

1. General

This report sets out details of the HRA Delivery Programme, and associated budget requirements over the 2022-28 Medium Term Financial Plan.

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 and has a comprehensive development programme.

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. However, developments are not a short-term approach and take many years to achieve the required outcomes, so the programme is a rolling programme, with spend identified for particular elements of a development across the multiple years.

The HRA development programme's capital is funded from borrowing (supplemented with Right to Buy receipts (which can provide up to 40% of the development cost on a new home) or Homes England Affordable Housing Grant (which can provide funded at around 30% of the development costs of a new home, with each scheme individually negotiated with Homes England). The borrowing requirements and the cost of that borrowing are set out within the legal parameters to provide a balanced budget for the HRA.

Since the development programme started in 2013, over 350 new homes have been built, including the 108 expected to be completed in 2022/23. The Development Programme approved in 2022 committed to delivering over 2000 new homes over the life of the 2022-27 MTFP, and over 2000 new council homes in total by 2030. The new 5-year programme 2023-2028 commits to the provision of 1715 new homes, which now reflects the escalating cost of development and competing priorities within the HRA, with a commitment to build additional homes over the life of the 30-year business plan. These new homes will be delivered through various approaches:

- 'Land-led' schemes (using council land to bring forward new development directly managed by the Housing Delivery team);
- 'Developer-led' schemes (e.g., purchase of homes from developers, such as Goram Homes and other S106 Acquisitions from Registered Providers and overseen by the Housing Delivery team); and
- Acquisitions for property conversions, estate regeneration and/or meanwhile use (eg demountable Modern Method Construction (MMC) housing for shorter term land use).

The proposed development programme will mean the HRA will make an important contribution to the Council's affordable housing delivery plan *Project 1000* and beyond.

An annual refresh of the Development Programme has been undertaken, to reflect changes to the development market (escalating costs and inflationary issues, supply issues of Materials and a labour shortage within the construction industry), pressures within the HRA business plan (as reported in appendix 1) and a new priority of increasing the provision of affordable Temporary Accommodation in order to reduce pressures on the General Fund budget, has put pressure on the overall HRA Business plan with 2023/24.

Timelines have been reviewed, in order to prioritise new opportunities and to keep expenditure within agreed budget and borrowing parameters. This does not affect the overall target within Project 1000 for

2023/24 and does not affect the political commitment over the longer term of the Business Plan. This means that the HRA is committed to building a total of 1715 homes over the 2023-2028 MTFP on a rolling programme of which:

- 139 anticipated to complete in 2023/24
- a further 476 homes completed in 2024/25
- 580 in 2025/26
- plus 320 are anticipated to complete by 2026/27
- a further 200 will be delivered in 2027/28, and the programme continues beyond for the remaining of the 30-year Business Plan.

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 or homes will support the city's ambition to provide new supported homes for vulnerable rough sleepers (Rough Sleepers Accommodation Programme (RSAP) funded schemes) and Temporary Accommodation (TA) proposals

2. Programme Overview

To date we have progressed the Development Programme, with both the developer led and land led schemes now under construction with 108 homes expected to be completed during 2022/23 bring the total number of new homes since the development team was created to over 350.

During the last 12 months we have commenced work on site at St Peter's House site in Manor Farm and at 3 sites in Lawrence Weston. We will commence work in early 2023 at sites in Henbury and Lockleaze as well as continuing to acquire homes as they complete at Romney House, Lockleaze, Cedar House, Frenchay and Hengrove Bookends, alongside the first homes dedicated to the provision of Temporary Accommodation (in support of the wider General Fund TA cost avoidance programme)

In addition, we have already obtained planning consents at various sites in Knowle West, Lockleaze, Stockwood, Henbury and Bedminster. We are working on a further 14 sites to getting through the planning process and into construction.

We are also working alongside Goram Homes to develop opportunities to acquire future homes, from them and are currently working with them to deliver significant numbers of new homes in Hengrove

As indicated above, we are also fast track developments on several new HRA sites and to enhance our conversion programme to deliver homes to support the TA cost avoidance programme. The budget being approved sets out funding requirements for this additional programme. The TA cost avoidance programme will focus on 3 strands of work:

- acquisition of assets from the general fund that are due for disposal, that could be leased under license appropriated for viable conversion for use as TA;

- optimising the existing new build programme to work strategically with Housing Options on the new build's 20% homelessness pathway provision to identify how older HRA assets can be released for immediate TA under license and or permanent accommodation: and
- developing a number of small sites (grey field/brownfield), which will include 'meanwhile use'. (Demountable MMC housing for shorter term land use) This means temporary use of sites awaiting development, that can be relocated and used elsewhere at a later date.

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 at pace to deliver new homes for the city

There is considerable work being done on the schemes identified new project and further sites for future development. However, the list therefore remains indicative with decisions on schemes approved under delegation as each one comes forward.

All projects will be subject to a full financial appraisal, which includes a Net Present value (NPV) assessment and will be supported using Right to Buy receipts (RTB) and/or Homes England Affordable Housing grant. Each scheme will be subject to approval by the Executive Director, Growth and Regeneration in consultation with the Cabinet Member for Housing Delivery and Homes, the Cabinet Member for Finance and the Section 151 officer. The evaluation will have regard to the Council Capital Strategy.

The proposed developments will be primarily aimed towards creating mixed and balanced communities including Social Rented homes. Each scheme will be subject to a viability assessment (NPV) to ensure financial viability. Other forms of tenure will include other forms of Affordable Housing such as Shared Ownership, Affordable Rent, or Market Sale, and will be considered on a scheme-by-scheme basis. We will also assess the possibilities of providing other forms of access to affordable homes such as an essential local worker criterion (also referred to as Key Worker) in liaison with City Council key partners.

The nature of housing development requires a level of flexibility essential to respond to changes in the market. As such a single delegated development budget is the quickest and most effective route to seamless delivery with a total overall budget in the 5-year MTFP of £453.3m for 1715 new homes. The budget is made up of various strands as set out in the tables below

Delegated approval is given to the Executive Director, Growth and Regeneration in consultation with the Cabinet Member for Housing Delivery and Homes, the Cabinet Member for Finance and the Section 151 officer. to bring forward each scheme identified with any major changes between the delivery routes requiring approval form the Executive Director, Growth and Regeneration.

The main programme assumptions are as follows:

Build Cost	£270k/unit (gross) for new build. This is including the pre-construction design costs
Grant (Homes England) if sought	£100k/unit for social rent. £55k/unit for shared ownership.
RTB Receipts to be used	Current Parameters are set at RTB at 40% being used against each scheme for social rent
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, clerk of works, contractors, developers, and specialist services etc) to deliver the projects throughout the various stages of the development process. This report provides the approval authority 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) Contractually committed schemes £82.9m

Project name	Social rent units	Shared Ownership units	total	Completed 2022/23	Anticipated completion 2023/24	Anticipated completion 2024/25	Anticipated completion 2025/26
Lawrence Weston PRC sites, Lawrence Weston	57	0	57			57	
Brunel Ford, Lockleaze	32	0	32			32	
St Peters EPH, Manor Farm	28	0	28		28		
Brentry EPH, Brentry	34	0	34			34	
Airport Rd, Knowle	55	24	79	79			
Romney house, Lockleaze	94	53	147		7	56	84
Brooks Dye (Phase 1), Montpelier	24	0	24	24			
Cedar House, Frenchay	25	0	25		25		
HRA New Build Acquisitions (RSAP) Various wards	15	0	15	5	10		
Conversions (Phase 1), Various wards	16	0	16		16		

Romney Ave, Lockleaze	12	0	12		12		
Hengrove Bookends, Hengrove	27	26	53			53	
	419	103	522	108	98	232	84

b) Current schemes to complete between 2023/24 and 24/25 - £31m

Project name	Social Rent Units	Shared Ownership Units	total	Anticipated completion 2023/24	Anticipated completion 2024/25	Anticipated completion 2025/26
New Kingsland, Henbury	16	0	16		16	
Marshall Walk, Inns court	12	0	12	12		
Bell Close, Manor Farm	9	0	9	9		
96-98 West St, Bedminster	7	0	7		7	
New Street, Old Market	6	0	6		6	
Proposed sites for TA cost avoidance programme, Various Wards	70	0	70	20	30	20
Climate Smart Cities Challenge, Various Wards	20	0	20		20	
	140	0	140	41	79	20

c) Developer led schemes currently agreed - £95m (a further £49m from year 5 onwards)

Project name	Social rent units	Shared Ownership Units	Total	Anticipated completion 2023/24	Anticipated completion 2024/25	Anticipated completion 2025/26	Anticipated completion 2026/27
Hengrove year 1 – 5, Hengrove	180	120	300		165	60	75
Hengrove Affordable later phases year 6 – 10, Hengrove	365	0	365				
Baltic Wharf, City Centre	46	16	62				62
Dovercourt	53	17	70				70
	544	253	797	0	165	60	207

d) schemes anticipated to complete between 2025 and 2027 £127.6m

Project name	Social rented Units	Shared Ownership Units	Total	Anticipated completion 2025/26	Anticipated completion 2026/27
Leinster Ave, Knowle West	55	16	71	71	
Branwhite, Lockleaze	30	10	48	48	
Greville, Stockwood	26	0	26	26	
Filwood Cinema, Filwood Broadway	20	10	30	30	
Kingswear, Knowle West	28	6	34	34	
Coombe, Westbury	16	0	16	16	
Wotton Rd, St Annes	7	0	7	7	
Lanercost, Southmead	25	10	35	35	
Cameron Centre , Lockleaze	24	10	34	34	
Sea Mills Community centre, Sea Mills	15	0	15	15	
Deering, Lawrence Weston	21	10	31		31
Molesworth, Bishopsworth	5	0	5	5	
Redfield Crescent, Bishopsworth	12	0	12	12	
Latimer close, Brislington	19	0	19		19
Whitehall/Embleton, Southmead	20	0	20	20	
Peterson Sq, Hartcliffe	30	0	30		30
Freshways , Lawrence Weston	19	0	19	19	
Craydon, Stockwood	7	0	7	7	
Filwood Broadway phase 2, Filwood	20	0	20		20
	407	72	479	379	100

e) Further schemes as identified to be delivered within the plan – £116.8m

Project name	Social rent units	Shared Ownership units	Total	Anticipated completion 2025/26	Anticipated completion 2026/27	Anticipated completion 2027 and beyond
Future Estate Regeneration development projects	25	0	25	12	13	
ANO sites (Formerly New Fosseway non ECH – TBC)	30	0	30			30
Future Pipeline development - ANO sites (minus TA cost avoidance Sites)	75	0	75	25		50
New sites to be identified as part of the rolling programme				TBC	TBC	TBC
	130	0	130	37	13	80

