



To: Strategy and Resources Scrutiny Committee
Report by: Leader of Council - Cllr Sian Reid
Relevant scrutiny committee: Strategy and Resources Committee 11/10/2010
Wards affected: All Wards

**LAA Performance Report 2009/10:
MANAGING GROWTH PARTNERSHIP (Cambridgeshire Horizons)**

Not a Key Decision

1. Executive summary

- 1.1 The City Council is a key partner in Cambridgeshire Together. This partnership had overall responsibility for negotiating the Local Area Agreement (LAA) for Cambridgeshire and is overseeing its delivery.
- 1.2 Cambridgeshire Together has delegated responsibility for delivery of targets within the LAA to six thematic strategic partnerships. The Leader sits on Cambridgeshire Together and an Executive Councillor from the City Council sits on each of the thematic strategic partnerships. It was agreed that they should present an annual report on performance against their partnership's LAA targets to the relevant City Council Scrutiny Committee. This paper relates to the LAA targets delegated to Cambridgeshire Horizons under the theme of Managing Growth. The Leader represents the City Council on this partnership.
- 1.3 The economic downturn has meant that, across the county, the completion of new homes and delivery of affordable housing in 2009/10 was less than in the previous year. There is still some uncertainty about whether the three-year (2008-11) LAA targets for Managing Growth will be achieved, but this needs to be set in the context that the payment of reward grant for meeting the targets is now unlikely.
- 1.4 Whilst the LAA performance indicators and targets have been a helpful tool, the report highlights a number of more pressing issues relating to partnership working on the growth of Cambridge. The key message is that the need for growth, new homes and affordable housing continues. Significant progress is being made on major developments on the city's southern and north-western fringes.

2. Recommendations

The Scrutiny Committee is recommended to:

- 2.1 consider the 2009/10 year-end performance against the LAA indicators assigned to the Managing Growth Partnership;
- 2.2 advise the Leader of any performance issues that she should report back to Cambridgeshire Horizons;
- 2.3 consider which aspects of Horizons' role and which of its projects are important for the growth of Cambridge and need to continue.

3. Background

- 3.1 An approach to our involvement in, and reporting on, county-wide thematic strategic partnerships was agreed by the Leader at Strategy and Resources Scrutiny Committee on 19 January 2009. Executive Councillors, nominated by the Council, now sit on the Cambridgeshire Together Board alongside other key public service stakeholders in the county and are involved in each of its thematic strategic partnerships. It was agreed that they should present an annual report on performance against their partnership's LAA targets to the relevant City Council scrutiny committee. This paper relates to the LAA targets 'owned' by the Cambridgeshire Horizons under the Managing Growth theme. Last year, the annual report for 2008/09 was considered by the Environment Scrutiny Committee on 6 October 2009.
- 3.2 The report on Cambridgeshire Together overall, elsewhere on this agenda, highlights that - even if partners achieved the LAA targets - it is now unlikely that the incentive of 'reward grant' will be honoured.

4. Introduction to Cambridgeshire Horizons

- 4.1 Cambridgeshire Horizons is the local delivery vehicle that co-ordinates the delivery of sustainable growth across the county and leads on the Managing Growth theme. Created by the councils and other agencies, it is a company limited by guarantee. With a core revenue budget of £870,000 and a capital budget of £1 million, it employs 15 FTE staff. Its core objectives are to:
 - co-ordinate development and infrastructure implementation;
 - overcome barriers to sustainable development;
 - secure and manage funding for infrastructure;
 - ensure developments employ high quality sustainable design; and
 - communicate the wider benefits of the planned development to the wider community.

- 4.2 The Horizons Board is the key body through which Horizons' key objectives are agreed. The City Council's representative on the Board is Councillor Reid. Meanwhile, a sub-committee of the Horizons Board, the Joint Strategic Growth Implementation Committee (JSGIC), oversees the progress of major developments on the Cambridge fringe sites. JSGIC is attended by the Leader and the Executive Councillor and the Labour Group spokesperson for Climate Change and Growth (Councillors Blair and Herbert).
- 4.3 At officer level, the Horizons Board is supported by the county-wide Growth Partnership Board (including directors from each of the local authorities in Cambridgeshire), and JSGIC by the Senior Officer Board (with directors from the City Council, County Council and South Cambridgeshire District Council). Both groups are attended by the Directors of Environment and Customer & Community Services, as well as the Director of Joint Planning for the Cambridge Fringes.
- 4.4 Horizons oversees the performance of the following LAA targets:
- NI 154 – Net additional homes provided
 - NI 155 – Number of affordable homes delivered (gross)
 - NI 159 – Supply of ready to develop housing sites (local target).
- 4.5 The targets for these indicators were renegotiated and finalised in February 2010 to lower levels, in order to reflect changes in housing market conditions. These revised targets incorporated projections from the officer-level Cambridge sub-regional Housing Board.
- 4.6 Whilst the Horizons Board oversees the delivery of growth and affordable housing, it is the councils that are instrumental in helping to make new homes and affordable housing happen. Horizons does not have statutory powers, but the councils have the planning policy and development control responsibilities.
- 4.7 Planning applications within the city boundaries are determined by the City Council's Planning Committee. Meanwhile, decisions on applications relating to the major growth sites on the fringes of Cambridge are made by the Joint Development Control Committee for the Cambridge Fringes, which comprises councillors from Cambridge City Council, South Cambridgeshire District Council and Cambridgeshire County Council.

5. Performance against LAA targets

- 5.1 The county-wide performance figures for NI 154 and NI 155 are set out in Table 1, alongside the latest housing targets.

Table 1: County-wide LAA performance figures

Indicators	2008/09 Actual	2009/10 Actual	Target 2009/10	Target 2010/11	2008-11 target
Net additional homes provided	2,793	2166	2,024	3,011	7,848
Affordable homes delivered	924	926	960	1,146	3,030

- 5.2 The performance figures for Cambridge in 2009/10 show that:
- 288 new homes were completed, compared to 589 in 2008/09.
 - 128 affordable homes were delivered, compared to 150 in 2008/09. The number of affordable homes in Cambridge in 2009/10 represents 44% of the new homes completed in the city.
- 5.3 The drop in the completion of new homes and affordable housing reflects the recession and slowdown in house-building. Housing completions in the county have fallen for two years in a row, compared to 4,208 new homes in 2007/08. Delays to some major developments also explain why the delivery of affordable homes in 2009/10 was below the revised target. Those affordable homes not completed this year will be counted in the performance figures for 2010/11.
- 5.4 The 2009/10 county-wide target for new homes was met but it remains to be seen whether the 3-year target up to March 2011 will be.
- a. The latest figures for larger sites of more than 100 homes for the first quarter of 2010/11 (300 homes) show a significant drop in completions on the previous quarter (455).
 - b. That said, completions on larger sites in the first three months of the year do tend to be relatively low, compared to the other quarters (244 new homes were completed in April – June 2009).
 - c. The underlying concern, however, is that housing completions are largely dependent on housing starts in previous years. Whilst the number of new homes starting on site increased in 2009/10 (2,385 starts) compared to 2008/09 (1,898 starts), the figures are still comparatively low. In 2007/08, there were 2,974 starts.
- 5.5 What is clear, however, is that considerable progress has been made since March 2009 on the growth sites on the Cambridge fringes:
- Glebe Farm was granted full planning permission in August 2009;
 - Three major housing sites (Trumpington Meadows, Clay Farm, CB1), over 4,000 homes in total, have been given outline approval;

- the Cambridge Biomedical Campus (employment site) received outline planning approval in October 2009 – this will double the size of the Addenbrooke’s Hospital site and create 9,000 new jobs;
- homes are being built on the NIAB frontage land;
- the NIAB main site has received outline approval subject to finalisation of a Section 106 agreement.
- the North West Cambridge Area Action Plan (for the Cambridge University site) has been adopted by the City Council and South Cambridgeshire District Council. It sets sustainability standards for carbon and water reduction higher than any other council policy in the UK for a new development of this size, Of the 3,000 homes planned for the site, 50% will be key worker housing for University staff. 2,000 units of student accommodation are also planned.

5.6 Six of these major growth sites could be under construction in 2011/12. A summary of the milestones achieved towards the growth of Cambridge since March 2009 can be found in Appendix A.

Table 2: Growth site applications on the Cambridge fringes

Site	Current status (Sept. 2010)	Work on site expected	New homes	
			Expected By 2015	In total
Southern fringe				
Trumpington Meadows	Outline approval	From 2011	570	1,200
Clay Farm	Outline approval	From 2011	920	Up to 2,300
Glebe Farm	Full permission	From late 2010	286	286
Bell School	Outline approval subject to S106	From 2011	347	347
North West Cambridge				
NIAB frontage	Being built	On-going	880	187
NIAB main	Outline approval subject to S106	From 2012		1,593
University site	Pre-outline application	From 2012	525	Around 3,000
Around Cambridge station				
CB1	Outline approval	From late 2010	331	331

- 5.7 NI 159 (the supply of ready to develop housing sites) is based on developers' housing plans for the next five years - set out in the Annual Monitoring Report (AMR) - divided by the number of homes required annually to meet official targets (1,100 homes) based on the Regional Spatial Strategy (RSS) to 2021. The indicator has not been reported at a county level. In 2008/09, the figure for Cambridge was 131%. There have been two important changes since then.
- a. New official guidance (July 2010) for calculating NI 159 means that the denominator is now based on the notional annual target from the proposed RSS to 2031 (700 homes per year). With developer predictions of 6,550 homes between 2010 and 2015, this would give Cambridge a score of 187% in 2009/10. If the old denominator was applied, the performance figure would be 119%.
 - b. More fundamentally, the Regional Spatial Strategy and its targets for new homes were abolished in July 2010. In this context, it is questionable how much significance should be attached to NI 159.

6. Other issues relating to the partnership's performance

- 6.1 Cambridgeshire Horizons' support for the Growth agenda since March 2009 has included the following initiatives:
- a. Allocating £12.5 million of the county's Housing Growth Fund (HGF) capital award for 2009-11 to a Flexible Fund to enable major developments on Cambridge's southern fringe to move forward in spite of the slowdown in the housing market. Even though the last Government reduced the county's overall HGF award for 2010/11 by £6 million, the Horizons Board maintained a strong commitment to the Flexible Fund.
 - b. Helping to finalise a £4.5 million loan to the developers of Trumpington Meadows from the Flexible Fund. More recently, Horizons has been negotiating the details of a possible equity investment in the Clay Farm development.
 - c. Awarding around £155,000 to growth-related projects in and around Cambridge from the HGF revenue budget. These projects have included the joint local infrastructure study between Cambridge City Council and South Cambridgeshire District Council, the North West Cambridge Retail Study, community engagement on Cambridge's southern fringe, and the joint procurement of community facilities.
 - d. Providing around £575,000 from its Joint Planning Budget in 2009/10 for growth-related posts and associated costs at the City Council, alongside support that it has provided for staffing at the County Council and South Cambridgeshire District Council.

- e. Producing the Cambridgeshire Integrated Development Programme (IDP), which provides an overview of the need for sub-regional infrastructure projects arising from the growth of the county. This looked at three key themes (climate change adaptation & mitigation, strategic transport, and strategic community infrastructure) and the needs of seven areas, including Cambridge's southern, north-western, north-eastern and eastern fringes and around Cambridge station. In 2010, the IDP has been followed by the development of a Cambridgeshire Local Investment Plan with the Homes and Communities Agency.
- f. Developing an approach to the Community Infrastructure Levy (CIL). The CIL regulations came into force on 6 April 2010 but before a local planning authority can introduce CIL, certain steps must be followed. A pilot group has been established with Cambridgeshire Horizons to process the implementation of CIL and includes Huntingdonshire and East Cambridgeshire District Councils, who are ready to proceed with CIL. However, the Coalition Government is yet to make a policy announcement on CIL or the introduction of something similar.
- g. Working with the City Council to put forward a proposal in autumn 2009 for tax increment financing for 'Project Cambridge' (improvements to existing transport infrastructure and the public realm to connect Cambridge Station to the city centre). Whilst proposals made at that time were not taken forward, in September 2010 the Deputy Prime Minister announced that the Coalition Government will give local authorities the go-ahead to raise funds via tax increment financing.

6.2 A recurring issue in the dialogue with Cambridgeshire Horizons over the last 18 months has been the call from the City Council for clearer governance arrangements and the timely engagement of Horizons Board members and other executive councillors. Particular concerns were raised over Horizons' review of the Green Infrastructure Strategy and the need for Horizons to agree an annual business plan.

6.3 In response to these concerns, Horizons has modified the approach to the Green Infrastructure Strategy review, with further public consultation now due to take place in early 2011 prior to the publication of the strategy in Spring 2011. In addition, a draft Protocol for Project Governance was considered by the Horizons Board in March 2010. Horizons' work programme for 2010/11 was also presented to the Board in July 2010. The City Council continues to work closely with Horizons to ensure that the governance arrangements are in line with the Council's principles for effective partnership working.

- 6.4 The future of Cambridgeshire Horizons is still unclear at this stage. The current funding arrangements for the local delivery vehicle and the Housing Growth Fund awards run until the end of March 2011. It remains to be seen how far the Managing Growth partnership will be affected by both the Comprehensive Spending Review and the Government's response to proposals for a Greater Cambridge – Greater Peterborough Local Enterprise Partnership, which is considered separately elsewhere on this agenda.
- 6.5 If government announcements later this autumn mean that Horizons is set to continue next year, its business plan for 2011/12 will need to be considered by the Horizons Board in December 2010. If, however, Horizons is abolished or replaced, alternative arrangements will need to be made to make sure that the growth of Cambridge will be co-ordinated effectively.
- 6.6 For the time being, Members are invited to consider which of Horizons' current projects should be given high priority (and which could be scaled down or stopped) in either future scenario. A summary of Horizons' existing activities, featured in its Horizons' work programme for 2010/11, can be found in Appendix B.

7. Implications

Financial

- 7.1 Failure to meet all the LAA targets at the end of the three-year period (2008/09 – 2010/11) would have reduced the amount of grant awarded to Cambridgeshire Together. However, it now seems unlikely that this money will be available.

Staff

- 7.2 A considerable number of City Council staff from all departments are working with partners to deliver the LAA. Indeed, over 12 FTE City Council, growth-related posts are funded until March 2011 by government funding via Cambridgeshire Horizons.

Equal Opportunities

- 7.3 Equality and Inclusion is a key strand of the LAA.

Community Safety

- 7.4 Safer and Stronger Communities is a key strand of the LAA.

8. Background papers

8.1 These background papers were used in the preparation of this report:

- City Council Annual Monitoring Report 2009 – December 2009
- Cambridgeshire Area Self Assessment – May 2010
- Local Area Agreement, Year End Performance Report - May 2010
- Managing Growth partnership overview to Cambridgeshire Together Board – 24 September 2010
- Work programme for 2010/11 report to Horizons Board – 1 July and 29 September 2010
- Housing update report to Horizons Board – 29 September 2010

8.2 The Horizons Board meets quarterly (March, June/July, September and December). The agenda papers and minutes can be found on the Horizons website (www.cambridgeshirehorizons.co.uk) by clicking on 'About Horizons', then 'Who we are', then 'Board meetings'.

9. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Growth of Cambridge: summary of milestones since March 2009

April/May 2009	<ul style="list-style-type: none"> • Consultation on NW Cambridge Area Action Plan ends. • Developers for Clay Farm and Glebe Farm lodge appeals.
June/July 2009	<ul style="list-style-type: none"> • Horizons and partners agree in principle a substantial loan to the developers of Trumpington Meadows. • City Council Housing Strategy 2009-12 agreed. • Report on lessons from Orchard Park development. • Cambridgeshire Transport Commission publishes findings.
August/ Sept. 2009	<ul style="list-style-type: none"> • Planning Inspector deems NW Cambridge AAP 'sound'. • Consultation on options for the Regional Spatial Strategy to 2031, run by East of England Regional Assembly, starts. • Clay Farm/Glebe Farm planning appeal commences.
October/ Nov. 2009	<ul style="list-style-type: none"> • S106 agreements signed and outline approvals given for Trumpington Meadows & Cambridge Biomedical Campus. • County Council decision on Transport Innovation Fund bid. • NW Cambridge Area Action Plan adopted by Cambridge City Council and South Cambridgeshire District Council.
Dec 2009/ Jan 2010	<ul style="list-style-type: none"> • Horizons Board approves Integrated Development Plan. • Government cuts £6 million cut in Cambridgeshire's Housing Growth Fund capital funding for 2010/11. • Public Art SPD and Cambridge Parks Strategy approved.
Feb/Mar 2010	<ul style="list-style-type: none"> • Clay Farm / Glebe Farm planning appeals dismissed. City Council policies on 40% affordable housing upheld. • Government scraps Transport Innovation Fund. • NIAB frontage land begins construction.
April/May 2010	<ul style="list-style-type: none"> • Glebe Farm approved, subject to S106 agreement. • Outline approval for CB1, subject to S106 agreement. • Marshall Group announces that it will not be moving from Cambridge Airport in the immediate future.
June/July 2010	<ul style="list-style-type: none"> • NW Cambridge Community Forum event held. • Outline approval for main NIAB site, subject to S106. • Regional Spatial Strategies abolished.
August/ Sept 2010	<ul style="list-style-type: none"> • Full permission for Glebe Farm and outline approval for Clay Farm, following finalisation of S106 agreements. • Consultation on NW Cambridge food store options starts. • Joint bid made for Local Enterprise Partnership.

Summary of projects set out in Horizons' 2010/11 work programme

The main areas of activity set out in Horizons 2010/11 work programme are:

- programme and project management;
- securing funding for growth and infrastructure projects;
- a Quality of Life programme;
- promoting growth and communicating the progress being made at a national and local level; and
- working in partnership to overcome barriers to delivery.

Here is list of the strategic projects and activities that the Horizons Board oversees for information or decision.

Project Title	Key Aims
Green Infrastructure Strategy	To update the current Green Infrastructure Strategy to 2031 to reflect the whole county.
Cambridgeshire Quality Panel	To provide a panel of experts in the 4C's of the Quality Charter to provide independent advice to planning authorities on major development site proposals.
Cambridge Area Water Cycle Strategy (WCS)	To deliver a water cycle strategy for the major sites in & around Cambridge. This includes: <ul style="list-style-type: none"> • strategic Infrastructure; • major sites assessments including infrastructure; • a pathway to sustainable water management for Growth.
East Cambs & Fenland WCS and Strategic Flood Risk Assessment	To deliver a Water Cycle Strategy for East Cambridgeshire and Fenland.
Carbon Offset Mechanism	To provide Cambridgeshire public sector partners with a strategic overview of available options for setting up some form of Carbon Offset Fund, and advise if the options will present real advantages over a 'do nothing' approach.
Low Carbon Development Initiative	A regional delivery vehicle works with the local authorities and partners to identify new renewable energy project opportunities. It then de-risks projects so the market will invest in their delivery. It can form one of the delivery vehicles for the carbon offset fund.

Project Title	Key Aims
Cost Benefit Analysis for delivering new public buildings at zero carbon standards	To identify the costs associated with delivering zero (or low) carbon new public buildings. Identifying if there is a financial benefit to investing early in zero carbon in advance of new standards coming forward. It can be linked with the implementation of the carbon offset fund.
Renewable Energy Infrastructure Plan	To develop a Renewable Energy Infrastructure Plan including: <ul style="list-style-type: none"> • a closed loop energy-waste-transport solutions for a low carbon Cambridgeshire focusing initially on growth sites; • an evidence base for the proposed introduction of community infrastructure levy; • to inform ongoing development of Local Development Frameworks (LDFs).
Carbon Management Plan for Growth	To develop a carbon management plan to be used as a tool for future infrastructure prioritisation.
Strategic Housing Market Assessment	To provide evidence to support districts' LDF on housing and affordable housing.
Cambridgeshire Local Investment Plan	To provide evidence to the Homes & Communities Agency (HCA) for investment in homes and communities across the county, supporting the single conversation and (later) local investment agreements.
Northstowe Local Investment Plan	To provide evidence to the HCA for investment in Northstowe, supporting the single conversation and (later) a local investment agreement.
Community Infrastructure Levy pilot	To support Huntingdonshire and East Cambridgeshire District Councils as they pilot standard charges on new development through the Community Infrastructure Levy.
Planned communications and community engagement	To raise public awareness of the growth agenda amongst local residents.
Annual conference	To share knowledge and best practice relating to the growth agenda.
Quality Charter Learning & Development Programme	To better equip officers and members with skills and knowledge to deliver high quality new developments.