

HRA Development Programme 2022 – 2027

1. General

This report sets out details of the HRA Delivery Programme, and associated budget requirements over the Medium Term (2022/23 to 2026/27).

Bristol City Council is committed to doing all it can to tackle the housing crisis and is beginning to build again at a scale not seen for decades.

In October 2018, the government announced the removal of the HRA debt cap, which gave councils the ability to increase borrowing to develop more affordable homes. The current development programme is committed to adding 512 new homes (49 will complete in 21/22) to the HRA stock over the period 2021-2023, delivered through various approaches:

- 'Land-led' schemes (using council land to bring forward new developments)
- 'Developer-led' schemes (e.g. purchase of homes from developers)
- Acquisitions
- Property conversions and estate regeneration

As part of the review of the HRA business plan we have consulted with stakeholders, through the Big Housing Conversation: Investing in Council Homes. The highest priority identified by all groups was the provision of more council homes. The consultation indicated that a balanced approach was required, to ensure that more was invested in the delivery of new homes, improving the existing stock, and for energy efficiency and carbon retrofitting.

The HRA will make an important contribution to the Council's new affordable housing delivery plan *Project 1000* which will be presented to Cabinet in early 2022.

As a result of the consultation, and the review of the business plan, the development programme is now expanded to deliver an additional 1,257 homes, over the total programme period. This means that the HRA is committed to building a total of 1769 homes over the 5-year period on a rolling programme of which:

- Approximately 685 anticipated to complete by 2024 (including the 49 developed in 2021/22)
- Another 1084 are anticipated to complete by 2027

The actual development programme runs beyond the 5-year Business plan and will see a further 300 Homes anticipated bringing the overall total to 2069 between 2021/22 and 2028/9.

We continue to prioritise good quality design and will seek to improve the sustainability of new council homes as we work towards making Bristol a net-zero carbon city. Good quality design will improve the experience of those occupying new affordable homes, and sustainability requirements will need to ensure that we develop in a way that reflects the climate emergency. This approach will of course bring challenges in terms of increased development costs and achieving scheme viability.

Some of the proposed schemes support the city's ambition to provide new supported homes for vulnerable rough sleepers. Others demonstrate our commitment to modernising Bristol's construction sector and ensuring a more resilient, sustainable, and innovative approach to housebuilding by encouraging greater uptake of Modern Methods of Construction (MMC).

2. Programme Overview

To date we have progressed the development programme, with both the developer led and land led schemes now under construction with 49 Homes expected to be completed during 2021/22 and have achieved 12 of the 14 planning consent, requiring £84.5m to complete those schemes over the next 3 years.

The budget and approvals sought in this Cabinet report will provide a framework to shape and deliver the HRA development programme with the aim of maximising the development potential.

There has been considerable work done on the schemes identified but further work will be required on the later projects identified and as further sites become available. The lists therefore remain indicative with decisions on schemes approved under delegation as each one comes forward. All projects will be subject to a full financial appraisal and subject to approval by the Executive Director, Growth and Regeneration in consultation with the Cabinet Members for Finance and Housing and the Section 151 officer. They will also be required to meet agreed investment criteria and achievement of value for money for the Council as appropriate for the development and the HRA.

The proposed developments will be primarily aimed towards Social Rented homes, however, due to the size and complex nature of some of the developments we will need to provide a mixed and sustainable development and will need to ensure financial viability. To achieve this, we will introduce other forms of tenure, which could be other forms of Affordable Housing such as Shared Ownership or Affordable Rent, or Market Sale, and will be considered on a scheme-by-scheme basis.

The nature of housing development requires a level of flexibility and agility to respond to changes in the market. As such a single delegated development budget is the quickest and

most effective route to delivery with a total overall budget in the 5-year Business plan of £344.38m delivering 1720 new homes with the budget made up of various strands:

- Current Approved Schemes - £84,553,718 - delivering 463 Homes
- Approved to Planning - £64,616,379 – delivering 303 Homes
- Developer led Schemes - £87,870,253 – delivering 465 Homes
- Schemes not yet progressed - £68,831,117 – delivering 314 Homes
- Future pipeline - £38,500,000 – delivering 175 Homes

Delegated approval is given to the Executive Director, Growth and Regeneration in consultation with the Cabinet Members for Finance and Housing and the Section 151 officer to bring forward each scheme identified within each of the strands with any major changes between the delivery routes requiring further cabinet approval.

There is also within the 30-year business plan a commitment to acquire a further 300 homes as part of the developer led approach and a proposal to acquire 300 homes a year over the remaining life of the business plan, subject to relevant Cabinet Approvals.

The main programme assumptions are as follows	£220k/unit (gross) for new build. This is including the pre-construction design costs
Build Cost	
Grant (Homes England) if sought	£70k/unit for social rent. £40k/unit for shared ownership.
RTB Receipts to be used	Current Parameters are set at RTB at 30 – 40% being used against each scheme for Social rent
Social Rent (average rents)	£113.19/week for social rent (average for new build homes)
Shared Ownership	Assumed an average of 40% share equity purchased. Rent set at between 1.5% and 2% of unsold equity.

The proposed programme will require a range of procured works and services including construction and professional consultants (Architects, Cost Consultants etc) to deliver the projects throughout the various stages of the development process, and this report provides the approval to enter these contracts following the council’s procurement and financial regulations.

We will continue to challenge site preparation and building costs through effective planning, procurement, and contract management.

3. Proposed development projects (all subject to change through the life of the development process)

The tables below provide details of the schemes identified to date and the various proposed delivery routes. Later schemes are liable to change as they progress through the development process, and new sites may be identified.

a) Current approved schemes - £84.5m

Ref	Project name	Social rent units	Shared Ownership units	total	Completed 21/22
1	Lawrence Weston PRCs	57	0	57	
2	Brunel Ford	32	0	32	
3	St Peters EPH	28	0	28	
4	Brentry EPH	34	0	34	
5	Airport Rd	55	24	79	20
7	Romney Ave	96	51	147	
8	Brooks Dye (Phase 1)	24	0	24	24
9	Cedar House	25	0	25	
10	HRA New Build Acquisitions	15	0	0	5
11	Leinster (Florence Brown)	55	16	71	
Total		421	91	512	49

b) Sites approved to planning construction anticipated over the next 5 years - £64.62M

Ref	Project name	Social Rent Units	Shared Ownership Units	total
1	Greville EPH	26	0	26
2	Branwhite Close	38	10	48
3	Coombe House	16	0	16
4	New Kingsland	16	0	16
5	Marshall Walk, Inns court	12	0	12
6	Bell Close	9	0	9
7	190-196 Romney House	14	0	14
8	Kingswear	28	6	34
9	96-98 West St	7	0	7
10	Filwood Cinema	30	0	30
11	Wotton Rd	7	0	7
12	Lanercost	35	0	35
13	Cameron Centre	34	0	34
14	The Square (Conversions)	6	0	6
15	Kingsland (Conversions)	8	0	8
16	Avonvale (Conversions)	1	0	1
		287	16	303

c) Developer led schemes are new schemes we will purchase the affordable housing within a wider development by others - £87.87m

Ref.	Project name	Social rent units	Shared Ownership Units	Total
1	Baltic Wharf	46	16	62
2	Hengrove Bookends	27	26	53
3	Hengrove Affordable later phases <i>(350 in 5-year plan and 300 in later years)</i>	350		650
Total		723	42	765

d) Sites identified for of development programme but not yet progressed - £68.8m

Ref	Project name	Social rented Units	Shared Ownership Units	Total
1	Deering Close	31	0	31
2	Sea Mills Community centre	15	0	15
4	Molesworth	5	0	5
5	Redfield Crescent	12	0	12
6	Latimer close	19	0	19
7	Whitehall/Embleton	20	0	20
8	New Street	6	0	6
9	Hareclive rd - Remodelling	30	0	30
10	Freshways BLAH - Now in HRA Delivery - Only allowed the BLAH provision	19	0	19
11	Craydon	7	0	7
12	New Fosseway (BLAH)	70	0	70
13	Blake Centre (BLAH)	60	0	60
14	Filwood Broadway phase 2	20	0	20
		314	0	314

e) Future schemes including possible estate regeneration remodelling, but no schemes yet identified, but required to achieve the Project 1000 brief. – £38.5m

Ref	Project name	Social rent units	Shared Ownership units	Total
1	Future Estate Regen development projects	25	0	25
2	Future Pipeline development - ANO sites	150	0	150

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