Bristol City Council Overview and Scrutiny – Scrutiny Inquiry Day

‘How can Better Housing Delivery Secure the Best Outcomes for Bristol?’

Date: 2 October 15
Venue: OpenSpace, West One, St. George’s Road, Bristol BS1 5BE
Time: 9.30am to 3.30pm

Preparation pack

Thank you for accepting the invitation to participate in the Inquiry Day.

Please find attached a document pack to help you prepare for the session. You are recommended to familiarise yourself with this before the Inquiry as time will be limited on the day.

The Inquiry Day will be looking in detail at the question **‘How can Better Housing Delivery Secure the Best Outcomes for Bristol?’**

As such a lot of information will be imparted on the day via our guest speakers, it might assist you to read the enclosed documents by way of background information. You will of course have the opportunity to ask questions of the speakers during the event and we encourage you to think of any queries you might like to raise during the Panel Q & A sessions.

The Information pack consists of:

Programme for the day	Page H
Scrutiny in Bristol and Background information	Page П
Background papers – Executive summary or Report Introduction *	Page T
Councillor questions and Officer responses	Page TT

* Due to the size of the documents, full reports have been provided in a zip folder via email and will not be printed as part of the information pack

Bristol City Council Overview and Scrutiny – Scrutiny Inquiry Day

'How can Better Housing Delivery Secure the Best Outcomes for Bristol?'

Date: 2 October 2015
Venue: OpenSpace, West One, St. George's Road, Bristol BS1 5BE
Time: 9.30am to 3.30pm

Programme

9.00 am **Registration and refreshments**

9.30 am **Welcome and Introduction**

- Councillor Anthony Negus, Chair of the Neighbourhoods Scrutiny Commission and Councillor Charlie Bolton, Chair of the Place Scrutiny Commission – *Inquiry Day Chairs*

9.45 am **Overview of the Day**

- Dr Madge Dresser – Associate Professor of History at the University of the West of England – *Inquiry Day Facilitator*

9.50 am **Setting the Scene**

- Dr Tim Brown - De Montfort University

10.05 am **Government Policy and what this means for Council Housing**

- Andrew Walker **-** Local Government Information Unit (LGIU)

10.20 am **Devolution - what this means for local housing**

- Andrea Dell – Service Manager, Policy, Research and Executive Support, Bristol City Council

10.35 am **New models of delivery**

- Jayesh Mistry – PricewaterhouseCoopers (PWC)

10.50 am **Question and Answers Session**

- Facilitated by Dr Madge Dresser

---------- 11.10 – 11.25 am - 15 minute break ----------

11.25 am **Group Workshops**

Delegates are asked to consider one of the following questions;

- Question 1- What more can we do sub-regionally to improve the supply of affordable housing?

- Question 2 - What are the pros and cons of the alternative models of delivery?

---------- 12.05 – 12.45pm - Lunch ----------

12.45 pm **The perspective from Housing Associations**

- Kat Hart – National Housing Federation

1.00pm **Innovative Housing Finance**

- John Hocking - Joseph Rowntree Foundation

1.15 pm **Case Study - Birmingham Municipal Housing Trust**

- Clive Skidmore - Birmingham City Council

1.30 pm **Local Context, the draft Housing Strategy Consultation outcomes & the Peer Review Challenge headline findings**

- Nick Hooper – Strategic Housing Service Director, Bristol City Council

1.45 pm **Question and Answers Session**

- Facilitated by Dr Madge Dresser

---------- 2.05 pm – 2.10 am - 5 minute comfort break ----------

2.10 pm **Group Workshops**

Delegates are asked to consider one of the following questions;

- Question 3 - Finance – What practical solutions are available to assist in breaking down the barriers to the provision of housing?

- Question 4 - What are the barriers affecting the supply of affordable housing in Bristol and how can these be overcome?

2.50 pm **Plenary feedback from Group Workshops & summary of ideas**

- Facilitated by Dr Madge Dresser

3.15 pm **Chairs Closing statement**

- Councillor Negus

3.30 pm **End**

Bristol City Council Overview and Scrutiny – Inquiry Day

‘How can Better Housing Delivery Secure the Best Outcomes for Bristol?’

Date: 2 October 15
Venue: OpenSpace, West One, St. George’s Road, Bristol BS1 5BE
Time: 9.30am to 3.30pm

Background information for participants

What is scrutiny?

Scrutiny inquiry days are part of Bristol City Council’s scrutiny function. Scrutiny acts as a counter-balance to the council’s executive (which consists of the Mayor) and provides a means for back-bench councillors to input in to policy-making, as well as review executive decisions and performance.

This happens via ongoing scrutiny commission meetings, select committees and inquiry days. The scrutiny function is not decision-making, but scrutiny bodies and events generate reports and recommendations which must be considered and responded to by the council’s cabinet, and by some partners.

What is a scrutiny *inquiry* day?

Scrutiny inquiry days enable councillors to acquire an understanding of complex issues by hearing expert speakers and engaging in debate with specialists, and thus to identify well-informed evidence-based recommendations. Representatives of council teams, partner agencies and expert witnesses are invited to input their expertise and views or to showcase work via the workshop sessions, to help councillors identify and understand key issues. Inquiry days aim to create a balance between information-sharing and discussion whilst allowing the broad range of views to be heard, and enabling participants to share their particular perspective.

In addition, inquiry days can substantially raise the profile of initiatives or areas of work and beneficially affect inter-agency working and communication through networking opportunities.

Background to this Inquiry Day

There is a continuing trend regarding the rising unaffordability of housing in the West of England. The problem is particularly acute in Bristol where the market is fuelled by relatively buoyant employment and geographical restrictions limiting the options for large-scale housing development. Various measures have been put in place to date to attempt to address the housing issues affecting the city, but have not managed to overcome this complex problem. There is also rising concern amongst social housing providers about the impact of government policy on the affordability of social housing.
A new Housing Strategy for Bristol, produced by Homes4Bristol (strategic housing partnership) is due to be adopted in late 2015, which will set out aspirations and priorities for housing over the next five years.

Before this new strategy becomes policy, elected Members wish to pause and reflect on housing provision in the city in order to identify;

- Which previous measures to improve housing affordability have secured the best results?
- If some measures haven't worked then why not and what can we learn from this going forward?
- What will the impact be of emerging national government policy?
- What knowledge can we take from innovative experience elsewhere?

The Inquiry Day will aim to pick up where the Mayor's Homes Commission left off by testing whether any of the findings should be revisited one year on. Crucially, it will evaluate the impact of new national policy and how Bristol should prepare for the changes that lay ahead.

The objectives of the Inquiry Day:

1. Prepare recommendations that will improve the supply of Affordable Housing within the city; and
2. Ensure that Members understand the often multifaceted and interrelated issues affecting housing including those relating to finance, economic growth, site availability, and skills shortages within the development industry; and
3. Understand what previous initiatives have secured the best results

Context

- Recent change of government with a range of new policies being implemented over the coming term
- The draft Housing Strategy 2015 – 2020 (currently out for consultation), which will aim to achieve the following outcomes;
    - Increase the numbers of new homes
    - Deliver the best use of existing buildings
    - Intervene to prevent further decline in the supply of affordable housing
- The work of the Mayoral Homes Commission – which assessed the problems affecting housing within Bristol and made a number of recommendations aiming to improve housing delivery regarding;
    - Land and sites supply
    - Planning for housing delivery
    - Leadership and systems
    - Making best use of strategic assets
    - Funding housing delivery, subsidy and affordability.
- LGA Peer challenge of Homes4Bristol – took place in September 2015.

Policy Briefings

The Council's Policy Team has provided a series of four policy briefings on housing in advance of the Inquiry Day to cover the following topics;

- Welfare Reform
- The Housing Revenue Account and the Impact of Changes
- Landlords and other Models of Housing Delivery
- The Strategic Housing Market Assessment & Land Economics

Who is involved in this Inquiry Day?

A range of expert witnesses and industry experts have been invited to attend to provide a broad range of perspectives and include representatives from Dr Montfort University, the Joseph Rowntree Foundation, the National Housing Federation, the Local Government Information Unit, other Local Authorities & PWC. All Councillors have been invited to participate.

Intended outcomes

The recommendations arising from the Inquiry Day will be referred to the Mayor for consideration. In addition, relevant comments will help to shape the final form of the Housing Strategy, which will be considered by Cabinet in late 2015.

Structure of the day

The Inquiry Day includes presentations, Q&A debate sessions with a panel and participative workshop sessions – see the full programme for further details.

Lunch and refreshments will be provided.

Bristol City Council Overview and Scrutiny – Scrutiny Inquiry Day

Background Information

Executive summaries / Report Introductions are provided in the information pack. Full reports have been sent via a zip file.

	Title	Page
1	Affordable Housing Framework	8
2	Bristol Housing Futures – A Report for the Bristol Housing Partnership	12
3	Chartered Institute of Housing Local Housing Futures paper	16
4	Overview of Bristol City Council's Housing Conference held in December 2014	27
5	The Elphicke-House Report From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply	33
6	Housing Strategy 2015 to 2020	36
7	Local Government Information Unit – Under Construction report	37
8	Mayor's Vision for Bristol	41
9	Mayoral Homes Commission Report	46
10	The Strategic Housing Market Assessment	49
11	The Preventing Homelessness Strategy 2013 to 2018	53
12	The State of the Housing Market in Bristol 2015	61
13	West of England Joint Strategic Planning Strategy Pre-Commencement document	68

Homes4Bristol

BRISTOL CITY COUNCIL

Bristol City Council

Affordable Housing Framework – 2015-2020

1. Executive Summary

1.1 Purpose:

Bristol's Affordable Housing Framework (AHF) is a revision of the Affordable Housing Delivery Framework (AHDF), published 2013. This new document reviews progress against the AHDF's big ideas (Section A). It then evaluates where the six delivery models, identified in the AHDF business case, have worked well and identifies areas that still need further attention (Section B). A number of the Homes Commission recommendations are incorporated in this revised Framework. Appendix A sets out a new Action Plan for the next five years; this is to deliver the Mayor's aspiration of 1000 affordable high quality homes per annum by the end of the decade.

1.2 Corporate priority:

"Bristol will be a city of well connected neighbourhoods with a strong sense of identity and belonging, where a diverse mix of housing types and tenures ensure that homes are increasingly affordable by building at least 750 affordable homes by 2017 and 1000 affordable homes per annum by 2020" (Mayors Vision 2014)

2.0 Section A: Key directions (previously described as 'big ideas'):

2.1.1 Improving the promotion of the AHF so that everyone in the Council recognises their role in delivering this corporate priority. This requires all key decisions to be measured against their impact on the delivery of affordable high quality homes.

2.1.2 Accelerating the programme of Housing Delivery (HD) rented homes to be built principally on Housing Revenue Account (HRA) land and Bristol City Council (BCC) corporate land and deliver at least 70 affordable homes per annum (p.a.) from 2016/17.

2.1.3 Identify an annual disposal programme of at least 15 hectares p.a. to meet the needs of the AHF and HD and help to achieve the building of 200 affordable homes pa. To achieve this, commit that all BCC corporate land, including sites in the accompanying Land Prospectus is processed through the Council's Property Board (Property Board) to determine which sites be disposed of through AHF.

2.1.4 Work with the Homes and Communities Agency (HCA) and Homes West Bristol (HWB) on a joint funding programme, including schemes on stalled sites, to deliver at least 200 affordable homes pa from 2017/18.

2.1.5 Work with the HCA and Bristol Retirement Living partners to deliver at least 60 affordable homes pa for older people per annum from 2017/18.

2.1.6 Partnering with housing developers, registered providers and institutional investors wishing to invest in innovative schemes (including stalled sites) to deliver market rent and affordable high quality homes.

2.1.7 Working jointly with neighbourhood groups on a protocol that will help meet their market and affordable housing needs and aspirations. This includes the need for custom build housing, community led, self-build and co-housing schemes.

2.2 Bristol Affordable Housing Action Plan 2015-2020:

2.2.1 An Affordable Housing Action Plan (Action Plan) has been prepared to guide the implementation of the AHF over the next five years and is included in Appendix B

2.2.2 The AHF and Action Plan will be reviewed every year and reported to the Place Scrutiny Commission.

3.0 Section B: Performance of the Bristol Affordable Housing Business Case Delivery Models

3.1.1 The six delivery models in the original AHDF Business Case have been reviewed against the original numbers and timescales.

3.1.2 The delivery programme is twelve months behind. This is due to limited numbers secured through s106 schemes, limited take up of HCA and BCC grants and the slow progress in bringing forward BCC land sites to market.

3.1.3 The new affordable housing projections are detailed in the table below and the performance of each of the delivery models are provided in the next section.

3.1.4 It should be noted that since this new delivery schedule was prepared and approved by the Mayor in June 2015 there have been significant changes to the financial environment in which developers and registered providers are operating. The impact of these changes is reviewed in

AHDF Delivery Model Projections 2013 against Framework Projections 2015

Delivery Model		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Section 106	AHDF Projection 2013	47	60	120	150		
	Framework 2015	32	65	124	120	120	120
HCA/BCC GRANT	AHDF Projection 2013	258	290	240	240		
	Framework 2015	200	174	119	200	200	200
COUNCIL HOMES	AHDF Projection 2013	28	50	70	100		
	Framework 2015	6	14	102	70	70	70
BCC LAND	AHDF Projection 2013	0	100	100	180		
	Framework 2015	0	41	140	200	250	250
BRL	AHDF Projection 2013	0	0	70	60		
	Framework 2015	0	0	65	60	60	110
WITHOUT GRANT	AHDF Projection 2013	0	100	100	120		
	Framework 2015	5	6	0	100	200	250
TOTALS	AHDF Projection 2013	333	600	700	850		
	Framework 2015	243	300	550	750	900	1000

4.0 Section C: Impact of the Budget Statement July 2015

4.1 The Government had previously agreed a rent settlement 2013-2023 with registered providers that enabled them to increase rent at Consumer Price Index plus 1%. The Chancellor's decision to disband this rent settlement and require a 1% reduction on all social rented/ affordable rent/Council Rented homes for four years from April 2016 has effectively led to a 12-15 per cent reduction in average rents by 2020/21.

4.2 This change has had a significant impact on both Council's capacity to deliver new Council homes and Registered Providers ability to progress their existing developments funded by the Homes and Communities Agency or meet the acquisition costs required by private developers on affordable homes secured through s106 agreements.

4.3 The Council and the Homes and Communities Agency will work with the registered providers to try and mitigate the impact of this change. When the Affordable Housing Framework is reviewed in early 2016 it will be important that the relative ability of each of the delivery models to deliver to the above trajectories are also reviewed.

Executive Summary

The Bristol Housing Partnership is a primarily strategic partnership of Bristol City Council (Landlord Services and Strategic Housing) and other registered housing providers (in this case exclusively housing associations). In 2012, recognising the rapid pace of change in the environment within which housing organisations operate, the Partnership commissioned the University of the West of England to research the current and future residential offer in Bristol. The intention was that this research would assist Partnership members in aligning future private and public spending and identifying investment opportunities to help meet the City's broader economic and spatial planning priorities. Through discussion, the project focus was narrowed to three key areas of research:

1. *challenges and opportunities in the private rented sector,*
2. *the potential of institutional investment for housing delivery, and*
3. *future strategies of housing providers.*

The research was carried out between 2012 and 2014 through a combination of literature and data review, a survey of local housing providers and a number of focus groups. This report details the project outputs, summarises the main findings and makes recommendations.

The private rented sector represents a growing proportion of the housing market nationally and locally and the only housing option for many households priced out of owner occupation but ineligible for affordable housing. As such it is of strategic and operational importance that provision of private rented sector accommodation in Bristol is available in a quantity and of a standard which meets the needs and expectations of (potential) tenants. The sector is currently characterised by small-scale, amateur landlords, many owning only one property and unable to offer any substantial increase in supply. Housing associations, in contrast, are well placed to take on a role in the sector, potentially able to deliver new supply at volume and having significant experience of managing and maintaining properties, albeit in the affordable sector. The pressures to which housing associations are subjected in the new financial reality post-2008 make the sector an attractive proposition offering the potential to generate surpluses which can be reinvested in core affordable housing provision.

The challenge for housing associations, however, may be accessing the investment needed to deliver new supply at volume. In the commercial sector institutions such as pension providers commonly invest in real estate, and although this practice is less common in the residential sector, interest in the model is growing. This research concludes that entering into institutional investment partnerships is a realistic potential element of the future strategies of housing associations in Bristol. The move would align well with a sector-wide shift in focus

from a business model which is primarily about housing the most vulnerable, and providing some community services, towards more complex strategies which include providing housing products and services in new markets which generate higher returns, commonly termed 'commercialisation'. Specific commercially-orientated strategies adopted include evolving and more sophisticated asset management strategies and new approaches to allocations including more stringent pre-tenancy checks. Private sector landlords are similarly reviewing their approach to lettings, with indications that they will become increasingly selective in order to minimise the risk of rent arrears and other problems. A proportion of small-scale private sector landlords in Bristol feel inclined to exit the sector in response to what they perceive as overly-burdensome or unhelpful regulation.

The report concludes with recommendations intended to assist Partnership members to achieve their future strategies successfully whilst continuing to address the housing needs and expectations of Bristol's population. The extent to which these recommendations are adopted is a matter for the Partnership and the individual organisations which constitute it but they are, at the very least, intended to highlight the key issues facing housing providers in Bristol over the next 5 years. These recommendations, set out and explained in detail in Section 7 of the report, are to:

1. **Support housing associations to do business in the market rented sector** by:
    - Exploring the skills required at operational and strategic (e.g. Board) level;
    - Working strategically to identify needs and specify target sub-markets;
    - Working together to avoid unhelpful competitive bidding;
    - Identifying sites which have stalled and offer potential opportunities;
    - Taking on a range of roles in the sector;
    - Managing the impact on affordable housing supply.

2. **Increase and promote opportunities for residential institutional investment in Bristol** by:
    - Appointing a topic lead within the Partnership;
    - Commissioning expert advice in order to fully understand the detail of institutional investment models which are workable in the local context;
    - Marketing *residential* Bristol to investors as an attractive proposition;
    - Identifying any suitable sites in City Council ownership and making them available on the best possible terms;
    - Marketing specific sites or opportunities professionally in order to attract the most beneficial investment;
    - Working with the HCA and the Bristol Property Board to identify other suitable publicly-owned sites;

- Exploring opportunities for a Joint Venture Partnership;
- Testing a housing association led build-to-let model;
- Preparing information on operational comparisons;
- Managing the impact on affordable housing supply.

3. **Establish a planning culture which promotes and encourages private rented sector development** by:
   - Developing an enabling culture for market rent development;
   - Lowering contributions for affordable housing to enable market rented provision in selected cases where this is deemed appropriate and desirable.

4. **Respond to issues of affordability in the private rented sector** by:
   - Promoting and enabling larger-scale rented developments in areas where rents are high (in order to effect reduction in rents through increased supply);
   - Collaborating to limit rents and/or rent increases;
   - Maximising the awareness of private sector landlords and their tenants of sources of financial advice and housing-related support;
   - Taking on a lettings agent role.

5. **Support amateur private sector landlords** by:
   - Promoting the benefits of regulation for landlords and tenants and improving incentives for, and support to achieve, compliance;
   - Extending the existing voluntary accreditation scheme;
   - Providing information and/or support to landlords to encourage take-up of tenants in receipt of Local Housing Allowance;
   - Communicating openly with amateur landlords about the potential for institutional investment;
   - Taking on a lettings agent role.

6. **Deliver a joint, cross-sector strategy for allocations and lettings** by:
   - Agreeing a shared approach to pre-tenancy work;
   - Developing a housing path-way protocol.

7. **Preserve a role for smaller housing associations** by:
   - Exploring partnership arrangements with other smaller organisations;
   - Working in partnership with larger providers to provide new homes;
   - Working in partnership with other providers to enter the market rented sector;
   - Seeking niche opportunities where small organisations may be able to excel.

The Bristol Housing Partnership

Members of the partnership are listed below, with those forming the partnership panel highlighted in bold. The partnership is currently chaired by Alistair Allender, Chief Executive of Elim Housing Association.

- 1625 Independent People
- Aashyana Housing Association / Affinity Sutton
- Aster Homes
- **Bristol City Council (Landlord Services and Strategic Housing)**
- **Brunelcare Housing Association**
- Carr-Gomm / Sanctuary Society Limited
- **Curo Group**
- **Elim Housing Association**
- **Guinness Hermitage**
- Home Group
- Jephson Housing Association
- **Knightstone Housing Association**
- **Places for People**
- Self Help Community Housing Association
- **Solon South West Housing Association**
- **Sovereign Housing Group**
- **United Communities Housing Association**

Where is housing heading?

Social housing's alternative futures

January 2015

Alex Marsh
Professor of Public Policy, University of Bristol

Where is housing heading?

In December 2013, the Chartered Institute of Housing (CIH) began a new series of policy discussions on the key issues facing housing over the next five years

Two years after the coalition government published its housing strategy *Laying the Foundations*, and 18 months ahead of the General Election, we wanted to take the opportunity to pause and consider developments since 2010: where we have ended up, what's worked, what hasn't, what we've learnt about the policy positions of the main parties and where things might be heading next.

We've commissioned a series of leading commentators to give us their views on these and other issues across different policy areas over the coming months. In this twelfth essay, Alex Marsh, Professor of Public Policy at the University of Bristol, looks at what the future might hold for social housing, and the different roles that housing associations might play in the future.

We hope you will enjoy the essays and that they will stimulate debate over the critical period in the run-up to the election.

12. Social housing's alternative futures

These are challenging times. The arrival of the coalition government in 2010 has brought profound change both within and beyond the social housing world.
Things we'd taken as the foundation upon which social housing organisations could build their strategies have turned out, in the face of a pervasive rhetoric of austerity, to be much less stable than we had come to believe. The government has made changes – to funding for development, to the nature of tenancies, to revenue subsidy, to regulation – that mean the game is now being played by different rules.

This less hospitable environment has been the catalyst for innovative responses from social landlords, individually and in collaboration.

Of course it is not that the political response to the 2007-08 global financial crisis has sparked change in an otherwise somnolent social housing sector. Over several decades the sector has witnessed substantial changes to structure and processes, often induced by policy innovation rather than changing socio-economic context. But the period since 2010 has perhaps been unusual in confronting social housing providers with a broad range of pressing questions about the sustainability, and desirability, of business as usual.
This essay will not dwell on the details of the changes affecting the social housing sector over the last five years. These have been reviewed in some detail in earlier essays in this series. Nor does this paper focus particularly on how housing might feature in, or influence, the general election campaign that is now getting underway. Rather, the aim is to step back and offer some reflections on the bigger picture. It offers a perspective on where housing may be heading in the coming years. It does so under four broad headings: The squeeze; Looking beyond housing; Narratives; and Marginal voices.

The focus is primarily upon housing associations, but in order to offer a perspective on what is happening to social housing the discussion necessarily touches on broader policy developments affecting the sector. The focus is also on policy in England although the broad arguments apply in Wales and to a lesser extent in Scotland and Northern Ireland.

The squeeze

Where are we heading politically? Six months ago it might have been meaningful to explore the implications of the policy trajectory charted out by the Conservatives and then consider the potential for disruption to that trajectory. We might have reflected on what alternative trajectories could look like and considered whether the rapidly-approaching general election 2015 constituted a critical juncture that sets policy off down a different path.

But I'm not sure approaching the issue in that way is particularly meaningful right now. That is for two main reasons.

First, the political economy is horrible for rented housing. The mainstream political parties are almost entirely gearing their agendas towards the interests of older homeowners because older homeowners are more likely to vote. The concerns of renters – social or private – or those excluded entirely from the housing market are not so pressing as to demand a decisive response from politicians.

Second, all parties are signed up to a very similar fiscal policy. For all the talk of housing crisis, spending serious money on housing doesn't feature very prominently on anyone's to-do list. There are surely differences of emphasis, and the parties diverge over the wisdom of borrowing to invest in housing and infrastructure. But no party likely to have meaningful leverage over the next government's agenda is looking to invest in housing on a scale commensurate with the scale of the problem.

That is not for want of ideas. The National Housing Federation's (NHF) *Ambition to Deliver* report, for example, made a decent case for what needs to change to get things moving. But I'm not sure anyone in the Westminster bubble is really listening yet. Housing isn't far enough up the agenda.

Six months ago we were still awaiting the publication of the Lyons Housing Review. Many were hoping it would chart a new course for housing policy, on supply at least. Now we have seen what Sir Michael had to say. The report contains some sensible recommendations to address housing supply problems, but the overall aspiration is modest. A target of 200,000 new dwellings per year by 2020 carries with it the implication that, even if the aspiration is realised, housing supply will still fall well short of the level required to meet housing need. Excess demand for housing in high pressure housing markets is likely to continue. That implies affordability problems will continue for a while yet.

The Lyons Review contained plenty of interesting and important material. Yet, its peculiarity is that, on crucial points, it lacks the courage of its own convictions. For example, the report develops a solid argument for swapping housing support away from funding housing benefit and back towards bricks and mortar subsidy. But it then doesn't argue that more investment in housing supply should be a policy priority. Here, presumably, the report is constrained by a requirement to adhere to Ed Balls' overall spending plans.

In contrast, elsewhere the report hints at something rather more radical. In particular, it is reminiscent of statements made about housing association independence that we've read in Boris Johnson's housing plan for London or that Nick Boles was inclined to make while planning minister. That is, Lyons clearly has his eye on housing association assets, and the scope for further leveraging those assets to fund new construction. Lyons is keen to see housing assets currently in the hands of those who are risk averse come under the control of those with a greater appetite for risk.

The economic and financial logic of the current policy direction – a low grant/no grant world – is one of greater consolidation, mergers and acquisitions, and increased financial sophistication. This is a direction of travel that Lyons effectively endorses.

The diverse risks of this approach – both to associations and government – are reasonably well-known and well-rehearsed. But I do think that if policy is to push further down this path then we need to attend more closely to systemic, as opposed to idiosyncratic, risk.

The Homes and Communities Agency (HCA) has made it clear that in this brave new world the bulk of the financial risk lies with associations and their boards. That is a sustainable position as long as risks remain largely uncorrelated and organisational consolidation doesn't result in a "too big to fail" problem. But at some point it becomes untenable.

The Liberal Democrats are the only major party proposing a step change on housing supply. Their policy aims to increase new housing supply to 300,000 per year, although it isn't entirely clear how this will be achieved. The policy has the virtue of possessing ambition of the right order of magnitude. But it is debateable whether Liberal Democrat policy, on housing or anything else, is going to be of any great relevance post-May 2015.

So Lyons has come and gone. And, while it made the right sorts of noises, it did not propose a radical departure from current policy trajectories. We can be reasonably confident therefore that, barring some major unforeseen development, housing policy is going to be continuing broadly in its current direction. In saying that we also need to recognise that current policy plays out differently across local housing markets. Whether Affordable Rents diverge substantially from social rents, for example, depends on where you are. Similarly, the implications of welfare reform differ considerably between the English regions. Its impact in the devolved administrations, where it has to mesh with policies formulated with an eye to different priorities, is more complicated.

If policy continuity is in prospect then we face a future characterised by housing providers increasing leverage and pursuing mixed portfolios of development which are, overall, closer to the market. Having to attend ever more closely to the demands of the financial markets will most likely bring the tension between commercialisation and social purpose into sharper focus. There are no doubt some among the larger housing associations who view the prospect of being "freed" from obligations to the government and the regulator, as recently proposed by the Policy Exchange, with enthusiasm. The freedoms and flexibilities that would follow such a move would more than compensate for the greater risk.

This would, I suspect, be viewed elsewhere in the sector as the ultimate triumph of commercialism: housing associations finally slipping their social purpose moorings.

While it is possible to envisage a future in which social purpose is finally extinguished, for at least some housing associations, we also see organisations such as Placeshapers reasserting established values, particularly those relating to community.

How this tension will play out is uncertain. But I suspect commercialisation will eventually prove too powerful to resist. Financialisation has an insidious, transformative power.

A continuation of current policy directions also means that, rather than acting as an economic stabilizer to counteract the volatility of speculative housebuilding, social housing supply is likely increasingly to reinforce the pro-cyclicality of housing development.

Looking beyond housing

When we're thinking about the fiscal squeeze we haven't really seen anything yet. The public spending cuts planned after May 2015 are greater than those we have already witnessed. If there was fat in the system then it has already gone. Future cuts will be much more painful.

We need to understand better how the squeeze is affecting the world beyond housing. In particular, we need to look at what is happening in the health service and the local authority sector. The travails of the health service are front page news: what happens here shapes voting intentions. The difficulties being experienced in the local authority sector are rather less well understood. Many local authorities are in a lot of trouble as a result of budgetary cuts imposed by central government combined with the imposition of tighter constraints on raising additional revenue locally.

Local authorities are going through similar thought processes to those occurring in many housing associations. But they are compelled by circumstance to do so with a greater sense of urgency. They are looking to shed non-statutory services. They are looking to capture savings in operating costs from increasing digital service delivery. They are exploring the scope for co-production of services with service users. They are looking to build capacity in civil society so as to foster greater self-reliance and self-help, because the local authority no longer has the resources to provide those services. We are seeing signs – for example, in developments such as the Welsh care act – the Social Services and Wellbeing (Wales) Act 2014 – that some statutory obligations are being pared back.

You could argue that David Cameron's Big Society was a failure as a political slogan and a political project. It never really got off the ground. You don't hear much talk of it any more. But swingeing cuts to local authority budgets mean it is arriving anyway. Local authorities in collaboration with local populations have to come up with new solutions that move beyond local authority provision, or services and support will simply disappear.

It is very much a case of necessity being the mother of invention.

In the academic literature you will find discussions of the concept of place-based leadership. Part of this argument is that leadership of place may come from the statutory sector, but it need not. It can emerge from another sector locally, or from cross-sector collaboration. Clearly, many housing associations are

organisations with deep roots in particular areas and a commitment to the success of those areas. They are already showing leadership as they seek to help residents in their neighbourhoods improve their quality of life and increase their levels of wellbeing. In doing so housing associations find themselves engaged in a whole range of non-housing activities for community benefit.

The point is that as local authority capacity becomes increasingly curtailed further gaps in provision are going to open up; further opportunities are surely going to present themselves. Are these opportunities that will appeal to housing associations? Are housing associations willing and able to move into positions of stronger place-based leadership? Will they do more to facilitate community capacity building before, potentially, stepping back and allowing greater community self-organisation and self-reliance?

If housing associations do go down this route then how is this greater role going to be rationalised? And how is it going to be funded? If it is to be funded internally through cross-subsidisation – because grant funding is increasingly scarce – then what sort of account can be given of the virtues of this approach? What's the narrative?

Narratives

Convincing narratives are an issue of broader significance. The HCA, in its most recent sector risk profile, flags up reputational risk for individual organisations and the sector as a whole as an increasingly important issue.

The HCA's mind is primarily exercised by the risks associated with development and finance. Housing associations that engage in more complex and exotic financial manoeuvres in order to finance development risk belatedly discover that risks have been misunderstood or inadequately assessed. As a consequence organisations find themselves in difficulty. Given high profile incidents in the relatively recent past, such concerns can hardly be considered unjustified. Such episodes damage the sector's reputation as a relatively low-risk investment opportunity.

While there are undoubtedly risks here, I think the issue of reputational risk is broader and enters the picture earlier.

I took part in one of the NHF HotHouse events leading up to the *Ambition to Deliver* report. One of the housing practitioners who spoke alongside me stated that by 2033 – the time horizon the NHF was working to – housing associations would be perceived as part of the problem not part of the solution.
That was, no doubt, hyperbole. But it is worth reflecting on.

A reduction in the overall benefit cap to £23,000, trailed by David Cameron during the autumn, and benefit uprating inadequate to keep pace with rent inflation mean that the effects of welfare reform are likely to be felt ever more sharply and by ever more tenants.

Policy encouraging associations to leverage up and push rents higher in order to service larger loans carries with it the implication that housing associations are increasingly seeking tenants with the financial firepower to cope with higher housing costs. Or they have to have confidence that the benefit system will continue to act as a backstop to secure the necessary income. It very possibly carries with it the implication that housing associations are less inclined to house benefit-dependent households because they are perceived as higher risks.

There is a danger that, for all the arguments about being not-for-distributed-profit or about making profit for reinvestment with a social purpose, housing associations increasingly come to be perceived as seeking to extract as much as they can from the slightly less vulnerable in order to fuel their ambitions. There is already negative talk about the size of the collective surplus being made by the sector.

The seemingly logical conclusion of current policy is a scenario in which housing associations will primarily be in the business of charging high(ish) rents to middle-income households. Housing the genuinely poor would be very much a subsidiary activity, if it is dabbled in at all.

As housing associations offload relatively valuable property or property in high-value locations in order to build new property in lower-value neighbourhoods, in the name of good asset management, they contribute to the realisation of the Conservatives' aspiration for increasing social segregation and the banishment of poorer people from relatively affluent established urban neighbourhoods.

Associations may protest that they are doing the best they can, given the harsh financial and regulatory constraints they have to work under. The big boy made me do it. But that point is likely to be lost when viewed from the outside and in retrospect: when viewed from the perspective of the consequences such moves have for our towns and cities.

In that respect it is quite plausible to see housing associations becoming increasingly constructed in the media and popular opinion as a part of the problem. Unless they can do a better job of explaining what it is they do, what it is they are trying to achieve, and the constraints under which they are operating.

One of the most intriguing recent developments in the housing policy debate is the advent of the term "genuinely affordable housing". It appears that some have concluded that the housing that is now delivered under the label "affordable housing" is anything but. With its Affordable Rent programme the government has done so much violence to the term "affordable" as to render it meaningless without further qualification.

This seems to me to represent a hazard for housing associations. Unless they can keep in touch with the concept of "genuinely affordable" housing they may find themselves on the wrong side of the argument about who can deal effectively with the housing crisis.

And if associations choose not to play the game in the way the government would like it played – if they decline to develop with high leverage and relatively high rents, and instead focus on letting to existing tenants on social rents – then are they ready to explain why they are "refusing to help meet housing need" in the middle of a housing crisis? Arguments could, of course, be made about risk management, stewardship, inclusion, and precisely how best to meet need. But are those arguments honed, close at hand, and ready to be deployed?

Marginal voices

Earlier I said that as we approach the general election the political economy is pretty horrible for rented housing. But the outlook over the slightly longer term is much more interesting and much more positive.

The political economy of housing is undoubtedly changing. Starting from relative obscurity, organisations like *Generation Rent* and *Priced Out*, though still small, have now become prominent voices on the national housing policy stage. This has in part been facilitated by social media and the greater ability of grassroots organisations to coalesce, overcoming the barriers of distance. But it is also a product of structural change in the housing market. The proportion of households in long-term renting creeps up, seemingly inexorably.

More importantly, the types of households in long-term renting are changing. Renting is touching the lives of those who would previously have felt their destiny lay elsewhere. The pressure for change is building. Calls for longer tenancies and regulation of rents in the private rented sector recur. They originate not just from the left but from several points on the political spectrum.

Yet it is not only the articulate middle-classes in private renting who are finding their voice. A striking characteristic of the British housing scene is that opposition to the increasing marketisation of housing policy has, to a large extent, lacked an effective rallying cry. In other countries opponents of mainstream housing policy have explicitly drawn on Lefebvre's concept of the *Right to the City* and translated it into a *Right to Housing*. These concepts have been deployed in, for example, the critique of gentrification, be it state-sponsored or otherwise.

This sort of discourse, while prominent in certain corners of academia, has been largely absent from high profile housing activism in Britain. But it would appear that resistance to dominant strands of housing policy increasingly reaches for this type of thinking to find its organising concepts. For example, it is a very clearly part of the way the Radical Housing Network – which secured national attention by disrupting last year's MIPIM event – understands what it is seeking to achieve. We could find similar types of argument being deployed by the Focus E15 protestors.

Mainstream housing policy has embraced, at a rhetorical level at least, the desirability of self-build, off-site manufacture, or kit building as a means of addressing our housing needs. It has been less clearly supportive

of self-help housing. At the extreme, the coalition has gone out of its way, in the face of near uniform opposition, to criminalise squatting of all residential buildings.

Yet there is another emerging strand to the story. Organisations such as HACT have recently been supporting capacity building in the self-help sector, and local initiatives are burgeoning around the country. In Bristol, for example, a community organisation called Abolish Empty Office Buildings has recently bought its first property.

If mainstream policy fails to make a significant dent in housing affordability problems and housing shortage, and the properties managed by conventional social landlords are increasingly viewed as out of the reach of the poor, then the appeal of self-help and mutual aid will most likely grow. I wouldn't be at all surprised if someone decided it might be an idea to set up a terminating building society.

Perhaps we are destined to rediscover lessons of the past through action, as communities replay the origins of some of today's well-known housing organisations.

But do these self-help initiatives exist beyond today's social housing movement; possibly even in competition with it? Or are they initiatives that more established social housing organisations can and will support on a significant scale? Are they part of social housing 2.0? Or do they represent social housing 3.0?

This takes us to questions of scale. The financial imperatives facing housing associations push them towards scale. We have long known that the efficient scale for financing is larger than the efficient scale for management, at least when management is based on patches or area offices. But the efficient scale for financing is also likely in tension with the appropriate scale to deliver place-based leadership and community capacity building. How housing organisations reconcile this tension and operate simultaneously in the large and the small is a question the sector will be obliged to grapple with further.

An alternative future is one in which the sector bifurcates: much of the housing is supplied by huge landlords – faceless and efficient – that interact with most of their tenants digitally, while much of the community support is provided by smaller organisations with a human face.

Conclusion

The future for social housing organisations will be characterised by the need for innovation; more radical innovation than many will have experienced up until now. If housing organisations are to thrive in an era of constrained resources and demanding consumers then they are going to need to be reflexive and agile.

The squeeze occurring in neighbouring policy areas and bearing down on the organisations with which housing associations collaborate will open up gaps and new opportunities. Unless there is a major reorientation of policy centrally – which seems unlikely – over the life of the next parliament we can expect

quite a few local authorities to take a big step back from significant areas of service provision as funds run out. Whether housing associations sense that it is their destiny to play a stronger place-based leadership role is a question we will find answered rather quickly.

In the short term the political economy of housing is not favourable to rented housing, but pressure is building in the system which means that in the longer term politicians will have greater incentive to attend to urgent new voices. This feels like a necessary, if not sufficient, condition for a substantial change of policy direction at the centre. At the same time, it seems almost inevitable that new solutions – some of which might be relatively old solutions – will attract greater attention. Perhaps we shouldn't be too hasty in ruling out the possibility of revolutionary new answers to perennial problems.

In future will housing associations see it as a greater part of their role to help others to house themselves? I suspect it might well be.

Finally, the financial and regulatory constraints upon housing associations are real. But to assume there is no room for manoeuvre would be unduly pessimistic. The social housing sector is shot through with local innovation. Can this be harnessed more effectively? Can local lessons be captured and shared effectively in order to deliver broader social benefit and to reshape and expand housing opportunities for the many disadvantaged?

The future is not given. It is made.

And we increase the chances of it being a future in which social benefit is maximised if fruitful innovation is not treated proprietorially but shared widely.

Conference Summary

Fantastically well attended with good representation from RP's (including support providers) as well as PRS, Developers, business west, HCA, consultancy, academics, advice agencies and finance which generated a really good level of discussion and identification of the main issues.

Main themes were:

1. Increasing housing in Bristol, including increasing affordable housing mix

2. Raising standards in the PRS

3. Devolution and what that means for housing (or potentially means)

4. Early intervention; support and advice services

Workshops looked into these specifically and the conversation was around:

- Releasing land for mixed developments and mixed tenure
    - Use of empty office blocks?
    - Explore more flexibility from social landlords
    - Release of city council land inc exploring corporate land policy, Government owned land and health land.
- South Bristol esp Knowle West
    - Communicate with the residents
    - Build on a couple of pockets of land to show what we can do, but have a long term plan
    - Link to transport plans
    - Make south Bristol as place to go to as well as come from, building on paintworks, Knowle west Media Centre
- Work with potential employers
    - Suggestions of building enterprise zone/business park or even a shopping complex, but incorporating housing into the design. Housing could then be for workers there?
- Devolution
    - Variety of jobs needed in different authorities – in order to be resilient & sustainable need to have value/diversity which is the advantage of working together
    - To compete with other big cities we need to have affordable, attractive homes and transport
    - Engage with the LEP
- Engagement with PRS
    - Landlord kits – how to be a good landlord

    - Tenant readiness training for PRS landlords
    - Compulsory purchase orders for poor landlords
    - Increase the supply of PRS
    - Co-ordinated high level Bristol wide meetings with PRS investors and working group to look at the supply side
- Advice and intervention
    - Communication first step
    - Work with groups potential vulnerable clients will be seeing ie. GP's/job centre
    - Map what is required

Summary

Table 1

General discussion
Change the perception of PRS – education about housing early on esp social housing, education, kids
Public sector to lead by example – need a mix of tenure options inc quality prs
How can we encourage people to downsize?
Taking a place approach and building 'enterprising places' that wrap around the housing holistic. Mixed use approach and bringing all sectors together. Place making shape the neighbourhoods
Connect neighbourhoods – transport,house, build models etc
Move back to preventative approach
Advice services – consistency of advice from existing services rather than setting up new ones
Place Making
Mixed use/mixed tenure – build value not just houses
Existing estates and regeneration: Agree a good mix of tenants (will be slow process) Have conversation with Local Communities aobut the scale of change needed and the implications (eg Knowle West doesn't work, not connected and without this the area cannot change – needs transformational change) Work with potential employers/businesses Some areas (Knowle west – will need major infrastructural change)
Linking support needs and community well-being needs (combining personalisation with city Empowerment – as weith CPCE in BAB.

Table 2

General discussion
Cannot solve all the housing issues within the private sector – need to mix and match and this will need resources from LA
BCC is a major landowner and will bring assets forward to deliver housing – how good do we make it?
What range of products is the key to a mixed community?

What could BCC do? – stop RTB esp on new build, longer leases in private sector
Land (public & private)
Perception about boundaries. There is no appetite to carve boundaries
Create land prospectus and work to increase validity of Bristol property board
Look at transport links

Table 3

General discussion
Devolution from London – what do we need to do? Are we ready?
Bristol needs to have a plan for working with WofE as 4 LA's need to work together to get the best out of the housing market
PRS – need to consider standards and security of tenure. Supporting standards eg. scheme in Easton
Redevelop in Bristol – regeneration of 'worse' areas
Need housing to fit into work beign carried out for enterprise eg. business and transport
Devolution Agenda
What do we need to be more effective and what is the role of the partnership
What is our offer and what do we do with the powers we get?
Transport

Table 4

General Discussion
Better management of PRS – security of tenure, introduce standards, well regulated and quality PRS. Look at the PRS models from the EU, eg. developers to retain ownership for 15 years or co-operative models so there is a long term commitment
Explore other housing models eg. self-build, co-operatives to increase diversity of housing provision
Be creative about options in South Bristol – Doing something different so that it attracts different people/changing attitudes
South Bristol and issue of divided city
Vision for South Bristol: - commit resources (£ and staff) to invest in south Bristol - co-operation between the partnership and city council - Look at model of gatehouse centre – community, housing, shopping - balance community with facilities where people live (place making)
What can we do: Commit to it being experimental Vision – make south Bristol a place to come to as well as come from (eg build on destinations – knowle west media centre, paintworks Encourage Businesses to move there There are pockets of land that could be used to experiment/innovate Enterprise zone or area

Table 5

General discussion
Institutional investment required
Local authorities could provide mortgages

Shared equity/shared ownership – re-look at this
Tehre is a need for affordable housing at the margins – engage in a positive way in the PRS and look at hwo we could make rents affordable
Housing associations to provide private rented property
BCC do have land in South Bristol – look at building there
Greater flexibility within the planning system
Local authorities could underwrite the rent for PRS accommodation which would enable more borrowing
Further working group required with representatives from the PRS to push things forward
Better energy efficiency
PRS – better engagement to improve standards and access for lower income households
Landlord kits – how to be a good landlord
Tenancy readiness training for PRS tenants – loans, separate bank accounts for rent etc.
Make tenants more aware of help available
PRS to be encouraged into new build
Compulsory purchase orders for new landlords
Systematic inspections of properties – currently not able to do this on a mandatory basis
Need co-ordinated high level Bristol wide meetings with PRS investors and working group to look at the supply side

Table 6

General discussion
PRS is fast growing and overtaking social housing, inequality, something in place to make sure improve quality of that. Special licencing still discretionary
Could housing associations be managing agents
PRS needs to be a more stable option
Geography of the city is important, the pockets of depravation is even greater
There is a divide between the tenants accepted by BCC and HA's – this is to stack the Business plans in HA's, but there is a huge impact to this
BCC to enable the housing part of the city. Is there a role for the LA as a provider
Need to get the WofE LEP around the table
LEP sub regional role and Devolution
Tranport, building business – need housing
Build new shops – make them with housing as well?
LEP would be a useful forum to approach
Bristol cannot solve its own housing problems and have got to look outside of the sub-region, not shown as successful yet.
LEP not just housing, but transport as well
Lack of good transport links in Bristol eg. Avonmouth always jobs there, but shift work and transport not reliable enough.

Table 7

General Discussion
Redevelop commercial properties for homes. This is happening anyway due to change in planning laws, but no section 106 and mostly student lets.
Identify more sites, including small sites – what is the land portfolio we hold

Why are people homeless? Need more early intervention
Need to extend length of tenancies in PRS and PRS with a social purpose
Poverty gap is getting wider
Preventing homelessness
Identify people at risk – who will they be seeing (GP's, A&E staff) and include training for these staff. To include work on recognisign the warning signs
Improve information plus access to help and advice, perhaps bring in a triage system

Table 8

General discussion
Early intervention and advice services – understand and research when tenancies fail/how early to see what advice is needed
Affordability – Not just about increasing supply, but also about rent levels? Definition of affordable
Increasing supply – how to get the right people involved. Houses built with a smaller profit, used to train apprenticeship. Create Bristol House building company
PRS – extend discretionary licencing scheme
Early Intervention
Map what is available
Analysis of what is needed
Redesign services
Better commissioning

Table 9

General Discussion
Service users struggle to get sustainable housing when moving out of supported housing, often end up in PRS and this makes life difficult. It is also very difficult to get PRS landlords to take them as tenants. What can be done to provide additional support so that landlords know the risk is mitigated against (this would be the same for some HA's as well)
More demand for housing than there is supply in Bristol, but need different models for different areas.
Need a different land market model, the mayor has mentioned using more public land. Could construct a model where BCC put land in for free – get a return in 50/60 years (pension fund investment)
PRS rents driven up by demand and as supply is an issue even if maange to have higher rental standards, will not necessarily decrease rents (could even increase)
In some areas the organisation has gone into social letting agency – gives the landlord a guaranteed income. Need to unlock the private landlords
Land – releasing public and private land
Bristol Property Board are pooling all public sector interests
The Mayor's housing delivery plan included a list of sites
Does anyone have a complete list of land available and what are the barriers
Need to consider local objection even though its Brownfield
Consideration to having an accommodation strategy – could this not be incorporated into the housing strategy?
Business Sector have power in Bristol. They need people for low paid jobs – these people need sustainable housing. Business could invest in Bristol Housing bond (could allow a certain number of nomination rights per year). Housing is top priority for bigger businesses.

The Elphicke-House Report

From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply

FOREWORD BY NATALIE ELPHICKE AND KEITH HOUSE

Dear Chief Secretary and Secretary of State

In the years leading up to the recession, UK housebuilding failed to deliver the homes needed for our country. Through and beyond the recession, housebuilding contracted further. Government has made the building of new homes a priority. The planning system has been extensively reformed, infrastructure guarantees have been devised to support housebuilding, more than £18 billion of financial support has been given to housebuilding and to housing providers. The roles and responsibilities of councils have been transformed, through the Localism Act 2011 and the self-financing settlement for council homes. Much has been achieved.

Our Review was established in the context of these new roles and opportunities for councils. To look at what councils do, and what councils can do. To see if more could be done by councils to boost housebuilding and to create strong and sustainable communities. What extra steps, measures and reforms could be taken forward to enable councils to boost the building of new homes, to support growth and prosperity for the communities they serve.

We believe that councils could achieve much more by taking a more central role in providing new homes. Our key recommendation is that councils change: from being statutory providers to being Housing Delivery Enablers. Councils have a primary role in setting out a vision for the development of their areas. They can be active in creating housing opportunity. Councils can be proactive in identifying housing need, growth and opportunity. They can work closely with businesses and other partners to share ideas and experience – and actively use their own assets and knowledge to unlock housing opportunities and deliver more homes, to build strong and sustainable communities.

Partnership is key. The evidence is that councils are most successful when working in partnership with others and where they promote opportunities. Councils can develop this further by encouraging new entrants and providing an open opportunity for all participants on a level playing field.

Seeing and hearing first-hand what many councils can and do achieve with their new powers has been inspiring. No one should be in any doubt as to the strength of the very best councils in shaping a vision for the communities they serve, and being dynamic, original and active in making that vision happen. Proactive and successful councils identify and unlock land suitable for development. They help and support smaller businesses and new entrants. Great councils communicate and engage with their residents to develop a shared commitment to meet the needs of their local communities. This role can be enhanced by identifying and delivering smaller sites for smaller businesses, new entrants and custom builders.

Of course, an enhanced role has to be paid for. The Government's stated priority is to see a public sector surplus in 2017/2018. The scope of the Review was set in this

context, so that recommendations must support, and not endanger, getting the country's books into balance. Unlocking innovative financing mechanisms for new housing development is therefore essential if Housing Delivery Enablers are to deliver.

Our report sets out detailed recommendations on how housing delivery organisations can be established, how private sector financing can be attracted and how a Housing

and Finance Institute should be established to promote and support the sharing of ideas and drive innovation in housing finance. Our report sets out ideas both for councils and for Government, with quick wins and areas for longer-term change. And our report recognises the urgency shared across the political spectrum to build the homes needed now and for the next generation.

This context of fiscal responsibility has resulted in a strong focus on financial and business partnerships: exploring the opportunities sought and the challenges faced by new entrants and new businesses; considering the blocks and barriers for replicating successful innovation.

Many councils do much already. Yet all councils can have the confidence to do so much more as Housing Delivery Enablers.

We look forward to seeing more councils inspire and deliver the change needed; to realise the potential to build the homes we need; and to create jobs and prosperity for the communities that they serve. Changing from statutory provider, to Housing Delivery Enabler.

Natalie Elphicke

Keith House

My Home is my Springboard for Life

Bristol Housing Strategy 2015 – 2020
Final Draft

Executive Summary

My home is my springboard for life

Bristol's housing strategy 2015 – 2020

Vision: 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.

Bristol faces a number of key housing related issues over the 2015 – 2020 period. There will continue to be a shortage of housing, particularly of affordable housing for low-income households. Also the implementation of welfare reform changes, eg. Universal Credit, will result in more households being unable to afford to rent or buy in the private sector so relying on affordable housing.

In addition there is still much that needs to be done to improve the city's housing stock, including:

- Reduce overcrowding or under occupation
- Increase housing and management standards in the Private Rented Sector
- Reduce fuel poverty

In addition, in a challenging economic environment people need good information, advice and support in order to not only obtain a tenancy, but maximise their success as a tenant.

To be successful, the Housing Strategy Action Plan will help link work undertaken across a range of work areas within Bristol City Council including: planning; adult health and social care; children and family services; community development; community safety and transport, as well as work carried out by our partners in the delivery of housing or housing services in Bristol.

The Housing Strategy will contribute to the Mayor's vision for Bristol and its recognition of the need to address inequalities of health, wealth and opportunity in the city, supporting everyone to reach their potential by creating successful places to live, work and play.

Headline Outcomes	Increase the numbers of new homes		Deliver the best use of existing buildings				Intervene early before a crisis occurs	
Key priorities	Provide well, designed, quality homes that are affordable and suitable for people's needs		Deliver the best use of existing housing	Raise standards in the Private Rented Sector (PRS)		Reduce empty private homes	Create resilient households	Prevent and respond to homelessness
Headline actions	Deliver 2,500 affordable new homes by 2019	Complete the joint Spatial Plan for the West of England	Reduce under/ over occupation	Increase housing and management standards in the PRS	Establish a new, not for profit provider, as an alternative to the market	Increase affordable housing provision from the homes that are brought back into use	Maximise tenant success	Reduce fuel poverty and energy costs within social housing tenancies	Reduce rough sleeping

Introduction

We hear a great deal about the UK's housing crisis. It is shooting up the political agenda and all parties make commitments to fix it in one way or another.

According to the House Builders Federation England saw one of its lowest rates of house building for 90 years in 2012-13, with just 108,190 completions.[1] While this increased to 125,110 in the 12 months to March 2015,[2] it is still a long way off estimated need. Recent estimates suggest that we need to build between 243,000[3] and 280,000[4] houses a year just to meet current demand. This is a huge challenge that will require innovation, new partnerships and investment.

Councils will have a big part to play in helping to plug the gap, and they are keen to start building again. There is political will for them to do so and the public feels that government should improve access to housing.[5] But they will need to approach their role in a more creative way. Our research suggests there are pockets of innovation and some impressive examples of councils showing leadership, confidence and vision, but it is not widespread across the sector.

Local authorities' role is changing rapidly. In many areas of policy they are expected to play a more facilitative curating role, which ties together many strands of social and economic life including public health, the local economy, education, and the public realm, into something more coherent and joined-up.

The recent government review carried out by Cllr Keith House and Natalie Elphicke, recommended that councils should act as "housing delivery enablers", creating the conditions for houses to get built in their local area. The report argues that councils should build a vision for the development of their areas, identifying housing need and working closely with businesses and partners to share ideas and experience and actively use their assets and knowledge to unlock housing opportunity.

This report assesses whether councils are ready to take on this role.

Our research found a general consensus among housing officers that councils should pursue the traditional model of directly funding and building, rather than playing the facilitative role suggested by House and Elphicke. Less than a third of respondents to our survey had set up a Joint Venture with a private developer for example. Special Purpose Vehicles, where the council commits a specific portion of land and a partner provides the funding were used by just under a quarter of respondents. There will need to be a changed mindset in housing departments if the vision of councils as facilitative agents in the local housing economy is to be realised.

1 http://www.hbf.co.uk/media-centre/facts-statistics/
2 DCLG (2015) House Building: March Quarter 2015, England
3 Lyons, M (2014) The Lyons Housing Review: Mobilising across the nation to build the homes our children need, Labour Party p.6
4 Griffith, M & Jefferys, P (2013) Solutions for the housing shortage: How to build the 250,000 homes we need each year London: Shelter
5 National Housing Federation (2014) Broken Market, Broken Dreams: Let's end the housing crisis within a generation p.6

There are some strong examples of innovation, however, and many are working hard in their areas to set up partnerships and increase housing supply. This needs to be replicated across the sector as a whole. As it stands, as a result of years of underinvestment in housing departments, many local authorities lack the skills to do so effectively and there are structural barriers that prevent housing, planning, infrastructure and design priorities from aligning properly.

In order to deliver enough houses for their communities in the future we recommend that councils:

- **Promote leadership and innovation to turn political will into reality**
  Local authorities are fast being expected to occupy a new role that involves facilitation, commissioning and adaptability. Housing strategies should fit with this wider shift. Leadership and clear vision are essential in articulating the importance of housing including its value to local workforce development and local growth. Councillors also have a key role to play in communicating a housing vision to staff and to communities. Training should be provided to ensure that Cabinet Members and scrutiny panels with responsibility for this role are able to confidently discuss design, planning and viability.

- **Address their skills gaps**
  Councils will need to develop their skills and capacities, in order to address gaps in market intelligence, viability assessment, procurement, design and partnership building. There are also significant gaps in construction skills, which councils would do well to address as part of wider growth strategies. Regional partners might be able to establish a mechanism whereby highly trained people can combine and work with councils across the region on a pooled basis. Many councils will not be able to take on staff permanently and this could be an invaluable resource.

- **Consider housing deals and combined housing authorities**
  Councils should consider how they can place housing at the centre of their devolution proposals in the context of the Cities and Local Government Devolution Bill. Housing should be embedded in any proposals for City Deals, new mayoral arrangements, Combined Authorities or other district/county Growth Deals, in order to allow development at sufficient scale with good supply chains and which promotes local economic growth. This would also have the advantage of encouraging more long-term, strategic planning and could open up opportunities to pool resources and skills.

- **Rethink departmental structures**
  Councils should consider how their departmental structures support or impede innovation and leadership in housing development. Planning teams are often separated from housing strategy and housing management where stock has been retained. This was identified as a challenge in our research. Implementing a comprehensive housing strategy requires teamwork and partnerships within councils. Organisational structures can have a huge effect on these relationships and councils should consider consolidating their planning and housing and regeneration teams.

We also recommend that central government considers how best to incentivise local house building:

- **Continuation of the New Homes Bonus**
  Our research found that almost half of councils have been building for private sale, which reflects the success of the

New Homes Bonus as an incentive. The government should consider continuing or expanding the programme.

Make incentives for house building central to future devolution arrangements

Given the current momentum behind devolution the government should consider how incentives for house building could be incorporated into City Deals, county/district Growth Deals and future devolved combined authority arrangements. This could involve powers to share HRA headroom, manage state backed investment and to build up skills in local areas.

Ensure that incentives for house building are central to the implementation of the Right to Buy extension

Our research shows that Right to Buy has been seen as a disincentive to house building in many parts of the country. The government should consider how they can ensure that incentives are in place for councils and housing associations to build if they continue with the extension of the policy.

This could involve removing the ring-fence on receipts or localising control of the income, and could fit into the devolution packages mentioned above.

This could involve:

- allowing housing associations and local authorities the right to buy back a property, reflecting the discounted price, should there be a prospective foreclosure on any related mortgage
- a covenant on Right to Buy properties so that they cannot be rented at a rate above the Local Housing Allowance limit within a five-year period
- requiring local authorities to keep a comprehensive record of properties sold under Right to Buy and those that have been replaced.

We hope that this report will help to spread some of the excellent practice in local government, and to stimulate positive and ambitious discussion about what councils could do to help the UK build more homes.

Case studies

Hyde Housing and Hampshire Alliance for Rural Affordable Housing

The Hampshire Alliance for Rural Affordable Housing (HARAH) brings together the district councils across Hampshire, as well as the county council, and Hyde Housing. The goal of the project is to provide the scale and strategy to build affordable housing on small sites in villages.

District councils are active partners in the project. Housing strategy officers in Test Valley, for example, are working with a range of housing associations to deliver affordable housing across the borough.

Officers within the HARAH partnership work closely with local communities and parish councils, to identify local housing need and develop suitable housing to meet it.

This is an essential tenure in many villages where local people often struggle to remain living in the areas they have grown up in, near to their families and communities. Local services often depend on people remaining in these areas and can suffer from population churn.

Barton Oxford LLP

Oxford City Council set up Barton Oxford LLP, a joint-venture investment partnership with Grosvenor Developments Ltd, and has secured planning permission to deliver 885 homes on a 90-acre site of land owned by the council. The LLP is a 50/50 shared investment between Grosvenor and the council, with the developer providing equity and infrastructure investment for the site, estimated at between £25m and £30m.

This is now seen as a viable model to be used elsewhere in Oxford, and there are plans to launch further LLPs with other developers, to work on other council-owned sites.

Housing officers felt that they didn't want to go down the route of setting up a local housing company immediately, given the changing regulatory regime. Nor did they want to sell the land to a developer, as they were unlikely to build in the time frame required by the city's housing shortage, and the need to drive high quality design. Instead there was seen to be value in working on a site-by-site basis, making plots of land available in partnership with individual investors.

Viability was a serious challenge in developing the site, as it was necessary to secure significant investment in infrastructure. Grosvenor brought this to the table and because they were bringing investment, rather than services, the procurement was not subject to EU rules and OJUE proceedings. Council staff time, in-house skills and good partners were seen as essential components for the venture to be effective.

The two major benefits of the LLP model were seen as:

- working outside of procurement rules, which are so often a barrier to investors
- the greater control that the council has over the developer and the plans; the first round of bids for the partnership were all turned down on the basis that they did not meet the design requirements set by the council.

An independent design review panel was established and the council insisted that the scheme had a Master Planning Architect to ensure the standards and frameworks in each plan. The council will own and manage 40 per cent of the houses, which are due to be built by developers Hill.

foreword

In 1373, during the reign of Edward III, the entrepreneurs and business people of Bristol, deeply frustrated by the way the city was governed, petitioned the King for change.

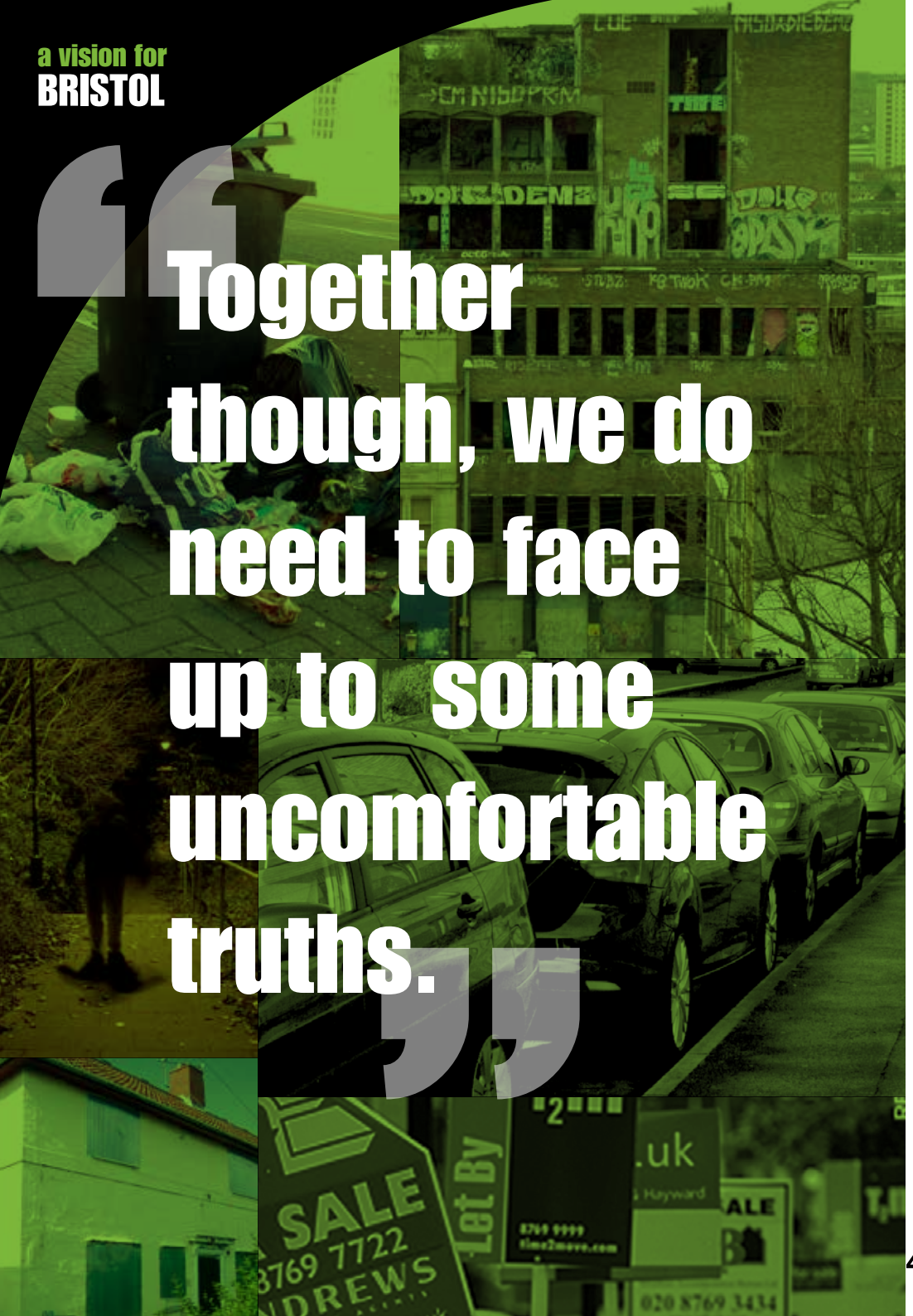
The citizens were tired of being half in Somerset, half in Gloucestershire, trapped in a system of government that was holding back the town from becoming the global centre of commerce they knew it could be. They decided to draw up what was for its time, a radical new proposal.

In response to a well-reasoned argument (and also perhaps something to do with the 100 marks they offered the King to help fund wars with the French) a charter was granted, marking Bristol's original City Deal. The charter made the town the first urban county outside London, bringing with it major new freedoms that helped Bristol become the most important port in Europe within a century.

Leap forward 640 years to 3rd May 2012, when the city again decided to buck the national trend and establish a directly elected mayor for the city. This time it didn't cost 100 marks. But it was driven by the same belief from people in this city that without a change to the way we were doing things, we would be unable to reach our true potential as the best city in England, and one of the more successful cities in the world.

Ambitious, unorthodox, strong-willed to the point of outright defiance, and passionate about the city we are proud to call home – these are the traits of the Bristolian and have been for nearly a thousand years. Whether it's 1373 or 2013 – the citizens of Bristol are not afraid to say "*we can do better*", "*let's try something else*" or "*let's be different*".

Over the past twelve months, I have visited people all over the city and seen these traits coursing through the lifeblood of communities everywhere I've looked. From the individuals – dedicated teachers, volunteers, entrepreneurs and community leaders, to the institutions – neighbourhood partnerships, community groups, businesses large and small. The one thing that unites so many of us is the deep-seated belief that this place is special.



“Together though, we do need to face up to some uncomfortable truths.”

Together though, we do need to face up to some uncomfortable truths.

- It is a fact, whilst we pride ourselves on being a green and pleasant place with a high quality of life, on average a resident of our wealthiest neighbourhood will live nearly ten years longer than someone living in the least well-off part of the city.
- It is a fact that we have a greater proportion of highly skilled people in our workforce than any other English Core City. Yet educational attainment in our schools has some way to go, with GCSE results historically lower than the national average – although now on an upward trajectory.
- It is a fact that due to an historic underinvestment in public transport and uniquely challenging hills and waterways, the city’s streets become long thin car parks twice a day, contributing to poor air quality and losing our economy hundreds of millions of pounds.
- It is a fact that the difference between average earnings and average house prices is bigger here than nearly anywhere outside the South East of England, pushing the cost of living up to impossible heights for people in the city just starting out in life.

And it is a fact that the council and our partners face an unprecedented challenge today, with resources shrinking right across the public sector, just as demand increases for the services we provide. We must take a fresh approach to questions such as ‘What is Local Government For?’[1], as we did in Bristol last year, if we are to find our way through challenging times.

[1] www.ideasfestival.co.uk/2013/events/bristol-ideas-forum/

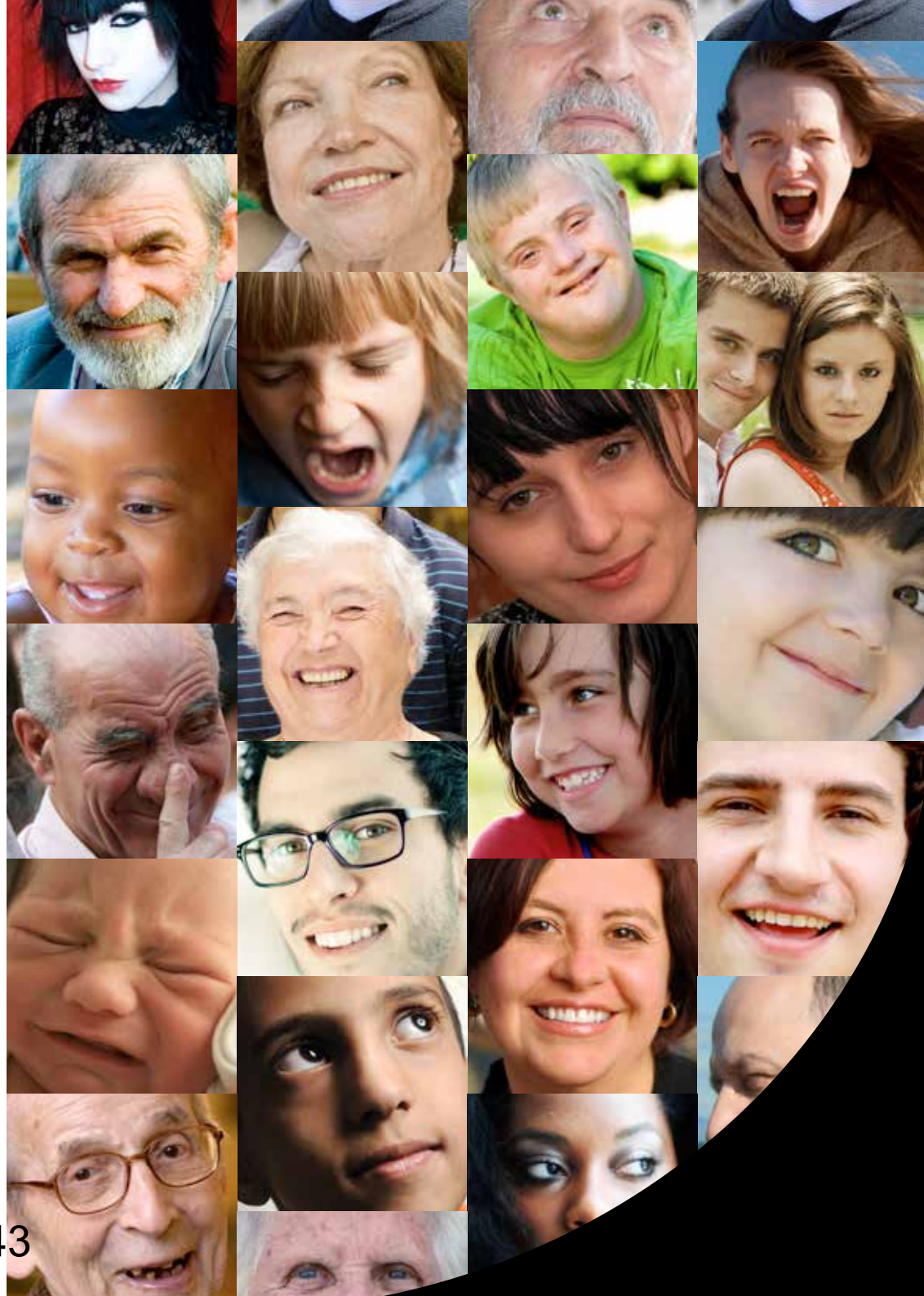
As we prepare to take on the mantle of European Green Capital in 2015, my mission is to make sure the world sees a Bristol where every citizen is participating in our city's success; and not a Bristol held back by the price of inequality. The city must not succeed only for the benefit of the few, at the expense of the many.

Tackling inequality in our city isn't purely a social cause; it's also about economic growth. As well as experiencing far greater levels of ill-health, public disorder, and other social challenges, evidence from around the world is becoming clearer that where societies experience a wide gap between the richest and poorest, levels of economic productivity – investment, jobs, growth - will suffer.

We are all passionate about this city, but because of that we can be incredibly critical of ourselves, sometimes allowing pessimism and cynicism to creep in where determination and enthusiasm are the drivers of success. 2015 will be Bristol's year, and what really excites me now as I look to the years ahead is the opportunity to channel so much energy, so much enthusiasm, so much belief, behind our shared vision to justify our position as England's greenest, most innovative and most vibrant city.

No one person or organisation can do this alone. This is my vision for the future of this city, informed by an exhilarating year in office, and I look forward to working with every one of you to make it a reality.

George Ferguson
Mayor of Bristol



A year of change and achievements

Bristol is a creative city that revels in doing things a little differently, and last year made the choice to be one of the few cities in the country to be run by a directly elected Mayor; independent George Ferguson.

The city is now benefitting from the renewed energy, direct decision making and higher national and international profile brought by the Mayoral system.

Bristol has enjoyed a great year of achievements including:

- Winning the title of European Green Capital for 2015, making Bristol one of Europe's most elite environmental performers and the only UK city to win the prestigious title. A huge programme of events is being prepared to attract visitors and investment from all over the world.
- Moving Bristol closer than ever to having its own long awaited 12,000 capacity arena, preparing a strong vision and business case and working hard to secure the full funding package for the project.
- Upgrading the proposed MetroBus scheme to ensure it will use the most modern low emission vehicles and follow an improved route via Temple Meads which does not impact on the city's historic harbourside.
- Tackling congestion, road safety and parking problems head-on by introducing Residents' Parking Schemes and a new 20mph limit for many city streets.
- Negotiating with First Bus to agree a review of their fares, resulting in lower cost travel for the majority of Bristol customers, including much lower fares for young people.
- Making great progress on the Temple Quarter Enterprise Zone, the area around Temple Meads which is benefiting from a 25 year partnership regeneration project aimed at attracting 17,000 new jobs, major industries and much needed new homes.
- Winning an £8m regional Cycling Ambition Grant from the government, with the majority allocated funds to improve links between the north and south of the city.
- Implementing new environmental initiatives including the UK's first council owned industrial size wind turbines, insulating and cladding council homes, commencing the first phase of a £47m investment in solar energy for council homes, all bringing positive economic and environmental benefit.
- Introducing 'Make Sundays Special' by freeing city centre streets of traffic once a month, allowing people to enjoy street markets, entertainment, games and sporting activities and attracting many more visitors to the city centre, while also dropping Sunday street parking charges throughout the city.
- Beginning the transformation of democratic processes to respond to the new mayoral model, including the alignment of all out, once every four year, elections from 2016.
- With his renewed vision for the city, the Mayor is confirming the steps he is taking to improve Bristol over the next three years and beyond.

SECTION 2 – EXECUTIVE SUMMARY

Background to the housing crisis

2.1 The population of Bristol is 432,500 and the city has grown by 42,400 (10.9%) since 2001. As we note in section 1, Bristol's success as an attractive, vibrant and growing city – itself a good news story - has combined with a chronic under supply of new homes of all tenures.

2.2 It is this under supply of homes that in the opinion of the Commission is the major contributor to the current housing crisis in Bristol.

2.3 The crisis means that for people looking to move to Bristol for the first time or for people moving home within the city, finding a house to buy or rent that is affordable to them is a major challenge.

2.4 In recent years the supply of completed homes has fallen to a five year low from 2,578 in 2008/09 to 878 in 2012/13. Average Bristol house prices are now around 10 times the average income making it very difficult for anyone to buy a home of their own who doesn't have access to a very substantial deposit or an income significantly above the average.

2.5 The crisis in the affordable rented sector is equally acute with the demand for affordable rented homes far outstripping supply. There are over 14,000 people on the housing waiting list and there has been a decline in the number of new affordable homes built from a peak of 561 in 2008/09 to 103 in 2013/14.

2.6 More than 1,500 new affordable homes would be required each year to house existing and newly forming households who cannot afford to buy or rent in the Bristol housing market. The need is predominantly for rented homes, with a shortage of smaller homes and larger houses for families.

2.7 Further evidence about the scale of this crisis that evidences the need to increase the supply of new homes, especially of affordable homes, is documented in A Vision for Bristol (Bristol City Council), the Affordable Housing Delivery Framework (Bristol City Council) and South West Home Truths 2013/14 (National Housing Federation). However it should be noted, that with regard to affordability both to buy and to rent, there is a similar story across most of the south of the country. Because of Bristol's size the absolute problem - the total number of households unable to afford a home at a price that is reasonable relative to their income - is very significant.

The work of the Homes Commission

2.8 The Homes Commission was set up by the Mayor in October 2013 and is one of several initiatives designed to tackle Bristol's housing crisis and achieve the Mayor's ambition of delivering 750 new affordable homes p.a. by 2017 and 900 p.a. by 2018.

2.9 The title of this report - More Homes Faster Homes – reflects both the core purpose of the Commission and the priority response needed to the housing crisis. Guided by the terms of reference, the views of the Commissioners and the short (eight month) life of the Commission, our inquiries have focussed on examining housing supply issues – possible actions that should lead to 'More Homes Faster Homes'.

2.10 In the time available the Commission has not considered in depth the much wider issue of how to make housing in Bristol more affordable.

2.11 The report's recommendations supplements the Affordable Housing Delivery Framework which was issued early in 2014 and which sets out a range of ways affordable housing supply is planned to be increased.

2.12 The terms of reference of the Commission, which includes the Membership of the Commission and Steering Group are given at Appendix 3. Appendix 4 provides a list of the expert witnesses who gave evidence to the Commission and Appendix 5 outlines the supporting documents considered.

2.13 The Commission met eight times between November 2013 and June 2014 and took evidence from 21 expert witnesses (17 of which were external to the Commission's own membership). All of the witnesses have significant expertise in, and insight into, different parts of the housing delivery system. They included housebuilders, developers, investors, Housing Association and Council landlords, funders, development, housing, property and planning experts, national housing bodies and government agencies.

2.14 The Commission provided two verbal progress reports to the Mayor during the course of its work by way of a meeting between the Chair and the Mayor in February 2014 and the Mayor attending part of the Commission's March 2014 Meeting.

2.15 The Commission also sought the views of other stakeholders. Feedback from the Bristol Citizens Panel was received on some key housing questions and their report was received in May 2014. The views of a wider group of stakeholders was sought on the Commission's emerging recommendations at a workshop in May 2014. A summary of that feedback is provided in Appendix 1. Appendix 2 outlines the process and methodology adopted by the Homes Commission to guide its work.

Recommendations and recommended areas for reform

2.16 The Commission's final report and recommendations reflects the balance of opinion of the members of the Homes Commission informed by the advice of the Steering Group, by the views of Expert Witnesses, the Citizens Panel and many other stakeholders.

2.17 Many of the recommendations are directed to the City Council for consideration and we eagerly anticipate hearing the response to our proposals and the action that will follow. This should not however be taken to

imply that the Commission considers they are the only stakeholder who should or could make changes to improve housing supply. As has already been said, ultimately there is an important issue of collective responsibility for delivering solutions.

2.18 This focus is however a pragmatic reflection of the critical role that the City Council plays in controlling or influencing many parts of the housing delivery process. It also reflects the responsibility on them - through positive action in response to our recommendations - to act as a catalyst for enabling a step change in the supply of new homes at a time of housing crisis. In the section on leadership and systems we have more to say about these issues.

2.19 Other organisations including Registered Providers, housebuilders and developers will, we hope, also actively contribute to increasing the supply of new homes. But the reality is that the ability of the Commission to influence their actions is much reduced.

2.20 The Commission's priority is to encourage action to achieve an increase in the supply of new homes and especially affordable homes, as quickly as possible and in our view the organisation with greatest ability to deliver this outcome is the City Council.

2.21 Five key areas for reform have emerged in the course of the Commission's work:

- Making better use of existing land & site supply
- Improving the planning system to enable improved housing delivery
- Effective leadership, housing delivery systems & processes
- Making best use of strategic assets including council housing and financial capacity planning
- Funding the delivery of new homes, subsidy and affordability

2.22 The key recommendations from these areas for reform are summarised on the first page of this report – More Homes Faster Homes: Ten Big Ideas

2.23 Recommendations are given in in section 4 and our commentary for each area for reform is given in section 3 below.

1. Introducing the Study

Background to the project and wider policy context

1.1 Opinion Research Services (ORS) was jointly commissioned by the West of England local authorities (Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire) to identify the functional Housing Market Areas (HMAs) covered by the four local authorities, in particular to establish the extent of the Wider Bristol HMA. Subsequently, ORS prepared a Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need for housing across the Wider Bristol HMA.

1.2 The study adheres to the requirements of the National Planning Policy Framework published in 2012 and Planning Practice Guidance (March 2014). The methodology also had regard to emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets that was published by the Planning Advisory Service (PAS) in June 2014.

1.3 The purpose of the study is to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) across the Wider Bristol HMA for the 20-year period 2016-36, and provide other evidence to inform local policies, plans and decision making.

Government Policy

1.4 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. Given that Regional Spatial Strategies are now revoked, the responsibility for establishing the level of future housing provision required rests with the local planning authority.

> *At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*
>
> *Local planning authorities should positively seek opportunities to meet the development needs of their area.*
>
> *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*
>
> **National Planning Policy Framework (NPPF), paragraph 14**

> *To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.*
>
> **National Planning Policy Framework (NPPF), paragraph 47**

1.5 Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective is to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed.

> *Local planning authorities should have a clear understanding of housing needs in their area.*
>
> *They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
>
> » *meets household and population projections, taking account of migration and demographic change;*
>
> » *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
>
> » *caters for housing demand and the scale of housing supply necessary to meet this demand;*
>
> **National Planning Policy Framework (NPPF), paragraph 159**

1.6 Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.

1.7 Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated in March 2015. Previous SHMA Guidance (2007) and related documents were rescinded at that time, so the approach taken in preparation of this report is focussed on meeting the requirements of PPG. In addition, it reflects emerging good practice and the PAS OAN technical advice note.

Overview of the SHMA

1.8 The first key objective of this SHMA was to identify and define the functional housing market area(s) across the West of England.

1.9 Previous HMA analysis had identified separate housing market areas for Bristol and Bath. Given this context, the Core Strategy for Bath and North East Somerset (adopted in July 2014) was based on the assessed needs for Bath HMA. Nevertheless, it was accepted that the appropriate boundaries for the Wider Bristol HMA would be determined by this SHMA based on all of the available evidence, including data from the 2011 Census that was not published when the Bath and North East Somerset Core Strategy was prepared.

1.10 The second key objective of this SHMA was to establish the OAN for housing (both market and affordable) in the Wider Bristol HMA, ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice. The OAN for housing will help inform the Joint Spatial Plan (JSP) for Wider Bristol for the period 2016-36 which the West of England authorities are currently preparing.

1.11 The SHMA methodology was based on secondary data, and for the Wider Bristol HMA the SHMA sought to:

- Provide evidence of the need and demand for housing based on demographic projections;
- Consider market signals about the balance between demand for and supply of dwellings;
- Establish the Objectively Assessed Need for housing over the period 2016-36;
- Identify the appropriate balance between market and affordable housing; and
- Address the needs for all types of housing, including the private rented sector, people wishing to build their own home, family housing, housing for older people and households with specific needs.

1.12 This report considers the key outputs from the SHMA – namely establishing the Housing Market Areas and establishing the Full Objectively Assessed Need for housing in the Wider Bristol HMA (including the overall balance between market and affordable housing) over the 20-year period 2016-36. Further information about the needs for different types of housing, including the appropriate mix of market and affordable housing and the needs for all types of housing, will be considered in Volume II of the study report.

1.13 It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

Duty to Co-operate

1.14 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

1.15 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

> *Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the **strategic priorities** set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.*
>
> *Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.*
>
> **National Planning Policy Framework (NPPF), paragraphs 178-179**

1.16 This co-operation will need to be demonstrated as sound when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability). The NPPF sets out that co-operation should be "*a continuous process of engagement" from "thinking through to implementation*".

> *Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.*
>
> **National Planning Policy Framework (NPPF), paragraph 181**

1.17 As previously noted, the SHMA was jointly commissioned by the four West of England local authorities to provide a consistent evidence base for housing across the Wider Bristol HMA. The emerging SHMA outputs have also been discussed with officers and members of neighbouring local authorities under the Duty to Co-operate as well as a Housing Market Reference Group, that were involved in the development of the original study brief and consulted at key points throughout the process.

1.18 The Housing Market Reference Group (HMRG) was set up to provide challenge and act as a critical friend considering issues, assumptions and methodology at key stages of the SHMA. The HMRG is chaired by West of England LEP and included representatives from a range of stakeholder organisations:

- LEP Construction and Development Sector Group
- West of England Housing Delivery Panel, including selected Registered Providers
- Home Builders Federation
- Large house builders
- Small to medium size house builders, through surveyor firms
- Independent commercial property consultants
- National Housing Federation
- Homes and Communities Agency

1.19 All feedback received was considered by the SHMA Project Board which comprised senior housing and planning officers from the four West of England local authorities, chaired by the West of England LEP.

Preventing Homelessness Strategy 2013-18

Foreword

This is Bristol‟s second Preventing Homelessness Strategy (PHS) and comes at a crucial period in the economic and political cycle. The state of the economy is putting increased pressure on housing and homelessness services, whilst at the same time, welfare reform and the reductions in Housing Benefit introduced by the government are increasing pressure upon households‟ ability to manage their finances. Other economic impacts are outlined later in the PHS. Please note the term **household** in the PHS means anything from a single person to a large family.

Major reductions in public spending have increased pressure on both statutory and voluntary sector agencies. It is therefore no surprise that nationally and locally there are strong predictions that the numbers of households presenting as homeless will rise over the coming years.

The period up to 2010/11 saw a steady reduction in homelessness acceptances and an increase in homelessness prevention cases in Bristol. The council and partners also achieved a low level of rough sleeping through positive partnership working. However, over the two year period since there has been an increase in homelessness by most measures and this is expected to continue; partly as a consequence of the („lagged‟ effects of the[1]) economic climate and partly because of welfare and housing reforms.

This strategy draws on collective experience and achievements to date; and sets out how the council and partners[2] can build on solid foundations to best use capacity to deliver within available resources. It is informed by the review process which includes all the evidence in the annexes to this report, plus consultation and the response to that consultation (see „You said, we did‟ report); and finally all the reviews that have been carried out under the homelessness „umbrella‟ of services, making it effectively a „review of reviews‟. Therefore the PHS is transparent about the best use and balance of limited resources to assist people at immediate risk of homelessness and in intervention, advice and assistance to all those potentially threatened by homelessness. This mirrors the council‟s approach to customers more generally as set out at: Hyperlink to BCC Customer Strategy

This strategy sets out:

- short introduction;
- aims and outcomes for the strategy and the priorities (and actions) to deliver them;
- strategic context, national, regional and local; and
- delivery, how the council and partners will continue to prevent homelessness.

[1] Homelessness Monitor published by the University of York.
[2] The „council and partners‟ means all those agencies statutory or voluntary who are involved with preventing homelessness; part of this Strategy‟s early intervention approach is to widen the range of partners

The PHS supports and compliments the city‟s corporate Housing Strategy (HS) and also links to and supports strategic objectives around e.g. public health, Children & Young People‟s Services (CYPS)[3] and Health & Social Care (HSC). It must be taken into account in the exercise of the councils‟ housing and social services functions.

The strategy will be supported by an Action Plan (to be Annexe A) that sets out some key actions for the council and partners, and by when, to help deliver the PHS‟s aims and priorities. The Action Plan will be regularly monitored and updated to ensure delivery of the strategy. A number of other Annexes support the PHS.

1. INTRODUCTION

Format and Scope of Strategy
Welcome to Bristol‟s second Preventing Homelessness Strategy (PHS) 2013 - 2018. It has been developed in partnership by Bristol City Council (BCC) with the Preventing Homelessness Board (PHB) (see Annexe C - Glossary) and following consultation with a wide range of stakeholders.

What's in a name?
It‟s called the Preventing Homelessness Strategy - not the Homelessness Strategy - to emphasise that it‟s not just about responding to homelessness after the event, though that is crucially important, but about proactive intervention as early as possible to stop homelessness. This strategy is part of a process to move all agencies working with those at risk of homelessness away from crisis response and towards the earliest intervention. From the client‟s perspective "the longer you are left without help, the more difficult it will become to get back on your feet"[4].

Section 1 of the Homelessness Act 2002 requires local authorities to publish a Strategy based upon a review of homelessness in their area. It is a five-year, „rolling‟ strategy; „rolling‟ means it will be a flexible strategy reviewed at least annually, especially the Action Plan. It won‟t be changed for its own sake, but if it needs reinvigorating because of changing priorities (e.g. in response to emerging national housing and related policy changes) then it will be.

The PHS will influence and be influenced by the Bristol‟s multi-agency Housing Strategy, Health & Wellbeing Strategy, and the BCC Corporate Strategy, more below.

Equalities

An Equalities Impact Assessment (EqIA) has been undertaken for this PHS, the EqIA process is informed by the PHS and the review which underpins it and vice versa. The action it engenders must ensure services are available to all equalities groups. Young people are a major focus of priority 1 but race, age, gender, maternity and pregnancy, disability, religion, sexual orientation, marriage/civil partnership and

[3] Including its‟ Children & Young People‟s Strategy which in turn encompasses/links to the child poverty agenda
[4] A Place To Call Your Own – Homeless Link

gender reassignment are all considered where required in planning for services. Because this is a living, regularly reviewed Strategy an objective is to try and future proof it for changing demographics.

The gender specific, housing related needs of homeless women in Bristol were considered by the University of Bristol in 2010[5].Recommendations from this Study have informed the commissioning of homelessness services e.g. the need for emotional and physical safety and the recognition of the complexity of homeless women‟s lives. There is separate provision for women where this is needed – including emergency beds for those in crisis such as women sex workers. Domestic abuse is another area where women (the majority of those affected) need to be found safe accommodation. Domestic abuse is given as an example of a multi-agency response (page 11) led by Safer Bristol. Agencies looking to prevent and respond to crime, work hand in hand with agencies preventing/responding to homelessness as they are often inextricably linked. Services as provided may not always be a perfect fit with service as needed so the council is open to looking at ways to resolve this.

For all equalities groups the tendering process allows examinations of equalities policies but also monitoring of service use and practice to ensure services are welcoming to a diverse range of clients. Commissioning plans have specifically asked for specialist training for staff on lesbian, gay, bisexual and transgender issues to ensure they offer the right services. The review of the council‟s in-house homelessness, advice and prevention services (HAPR) (pages 14 -15 under Priority 2) is committed to improving monitoring for those services. Annexe H was added to this PHS to give an overview of homelessness commissioning services at June 2014.

Gypsies, Travellers and other „less settled‟ communities are known to have much worse health outcomes than the population more generally (see Page 18 of Annexe C).

A Well Supported Strategy

Political commitment

In one of his earliest statements after becoming Bristol‟s first elected Mayor, George Ferguson said “Tackling homelessness and rough sleeping is a key priority for the city”.[6] The PHS is a strategy owned beyond the council and within the council it is owned by all departments and has corporate commitment (page 10).

The PHS is approved by the Mayor/Cabinet and formally supported by the Bristol‟s Health and Wellbeing Board (H&WB); supported by the H&WB because of the important connection between homelessness and health issues. The PHS and its Action Plan will be monitored by the PHB („Governance‟ page 12)

Partners must not underestimate their successes, examples include:

[5] Mapping Study of Services for Homeless Women in Bristol – University of Bristol, School of Policy Studies
[6] Press release 19/12/2012

- Bristol"s continued minimal use of Bed and Breakfast (B&B) despite higher demand (but use now rising); and
- 45% of all empty homes returned to use being used for preventing homelessness.

2. AIMS, PRIORITIES AND OUTCOMES

PHS Aims

Resolve and prevent homelessness with innovative, practical and proactive early intervention

Provide integrated and accessible services that enhance life chances and encourage independence

Deliver focussed, preventative support and in doing so stop the escalation of homelessness issues, reduce repeat homelessness and significantly reduce the call on other statutory duties[7]

Secure the accommodation that is necessary for people who are or may become homeless

See also aim for young people on page 14.

PHS Priorities

Six key priorities have been identified for this PHS based on current work and from consultation with partners:

1. Minimise homelessness through early intervention[8] by understanding and tackling the (often complex) reasons behind it, with special emphasis on young people[9].

2. „Early Bird" - consistency of approach, timely advice and earlier referrals from all agencies, even ones not always involved with homelessness.

3. Improve: access to, the amount of, stability and quality of the Private Rented Sector (PRS); using homelessness prevention fund, myth busting and encouraging new build, leasing, licensing and accreditation.

4. Continue to assertively tackle rough sleeping; target those clients with complex, multiple needs.

5. Make more direct links between homelessness and the housing, health and wider policy agenda[10].

---

[7] E.g. less likely to have to use Accident & Emergency services
[8] E.g. work in schools, support for those in debt
[9] This emphasis on young people coined as „Early Intervention Squared", this is a classic example of needing to „catch them young"

6. Ensure the right support is in place and that those ready to do so move-on promptly and reduce repeat homelessness.

Also relevant (across all priorities)
All housing advice and homelessness services will play their part to mitigate the negative impacts of welfare and housing reforms.

Primary Outcome / Outcomes

Primary outcome

- Reduce homelessness, especially prevent crisis homelessness, youth homelessness and repeat homelessness

Secondary outcomes

- Encourage employment, education, training and/or volunteering
- Reduce re-offending
- Reduce drug and alcohol misuse
- Promote good physical health, mental health, psychological wellbeing, healthy relationships and healthy lifestyles
- Ensure personal safety (e.g. need for appropriate, safe accommodation)
- Enable sustainable accommodation and lives[11]

This PHS will also contribute towards and align with „outcomes" from the Housing Strategy. Link to Summary.
http://www.bristol.gov.uk/sites/default/files/documents/housing/find_a_home/affordable_housing/Bristol%20Housing%20strategy%20Summary%20JULY%202011_0.pdf

What are outcomes for? – All agencies providing homelessness and related services need to ask: „are my actions contributing to achieving these outcomes"? The council and its partners will develop long-term monitoring around outcomes including what works locally?

Approach

Bristol"s approach to homelessness will be to act in a proactive and integrated way with statutory and voluntary sector partners to ensure services are complementary, efficient and effective in adding value to improve people"s lives.

Partners will strive to maximise the housing and other opportunities available to all clients, including those threatened with homelessness, despite the challenging economic and financial climate.

[10] Think ahead (future proof) all related policy and physical development for all tenures
[11] Includes in the sense of not losing their accommodation

BCC has reviewed, or is in the process of reviewing and commissioning internal and external homelessness services to prepare for increased and emerging need and to provide greater value for money.

Holistic approaches will be adopted where complex needs[12] exists. Of particular importance to Bristol is the bid for Fulfilling Lives (Lottery) funding (page 17). A successful bid would really help agencies in the city to better assist those clients with the most complex needs. This issue has been the subject of research by Heriot Watt University who have called it multiple exclusion homelessness; such research will help agencies develop better intervention approaches.
http://www.sbe.hw.ac.uk/research/ihurer/homelessness-social-exclusion/multiple-exclusion-homelessness.htm

BCC"s Customer Strategy is also relevant, an objective is to deal with low complexity, high volume, universal services as cost effectively as possible and invest time and money in services for „at risk" and „high needs" customers. Link at page 2.

Guiding Principles

BCC and partners will:

- achieve value for money
- help people to help themselves (build resilience)
- make services responsive (services fit clients, not clients fit services)[13]
- have a unified response (preventing homelessness through effective partnership working)
- prevent and reduce homelessness while achieving wider outcomes (page 5)
- focus intervention and support for those most at risk of homelessness
- provide well regarded services/positive customer experience

For examples of the cost effectiveness of homelessness prevention see page 10

All homelessness services are being periodically reviewed whether delivered by external to the council partners or by the council directly, see Annexe C.

Strategic context

This second PHS provides an overarching framework („overpinning") and sets the direction for the future delivery of homelessness services. In particular the strategy provides the context for aligning corporate and other partner activity to its six priorities. It also has a role in helping stakeholders understand homelessness in a non-technical way. One voluntary sector partner described the way co-operation works: "to contribute through advice and support with our clients, our best understanding of realistic housing options…and cooperate fully with other agencies…"

The PHS will be delivered and monitored most visibly through its" Action Plan, which will be an engine for delivery and improvement. The Preventing Homelessness

[12] People experiencing complex and multiple problems with high levels of need (defined as mental health, homelessness, offending and substance misuse)
[13] This is not just about saying „one size **does not** fit all" but ensuring services are appropriate for women, for ethnic minorities etc. see Equality Impact Assessment Annexe H.

Board has primary (but not sole) responsibility for ensuring it is delivered and is deliverable. Tackling the causes and effects of homelessness is important, since homeless people are among the most socially excluded and because their lives can become far worse without the help of positive interventions. They are often excluded from „life chances" such as education, employment and good health.

The PHS will influence work with partners, including housing associations, to maximise the supply of decent, affordable homes in the city. The council along with its partners will build on initiatives to further reduce severe overcrowding and make better use of existing homes. In 2013/14 BCC and partners will undertake a review of the HomeChoice Allocations Scheme in the light of the new flexibilities in the Localism Act. The resulting scheme will be aligned to Bristol"s wider strategic housing objectives. This PHS has regard to the existing allocations scheme whilst at the same time influencing the emerging scheme (see Priority 5 on page 17).

The PHS will demonstrate how in Bristol the ten local challenges of the government"s Homelessness Strategy „Making Every Contact Count" are being met and exceeded. This is demonstrated throughout this strategy and more specifically at Annexe D; e.g. Bristol has also adopted the „No Second Night Out" approach to rough sleeping, a key part of „Making Every Contact Count".

In an environment of cutbacks this PHS shows how the council and partners are working effectively for households threatened with homelessness. Partners will use the good practice and evidence therein to win resources from sources such as the Lottery, government and to develop shared services e.g. with health providers[14].

3. POLICY CONTEXT - NATIONAL, REGIONAL AND LOCAL

National

In August 2012 the government published a homelessness prevention strategy „Making Every Contact Count: a joint approach to preventing homelessness".
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7597/2200459.pdf

The strategy posed ten local challenges; these are set out in Annexe D with a brief response as to how Bristol is progressing against them. However Bristol"s PHS as a whole addresses the ten local challenges and much more.

In 2010 government announced proposals to reduce public expenditure as part of their plans to cut the structural budget deficit. The context for this strategy is a period of severely reduced public spending and significant welfare and housing reform, details of which are set out below. These changes will have a significant impact upon the ability to respond to the above challenges and sustain Bristol"s progress

[14] A useful source of emerging practice to influence how things go forward locally will be the NHS Commissioning Board who are working on a national charter to encourage health and housing organisations to work closer together. Source: Inside Housing 23/11/12). There is already much good practice around this in Bristol.

towards an intervention/prevention approach to homelessness and provision of support those who need it.

Bristol Housing Market in 2015 – A Summary

In brief:

- Demand is up and there continues to be an undersupply of new homes, both for ownership and rent. There is evidence to suggest that, during the last year, house prices in cities like Bristol have been growing faster than in areas of London.
- Significant shortage of affordable housing in the city and rising homelessness
- Significant increase in private renting (and rental costs)
- Limited number of strategic sites within Bristol itself

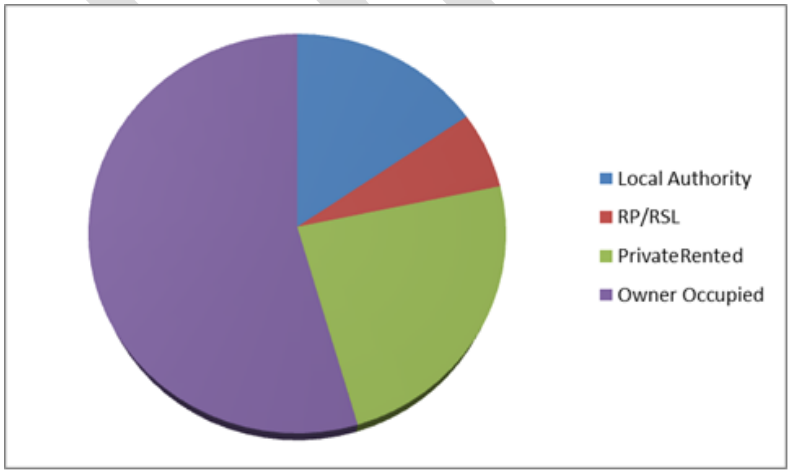
Housing Stock

Valuation Office Agency figures (as of 31st March 2015) list 194,653 residential properties for Bristol, broken down into the following Council Tax bands:

Source: Valuation Office Agency – March 2015

Council Tax Band	Number of Properties
A	49,646
B	72,172
C	38,079
D	17,512
E	9,393
F	4,693
G	2,826
H	332
Total	**194,653**

According to the 2011 Census, some 15% of stock is owned by the city council, 6% by housing associations, 55% is owner occupied and 24% privately rented. The private rented sector has increased significantly since 2001, rising from 12.2% to 24% of all accommodation in Bristol. Private rental has overtaken the entire social sector, and is becoming the destination tenure for younger households and those on median and lower incomes who cannot afford to buy.



Source: 2011 Census

Local authority housing is mainly focused in inner city areas and on the outlying housing estates such as Hartcliffe, Withywood, Knowle West, Southmead, Lockleaze, Lawrence Weston and Henbury.

Private renting is concentrated in the central and central west wards of Clifton, Clifton East, Cabot, Cotham and Redland.

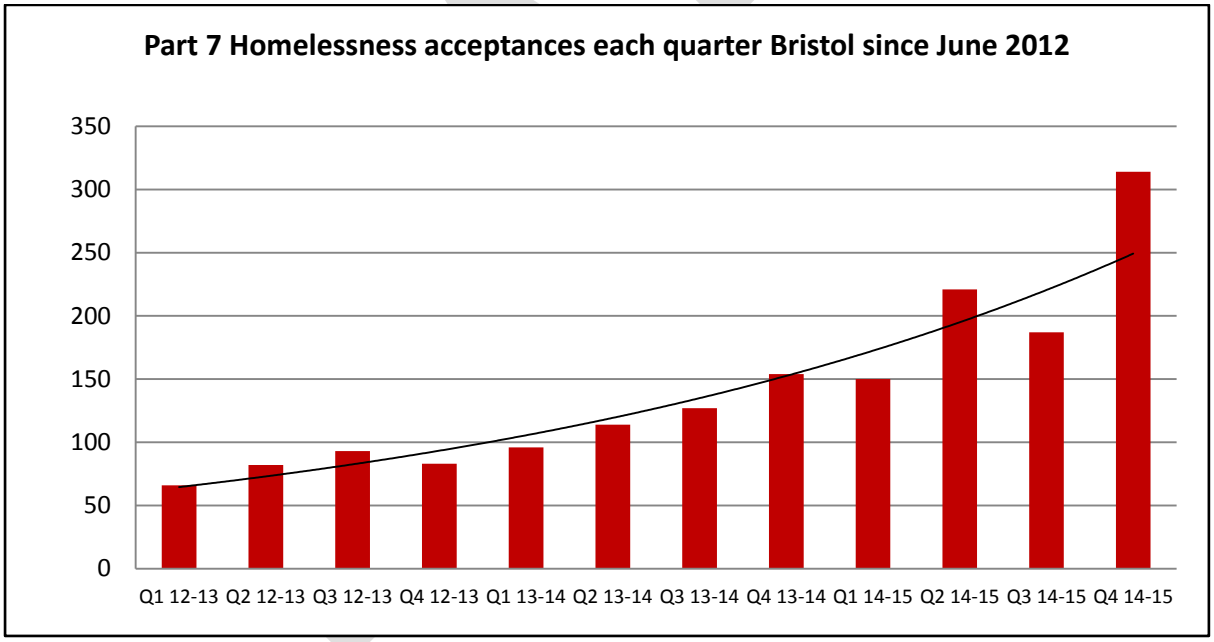
The proportion of detached housing in the city (found particularly in Stoke Bishop and Henleaze wards) is much lower than the South West average. The proportion of terraced housing (found particularly in the inner suburbs) and flats or converted houses (found particularly in the city centre and in Clifton and Cotham wards) is much higher than the South West average.[1]

Homelessness [2]

Homelessness Acceptances

Bristol City Council completes a return (known as the P1E return) to the Department of Communities & Local Government (DCLG) each quarter. The return reports homeless statistics for the city to central government. This data enables the mapping of homelessness trends in the city to identify action plans and plan changes to homelessness services.

There were 314 Part VII homelessness acceptances between January and April 2015 which represents a 41% increase on the previous quarter (187). Acceptances have continued an overall upward trend since Q4 April 12-13 when only 66 acceptances were reported. This is illustrated in the graph below.



Birmingham is the only core city to report a higher number of Part VII homeless acceptances per 1,000 households than Bristol between December and April 2015. Indeed, Bristol shows a much closer correlation with the returns reported by a number of inner London Boroughs than it does with other core cities.

The top 4 reasons reported for loss of a settled home where a duty of homelessness was agreed between January and April 2015 were:

[1] BCC, Planning Core Strategy, http://www.bristol.gov.uk/page/planning-and-building-regulations/planning-core-strategy

[2] Source: BCC, Q4(& year-end)2014-15 Homelessness Trends in Bristol,

- Termination of assured shorthold tenancy - 127 (47% increase on Q3 and a 50% increase on total year-end figures for 2014).
- Parents not willing or able to accommodate - 55 (37% increase on Q3 and a 55% increase on total year-end figures for 2014).
- Other relatives/friends not willing to accommodate - 39 (20% increase on Q3 and a 41% increase on total year-end figures for 2014).
- Violent breakdown of relationship involving partner 24 (37% increase on Q3 and a 41% increase on total year-end figures for 2014).

Housing Support Register

This register lists all those needing housing related support, usually as a result of homelessness or some other major issue. There have been a total of 2167 new registrations to the Housing Support Register (HSR) since April 2014, averaging 180 new referrals per month in 2014-15.This is a small increase on the previous year.

Rough Sleeping

The average number of rough sleepers identified on weekly hotspot counts has continued to rise each quarter since 2011. In 2010 there was an average of 5 identified rough sleepers on the streets of Bristol per month. In March 2015 there were 34 rough sleepers were identified by the Outreach Team and this makes an average of 25 per month during 2014-15. Bristol has one of the highest rough sleeping figures in England. The annual official count in October 2014 identified 42 rough sleepers. These figures are likely to underestimate the true position.

Housing Need

The revised 2015 Strategic Housing Market Assessment (SHMA) is currently being undertaken, but according to the 2009 findings, there is a shortage of affordable housing in Bristol. More than 1,500 new affordable homes would be required each year to house existing and newly forming households who cannot afford to buy or rent in the market. The need is predominantly for rented homes, with a shortage of smaller homes and larger houses for families. The SHMA 2009 found that net need for 4+ bedroom homes compared to supply from relets stood at 20:1, compared to 4:1 for one bedroom homes in Bristol.

House Prices

Land Registry House Price Index information for February 2015 indicates a 10.2% annual increase in house prices for the Bristol, with an average house price (all categories) of £198,556. Over the past decade (February 2005 to February 2015), average house prices in Bristol increased by £44,100, an increase of 29%. This compares with an increase of 16% for England and Wales over the same period.[3]

In April 2015 Hometrack data indicated that house prices in cities like Bristol and Oxford were increasing faster than they were in areas of London such as Kensington and Chelsea and

[3] House Price Index. Data produced by Land Registry © Crown copyright 2015

Hammersmith and Fulham (Bristol 10.9% growth in the last year compared to 5.1% in Hammersmith and Fulham).[4]

Estate agent Savills recorded a 2.5% increase in Bristol city house prices (Q1 2014 to Q1 2015) and a 1.5% increase in the surrounding area. They note that over the past five years average values had increased by 14.8% in Bristol City and 5.2% in the surrounding area. Savills predict further growth of 22.2% between 2015 and 2019.[5]

Estate agent Knight Frank have argued that plans to modernise the rail links between London and Cardiff (which will see journey times between London and Bristol reduced by 20 minutes) are likely to increase demand for property in the Bristol area and substantially increase the size of the property search area for those commuting to London. They argue that increased demand could boost property values by between 5% and 10% in some locations over and above general market trends over the next few years. [6]

Mortgage Interest Rates

Since 2009 Bank of England interest rates have stood at 0.5%. It is not yet clear whether the Conservatives winning an overall majority in the general election will have any impact on the interest rate outlook, although the greater certainty afforded by government with a parliamentary majority is usually regarded positively by economic analysts.

Official figures have recently shown that the total size of the economy increased by just 0.3 per cent in the first quarter of 2015. That was half the 0.6 per cent growth rate seen in the previous quarter and the worst performance since late 2012. Such figures have fuelled speculation that interest rates will not rise until at least the first quarter of 2016. The expectation that rates will stay lower for longer has also been encouraged by the low-inflation environment.

Affordability

Housing affordability is a problem for all of the Core Cities. Proportionally they have fewer home owners (52%) compared to the national average (63%), and growth in home ownership has stalled over the past decade.[7]

Affordability is measured by the relationship between the price of the cheapest homes and the lowest level earnings. According to DCLG statistics, the ratio between lower quartile house prices to lower quartile earnings in Bristol in 1997 was 3.19. This rose to a peak of 7.91 (ie. the cost of the cheapest home was almost eight times the annual earnings of poorer households) in 2007. The latest data indicates a ratio for the city of Bristol of 6.83[8]. A similar ratio applies when median earnings are compared to median house prices for Bristol (6.24).[9]

---

[4] See http://www.cityam.com/214479/london-house-prices-chelsea-and-kensington-now-growing-more-slowly-bristol-cities-outstrip
[5] See http://www.savills.co.uk/estate-agents/savills-bristol-clifton/bristol-market-insight/sales.aspx
[6] See http://www.knightfrank.co.uk/resources/residential/insights/bristol/bristol-rail-report.pdf
[7] National Housing Federation, Core Cities Home Truths, 2015.
[8] See https://www.gov.uk/government/statistical-data-sets/live-tables-on-housing-market-and-house-prices (Table 576).
[9] *Ibid*, see Table 577.

In their report 'Core Cities Home Truths 2015', the National Housing Federation record an even higher affordability ratio for Bristol (8.9), which is also the highest recorded affordability ratio of all the eight core cities assessed.[10]

Repossessions

The rate of mortgage repossession has been restrained since 2008 by low interest rates, a proactive approach from lenders in managing consumers in financial difficulties and other interventions from the government, such as the Mortgage Rescue Scheme. A rise in mortgage interest rates does risk pushing up mortgage repossessions, but as noted above, it is likely that interest rates will not rise until at least the first quarter of 2016. Overall annual possessions in Bristol have remained relatively stable since even before the economic downturn, though peaked in 2008 (379 – of which 39 were landlord accelerated procedure, 148 mortgage possessions, 13 private landlord possessions and 179 social landlord possessions) but have generally remained in the low 300s.[11]

Right to Buy Sales

In April 2012 the government introduced changes to the Right to Buy increasing maximum discounts from £36,000 to £75,000 or 60% of open market value for houses, 70% for flats. Since the announcement the rate of applications more than doubled, and sales tripled. This renewed interest in Right to Buy has continued in 2013-14. The Conservative government have recently announced plans to extend Right to Buy to Housing Association tenants, a move which may lead to a further reduction in the size of the social housing sector.

	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Applications	445	146	468	156	144	344	424
Completions	141	49	41	37	40	135	154

Housing Supply

The number of homes planned to be built in Bristol between 2006 and 2026 is set out in the adopted Local Plan Core Strategy (June 2011). The strategy aims to deliver a minimum of 26,400 homes over this period, but envisages that 30,600 will be provided. Since 2006 14,900 new homes have been built in the city. [12]

Dwelling Stock Change

1,287 dwellings (net) were completed in Bristol in the 12 months to 31 March 2014. This is an increase of 409 dwellings on last year's figure of 878 . The majority of these dwellings (665), were completed on major sites (i.e. 10 or more dwellings). There were 2,039 dwellings under construction in 2013/14, which is 418 more dwellings than were under construction in 2012/13. Please note net dwelling figures have been revised from 2008/09 to reflect the Department for Communities and Local Government (DCLG) changes of the dwelling definition to include student cluster flats.[13]

---

[10] National Housing Federation, Core Cities Home Truths, 2015.

[11] 'Local Authority level figures 2000-2013' at https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-quarterly-april-to-june-2013

[12] BCC, Bristol Residential Development Survey 2014, http://www.bristol.gov.uk/page/council-and-democracy/land-use-development-and-planning-policy-research

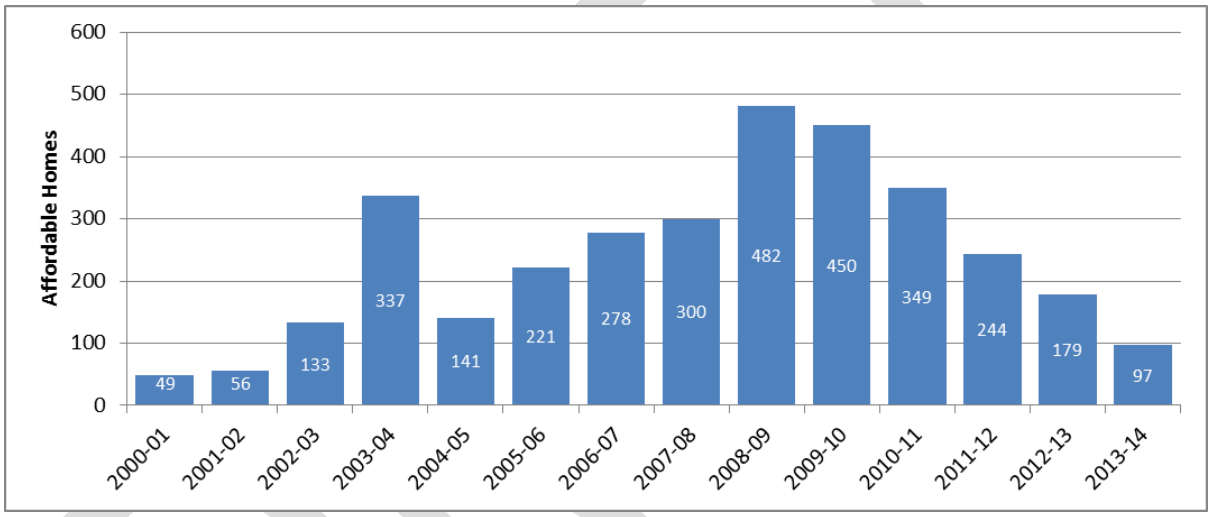
[13] Ibid.

The number of dwellings with planning permission not completed as at 1 April 2014, is 8,323. This figure comprises 2,039 under construction, with the remaining 6,284 not started. A further 382 dwellings have planning permission subject to the signing of a Section 106 agreement.

8,705 is an increase of 326 on the total number of dwellings with planning permission in 2012/13 (8,379), however the low number of dwellings with planning permission not completed continues to reflect the reduced number of dwellings that have been granted planning permission since 2007/08. At 1 April 2014, 57.3% of all dwellings with planning permission are flats.

In 2013/14, 86.27% of all dwellings completed were on previously developed land. The percentage of dwellings completed on previously developed land since 2006 is 94.35%. Private residential gardens are excluded from the definition of previously developed land (PDL) in Annex 2 of the National Planning Policy Framework (NPPF). This change has resulted in a lower number of housing completions on PDL since 2010/11.

Affordable Housing Supply 2000/01 to 2013/14



A total of 2,379 net affordable dwellings have been completed since 2006. This figure comprises 1,606 through housing association/local authority, and 773 completed through Section 106 agreements, as part of private housing developments. Affordable housing therefore makes up about 16% of net new housing provision in Bristol since 2006.

Dwelling Types

Of the 14,881 net dwelling completions between 2006 and 2014, excluding 12 Gypsy Caravans, 82.4% were flats and maisonettes and 17.6% were houses and bungalows. The 2011 census shows that 72% of all household spaces are houses. In 2013/14, 81% of all dwelling completions were flats and 19% houses.

Dwelling Density

Some 91% of all major dwellings completed since 2006 were at more than 50 dwellings per hectare (dph). The average density of housing completed on major sites (incl. other housing) during this period is 103.

Private Rented Sector

The private rented sector represents a growing proportion of the housing market nationally and locally and the only housing option for many households priced out of owner occupation but ineligible for affordable housing. Valuation Office Agency figures for the period October 2013 to September 2014 indicate an overall average rent for the city of Bristol (across all rented property categories - from single room rental to 4+ bedroom properties) of £828 a month with a lower quartile of £575 a month and an upper quartile of £950 a month. The bulk of rented properties assessed by the Valuation Office Agency were one and two bedroom rented properties, whose mean monthly rents were £639 a month and £830 a month respectively.[14] With respect to ongoing rental trends, April 2015 data from HomeLet indicated that the average rental cost rose in the 12 months to March 2015 in 11 out of 12 UK regions (Wales being the only exception). Significantly, the region with the fastest growing rental prices was the south west, with an annual increase of 13.7 per cent.[15]

In the 2013 Housing Market report, it was noted that, as part of its programme of welfare reform, the Coalition government were placing a number of restrictions on Local Housing Allowance (LHA), which determines the amount of housing benefit an individual can receive if they rent from a private landlord. In 2014 the government introduced measures to ensure that any increase in LHA would be capped at actual rent inflation, or 1%, whichever is the lower figure. This capping has continued under the Conservative government, which would tend to indicate a growing disparity between housing benefit rates and actual market rents across the city.

A number of the conclusions stated in the Housing Market assessment of 2013 remain valid for Bristol in 2015. For the foreseeable future private renting will remain the default option for younger households. While interest rates remain low and are set to remain low until at least 2016, there remains a significant 'affordability gap' for many younger people as house prices continue to rise.

The notable rise of private sector rents across the south west is indicative of a market that is experiencing sustained demand from increasing numbers of people requiring privately rented property. Rising rents and restricted benefit levels are set to continue to squeeze households on the lowest incomes and may well be a contributing factor to the trend towards increasing homelessness noted for the city. In an already tight and expensive housing market, the ongoing shortage of housing supply means that the trend towards high or even higher prices to rent or buy are likely to continue.

[14] See https://www.gov.uk/government/statistics/private-rental-market-statistics
[15] See http://www.cityam.com/213854/uk-house-prices-cost-buying-has-pushed-prices-10-cent-year-generation-rent

West of England

Bath & North East Somerset Council | Bristol City Council | North Somerset Council | South Gloucestershire Council

West of England Joint Strategic Planning Strategy

Pre-commencement Document
December 2014

An initiation document setting out the proposed scope and programme for the preparation of the joint strategic planning strategy (development plan)

Bath and North East Somerset Council
Bristol City Council
North Somerset Council
South Gloucestershire Council

Introduction

1. The four authorities which comprise the West of England area are actively engaged in joint working on strategic planning issues.

2. In March 2014 the West of England authorities formally agreed to work together on a Joint Strategic Planning Strategy (Appendix A). This Memorandum of Understanding committed the four unitary authorities, working with partner organisations and adjacent authorities as appropriate, to jointly prepare a new strategic framework. This will be a strategic planning framework for the West of England and will inform local plan reviews. Its objective will be to identify the overall quantum of housing and jobs within the West of England to be planned for and their distribution across the sub-region, the overall spatial strategy, strategic priorities, and strategic infrastructure necessary to deliver the spatial strategy.

3. The Joint Strategic Planning Strategy will be a formal development plan document prepared in accordance with the Planning and Compulsory Purchase Act 2004 (as amended). Preparation of the JSPS is a substantial task and will have significant implications for the future planning of the sub-region. This pre-commencement document sets out how the four planning authorities will work together to deliver the required outcomes.

Purpose of a Pre-commencement document

4. This Pre-commencement document is the notice of intent that a Joint Strategic Planning Strategy is to be prepared for the West of England and sets out its scope, methodology and programme and is prepared in accordance with Regulation 18(1) of the Town and Country Planning (Local Planning) (England) Regulations 2012. It sets out how the principles set out in the March 2014 Memorandum of Understanding will be delivered through the preparation of a statutory development plan document.

5. The West of England Unitary Authorities are committed to joint working, sharing resources and expertise to prepare a formal development plan document to an agreed timetable. This will provide the means by which the outputs of the new Strategic Housing Market Assessment will be considered and articulated within a formal strategic planning document. The distribution of development will then be allocated and delivered through the policy framework agreed by the JSPS, involving, where appropriate, cross boundary agreement. The proposed programme for plan preparation is set out at paragraph 16.

Duty to Co-operate

6. The West of England authorities are committed to an early review of their Core Strategies. This review process will require a robust

strategic policy framework prepared in a way which complies with the Duty to Co-operate. The co-ordinated preparation of a spatial strategy in response to the planning vision will more successfully facilitate sustainable development well aligned with essential infrastructure. Working together on strategic plan-making as opposed to relying only separate plan reviews will be more effective, avoiding duplication on evidence gathering and reducing the risk, uncertainty and costs for the West of England authorities and other stakeholders associated with a successful legal challenge.

7. The JSPS will provide the overall strategic vision and framework with each unitary authority responsible for delivery through their respective individual local plan reviews. Effective working together on individual local plan reviews to ensure that they are delivered in a consistent and co-ordinated fashion will be critical to the achievement of sustainable City Region growth and development and to give statutory plan-led expression to the objectives of the Local Enterprise Partnership.

Strategic Housing Market Assessment (SHMA)

8. The West of England authorities are currently undertaking a new SHMA to cover the period 2016-2036. This will review the evidence in relation to the configuration of housing market area(s) in the sub-region in order to establish the objectively assessed need for housing. If the evidence continues to show that there are separate housing market areas centred on Bristol and Bath, then the new SHMA will provide outputs for the wider Bristol HMA only (comprising Bristol, North Somerset and South Gloucestershire). The JPS will still include all four West of England Authorities, with spatial options in all four UAs being equal contenders at the outset. The JSPS will use the evidence on objectively assessed need as a key input and through the plan-making process identify the housing requirement and its spatial implications across all four West of England Authorities.

Scope of the Joint Strategic Planning Strategy

9. The plan area will be the combined administrative area of the four West of England authorities (see map to be attached).

10. The purpose of the document is to consider through joint working the outputs of the new SHMA alongside other evidence and technical studies, to test spatial options and to adopt a new formal sustainable strategic spatial framework that will guide the review and roll-forward of the unitary authorities' local plans.

11. The plan period for the JSPS will reflect the timescale of the new SHMA 2016-2036.

12. The JSPS will respond to and reflect the current West of England vision as set out in the Strategic Economic Plan (2014). However, the opportunity will be taken to develop and refine the vision in parallel with the JSPS to ensure that it provides a clear context for a wide range of interrelated plans and strategies – social, economic and environmental.

13. The scope of the plan is limited to the following key spatial issues:

- The overall housing requirement to be accommodated in the West of England based on the outputs of the new SHMA.
- The broad strategic distribution of housing and employment land/floorspace, including strategic locations and key sites which are critical to the delivery of the housing strategy and the resultant requirement for each district.
- Identification of strategic infrastructure proposals, including transport, required to deliver the scale of development envisaged.

Other issues, detailed policy development and allocations will be the responsibility of the individual unitary authorities.

14. The plan preparation process will collate and assess existing evidence as well as, where appropriate, commissioning new studies. The Joint Strategic Planning Strategy will need to be based on an up-to-date evidence base which, in addition to the SHMA, is likely to include the following assessments:

- Strategic Housing and Economic Land Availability Assessment
- Economic development needs assessment
- Strategic infrastructure requirements
- Transport
- Strategic Flood Risk Assessment
- Capacity studies including assessment of biodiversity, landscape and historic character
- Sustainability Appraisal
- Habitats Regulations Assessment
- Green Belt and greenfield

The four authorities are working together to agree how these workstreams will be progressed in terms of agreeing the methodology, timetable and most effective methods of working. For example, the Strategic Housing and Economic Land Availability Assessment will be prepared jointly in 2015 to provide a consistent, comprehensive up-to-date evidence base for the plan area. Gaps in the evidence or the need for additional studies will be identified as plan preparation progresses. An appraisal of Green Belt and greenfield may also be required in response to the objectively assessed of the need for housing, employment and infrastructure pressures and the assessment of developable land.

Sustainability appraisal

15. A framework for sustainability appraisal will be agreed at the beginning of the project and used to assess and inform the plan-making process. It is intended to publish a Sustainability Appraisal Scoping Report.

Timescales

16. The proposed timetable is set out below. This is indicative at this stage and may change as plan preparation progresses.

Plan phase	Time period	Stage
Commitment to joint working	March 2014	Memorandum of Understanding agreed.
Plan preparation	December 2014	Pre-commencement document published (Reg 18)
	Autumn 2014-Summer 2015	Assessment of evidence base; gap analysis; undertaking of additional studies; initial identification of spatial options.
	Summer 2015-Autumn 2015	Consideration of, and consultation on, issues and spatial options.
	Autumn 2015 to end 2015	Preparation of draft spatial strategy
	Spring 2016	Consultation on Submission document (Reg 19/20)
Examination	Summer 2016	Submission (Reg 22)
	Autumn 2016	Examination hearings Reg 24/25)
Adoption	Spring 2017	Adoption (Reg 26)

Consultation

17. The plan will be prepared with community and stakeholder engagement in accordance with the Statements of Community Involvement of the four authorities. Formal consultation stages will take place over a minimum of 6 weeks. A Consultation Statement will be prepared and updated as the project progresses.

Governance

18. Plan preparation will be undertaken through joint working between the West of England LEP office and the four unitary authorities using existing resources. Formal decisions will be taken by elected members at the Planning, Homes and Community Board/ Committee, and scrutinised by the West of England Joint Scrutiny Committee. Final adoption will be by resolution of each of the West of England authorities.

19. The main point of contact for the project will be:

Joint Strategic Planning Strategy
West of England Office
Engine Shed
Station Approach
Temple Meads
Bristol BS1 6QH

Telephone: 0117 903 6862
Email: planning@westofengland.org

Let us know what you think

20. Views are being sought on the proposed content, scope, and programme. If you have any comments on the Pre-commencement document please let us know using the above contacts by **6th March 2015**. Any representations received will be taken into account through the plan preparation process.

Appendix A: Joint Strategic Planning Strategy MoU.

West of England

Bath & North East Somerset Council

Bristol City Council

North Somerset Council

South Gloucestershire Council

West of England Joint Planning Strategy
February 2014

Introduction

1. The four local planning authorities of Bath & NE Somerset, Bristol City, North Somerset and South Gloucestershire which comprise the West of England will continue to work together with the West of England Local Enterprise Partnership, Local Nature Partnership, neighbouring authorities, Government agencies, and other public bodies on strategic cross-boundary matters. Joint working will continue to take place constructively, actively and on an ongoing basis to deliver effective strategic planning to support sustainable development.

2. We demonstrate this through the West of England authorities working together to produce:

   - A new West of England Strategic Housing Market Assessment to replace the 2009 SHMA using the most up to date evidence available.
   - A joint planning strategy to guide future growth and development across the West of England

The West of England SHMA

3. The new West of England SHMA will cover the period 2016 -2036. This will provide the strategic context for the review and roll-forward of local plans. The four authorities will prioritise and resource this process to ensure that a robust SHMA is finalised by spring 2015. The replacement SHMA will provide a key evidence base for the review of strategic policies of the West of England Local Plans.

4. To facilitate this, the West of England authorities will prioritise and resource a joint process of assessing the implications of the SHMA outputs. This will provide an opportunity for each Council to work with the other West of England Unitary Authorities in identifying future

needs and pursuing complementary strategies capable of delivering and supporting economic and social growth across the sub-region.

The West of England Joint Planning Strategy

5. The strategic planning implications resulting from the updated evidence base will be addressed through a West of England joint planning strategy prepared by the four authorities, working with adjoining authorities external to the West of England where necessary. Building upon the current West of England Strategic Framework, the West of England Joint Planning Strategy will provide a formal coordinated strategic context to inform local plan reviews.

6. The West of England joint planning strategy will identify: the overall quantum of housing and jobs within the West of England and their distribution across the sub-region; the overall spatial strategy; strategic priorities; and strategic infrastructure necessary to deliver the spatial strategy for the West of England. Joint studies will be procured to support this process such as spatial options.

7. The West of England authorities are committed to work together on the basis of the following broad timetable. This will be refined as work progresses:

2014	Interim SHMA findings
2015	Final SHMA
2015-2016	Respond to evidence and assess spatial options
2016-2017	Finalisation of joint planning strategy
2016-2021	Adoption of new local plans

Dated:14th March 2014

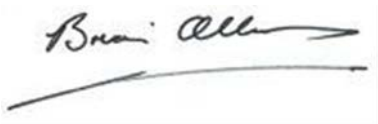
Signed

Bath & NE Somerset

Bristol City

North Somerset

South Gloucestershire



Councillor Questions

1. What will be the financial effect to the city of the rent reduction to be imposed under the Welfare and Work Act? Do you believe that this might create a two-tier system within our social housing portfolio?

The impact of rent reduction on the HRA is estimated to be £188m over 10 years. Work is underway to understand the implications across the wider housing sector; Housing Associations have been asked to provide new business plans to the HCA by the end of October and Bristol Housing Partnership is planning to canvas its members in the next few weeks on the likely impact of the changes. It is possible that in the future the City Council could focus its services on those who cannot afford to rent from other providers.

2. How will this impact on the HRA and our council house building programme?

The total impact of Welfare Reform is estimated to be £255m over 10 years, which will have a significant impact on the HRA. The balance of cuts (between new build/existing homes and services) will be developed over the coming year and subject to much consultation.

3. Has any city-owned land been released for new council house building?

The current HRA building programme is predominately on HRA land. The option of land swaps from the General Fund to the HRA are also being considered.

4. Have you identified land (and buildings?) within the HRA assets that may be available for new-build?

Yes – the land database shows that c600 plots are available. An asset review is also being undertaken of all existing homes to identify those that could have an uncertain future.

5. Have you identified any blocks or groups of houses that might be considered appropriate for complete redevelopment?

Previously prefabs and PRCs (Upper Horfield/Northern Arc) have been redeveloped, plus 24 blocks (8 high-rise, 16 walk up and 3 sheltered), although no 'new' homes have been identified at this stage. The level of Right to Buy in many low density estates (typically 60%) makes redevelopment unviable in most cases.

6. Have you identified any blocks or groups of houses that might be considered appropriate for conversions to additional, smaller units?

Most blocks of flats are already 1 or 2 bedroom homes. Some houses have been converted but in general those have been modified to create larger family homes where there is significant need.

7. How many new council houses have been built in Bristol since 2012?

Ten are due to be completed in October 2015.

8. What is the cost per unit or per bedspace or per sq. m, excl. cost of land?

£1700 per square meter, which includes all site enabling works.

9. How does this compare with unit costs of those built in the same period:

- **in the private sector**
- **by Housing Associations/other registered providers**
- **by comparable social housing providers**

The City Council's costs are much greater than the private sector due to high energy/space standards, as well as the need to build on more challenging sites. These costs are similar to other social housing providers.

10. How does the new-build model now work in terms of rent reduction, and enhanced RTB with the lower percentage return for replacement?

All affordable new build needs subsidy and these changes bring additional challenges. So far, Registered Providers with live schemes in the city have responded by asking Bristol City Council for further grants, converting rented homes to shared ownership, and reducing the number of affordable homes on developments.

11. In your experience, what are the principle difficulties encountered that impact on delivery and cost of our new housing?

The absence of suitable green field volume sites that would enable economies of scale presents a significant difficulty. Bristol City Council also seeks to provide exemplar Council homes that will provide housing for many generations, which requires additional outlay.

12. Would a different procurement model, such as commissioning another registered provider or starting earlier in the process with a house-builder, or employing our own house-building team, improve speed and/or reduce the costs of delivery?

Bristol City Council has tried a number of procurement routes using existing frameworks and individual tender options and are now seeking to establish our own framework, but others routes such as via a registered provider also need to be looked at.

13. Would you consider working in partnership (e.g. asset-sharing) with the private sector or other registered housing providers to deliver new social housing?

Yes - we have experience of this on many sites and are currently looking at a range of options for the Alderman Moore sites to look at partnership arrangements that could deliver a viable development.

14. Provision of large family houses was identified before 2011 as the best way of unlocking the potential within BCC's estate. What would now be the best way to maximise the potential of our existing 'stock' to house those waiting, for example by creating more smaller units by conversion or new-build?

The first new Council homes to be built focus on meeting the needs of large families as this is the most acute housing shortage in the city and an area unlikely to be met by any other tenure (registered providers are unwilling to build large family homes due to concerns about affordability and viability). Future new build phases will concentrate on smaller homes in those areas most affected by the Under Occupancy Charge.

15. Where does your service stand on the challenge between a responsibility to provide decent homes for existing tenants and to maximise your ability to house those not yet in the system?

Bristol City Council's current strategy has three main aims, which are to; meet housing need, provide sustainable tenancies and deliver quality homes. A balance is therefore struck between providing a good start to the 1500 households that are rehoused by the City Council each year and ensuring the sustainability of existing tenancies.

BRISTOL OVERVIEW AND SCRUTINY

Report of the Scrutiny Inquiry Day

‘How can Better Housing Delivery Secure the Best Outcomes for Bristol’

Conclusions of the Neighbourhoods and Place Scrutiny Commissions, November 2015

1. Executive Summary

Bristol City Council's Scrutiny function is responsible for helping to develop innovative policies by examining key issues in detail and making recommendations to the Mayor to feed into the corporate priorities.

Provision of housing was identified as a major focus for the Scrutiny Work Programme in the 15/16 Municipal Year due to the continuing trend regarding the rising unaffordability and availability of property in the West of England. The situation is particularly acute in Bristol where the market is fuelled by relatively buoyant employment and geographical restrictions limiting the options for large-scale housing development. Various measures have been put in place to attempt to address the housing issues affecting the city, but to date have not managed to overcome this complex problem. There is also rising concern from all providers about the impact of government policy on social housing, and agreement of the need to re-evaluate how the strategic priorities are delivered.

A joint piece of work was commissioned by the Overview and Scrutiny Management Board to enable the Place and Neighbourhoods Scrutiny Commissions to take an in-depth look at the issues and potential solutions. The Scrutiny Inquiry Day had the following objectives;

- Prepare recommendations that would improve the supply of affordable housing within the city; and
- Ensure that Members understood the often multifaceted and interrelated issues affecting housing including those relating to finance, economic growth, site availability, and skills shortages within the development industry; and
- Increase knowledge around what previous initiatives had secured the best results; and
- Work with leading housing experts to test the revised Housing Strategy[1] and ensure it was fit for purpose

All of Bristol's Councillors were invited to attend the Inquiry Day along with leading policy experts and academics. The full attendance list for the event can be found at Appendix 1. The Inquiry Day was chaired by Councillor Antony Negus and Councillor Charlie Bolton, as Chairs of the relevant Scrutiny Commissions. They were assisted by Dr Madge Dresser, Professor of History at the University of the West of England, who was invited to help with facilitation.

Key Findings

The full recommendations from the Inquiry Day can be found in section 4 of this report, but the headlines can be summarised as follows;

- **Cross Boundary Working** – the Inquiry Day found that many of the solutions to improved housing provision lay in better partnership working both cross boundary, with other Local Authorities, but also by embracing private and public sector collaborations

1 Draft Housing Strategy

- **New Delivery Arrangements -** there was broad support for the City Council to explore the options around new delivery arrangements to take more control of housing within the city, leading to a range of potential social and economic benefits.
- **Development, Planning and Land Issues –** It was agreed that there was a need to pursue creative measures to bring brownfield and stalled sites to the market, as well as continuing to work closely with the developers and local communities to secure the best outcomes.
- **Making the Best Use of the Council's Portfolio –** The Inquiry Day concluded that a fresh look should be taken at the policies in relation to the Council's own portfolio to ensure the approach was still appropriate in the current climate.
- **Private Rented Sector** – there was consensus that the cost, quality and supply of homes via the private rented sector played a pivotal role in maintaining housing provision in the city and options for introducing more large scale operators should be considered.
- **Finance** – it was agreed that further work needed to be undertaken to fully understand all of the models of housing finance that were available and how they could best be utilised.
- **Connectivity and Infrastructure** – providing appropriate digital and physical infrastructure would play a vital role in enabling more homes to be built in the right areas.

The Inquiry Day concluded that in order to bring about the required step change in housing provision the Council needed to act quickly to both consolidate the work that was already taking place but also to explore and implement new measures. Implicit in many of the discussions was agreement that the Council should increase its appetite for risk due to the benefits that could be secured through retaining more control.

The conclusions from the Inquiry Day will be used to inform a debate at a meeting of the Full Council in January 2016 before being referred to the Mayor at a Cabinet meeting later that year.

2. Background and Context

The 2015 change of government has resulted in a shift in the national policy framework with many changes being implemented or proposed over the coming term. The discussions around the devolution of powers from central to local government also has the potential to significantly alter the way in which housing is provided in Bristol and the surrounding area.

Locally, a new Housing Strategy for Bristol (2016 – 2020) has been produced by Homes4Bristol and is due to be adopted in late 2015. The Strategy sets out aspirations and priorities for housing over the next five years. Before this new Strategy becomes policy, Members wished to evaluate how Bristol should prepare for the changes that lay ahead.

3. Evidence Base

Policy Briefings

Due to the complexity of some of the issues that would be considered at the Inquiry Day, a

series of policy briefings were provided to elected Members in advance of event in order to ensure everyone was equipped with the knowledge to enable them to participate in the discussions.

The topics were as follows;

- Finance – sources of funding for new housing, the relationship between borrowing and income, and details of the Housing Revenue Account
- Land economics, planning and housing development
- Welfare Reform
- Housing requirements – what the Strategic Housing Market Assessment tells us about future need/demand
- Landlords - the role of the private rented sector and social landlords
- Other models for delivery of housing e.g. co-operatives and Community Land Trusts

Background Papers

A pack of information was provided to all attendees in advance of the event, which included a broad range of relevant background reports to help delegates to prepare. The papers detailed key facts and figures regarding the local housing situation and also Bristol City Council's relevant policies and frameworks. The full papers can be found below;

Housing Inquiry Day
2nd October - Full Pac

Inquiry Day

What is a Scrutiny Inquiry Day?

Scrutiny Inquiry Days enable Councillors to acquire an understanding of complex issues by hearing from expert speakers and engaging in debate with specialists, with the objective of identifying well-informed evidence-based recommendations. Inquiry Days aim to create a balance between information sharing and discussion, thus allowing the broad range of views to be heard, and enabling participants to share their particular perspective.

The format for the event included a mixture of speakers from Bristol and national organisations, small table discussions and questions and answer sessions. The programme for the day can be found at Appendix 2.

The table groups were set the tasks of answering the following key questions;

- What more can we do sub-regionally to improve the supply of affordable housing?
- What are the pros and cons of the alternative models of delivery?
- Finance – What practical solutions are available to assist in breaking down the barriers to the provision of housing?

- What are the barriers affecting the supply of affordable housing in Bristol and how can these be overcome?

The following leading practitioners attended to share their knowledge and expertise;

- Dr Tim Brown, De Montfort University
- Kat Hart, National Housing Federation
- John Hocking, Joseph Rowntree Foundation
- Jayesh Mistry, Price Waterhouse Coopers
- Clive Skidmore, Birmingham City Council
- Andrew Walker, Local Government Information Unit

Where speakers provided slides to accompany their talks, they can be found at appendix 3.

4. Recommendations

The Inquiry Day identified a number of recommendations that would help to improve the supply of housing in the short, medium and longer term. It was agreed that whilst lack of provision of new housing had long been an issue affecting Bristol, the changing context at national level meant that decisive action should be taken to stay ahead of the projected decline in affordability. The new landscape had also resulted in the Council needing to reconsider its position on its appetite for risk, flexibility and innovation, as a bolder approach could bring greater economic and social benefits.

Cross Boundary Working Across the Sub-Region

There was a unanimous view from the Inquiry that partnership working across the West of England area needed to be improved – regardless of the outcome of the devolution discussions. There was agreement that Local Authority partners needed to define the issues and goals that united the sub-region in order to determine where mutual interests lie. The following recommendations were proposed;

- R1 – Housing allocation policies should be developed on a cross-boundary basis to reflect the needs of citizens, many of whom live/work across local authority boundaries.
- R2 - Better liaison/co-working regarding land availability and new major developments should be introduced to ensure site supply kept up with economic progress. This should include progressing stalled sites (whatever the reason that they were not being taken forward).
- R3 - Steps should be taken to identify areas where we can work more collaboratively across the region, including sharing resources and skillsets with other housing providers. It was important to address the lack of housing delivery expertise within Bristol City Council.
- R4 – More efforts should be made to create opportunities for employment and apprenticeship in future house building schemes, especially those relating to factory produced systems.
- R5 - the Local Enterprise Partnership should be encouraged to raise the profile of shortages in housing provision.

- R6 - It was important to acknowledge that there may be concerns about loss of local and financial control when working at sub-regional level and introduce measures to proactively address these.

Development/Planning/Land Issues

A number of recommendations were identified that related to the approach to development and land use;

- R7 - Officers should carry out an analysis of the planning process with a view to identifying ways to speed it up. This should be done in conjunction with relevant stakeholders, and the quality of planning decisions should not be compromised as a result. It may require an increase in resources to specific areas.
- R8 - Further work was required to investigate how best to unlock the potential for brownfield sites that remained undeveloped.
- R9 - When the Council disposed of land, it should de-risk options by assessing whether providing Planning Permission (ie prior outline permission granted via the Council applying to Development Control) and/or pooling land resources to cluster sites would act as an additional incentive
- R10 – Stalled sites, and those that were underused or permitted, should be collated and investigated across the sub-region and Compulsory Purchase Orders used more readily where needed. The use of powers similar to those adopted for empty private homes, such as empty site tax concessions or penalties, should also be considered.
- R11 - Additional work needed to take place to ensure best use of vacant office blocks. The Council should proactively investigate options for bringing these into use for housing, especially social housing.
- R12 - All empty buildings owned by Bristol City Council should be considered for immediate conversion into short or medium term accommodation.
- R13 - Providing additional support to small/medium sized developers could secure flexible approaches that responded to local needs and issues.
- R14 - Localism should remain at the heart of planning processes, with communities having significant input into new schemes.
- R15 - If development of green space could not be avoided, the Inquiry Day expressed its preference that protection of urban green space be the highest priority.
- R16 – If, as seems likely, development of out-of-town green space is deemed unavoidable, then development should be steered towards being done in the most sustainable way. This may mean urban extensions into the greenbelt, or it may mean extensions around areas with good public transport links.
- R17 – Any greenbelt development should be seen as a last resort, not the first.
- R18 – Section 106 contributions to increase the supply of affordable housing should be sought by offering higher density sites and schemes in collaboration with Bristol City Council. An opportunity to achieve this could arise from the forthcoming review of the Local Development Framework.
- R19 – Section 106 processes should be reviewed at significant stages along the project so that evaluation could take place at any juncture to establish where and how developers could deliver to agreed standards.

- R20 - Where developers or others fail in their responsibility to deliver against obligations, wider City Council functions should engage to address that failure, including by investor/stakeholder action.
- R21 – The feasibility of working with an eco-building company for use of new materials, such as housing kits and straw bales, should be evaluated.

New Delivery Arrangements

There was universal support for the proposal that the City Council should fully consider the options for securing more strategic control over housing standards and rent levels;

- R22 – A review of the options for introducing new delivery arrangements for housing be conducted to establish what type of intervention could bring the best outcomes.
- R23 - Particular interest was expressed in having a housing company – which could act as a mechanism for delivering low cost house building. It could also be a way to offer 'ethical lettings' ie. participate in the private rented sector. The model used by Birmingham City Council was thought to be an example of good practice.
- R24 - It was agreed that housing co-ops, self-build projects and the like have a role to play in any housing solution. Therefore these should be included. Specifically, some authorities already reserve a 'corner' of a major site for alternative housing (eg Teignmouth).
- R25 – The City Council should review its own housing delivery frameworks to ensure they are fit for purpose.
- R26 – The Local Plan should be revisited in order to consider all housing policies, including densities in defined areas.
- R27 – If not already done, performance criteria should be established to enable Bristol City Council to review progress regarding housing provision.

Making the Best Use of the City Council's Portfolio

The Inquiry Day identified several recommendations in relation to the Council's own portfolio, which amounted to around £1b in land and building assets;

- R28 - Consideration should be given to the tension between concentrating resources on increasing supply of affordable housing versus maintaining existing stock, including a review of the business case for raising standards in the context of Right to Buy.
- R29 - Where sites had poor quality or limited life social housing, options for redevelopment should be explored. This could mean rebuilding housing at a higher density or at a higher quality.
- R30 – Attempts should be made to address the loss of Affordable Housing due to Right to Buy.
- R31 - A review of Bristol City Council land and building assets should be conducted and a programme for release be prepared (in line with government guidelines).

Private Rented Sector

There was agreement that the Private Rented Sector was an important growth sector in Bristol and could have a significant impact on housing within the city. Whilst the ACORN Ethical Lettings Charter could help to improve standards within the industry, the following measures could further improve the quality and supply of rental homes;

- R32 – There was a need to examine how to introduce additional larger scale, professional landlords to prevent overreliance on small private operators, and find new ways to improve rental standards.
- R33 (See R32) - This could mean the Council creating its own company as a vehicle for working in the private rented sector to help implement the ACORN charter.

Finance

The Inquiry Day concluded that the options in relation to creative housing finance needed further exploration, particularly around Community Land Trusts, but the following ideas had potential for progression;

- R34 - Consider using the General Fund to support the Private Rented Sector, and use the associated income for provision of additional social housing.
- R35 - Lobby central government to relax the limitations on borrowing against the Housing Revenue account (with a view to building more council housing).
- R36 – Deploy Council funding to provide good quality, high density rented housing schemes, which would attract private/ethical investment.

Connectivity/Infrastructure

The Inquiry Day found that the role of connectivity and infrastructure – both physical and digital - were vital to transforming areas and making them appealing to a wider population;

- R37 - Tailored solutions to improve physical and digital connectivity should be provided for new sites, as well as existing ones that would benefit from regeneration.
- R38 - Promotion of the benefits of enhanced infrastructure should be conducted with local communities to highlight the advantages that development could bring.
- R39 - An integral part of any new large scale development should be to build in the appropriate public transport, cycling and walking infrastructure.

5. Next Steps

The draft report will be considered by a joint meeting of the Neighbourhoods and Place Scrutiny Commissions on 18th December 2015. The final version of the report will then be debated at a meeting of the Full Council on 19th January 2015, before being referred to the Mayor at a Cabinet meeting in spring 16. Where recommendations are accepted by the Mayor, an action plan for implementation will be produced and progress monitored by the relevant Scrutiny Commissions.

5. Appendices

Appendix 1 – Attendance List
Appendix 2 – Inquiry Day Programme
Appendix 3 – Speakers' Presentations

Appendix 1

Attendance List

Scrutiny Inquiry Day 2nd October 2015
'How can Better Housing Delivery Secure the Best Outcomes for Bristol?'

Councillors

	Name	Job Title/Organisation
1	Lesley Alexander	Councillor, BCC
2	Charlie Bolton	Councillor, BCC
3	Craig Cheyney	Councillor, BCC
4	Stephen Clarke	Councillor, BCC
5	Simon Cook	Councillor, BCC
6	Rhian Greaves	Councillor, BCC
7	Fi Hance	Councillor, BCC
8	Gus Hoyt	Councillor, BCC
9	Gill Kirk	Councillor, BCC
10	Tim Malnick	Councillor, BCC
11	Brenda Massey	Councillor, BCC
12	Anna McCullen	Councillor, BCC
13	Olly Mead	Councillor, BCC
14	Eileen Means	Councillor, BCC
15	Glenise Morgan	Councillor, BCC
16	Anthony Negus	Councillor, BCC
17	Steve Pearce	Councillor, BCC
18	Daniella Radice	Councillor, BCC
19	Jenny Smith	Councillor, BCC
20	Mhairi Threlfall	Councillor, BCC
21	Estella Tincknell	Councillor, BCC
22	Claire Hiscott	Councillor, BCC

Other Attendees

	Name	Job Title/Organisation
1	Alistair Allender	Elim Housing
2	Steve Barratt	Service Director – Housing Delivery, BCC
3	Karen Blong	Policy Advisor – Scrutiny, BCC
4	Judith Brown	Older People's Forum
5	Dr Tim Brown	De Montfort University
6	Alison Comley	Strategic Director, Neighbourhoods, BCC
7	Nicky Debbage	Service Manager, Strategy, Planning and Governance, BCC
8	Dr Madge Dresser	University of the West of England
9	Romayne de Fonseka	Policy Advisor – Scrutiny, BCC
10	Lucy Fleming	Scrutiny Co-ordinator, BCC
11	Kat Hart	National Housing Federation
12	John Hocking	Joseph Rowntree Foundation
13	Johanna Holmes	Policy Advisor – Scrutiny, BCC

14	Nick Hooper	Service Director – Housing Solutions, BCC
15	Lucy Hudd	Little Hayes and Hillfields EYFC, BCC
16	Stephen Hynd	Head of Mayor's Office, BCC
17	Peter Jay	Policy Advisor, BCC
18	Sue Long	Planning and Development Advisor, BCC
19	Barra Mac Ruari	Strategic Director - Place, BCC
20	Sarah O'Driscoll	Strategic Planning Service Manager, BCC
21	Alistair Reid	Service Director – Economy, BCC
22	Clive Skidmore	Birmingham City Council
23	Sarah Spicer	Planning and Development Manager, BCC
24	Kirsty Stillwell	Public Relations Officer, BCC
25	Louise Swain	Homes for Bristol
26	Ed Rowberry	Chief Executive, GWR Capital CIC
27	Mary Ryan	Service Director – Housing Delivery, BCC
28	Andrew Walker	Local Government Information Unit
29	Anya Whiteside	Political Assistant, BCC
30	Zoe Wilcox	Service Director – Planning, BCC

Appendix 2

Bristol City Council Overview and Scrutiny – Scrutiny Inquiry Day

'How can Better Housing Delivery Secure the Best Outcomes for Bristol?'

Date:2 October 2015
Venue: OpenSpace, West One, St. George's Road, Bristol BS1 5BE
Time: 9.30am to 3.30pm

Programme

9.00 am **Registration and refreshments**
9.30 am**Welcome and Introduction**
♦Councillor Anthony Negus, Chair of the Neighbourhoods Scrutiny Commission and Councillor Charlie Bolton, Chair of the Place Scrutiny Commission – *Inquiry Day Chairs*
9.45 am**Overview of the Day**
♦Dr Madge Dresser – Associate Professor of History at the University of the West of England – *Inquiry Day Facilitator*
9.50 am **Setting the Scene**
♦Dr Tim Brown - De Montfort University
10.05 am**Government Policy and what this means for Council Housing**
♦Andrew Walker - Local Government Information Unit (LGIU)
10.20 am **Devolution - what this means for local housing**
♦Andrea Dell – Service Manager, Policy, Research and Executive Support, Bristol City Council
10.35 am**New models of delivery**
♦Jayesh Mistry – PricewaterhouseCoopers (PWC)
10.50 am**Question and Answers Session**
♦Facilitated by Dr Madge Dresser

---------- 11.10 – 11.25 am - 15 minute break ----------

11.25 am **Group Workshops**
Delegates are asked to consider one of the following questions;
♦Question 1- What more can we do sub-regionally to improve the supply of affordable housing?

♦Question 2 - What are the pros and cons of the alternative models of delivery?

---------- 12.05 – 12.45pm - Lunch ----------

12.45 pm**The perspective from Housing Associations**
♦Kat Hart – National Housing Federation
1.00pm **Innovative Housing Finance**
♦John Hocking - Joseph Rowntree Foundation
1.15 pm **Case Study - Birmingham Municipal Housing Trust**
♦Clive Skidmore - Birmingham City Council

1.30 pm **Local Context, the draft Housing Strategy Consultation outcomes & the Peer Review Challenge headline findings**
♦Nick Hooper – Strategic Housing Service Director, Bristol City Council
1.45 pm **Question and Answers Session**
♦Facilitated by Dr Madge Dresser

---------- 2.05 pm – 2.10 am - 5 minute comfort break ----------

2.10 pm **Group Workshops**
Delegates are asked to consider one of the following questions;
♦Question 3 - Finance – What practical solutions are available to assist in breaking down the barriers to the provision of housing?

♦Question 4 - What are the barriers affecting the supply of affordable housing in Bristol and how can these be overcome?

2.50 pm**Plenary feedback from Group Workshops & summary of ideas**
♦Facilitated by Dr Madge Dresser
3.15 pm **Chairs Closing statement**
♦Councillor Negus
3.30 pm **End**

Appendix 3

SPEAKERS' PRESENTATIONS

A. Tim Brown, De Montfort University

Tim Brown - De Montfort University.ppt

B. Andrea Dell, Bristol City Council

Andrea Dell - Devolution - BCC.ppt

C. Jayesh Mistry, PriceWaterhouseCoopers

Jayesh Mistry - PWC.pdf

D. Clive Skidmore, Birmingham City Council

Clive Skidmore - Birmingham City Coun

E. Kat Hart, National Housing Federation

Kat Hart - NHF.pptx