

## **Appendix A.3 - HRA Housing Development Programme 2025 –2030 MTFP - and 30-year Business Plan**

### **General**

1. This report sets out details of the HRA Housing Development Programme, and associated budget requirements over the 2025/26-29/30 Medium Term Financial Plan.
2. Bristol City Council is committed to doing all it can to tackle the housing crisis and has a new build programme of social rent and shared ownership delivery as part of a comprehensive affordable housing development plan for the city.
3. The delivery of new build homes is not a short-term approach and can take many years to achieve the required outcomes. Delivery is therefore an ongoing rolling programme, with spend forecast for each element of a development across multiple years. The programme includes both direct development on council land and acquisition homes from developers and the open market.
4. The HRA development programme's capital is part of the overall HRA Business Plan and needs to be balanced with the requirements of both the Revenue and wider Capital programme for the existing stock. The capital for development is funded from borrowing and subsidised through Right to Buy receipts, Homes England Affordable Housing Grant or affordable housing commuted sums. The borrowing requirements and the cost of that borrowing are set out within the legal parameters to provide a balanced budget for the HRA as part of the wider HRA budget setting process.
5. Since the development programme started in 2013, over 600 new homes have been built, with a further 404 expected completions in 2025/26. The Development Programme approved in 2024 committed to delivering over 1,700 new homes over the life of the 2024/29 MTFP. However, the review of the business plan has reduced the amount of available funding for the development programme and thus is being reduced for the foreseeable future and has led to a review of the current development programme.
6. The new 5-year programme 2025-2030 commits to continuing with the provision of a delivery programme which will see further delivery of around 185 homes currently under contract completed, in 2026/27 and further provision of capital funding for delivery over the remaining course of the 5-year programme. This revised figure is based on the current funding that is available and considers the current market situation and competing priorities within the HRA. There remains a commitment to build further homes over the life of the 30-year business plan.
7. There are considerable challenges to delivering against the forecasted number of new homes each year, from both a financial and a development perspective. There will be movement of projects within the overall programme, during any financial year within the plan, which will see some sites withdrawn, new sites and opportunities brought in, and sites moved across financial years. Since the HRA development programme began, we have experienced some significant challenges with the new build programme, but the Housing Delivery Development team is experienced and skilled in this field and will drive the programme accordingly to strive to achieve the desired outcomes, reporting on progress at the agreed gateways of the development process.

8. Risk management, reporting and forecasting on delivery at a scheme level has been improved significantly in recent years and the Team have managed to successfully navigate contractor insolvency, delivering with innovative methods of construction, unforeseen challenges on sites, cost increases, changes to Planning and Building Regulations and budget pressures.
9. During 2024/25 the Delivery Team piloted and then brought into business as usual a Market Acquisitions Programme as an efficient way of securing new homes for the HRA. In 2025/26 the HRA will fund a very limited acquisition programme, but it is currently anticipated this may pick up again from 2027/28. The Development Team will instead be commissioned to manage a programme of General Fund acquisition for Temporary Accommodation provision (approved by Strategy and Resources Committee on 16/1/24, subject to approval of the full Council Budget).
10. There remains clear commitment to continue to increase the supply of new Council Housing for the city although the HRA budget indicates a slowing of new delivery in years 2025 - 2027 of the 5-year MTFP, with capital availability picking up again from 2027/28.
11. These new homes will be delivered through a range of approaches:
  - a. 'Land-led' schemes using council land, (including the purchase of General Fund land if scheme viability allows) to bring forward new development directly managed by the Housing Delivery Development team.
  - b. 'Developer-led' schemes (e.g., purchase of homes from developers, such as Goram Homes and other S106 Acquisitions including any funded additionality; and
  - c. Acquisitions of properties from the market, including RTB buybacks, leaseholders, and other sources for General Needs housing through adaptation, upgrade or conversions, estate regeneration and/or meanwhile use (e.g., demountable MMC housing for shorter term land use).
12. The annual refresh of the Development Programme has been undertaken to reflect changes to the development market (escalating costs), pressures within the HRA Business Plan and the need to improve the condition of the current stock.
13. The existing current development programme has been reviewed and has resulted in a number of schemes being removed or delayed in terms of timeline of delivery. Only those projects in contract are continuing over 2025/26 and 2026/27 with 4 small sites to be taken through to planning in 2025/26. A small number of market acquisitions will complete in 2025/26 as the final stages of the pilot.
14. We continue to prioritise good quality design and will seek to improve the sustainability of new council homes as we work towards making Bristol a net-zero carbon city. Good quality design will improve the experience of those occupying new affordable homes, and sustainability requirements will need to ensure that we develop in a way that reflects the climate emergency. This approach brings challenges in terms of increased development costs and achieving scheme viability, especially where we strive to provide higher than the required planning, building regulations, environmental and sustainable agenda on each development.

## **Programme Overview**

15. To date we have progressed the Development Programme, with both the developer-led and land-led schemes and acquisitions with over 590 homes currently under construction with

completions of 404 in 25/26 and 186 in 26/27.

16. Sites currently under construction include sites at the Bell Close site in Manor Farm, Brentry House, Brentry, Romney Ave, Cameron Centre, Branwhite and Brunel Ford site in Lockleaze, West Street, Bedminster, sites in Lawrence Weston, Filwood Cinema, Filwood and Greville in Stockwood and at Hengrove.
17. Details of these developments can be found on the interactive Affordable Housing Delivery map on the council's website.
18. We are also working alongside Goram Homes to deliver 147 affordable homes at Romney House, Lockleaze. It is also proposed that the HRA withdraw from their contracts to acquire units from Goram Homes / Vistry at Dover Court and New Fosseway. There will be a sunk cost of c. £300k to be written off to revenue but the deposit will be returned and c. £10.8m in capital would be released in 2025/26. This would be reallocated towards stock improvement and/or securing delivery of new affordable homes that might not otherwise come forward through our Registered Provider partners. The tenure mix and number of additional homes would be offered to mirror the deal with the HRA but would be subject to viability, appetite of the RPs and available subsidy. These properties are highly sought after lower density sites, and it is not anticipated that the appetite from RPs would be a challenge. Social Rent delivery is a key national delivery priority for current and future funding programmes. At this early stage, this proposal has an element of risk, and the released capital cannot be guaranteed: the HRA cannot be released from their contracts until Goram / Vistry have a secure negotiated deal with an RP to replace it.
19. The budget being approved sets out funding requirements for the proposed workstream within the Development programme. The programme will focus on various strands of work:
  - a. Continuing to Deliver land led developments currently in contract (see table A below).
  - b. To continue and finalise the pilot acquisition of market and other properties that are available, including carrying out the necessary works to bring them into use as new council homes. (see table A below).
  - c. To continue with schemes to achieve a planning consent and then held for a decision as to how they are taken forward (see table B below).
  - d. To agree to remove schemes from the programme which are undevelopable for residential delivery or where other partners are better placed to deliver: (see table C below); and
  - e. Due to the reduction of the programme from that previously approved, Housing Delivery Team will need to evaluate some of the sites as to their future, whether they are held for possible future development in future years, used as a meanwhile site in the interim, or disposed of to help raise future capital receipts (see table D below).
20. The budget and approvals sought in this Cabinet report will provide a framework to shape and deliver the HRA development programme in all aspects within the process including Procurement, Legal, Planning, Transport, Highways, Contract Management, and other statutory requirements etc with the aim of maximising the development potential at pace to deliver new homes for the City.
21. The list of sites within the programme remains indicative, requiring decisions on approved or new schemes and on individual project budgets being set under the umbrella of the overall programme which will be agreed under the delegations secured within this report as each

site progresses.

22. Each project will also be required to meet agreed investment criteria and achievement of value for money for the Council as appropriate for the development and the HRA by way of a full financial appraisal.
23. This is based on the approved financial and development parameters (which includes a Net Present Value (NPV) assessment and if necessary, a Social Value assessment) and will be supported by the use of Right to Buy receipts (RTB) and/or Homes England Affordable Housing Grant / commuted sums as well as borrowing and income from shared ownership sales. The proposed developments will be primarily aimed towards Social Rented homes, however, due to the size and complex nature of some of the developments we will need to provide a mixed and sustainable development, so, where appropriate, we will introduce other forms of tenure, which could be other forms of Affordable Housing such as Shared Ownership, Affordable Rent, or any other suitable and available affordable option or Market Sale and will be considered on a scheme-by-scheme basis. The main programme appraisal parameters are reviewed and set each year and signed off by the s151 Officer.
24. The current Homes England Affordable Housing Programme (AHP) runs until 2025/26, with a drop dead of completions for the HRA of 31/03/2026. A new AHP is being announced in Spring 2025 and although no details have yet been provided, there is a clear message from national government that they will be prioritising the delivery of social rent homes. The HRA has retained its Homes England Investment partner status for 2025/26. All contracted schemes have their funding strategies in place and the terms of the new AHP will be considered when determining the future funding route to delivery of sites in the longer term.
25. We will also target any other forms of Government land or infrastructure funding available to support new delivery schemes as they become available.
26. Whilst the programme identifies several schemes, each scheme will be subject to approval by the Executive Director, Growth and Regeneration (or in due course the Executive Director of Housing) in consultation with the Policy Committee Chair for Homes and Housing Delivery, and the Section 151 Officer. The delegation also provides for the alteration to the listed sites, by either removing them, altering the number of homes to be delivered and budget allocated or delegated to bring in new yet to be identified projects to the programme.
27. Housing Development requires a level of flexibility as essential to respond to changes in the market/ financial pressures and any available future grant programmes. As such a single delegated development budget and programme is the quickest and most effective route to seamless delivery with a total overall budget in the 5-year MTFP of £207m for at least 728 new homes. The HRA are therefore seeking the following Delegations to support its direct delivery programme:
28. Delegated approval is given to the Executive Director, Growth and Regeneration (to be replaced by the Executive Director of Housing in due course) in consultation with the Policy Committee Chair for Homes and Housing Delivery and the Section 151 Officer to:
  - a. Approve the priority of the procurement projects set out in this Appendix and take all steps required to procure and award contracts (including goods, works and professional services).
  - b. During 2025/26, deliver the Development Programme capital investment plans

detailed in the programme (notwithstanding those individual contracts which may exceed the key decision threshold).

- c. agree the allocation of financial expenditure on schemes within the Development Programme and to authorise changes to adjust, remove and/or defer schemes as required to deliver the general development proposals. (Such authority to include decisions on matters which exceed the key decision threshold).
- d. To determine the appropriate nature/mix of tenure appropriate for each scheme.
- e. To identify and allocate suitable sites and properties for the programme, including both Council property and acquiring additional land or properties.

Noting that Delegated decisions relating to development will be published in accordance with the council's constitutional requirements.

29. The proposed programme will require a range of procured works and services including construction and professional consultants (Architects, Cost Consultants, Clerk of works, Contractors, Developers, and specialist services etc) as well as other professional services (Legal, Procurement and warranty providers etc) to deliver the projects throughout the various stages of the development process. This report provides the approval authority to enter into all of the required contracts and agreements following the council's procurement and financial regulations.

30. To deliver this programme, the Housing Delivery Development team will need to be adequately resourced to ensure each project is delivered. An allowance is made within the Development Parameters that a percentage of the capital costs of each development project is allocated to this resource and is managed by the lead officer for the HRA Development Programme

### Proposed development projects

31. All milestones subject to change through the life of the development; process with changes delegated to Executive Director, Growth and Regeneration in consultation with the Policy Committee Chair for Housing Delivery and Homes and the Section 151 Officer.

32. The tables below provide details of the schemes identified to date and the various proposed delivery routes. Later schemes are liable to change as they progress through the development process, and new sites may be identified.

*Table 1. Contractually committed schemes.*

Project Name	Social rent units	Shared Ownership units	Total	Completed 2024/2025	Anticipated completion 2025/26	Anticipated completion 2026/27
Leinster Ave, Knowle	55	16	<b>71</b>			71
Brunel Ford, Lockleaze	32	0	<b>32</b>			32
Greville EPH, Stockwood	26	0	<b>26</b>		26	
Brentry EPH, Brentry	34	0	<b>34</b>		34	
Branwhite, Lockleaze	37	10	<b>47</b>		47	

Project Name	Social rent units	Shared Ownership units	Total	Completed 2024/2025	Anticipated completion 2025/26	Anticipated completion 2026/27
Romney House, Lockleaze	94	53	<b>147</b>	20	84	43
Accelerated Housing delivery Pilot acquisitions	25	0	<b>25</b>	19	6	
Filwood Cinema, Filwood Broadway	20	10	<b>30</b>		30	
Climate Smart Cities sites ( Edaroth)	25	0	<b>25</b>		25	
Romney Ave, Lockleaze	12	0	<b>12</b>		12	
Hengrove Bookends, Hengrove	27	26	<b>53</b>		53	
Cameron Centre, Lockleaze	24	10	<b>34</b>		34	
Marshall Walk, Knowle	12	0	<b>12</b>		12	
West Street, Bedminster	7	0	<b>7</b>		7	
Bell Close, Manor Farm	9	0	<b>9</b>		9	
Whitehall/Embleton, Southmead	20	0	<b>20</b>			20
Filwood Broadway 4-16, Filwood	20	0	<b>20</b>			20
Conversion projects	15	0	<b>15</b>		15	
ADHP conversions	10	0	<b>10</b>		10	
<b>Totals</b>	<b>504</b>	<b>125</b>	<b>629</b>	<b>39</b>	<b>404</b>	<b>186</b>

Table 2. Current Scheme t through Planning to Development

Project Name	Social rent units	Shared Ownership units	Total
Wotton Rd, St Annes	7	0	<b>7</b>
Molesworth, Bishopsworth	5	0	<b>5</b>
Craydon, Stockwood	7	0	<b>7</b>
Redfield Crescent, Bishopsworth	12	0	<b>12</b>
As yet unidentified acquisitions/new	<b>68</b>	<b>0</b>	<b>68</b>

Project Name	Social rent units	Shared Ownership units	Total
development opportunities			
Totals	<b>99</b>	<b>0</b>	<b>99</b>

Table 3. Current schemes proposed to be withdrawn

Project Name	Social Rent Units	Shared Ownership Units	Total
Dovercourt Depot, Lockleaze	53	17	70
New Fosseway, Hengrove	50	15	65
Peterson Sq, Hartcliffe	30	0	30
Kingswear, Knowle	28	6	34
Deering Close, Lawrence Weston	21	10	31
Total	182	48	230

Table 4. Schemes to be reviewed and either held for longer term delivery or removed from the programme

Project Name	Social rented Units	Shared Ownership Units	Total
Coombe, Westbury	16	0	<b>16</b>
Lanercost, Southmead	25	10	<b>35</b>
Sea Mills Community centre, Sea Mills	15	0	<b>15</b>
Latimer Close, Brislington	19	0	<b>19</b>
New Street, Old Market	6	0	<b>6</b>
Freshways, Lawrence Weston	19	0	<b>19</b>
Hengrove Park Affordable later phases, Hengrove	350	195	<b>545</b>
Totals	<b>450</b>	<b>205</b>	<b>655</b>

## Risk and Mitigation

33. There are inherent risks and challenges associated with the development programme and achieving both the number of homes identified and the level of funding required to deliver these homes. Whilst the Business Plan is supportive of a development programme, the risks in achieving the desired outcomes will be affected by development issues as well as financial matters.
34. The Housing Delivery Development Team are experienced and skilled at leading this programme of developments and will work to eliminate and drive any delays to ensure the fastest possible delivery, however there are always risks.

35. Each development project will need to achieve a planning consent and therefore until this has happened, numbers predicted on each site could change and the pace of delivery may change during the design and planning process and budgets amended accordingly in line with the delegated authority.
36. Procurement and legal requirements will need to be carried out and issues such as collateral warranties, insurance and contract negotiations can take time to resolve.
37. Unforeseen issues may occur during the actual works and liaison with external stakeholders such as utilities may hinder the progress.
38. Any acquisition is dependent upon the availability within the market and whilst we can look to target certain parts of the market, there is still the period of negotiation, conveyance and then the necessary works to those homes to be factored in.
39. The development led projects and those from third parties, are such that we are reliant upon their programmes of delivery, and this can affect the timeframe of new homes being delivered.
40. Attached is a risk matrix, which will be monitored, and mitigations used to support the delivery programme.