

**CEO Forum held in Bristol by The Housing Forum and Galliford Try  
16th June 2016  
"Devolved Housing Responsibilities for Bristol"**

Following the election of a new Mayor in Bristol, the Forum discussed how devolution could create possibilities for greater housing supply and considered how the measures in the Housing and Planning Act 2016 might apply in Bristol and the west of England. Bristol is a city with ambition, and new forms of tenure, including quality PRS and large scale estate regeneration are contributing to growth. The Council has a corporate commitment to housing supply and has set up the Bristol Housing Board to drive growth forward.

**Key words:** starter homes, shared ownership, land, devolution, local leadership

The conclusions of the Forum are:

- 🏠 Bristol will need to attract more developers to achieve its house building targets
- 🏠 Good quality market rent is an important factor in the development of mixed communities
- 🏠 There is a possible risk that if the take up of starter homes and shared ownership fails to materialise quickly enough, there could be a cascade into other forms of intermediate tenure or rent to buy.
- 🏠 Housing associations who build more market products will have to manage the same market risks faced by the house building sector

In his opening remarks, **Stephen Teagle** covered the work he is leading as chair of The Housing Forum's working group on "New Solutions to Housing Supply", the government's ambitions to deliver one million homes and the increased emphasis on starter homes and shared ownership. There will need to be both new and improved routes to increase housing supply in a balanced market through leadership, tenure delivery, sector capacity and commissioning and investment.



Different tenures have different risk profiles, some local councils commission successfully using devolved powers, enabling and land ownership deals, but the best examples are not yet fully visible. Local councils need to be encouraged to fully understand and use their powers of commissioning.



The Bristol Council Cabinet member for Homes and Communities, **Cllr Paul Smith** has a brief, spanning development, landlord role and statutory housing functions. Cllr Smith set out the council's priority to build more homes across all tenures, to build an offer to deal with supply shortages and

address the difficulty faced by young people trying to get on the housing ladder. The number of homes built in Bristol has been below expectations (490 homes built in 2014/15, 800 in 2015/16) and affordable housing was less than 10% of completions.

An early decision taken by the new Mayor has been to take land in-house and then use land ownership as leverage to achieve the affordable housing targets, ensuring land is built out for housing. The Council is keen to retain the commitment to building homes through local housing associations but also will need new players if delivery is to double. A step change in house building will be needed to meet the Council's ambition to get supply up to 2,000 and more (of which 800 will be affordable) by 2020. The Council will set up its own company to act as developer of schemes, and will revisit them planning designation of some sites to increase land availability for house building. The Bristol Mayor has ambitions to ensure the delivery of mixed tenure communities. Part of this housing offer will be to bring in different forms of housing into traditional rented housing estates to achieve more balanced communities and support local shops and facilities and it may be that starter homes could play a part in this.



**David Warburton** set out the main components of in the government's housing programmes. A significant development is that the main focus of the affordable housing programme is on shared ownership and rent to buy.

Emphasis will be on schemes which achieve value through innovative funding arrangements between local parties. Funds are available for equity investment partnerships which aid the strategic direction of the market. Pilots in Weston-super-Mare with HCA assembling the majority of sites have seen £22m in land investment, aiding the coordination of site assembly and development as part of a strategy to drive new housing and regeneration

The direct commissioning approach has now risen from a pilot to a plan to provide 14,000 homes. Direct commissioning enables an increase in rates of sales with HCA and often with local authority partners working with a contractor/developer partner who has the sales expertise to build out and sell properties at an agreed level of sales. This approach achieves greater levels of sale than the traditional house builder model.



**Nick Horne** reflected on the proposed shape of the current devolution offer for the west of England which is proposed to follow a combined authority model with a directly elected mayor having C.P.O. planning and land assembly powers. A housing target of 85,000 homes over a 20 year period is proposed in the draft JSP. This combined authority would plan and prioritise associated investment linked to infrastructure.

From a housing association perspective, those aspiring to build more homes face challenges. In an environment of greater risk, housing associations will have to have bolder aspirations and ability to manage risk.

More sales activity in home ownership programmes will shift turnover for many housing associations towards 30-50% generated by sales activity and associations will have to manage



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this greater market exposure. Moody's have calculated the impact to be an additional 10-15 bases points on loans. The main challenges are seen as an imperative to maximise capacity, deal with the climate of rent reduction and no grant, uncertainty over supported housing, and a changing service offer moving towards digital. Overlaying this is the impact of the right to buy on housing association's long term rental income.

### **The following contributed to the CEO Forum:**

- 🏠 Stephen Teagle, Chief Executive, Partnerships & Regeneration, Galliford Try and Deputy Chair, The Housing Forum (Host)
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-host) Phil Bevan, Director, AWW Architects
- 🏠 Richard Connolly, Chief Executive, Rent Plus
- 🏠 Nick Horne, Chief Executive, Knightstone
- 🏠 Stephen Lodge, Director of Assets & Development, Guinness Partnership
- 🏠 Alistair Reid, Service Director Economy, Bristol City Council
- 🏠 Tonia Secker, Partner, Trowers & Hamlins
- 🏠 Cllr. Paul Smith, Cabinet Member for Homes and Communities, Bristol City Council
- 🏠 Phil Stephens, Executive Director Development & Commercial, Sovereign Housing Association
- 🏠 David Warburton, Head of Area, Homes & Communities Agency

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