

Chief Executive Forum held in Bristol on 25 July 2017
by Galliford Try and The Housing Forum

“The West of England Agenda for Housing”

Given the context of the new West of England Combined Authority and the ambitious housing targets set by Bristol’s Mayor, this was a timely event attended by leaders from local government, Housing Associations, the HCA as well as others involved in developing new homes in the area.

Stephen Teagle introduced the topic, giving the context of the West of England economy and setting out the aim of considering the challenges of delivery through the views of Enablers, Facilitators, Commissioners and those providing Design and Delivery.

Nick Hooper gave the Bristol perspective. This was focused on the way the City was rising to the challenge of delivering the 2000 homes across the Mayoral term. This is split into 1200 market homes and 800 affordable. Bristol have for the first time undertaken detailed analysis focused on the entire housing system, irrespective of tenure and not just the affordable elements of delivery.



The Council identified obstacles to delivery both internal and external and those where they had more or less influence.

The analysis modelled what can be produced from the 200H of consented or allocated land. Council owns 100H.

It also identified where the delivery will come from. Broad assessment is the market will produce the 1200 homes and the challenge is to find funding remove barriers for the provision of the affordable. Bristol have pro-actively taken a number of steps to achieve this. These include:

S106 will be a key source of affordable housing, but would undershoot policy. The Council is minded to adopt an approach similar to the GLA meaning if a designated affordable element is met then the Council will not scrutinise viability

The Council have for brought all data together of what sites are available or on-site, which is another step forward.

In terms of enabling the delivery of homes:

- There is some headroom within HRA to allow for a modest programme of Council built homes (around 35 p.a.) although there is an acknowledgment that the Rent Cap and RTB replacement are barriers.
- The Council will package up - and intend to get outline consent on - all Council Land.
- The Council has invested in a single delivery team, bringing together a range of professions and disciplines focused on funding and investment
- There is an investment pot of £14 million per year over the mayoral term (to 2020) – likely to be used for grants to RPs.
- The Council has gained approval for the outline business case for a Local Housing Company, the exact structures are still to be agreed.

The discussion which followed considered:

- the impact LHCs could have nationally. Also the way in which each is set up with different objectives and ambitions. Owning land is crucial for these to be a success as in the capacity to on-lend. The rationale for LHCs and other vehicles is due to councils being prevented by law from developing. A change in legislation could make this easier.
- Professor Morphet's research at UCL was highlighted (Prof. Morphet will be speaking at an upcoming Housing Forum event). The research is looking at all the ways councils are building houses. The discussion also looked at the difficulty of recruiting people with expertise and the challenges of procuring JV partners.

Kevin Bourner gave details of how the HCA (soon to be Homes England) is ramping up its drive for accelerated delivery and will be expanding activities. West of England is a key area. There is currently £26 Billion going through the system in existing programmes. Of this a third is designated for the successful Help to Buy product. In the West of England in the last three years this amounts to 2,131 sales with an investment from the HCA of £105 million. He outlined the continued importance of the Shared Ownership and Affordable Homes programme of £6 billion. He also talked about the Home Building Fund with the development element already funding 4500 homes in West of England through loan funding which meets the development costs of building homes for sale or rent. HCA will take a different view on risk to other lenders. There is a willingness to use the funding to help SMEs grow. These loans are particularly aimed at supporting SME development and aim to encourage innovation, both in the kind of homes that are built and the way they are delivered.

KB also outlined the potential benefits of the Housing Infrastructure Fund, launched recently, which is available to local authorities to forward fund large infrastructure projects which unlock potential sites.

The HCA is taking proactive steps to tackle the Accelerated Construction agenda. Working with Local Authorities to release land. Aiming to drive the Off-Site manufacture Agenda. This includes actively investing in off-site manufacture.

- Discussion raised the issue of capacity in OSM. There was an understanding that we do not have the capacity to hit targets through traditional methods. There was a general consensus that off-site should be complementary. Off-site is still a “cottage industry” to an extent and many of those in the market are not yet prepared to make the investment required for production at scale. Conversely large contractors are unwilling to rely on SME suppliers with limited management resource. In traditional build components are delivered and constructed (and therefore owned) on their own land. However some good examples were provided including the Chinese supplier which manages to deliver modular elements via Southampton to Newcastle in precise time windows.
- A reminder when talking about Combined Authorities that they vary in their powers. From the perspective of the West of England the importance of the Spatial Plan was stressed as a framework for the delivery aims of the WofE Combined Authority.
- Direct interventions in the area include a scheme of 2500 homes in a JV and a HCA owned site in Bristol about to go into planning. Also a plea to assist Local Authorities in delivering the two housing zones in the area. The discussion which followed highlighted the success of the custom build pilots in the area.
- The use of the HCAs Delivery Partner Panel was emphasised as potentially an accelerated route to delivery via an OJEU compliant framework.

Oona Goldsworthy provided a timely reminder of why involving communities in plans for new housing can speed up rather than slow down delivery. United Communities which officially completed its merger in July has an ambition to develop. Given its resources it needs to define a niche. It has the edge over bigger developing providers in its closeness to grass-roots communities.

The political climate has changed to emphasise the benefit this gives. The recent election and events at Grenfell have led to further recognition of the importance of housing with the added importance of involving communities. This can be talking to churches about spare land or engaging with community groups about unused shops and derelict land. Community-led projects allow United Communities to unlock sites that they – or others - would not be able to develop in the normal way. An example being a 160 home mixed tenure development in Bristol, which United Communities community links enabled to move through the planning process.

- Discussion covered the changing political landscape and the potential for larger providers to work with community based HAs on their sites to share risk and rewards as had been the case in the past.
- The experience of local resistance to the Haringey Development Vehicle with Lend Lease was compared with the more engaged example of Bristol residents.

Mike DeAth gave the perspective of the Architect/Designer. There is some interesting, dynamic and innovative development being carried out by local authorities. At the moment much of this does not get the profile it deserves.

There is a crisis in delivery but also affordability, which is rippling from London out into commutable areas. That includes Bristol which is a good location for access to many parts of the UK. In response to this it feels for once as though government local and central are of similar mind.

Where there is the political will to encourage development: planning and funding are not the key issues. The challenges are land and capacity. There is support even amongst some developers for the % of affordable on schemes to be fixed. This would prevent overbidding and subsequent negotiation on viability. As such it provides a level playing field when bidding for land.

There is a clear need is for great homes and places. MD highlighted the Hanham Hall project West of Bristol on HCA land creating a scheme and a community, built well and with the community in mind.

HTA has just got planning on Filwood Park. The project in South Bristol is for 150 homes on a site that formerly housed support buildings for the old Bristol City Airport and an area of open public land.

MD also gave as an example of innovation Custom Build pilot scheme with Igloo in Cornwall.

Off-site is higher cost, but what it gives, BTR investors particularly, is the opportunity to get homes on site sooner after acquisition and planning. It gives cost-certainty and very low defects.

Hosts

- 🏠 Stephen Teagle, Chief Executive, Partnerships & Regeneration and Deputy Chair of The Housing Forum
- 🏠 Michael Cleaver, Director, The Housing Forum

Guests attending

- 🏠 Geoff Fox, Senior Consultant, Ark Consultancy
- 🏠 Amanda Williams, Group Development Director, Aster
- 🏠 Jonathan Turner, Partner, Bevan Brittan
- 🏠 Nick Hooper, Service Director : Housing Programmes, Bristol City Council
- 🏠 Chimi Shakohoxha, Partner, Capsticks Solicitors
- 🏠 Jon Milburn, Development Director – South, The Guinness Partnership
- 🏠 James Stevens, Director for Cities, HBF
- 🏠 Kevin Bourner, General Manager – South West Region, HCA
- 🏠 Mike De'Ath, Partner, HTA Design LLP
- 🏠 Steve Blake, Director of Development & Home Ownership, Knightstone
- 🏠 Sue Coulson, Director of Partnerships, Rentplus
- 🏠 Mike Santon, Head of Development, Sanctuary Housing Group
- 🏠 Phil Stephens, Executive Director, Development & Commercial, Sovereign
- 🏠 Georgina Savill-James, Partner, Trowers & Hamlins
- 🏠 Oona Goldsworthy, Chief Executive, United Communities