

Budget and Performance Panel:

Commentary on Performance Indicator for new homes completions.

This Performance Indicator is coloured red to reflect the serious level of under performance with the completion of new housing in the district against the annual target of 400 homes per annum.

Members will no doubt be aware of the high level debate taking place at Government level about the root causes of the failure of the housing market to recover at the present time.

The Secretary of State acknowledges the ability of the house building industry to access the funds it needs to build, also however alleges that the complexities of the planning system and delays in Development Plan preparation are contributing factors.

The Local Government Association argue strongly that the planning system is delivering the permissions the industry needs and that there are over 400,000 homes capable of being built with current consents.

What these debates demonstrate is that much of the influence over new housing starts once planning permission is in place, is outside the City Council's control. It continues to support development proposals and has acted positively in varying many permissions to try and help developers with viability constraints during the recession.

The council's new Local Plan will propose housing schemes on green field sites for the first time in a generation if it is approved for the purposes of public consultation on 12th September 2012. This major step will enable the council to demonstrate that through the powers available to it, all has been done, which can be done to stimulate the new build housing market locally.

If the plan is approved for public consultation, the indicator will be turned to amber in recognition of the council's proactive action to mitigate the private sectors poor performance. In the event, however, that the council does not agree to consult on the new plan, the indicator will remain red as the council cannot demonstrate that it has put into place the appropriate level of mitigation for the economic conditions causing the failure of housing delivery at this time.

Andrew Dobson
Head of Regeneration and Planning
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