

Bristol Homes Board

Heading: Homes Board Devolution output
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Report for: Circulate for information

Purpose of paper:

- 1) Bristol Homes Board devolution output

For information – attached in Appendix 1 are records of the outputs from the Board’s discussion in January 2017 regarding devolution opportunities relating to housing.

We would like to thank the Board for their input; the information has been shared with colleagues leading this work for future consideration.

A number of issues were raised that are outside of the scope of future devolution deals. Officers supporting the Board will determine if any of these issues could be explored in alternative ways, for example as future agenda items for the Board in 2017/18.

- 2) Letter to the Rt Hon. Sajid Javid

The Board may be interested to know that Bristol are working with the other 7 Core Cities to develop proposals for Government regarding:

- the contribution that the Core Cities can make in reaching Government objectives regarding the development of new homes; and
- ‘asks’ of Government that would enable the Core Cities to deliver these proposals.

Parallel to this Mayor Marvin Rees has written to the Rt. Hon. Sajid Javid to outline Bristol specific proposals and asks, as outline in appendix 2.

Appendix 1

Bristol Homes Board - 12 January 2017 –West of England Devolution – Future deals and housing, Workshop outputs:

Priorities and problems

- If sites are non-viable, we need to be able to take them up to market level standard through a WoE land development/infrastructure fund
- We need to change the mindset of developers to ensure sites are not left empty
- North Somerset not being in WECA
- Small and medium developers have cash flow issues
- VAT on empty property refurbishment – out of step with new build
- Quality standards in the Private Rented Sector in market housing are below sub-market and registered providers.

Powers and asks

- Doubling of New Homes Bonus –to reverse recent halving
- Hypothecation of stamp duty receipts to WECA for house-building. Note that this is in principle similar to business rates devolution, and there is precedent in areas having stamp duty holidays. We could offer to pilot this.
- HCA powers and resources devolved at local level including direct grant funding to support affordable homes, and recyclable infrastructure funding for small and medium developers who cannot access funding
- The right to extend licencing areas as we see fit, without requiring SoS permission
- Power to levy higher taxes on empty properties, (the current maximum premium is 150% after 2 years empty), as well as the strengthening of CPO powers for long-term empty sites
- The ability to charge business rates on new purpose-built student housing

Notes:

- The ability for the WECA to grant itself planning permission on developments was recorded, but this is a power the WECA will have, as part of Mayoral Development Corporations
- Equality and security of tenure was recorded but there is little possibility of this being devolved
- Increasing the use of temporary shelters was recorded but is a local not devolution issue
- Increasing access to mental health assessments was recorded but is not a devolution issue
- The broad market rental area for LHA not being appropriate for Bristol was recorded but is not a devolution issue
- Rent controls were recorded, but due to lack of Government support, this ask would be better coming from Core Cities
- Powers to block planning applications due to lack of affordable housing was recorded, but this is an existing power, it is viability assessments that present problems
- Designated areas of use class for the Private Rented Sector was recorded but presents other issues around planning permission

Appendix 2

BRISTOL'S HOUSING PROPOSALS

We are committed to accelerating the delivery of new homes and one of my key objectives as Mayor is to deliver 2000 new homes per year, of which 800 should be affordable, by 2020. To achieve this the Council has established a single multi-disciplinary Housing Delivery Team, to deliver homes through the following actions in our new Housing Delivery Plan. In 2017/18 an additional £14million has been allocated to better enable the delivery of new homes.

In South Bristol we have been working effectively with the Homes and Communities Agency (HCA) in creating the South Bristol Housing Zone and preparing Council and HCA land for up to 500 homes.

As one of thirty selected English local authorities, for the local authority starter homes programme, we will shortly be submitting a detailed bid to deliver on the Council sites up to 60 starter / affordable home ownership homes with 60 market homes. We are awaiting the result of our bid to the Estate Regeneration Fund to bring forward sites in Lockleaze and expect to be submitting an Expression of Interest for the Accelerating Construction programme.

We share the Government's determination, detailed in the recently published Housing White Paper, to turn around the housing market and we support the Government's initiatives to accelerate housing delivery and progress estate regeneration. However, there remain a number of challenges, some particular to Bristol and others shared across the Core Cities, to accelerating the delivery of new homes, in particular:

- 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.
- Securing the annual investment into the economy needed to build 2000 homes per annum – 800 affordable. Whilst we welcome the Government's financial investment in homes navigating the current funding arrangements takes considerable time and resources.

Therefore there are a number of options we would like to explore with Government that could enable direct and indirect Council delivery of new, and affordable, homes:

1. To Increase overall levels of housing development:

a) The creation of a single housing investment fund - all relevant funding for housing should be accessible within a single pot approach. Simplified funding allocations would increase delivery, and where applicable, it could be delivered through devolution agreements so they can be administered and monitored against agreed targets and criteria.

b) Devolve HCA grant making powers to the Council or West of England Combined Authority so that it is better able to coordinate the provision of grants and maximise the leverage from other agencies and organisations

2. To increase the provision of affordable housing:

a) Introduce affordable housing requirement on new purpose built student housing developments of 15+ units; and

b) Introduce a new affordable housing requirement for permitted development office and other commercial buildings to residential developments of 15+ units

3. To increase direct Council delivery of new homes (HRA and Local Housing Company)

a) Increased flexibility over use of right to buy receipts, with 100% retention

b) Allow council rents to rise in line with inflation (currently average council rent is less than a third of average private sector rent) to allow investment in council home building

c) Allow greater flexibility for land use between the Housing Revenue Account & General Fund (GF) – so the HRA does not have to appropriate land at full market value, but can be treated like other Registered Providers and receive GF land at below market value to help deliver higher levels of affordable homes

Bristol is firmly committed to increasing the provision of decent, affordable, sustainable homes, with the necessary supporting infrastructure – energy, transport education and employment. We are not just building houses; we are trying to build communities where people feel they belong.

We need the financial capacity to deliver this and with this in mind we put forward the following suggestions relating to fiscal policy that could help deliver on this ambition:

4. Fiscal powers:

a) Business rates on purpose built student housing developments of 15+ units (as students are exempt from paying council tax, despite the extra demands they bring to council services)

b) Power to levy higher council tax on empty properties, above the existing powers to levy 150% charges after 2 years

There are many aspects, beyond building more houses, to resolving housing issues and ensuring households have access to affordable, decent homes. Bristol remains committed to the provisions of a range of services that enable households to access housing, manage successful tenancies and to prevent and deal with homelessness. Four particular areas where a new approach would be welcomed are:

5. The power to review our Local Housing Allowance rental area, with the LHA set using private rent levels within the city boundaries, rather than based on a wider market rental area.

6. Devolved powers to lease out land at below best consideration to homeless and housing charities and community led organizations without need for authorization from the Secretary of State

7. Powers for councils to create their own 'local definition' of 'affordable housing' (independent from the forthcoming definition in the National Planning Policy Framework), allowing councils to better meet identified local housing needs and circumstances.

8. Ability to extend private sector licencing areas without needing SOS permission

23 Feb 2017