

CAMBRIDGESHIRE HORIZONS

Agenda Item No: 9a

Update on Housing targets

To: **Cambridgeshire Horizons Board**

Date: **24 September 2009**

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

Purpose: **To inform the Board of confirmed housing delivery figures on all sites, to the end of March 2009 and update on progress on larger sites to end June 2009**

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

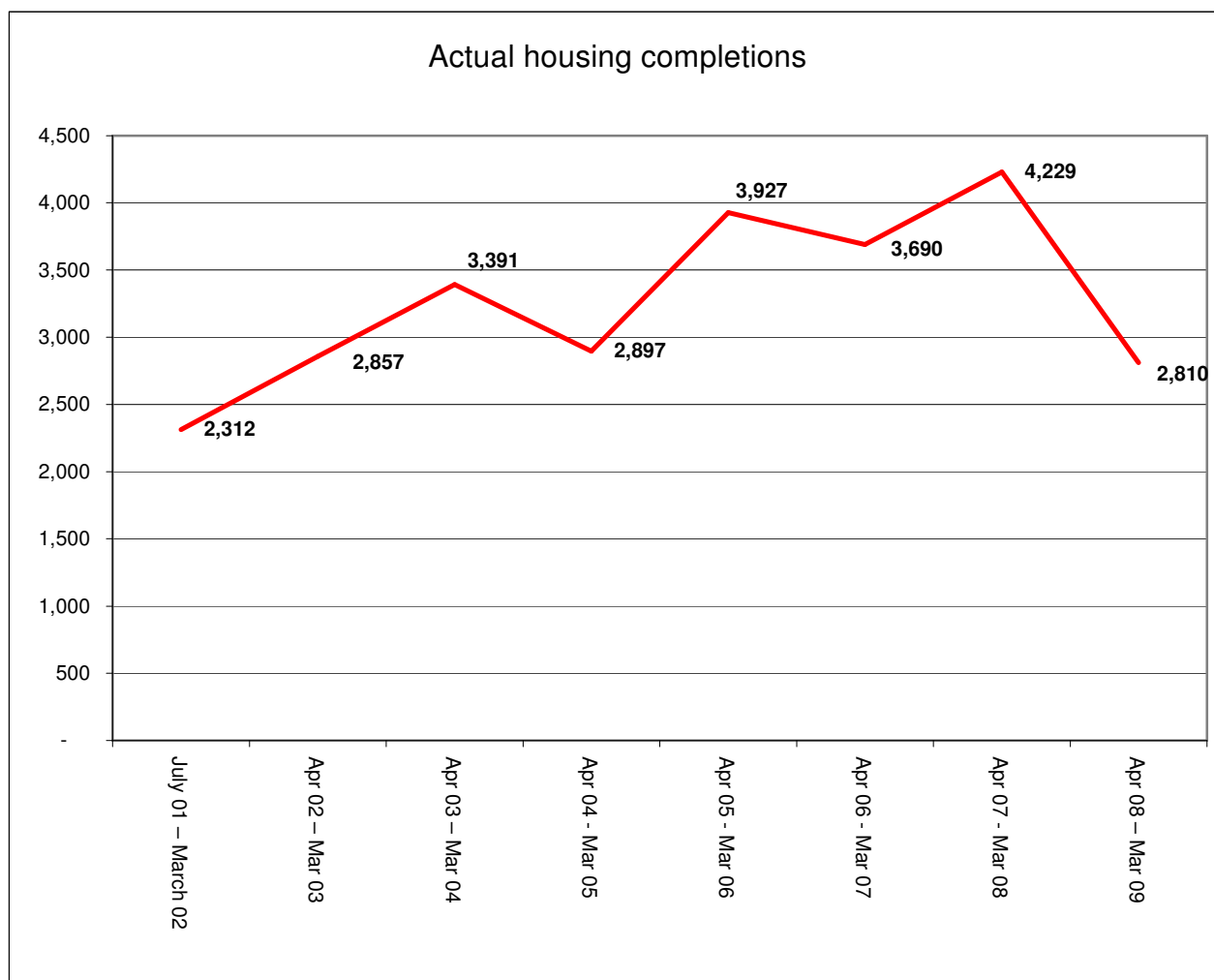
1.1 Introduction

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 finalised position at the end of March 2009. It provides year-end figures for all sites, split into sites of under 100 homes (referred to as “smaller sites”), and more than 100 homes (referred to as “larger sites”).

1.1.3 The Board received a report in June 2009 which provided draft figures for year-end outturn. The final figures have now been confirmed and have been used to update on our progress against targets. The report also provides the draft delivery figures for homes built on larger sites to the end of June 2009.

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



1.2 Review of completions to March 2009

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).

Completions from 1 July 1999 to...	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

1.3.1 Annual progress: In 2008/9 some 1,589 homes were delivered on larger sites. This compares fairly well to the average completion rate of 1,565 homes per year, as shown in the table below:

	April 02- March 03	April 03- March 04	April 04- March 05	April 05- March 06	April 06- March 07	April 07- March 08	April 08- March 09	Total	Average
Annual completions on larger sites	1,274	1,837	1,435	1,761	2,026	1,620	1,589	12,518	1,565

1.3.2 Quarterly progress: the table below shows the final figures reported by the County Council in 2008/9. The figures vary from those presented to the June 2009 report to Horizons Board, mainly due to:

- Re-classification of a large completion in City - 151 units at Purbeck House which are now defined as “managed student accommodation” rather than “self contained” and thus cannot be counted as dwellings.
- Other changes are due to amendments to completion dates mainly due to the large amount of quality assurance work the County team has completed to the draft figures.

From now on the County team will keep a log of changes made to historical figures between each quarter, to help keep track of such changes.

	Apr to Jun 2008	Jul to Sept 2008	Oct to Dec 2008	Jan to Mar 2009	Whole year
Quarterly completions on larger sites	385	503	282	419	1,589
For info, figures previously reported to Board	386	674	322	358	1,740

1.3.3 In the last quarter of 2008/9 some 419 additional homes were delivered on larger sites, which compares well to previous quarters.

Revisions to the figures also mean a drop in the whole-year delivery number on larger sites, and a reduced “peak” of delivery between July and September 2009:

1.3.4 The County Council’s Annual Monitoring Report reviews completions over the year, and surmises:

“..a number of larger sites have contributed to almost half of all new dwellings built in the year 2008-2009 in Cambridgeshire. These locations are listed in Figure 2 along with a visual assessment of most recent development progress. In most cases development was still ongoing but at a much reduced pace than observed in the previous year. There were no major sites in Fenland with significant number of completions in 2008-2009.”

Figure 2. Large Sites with Significant Number of Dwelling Completions (2008-2009)

	LOCATION	COMPLETIONS 01/04/2008-31/03/2009	VISUAL ASSESSMENT 31/03/2009
Cambridge City	St Andrews Road	186	Development Complete
	George Nuttall Close	84	Development has Slowed
	Brooklands Avenue	66	Development has Slowed
East Cambridgeshire	Ely Fringe	111	Development has Slowed
	Soham	99	Development has Slowed
Huntingdonshire	Godmanchester	82	Development is Ongoing
	Loves Farm, St Neots	190	Development is Ongoing
	Yaxley	82	Development Almost Complete
South Cambridgeshire	Cambourne	191	Development is Ongoing
	Orchard Park	155	Development has Restarted

Source: www.cambridgeshire.gov.uk

1.4 Progress on larger sites to end of June 2009

1.4.1 The County team has recently released figures showing delivery of homes on larger sites, from 1 April to 30 June 2009. This shows some **287** homes being completed in the quarter on larger sites. These included significant numbers at St Neots Loves Farm, Cambourne and Fulbourn, as shown below:

Locality	Homes delivered 1/4/09 to 30/6/09
Soham	2
Ely	4
Yaxley	11
Littleport	12
Godmanchester	15
Cambridge	28
Fulbourn	43
Cambourne	67
St Neots Loves Farm	107
TOTAL - SITES >100	287

1.5 Progress on smaller sites (less than 100 homes)

1.5.1 Whole-year figures for completions on smaller sites are provided in the table below from 2002 to 2009 and show a drop to below-average completion rates in 2008/9:

	April 2002 to March 2003	April 2003 to March 2004	April 2004 to March 2005	April 2005 to March 2006	April 2006 to March 2007	April 2007 to March 2008	April 2008 to March 2009	Total	Average
Annual completions on smaller sites	1,583	1,554	1,462	2,166	1,664	2,605	1,221	13,568	1,696

1.5.2 From July 2001 to 31 March 2009 some 13,568 homes have been completed on smaller sites in total - an annual average rate of 1,696 homes per year. The number of homes completed on smaller sites in 2008/9 totals **1,221** – the lowest level in the last seven years. However when taken together, the number of completions on smaller and larger sites has been better than expected, and better than reported across many other parts of the country.

1.6 Progress against Regional Spatial Strategy targets

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

	Minimum Dwelling Provision, 2001 to 2021 (net increase, with 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)

1.6.2 Our final 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/rdoonlyres/892D5EAA-5258-42C5-A116-EC2EE7285BBA/0/ReportHousingDevelopmentInCambridgeshire2009.pdf> and includes the following summary on dwelling completions:

“In the past year the economy entered a period of recession, as a consequence it became more difficult to obtain credit for both businesses and individuals. This has had a negative effect on the housing market and it has been visually evident from site visits that a number of housing developers have reduced building rates, and in some cases have even stopped, leaving sites unfinished.

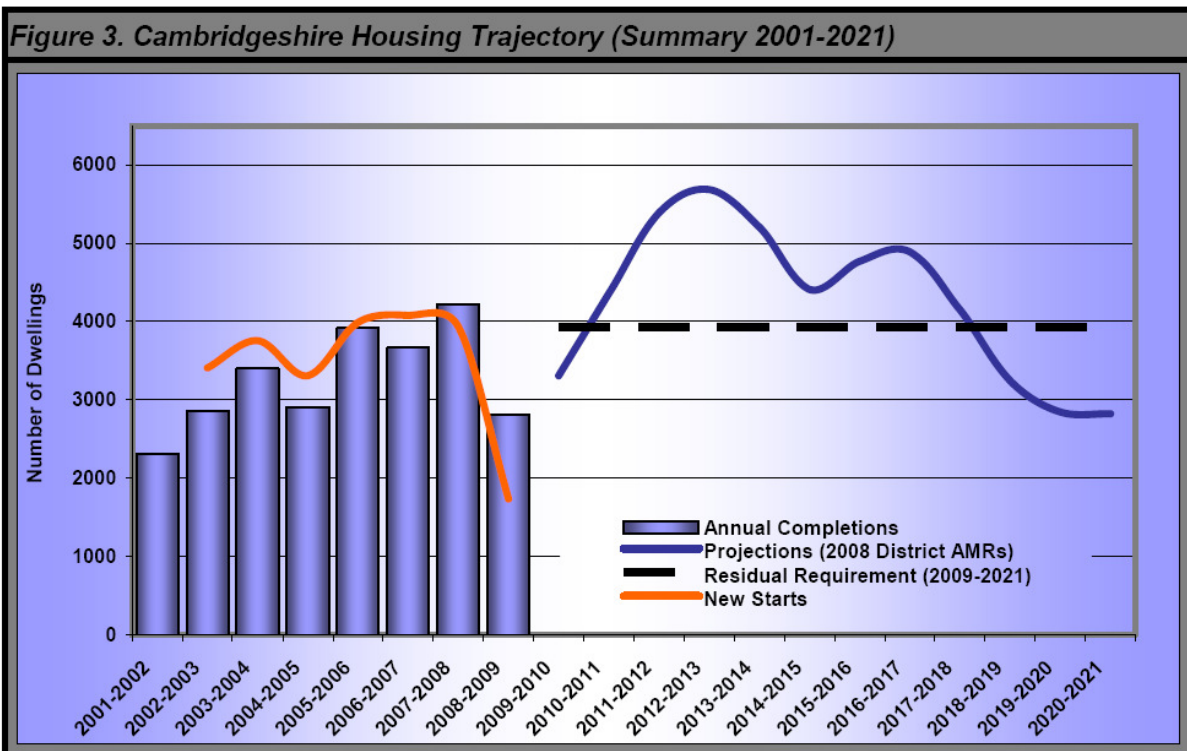
The Regional Spatial Strategy for the East of England sets out a requirement for 73,300 new homes to be built in Cambridgeshire from the year 2001 to 2021 (Policy H1).

*In the 7.75 years from 1 July 2001 to 31 March 2009, a net total of **26,131** dwellings were completed in Cambridgeshire averaging **3,372** dwellings per annum. This rate is below the Policy H1 requirement of 3,665 dwelling per annum leaving a residual rate of **3,931** dwellings to be built each year from 2009 to 2021 to reach the remaining requirement of **47,169** new dwellings in Cambridgeshire.”*

1.7 Updating our housing trajectory

- 1.7.1** The latest housing trajectories¹ produced by district councils across Cambridgeshire, illustrate when new housing development is expected to be completed over the next 10 years, are shown in Figure 3 alongside information about annual dwelling completions and annual figures for number of dwelling starts up to 31 March 2009.
- 1.7.2** In 2008-2009 the number of dwelling starts was significantly lower than in previous years most likely due to impacts of the economic recession. This will have a large effect on the number of dwelling completions in the next year, most likely giving a completion figure that is significantly lower than the projection. This assumption is also backed up by the significantly lower number of dwellings currently under construction at the last survey date compared to previous years, as shown in Figure 4.
- 1.7.3** We know there was a significant drop in quarter 3 of 2008-9 from the usual 400 to just over 50.
- 1.7.4** Again, from the County’s annual report: *Although the impacts of the recession have hit the house building industry quite hard, there is still the potential to meet the targets set out in the Regional Spatial Strategy if building rates increase again in the near future. Figure 4 shows that the number of current full and reserved matters planning permissions is very high compared to recent years. Several districts have also recently identified and allocated additional land for the purpose of housing development resulting in an increase in overall commitments.*

¹ As published in Districts’ Annual Monitoring Reports December 2008



Source: 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

1.8 Cambridgeshire Together and the National Indicators

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

NI154: delivery of homes

1.8.2 Year-end data provided by the County Council shows our performance on overall delivery of homes in 2008/9 has exceeded our re-negotiated target of 2,344 homes (representing 120% of target).

	2008/9	2009/10	2010/11
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 June 2009		287	

1.8.3 If we assume delivery on larger sites continues throughout 2009/10 at the April to June 2009 rate (287) and if we assume delivery on smaller sites at the same rate as in 2008/9 (1,221) we would achieve 2,369 homes in total compared to a target of 2,871, or 83% of the target. If we assume the same rate of delivery in 2010/11 this would represent 62% of our 3,839 target.

1.8.4 Our target for 2010/11 is 3,839 and is starting to look unrealistic, even if the housing market recovers significantly, due to the slowdown in housing starts reported by the County Council's monitoring team, which take some time (around 8 or 9 months) to filter through to completion numbers. This is a national issue.

1.8.5 We successfully negotiated our targets down in 2008 reflecting market changes, however the drop in starts on site and general market slowdown makes the target for 2010/11 look unrealistic.

1.8.6 We therefore feel we should seek to re-negotiate with Go-East (who have indicated they are receptive to this approach) and have asked for Cambridgeshire Together Board members' agreement to this proceeding.

1.8.7 As described separately to this meeting, one of the significant changes affecting our plans for delivery is the reduction to HGF capital funding.

NI155: delivery of affordable homes

1.8.8 Affordable housing completions look promising, with **924** affordable homes being delivered in 2008/9, compared to a target of 820. Data is not available yet for June 2009.

	2008/9	2009/10	2010/11
LAA target (revised Spring 2009)	820	1,105	1,344
Delivery to end 2008/9	924		
% of target delivered or projected	113%		

1.8.9 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.

1.8.10 In addition, figures for the end of 2008/9 include affordable homes secured through the scheme called “open market homebuy”. This scheme is where the HCA provides funding for households to purchase an existing home on the private market, to meet their housing need. However earlier in 2009 the Government announced an end to the open market homebuy scheme, preferring to focus public funding on building new homes rather than supporting the purchase of existing homes, mainly due to the beneficial effect for the construction industry. This may well affect our NI155 return as it means around 100 fewer homes can be counted in the indicator each year, which are unlikely to be “replaced” by new build quickly, because of the market trends outlined above.

NI159: “ready to develop housing sites”

1.8.11 Annual monitoring reports prepared by the districts show healthy plans to meet RSS targets over the 5-year period from April 2009 to March 2014, as set out in the Audit Commission definition for NI159. Put simply, the indicator measures “over the next 5 years, what proportion of your RSS target number of homes can be built on deliverable sites”.

1.8.12 The district returns (produced in December 2008) show that, across the County, homes planned for account for 130% of the homes required by the East of England Plan. The numbers behind this are shown below for each district:

	City	ECDC	FDC	HDC	SCDC	County total
Amount of housing that can be built on deliverable sites for the 5 year period – from AMRs	7,253	2,631	2,851	3,969	7,239	23,943
Planned housing provision required for the 5 year period – from RSS	4,750	2,150	2,750	2,800	5,875	18,325
Percentage	153%	122%	104%	142%	123%	131%

1.8.13 This indicator is not one of the “key” indicators which we negotiate a target on, with Go-East. Having considered the implications, the LAARG group has suggested that setting a target for this indicator would not be helpful, for the following reasons:

- Setting a target higher than set out in the AMRs would imply that we want many more homes in our plans than are required by the RSS.
- Setting a target lower than the figures provided via the AMRs would give a message that we do not need developers to deliver all the homes in the existing planning system. This would appear to go against our ambition to continue delivering growth. We need to continue to plan for a healthy supply of housing sites in future, to meet our targets and accommodate some sites failing and needing to be replaced by others.

1.9 Action plans

- An action plan has been produced for each key indicator, used to monitor the success of activity and initiatives in delivering targets. The action plans for NI154 and NI155 are due for review, which will link to “Making Cambridgeshire Count”.

1.10 Making Cambridgeshire Count

- Making Cambridgeshire Count is an initiative sponsored by the Cambridgeshire Together Board to transform partnership working and public services across the county. The programme will look at how the partnership can make the best of combined resources, experience and skills to deliver highly efficient and effective services.
- The programme is being driven by the Cambridgeshire Public Service Board, which includes the Chief Executives and Chief Officers from Cambridgeshire's major public sector organisations.

- This new approach is seen as critical with Cambridgeshire (like all other parts of the country) expecting public sector spending cuts over the next few years. While short-term savings can be made, Making Cambridgeshire Count will look to make radical changes in how we work as a partnership to improve quality of life for all residents throughout the county, against the backdrop of dwindling cash resources.
- As part of this process we will look to strength the links, and understanding of the links, between Managing Growth and other themes – particularly economic prosperity and environment, as the actions and outcomes are closely related.

1.11 “Non-key” indicators

Alongside our key indicators for growth outlined above, other related information is also gathered through the LAA process which adds to our understanding of the issue in our area. These are non-key indicators and do not have a target set in negotiation with Go-East. The indicators relevant to growth are:

- NI156 Number of households living in temporary accommodation
- NI 158 % non-decent council homes
- NI 160 Local authority tenants’ satisfaction with landlord services
- NI 170 Previously developed land that has been vacant or derelict for more than 5 years
- NI 181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events

In addition there are indicators which fall under the growth set, but are monitored directly by the county council as the Highways Authority.

- NI 157 Processing of planning applications
- NI 167 Congestion – average journey time per mile during the morning peak
- NI 168 Principal roads where maintenance should be considered
- NI 169 Non-principal classified roads where maintenance should be considered
- NI 178 Bus services running on time