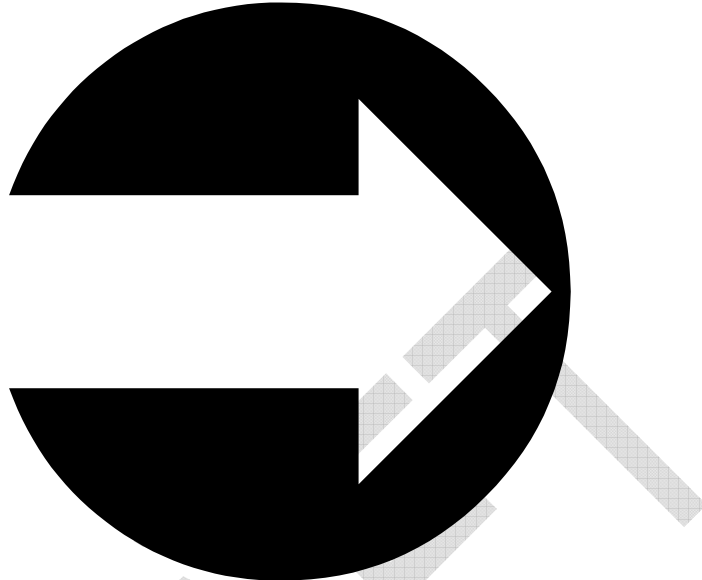


# Cambridgeshire Local Investment Plan



## Contents:

- 1. Introduction & Summary**
- 2. Cambridgeshire Context**
- 3. Housing & Economic Aspirations**
- 4. Skills & Capacity Issues**
- 5. Affordability & Renewal Objectives**
- 6. Sustainability Issues**
- 7. Economic & Funding Position**
- 8. Targets & Work Programme**
- 9. Prioritisation**
- 10. Communications Plan**

## 1. Introduction & Summary

The Cambridgeshire Local Investment Plan (CLIP) has been prepared by Cambridgeshire Horizons and the Housing Board, in partnership with Local Authorities and other key stakeholders, in order to facilitate the Single Conversation between the Local Authorities of Cambridgeshire and the Homes and Communities Agency.

Cambridgeshire Horizons was set up in 2004 by the six local authorities in Cambridgeshire, the regional development agency and the Homes and Communities Agency (in its former incarnation as English Partnerships), to help deliver the vision shared by local and central government to create sustainable and vibrant new communities in Cambridgeshire.

The vision set by the founding members was for places where people want to live and work and which enhance the overall quality of the area. This was set out in the 2003 Cambridgeshire and Peterborough Structure Plan, and was rolled forward into the 2008 East of England Regional Spatial Strategy (The East of England Plan).

Since this vision was agreed, the partner organizations have produced a considerable body of evidence on housing, infrastructure, and economic development need. To meet these needs and delivery high quality new communities, a number of policy documents have been agreed by sub-regional partnerships, including the Sub-regional Housing Strategy and Sub-regional Economic Strategy. A strong Local Area Agreement, supported by thematic partnerships, is also in place for the County.

In order to ensure that the Cambridgeshire Local Investment Plan is a concise document, it is structured as a framework, with signposts to detailed work that has already been completed. Notably, the CLIP updates and expands upon the Cambridgeshire Prospectus, which was submitted to the HCA in March 2009 to start the Single Conversation. Diagram 1 overleaf demonstrates the key documents that this Local Investment Plan encompasses, by theme. It is not intended to be completely exhaustive, and other sources are drawn on where necessary.

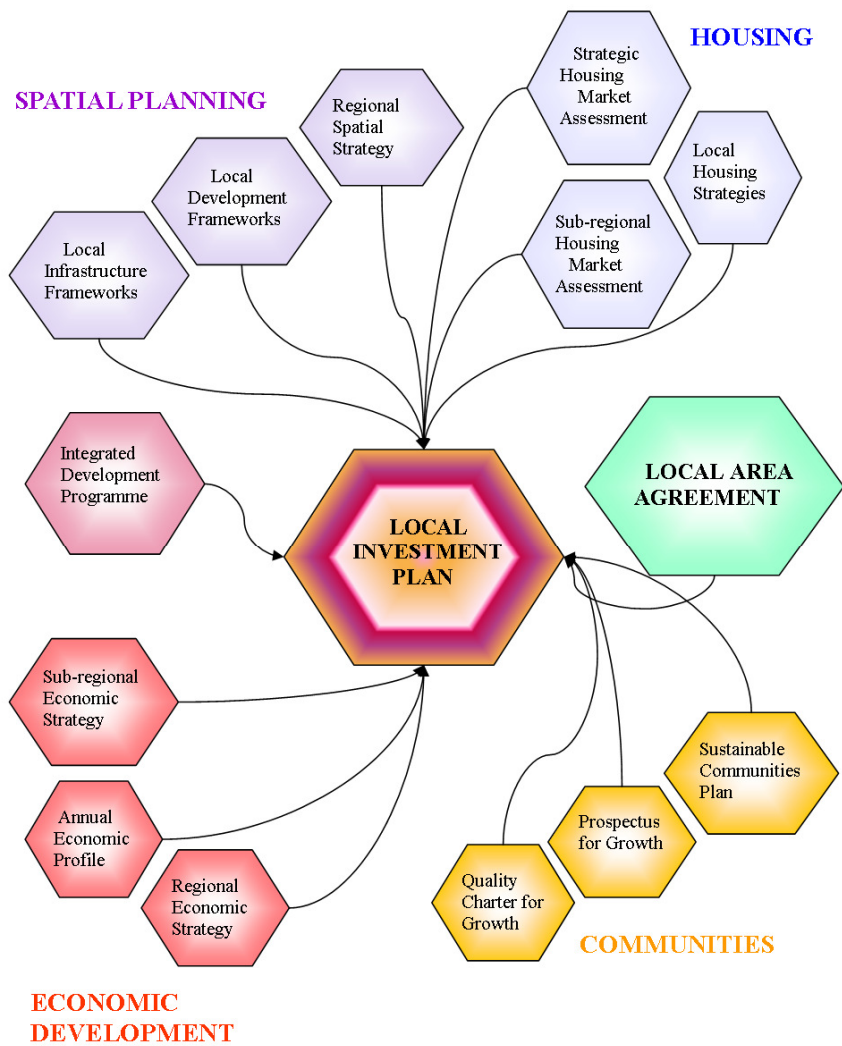
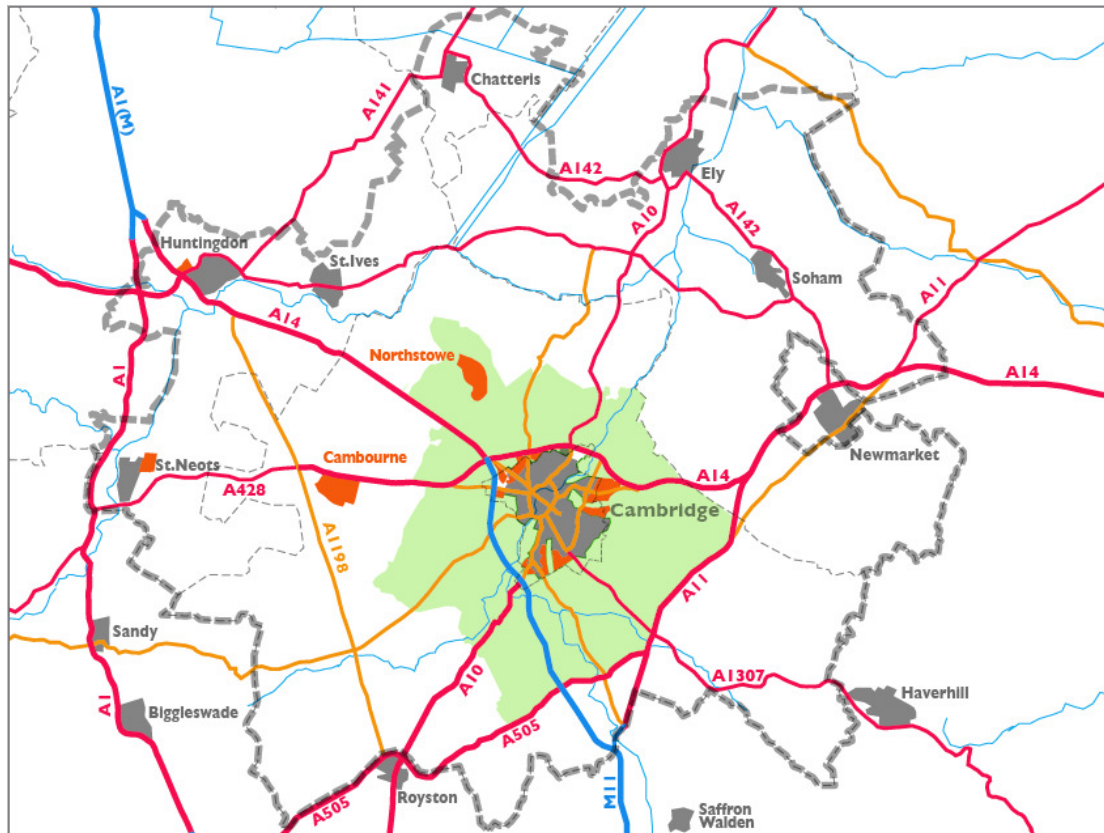


Diagram 1

The object of this plan is to demonstrate that investment in Cambridgeshire will meet the significant needs for additional housing, infrastructure, and community facilities, meet the key objectives for the HCA in delivering sustainable growth and regeneration, and represent excellent value for money, demonstrating that growth and regeneration projects in Cambridgeshire can succeed despite the economic downturn and the inevitable reduction in available public funding over the coming years.

## 2. Cambridgeshire Context

### Geography



This Local Investment Plan relates to the administrative county of Cambridgeshire. The Local Authorities of Cambridgeshire have made the decision to proceed with the Single Conversation partnership, given the strong existing structures in place and cross-boundary nature of housing growth, economic and infrastructure issues within the county. Cambridgeshire Horizons, the Local Delivery Vehicle for the Cambridgeshire growth agenda, covers the whole county and forms the thematic partnership for growth within the Local Area Agreement structure in operation in Cambridgeshire. The Cambridgeshire Horizons Board includes representatives from all six Local Authorities, as well as stakeholders from housing associations, representatives from business, education, and health.

The County's settlement pattern is strongly influenced by the city of Cambridge, which accounts for nearly 20% of the total population of around 600,000. Cambridge plays an important regional role and is of national and international importance for its outstanding historic character, as a centre of learning and research, and because of its emergence as an internationally significant cluster for high technology industries. North Cambridgeshire is primarily influenced by Peterborough, which lies just outside the County boundary. The larger market towns of Wisbech and March are the main focus for economic and social life within North Cambridgeshire.

➡ For more detail click here: [Chapter 6 of the Strategic Housing Market Assessment: Profile of the Cambridge Sub-region](#)

## The Growth Agenda

Within the East of England Plan (RSS), the Cambridge Sub-Region is one of only four areas identified for which “the coherence and particular nature of the issues and responses justifies sub-area treatment”. Cambridge is also identified in Policy SS3 as a Key Centre for Development and Change. The RSS sets out the following vision for the sub-region, stemming from the 2003 Cambridgeshire and Peterborough Structure Plan:

The vision for the Cambridge Sub-Region to 2021 and beyond is to continue to develop as a centre of excellence and world leader in higher education and research, fostering the dynamism, prosperity and further expansion of the knowledge-based economy spreading outwards from Cambridge. The historic character and setting of Cambridge should be protected and enhanced, together with the character and setting of the market towns and other settlements and the important environmental qualities of the surrounding area.

➡ For more detail click here: [East of England Plan](#)

The growth agenda for Cambridgeshire offers a uniquely attractive package for investment in delivering sustainable communities, including:

- Acute and strongly-evidenced housing need, as shown in the Strategic Housing Market Assessment and reflected in the regional economic and spatial strategies, so that demand for housing remains strong and the market will bounce back more quickly once the recession eases;
- An economy that is relatively resilient in the face of difficult macro-economic circumstances, with high levels of employment and good future growth potential;
- A sound and well-supported spatial strategy that gives a clear indication of where growth and infrastructure will come forward, underpinned by a shared vision across authorities and political parties to deliver high-quality growth;
- A suite of major housing development sites that have made major progress despite the downturn, and which represent excellent prospects for delivering a return on investment;
- Stable partnership mechanisms, co-ordinated through Cambridgeshire Horizons as a well-established Local Delivery Vehicle, and with joint planning arrangements in place for some of the key developments in the South of the county, which draw together the County Council, City Council and South Cambridgeshire District Council;
- A track-record of innovation and flexibility, and the vision to embrace radical new solutions to delivering new homes and communities;
- A strong commitment to delivering quality in our new settlements, backed up by a strong analytical base through our quality of life studies, our Quality Charter for Growth, our prospectus, our Strategic Housing Market

Assessment, our Integrated Development Programme and emerging Local Investment Frameworks (which operate at the Local Planning Authority level).

DRAFT

### 3. Housing and Economic Aspirations

#### The Economy

Cambridgeshire has a strong economy, with high levels of economic activity and skills compared to national and regional averages. The vision for economic development is ambitious, as it encompasses the international pre-eminence of Cambridge as a global high tech cluster and the requisite investment in homes and infrastructure. At the same time, quality of life is of vital importance. Cambridgeshire must retain its unique character as a particularly attractive place in which to live and work, as this is critical for retaining and attracting firms to the area, and enabling those firms to recruit footloose highly skilled employees.

➡ For more detail click here: [Greater Cambridge Sub-regional Economic Strategy](#)

Although the county cannot remain immune from the impact of global economic downturn, it is demonstrating greater resilience than some areas. Recent research published by the Centre for Cities, for example, suggests that Cambridge is weathering the recession better than other cities, noting that the rise in Job Seeker's Allowance claimants was lower in Cambridge than any other UK city studied.

➡ For more detail click here: [Centre for Cities Outlook 2010](#)

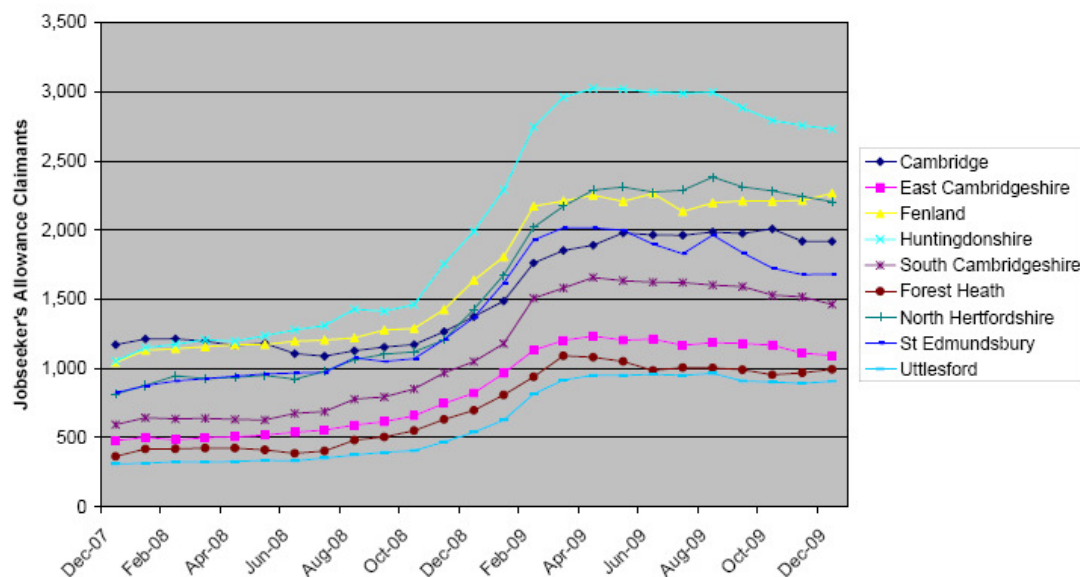
Cambridgeshire will use the slow-down to position itself for recovery. Investments will be prioritised to promote the best environmental, social and economic outcomes, planning for the long-term sustainability of the county.

#### Employment

The Greater Cambridge Partnership monitors employment in the economic sub-regional on a regular basis. The claimant count as of December 2009 is shown in the diagram below.

Diagram 2

**Claimant Count Unemployment - Numbers - Greater Cambridge Districts**



➤ For more detail click here: [Greater Cambridge Quarterly Economic Review October – December 2009](#)

## Skills

Diagram 3

Qualification levels in the Working Age Population, 2007

Area	% with NVQ4+ - working age				% with no qualifications - working age			
	number	denominator	percent	confidence	number	denominator	percent	confidence
East of England	887,200	3,413,500	26.0	0.7	425,400	3,413,500	12.5	0.6
Cambridge City	35,100	80,500	43.6	7.6	7,400	80,500	9.2	4.4
East Cambridgeshire	19,000	48,400	39.3	8.5	6,000	48,400	12.3	5.7
Fenland	8,500	53,100	16.1	5.3	5,100	53,100	9.7	4.2
Huntingdonshire	32,400	105,100	30.8	5.2	6,200	105,100	5.9	2.6
South Cambridgeshire	34,000	82,800	41.0	5.3	8,700	82,800	10.5	3.3
Cambridgeshire	129,000	369,900	34.9	-	33,400	369,900	9.0	-

Source: Annual Population Survey - <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=15150>

Note: The lower confidence figures denote a greater sample size and thus more robust figure

The table above (taken from the Cambridgeshire Integrated Development Programme), shows a high level of skills within the Cambridgeshire workforce. This is particularly evident in districts within the high-tech cluster. However there are also areas of concern, notable the relatively low level of skills within Fenland district.

➤ For more detail click here: [Greater Cambridge Annual Profile 2009](#)

## Enterprise & Entrepreneurship

Diagram 4

Business start-up indicators

	East of England	Cambridge City	East Cambridgeshire	Fenland	Huntingdonshire	South Cambridgeshire	Cambridgeshire
Total Registrations (2007)	19,720	390	305	270	605	620	2,190
Total De-registrations (2007)	14,695	245	215	200	420	400	1,480
Total Stock (2007)	204,655	3,885	3,500	3,210	6,620	6,590	23,805
Resident population aged 20-64 (2007)	3,342,900	80,700	48,000	52,300	102,200	81,700	364,900
Registrations as % of Stock	9.6	10.0	8.7	8.4	9.1	9.4	9.2
Deregistrations as % of Stock	7.2	6.3	6.1	6.2	6.3	6.1	6.2
Registrations per 10,000 people aged 20-64	59.0	48.3	63.5	51.6	59.2	75.9	60.0
Deregistrations per 10,000 people aged 20-64	44.0	30.4	44.8	38.2	41.1	49.0	40.6

Source: ONS/NOMIS

The table above (taken from the Cambridgeshire Integrated Development Programme) demonstrates overall levels of enterprise and entrepreneurship similar

to regional averages. South Cambridgeshire performs particularly strongly, whilst the weaker figures for Cambridge are likely to be linked to the high incidence of students.

➡ For more detail click here: [Greater Cambridge Annual Profile 2009](#)

## Regional Targets

The Regional Spatial Strategy provides a target of 75,000 additional jobs within Cambridgeshire by 2021. The regional target is an increment of 452,000 jobs and hence the intention is that Cambridgeshire should contribute around 17% of the total. In the published East of England Plan, the jobs target is not apportioned between districts, however it is linked into the Employment Land Reviews prepared by each Cambridgeshire district.

The East of England's Regional Economic Strategy, prepared by EEDA and supported by GO East, supports the national targets for CO<sub>2</sub> emission reductions, and is supplemented by a target of 60% CO<sub>2</sub> reduction by 2031. This is further bolstered by targets around renewable energy that would see 20% of the region's energy originating from renewables by 2020, with the region as the national leader by 2031.

➡ For more detail click here: [Inventing Our Future – Regional Economic Strategy for the East of England](#)

## Sub-regional Aspirations

The Cambridge Sub-regional Economic Strategy for 2009-2012 has the following high level objectives:

1. Grow a world class, knowledge based, low carbon economy.
2. Encourage the resource efficient growth of a diverse and robust economy across the whole of greater Cambridge.
3. Build a strong skills base and high levels of economic participation.
4. Develop sustainable infrastructure and a high quality of life.

➡ For more detail click here: [Greater Cambridge Sub-regional Economic Strategy](#)

These objectives support the goals of the Regional Economic Strategy, as well as contributing to Local Area Agreement target, specifically the following indicators:

- NI 152 Working age people on out of work benefits
- NI163 Working age population qualified to at least level 2 or higher
- NI182 Satisfaction of businesses with local authority regulation
- NI7 Environment for a thriving third sector
- NI154 Net additional homes provided
- NI155 Number of affordable homes delivered
- NI186 Per capita CO<sub>2</sub> emissions in the LA area
- NI188 Adapting to climate change
- NI172 % small businesses showing employment growth
- NI171 new business registration rate.

➡ For more detail click here: [Cambridgeshire Together – Cambridgeshire Local Area Agreement](#)

## Need for Housing

Historically, housing growth has not kept pace with the economic success of Cambridgeshire. The Strategic Housing Market Assessment and subsequent Housing Market Bulletins demonstrate that there are shortages of housing in multiple tenures and all areas of the county. Moreover, the economic downturn has not made a significant impact on affordability pressures in Cambridgeshire, which are particularly acute in urban areas.

The Strategic Housing Market assessment brings together a massive amount of data on housing issues within the Cambridge sub-region, and is therefore invaluable for understanding housing need and formulating appropriate policy responses.

➡ For more detail click here: [Strategic Housing Market Assessment](#)

In order to provide more frequent updates to key metrics of the housing market, such as average prices and affordability ratios, Cambridgeshire Horizons produces and disseminates Housing Market Bulletins. These are based on data from Hometrack Housing Market Intelligence System, and give a snapshot of the current market for housing.

➡ For more detail click here: [Cambridge Sub-regional Housing Bulletins](#)

The graph below, also taken from Hometrack, demonstrates that house prices throughout the county appear to be recovering from the recent downturn. Indeed, in Cambridge City prices as of November 2009 were at a higher level than before the downturn, emphasising the particular strength of underlying housing demand there. This is echoed by Diagram 6, which shows affordability ratios as of November 2009.

Diagram 5

### Average price

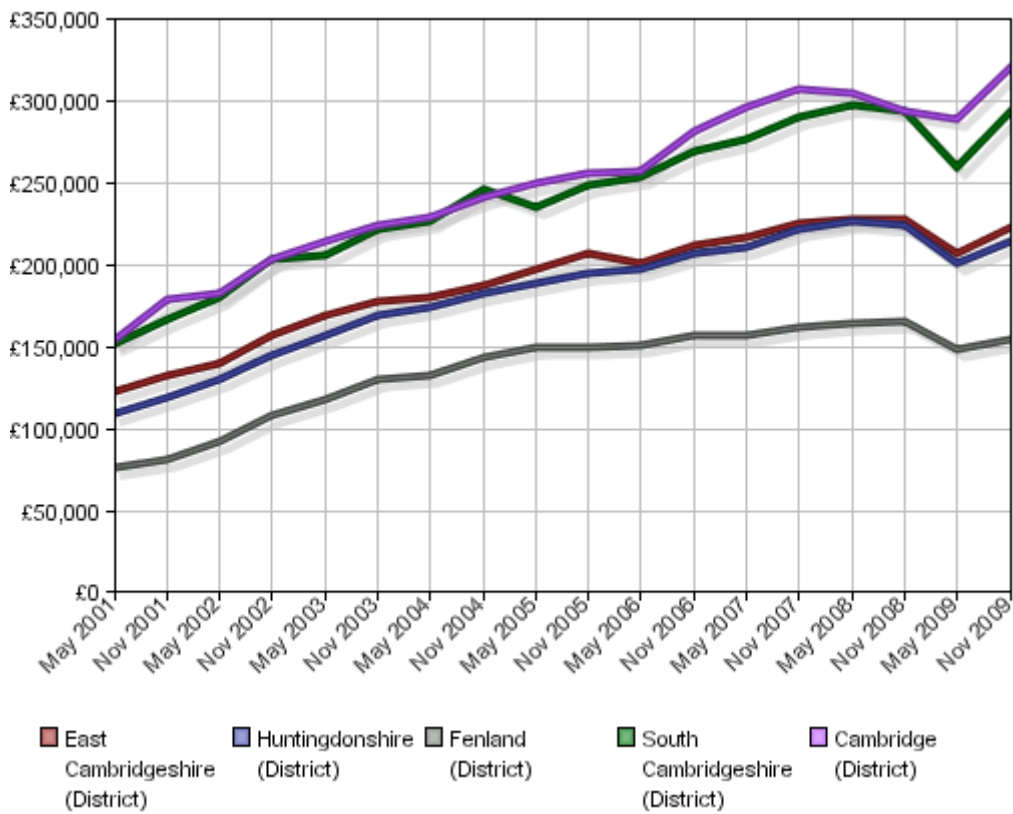
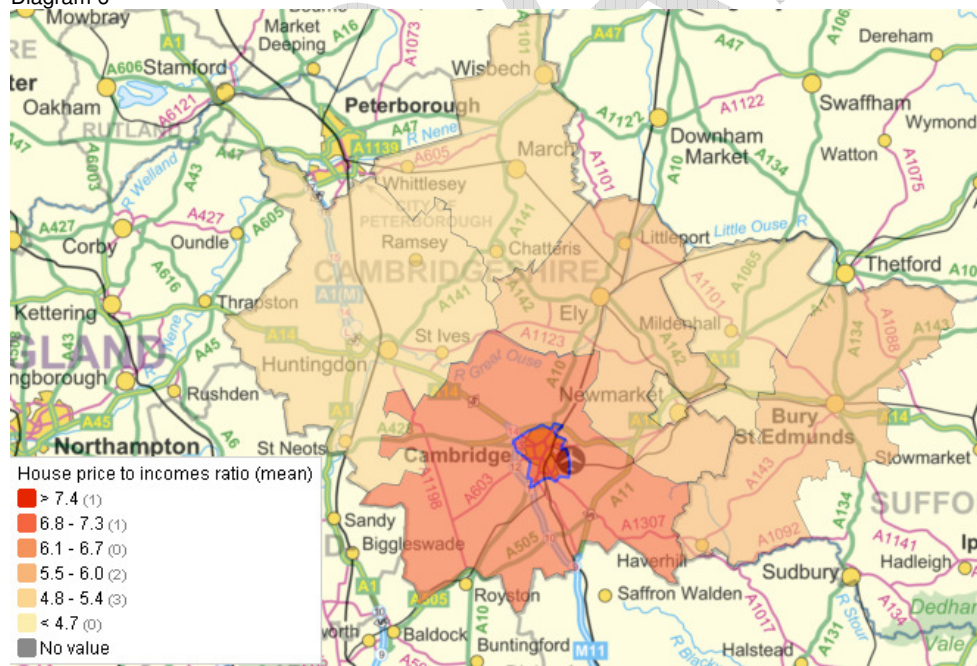


Diagram 6



### Regional Targets

As set out in RSS, the intention is that Cambridgeshire should provide at least 73,300 net additional dwellings over the plan period (2001-2021). The county figure is distributed across the five districts, with the scale of planned growth greatest in South

Cambridgeshire (+23,500) and least in East Cambridgeshire (+8,600). The figure for Cambridgeshire as a whole is just under 15% of the regional total.

This target is expressed through the Local Area Agreement as NI154, Net additional home provided. The other LAA targets under the Managing Growth theme are:

- NI155 Number of affordable homes delivered;
- NI159 Supply of ready to develop housing sites;
- NI5 Overall satisfaction with the local area.

The current trajectory for delivering the NI154 target can be found in Section 8, Targets and Work programme.

### **Sub-regional Aspirations**

The Cambridge Sub-regional Housing Strategy was agreed in October 2008. It brings together the national, regional and local policies for housing, condensing these into seven investment priorities:

1. Meet the challenge of significant housing growth to create mixed, balanced and sustainable communities across the sub-region while respecting our environmental assets and existing communities;
2. Plan for and respond to the sub-region's changing demography, particularly the needs of a growing number of older people;
3. Invest in rural homes to support vibrant, sustainable communities;
4. Respond to the diverse and changing needs of our communities including migrant workers, gypsies & travellers, and hard-to-reach groups;
5. Tackle both housing and support issues for people who are most vulnerable;
6. Make best use of existing homes and extend housing options by improving housing conditions, reducing risk, updating sheltered housing and bringing empty homes back into use – focusing on those who are vulnerable and living in private housing;
7. Prevent and tackle homelessness, help reduce deprivation and improve health and social exclusion.

➡ For more detail click here: [Cambridge Sub-regional Housing Strategy](#)

These priorities are linked into Local Area Agreement, as Diagram 7 overleaf shows. This table is an extract from the Cambridge Sub-regional Housing Strategy, and demonstrates the strong awareness in Cambridgeshire of the social, environmental and economic interdependencies to be considered when planning and delivering housing.

Diagram 7

<b>A summary of Cambridgeshire strategic priorities</b>	<b>How housing delivers these priorities</b>
<b>Environmental sustainability</b>	
<p>Building a sustainable environment includes reducing traffic congestion and promoting alternatives to car travel, through location of homes and employment, and through access to alternative and more sustainable transport methods. A sustainable environment also means protecting our natural and built environment, supporting local biodiversity and making sure homes are developed sustainability both in construction and in use.</p>	<p>We want to minimise commuting distances and car use, by locating new development well, close to facilities and with good transport links – growing the new town of Northstowe with a guided bus way to Cambridge, then the sites on the fringes of Cambridge City, then in market towns depending on their sustainability. Rural housing is developed to meet local need and to support our rural economies.</p>
<b>A vibrant economy</b>	
<p>Districts want to support economic development, made possible through careful location of homes to accommodate the workforce. Economic prosperity helps encourage people into work, supports innovation and enterprise locally, and enables prosperous and sustainable economies across the sub-region.</p>	<p>There are pilot projects running across the sub region to help us learn about sustainable and modern methods of construction. Major new sites can help people gain construction skills and help local employment – we need to take full advantage of this opportunity. In our changing economic climate we also need to keep up with changes in the housing market.</p>
<b>Housing growth</b>	
<p>Across the sub-region we want to ensure that growth benefits all residents, enhancing the environment and helping make sure more people can afford housing. This includes creating successful new communities which have a sense of place and purpose, developing the appropriate infrastructure (with funding) and ensuring developments use high quality, sustainable design.</p>	<p>Growth meets needs both of existing residents, and of people moving in to our area. It will help youngsters sharing homes with their families, struggling to find a place they can afford, and people who are in homes which are too small for their needs. Facilities like schools, transport improvements and new jobs created will all benefit both newcomers and existing residents. Careful design and planning of new developments can enhance feelings of safety and community, especially where communities are involved in the process.</p>
<b>Safe, healthy and inclusive communities</b>	
<p>We want to help people to live healthy, independent lives, and to build a stronger sense of community. This includes improving access to services, especially for disadvantaged groups, planning for the needs of older people, and involving everyone (especially young people) in planning and delivering services. Strong and active communities can help reduce crime and the fear of crime, and through participation and information, help promote health and well-being.</p>	<p>Decent homes can support and improve health and well-being, reducing energy use while keeping residents warm. Decent homes make a significant contribution to the public health agenda. Ongoing work and investment to improve standards in existing homes, whether owned or rented, and to bring empty homes back into use, all help make the best use of our existing stock. By offering residents choice about where they live and making the system open and transparent, we support stronger communities which accommodate the people who want to live there – tapping into work, family and support networks which all help to build safer, healthier and more inclusive neighbourhoods. By offering housing options to people who are struggling to remain in their homes, we want</p>

A summary of Cambridgeshire strategic priorities	How housing delivers these priorities
	<p>to prevent homelessness and, where it is inevitable, reduce its effects. The cost of homelessness is huge, particularly when measured in terms of a persons' health, happiness, opportunities and inclusion. Housing options and choices are particularly important for hard-to-reach communities, including Gypsies and Travellers. We must make sure all communities are equally able to access the homes and support they need in the right locations, throughout the sub-region. For people who may be vulnerable, support in the home can make the difference between a successful tenancy and homelessness, which is funded by the Supporting People programme.</p>
<b>Learning and skills for the future</b>	
<p>Across the sub-region we want to improve skills and learning opportunities, closing gaps in levels of skills and education across communities. We want to encourage achievement in children and young people, and to support life-long learning for all.</p>	<p>Making sure education and community facilities are in place, in good time, on new developments makes sure they will be well used and provide a vital resource, not only for the residents but for surrounding communities too.</p>

DRAFT

## 4. Skills and Capacity Issues

*WRT Cambridgeshire economy, refer GCP Profile 2009, page 15.*

### Public Sector

In order to adequately respond to the growth agenda for Cambridgeshire, partnership and joint working arrangements were established to deal with the cross-boundary issues arising during the planning and development of major new communities. These arrangements form part of the delivery mechanism for the Managing Growth theme of the Local Area Agreement.

*The list below may work better in diagram format.*

- For the determination of major planning applications on the fringes of Cambridge, the Joint Development Control Committee, which includes local councillors from Cambridge City, South Cambridgeshire District and Cambridgeshire County Councils.
- For the determination of the planning applications for the new eco-town exemplar of Northstowe, the Northstowe Joint Development Control Committee.
- To advise these committees, a Director of Joint Planning is in place.
- To project manage and drive the delivery of the growth agenda, the Local Delivery Vehicle Cambridgeshire Horizons was created. Horizons is governed by a Board that includes all six Local Authorities within the county, as well as private sector representatives, local, regional and national public sector organisations.
- To fund work on these cross-boundary sites, a Joint Planning Budget is available, administered by Cambridgeshire Horizons.

The management of the Housing Growth Fund monies demonstrates how these partnership arrangements operate effectively: Cambridgeshire Horizons co-ordinates and submits the overall bid for funding. As HGF is not ringfenced, once the amount of HGF has been confirmed a process of apportionment is required. Through the Horizons-chaired Growth Partnership Board, the projects to be funded are considered by all six Local authorities seeking to make best use of the funding to meet agreed objectives. This proposed programme of projects is then discussed and ratified by the Cambridgeshire Horizons Board. Horizons monitors the progress of each project, processes funding claims and reports on the status of the whole programme.

In addition to the general delivery partnership arrangements above, thematic groups have been set up as necessary, for example the Cambridgeshire Flood Risk Management Partnership.

The economic downturn has made the delivery of the growth agenda more challenging, in part due to the reduction in availability of public investment. Cambridgeshire's response to the deteriorating funding situation is discussed in greater detail in Section 7.

## 5. Affordability and Renewal Objectives

### Affordability

The significant affordability pressures in Cambridgeshire have been introduced in Section 3 above, and provide a very strong argument for pursuing the growth agenda even in a time of economic downturn. The Strategic Housing Market Assessment includes a detailed analysis of affordability by tenure and district, which is reflected in the sub-regional and local housing strategies.

➡ For more detail click here: [Strategic Housing Market Assessment Chapter 21: Affordability in the Current Market](#)

### Renewal

Spatial renewal priorities in Cambridgeshire are largely to be found in market towns to the North of Cambridge. Wisbech is a particular priority, as it shows relatively high levels of deprivation, with wages and skills below average. The Nene Waterfront project, which will provide office space for knowledge-based businesses, has secured Housing Growth Fund support.

➡ For more detail click here: [Nene Waterfront](#)

The Strategic Housing Market Assessment details the condition of housing stock across the sub-region, compared to the Decent Homes Standard. This allows pinpointing of specific areas requiring investment.

➡ For more detail click here: [Strategic Housing Market Assessment Chapter 12: Housing Stock Condition](#)

### Gypsies & Travellers

The Strategic Housing Market Assessment sets out the needs assessment undertaken in Cambridgeshire to inform planning for gypsy & traveler provision.

➡ For more detail click here: [Strategic Housing Market Assessment Chapter 33: Gypsy and Traveller Housing Issues](#)

This needs assessment informed the Sub-regional Housing Strategy, which includes a chapter on the needs of gypsies and travelers. The overall objective of this is to:

*Respond to the diverse and changing needs of our communities including Gypsies and Travellers, ensuring that Gypsies and Travellers accommodation and support needs are met.*

➡ For more detail click here: [Cambridge Sub-regional Housing Strategy Chapter 12: Gypsies and Travelers](#)

## 6. Sustainability Issues

In response to the imperative of climate change and the urgency of transition to a low carbon future, Cambridgeshire is planning an ambitious but necessary transformation. The growth agenda will demonstrate how high quality new developments can encourage sustainable patterns of living, and this is embedding in all levels of growth strategy. Existing communities will also require considerable investment to meet these challenges.

A major tool for this is the Quality Charter for Growth, a high level statement of key principles for creating sustainable communities. These four principles are:

- Community – Encouraging involvement with and interest in the management of the local area;
- Connectivity – Locating new developments where residents can benefit from strong transport links to jobs and services, upgrading infrastructure as necessary to ensure needs are met;
- Climate – Mitigating and adapting to climate change through innovative approaches to energy, transport, waste and water;
- Character – Creating distinctive places with an attractive public realm that encourages walking and cycling.

The endorsement of the Quality Charter for Growth by Cambridgeshire Local Authorities signifies the wide local councillor and officer buy-in to the principles of sustainable communities. In order to implement the Charter, Cambridgeshire Horizons are co-ordinating a training programme for professionals involved in the delivery of the growth agenda.

➔ For more detail click here: [Cambridgeshire Quality Charter for Growth](#)

A number of projects are also underway across the county that will contribute to the implementation of Quality Charter principles, many of which are also linked to the Local Area Agreement. In order to deliver the Environmental Sustainability theme of the LAA, a multi-agency partnership has recently been established. The following sustainability LAA indicators are managed and monitored by this partnership:

- NI197 Improved local biodiversity,
- NI186a Per capita CO<sub>2</sub> emissions in the Local Authority area,
- NI188 Adapting to climate change,
- NI175 Access to services and facilities by public transport, walking and cycling,
- NI189 Flood and coastal erosion risk management,
- NI194a Level of air quality – reduction in NO<sub>x</sub> and primary PM10 emissions,
- NI187 tackling fuel poverty,
- NI191 Residual household waste per household,
- NI192 Household waste recycled and composted,
- NI193 Municipal waste land filled,
- NI195 Litter, detritus, graffiti, fly-posting, fly-tipping.

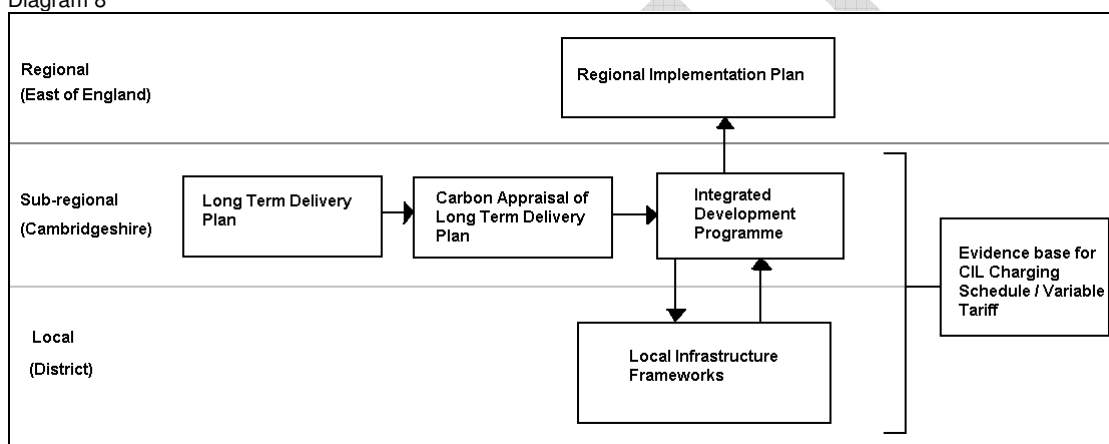
➔ For more detail click here: [Cambridgeshire Local Area Agreement](#)

From an economic perspective, patterns of employment and the mixture of industries and services within the county will evolve to meet environmental challenges. Cambridgeshire is in a strong position to capitalise on opportunities to develop clean technologies, such as renewable energy and zero carbon building, as well as environmental goods and services. Local strengths in research and development, ICT and environmental networks will confer an advantage. Investments to encourage this sector are planned, including the Hive, a low carbon innovation and enterprise centre. This project is intended to act as a catalyst for further development of the clean tech sector. A low carbon building skills academy is also an aspiration for Northstowe.

➡ For more detail click here: [Smartlife Eco-homes](#)

The infrastructure requirements for sustainable growth have been scoped by a series of studies, as summarised by the diagram below.

Diagram 8



The completion of these studies will provide an evidence base as to the local and strategic infrastructure required to grow the county whilst reducing CO<sub>2</sub> emissions. As of February 2010, the Regional Implementation Plan is in draft. The Integrated Development Programme has been endorsed by all six Cambridgeshire Local Authorities as a statement of strategic infrastructure requirements for growth, and is therefore a key element of Section 9, Priorities. Progress on Local Infrastructure Frameworks is as follows:

Local Planning Authority	Progress with Local Infrastructure Framework
Cambridge City Council	Tendering for joint LIF with SCDC
East Cambridgeshire DC	Underway, draft expected April 2010
Fenland DC	Spatial work to be undertaken prior to LIF
Huntingdonshire DC	Finished 2008, under review
South Cambridgeshire DC	Tendering for joint LIF with Cambridge City

Cambridgeshire Horizons is taking an active role, supporting the production of LIFs and ensuring that they are consistent.

## 7. Economic & Funding Position

The preface of the IDP sets out the Cambridgeshire response to the economic downturn. Although the county has not been left unscathed by the recession, the economic and institutional structures allow for greater resilience than many areas. These characteristics will also allow for swift recovery in the upturn.

With the expectation that economic conditions will be difficult in the short term, the growth partnership is seeking innovative solutions to deliver housing that might otherwise be stalled, both to meet the acute housing shortage and to stimulate economic activity. Considering the appropriate response to the changed economic environment, the Cambridgeshire Horizons Board has endorsed the following high-level objective:

*“In responding to changing economic circumstances, Cambridgeshire Horizons will work with its partners to develop flexible funding solutions which maintain the overall quality of developments, and will target available funds where they can deliver most value for money and be most effective at bringing housing or infrastructure projects forward”*

Whilst the economic situation necessitates a change in our realistic expectations, and suggests the need to look at different ways of delivering homes and infrastructure, it does not change the underlying arguments in favour of sustainable growth. Nor should it change the basic spatial philosophy of how to deliver that growth, as set out in the Structure Plan and confirmed in the Regional Spatial Strategy (RSS), with the focus on growing Cambridge and its fringes, the new town of Northstowe, and the market towns.

The Regional Economic Strategy (RES) makes reference to the importance of the growth agenda, setting out sub-regional economic ambitions and recognizing the Greater Cambridge area as a key ‘engine of growth’, but one whose future economic success depends to a large part on the successful delivery of additional homes and infrastructure. A flexible and skilled workforce is also crucial to businesses remaining competitive and profitable, which is even more important during the current economic downturn. It is therefore essential that education and training caters for the needs of business both currently and in expectation of improved and new business opportunities in the future. The new Sub-Regional Economic Strategy, covering the Greater Cambridge “engine of growth” and developed by the Greater Cambridge Partnership (GCP), recognises the issues caused by the economic downturn and details priorities for intervention to help the area build on its strengths and prepare for economic recovery.

In response to the economic downturn and deteriorating funding situation, the Cambridgeshire partners have taken a number of innovative approaches to make progress with sustainable growth.

### **Innovative use of Housing Growth Fund**

Cambridgeshire has been successful in securing awards of Growth Area Fund (GAF) and Housing Growth Fund (HGF). For 2008/09 £14.9 million was made available. The Department of Communities and Local Government have proposed a further sum of either £22 million for 2009/10 and 2010/11. As HGF is a programme- rather than project-based scheme, these monies can be used with great flexibility across the growth agenda.

Delivering the major growth sites is recognised as a priority and a 'flexible fund' has been agreed for these sites. HGF could then be used to support the viability of development, in the manner most appropriate to the situation. This could involve grant, loan, or purchase of an equity or land stake, and would be tied to quality requirements. As an approach, this has the potential to generate assets that could be used as a precursor to, or roll into, a Local Asset-Backed Vehicle.

### **Rolling Fund**

Consideration needs to be given as to how public funds can provide a genuine return. It is likely that public sector budgets are going to be tight for years to come, making it all the more important to use HGF as effectively as possible. In cases where viability concerns centre around current cashflow, rather than more serious doubts about profitability across the life of a scheme, a 'Rolling Fund' approach could be employed.

As well as payback clauses, this could involve the public sector taking an equity stake in developments. In this scenario, the public sector would take on more of the up-front risk of a project, including investing in infrastructure, but would then take a share of the proceeds from property development in the long run.

### **The Variable rate Tariff or Community Infrastructure Levy**

Cambridgeshire Horizons has been leading work to examine the potential for a countywide system of standard charging on new development, in order to fund infrastructure. This charge could take the form of the currently proposed Community Infrastructure Levy or a Variable Rate Tariff based in existing Section 106 legislation. Either of these innovative funding methods could provide contributions towards sub-regional projects. Such a charge would need to have varied rates to take account of differing development economics across Cambridgeshire.

### **A Local Asset-Backed Vehicle (LABV)**

Another option, similar to the equity share model, is an asset-backed vehicle approach. This could involve moving towards a co-funding, co-decision arrangement in which public sector assets such as land, revenue streams and cash are put into a joint venture company with matched funding from the private sector (most likely to be in the form of institutional investors such as pension funds or mutual building societies). This is known as a Local Asset-Backed Vehicle. The LABV could, for example, assemble land for redevelopment and sell it on as serviced 'development platforms' to house builders, but with conditions on quality of development written into the sell-on contract.

Cambridgeshire does not have large amounts of local authority land identified in statutory plans for development, but does have significant local authority land holdings elsewhere. Other public sector organisations also hold land, and assets could be pooled. A creative approach, appropriate for Cambridgeshire, could be developed. Although the Cambridgeshire Horizons Board has taken the view in March 2009 that a LABV is not currently a priority to explore, it has not been ruled out as an approach to try in the future. This could be an option emerging from Making Cambridgeshire Count.

## **Tax Increment Finance**

Tax Increment Finance is a method of borrowing funds to pay for infrastructure, on the basis that additional housing requiring that infrastructure will increase tax revenues. Although this system is widely used in America, it has not been tried yet in the UK, in part because the US has a wider range of local tax instruments, such as property tax, whereas the UK tax system is more centralised.

The use of this approach was mooted in the 2009 budget. Cambridgeshire Horizons has written to the Department of Communities and Local Government suggesting that a pilot project could be taken forward in Cambridgeshire, using the increments in business rate income, which could be returned to local control.

## **Total Place Initiative**

'Making Cambridgeshire Count' is a new initiative designed to transform partnership working and public services across Cambridgeshire. Its aim is to make each pound spent by the public sector count. A number of projects are being considered within this, under the aegis of the Local Area Agreement partnerships.

*More to be added, particularly on Total Capital/Assets.*

## **8. Targets & Work Programme**

*Trajectories for housing & affordable housing to be added, in addition to action plan references from the Sub-regional Housing Strategy & Sub-regional Economic Strategy.*

DRAFT

## **9. Prioritisation**

*To be added, with reference to the IDP & district priorities. Risk management to be included.*

DRAFT

## **10. Communications Plan**

*To be added with reference to Cambridgeshire Horizons communications plan & district Statements of Community Involvement.*

DRAFT