

BALTIC WHARF MEMBERS BRIEFING

Hill/Goram Homes

9th July 2025



BACKGROUND INFORMATION

- 166 new homes (66 affordable for social rent and shared ownership)
- 555m² of mixed-use commercial space fronting the harbour.
- Sustainable homes with air source heat pumps and solar panels
- Planning submission March 2021
- Planning committee April 2024 (cross-party, unanimous approval)
- S106 signed January 2025
- Both Goram Homes and Hill are committed to building high-quality affordable homes as part of the Baltic Wharf development



APPROVED LAYOUT



Landscape plan (roof)



Upper Ground Floor Layout

APPLICATION OVERVIEW

- We are all committed to providing 40% affordable housing across the scheme, despite a challenging market.
- We now need grant funding to make that happen.
- Homes England grant funding does not cover S.106-secured affordable housing, so we need a new S.106 agreement.
- To facilitate this, we were advised by council officers to amend Condition 60, which removes the S.106 form of affordable housing from the approved planning drawings.
- We submitted a Section 73 to make this change in May 2025.
- There is no change to the number of affordable homes we'll build. The grant will fund all 66 homes, 50 for social rent and 16 for shared ownership, as approved in 2024. They will be owned and managed by a housing association.
- No design changes are proposed as part of this application.



WHY HOMES ENGLAND STRATEGIC PARTNERSHIP FUNDING IS NEEDED

Enables viable delivery of 40% affordable housing

- Changes in the market mean the scheme cannot deliver any affordable housing without subsidy
Homes England funding is essential to close the viability gap

Required change to S106 agreement

- Homes England requires a new S.106 agreement to support grant funding through the registered provider purchase of the affordable housing
- The application creates a stand-alone permission
- The removal of the Affordable Housing Plan from approved drawings is part of this strategy

Maintains our delivery commitment

- Goram Homes & Hill Residential remain committed to 40% affordable housing
- An agreement has been reached with a Homes West Partner to deliver the affordable homes.

Unlocks delivery and investment through Strategic Partnership Funding

- This Registered Provider will use their already secured Homes England allocation to fund the purchase of the affordable homes
- This ensures delivery of much-needed affordable homes in line with local policy

RECENT MARKET CHALLENGES

- Construction cost increases and the end of the Help-to-Buy scheme have resulted in a prolonged weak performance period for the property market in Bristol
- Labour shortages, rising wages, legislation change, and subcontractor insolvencies have further exacerbated the financial strain on development viability



REGISTERED PROVIDER – TIMELINE

The below process sets out how the preferred Registered Provider has been selected:

- **January 2021:** Offers were invited from a series of RPs during the planning process and reviewed periodically based on market conditions. Offers are valid for 1-2 months before needing to be revisited.
- **April 2024:** Planning committee approval, with 40% affordable housing.
- At this point, we were aiming to deliver the scheme with Bristol City Council's Housing Revenue Account (HRA), with 100% affordable housing being explored as part of this. Suitable RP offers were obtained too.
- Due to a prolonged period between committee and the finalisation of the S106 agreement, offers were revisited in Autumn of 2024.
- **October 2024:** The HRA withdrew their interest in acquiring the affordable units to free up finance needed for urgent and necessary improvements to existing council housing stock.
- This decision sought to bring investment into the city from a registered provider and maintain the delivery of much needed affordable homes at policy compliant levels.

TIMELINE CONTINUED

- **December 2024:** Registered Provider offers re-tested due to delay in signing of S.106 .
- **6th January 2025:** S.106 finalised and signed with positive offers.
- **24th January 2025:** Following discussions with the previous highest bidder, a 22% reduced offer was received reflecting sector-wide financial constraints.
- **February 2025:** Independent viability report refreshed, confirming challenges with project viability due to delay through planning. Engagement with RPs and BCC. We explored other routes to improve offers, including the inclusion of grant funding.
- **March 2025:** New offer received from RP, which included grant funding to make scheme viable.
- **May 2025:** Following engagement with council officers, a Section 73 application was submitted to enable the creation of new S.106 agreement, to would allow grant funding to be injected into the purchase of affordable homes, via the RP.

KEY TAKEAWAYS

- No design or tenure changes to the application
- No change to the housing mix
- No change to the number of affordable homes, this stays at 40% - that's 66 homes in a sustainable location in the heart of Bristol
- No change to tenure split – the scheme will deliver 50 social rented homes and 16 shared ownership homes.
- New S106 formed to enable grant funded affordable homes to be provided
- Commitment to building much needed, high-quality, sustainable, affordable housing
- Committee decision sought is not to remove affordable housing but to **allow** grant funding into the scheme.



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