

Title: Lockleaze Estate Regeneration & Housing Delivery		
Ward(s):	Lockleaze	
Author:	Paul Owens	Job title: Senior Project Manager – Special Projects
Cabinet lead:	Cllr Paul Smith	Director lead: Colin Molton - Interim Executive Director Growth and Regeneration
Proposal origin: Councillor		
Decision maker: Mayor Decision forum: Cabinet		
Purpose of Report: To agree approach to and funding for 'Lockleaze Estate Regeneration & Housing Delivery', to enable the delivery of some 800 new homes.		
Evidence Base: The West of England Joint Spatial Plan and other sources identify the need for additional housing in Bristol. Lockleaze, within the city's 'Northern Arc', is a priority regeneration area for the Council. Lockleaze has historically suffered from poor connectivity, worse than average deprivation, and a lack of diversity of housing stock. This report seeks agreement to a way forward to deliver some 800 new homes and to support regeneration locally		
Cabinet Member Recommendations:		
<ol style="list-style-type: none"> 1. To note the Lockleaze Sites Appraisal and Delivery Strategy study and the recommended delivery approach set out in Appendix A. 2. To authorise spend of £1.081m Estate Regeneration Grant received from DCLG to help deliver new housing and regeneration in the Lockleaze Estate. 3. To authorise spend of an initial £0.505m Early Investment Programme 'Unlocking Lockleaze Development' grant tranche towards transport infrastructure from WECA. 4. To authorise spend of £6.686m 'Unlocking Lockleaze Development' Housing Investment Fund grant award from Homes England 5. To authorise officers in consultation with the Service Director, Finance to submit grant funding applications to secure external funding as appropriate, including: Local Growth Fund, Early Investment Programme, and Accelerated Construction Programme, and to invest any such grants awarded to deliver the sustainable transport improvements and other infrastructure required to enable housing delivery in Lockleaze. 6. To agree, subject to further Cabinet approval of the detailed business case and any joint venture agreements, to dispose of the Romney House/Lockleaze School site, Lockleaze Day Centre/Blake Centre Site and Branwhite Close sites ('Package A') to the Council's proposed Local Housing Company for residential led development. 7. To agree the sale of the following sites to a Homes West partner: Constable Road/Crome Road sites, and Herkomer Close ('Package B'). for residential led development. 8. A number of smaller sites (within 'Package C') are expected be developed by Bristol City Council (through the Housing Revenue Account) to provide additional affordable housing. Remaining sites identified within Package C with potential for self-built or community land trust will be disposed of. 9. Cabinet in April 2012 agreed to land sales and acquisitions in Lockleaze to support regeneration in the vicinity of Gainsborough Square, Lockleaze. Cabinet are asked to reaffirm this approach. 		

Revenue Cost: £ 0	Source of Revenue Funding:
Capital Cost: £178m	Source of Capital Funding: £178m overall GDV. –predominantly funded by private sector. £1.081m to be met from DCLG Estate Regeneration Grant, £6.686m to be met from Housing Infrastructure Fund award, £0.505m to be met from WECA Early Investment Programme grant. £841,967.82 to be met from existing s.106 allocations for Lockleaze and committed to this project. Additional external grant funding will continue to be sought.
One off cost <input type="checkbox"/> Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/> Income generation proposal <input checked="" type="checkbox"/>

Finance Advice: Bristol City Council has ambitious targets to deliver 2000 new homes of which 800 are affordable per year by 2020. To deliver the new homes the City Council's approved capital programme over the next five years includes investment of £175m to support the setup a private housing delivery company. The investment of £175m assumes a mix of funding, comprising prudential borrowing of £71m and capital receipts of £104m. Any proceeds from the disposal of these sites after allowing for funding required to resolve transport infrastructure issues would contribute the capital receipts target. As a result any agreed recommendation needs to consider the relative economic benefits of maximising the capital receipt against as a minimum of complying with council planning policy on achieving 30% affordable homes.

Finance Business Partner: Neil Sinclair, Interim Finance Business Partner

Corporate Strategy alignment: The Corporate Strategy 2017-22 includes the following commitment: "We will build 2,000 new homes – 800 affordable – a year by 2020"

Legal Advice: The scope of the public procurement regime may extend to development agreements particularly where a local authority wishes to have a decisive influence over the development, seeks to impose enforceable obligations on the developer and/or there is some form of pecuniary interest. A local authority has a duty to obtain best consideration for disposal of the sites and in addition ensure that any transfer does not amount to unlawful State Aid. With regard to Joint Venture (JV), once due diligence has been completed, clear objectives for the JV established and a possible partner identified, the Council should establish an appropriate legal format for the JV and negotiate an agreement that reflects the goals of the partners. Having regard to the foregoing, the proposals in this report are lawful and Legal Services will advise and assist officers as the project progresses.

Legal Team Leader: Sinead Willis, Legal Services Team Leader 23.02.2018

Implications on ICT: There appears to be few, if any, direct IT implications of this project beyond possible fit-out of a project team should one exist. Early engagement with IT and scoping of any IT requirements, should they be necessary, would help facilitate this project delivery

ICT Team Leader: Ian Gale, Service Manager, Service Delivery and Integration

City Benefits: The proposal will increase the supply of affordable housing and this will affect the demand which will be of benefit to the whole city. The lack of affordable housing causes homelessness and the people who are owed a homelessness duty by the council are disproportionately young people, disabled people, BME people and lone parents who are mainly women. Lack of accessible housing mainly affects older people and disabled people. These dwellings will meet the minimum standards set out in the part M of the Buildings Regulations, Access to and Use of Buildings. Improved public transport, cycling and walking infrastructure anticipated.

Consultation Details: Proposals draw from 'Lockleaze Vision' (2009) and the Lockleaze Voice Draft Neighbourhood Development Plan (2014-2026), developed following local community engagement.

DLT Sign-off	Housing Delivery Board	15/8/2017
SLT Sign-off	John Redman	10/10/2017
Cabinet Member sign-off	Cllr Paul Smith	30/1/2018
For Key Decisions - Mayor's Office sign-off	Mayor	2/2/2018

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal -	YES
Appendix F – Eco-impact screening/ impact assessment of proposal -	YES

Appendix G – Financial Advice	
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	Lockleaze & Key development sites within Lockleaze Estate
Appendix J – Exempt Information	NO

Lockleaze Estate Regeneration & Housing Delivery

1. Background:

The Lockleaze Estate, sandwiched between the Bristol-South Wales railway and the M32, was developed from the late 1940's, predominantly as municipal housing. Lockleaze is a typical low-density estate of post-war period. The layout, housing design and construction methods used were a product of "garden suburb" and "modernist" thinking of that time.

Lockleaze, within the city's 'Northern Arc', is a priority regeneration area for the Council. Lockleaze has historically suffered from poor connectivity, worse than average deprivation, and a lack of diversity of housing stock.

Local residents support regeneration and change in the area and have articulated local regeneration objectives, including through the 'Lockleaze Vision' (2009) and the Lockleaze Voice Draft Neighbourhood Development Plan (2014-2026).

Bristol City Council owns a significant quantity of land (development plots held in both the Housing Revenue Account and General Account) within the area suitable for new housing development to support local regeneration.

2. Delivering Estate Regeneration in Lockleaze:

To support the regeneration of the Lockleaze Estate, deliver new homes, and to help achieve resident's objectives in 2016 Bristol City Council in 2016 commissioned Emmett Russell Architects and Bilfinger GVA to work alongside multi-disciplinary Council teams to undertake a 'Lockleaze Sites Appraisal and Delivery Strategy' study. This work has focused very much on housing delivery, regeneration, and successful placemaking in accordance with identified local priorities.

This work has resulted in a local housing market assessment, site capacity studies, a Design and Planning Brief for the Romney House/former Lockleaze School site, financial modelling and soft market testing.

Modelling indicates that Bristol City Council owned sites in the Lockleaze Estate can accommodate around 800 new homes including at least 239 affordable homes in full compliance with Planning Policy.

3. Delivery Approach:

In order to achieve the Council's core objectives (maximising the delivery of housing numbers; capitalising on pace of delivery; securing affordable housing provision; and ensuring quality of development) GVA Grimley have recommended the development of Council owned sites through bundled packages of sites.

The key packages and indicative delivery approaches are:

Package/sites: (site numbers relate to Appendix I plan)	Indicative number of homes	Preferred delivery mechanism	Timescale
Package A: <ul style="list-style-type: none"> • Romney House/Lockleaze School (site 1) • Lockleaze Day Centre & Blake (site 2) 	354 units	Joint Venture Partnership (JVP) – procured independently or through BCC Housing Company (subject to commercial	JVP to be structured 2018/19

<ul style="list-style-type: none"> • Branwhite Close (site 8) 		viability)	
Package B: <ul style="list-style-type: none"> • Crome Road 6-20 even (site 17) • Crome Road 30-48 even (site 18) • Constable Road 17-43 odd (site 19) • Herkomer Close (site 16) 	130 units	Site sale. Initial offer to be restricted to Homes West partners	Imminent
Package C1: <ul style="list-style-type: none"> • Constable Rd (sites 20 & 21) • Constable Road (site 9) • Morris Rd (site 11) • Turner Gardens (site 15) • Romney Ave (site 13) • Brangwyn Grove (site 22) • Constable Rd (plot East of Copley Gdns – not marked on map) 	36 units	Bristol City Council (HRA) direct delivery or	Programmed over 5 years
Package C2: <ul style="list-style-type: none"> • Blake Road (site 6) • Mulready Close (site 12) • Rowlandson Gardens (site 14) • Rackham Close (not marked on map) • Gilray Close (not marked on map) • Garage site (site 31) • Edward Bird House - adjacent to (site 24) • Downman Road (site 10) 	22 units	Site sales targeted for: self-build housing / Community Led Housing. Will seek to link with West of England One Public Estate Sites Programme.	t.b.c.
Package D1: <ul style="list-style-type: none"> • Bonnington Walk (site 7) 	262 units	Joint Venture Partnership/ site sales/direct delivery (to be determined in light of emerging market conditions)	Site preparation to commence from 2018/19
Package D2: <ul style="list-style-type: none"> • Cameron/Police (site 3) 		Joint Venture Partnership/ site sales/direct delivery/Community Land Trust (to be determined)	Determination of delivery approach 2018/19

Gross development values (GDV) are expected to exceed £170m. Site values to be accrued by the Council are expected to be positive. Contemporary market conditions will affect returns to be made by the Council.

4. Housing Revenue Account:

A number of the sites within Packages A, B, C and D are held within the Council's Housing Revenue Account (HRA). Development land held within the HRA is limited and the preferred approach of the HRA's business plan is that any HRA land identified to be sold or moved out of the HRA should first be part of a land swap, so the HRA receives alternative sites that can be developed for new Council Housing in appropriate locations.

The alternative options for release of HRA land are to sell the site for a capital receipt or to take affordable units when the site is developed in lieu of a capital receipt. However, these options are not favoured because:

- The HRA prefers land rather than receipts
- The GF benefits more from receipts
- If the HRA takes the affordable (s106) units from a development there is no 'additionality' – i.e. the HRA is simply acting as A.N.other RP (Registered social housing Provider). An RP would have taken the s106 units and the HRA would have had the land or money to build further affordable units. In Lockleaze such an arrangement may yield an additional 58 Council homes without grant subsidy.

Therefore the recommendation for release of HRA land, in priority order, is:

- 1) Appropriate land from the General Fund on an equivalent value/land/size basis
- 2) Full market value capital receipt for the land
- 3) To take new homes in lieu of capital receipt

5. Transport:

Due to constrained vehicular access to the Lockleaze estate, transport modelling suggests that without additional sustainable transport infrastructure this potential level of development is unlikely to comply with Planning Policy requirements and unlikely to receive necessary Planning Consents. Potential additional congestion and air quality deterioration can however be mitigated against at an estimated cost of £4.3-5.5m. External grant funding will be sought to meet necessary infrastructure costs to unlock development. This investment can be met from anticipated capital receipts from site/house sales from new development on Council owned sites in the Lockleaze Estate, should alternative funding not become available. This will achieve the Travel Plan mode shares and realise the sustainable development that local and national policy requires all new development to deliver, in the interests of minimising car reliance in favour of forms of movement that impact positively on the health of the local community, including walking, cycling and public transport. Such investment would reduce the reliance on the private car (and subsequently car parking) which could help deliver higher density development and therefore maximise the number of dwellings that are achievable on any given site. Existing residents of Lockleaze and the wider area can be expected to benefit from transport infrastructure improvements. Appropriate local transport infrastructure investment will be subject to local consultation.

6. Placemaking:

Whilst Lockleaze has many positive aspects, it does not enjoy a high profile as an area in which to invest or as a destination. This is in part due to the physical isolation and poor connectivity of the Lockleaze estate and the need for some environmental enhancements.

Council Investment in recent years to public realm at Lockleaze's main commercial centre at Gainsborough Square has led to some improvements. Unfortunately the area still suffers some dereliction and a lack of amenities. Cabinet are asked to reaffirm a previous Bristol City Council Cabinet decision of 26th April 2012 to support the regeneration of Gainsborough Square, including through: the acquisition of land (including

via the Council's compulsory purchase powers as a last resort); enter into contracts to dispose of Council land via either conditional freehold or conditional leasehold sales; and to enter into contract(s) with development partner(s) to assist the regeneration of Gainsborough Square. Additional investment in Gainsborough Square and the local area through such mechanisms is expected to improve investor confidence and assist in successful housing delivery and estate regeneration.

Bristol's library service operates a public library from temporary accommodation at the Cameron Centre, a site identified as a redevelopment opportunity. Whilst relocation of this facility into a cost-effective shared use facility on Gainsborough Square would support the vitality and sustainability of Gainsborough Square and support employment and economic opportunities, this may not be viable. It may be appropriate to provide an alternative community/commercial facility to enhance the vibrancy of Gainsborough Square.

7. Jobs and Economic Opportunities:

The Lockleaze estate falls within the 15% most deprived areas nationally¹ with the proportion of residents on Out of Work Benefits being 37% higher than average (August 2016²). New homes, improved transport, and placemaking will not address these problems alone.

A Lockleaze Community Economic Development Plan in gestation has identified 'Employment Opportunities' along with "more local jobs and more independent businesses within the area" as a key themes. Employment support, restaurants, and a new Lockleaze train station all fall within the top five priorities of consultation respondents³. 63% of consultation respondents to date have asked for workshop units to be included in developments for the area.

Subject to the availability of appropriate resources, Bristol City Council should in principle support such investment.

8. Delivery Capacity:

The delivery of significant numbers of new homes and regeneration in Lockleaze will require Bristol City Council to have appropriate resources in place to facilitate this development.

- a. **Estate Regeneration Grant:** With the support Cllr Paul Smith (BCC Cabinet Member for Homes), the Director of Finance, and local Ward Councillors, an Estate Regeneration 'enabling and capacity building' grant funding bid was made to DCLG, to provide capacity to support Estate Regeneration and deliver new homes in the 'Lockleaze Estate'. A grant award of £1.081m has now been received in response to this bid for the achievement of agreed deliverables. Due to the size of this grant Cabinet is asked to approve the acceptance of this grant for the delivery of Lockleaze Estate Regeneration.
- b. **West of England [Metro Mayor] Early Investment Fund:** Infrastructure investment to support improved development standards for housing delivery in Lockleaze is being sought as apart of West of England investment packages. An initial £505k funding tranche has already been received.
- c. **Housing Delivery Vehicle [Local Housing Company]:** Bristol City Council has commissioned consultants, Lambert Smith Hampton, to help prepare a detailed business case for a new Bristol housing delivery vehicle to support accelerated housing delivery. This vehicle may be used to deliver housing on some of the available sites.
- d. **Additional Affordable Housing Delivery in Lockleaze Ward.** A s.106 allocation of £841,967.82 for "The provision of affordable housing in Lockleaze Ward" remains

¹ Index of Multiple Deprivation, Source: DCLG English Indices of Deprivation 2015.

² Office for National Statistics, Benefit claimants - working age client group, Nomis 16/3/2017

³ At the time of writing, over 440 Lockleaze Community Survey consultation responses had been received but the consultation had not closed.

unallocated. This funding can be committed to support the delivery of affordable housing in Lockleaze.

- e. **Housing Delivery Team:** The Council's newly established Housing Delivery Service will lead on Lockleaze Estate Regeneration & Housing Delivery.
- f. **Accelerated Construction Programme:** Funding is currently being sought from Homes England to support housing delivery in Lockleaze.
- g. **Housing Infrastructure Fund:** The Government has announced a new Housing Infrastructure Fund which can grant aid appropriate infrastructure investment to unlock housing delivery. A £6.7m 'Unlocking Lockleaze Development' grant application has been submitted and the outcome of this bid is currently awaited.

Lockleaze Location



Lockleaze Ward



Lockleaze Estate

