

CAMBRIDGESHIRE HORIZONS

Agenda Item No: 5

Major Development Sites Progress Report

To: **Joint Strategic Growth Implementation Committee**

Date: **20 April 2010**

From: **Director for Development, Cambridgeshire Horizons**

Purpose: **To update the Committee on progress with major developments.**

Recommendation: **The Committee is invited to note progress and comment on the issues raised in this report.**

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1. OVERALL PROGRAMME

- 1.1 The housing market across Cambridgeshire continues to show some signs of recovery, but this is neither universal nor uniform.
- 1.2 Horizons and the authorities are continuing to work with the housebuilders, the Homes & Communities Agency (HCA), and other key stakeholders to progress development on major growth sites.
- 1.3 The decision letter from the Secretary of State, dismissing Countryside's appeals on the Clay Farm and Glebe Farm, was issued on 26 February, see paragraph 2.1.2 below.
- 1.4 Marshall Aerospace has announced the decision not to relocate in the near future and the full ramifications are being examined. See section 2.3 below.
- 1.5 **Housing Growth Fund (HGF)** The reduction to the **Flexible Fund** arising from the Government's £6m cut to the HGF Programme budget for 2010/11 has been limited to £1.0m. We are currently working up the proposed equity investment with Countryside using the balance of the available Flexible Fund (i.e., £8.0m). Work continues on the revised programme of projects stalled by the Government's consultation.

1.6 HCA Kickstart Funding

- 1.6.1 The HCA shortlist of housing projects provisionally accepted into Round 2 of Kickstart includes five Cambridgeshire schemes (of 15 applications). Two of these have been approved recently (at Waterbeach and St Neots); the remaining three have yet to be accepted for Kickstart funding. It is unlikely that announcements on these will be made until after the election purdah.
- 1.6.2 Glebe Farm, Cambridge, is on the reserve list for Kickstart funding. Horizons' Chief Executive and Andrew Lansley MP met John Healey, Housing and Planning Minister, recently and, amongst other matters discussed, urged that the Glebe Farm bid be prioritised. The Minister has since written and said that HCA would review the position of reserve list schemes later in spring

1.7 Infrastructure Projects

- 1.7.1 The County Council Cabinet considered a report on 16 March 2010 regarding the **Cambridgeshire Busway**. Cambridgeshire County Council and the contractor BAM Nuttall Ltd are engaging in talks aimed at ensuring the northern section of the busway opens as soon as possible.
- 1.7.2 Work has commenced by the developers on the final section of the **Addenbrooke's Access Road** (the Boulevard through the Cambridge Biomedical Centre) and completion is anticipated in June 2010.

1.7.3 Chesterton Station is a priority scheme in the current Regional Funding Allocation. There is however some uncertainty how any cuts to the RFA might impact on overall implementation and timing of the station.

1.7.4 Following the Government's scrapping of the Transport Innovation Fund (TIF), the County Council is considering alternative sources of transport funding. These include the emerging Urban Challenge Fund, which effectively replaces TIF. The risk of failure to secure the funding necessary for transport schemes related to growth is of increasing concern.

1.7.5 The County Council held a presentation event at the end of March looking at **multi-storey schools**.

1.8 The draft **Cambridgeshire Local Investment Plan** (LIP) is being prepared by Horizons with the authorities in order to facilitate the Single Conversation with the Homes & Communities Agency. The aim of the plan is to show that investment in Cambridgeshire will meet significant needs and offer excellent value for money. It was reviewed by the Horizons Board on 23 March 2010. The authorities will assist in populating their own sections of the Plan and an executive summary is to be prepared. An updated draft will be presented to the Main Board in July.

1.9 Risk Management:

1.9.1 Issues of particular significance include :

- Management of traffic demand arising from growth and securing necessary funding for mitigation works: risk heightened following Government's scrapping of the Transport Innovation Fund. Alternative transport strategy to be worked up, including through the Joint Transport Forum.
- Delays to securing adequate infrastructure delays progress on growth sites, e.g., Cambridgeshire Guided Busway.

1.9.2 Issues where good progress has been made include:

- Improved demographics for planning new communities.
- Work on the on the Community Infrastructure Levy (CIL)/Local Investment Plan. The new regulations to enact CIL commenced on 6th April so this is now available as a funding tool for local authorities.

1.10 Resources

1.10.1 In response to the funding pressures on authorities and uncertainty about the levels of future revenue growth funds, officers have started to look at how to make the best use of future resources deployed on growth, and to explore the potential for more effective

and efficient joint working. Options to be considered include further use of formal or informal joint team arrangements and the internal consultancy model developed with the Joint Urban Design Team. The next stage will look at potential principles and objectives for enhanced joint working, and work areas for consideration.

1.10.2 It is felt that there is greater scope for more integrated working within the Cambridge City and SCDC area, given the formal joint planning arrangements and other factors. Proposals emerging from this work will be presented to JSGIC and also to the Horizons Board. The aim is to deliver the same (or more) with less.

2. SUMMARY OF PROGRESS WITH MAJOR DEVELOPMENT SITES

2.1 Cambridge Southern Fringe

2.1.1 The **Trumpington Meadows** loan agreement has been completed. Steps are being taken to prepare the way for the drawdown of the first tranche of the loan to the developers. It is anticipated that the Design Code for Trumpington Meadows will be presented to the Joint Development Control Committee (JDCC) in May 2010. Reserved matters applications for the first phase of 350 homes and site-wide infrastructure are being progressed concurrently. Start of construction is anticipated in late summer/early autumn 2010.

2.1.2 The Committee is already aware of the outcome of the appeals on the **Clay Farm/Glebe Farm** sites (total around 2,550 homes). Countryside has subsequently confirmed the intention to move the development forward on the basis of 40% affordable homes across the site using HGF equity investment from Horizons. We are seeking to ensure we secure returns commensurate with an equity approach, whilst securing commitment to delivery of the necessary infrastructure to open up the proposed sites of the secondary school and the community facility building, and the City Council's land north of the Busway. A financial and investment consultant has been commissioned to advise on the equity investment with a view to reaching a formal agreement with Countryside by the end of May.

2.1.3 Countryside has also lodged a separate full application for **Glebe Farm** to meet the eligibility requirements for funding in Kickstart Round 2, although it currently remains a reserve scheme. The planning application is due to be considered by the JDCC on April 21st.

2.1.4 Negotiations are continuing on finalising the **Bell School** Section 106 agreement and it is anticipated that the Section 106 agreement will be completed soon.

2.2 North West Cambridge

- 2.2.1** Following release of the Clay Farm appeal decision, it is anticipated that the planning application for the **NIAB** site (1,593 homes) will be considered by the JDCC in June. The frontage site (187 homes) has commenced with support from the HCA's National Affordable Housing Programme.
- 2.2.2** The developer of the **NIAB Extra** site has begun initial work on an application for the site with the submission of a formal request in February for a screening opinion in respect of the need for an Environmental Impact Assessment. The developer is meeting with South Cambridgeshire District Council officers this month to discuss how to take the site forward.
- 2.2.3** The University is working with local authority officers on the Masterplan for the **Cambridge North-West University** site, particularly addressing key issues such as demographics (including the crucial role of the lettings policy for the proposed key worker housing), transport and access, noise, air quality, and retail proposals. A Member briefing was held on 28 January. The draft master plan will be taken through the University's internal processes up to July 2010, working up to anticipated submission of outline planning applications to Cambridge City and South Cambridgeshire District Councils later in the year.
- 2.2.4** Work on the **retail study** in the North West Cambridge area is nearing completion and the transport implications and other planning issues are now being assessed. The findings will be considered through the authorities' democratic processes in the summer.

2.3 Cambridge East

- 2.3.1** Marshall Group, working with Horizons, the local authorities and government, has explored several alternative sites for the aerospace business, including Mildenhall, Waterbeach, and Wyton. None of these has proven to be feasible in the company's view and Marshall therefore announced before Easter that the airport and aerospace operations will remain on the current site for the foreseeable future, although the company has not ruled out that the circumstances may change.
- 2.3.2** The inability to rely on Cambridge East as the largest strategic development site in the Cambridge sub-region is a major blow for the overall strategy, in terms of providing the homes and facilities Cambridge needs in a highly sustainable location (and meeting the numbers required by the Regional Spatial Strategy). The policy implications of this decision will need to be discussed collectively by the local authorities through the appropriate fora.

2.4 Cambridge Northern Fringe (East)

- 2.4.1** Preparatory work continues between Cambridge City Council and South Cambridgeshire District Council on the production of a new Joint Area Action Plan. It is anticipated that the AAP could be ready for submission to the Secretary of State by mid 2011 and to be adopted by July 2012.

2.5 Orchard Park

- 2.5.1** Development continues at Orchard Park with 555 of the planned 900 homes on the development now occupied. Planning permission was granted for the commercial centre in November 2009 and an application for a second hotel has just been received by SCDC.
- 2.5.2** Delivery of the local centre is largely dependent on the results of the North West Quadrant Retail study (currently underway). Completion of POS1, consisting of the sports pitches, tennis court, changing rooms and skate park, is expected in March 2010.
- 2.5.3** Proposals for a self-provided housing scheme on the City Council land at site K1 are being taken forward following the study carried out by Stephen Hill of Futureplanners. A small project team is developing the proposals, gaining member views and design/policy guidance ahead of some soft marketing of the idea over the summer.
- 2.5.4** A Supplementary Planning Document is to be prepared by the Joint Urban Design Team and SCDC officers, in consultation with stakeholders and the local community. The SPD will set out guiding design principles for the remaining undeveloped sites, particularly along the northern edge and the south-west corner site. A first draft is expected by May to enable consultation in early summer with a view to adoption in the autumn. The guidance and process to be followed will build on comments made by the Orchard Park Task and Finish Group.
- 2.5.5** Orchard Park continues to be used as a reference site for other authorities, with visits from Rackheath (near Norwich) on 1 February, "Prague 13" on 2 February, and the Joseph Rowntree Foundation's Sustainable Urban Neighbourhoods Network on 15 March. The Partners Group continues to meet on a quarterly basis (next meeting 10 May) and remains an important element of the strategic delivery of the development.

2.6 Northstowe

- 2.6.1** Housing and Planning Minister, John Healey, announced on 9 March that Government has awarded £1.5m to Northstowe to help it to achieve eco town standards, and to progress some demonstrator projects. Northstowe was highlighted as an early prototype in the

Eco-towns Prospectus, and the plans have always envisaged the town reaching very high standards of quality and environmental sustainability. The new funding will help to achieve full eco-town standards in the way that Northstowe development is carried out and accelerate delivery of the local plan. Work will build on the existing evidence base and support analysis of how to develop the town to national eco-town standards while ensuring the scheme remains financially viable. An innovative demonstrator project will provide a Northstowe information centre within a station building for the Busway and Park and Ride, which will demonstrate a wide range of sustainability measures, together with a retrofitting programme at Rampton Drift to improve the environmental performance of existing homes within the footprint of the new town.

- 2.6.2** Discussions continue between the HCA and Gallagher Estates on the best options for moving Northstowe forward.
- 2.6.3** The Northstowe Renewable Energy Project has evolved and is now part of a wider regional-scale scheme, the Low Carbon Development Initiative that will enable knowledge to be shared among growth sites in the county and the wider region.
- 2.6.4** A legal agreement is being drawn up for the solution proposed developers to upgrade **Uttons Drove**. It is anticipated that the works will be completed by March 2011. Lord Smith, Environment Agency Chairman, visited Cambridge in February and attended a briefing with Cambridgeshire Horizons on the growth agenda more broadly, which included a description of the Uttons Drove project, which is potentially something the Agency would want to use as a template for other parts of the country.

2.7 Cambourne

- 2.7.1** Development at Cambourne continues and 2,883 homes have now been completed. The police station is under construction and due to open in the summer of 2010. Planning applications for the fire station and a garage are being considered,
- 2.7.2** The current outline application for 950 additional homes is the subject of viability discussions at present, along with refinement of the S106 obligations. Amendments to the application are expected shortly.
- 2.7.3** Colleagues associated with the Rackheath Eco-town proposals at Norwich visited Cambourne on 1st February when SCDC hosted a GO-East seminar as to what Rackheath can learn from Cambourne and Orchard Park, and shared experiences and ideas.
- 2.7.4** The County Council application to the Department for Children, Schools & Families for capital funding for a secondary school at Cambourne has not yet been determined. The DCSF is currently

reviewing all of its existing capital funding streams and no decision will be made on the application until this is complete.

2.8 Cambridge Station Gateway CB1

2.8.1 Cambridge Gateway (CB1) Project: The section 106 agreement relating to the CB1 development (now being taken forward by Brookgate Development) has been signed and planning permission has now been granted for the first phase of 1,000 student flats. Work on the site is now expected to commence later this year.

2.8.2 The County Council is preparing a planning application for the transport interchange to enable it to be constructed by mid-2011, using the £1.5m of HGF capital allocated. The interchange scheme has interdependencies with the link road between Hills Road and the station, which is reliant on funding from the Community Infrastructure Fund monies that were secured in 2008, and which are time-limited (the funds must be used by end March 2011).

2.9 Other Projects

2.9.1 Proposals for **The Hive** were launched on 11 March 2010. A project board comprising representatives of Cambridgeshire County Council, Cambridge Regional College, Horizons and Citylife has been established. A planning application is anticipated early soon with implementation by summer 2011.

2.9.2 Public consultation on the **Green Infrastructure** (GI) Strategy review ended on 7 March 2010 and the comments and advice received are being assessed and acted upon. Following discussion at the recent Horizons Board meeting, the second draft of the Strategy, to be produced by June 2010, will be in the form of a robust evidence base and optional toolkit to be used by the local authorities in formulating policies and for other uses. The document will be circulated to partner organisations (including through Member processes) for comment during this year and the way forward will be discussed by the project (not a public meeting) team.

3. QUALITY OF LIFE AND STRATEGIC INFRASTRUCTURE

3.1 Quality Charter for Growth

3.1.1 The work programme for the Quality Charter for Growth will be reviewed and rolled forward by the Quality Charter Steering Group (comprising Members and officers of the authorities, and a representative from Housing Associations). Meanwhile, work continues on the development of a learning and development prospectus, running through to the end of 2010 and working with all authorities in Cambridgeshire on embedding the Charter principles in planning processes, e.g., local development plans, transport planning and community plans. We have completed the process of

recruiting for the Quality Panel that will provide independent advice to the authorities on major developments across the County.

- 3.1.2** A number of training activities have been held or are planned, including Sustainable Construction, Planning for non-Planners, and Transforming Utilities, the last of which aims to equip the authorities with an understanding of the elements required to procure renewable energy for new developments, including legal, financial, and logistical considerations. The proposal for Cambridge City and Anglia Ruskin University Combined Heat & Power scheme for Parkside Pool is being used as a case study.

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Appendix A - Strategic Risk Register Exception Report – April 2010

This exception report is an update on the current Strategic Risk Register, highlighting changes in risk rating and mitigation status agreed at the last review by the Audit & Risk Management Committee on 4 March 2010, but with further commentary added (additions in italics):

Part 1 - Key Changes to the Status of Mitigations

Risk	Rating	Mitigation	Status	Change	Commentary
1.2 Targets for new and affordable homes not met, including RSS and LAA targets, resulting in loss of future support from HCA and Government. (note: reference to RSS added)	Amber	1.2a - Continue to work with the Homes & Communities Agency.	Amber	Green to Amber	Single conversation discussions with HCA continue. <i>Election purdah restricting announcements.</i>
		NEW MITIGATION - 1.2d – <i>We have submitted agreed Cambridgeshire targets to the RSS review.</i>	<i>Green</i>	<i>n/a</i>	<i>East of England Regional Assembly has accepted our agreed targets.</i>
1.3 Applications for development (including major growth sites) do not come forward to meet delivery timescales, leading to long-term shortfall in key sites and potential failure of Core Strategies.	Amber	1.3b - Work with HCA on Northstowe proposals through eco town bid, Delivery Board, and the single conversation	Amber	No change	<i>Election purdah restricting announcements.</i>
5.2 Failure to achieve sufficient modal shift resulting in over-reliance on car travel and traffic congestion.	Amber	5.2c - Delivery of Cambridgeshire Guided Busway. Next Milestone: opening of St Ives to Cambridge section postponed	Amber	Green to Amber	Opening date to be confirmed.
1.4 Submitted applications for major developments are significantly delayed (because, e.g., of the downturn in the housing market and mortgage availability, prolonged S106, viability gaps, planning appeals)	Amber	1.4b - Use (reduced) Flexible Fund and Kickstart to bring forward or kick-start major growth sites.	Amber	Green to Amber	Imminent decision on Clay Farm application. <i>Clay Farm decision received: now working on equity investment with Countryside Properties.</i>

2.1 Early Years, Primary and Secondary Education facilities (0-16) not provided on time resulting in reduced ability to meet the needs of first residents.	Amber	2.1a - Update demographic information to inform Delivery Boards and Project Planning Teams	Green	<i>Amber to Green</i>	Work in progress to agree University Site housing mix.
1.1 Local policy commitments for levels of affordable housing and housing tenure mix not met, resulting in reduced ability to meet housing demand.	Amber	NEW MITIGATION - 1.1d Respond to proposals to change the planning system	Amber	<i>n/a</i>	Potential for Government change to affect the growth strategy.
6.2 Inability to secure early adequate infrastructure delays progress on growth sites.	Red	NEW MITIGATION 6.2c - Continue work on Community Infrastructure Levy	Amber	<i>n/a</i>	National policy on CIL not adequately scoped out. Risks especially to Hunts DC that is working as a pilot.
8.2 Future patterns of growth are not sustainable.	Amber	NEW MITIGATION 8.2b - Maintain LDFs up to date to minimise risk of enquiries on major applications	Amber	<i>n/a</i>	
11.1 Opportunities not seized and/or barriers to development are not overcome	Amber	NEW MITIGATION 11.1d - Roll out Quality Charter training programme for members and officers (planning, design, viability, services, etc.)	Green	<i>n/a</i>	
NEW RISK 11.5 Lack of capacity and resources in the authorities to manage growth effectively	Red	Review of resources by Senior Officer Board	Amber	<i>n/a</i>	Future budget pressures in local authorities are such that resources for growth are being challenged. Uncertainty as to the future of funding for the growth agenda through Horizons post March 2011.
		Respond robustly to HCA consultation on funding of Local Delivery Vehicles (by March 2010).	Amber	<i>n/a</i>	

Part 2 – Key Changes since review by ARM

Risk	Rating	Mitigation	Status	Commentary
1.2 Targets for new and affordable homes not met, including RSS and LAA targets, resulting in loss of future support from HCA and Government.	Amber	Mitigations (a) and (c)	Amber	Marshall decision re: Cambridge East may have ramifications on all of these and, potentially, others. Some may be raised to RED status at next review.
1.3 Applications for development (including major growth sites) do not come forward to meet delivery timescales, leading to long-term shortfall in key sites and potential failure of Core Strategies.	Amber	Cambridge East: Maintain close liaison with Marshall on relocation through high level and DB meetings	Amber	
8.2 Future patterns of growth are not sustainable.	Amber	8.2a Drive sustainability arguments through RSS Review to 2031.	Green	
		8.2b Maintain LDFs up to date to minimise risk of enquiries on major applications	Amber	
1.4 Submitted applications for major developments are significantly delayed (because, e.g., of the downturn in the housing market and mortgage availability, prolonged S106, viability gaps, planning appeals)	Amber	1.4c Consider next steps following Clay/Glebe Farm appeal in March 2010	Green	Horizons working with Countryside on equity investment to deliver 40% affordable homes across the site. No change to status proposed at present.
5.2 Failure to achieve sufficient modal shift resulting in over-reliance on car travel and traffic congestion.	Amber	5.2c Secure delivery of Cambridgeshire Busway.	Amber	County contractors BAM Nuttall agreed to complete work to fix the River Great Ouse Viaduct in St Ives within the next six weeks (by mid-May 2010) and is signed up to carry out work that is needed to address the other outstanding defects.
6.2 Inability to secure early adequate infrastructure delays progress on growth	Red	6.2c Continue work on Community Infrastructure Levy	Amber	Enacted by Government; instruments came into effect on 6 April 2010. Impact on pooling of

sites.				section 106 contributions comes into effect in 4 years' time.
11.5 NEW RISK - Lack of capacity and resources in the authorities to manage growth effectively. Many staff on fixed term contracts and/or funded by Growth Funding only to 31/3/2011.	Red	11.5b Respond robustly to HCA consultation on funding of Local Delivery Vehicles	Amber	Consultation postponed to summer 2010.

(the full SRR as reviewed by ARM on 4 March 2010 is attached as a separate file)