Place	0	2,295,725	440,138	146,383	200,625	866,910	646,799	463,677	327,063	5,387,321	3,477	1,549
City Director	0	0	203	0	0	103,572	31,000	0	0	134,775	14	9,627
Corporate & Other	0	75,485	-51,009	-86,858	-5,139	-81,872	691,622	2,040,784	1,048,655	3,631,667	10,210	1,691
	0	5,826,927	3,853,516	898,166	1,071,337	8,310,799	4,463,298	4,195,378	1,990,849	30,610,270	34,970	875

CONSULTATION SUMMARY – PERIOD 9 FINANCE REPORT

a. Internal consultation:

Strategic Directors, Service Directors, Budget Managers and the finance team.

b. External consultation:

Not applicable

OVERALL RISK ASSESSMENT: PERIOD 9 FINANCE REPORT

In the Budget Report presented to Full Council in February 2016, a number of significant risks were identified. The finance reports this year have identified that a significant number of these risks have come to fruition in the early part of the financial year, or remain relevant. The list below highlights the most significant of these risks:

- the scale of overall reductions to all directorate budgets (£35.4m identified and included in the approved budget) and the potential of non-delivery of these savings;
- the potential of overspends against budgeted net expenditure;
- care placements & budgets, both in terms of activity as a result of demographic pressures and also unit costs;
- potential delay in delivery of capital receipts;
- increase in pension liabilities;
- volatility in business rate income including the level of successful appeals, the result of the application for mandatory charitable relief made by a number of hospital trusts and the transfer of properties between rating lists. Once these changes are made the Council may have to refund several years back dated rates from a single years income.

As well as the risks highlighted above, the following additional risks have been identified:

- wholly owned company delivery of agreed business plans;
- sustainability of council owned and managed assets, including infrastructure previously identified, property, fleet and ICT.
- schools PFI contracts;
- living wage accreditation – this will require a full review of all external contracts and may result in additional contractual costs;
- inflationary pressure on contract and energy costs;
- increased capital costs of major projects, i.e. Metrobus, the delivery of the Arena and Bristol Temple Meads Easts (development area around the arena);
- current lack of policy clarity on proposed changes to business rate retention;
- effect of Brexit both on house building industry and general economic confidence;
- there will be other costs, such as the Mayoral Combined Authority, still to be fully quantified;

Any risk assessment requires constant review and will form part of the ongoing future monitoring.

DIRECTORATE RISK ASSESSMENT: RESOURCES

ICT Risks identified:

- Unexpected business demand, such as a result of an Ofsted, or other regulatory body, inspection.
- Any remedial actions that may be required to achieve compliance with connection standards, e.g. Public service Network (PSN).
- Remedial actions in event of serious cyber or other event, (e.g. ransomware), resulting in loss of data/access to key BCC systems and data.
- Information Commissioners fine in case of Data Breach or Loss (may not be an ICT related loss, i.e. may be loss of case papers) and remedial actions in event of Data Breach or Loss;
- Remedial actions in event of major supplier commercial failure.
- Remedial actions in the event of sudden or unanticipated change of law or statute.
- Potential additional costs incurred as result of local/regional elections.
- The potential for additional costs incurred as result of currency fluctuations or due to major external influences such as Brexit.
- Capacity to deliver the required pace of change, set upon a backdrop of reducing resources through VS.
- Restructure of the ICT function will require short term additional flexible resource to ensure that approved service projects that have savings requirements, can still be delivered.

The high level detail is given here. It is important to note that, at this point in time, if these items were to occur they would result in expenditure being drawn down from reserves or contingencies.

HR Risks identified:

- Unfilled vacancies plus staff leaving through VS will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change. Stress risk assessments may be required to assess the impact on employees and this could lead to a requirement to prioritise key activities that are achievable, consider temporary resources, or work ceasing.
- Capacity to deliver the required pace of change, set upon a backdrop of reducing resources through VS. Restructure of the HR function will require short term additional flexible resource to ensure that approved service projects that have savings requirements can be delivered. However, this is expected to be able to be delivered within the proposed financial envelope.
- The income target through the Annual Leave Top Up scheme is dependent on staff take-up across the organisation and this may not be possible as staffing levels will be lower post-restructure. This may mean that the income target in 16/17 is not realised. Also, staff leaving on VS who are in the scheme will cause loss of income in the current year.

- The staff survey has highlighted a number of key areas for consideration that will require detailed attention to address them.

Legal Services Risks Identified (including Electoral Services, Mortuary & Coroner, & Register Office):

- demand led and cannot predict its spend – high cost/profile cases could happen at any time;
- there may be an increase in an area of work through e.g. court rulings or practice;
- income is more predictable over the short term as clients are known, but will fluctuate over the longer term with changes in external clients as work and projects come to an end and new work will need to be identified;
- there may be a parliamentary election in 2017 or other smaller elections and referenda, which are not currently included in the 4 year budget predictions and which would have budget implications;
- legislative changes, such as the introduction of medical examiners, could cause significant budget pressures;
- increases in the number of deaths due to widespread fatalities that could not be predicted;
- births and deaths registration are reactive services and cannot be completely estimated.
- **Electoral Services** - Currently the postage amount is estimated because printing is billed three months in arrears by Print and Mail Operations. The canvass printing for Oct and Nov for annual canvass printing is currently estimated.
- **Lord Mayor's Office** - Spending freeze - risk that no maintenance spend may reduce income generation potential. Democratic Services - Risk of impact of no longer supporting P&CP and also concerns that school appeals income is not covering reality of staffing costs - review required
- **Members Green** - Political Assistant is due to go on maternity cover in Feb 17, backfill process needs clarification in line with spending freeze
- **Member Development** - Limited Activity on member development, - risk of lack of training to members in chairing positions etc

Finance Risks identified:

- Unfilled vacancies plus staff leaving through Voluntary Severance will deliver savings but may increase workplace pressures and the ability of the service to respond to organisational requirement during a period of significant workforce change.
- Under resourcing finance can lead to a risk of not meeting the requirements of the role of S151 officer.
- Income targets for future years are dependent on successful bidding and provision of an effective, value for money service offer. There is a risk associated with the income from Avon Fire & Rescue for future years as the contract is due for renewal at the end of 2017/18.

Change Services (incl. PMO) Risks identified:

- Where projects were relying on internal resources to support the delivery of service related projects but due to lack of available resources may need to request external resource which could have a higher cost implication.
- Unfilled vacancies in the team due to the recruitment freeze, in addition to previous reduction through VS, leading to resource pressures. In particular in management roles increasing pressures and the ability of the service to respond quickly to requests/ needs
- Staff Retention – experienced change delivery staff (e.g. Project Managers, Business Analysts, IT Specialists) with marketable skills could opt to leave the organisation, intensifying resource pressures and resultant higher costs already referenced above.
- Unexpected business demand (winning unexpected bids and needing Change resource to deliver them, unexpected IT changes which require change input etc).
- Risk that CPG group will trigger previously unexpected/not-anticipated demand.
- The Change Business Partners are currently covering the Service Manager role and working with Finance colleagues to manage the budget position and year end forecast, to mitigate this risk.