

**CAMBRIDGESHIRE HORIZONS**

**Agenda Item No: 8a**

**Update on Housing targets**

*To:* **Cambridgeshire Horizons Board**

*Date:* **9<sup>th</sup> December 2009**

*From:* **Sue Beecroft, Sub-Regional Housing Co-ordinator**

*Purpose:* **To inform the Board of confirmed housing delivery figures on larger sites to end September 2009 and progress on re-negotiating the target for NI154 for 2010/11**

*Recommendation:* **The Board is invited to note progress and comment on the matters raised in the report.**

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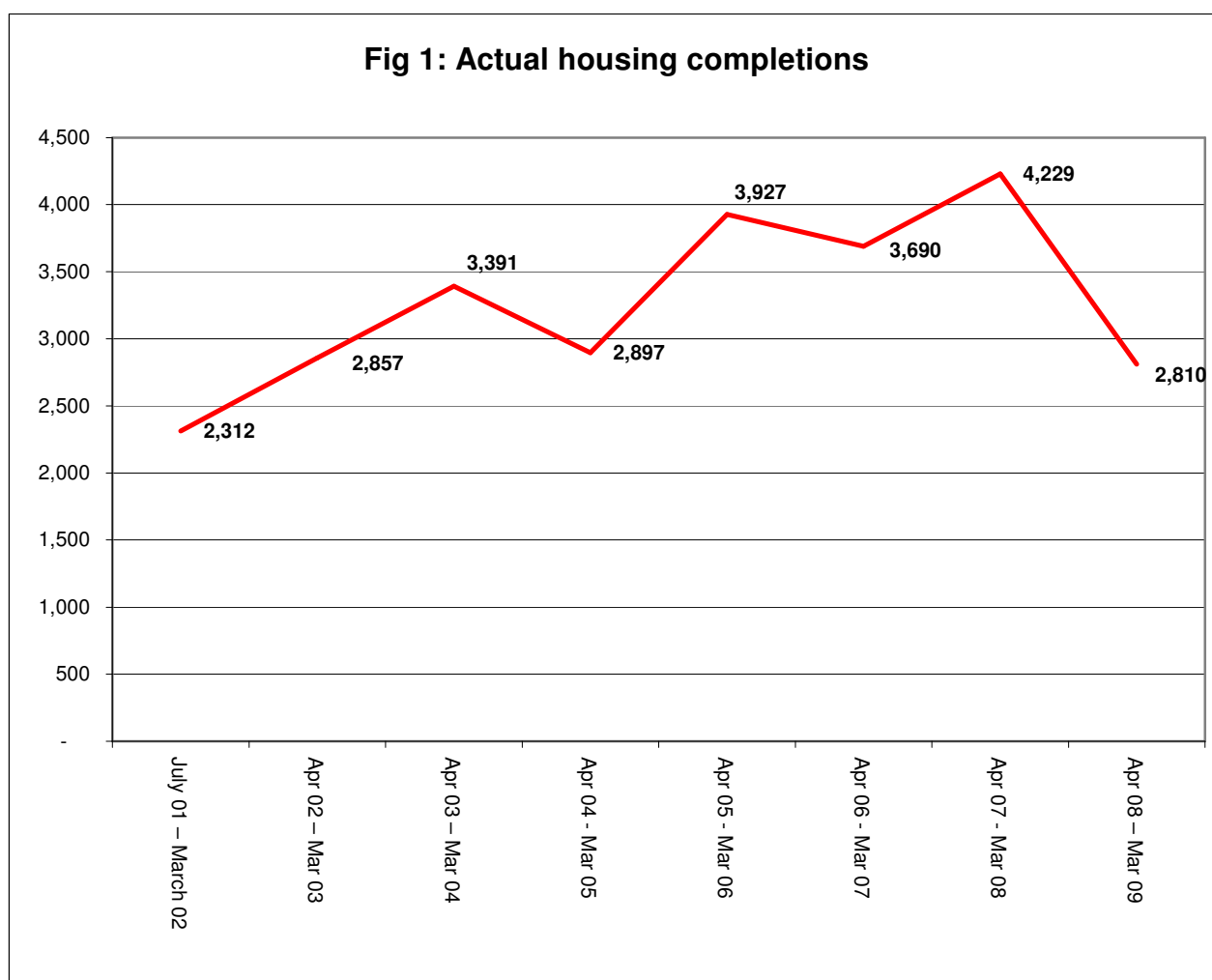
## 1. HOUSING COMPLETIONS UPDATE

### 1.1 Introduction

**1.1.1** The County Council undertakes a comprehensive survey each year to identify the number of housing completions as at the end of March, and a quarterly update on sites of more than 100 homes.

**1.1.2** This paper updates the Board on the position at the end of September 2009 for homes built on larger sites.

**1.1.3** The graph below shows total annual housing completions on all sites, since July 2001.



### 1.2 Reminder of annual completions to March 2009

As reported to the last Horizons Board, the finalised year-end survey of delivery on all sites for 2008/9 showed some 2,810 homes were completed in the year, bringing the overall total since July 2001 to 26,086 (an average 3,261 homes completed per year).

	March 02	March 03	March 04	March 05	March 06	March 07	March 08	March 09
Larger sites	976	2,250	4,087	5,522	7,283	9,309	10,929	12,518
Smaller sites	1,338	2,926	4,488	5,959	8,111	9,750	12,347	13,568
All sites	2,314	5,176	8,575	11,481	15,394	19,059	23,276	26,086

### 1.3 Progress on larger sites to end September 2009

**1.3.1** The table below shows the figures reported by the County Council in 2008/9, and for the first two quarters of 2009/10.

	Apr to Jun 2008	Jul to Sept 2008	Oct to Dec 2008	Jan to Mar 2009	Apr to Jun 2009	Jul to Sept 2009
Homes completed	385	503	282	419	280	265

**1.3.2** The County's Strategic Planning and Monitoring Team comments that in the past year there have been deep concerns about the state of the economy and how this has affected the housing market. In response to this downturn, it has been evident from quarterly site visits that a number of housing developers reduced both the number of starts and building rates, and in some cases even stopped building on certain sites leaving them unfinished. The slower start rate over the past year has led to lower than average number of completions in the past six month period with just **265** completions in the last quarter compared to a previous average of approximately 460 per quarter. The majority of these completions have been at two locations, Cambourne and Loves Farm, St Neots as shown in the table below.

District	Location	Completions 01/04/2009-30/09/2009	Visual assessment 30/09/2009
Cambridge City	Brooklands Avenue	28	Slow Progress
East Cambridgeshire	Ely Fringe	12	Slow Progress
Huntingdonshire	Godmanchester	25	Slow Progress
	Loves Farm, St Neots	158	Notable Progress
	Yaxley	17	Progress on Remaining Plots
South Cambridgeshire	Cambourne	96	Notable Progress

### 1.4 Dwelling Commitments and New Starts

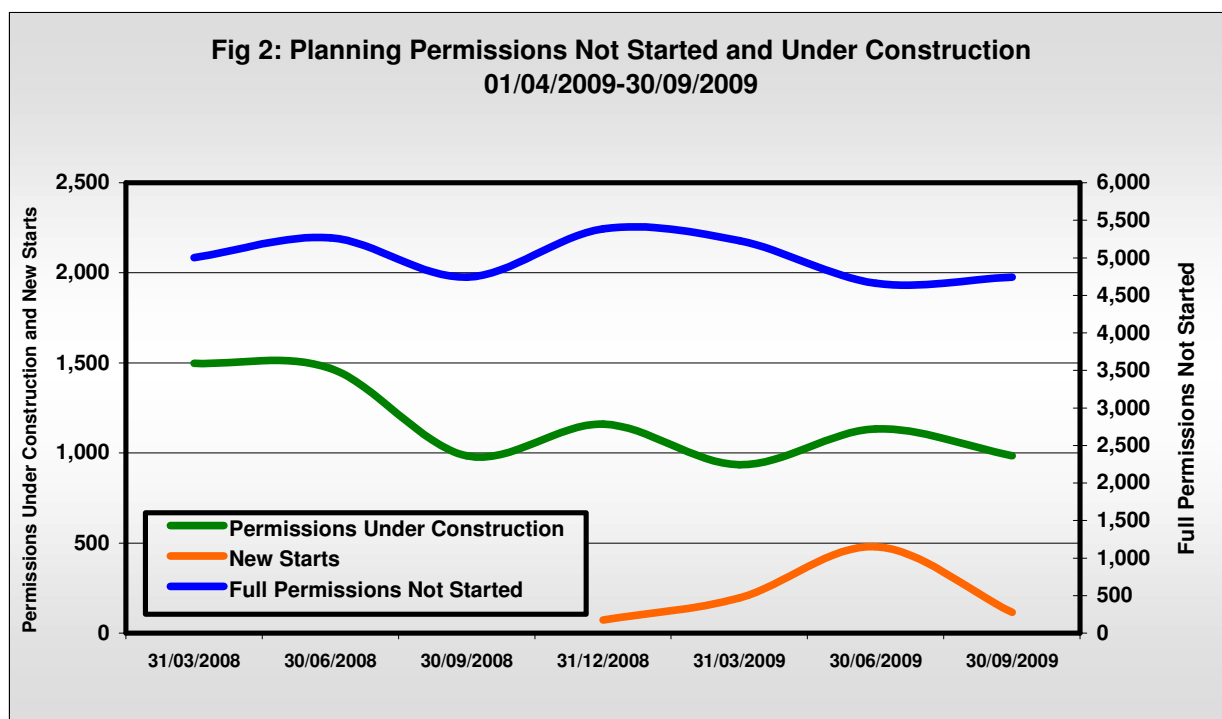
**1.4.1** The number of outstanding planning permissions can give an idea of potential future supply of housing. Graph 2 shows that the number of unstarted planning permissions on major sites in

Cambridgeshire has stayed fairly constant at around the 5,000 mark, although this has declined slightly in the last quarter. However, the number of dwellings under construction has fallen rapidly from a fairly consistent value of 1,600 per year over the past few years, to just over 1,000 - although this has begun to increase slightly in the last 6 months.

**1.4.2** Following a 9-month period where the number of dwelling starts plummeted, the 3 months from April to June 2009 showed a rebound back to pre-recession figures with 479 starts. However, this was followed by a much lower figure of 116 starts between July and September, suggesting that the effects of the recession are not over yet.

**1.4.3** The major new planning permissions that have commenced in the last 6 months include 100 flats at Downing College near Addenbrookes in Cambridge and a 450 dwelling development at Riverside Mill in Little Paxton. It has also been noted that development has restarted at Loves Farm in St Neots, at Orchard Park and at Cambourne, with commencement of additional new planning permissions at all these sites.

**1.4.4** There have also been several new allocations formally adopted by South Cambridgeshire District Council in the last quarter including: Orchard Park (220 additional dwellings), NIAB extension (1,100 dwellings) and at Ida Darwin, Fulbourn (225 dwellings).



**1.4.5** The combined information on starts and completions (above) shows that the level of current housing development in Cambridgeshire is still below recent norms. However, the number

of new starts from April to July may translate into increased completions in the next 6 months. The decline of new starts in the most recent quarter makes it difficult to say if this is the start of an upward trend of completions next year or if there are still concerns on the state of the economy among housing developers in Cambridgeshire which is affecting the rate of development.

## 1.5 Progress against Regional Spatial Strategy targets

**1.5.1** In May 2008 the East of England Plan was adopted, which provides new targets for districts from 2001 to 2021, as shown below.

<b>Table 4: Minimum Dwelling Provision, 2001 to 2021</b> (net increase, annual average rates in brackets)			
	Total to build April 2001 to March 2021	Of which already built April 2001- March 06	Minimum still to build April 2006 - March 2021
Cambridge City	19,000	2,300 (460)	16,700 (1,110)
East Cambridgeshire	8,600	3,240 (650)	5,360 (360)
Fenland	11,000	3,340 (670)	7,660 (510)
Huntingdonshire	11,200	2,890 (580)	8,310 (550)
South Cambridgeshire	23,500	3,520 (700)	19,980 (1,330)
Total	73,300	15,290 (3,060)	58,010 (3,860)

**1.5.2** Our year-end housing delivery figures for 2008/9 are lower than those achieved in previous years; however we are still showing progress against the targets above. The County Council's full review of housing development 2001 to 2009 is available from <http://www.cambridgeshire.gov.uk/NR/rdonlyres/892D5EAA-5258-42C5-A116-EC2EE7285BBA/0/ReportHousingDevelopmentInCambridgeshire2009.pdf>

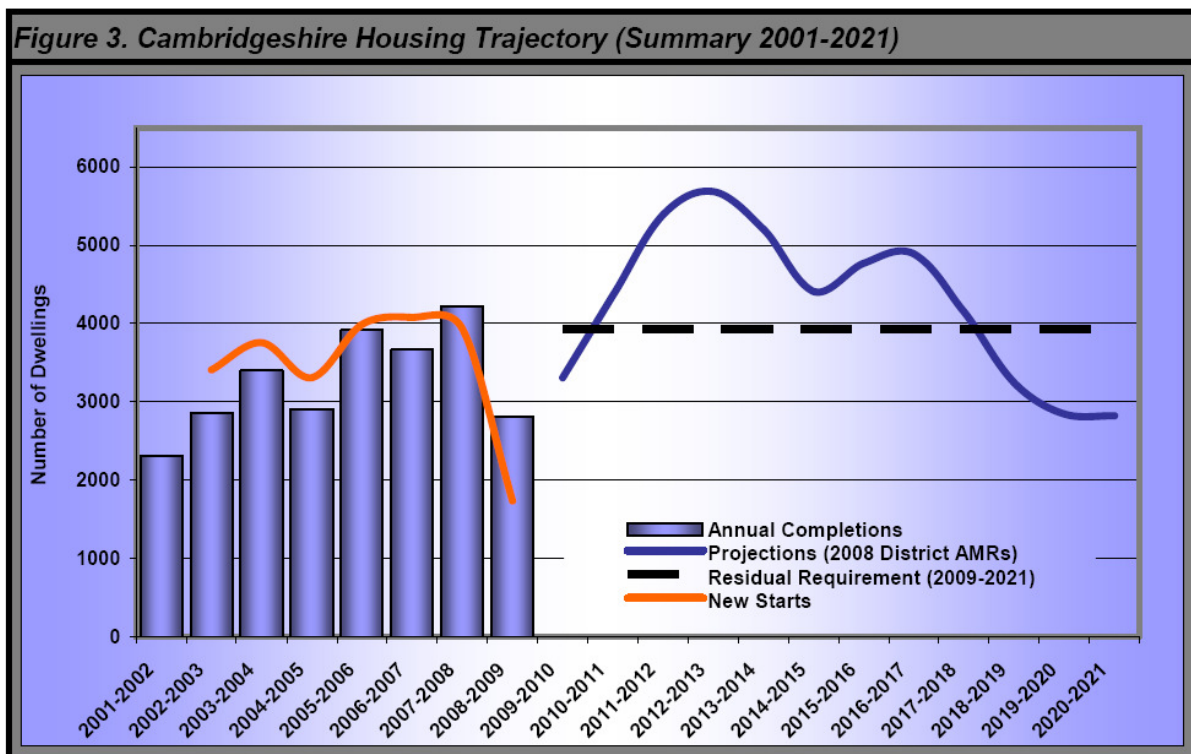
**1.5.3** More recently the County has responded to EERA's consultation on revised RSS targets, reaching to 2031.

**1.5.4** The agreed County-wide response is to anchor our targets at 73,300 homes from 2011 to 2031 – the same number as was planned for 2001 to 2021.

## 1.6 Updating our housing trajectory

**1.6.1** District housing trajectories were last published in December 2008. These trajectories illustrate when new housing development is expected to be completed over the next 10 years, and are shown in Figure 3 overleaf, alongside information about annual dwelling completions and annual figures for number of dwelling starts up to 31 March 2009. They are being updated to reflect recent changes in the housing market, in consultation with housing developers, to ensure the plans are realistic. The deadline for submission was

the end of November 2009. An updated trajectory will be tabled at the Board meeting.



Source: [www.cambridgeshire.gov.uk](http://www.cambridgeshire.gov.uk)

**Figure 4. Dwelling Commitments in Cambridgeshire at 31 March 2009 and Previous Years**

	OUTLINE PLANNING PERMISSION	FULL / RESERVED MATTERS PERMISSION, NOT STARTED	PERMISSIONS, UNDER CONSTRUCTION	TOTAL PLANNING PERMISSIONS	ALLOCATIONS WITH NO PLANNING PERMISSION	TOTAL COMMITMENTS
31/03/2006	5954	6219	2872	15045	25126	40171
31/03/2007	6635	5863	3263	15761	21195	36956
31/03/2008	3859	7850	2974	15083	20042	34695
31/03/2009	3328	8525	1898	11853	24314	36167

Source: [www.cambridgeshire.gov.uk](http://www.cambridgeshire.gov.uk)

## 1.7 Cambridgeshire Together and the National Indicators

1.7.1 Members of the Board are aware that we re-negotiated our targets for delivering all homes and for affordable homes with Go-East last year as part of the local area agreement (LAA) process.

1.7.2 Due to continuing changes to the housing market, we have recently opened negotiations on our targets for 2010/11, for both NI154 and NI155. Go-East advises that changes to targets may be made, if we agree that circumstances are exceptional and vary significantly from those prevailing at our previous negotiations.

## NI154: delivery of homes

**1.7.3** Year-end data provided by the County Council shows our performance on overall delivery of homes in 2008/9 exceeded our negotiated target of 2,344 homes (representing 120% of target). Estimates in table 5 are included in italics.

<b>Table 5: Review of NI154</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>
LAA target (revised Spring 2009)	2,344	2,871	3,839
Delivery to year end on larger sites	1,589		
Delivery to year end on smaller sites	1,221		
All delivery to year end	2,810		
% of target delivered	120%		
Delivery on larger sites, April to Sept 2009		545	
Projecting we manage the same again in last half of the year		1,090	
How many homes might be delivered on smaller sites in 2009/10?		1,221	
Estimated total		2,311	
What % of total target does this add up to?		80%	
What if we continue to build at the same rate through 2010/11?			2,311
% of target			60%

**1.7.4** If we assume delivery on larger sites continues throughout 2009/10 at the April to September 2009 rate (545) and if we assume delivery on smaller sites at the same rate as in 2008/9 (1,221) we would achieve 2,311 homes in total compared to a target of 2,871, or 80% of our 2009/10 target.

**1.7.5** If we assume the same rate of delivery in 2010/11 this would represent 60% of our 3,839 target.

**1.7.6** So our target for 2010/11 is looking challenging, although the housing market may be showing signs of recovery.

**1.7.7** The slowdown in housing starts reported by the County Council's monitoring team (see figure 2) will still which take some time (around 8 or 9 months) to filter through to completion numbers so we may see some further "ups and downs" reflecting the orange line on the graph.

**1.7.8** With Cambridgeshire Together Board members' agreement we have opened negotiations with Go-East in light of:

- changes to HGF capital funding and possible reduction to the value of £6m, subject to consultation
- low levels of funding allocated to our region and to Cambridgeshire in the first round of KickStart funding
- variable, but generally lower numbers of homes starting on site, as a result of the recession

## NI155: delivery of affordable homes

**1.7.9** Affordable housing completions looked more promising at the end of 2008/9 with **924** affordable homes being delivered, compared to a target of 820.

**1.7.10** Since the year-end Cambridgeshire has been successful at securing National Affordable Housing Programme funds, which should deliver further affordable homes in the near future.

<b>Table 6: Review of NI155</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>
LAA target (revised Spring 2009)	820	1,105	1,344
Delivery to end 2008/9	924		
% of target delivered or projected	113%		

**1.7.11** Targets for 2009/10 and 2010/11 currently stand at 1,105 and 1,344 respectively, which represent 35% of current NI154 (all homes) targets. If we reduce our 2010/11 target for NI154 it would be sensible to re-assess NI155 as well, though currently affordable housing delivery appears to be progressing relatively well across the County. The same trend in starts on site will affect affordable homes as much as all homes.