

Decision Pathway – Report



PURPOSE: For reference

MEETING: Cabinet

DATE: 03 March 2020

TITLE	Council Homes Regeneration (<i>Strategic delivery approach to emerging programme</i>)		
Ward(s)	City Wide (All Wards)		
Author: Jon Feltham	Job title: Programme Director (Estate Regeneration)		
Cabinet lead: Cllr Smith	Executive Director lead: Stephen Peacock		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: <ol style="list-style-type: none">1. The purpose of this report is to set out the proposed strategic delivery approach to the Council's emerging Estate Regeneration Programme. Estate regeneration will target some of the City's most challenging housing stock and where possible use Council owned assets to bring about positive transformational change that will benefit all residents.2. To help to address these challenges around housing supply and quality of housing, Bristol intends to embark upon an estate regeneration programme to provide more and better homes for the residents of Bristol. The proposed estate regeneration programme can deliver better homes for existing residents and additional new homes for those on the waiting list.3. This report makes recommendations for the approach the Council should take when considering estate regeneration projects. It highlights the methodology used to select estates (see Appendix Aa), and sets out a statement of strategic intent covering the Council's proposed commitments and offers to residents on estates where regeneration may be considered by the Council (see Appendix Ab).			
Evidence Base: <u>Background Information</u> <ol style="list-style-type: none">1. Housing is at the heart of the Council's drive to improve the quality of life for residents and to create thriving communities and attractive places where people positively choose to live. The Council is committed to delivering high quality environmentally sustainable homes, including more affordable homes for local people.2. Affordable housing is the fundamental enabler to the future health and vitality of the City, and the Council is committed to working with and enhancing existing communities and redevelopment of our poorly performing housing estates can be part of the solution to increasing housing supply.3. Recent Government announcements and changes to national housing policy have resulted in a significant shift in the landscape of social housing provision, with local authorities receiving more freedom and flexibilities over how they invest in their housing stock. The lifting of the HRA borrowing cap has provided more scope for councils to deliver more and better housing.4. The Council remains, by a considerable distance, the largest social landlord in Bristol providing approx. 28,770 homes to tenants and leaseholders located across the City.5. On the supply side the Council has been a leading local authority in delivering new council housing - we have already built 146 homes across twenty sites, and are currently on-site with our largest single development of 133 homes. This new build programme will continue on brownfield sites in addition to any estate regeneration proposals.6. As a stock-holding Council, Bristol is intending to embark on an ambitious council-led estate regeneration programme, which has an essential part in the wider commitment of delivering growth and tackling economic deprivation and social disadvantage on Bristol's Council estates. This will provide additional much needed			

affordable housing for local residents and will help us bring forward the largest Council homebuilding programme seen in the City for a generation.

7. The Council has not embarked on an estate regeneration programme for a number of years, with the last two being initiated between 15 and 20-years ago:
 - In the late 1990's the Council was involved in the replacement of 630 defective Parkinson Reinforced Concrete houses on the Upper Horfield Estate (40 acres) in north Bristol, by forming an innovative partnership with Bristol Community housing Foundation (now United Communities) and Bovis Homes. The estate renewal programme provided 925 new homes across the estate (401 social rent and 524 market homes) and the last homes were successfully completed in 2008.
 - The Prefab Redevelopment Project (2004 to 2012) involved demolition and replacement of 330 no. prefab's across fifteen sites. 1,176 new homes were built, of which 321 no. were new council homes. The areas were, Brislington, Horfield, St George, Shirehampton, Ashton Vale and Hengrove. A further 151 homes were built by the council, but were sold to Sovereign HA as affordable units on the Blackswarth and Mallard sites.
8. Estate regeneration is a long-term process tackling multiple complex social and economic issues from inclusivity, economic growth, health and well-being and crime-reduction. It can be an incredibly complex and often protracted process that requires commitment, engagement and partnership that bring people together to deliver transformational change and improved outcomes for communities.
9. Our definition of "estates" is not a geographical area within the City, but is a group of homes and other buildings built together as a single development solely for council tenants. They are likely to have been built by a single contractor, with only a few styles of house or building design, so they tend to be uniform in appearance.
10. The proposed programme would primarily focus on improving the quality of housing on some of our largest and most challenging estates sat within the Housing Revenue Account (HRA). This transformational change would aim to address some of the key existing issues some of our estates face such as poor-quality accommodation, lack of permeability, accessibility, insufficient legibility, security, anti-social behaviour and poor-quality public realm/open space.
11. When undertaken successful, estate regeneration can bring genuine benefits to local people, with better homes for people living on the estate, more homes of all tenures, improvements to neighbourhoods, new opportunities for training and employment, and new community facilities.
12. The renewal programme aims to take further advantage of the opportunity for the Council to build more homes by regenerating and re-invigorating "underperforming" Council owned estates. The locations that will be under consideration are where the existing homes are uneconomical to maintain, where the homes/estate is unpopular or faces significant socio-economic issues, where there is potential for additional homes by optimising land use (densification); or where other challenges exist such as: high concentrations of poor quality one and two-bedroom social rented homes; or areas where it is not practical to significantly improve the surroundings without large-scale change.
13. The proposed programme gives the Council the opportunity to improve the quality of housing, the quality of the local environment and the quality of life for Bristol residents. It has the potential to provide residents with safe, new, modern homes which meet their housing needs in cohesive and healthy neighbourhoods.

Key Issues for Consideration

1. To note that no decisions have been taken on the future of our estates. At this stage the Council is setting out a statement of strategic intent rather than a decision to regenerate a particular estate. Any site specific estate proposals would need to come back to Cabinet for consideration and approval.
2. The Mayor is keen to provide inclusive growth opportunities for disadvantaged citizens of the City. Through a housing-led regeneration initiative there is the opportunity to address both socio-economic and environmental issues, and deliver significant benefits for the local community and the wider Bristol economy.
3. The proposed programme will help ensure that Bristol has housing that is the best it can be for all its residents; this includes good quality, energy efficient homes they can afford.
4. The Council has to consider how best to use a constrained budget for stock investment across all Council-owned homes in Bristol. There's now a greater need to demonstrate the value delivered by housing assets to the business, the value for money achieved in their repair, maintenance and improvement and the value delivered to residents. There is a need for more robust strategic planning so asset management can better contribute to effective business planning. The recently procured Savills Housing Asset Performance Evaluation (SHAPE) tool procured by Housing and Landlord Services provides the Council with a clear objective methodology as to how

estates can be identified for more detailed options appraisal.

5. An initial SHAPE assessment of our major estates will determine their condition and performance, and identify those that could benefit from some form of regeneration. Poorly performing properties essential drain money out of the HRA, as they cost more to maintain than the income provided through the use of the asset. The worst performing properties are proposed to be considered under this programme through an “all options considered” options appraisal.
6. To achieve housing targets and ensure large sites are financially viable within constrained Council finances, cross-subsidisation will be necessary. This means there will need to be some full market rent and sale homes to help pay for redevelopment, as it will allow the Council to reinvest the 15-20% development profit that private developers normally make in the City.
7. If full redevelopment (by replacing all of the existing buildings) is chosen as a way to proceed, then affordable homes should at least be replaced on a like-for-like basis (i.e. no net loss), and our ambition is to increase the level of social housing wherever possible.
8. Homes across the City must be made low-carbon, low energy and resilient to a changing climate. Bristol is leading by example in taking action on climate change. We were the first UK city to declare a climate emergency and have committed to being a carbon neutral city by 2030. We bear a significant responsibility for reducing our CO2 emissions - given that about 36% of carbon emissions in Bristol are estimated to come from domestic energy use, and with 15% of the city’s stock being Council homes, investment in energy efficiency measures and encouraging residents to cut their energy use helps tackle fuel poverty as well as contributing to carbon reduction in the City.
9. The estate regeneration process will be resource intensive and therefore the number of estates to be progressed at any one time will need to be limited to ensure that the Council has the capacity to adequately take forward each one. This means that those estates facing the most significant and pressing issues using the criteria above will be prioritised.
10. Regeneration will not succeed without broad support from local residents. Invariably, local people have in-depth knowledge of their neighbourhood, both factual and anecdotal, which will help build the bigger picture of what is needed. Just as important is clear articulation of what is possible. For a project to be a long-term success a wide variety of stakeholders must come together to form a consensus across a range of issues including the key estate regeneration objectives and how best to achieve them.
11. Tested resident opinion in support of estate regeneration proposals will be required before any existing social homes on estates are demolished and replaced (i.e. evidence of full engagement and support).
12. The proposed Estate Regeneration Programme has the potential to see neighbourhoods across the City transformed; not purely in terms of the condition of the housing, but in terms of the quality of the places; promoting vibrant and sustainable communities where people are proud to live and work. It will also enable the Council to make sensible investment decisions and get best value out of its investments.
13. Whilst regeneration and renewal can secure significant benefits for residents, the process can also be worrying and stressful for residents. We particularly support an emphasis placed on engaging with local people as this will help. We want to ensure that residents are able to fully participate in the planning, development and delivery of future options which will benefit all current and future Bristol residents on estates where regeneration may be considered. Building support and brokering engagement is essential for effective regeneration – not just because it helps speed up the process – but because it leads to better outcomes for the community, and has wider, long term social and economic benefits.
14. It is clear that if redevelopment proposals go ahead, there will be a degree of disruption for the community throughout the construction period. Therefore, it is important that the proposals are shaped in a way that they genuinely benefit the existing community. Any new development will aim to create a number of significant positive outcomes that can be delivered in terms of high-quality new housing, a significant number of new council-owned homes and wider place-making benefits.
15. A further report to Cabinet will be submitted (in the autumn of 2020) setting out our full Estate Regeneration Strategy.

Cabinet Member / Officer Recommendations:

1. That Cabinet approves the development of a Bristol Estate Regeneration Programme (Council Homes).
2. That Cabinet notes the commitment to work with residents in an open and transparent way that reflect the values of the Council. This includes honest conversations with residents about the stock issues not likely to be resolved by one off investments.
3. That Cabinet approves the proposed commitments and offers (principles at this stage) set out in this report, as a

- basis for preliminary discussion with residents on estates where regeneration may be considered by the Council.
4. That Cabinet authorises the Executive Director of Growth and Regeneration in consultation with the Section 151 Officer, to apply for and accept external 'capacity' funding to help support the delivery of this programme.
 5. That Cabinet notes the methodology used to select estates that will be considered as part of the Estate Regeneration Programme.
 6. That Cabinet authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Housing, to agree to proceed to consult on selected estates as part of the Estate Regeneration Programme.

Corporate Strategy alignment: This proposal aligns with Corporate Strategy Commitment to creating a fairer more equal City for everyone. The Council is committed to building a better Bristol that includes everyone in the city's success. It is here to take care of the economic, social and environmental wellbeing of Bristol alongside many other key stakeholders. It also seeks to address inequalities, unemployment and poverty in the City through access to warm, secure affordable homes, to achieve a higher quality of life. A priority for the City is finding innovative ways of increasing the availability and affordability of a range of housing types and creating mixed and balanced communities where people want to live and work. The scheme will support the Strategy's target of making sure that 2,000 new homes – 800 affordable – are built in Bristol each year by 2020.

City Benefits: The proposal will facilitate the supply of additional affordable housing which will be of benefit to the whole City. Housing is at the heart of the Council's drive to improve the quality of life for residents and to create thriving communities and attractive places where people positively choose to live. Housing should provide a springboard to achieving a high quality of life and create the opportunity for all to thrive in mixed communities of their choice. Creating a mixed and balanced community with a strong sense of place and liveable environment, can help benefit mental and physical health, social interaction and security. It will also help create greater equality of opportunity and quality of life. 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, BAME people and lone parents who are mainly women. Effective land use helps relieve pressure on the development of green and open space in the City.

Consultation Details: A Stakeholder Management Plan is being prepared with the support of the External Communications and Consultation Team.

Background Documents:

Bristol City Council Corporate Strategy 2018 – 2023.

Revenue Cost	N/A	Source of Revenue Funding	N/A
Capital Cost	N/A	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: There are no specific finance implications arising directly from this report. Any proposed regeneration investment must be sustainable within the HRA Business Plan, and would be incorporated within the annual budget setting process and the capital programme.

The HRA is required to have a sustainable 30-year Business Plan which will be refreshed later in the year in line with the Medium Term Financial Plan update to determine the potential borrowing capacity. Estate regeneration evaluates individual estates taking into account their financial performance in terms of anticipated costs and rental income. This information can be used to evaluate the financial sustainability of the Business Plan based on stock maintenance requirements.

Finance Business Partner: Wendy Welsh, Finance Business Manager – 18th February 2020

2. Legal Advice: There are no specific legal implications arising directly from this report. Legal advice concerning individual projects should be sought to ensure compliance with the public sector equality duty and Section 105 of the Housing Act 1985, which requires consultation with secure tenants who are likely to be substantially affected by improvement programmes or changes to services and amenities. In the event of grant applications being successful

care will need to be taken to ensure compliance with grant conditions when making use if these funds.
Legal Team Leader: Sarah Sharland, Team Leader Litigation Regulatory and Community Team - 6 th February 2020
3. Implications on IT: No expected impact on IT Services.
IT Team Leader: Simon Oliver, Director - Digital Transformation – 30 th January 2020
4. HR Advice: There are no anticipated HR implications evident.
HR Partner: Celia Williams, HR Business Partner (Growth and Regeneration) – 6 th February 2020

EDM Sign-off	Stephen Peacock	15 th January 2020
Cabinet Member sign-off	Cllr Paul Smith	21 st January 2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	3 rd February 2019

Appendix A – Further essential background / detail on the proposal Appendix Aa - Commitment to our Residents Appendix Ab - Eligibility for Inclusion of Estates	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	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information By virtue of paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972.	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO

Commitment to our Residents

The Council is aware that whilst regeneration and renewal can secure significant benefits for residents, the process can cause concern for residents and therefore certain commitments will need to be made to address these concerns. These commitments will act as the basis for preliminary discussion with residents on estates where regeneration is being considered, and will help ensure established communities remain in the area and benefit from the estate renewal.

The following commitments will be made to residents living on estates affected by the proposed estate regeneration programme:

1. Local residents will be at the heart of any regeneration proposals;
2. New homes will be better designed, safer and more energy efficient (e.g. with significantly reduced energy bills), with an improved local environment;
3. Residents will be given choices in the design of their new homes, including over the internal fit out options of kitchens and bathrooms;
4. Tenancy conditions and rights will not change for existing secure council tenants;
5. We will protect rents and any secure council tenant will have their rent levels maintained at social rent levels.
6. We will seek to ensure that there is no net loss of social rented homes;
7. Secure council tenants and resident homeowners will be guaranteed a right to return to a new home on the same estate;
8. There will be no more than two moves for Council tenants during the re-housing process;
9. Secure council tenants will not be financially worse off as a result of the renewal scheme, and will be compensated where appropriate - receiving both Home Loss and Disturbance payments (e.g. removal costs, fees);
10. An attractive and fair deal will be offered to leaseholders and freeholders affected; and
11. Additional help and support will be available through dedicated officers providing tailored advice.

Our commitments will represent a benchmark – the guaranteed minimum for all tenants, leaseholders and freeholders on our renewal schemes. These can be expanded where this can be accommodated within, and is appropriate for, any particular scheme. But the above sets out a clear set of minimum commitments to ensure all existing residents on the estate benefit from regeneration in Bristol.

Point 9, will not apply to private tenants; people who are subletting from Council leaseholders or freeholders; or commercial tenants who are required to move because of an estate renewal scheme. However, the Council will provide advice and help these residents to find alternative accommodation.

Nothing in our proposed commitments will affect the statutory rights of our residents.

Each estate will then have its own 'Residents' Charter' stating the Council's commitments and offer to residents on a particular estate where regeneration is being considered. These should be clear, specific and deliverable, and written in accessible and non-technical language. They will set out the rights of residents and those affected by any redevelopment proposals, as well as the council's obligations and commitments. The main principles of the Charter are:

- the provision of information, facts and figures to enable residents to make informed decisions about their future;
- specific commitments to council tenants, leaseholders and freeholders and the options available to them;
- the right for all residents to have access to independent advice throughout the regeneration project; and
- the requirement for the Council to support a Residents' Group to act as a body for consultation.

Eligibility for Inclusion of Estates

Asset Performance Evaluation

It is essential the Council routinely challenges and reviews the use, provision and performance of its assets, and active management of the Council's existing HRA assets is required to maximise opportunities across the portfolio.

We recently commissioned Savills to undertake an Asset Performance Evaluation (SHAPE) of all the housing stock in the Housing Revenue Account (HRA). This will enable us to understand the performance of our assets, measured against our own financial and social objectives. Active asset management means using the results of the SHAPE tool to drive investment decisions. The tool will enable the Council to take action to strengthen our business planning, investment planning and growth strategies. Going forward, it will form a key element of the asset management strategy and can inform prioritisation of regeneration actions.

For estates being considered for intervention there will be a viability outcome that suggests significant opportunity exists to achieve one or more of the following: replace uneconomical or poor quality properties; maximise the use of existing assets; improve the living environment for residents; assist in developing mixed and balanced communities.

Options appraisal is the next step after the performance of assets has been ascertained and is central to active asset management. It is a consideration of ways to address poor financial and social performance of an asset, carried out because action can reduce long-term pressure on the business plan and free up financial capacity to invest in more sustainable existing stock, new stock, or other priorities. It can also reduce vulnerability to further income shocks such as rent reductions, increased bad debts etc.

Each estate is different, and a thorough options appraisal process will lead to the most financially deliverable solution. This must be measured against a "do nothing" option to demonstrate the true benefits of the preferred approach over the long term. This may lead to a variety of approaches, including re-use of existing buildings and remodelling, infill and densification, or full redevelopment or a hybrid.