

Report of the Strategic Director, Place to the meeting of Regeneration and Environment Overview and Scrutiny Committee to be held on 5 September 2023

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Subject:

Update on Housing Growth and the Delivery of Affordable Housing

Summary statement:

This report provides an update on the Housing Enabling and Growth agenda, the opening of the Housing Revenue Account and accelerating the delivery of Housing (including Affordable Housing) across the District.

EQUALITY & DIVERSITY:

The provision of new and good quality affordable housing in the District has a positive impact on those groups and individuals who suffer multiple disadvantages associated with inadequate housing. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which provides for enhanced accessibility standards meaning they are suitable for people with a disability and more flexible and adaptable to meet the needs of current and future generations.

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Portfolio:

Regeneration, Planning & Transport

Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- 1.1 Housing growth is central to the economic wellbeing and prosperity of the District. A housing offer which meets the needs and aspirations of our residents but is also attractive to investors and employers in making their investment decisions is pivotal to achieving our economic growth ambitions.
- 1.2 The Council Plan identifies 'Decent homes that people can afford to live in' and 'Ensuring the supply of homes is the right type and location to meet demand' as key priorities for the District. The Council has been a contributor to the delivery of affordable homes in the district over the last decade; the housing stock currently stands at 408 homes. These homes were delivered, with the permission of Government, outside of a Housing Revenue Account.
- 1.3 Government Guidance published on 14 March 2019 requires local authorities to open a HRA where their stock exceeds 200 units.

The Council's Executive approved the opening of a Housing Revenue Account at its meeting of 1 November 2022. This came into effect on 1 April 2023.

- 1.4 Further, the West Yorkshire Mayor's primary ambition for housing is to provide at least 5,000 affordable homes over the next three years in West Yorkshire. The Council is keen to facilitate and increase the delivery of quality housing in the District and to support the Mayor Pledge to increase the supply of affordable housing.

2. BACKGROUND

- 2.1 The Council is committed to ensuring the supply of homes is the right type and location to meet demand.
- 2.2 The Council has an existing Housing Strategy 2020 – 2030 which clearly sets out the priorities and an action plan to accelerate high-quality housing growth. The Strategy set its vision against 3 key themes:

1. More Homes
2. Quality Homes & Neighbourhoods
3. Homes for All

To supplement the Housing Strategy, the Council have commissioned a Housing Enabling Strategy (HES) to set out the detailed mechanisms of how to practically implement sustainable housing solutions. This enabling approach will also consider where the Council's Housing Revenue Account (HRA) can support Bradford's overarching strategy.

- 2.3 The Bradford Strategic Housing Market Assessment (SHMA) 2019 identified an overall housing need of 1,703 homes per year, 441 (26%) of which should be affordable. However, CBMDC are falling behind this target with an average delivery of below 14% over the past 7 years. The Council's Housing Delivery Test demonstrated a 1,139 disparity between the number of homes required and the number of homes delivered as of January 2022.

2.4 The Council is addressing this through a long-term strategy by looking to allocate land for more housing within sustainable locations through the Local Plan. However, viability challenges exist, and it is particularly challenging in relation to Brownfield land due to site abnormalities (such as contamination), lack of developer interest, absent landowners etc. This Housing Enabling Strategy (HES) will set-out the ways that CBMDC can facilitate to address the issues.

2.5 Housing Revenue Account – Business Plan

Increasing the supply of affordable housing owned by the council, within the HRA could increase the district's supply of affordable housing. A new-HRA business plan, adopted by the council prior to opening of the HRA during April 2023, shows three growth scenarios up to a possible stock over 800 by 2028:

Several factors will impact upon this aspiration, including site availability, interest in developing in the District shown by developers, availability of grant from the West Yorkshire Combined Authority, Homes England grant, affordable rent levels and construction cost inflation. However, there is an opportunity to grow the council's stock sustainably and help increase the supply of available affordable housing alongside the work of Housing Associations.

2.6 Housing Pipeline using Council Surplus Sites

The Council can play an important role in supporting and enabling new development delivery and economic growth by using its land supply and at the same time support a range of policy priorities such as the need for affordable housing, housing to meet the needs of a particular client group or providing new, suitable accommodation for business use.

To this end, a comprehensive review of sites in council ownership that have been declared surplus to requirements has taken place. This will be utilised to develop a pipeline of sites suitable for housing to enable us to take a strategic approach to land and assets; one that ensures best use of land to meet our strategic objectives and prioritises and maximises housing outputs.

This will include assessing the merits of packaging sites for disposal and development i.e., where some sites are deemed to attract higher risk in terms of demand, values or ground conditions to be packaged with less challenging sites. This will also include activity to de-risk sites by undertaking more intrusive ground investigations or site enabling works in order to accelerate delivery and/or maximise the capital receipt.

2.7 Housing Revenue Fund – Surplus Sites Package

The Council secured £126k funding through the WYCA Housing Revenue Fund to undertake site appraisals on six surplus council owned sites, suitable for disposal for housing development. The sites will deliver circa 200 homes, a percentage of which may go into the Housing Revenue Account, thereby providing additional social housing.

A number of council sites have been identified, that have the potential to deliver much needed housing across the District. A further 10 sites have been put forward to WYCA with the aim of securing further funding through the Housing Accelerator Fund (previously the Housing Revenue Fund) to ensure that we have a rolling programme of deliverable sites coming forward.

A soft market test exercise is currently being prepared to gauge developer interest.

2.8 New Bolton Woods

New Bolton Woods (NBW) is a long-term development and regeneration project (circa 1500 units) building on the existing Bolton Woods village with the aim of establishing a new, larger and socially sustainable community in an area covering some 170 acres, in which the control of the major development land ownerships split between the existing Bolton Woods Quarry and Canal Road Urban Village Ltd., (CRUVL).

CRUVL is an asset based joint venture company (JVCo) established in 2010 by the Council and a private sector development company, Urbo Regeneration Ltd., to promote and deliver the development of its land ownership to help create the New Bolton Woods neighbourhood within the Centre Section of the priority Bradford-Shipley Canal Road Regeneration Corridor.

2.8.1 Progress to Date

A development masterplan for the CRUVL element of the NBW Area was prepared and received outline planning permission in 2015, that alongside new housing development also proposed the creation of a neighbourhood local centre that would provide economic, shopping, and social amenity for the NBW community. The JVCo has already progressed the following elements of the general Masterplan proposals:

- (i) Two phases of residential development producing 200 new homes, including approximately 80 affordable housing units.
- (ii) A phase of commercial development that will anchor the new Local Centre element of the NBW neighbourhood 2018/19, that has provided some 3,000 sq. m of retail/commercial space off Stanley Road, including a Costa Coffee operation and an Aldi food store that opened in January 2020. This phase that will anchor the new Local Centre element of the NBW neighbourhood and will be complimented by future phases of further retail, healthcare, business, and housing space in later phases of the scheme.

Alongside the CRUVL element of the NBW scheme, outline planning permission was secured for the reclamation and development of the Bolton Woods Quarry site to provide up to 700 additional new homes.

2.8.2 Going Forward

Work is ongoing between Economy & Development Services (EDS) and our CRUVL colleagues in delivering further phases of the NBW scheme. This has involved dialogue with the Council's public sector partners WYCA and Homes England, who have identified the Canal Road Corridor as a Spatial Priority Area and are interested in collaborating with the Council and its JV partner on future elements of the scheme. Due to the challenging residential development market conditions that exist in parts of the Bradford District, particularly the inner urban areas, the support of these primary Public Sector partners will be essential if such developments are to progress to early delivery on a financially viable basis.

Emphasis is being placed on trying to bring forward proposals of a Ph4 of the NBW scheme in partnership with the owners of the adjoining Bolton Woods Quarry (BWQ) as the largest plot in that scheme of some 400 units can only be accessed through the CRUVL NBW Ph4 site.

The principal approach agreed by all parties is that this should be on a partnership basis both in terms of securing the maximum number of homes provided overall and establishing the most economically efficient and viable delivery mechanism. CRUVL and the preferred developers of the quarry site are actively engaged in exploring the best approach to establishing this partnership arrangement but with several issues including low market values and excessive abnormal costs attached to adverse topographical issues, site remediation/preparation and infrastructure costs affecting the overall viability of the proposals (on both an individual site and combined comprehensive development basis) it is recognised by both parties that any future delivery will almost certainly be dependent on significant Public Sector funding interventions.

As such the Combined Authority (CA) have funded essential feasibility, highway design and masterplanning works that will inform the process of producing an agreed comprehensive development scheme and delivery/funding mechanism that meet the requirements of all parties. It is anticipated that these measures will enable the two inter-related development schemes to move forward to delivery in 2024/25 and beyond.

2.9 City Village

The scheme's primary aim is to transform what was the historic shopping and trading area of the City and create a new City 'Village' - a green, healthy, sustainable and community friendly neighbourhood of 1,000 new homes that with the new Darley Street Market, safer roads, landscaped public spaces, revitalised independent shopping, and business spaces will become a place where people will choose to live, work and thrive and where businesses will want to invest, trade and grow.

The appointment of the English Cities Fund (ECF) to take the City Village scheme forward was announced at the UKREiif on the 16th May and the next steps will involve the following stages of work: ECF comprises of Morgan Sindall (Muse Developments), Legal and General and Homes England.

Stage 1: Pre-Development Management Services Agreement. a preliminary agreement with Muse and ECF involving pre-development works including public

consultation on the visioning of the City Village scheme, preparation of an agreed masterplan for City Village, scheme design, project planning together with a demolition, funding, and investment strategy. ECF will lead and manage this process in close collaboration with the Council and its public partners, Homes England, and West Yorkshire Combined Authority. It is anticipated that the Stage 1 works will be completed by December 2023.

Stage 2: Development Agreement. Subject to the satisfactory completion of Stage 1, the identification of an agreed funding and financing strategy and Executive approval. Stage 2 will involve the Council entering into a Development Agreement(s) with Muse/ECF to execute the implementation of the masterplan. It is hoped that demolition works, and a first phase of new housing construction may be commenced by early 2025.

2.10 Local Authority Housing Fund

The Local Authority Housing Fund Round 1 was launched by Government on January 9, 2023.

Bradford Council was allocated funding by Government to purchase 30 properties for people that have arrived under Afghan and Ukrainian Schemes. The Council has acquired 24 properties (3 x 2 bedrooms and 21 x 3 bedroom. The Council is also looking to purchase a further 4 x 4+ bedroom properties. The former is for the Afghan and Ukrainian households; the latter are for the Afghan households.

The council provided match funding of circa £3.3m to deliver the acquisitions. However, the properties will generate a robust rental stream and once no longer required for resettlement, will become part of the council's general needs housing stock, thus assisting to achieve the objectives of the HRA Business Plan.

During March 2023, it was announced that the Local Authority Housing Fund would be expanded by £250 million for a second round of funding (LAHF R2), with most of the additional funding used to house those on Afghan resettlement schemes (ARAP/ACRS) currently in bridging accommodation and the rest used to ease wider homelessness pressures.

2.11 WYCA Investment

In July 2020 the West Yorkshire Combined Authority (WYCA) secured £67m of funding from the government's Brownfield Housing Fund (BHF). The four-year Programme aims to help the building of a minimum of 4,500 new homes across West Yorkshire on brownfield land, delivering much needed housing and boosting the region's economy. The BHF offers grant funding to assist new housing to be developed on brownfield sites on a financially viable basis and is available to both Local Authorities and private developers/housebuilders alike. Following the Levelling Up White Paper in February 2022, an additional allocation of £22m was offered to the BFH Fund to deliver more homes across the Region".

To date four Bradford projects have been approved to receive BHF funding that collectively will deliver some 270 new homes including 139 social housing units. Three other Bradford projects are also currently being worked on within the

WYCA governance process, including phases within the New Bolton Woods regeneration scheme, and Council officers continue to work with potential developers/housebuilders and the Combined Authority to try and bring forward more projects into the programme.

2.12 Housing Completions

The adopted Core Strategy (Policy HO1) has a total housing requirement of at least 42,100 new dwellings over the plan period 2013 to 2030 which equates to 2,476 dwellings per annum. The Council has consulted through the emerging new Local Plan on a lower housing requirement of 1,704 dwellings per annum based on the Government Standard Method but without the application of the urban uplift variable.

As shown in the Table below, the total net additional dwellings built in Bradford between 1 April 2013 and 31 March 2021 was 9,266 which equates to approximately 1,158 dwellings per annum (average) over the eight-year analysis period.

Year	Core Strategy Requirement	Actual No. of Dwelling completions (net)*	Difference (+/-)
2013 -2014	2,476	874	-1,602
2014 – 2015	2,476	1,134	-1,342
2015 – 2016	2,476	907**	-1,569
2016 – 2017	2,476	1,488	-988
2017 – 2018	2,476	1,642	-834
2018 – 2019	2,476	1,689	-787
2019 – 2020	2,476	1,010	-1,466
2020 - 2021	2,476	522***	-1,954
Total		9266***	-10,542

Source: Bradford Metropolitan District Council *The figures shown are final figures used by CLG to calculate Bradford's Housing Delivery Test. **Please Note – the official CLG 'net additional dwellings' live tables for year 2015/16, shows an inaccurate net completion figure of 907. Although the Council has tried to have this changed to the correct figure of 1,338 completions for 2015/16, the inaccurate 907 figure remains on public record. The CLG tables are available at <https://www.gov.uk/government/collections/net-supply-of-housing>. ***Figure subject to change when CLG release figures for the Housing Delivery Test early 2022

2.12.1 Affordable Housing Completions

Policy HO11 (Affordable Housing) of the Core Strategy includes a target of 20-25% of total gross housing completions should be affordable housing.

As shown in the Table below, the total gross affordable housing completions in Bradford between 1 April 2013 and 31 March 2021 was 1,731 which is just under 14 per cent of the total housing completions which is below the Core Strategy target.

Year	Total no. of Dwelling completions (gross)	Affordable housing completions (gross)	Percentage (%)
2013 – 2014	1,449	279	19.25
2014 – 2015	1,621	258	15.92
2015 – 2016	1,625	92	5.66
2016 – 2017	1,686	194	11.51
2017 – 2018	1,775	274	15.44
2018 – 2019	1,923	267	13.88
2019 – 2020	1,634	309	18.91
2020 – 2021	755	58	7.68
Total	12,468	1,731	13.88

Source: City of Bradford Metropolitan District Council

2.12.2 Five Year Housing Land Supply

This 5 Year Housing Land Statement (5YHLS) provides an update on the housing land supply position for the period 2022 to 2027. The data within it is base dated to 31st March 2022 and updates the previous statement published by the Council in January 2021. The statement and calculations within it follow the guidance provided by the Government within the NPPF and NPPG. It describes the position relating to the scale and nature of the supply of deliverable housing land within Bradford District and the data and assumptions which underpin it.

The statement concludes that the 5year land supply requirement is 21,960 homes and the supply of deliverable sites as 9,130 homes which amounts to a 2.08-year (41.6%) supply. This represents a slight increase on the previous position for the period 2020-2025 where the supply was 2.03 years.

3. OTHER CONSIDERATIONS

Central Government measures designed to help housing growth have widespread disparity, especially across West Yorkshire, where viability challenges impact the ability to secure funding through some of these government initiatives.

Most Government Funding programmes require a significant level of match funding from Local Authorities, which is challenging in the current fiscal climate and thereby impacting our ability to secure funding to accelerate the delivery of housing across the District.

Austerity measures since 2010, which has seen a reduction in Local Authority budgets and a reduction in Government Funding, has severely impacted on the ability to drive an accelerated housing delivery programme.

4. FINANCIAL & RESOURCE APPRAISAL

- Financial issues are covered in the body of the report as relevant

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- Risk and governance issues will be managed.

6. LEGAL APPRAISAL

- There are no general legal issues arising from this report. Each individual project will have legal advice and support as required.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

All new housing developments will be constructed to meet the Building Regulations. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which aims to make new homes and neighbourhoods more sustainable and healthier places to live. Most of the properties delivered through the Council's new build programme have been designed and constructed with a 'fabric first' approach to the building envelope. This involves maximising the performance of the components and materials that make up the building fabric itself before considering the use of mechanical or electrical building services. Through good design, effective construction and aftercare we seek to make homes healthier and more enjoyable to live in - socially sustainable - and cheaper to run - economically sustainable. Further, providing homes that are climate-proof and energy efficient will help to minimise greenhouse gas emissions, reduce the running costs for our customers and mitigate against the impact of fuel poverty on our communities. We are also designing for adaptation to extreme weather and considering flood-risk, heatwaves and other risks to homes and the built environment. When disposing of Council land for housing delivery, the Council can elect to stipulate standards (energy efficiency / sustainability) to be achieved in respect of the development.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

All new housing developments are constructed to meet the Building Regulations. All housing will be designed to meet the Council's 'Homes and Neighbourhoods - A Guide to Designing in Bradford' which aims to make new homes and neighbourhoods more sustainable and healthier places to live. Most of the properties delivered through the Council's new build programme have been designed and constructed using 'Fabric First' principles; concentrating on improving the airtightness of the building fabric and the thermal performance of the structure results in reduced heat loss, carbon emissions and ultimately, savings on energy consumption thereby helping to minimise running costs to tenants. Electrical vehicle charging points have been included within all our recent developments. Further, many of the properties benefit from a Mechanical Ventilation Heat Recovery

(MVHR) system. It provides a constant supply of fresh filtered air for a healthier indoor air quality environment but also contributes to a reduced carbon footprint. The MVHR is designed to recover and re-use up to 95% of the waste heat within the property and filters the incoming fresh air. This is reputed to result in improvements for asthma sufferers but also benefits those with bronchitis, hay fever and chronic obstructive pulmonary disease (COPD). Further, it is reported that an MVHR helps to control moisture and condensation reducing instances of damp and mould growth, known to affect health and wellbeing.

7.3 COMMUNITY SAFETY IMPLICATIONS

There are no direct community safety implications; however, the delivery of housing growth and regeneration does seek to support the creation of safe, welcoming and sustainable neighbourhoods.

7.4 HUMAN RIGHTS ACT

The relevant Human Rights Act protections are the right to a private and family under article 8 and the right to free enjoyment of property under article 1 of protocol 1. The Council also has regard to good practice in housing particularly those that adhere to guidance contained in: 'Deciding Rights - Applying the Human Rights Act to Good Practice in Local Authority Decision-Making' (LGA).

7.5 TRADE UNION

No Trade Union implications have been identified.

7.6 WARD IMPLICATIONS

There are no specific ward implications as delivering housing growth is district-wide in its focus and will be led by land availability and intelligence on sites. Increasing housing supply that meets the needs and aspirations of the district will however generate social and economic benefits across all wards and localities.

7.7 AREA COMMITTEE LOCALITY PLAN IMPLICATIONS (for reports to Area Committees only)

None.

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

More Homes, Quality Homes, Homes for All are key priorities, increasing housing supply provides more opportunities for young people to find housing and remain in the communities in which they feel a belonging and a comfort.

Masterplanning work on proposed key spatial priority sites will consult with residents to ensure that we build neighbourhoods that meet the needs of our local communities.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

No specific issues arising from this report.

8. NOT FOR PUBLICATION DOCUMENTS

Not Applicable.

9. OPTIONS

9.1 Option 1 – that the Committee consider the report.

9.2 Option 2 – that the Committee considers the report and requests a further update on Housing Growth in 12 months.

10. RECOMMENDATIONS

That the Committee considers the report and requests a further update on Housing Growth in 12 months.

11. APPENDICES

None.

12. BACKGROUND DOCUMENTS

➤ None