

HRA Development Programme 2020/21

1. General

Bristol City Council's current new build development programme commenced in 2014, and to date the Housing Delivery Team has completed 146 new council owned homes on twenty schemes across the City.

The lifting of the HRA borrowing cap has given us the opportunity to deliver significantly more council owned homes across the City, and we have ambitions to ramp up delivery. In order to mitigate risk, it is proposed that these will be delivered through a number of work streams (blended approach):

- New Build (Schemes anticipated to start, in 2020/21, and pipeline work for future development phases are detailed in Appendix A4)
- Property Conversions
- Right to Buy 'Buy-Backs'
- Buying 'Section 106 Units' from developers
- Estate Regeneration

The increased programme will help strengthen our Business Plan by moving the net additional homes (after Right to Buy disposals) into a positive position.

The following table summarises starts and completions programmed for 2020/21 (excludes 'right to buy' buybacks and section 106 units):

| | Social Rent | | Shared Ownership | | Market Sale | | TOTAL | |
|----------------|-------------|------|------------------|------|-------------|------|------------|------------|
| | Starts | Comp | Starts | Comp | Starts | Comp | Starts | Comp |
| 2020/21 | 188 | 61 | 54 | 0 | 0 | 71 | 242 | 132 |

The programme will require a range of procured works and services including:

- Construction
- Professional advisors
 - Design
 - Cost consultancy
 - Project management
 - Land use/planning consultancy
 - Sales and marketing
 - Specialist surveys

The proposed budget for 2020/21 is £40.0m and this will be funded through a mixture of right to buy receipts, capital receipts and reserves. There will be £12.4m in right to buy receipts to be utilised in 2020/21.

During 2020/21, work will continue on our largest Housing Revenue Account (HRA) development at Ashton Rise, where 133 homes are on target to be completed (53 Social Rent and 80 Market Sale). £7.7m has been budgeted as gross expenditure on the scheme during this period. There is £17.3m budgeted income in 2020/21 from market sales at Ashton Rise. There will also be £2.1m on continuation of Phase 4 schemes and £0.8m on preparation for Phase 5 sites.

2. Property Conversions Programme (£130K)

The Housing Delivery Team is also working on a property conversion programme of around 6 homes a year. This will see redundant community spaces and other non-residential accommodation converted into new affordable homes for Social Rent.

3. Right to Buy (RTB) 'Buy-Back' Programme (£3.8m)

The HRA is looking to acquire ('buy-back') circa. 15 homes that were former Right to Buy properties. These are existing properties that were formerly in our ownership and that are located on the estates we currently manage. The introduction of such a programme will provide a work stream that can flex more easily than our new build development programme. They will provide an opportunity to respond more quickly to meeting prioritised need, balancing any slippage in development or expanding our property portfolio into areas lacking opportunities for new build development. The proposed programme may also become a more attractive option should market prices deteriorate and building supply costs for new build labour and materials spiral upwards due to Brexit.

The programme could also support other, secondary objectives, for example:

- purchasing market properties in schemes/areas of interest for estate renewal;
- help reduce the number of leaseholders in blocks;
- target homes that support the delivery of the Better Lives at Homes (BLaH) or other specialist initiatives.

4. Section 106 Programme (£5.1m)

As part of the 'blended' development programme approach, and to add further value from our site disposals, the HRA has been successful in securing 'pre-emption' agreements for the affordable housing element on 'policy compliant' land disposals.

The following table summarises the likely number of homes to be on site or in contract through this work stream in 2020/21:

| Scheme Name | No. |
|--|------------|
| Romney Hse (S.106) - Social Rent | 80 |
| Romney Hse (Additionality) - Shared Ownership | 67 |
| Airport Rd (S.106) - Social Rent | 44 |
| Airport Rd (S.106) - Shared Ownership | 16 |
| Brislington Meadows (S.106) - Social Rent | 69 |
| Brislington Meadows (S.106) - Shared Ownership | 21 |
| Bonnington Walk (S.106) - Social Rent | 46 |
| Bonnington Walk (S.106) - Shared Ownership | 14 |
| Bonnington Walk (Additionality) | 33 |
| | 390 |

The benefit of these schemes is that they are relatively cheaper and easier to deliver due to the Section 106 Planning restriction and the homes being 'Developer-led'. We have allowed a budget of £5.1m to facilitate these schemes being put in contract with a 10% deposit. The total commitment of all these sites is likely to be circa. £70m gross.

5. Bristol Housing Festival Sites (£0.8m)

We are working on a number of HRA projects that will be delivered under the umbrella of the Bristol Housing Festival. A number of these sites will need to proceed through to planning in 2020/21, and we have allocated £0.4m for progressing these.

We have also allocated £0.4m for acquisition of land opportunities that can be delivered as part of the Bristol Housing Festival.

6. Estate Regeneration Programme (Nil)

To help address some of the challenges around housing supply and quality of housing, the HRA intends to embark upon an estate regeneration programme to provide more and better quality, homes for the residents of Bristol. It is unlikely that any capital expenditure will be required in 2020/21.