

# Cabinet

7<sup>th</sup> 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

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**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:

<b>FIGURE 1</b>							
<b>The risks associated with the implementation of the (subject) decision :</b>							
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

<b>FIGURE 2</b>							
<b>The risks associated with <u>not</u> implementing the (subject) decision:</b>							
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: 16<sup>th</sup> 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:** 24<sup>th</sup> 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** 23<sup>rd</sup> 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** 20<sup>th</sup> 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):**