



Report To: Greater Cambridge City Deal Executive Board

13 July 2016

Lead Officer: Alex Colyer, South Cambridgeshire District Council

Monitoring delivery of 1,000 extra new homes on rural exception sites

Purpose

1. As part of the City Deal agreement, the partners committed to enable the delivery of 1,000 homes on rural exception sites by 2031 in addition to the accelerated delivery of 33,480 homes. This report sets out how the 1,000 additional dwellings will be monitored and performance against the commitment to date.

Recommendations

1. The Executive Board is recommended to:
 - a) Endorse the approach to monitoring as set out in paragraphs 7 to 16 of this report.
 - b) Note progress towards delivery.

Reasons for Recommendations

2. In order to demonstrate delivery of the City Deal agreement, it is necessary to establish a clear and transparent monitoring process.

Executive Summary

Background

3. The City Deal agreement reflects the Government's focus on the City Deal supporting economic growth and housing delivery. The agreement includes enabling 1,000 additional homes on rural exception sites as part of the Councils' commitment to delivery of housing in this important growth area. This is in the context of another City Deal commitment to accelerate the delivery of 33,480 homes that were planned at the time that the agreement was made. The 1,000 homes in the agreement is therefore additional to the 33,480 figure.
4. The City Deal agreement was made at the time when the South Cambridgeshire Local Plan was identifying a housing requirement of 19,000 homes and the Cambridge Local Plan a figure of 14,000 homes, giving a total requirement of 33,000 homes for the Greater Cambridge area. There is therefore no direct relationship

between the Objectively Assessed Housing Need (OAHN) figures that inform the Local Plan housing requirements and the 1,000 additional homes forming part of the City Deal agreement, which is about housing delivery. However, the delivery of extra homes from this commitment would provide further flexibility in housing delivery.

5. Following additional work on OAHN undertaken in response to the Local Plan Inspectors' preliminary findings in their letter of May 2015, a proposed modification was submitted to the Local Plan Inspectors in March 2016 to increase the OAHN in the South Cambridgeshire Local Plan by 500 dwellings to 19,500 homes. No change is proposed to the Cambridge Local Plan as a result of the additional work. This gives a total requirement of 33,500 homes for Greater Cambridge.
6. Coincidentally, the updated housing requirement is essentially the same figure as the City Deal commitment to accelerate the delivery of 33,480 homes that were planned at the time that the agreement was made. It is therefore proposed that the monitoring of the additional 1,000 homes through the City Deal agreement can be undertaken alongside the monitoring of the 33,500 home requirement in the Local Plans.

Considerations

Monitoring the City Deal commitment

7. Given the City Deal commitment is for homes on rural exception sites in addition to 33,480 planned homes at the time of the agreement, any homes delivered above that figure that are on rural exception sites would be contributing to the commitment. As this is coincident with the 33,500 homes requirement for Greater Cambridge, only once delivery exceeds the level needed to meet the Local Plans requirements can any eligible homes be counted towards the 1,000 additional home commitment.
8. The latest Joint Housing Trajectory for Greater Cambridge is included in both the Cambridge and South Cambridgeshire Annual Monitoring Reports, based on data to November 2015. It demonstrates that 35,773 homes are now expected to be delivered in Greater Cambridge during the plan period, compared with the housing requirement of 33,500 homes. This shows that 2,273 more homes are expected to be delivered than the increased housing requirement. As the 33,480 figure in the City Deal against which the additional 1,000 homes will be assessed is now essentially the same as the updated requirement, these 2,273 homes have the potential to count towards the additional 1,000 homes.
9. For the purposes of monitoring the City Deal commitment, housing supply (both through actual housing completions and through predicted completions from permissions, allocations and windfalls) have been compared with the 33,500 housing requirement in the submitted Local Plans, as this is the same as the figure in the City Deal agreement (Appendix 1, Figure 1).
10. The housing requirement in the submitted Local Plans of 33,000 homes for Greater Cambridge amounts to an annualised requirement of 1,650 homes. This shows that for the next few years the Councils are making up a shortfall from the early years of the plan period during the recession and, as a result, there is projected to be no surplus in terms of delivery over and above that required to meet the housing requirement, However, from 2017-18 there is projected to be a surplus in terms of

delivery. Assuming future updates to the housing trajectory confirm that position, from that year, any eligible sites up to the level of the surplus will count to the City Deal commitment.

11. The City Deal agreement is for 1,000 homes on rural exception sites. It is therefore necessary to define the developments that comprise 'eligible sites' for the purposes of monitoring the Councils' performance against the City Deal agreement. The supply of traditional 'rural exception sites' has declined in South Cambridgeshire due to the Council currently being unable to demonstrate a five year supply. In planning terms, rural exception sites are sites for 100% affordable housing (or with the minimum amount of market housing to make them viable) adjacent to village frameworks. Instead, landowners are currently seeking the delivery of market-led housing sites due to the additional financial value associated with them and a number of 'five year supply' sites are coming forward in the rural area as exceptions to normal planning policy.
12. It is considered that reflecting current circumstances, it is reasonable to interpret the City Deal agreement such that all sites coming forward in the rural area as exceptions to the normal Local Plan policies can be counted as 'eligible sites' towards the delivery of the additional homes committed to through the City Deal. Eligible sites are therefore considered to be traditional 'rural exception sites' and 'five year supply sites'.
13. To monitor the City Deal commitment, the Councils will identify and record eligible planning permissions and completions and the forecast and actual year they are built, as set out in Appendix 1, Figure 2. The table also includes a cumulative total so that the delivery of the 1,000 additional homes can be identified. That will be added to as new sites come forward. On the basis of the published housing trajectory, there are 433 homes that are eligible and count towards the additional 1,000 homes in the City Deal commitment. The table is supported by a list of the individual sites included in the overall figure (Appendix 1, Figure 3). Since that time and up to end of June 2016, an additional 174 homes on eligible sites have been granted permission (see Appendix 1, Figure 4), making a total provision of 606 homes towards the 1,000 home commitment by 2031. They will be included in the new housing trajectory when it is updated in the next Annual Monitoring Report.

Publishing the result of monitoring

14. The Councils prepare a housing trajectory every year that is published in their Annual Monitoring Reports (AMRs), and this records the actual and predicted housing completions on a year by year basis for the plan period 2011-2031. It is prepared in consultation with the development industry, but in a number of cases a lower estimate of predicted completions has been included than anticipated by the site promoters on the precautionary principle, in particular for major sites such as new settlements.
15. The AMRs will include the results of monitoring the City Deal commitment.
16. Government has requested monitoring information on a quarterly basis, therefore updates to the City Deal Assembly and Executive Board will be provided as far as is possible during the year for reporting to Government. Comprehensive monitoring of housing completions is carried out on an annual basis, and therefore comprehensive

monitoring of the commitment can only be carried out on an annual basis. However, partial updates can be provided on a quarterly basis on a similar basis to Appendix 1, Figure 4 to identify new permissions granted.

17. To contribute to the delivery of the 1,000 extra homes, the City Deal has supported the establishment of the Greater Cambridge Housing Development Agency (HDA). See the separate report on this agenda.

Options

18. The Councils have considered whether there are other methods of monitoring the delivery of the 1,000 additional homes on rural exception sites and have concluded that there are no other reasonable alternatives that provide a clear and transparent method.

Implications

19. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications are highlighted:

Risk management

20. There is a risk of the United Kingdom entering into a further period of recession following the result of the recent Referendum to leave the EU, which could therefore potentially slow down housing delivery. This will be kept under review.

Background Papers

No background documents were relied upon in the writing of this report.

Report Author: Caroline Hunt – Planning Policy Manager
Telephone: 01945 713196