

CAMBRIDGESHIRE HORIZONS

Agenda Item No: 9

Progress on Major Developments and Infrastructure

To: **Cambridgeshire Horizons Board**

Date: **10 December 2008**

From: **Director for Development**

Purpose: **To update Board members on progress in delivering major developments and strategic infrastructure projects within the Cambridgeshire.**

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

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1. OVERALL PROGRAMME

- 1.1 The overall picture is of a significant slow down in progress across all major development sites. This is as a result of the economic downturn and limited supply of credit. Some sites that have been started, such as Cambourne, Orchard Park (Arbury Park), and Love's Farm in St Neots have experienced greatly reduced activity in the last couple of months.
- 1.2 Conditions in the housing market have led to requests from developers of new (i.e. not started) sites to reconsider planning obligation packages associated with many of the major developments in the area.
- 1.3 Work has commenced to test the assertions that sites are less viable than previously thought and on exploring alternative means of bridging viability gaps. We are seeking to understand the issues relating to each major site and are considering appropriate responses, taking into account funding availability and the potential for new interventions. An update on this work is provided at Item 15.
- 1.4 South Cambridgeshire District Council's consultation on Site Specific Policies DPD 'Responding to a Housing Shortfall' ends on 12 December 2008. Seven sites are identified as Preferred Sites to make up the housing shortfall in the district's current allocation. It is anticipated that the Planning Inspectors will recommend which of these additional sites should be allocated for housing development in February 2009.

2. SUMMARY OF PROGRESS WITH MAJOR DEVELOPMENT SITES

2.1 Cambridge Southern Fringe

- 2.1.1 In response to a request from developers of **Clay Farm (2,270 homes)** to reconsider the viability of the site, we have asked King Sturge to review the viability model, including the phasing of developer contributions. Consideration will be given to the longer term financial prospects and not just the current downturn.
- 2.1.2 **Trumpington Meadows** (1,200 homes) section 106 agreement continues to progress towards completion, although a request has been received for re-phasing of some Section 106 payments. Alternative sources of funding would be needed to pay for early infrastructure, such as a public sector loan.
- 2.1.3 **Addenbrooke's** has also requested a re-phase of triggers for the Section 106. Again, to meet these requests would need alternative funding in early phases, or a re-phasing of the delivery of infrastructure.
- 2.1.4. The **Glebe Farm** (280 homes) application is now likely to be considered at the February 2009 meeting of the Joint Development Control Committee.

2.1.5 Work on the **Addenbrooke's Access Road (AAR)** continues, with completion anticipated by September 2009. Permission for the MRC Boulevard is expected to be considered at the January meeting of the City Council's Development Control Committee. The Section 106 agreement is being finalised with a view to securing completion of this element – in effect to complete the full AAR scheme – by September 2009.

2.2 North West Cambridge

2.2.1 As with the Southern Fringe sites, viability is being reconsidered by the developers of the NIAB site (1,580 homes). Barratt Strategic has appointed a leading counsel to advise in relation to secondary education requirements and the general scope and content of other section 106 matters. Barratt's position regarding these aspects is expected imminently.

2.2.2 Barratt proposes to issue amendments to the planning applications for the existing NIAB allocation and the proposed "NIAB extra" (SCDC site) by the end of the year (see also para 1.4 above).

2.2.3 The examination in public for the North West Area Action Plan is scheduled for completion on 9 December 2008. The inspector's report is expected in the New Year.

2.3 Cambridge East

2.3.1 An oral update will be provided at the Board meeting.

2.4 Northstowe

2.4.1 The Joint Promoters propose to submit a revision to the current outline planning application in Spring 2009. The start on site at Northstowe has been delayed to at least 2010.

2.4.2 An Investment Strategy is being drawn up to identify the infrastructure requirements, and to inform the drafting of the Section 106 agreement. Work is also continuing in liaison with the Joint Promoters and Cambridge Partnerships Ltd on public realm management issues. Early indications are that there is a substantial viability gap for the proposed development. The refresh of Cambridgeshire's Programme of Development included a bid for just over £36m for Northstowe, of which £22m is Rolling Fund. An oral report will be made on the HGF award if it is received in time for the Board meeting.

2.4.3 The County Council has selected promoters for the first primary school (Diocese of Ely) and the secondary school (Swavesey Village College) following the competition tender processes.

2.5 Market Towns

- 2.5.1 **Ely:** The Ely Masterplan Working Party has held a series of sessions with key stakeholders to help inform future growth plans for the city.
- 2.5.2 **St Neots:** Government is still considering potential of proposals for a further development for the east of town as an 'eco quarter'. Funding is being sought through the Programme of Development (POD) process. Arrangements are being made to establish a delivery board with appropriate governance and community engagement arrangements.
- 2.5.3 **Huntingdon:** Huntingdonshire DC is continuing the design of the proposed Huntingdon Western Link Road: a planning application is being prepared with permission anticipated in March 2009. HGF support is being sought to contribute to roads and other infrastructure to support growth and regeneration.
- 2.5.4 The development at Mayfield Road, comprising 29 affordable homes built to Code Level 5 standard, has been given approval (subject to any call-in) by the district council. The scheme, which is part-funded by HGF on land made available by the district council, is expected to be delivered by the RSL within the next couple of years.
- 2.5.5 **Fenland Towns:** Fenland DC is considering the future growth strategy for the district through its sustainable communities strategy and will publish a draft core planning strategy, identifying broad locations for development, for consultation in Spring 2009. Proposals for over 300 homes at Nene Riverside, Wisbech, linked to employment and regeneration, have been affected by the economic downturn and need for further funding to support that already committed by the district council. Consideration is being given to how infrastructure can be brought forward to prepare the site for development in the future.

3. PROGRESS WITH THE CURRENT HGF PROGRAMME

- 3.1.1 Government awarded Cambridgeshire £14.2m of HGF capital funding for 2008/9. Work on the agreed programme of projects has commenced, although many projects did not commence until July 2008. Progress with the programme is broadly as planned. There is some underspend on a few projects, which gives rise to a forecast underspend of about 11% of the total HGF Capital budget in the current year. However, this is not a cause for major concern as funds are flexible and can be rolled forward to the following year.
- 3.1.2 Government also awarded Cambridgeshire £0.727m of HGF revenue funding for 2008/9. A programme of revenue-eligible

schemes has been agreed by the Steering group, but around 25% of the total has been held back to provide for some flexibility in the current changing circumstances. HGF Revenue is also flexible within and beyond the funding period.

3.1.3 The £8m of Rolling Fund allocated in 2007 has been spent on the Addenbrooke's Access Road. The cost of the AAR (including the County Council's prudential borrowing, Rolling Fund, and some HGF Capital) is to be recovered from section 106 agreements associated with the major developments in the Southern Fringe. It is likely, though, that the Rolling Fund will remain committed to AAR for a longer period than previously envisaged because of the delays in implementing the major developments. The Programme of Development refresh includes a bid for a further £37m of Rolling Fund in 2009-2011.

3.2 Community Infrastructure Fund (CIF2)

3.2.1 The business case for works to support the Cambridge Station Gateway scheme was submitted to Government at the end of November 2008, and award is anticipated in the spring of 2009. County officers are working with CB1 developers towards an anticipated start on site summer 2009

4. Quality of Life and Strategic Infrastructure

4.1 Quality Charter for Growth

4.1.1 The Charter is shortlisted for an RTPi planning award (awards announced 5th February 2009). The steering group is overseeing development of the next phase of taking forward the charter and developing a programme to increase skills in delivering sustainable growth.

4.2 Water Cycle Strategy (WCS)

4.2.1 An advertisement for the site-specific Phase 2 of the Water Cycle Strategy has been posted on the EU website.

4.2.2 Phase 1 of the WCS examined strategic water services infrastructure requirements for the sub-region, providing a timeline of necessary upgrades and new works required up to 2021, including consideration of detailed requirements for Cambridge Southern Fringe and Northstowe. Phase 2 of the WCS explores site-specific infrastructure requirements for the remaining major growth sites, and will investigate in detail the sustainability measures that could be delivered in the sub-region.

4.2.3 Invitations to Tender for Phase 2 have been issued and the deadline for return is 22 December 2008. Commencement of the 6-9 months commission is anticipated in early February 2009 and we anticipate that the final report will be published in late 2009.

4.2.4 We are preparing a project brief and scoping a Phase 1 WCS for East Cambridgeshire and Fenland. It is hoped that consultants will be appointed early in the New Year.

4.3 The **Cambridgeshire Guided Busway** remains programmed for completion in Spring 2009.