

Growth and Regeneration Scrutiny Commission

14 September 2020



Report of: Stephen Peacock, Executive Director – Growth and Regeneration

Title: Housing Delivery Update

Ward: City-wide

Officers Presenting Report: Elaine Olphert Head of Housing Delivery
Tim Ward, Housing Strategy & Enabling Manager

Contact Telephone Number: N/A

Recommendation: Receive the attached report for review and consideration.

The significant issues in the report are:

The Council's affordable housing target has been amended this year to 500 and Officers are confident this target is close to being met. Looking ahead to the next two years, it is likely that the original target of 800 affordable homes will be met or even exceeded.

The Housing Delivery Team is working hard to progress a range of delivery routes, tools and interventions to ensure the progress made so far is built upon and that the target of 800 affordable homes is met in the next two years. This includes securing housing through section 106 agreements, land release and major projects amongst many others.



1. Summary

Bristol City Council (“the Council”), has a corporate target to build 2,000 new homes – 800 affordable – a year by 2020. Due to the impact of Covid-19, the target for affordable housing has been set as a stretch target of 500 for 2020/21 but will be returned to 800 for the following two financial years. Based on current forecasts, the target is likely to be almost met this year and will be met and possibly even exceeded in the next two years. The Housing Delivery Team, guided by the 2017 – 2020 Housing Delivery Plan is focused on a range of delivery routes, tools and interventions to ensure this progress is built upon and maintained.

2. Purpose

The purpose of this report is to provide an update to the Growth and Regeneration Scrutiny Commission regarding the current housing delivery trajectory.

3. Policy

Housing delivery is guided by the Council’s Housing Strategy, its Housing Delivery Plan 2017-2020 and the Mayor’s manifesto commitment to build 2,000 new homes – 800 affordable – a year by 2020.

4. Current Housing Trajectory

Based on current forecasts compiled at the end of Q1 this year, Bristol’s affordable housing sector is projecting **489** affordable housing completions in 2020/21 and a further **996** affordable housing completions in 2021/22. The table below shows the forecasted affordable housing starts and completions over the next three years:

Financial Year	Affordable Housing Starts (forecast)	Affordable Housing Completions (forecast)
2020/21	1,051	489
2021/22	288	996
2022/23	250	1,285

These forecasts are generated by the Housing Delivery Team, based on quarterly returns from Homes West Registered Providers and from internal teams within the Council that are developing or acquiring affordable housing. For example, the Housing Revenue Account (HRA) has become a significant developer and acquirer of affordable housing and the forecasts include the HRA’s development programme over the next three years.

Because the development of housing carries a level of risk and uncertainty, this data can be considered a live snapshot of what the Housing Delivery team believes will happen over the next three years. The data is an accurate summary of current estimates but may be subject to a level of “optimism bias” whereby the entities delivering affordable housing have good reason to believe that these numbers will be delivered but are not always aware of risks or other factors that might cause slippages or delays to their development programmes. In addition, it is to be expected that the level of starts for the next two years will be low; this is because development programmes are yet to be fully confirmed or firmed up and the numbers are expected to increase as time progresses.

Historically, there is typically a 20% difference in the amount of affordable housing completions when

compared to the target or forecast for a particular year. This is to be expected as the forecasts can be impacted by the optimism bias described above. If this weighting was applied to the current forecasts, the data for completions would be impacted as follows:

Financial Year	Affordable Housing Completions (forecast)	Affordable Housing Completions (forecast with weighting applied)
2020/21	489	391
2021/22	996	797
2022/23	1,285	1,028

As a result of COVID-19, and the resulting impacts to construction, build prices and the economy, the affordable housing target has been set as a stretch target of 500 in this financial year but will be maintained at 800 for at least the next two years. With this revision, the Council is likely to almost meet the target this year and is on track to reach it in the next two financial years. This is likely as a result of the actions and activity that has been initiated by the Council since the creation of the 2017-2020 Housing Delivery Plan.

5. Activity to Increase Housing Delivery

The 2017 – 2020 Housing Delivery Plan sets out the Council’s strategic approach to delivering new homes and the steps the Council is taking to increase and accelerate the delivery of new market and affordable homes in the city to meet the Mayoral Commitments and objectives of the Corporate Strategy. The Plan also established the Housing Delivery Team which is a single, multi-disciplinary delivery team focused on the active management of a single annual housing delivery programme. The Housing Delivery Team has taken longer than expected to fully staff up, but this has now happened and the team is currently managing the following delivery routes, tools and interventions to accelerate and increase delivery:

1. Enabling/Section 106

- a. Focus on securing affordable homes through section 106 agreements
- b. Removing internal barriers to housing delivery
- c. Improving data management and using data to drive delivery

2. Grant Funding

- a. Management of the Council’s £42M Affordable Housing Grant Programme
- b. Extending eligibility to support Community Led Housing
- c. Making supplementary grants available

3. Land Release

- a. 17 sites that are actively being progressed
- b. A further 11 sites being released for Community Led Housing
- c. Enhancing land release processes and governance

4. Major Projects

- a. Hengrove Park (1,400 new homes)

- b. Lockleaze (1,200 new homes)
- c. Southmead (300 new homes)

5. Housing Revenue Account (HRA)

- a. Total forecasted completions of 1,193 affordable homes (Social Rent and Shared Ownership) between 20/21–23/24.
- b. Forecasted affordable housing completions for HRA direct delivery:
 - i. 2020/21: 73
 - ii. 2021/22: 99
 - iii. 2022/23: 255
 - iv. 2023/24: 177

6. Bristol Housing Festival

- a. Five year housing festival to enable delivery of Modern Methods of Construction
- b. Supporting the building of 458 homes, of which 214 are intended to be affordable
- c. Working with the HRA on three pilots as MMC schemes to capture learnings on best practices including speeding up procurement and construction to accelerate delivery

7. Goram Homes

- a. Agreed terms for two sites: Romney House and Baltic Wharf
- b. The Council will take affordable housing provision in these 2 sites
- c. The Housing Delivery Team is also working with Goram Homes to support and accelerate delivery, including exploring other sites that can be released to Goram

Assessing these interventions against the forecasts, it is clear that the work of the Council has had a significant impact on the delivery of affordable housing, given that the 800 target is likely to be met in each of the next two financial years. It is therefore critical that this work continue and in some cases, be expanded and increased to maintain this level of momentum and continue to reach the 800 target.

To achieve this, the Housing Delivery Team is currently working on a refreshed five-year Housing Delivery Plan for Q4 2020/21. This will build on the progress that has been made in the current 2017 – 2020 Housing Delivery Plan in establishing a comprehensive multi-disciplinary team and will set out specific actions for how each of the delivery routes, tools and interventions outlined above are intended to accelerate and increase delivery.

In closing, there is a good likelihood that the Council's affordable housing target will be met in the next three financial years but not without the continued strategic approach to delivering new housing, particularly the increased investment, focus and resourcing on these delivery routes, tools and interventions.

Appendices:

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None