

Major Development Sites Progress Report

To: **Joint Strategic Growth Implementation Committee**

Date: **6 February 2008**

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

Purpose: **To update the Committee on progress with the major growth area development sites in and around Cambridge and to consider key issues.**

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

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1. Overall Programme and Risks Register

- 1.1 The overall programme for growth in the Cambridge Sub Region is shown in Appendix 1. An updated Strategic Risk Register is shown in Appendix 2. The programme and register have been compiled from information provided by the partners. Work is ongoing to refine and develop the Risk Register to ensure key risks are captured and mitigation measures are identified and, following the last Senior Office Board meeting, processes have been tightened to ensure information is provided on time and in the appropriate format.

2. Summary of Progress with Major Development Site Planning Applications

Northstowe

- 2.1 The joint promoters have submitted an outline planning application for approximately 9,500 homes, together with three separate applications dealing with access. The applications are being given priority by South Cambridgeshire District Council and is expected to be considered by the Northstowe Joint Development Control Committee in September 2008. This date, however, has a number of key dependencies, most notably to the ability of the joint promoters to respond to the local planning authorities' requests for information and alteration to the plans within defined timescales. The statutory planning consultation is under way, finishing at the end of March 2008. Work continues with the Highways Agency, the County Council, and the joint promoters on addressing key transport issues to mitigate the impacts on the A14 and local roads, especially in the period prior to completion of the A14 upgrading (a workshop is planned for 12 February). The earlier Gallagher application for 8,000 dwellings, submitted in July 2005, has now been withdrawn.

Cambridge Southern Fringe

- 2.2 Planning applications for Trumpington Meadows and Clay Farm are expected to be considered by the Cambridge Fringes Joint Development Control Committee in February / March respectively.
- 2.3 A key issue is the need to bridge the gap between, on one hand, the requirements of the local partners to ensure a sustainable development that meets policy needs and, on the other, the amount of funding that the development can bear; referred to as the viability gap. Negotiations are taking place to ensure the development yields maximum benefit whilst ensuring that the requirements placed upon the developer are reasonable. However, additional funds are required to ensure progress with the scheme. It is envisaged that these funds will be drawn from the Rolling Fund and Housing Growth Fund as described below.

North West Cambridge

- 2.4 Consultation on the preferred options report for the NW Cambridge Area Action Plan finished 3 Dec 2007 and councils are in process of drafting responses to representations and amending the AA P in preparation for submission for the Secretary of State in May 2008.
- 2.5 City Council officers have opened discussion on S106 requirements with the applicant for the proposed development on NIAB land. Detailed queries and points of justification are currently being considered.
- 2.6 Outcome of site-specific allocations examinations (South Cambs area land north of NIAB) is expected in Spring 2008. This will determine key issues relating to the development, notably the extent of Green Belt release.

3. Key Issues for Consideration by the Committee

3.1 Rolling Fund and Housing Growth Fund (HGF):

- 3.1.1 In December 2007, Government (Communities and Local Government – CLG) announced capital and initial revenue funding for growth areas for the period 2008/9 to 2010/11. The award was determined following submission of the Programme of Development (POD) entitled *Growing Cambridgeshire*. Cambridgeshire was awarded £14,235,324 for 2008/9, plus a minimum amount of £19,929,454 in total for the following two years. In addition, £727,355 of revenue was awarded for 2008/9, with a minimum of £1,041,273 in total for the following two years.
- 3.1.2 CLG has indicated that further funds are likely to be available for capital and revenue and it is expected that a further round of bidding will take place in the next few months. We are also awaiting announcement of revenue funding for local delivery arrangements (including Horizons core funding and local authority growth related posts), which is expected in February.
- 3.1.3 The award announced in December is approximately 50% of the bid (for capital) and, whilst this falls short of what is required to support growth, it was the second highest award amongst the growth sub regions and growth points.
- 3.1.4 CLG has confirmed that £8Mn is available for the Rolling Fund, subject to formation of the Section 29 Committee by the three relevant local authorities. The authorities are currently taking the Section 29 proposals through their executive processes.
- 3.1.5 Although the amount awarded again falls short of the requirements, it is understood that the agreement for the rolling fund is unique to Cambridgeshire and that it may be possible to secure further funds in the future.

- 3.1.6 Determination of the use of HGF and Rolling Fund monies rests with the Cambridgeshire Horizons Board, advised by the Founder Member organisations (the local authorities of Cambridgeshire and EEDA – but excluding English Partnerships). Funding allocations will be considered by the Horizons Board on 5th March 2008. In the meantime, discussions are taking place to ensure the funds are targeted where they are most effective at helping deliver sustainable growth. The Founder Members have identified the following criteria for prioritising projects in the POD:
- Enables the delivery of major development sites
 - Deliverability / progress within the funding period
 - Enables the delivery of sustainable and community oriented growth.
- 3.1.7 Initial discussions have identified the need to allocate the £8Mn Rolling Fund to the Addenbrooke's Access Road Phase 2 (note – Phase 1 is already funded and under construction) as early implementation of the scheme is essential to the delivery of the Southern Fringe development (including the Cambridge Biomedical Campus scheme and housing schemes at Trumpington Meadows, Clay Farm and Glebe Farm). However, the total cost of Phase 2 of the road is up to £18.8Mn leaving a substantial funding shortfall. The County Council has identified the potential to bridge the gap through prudential borrowing, which would require developers to pay back the debt as sales receipts come forward: Cabinet will consider the matter on 1 February 2008.
- 3.1.8 However, independent viability testing work has identified a funding gap for the Southern Fringe development. Rigorous negotiations are ongoing, but it is likely that a significant sum of public funds will be required to bridge the gap and ensure that the desired levels of affordable housing, transport, sustainable infrastructure and community / education facilities are provided. The POD included a bid for £12Mn for Southern Fringe (spread equally over years two and three); therefore the allocation of a proportion of the capital award to Southern Fringe seems reasonable – although requiring re-phasing over primarily year 1 with some spend in year 2. This approach will maximise the chances of maintaining progress with the development through the development control process.
- 3.1.9 It has become apparent that some schemes identified in year 1 for the POD would be unlikely to achieve the spend identified. Although further work is required, the allocation of year 1 and year 2 funds to the Southern Fringe is not expected to delay other deliverable schemes previously identified.
- 3.1.10 Thought will need to be given to the infrastructure needs at Northstowe, and in the light of the limited availability of the rolling fund how the necessary initial infrastructure.

3.2 Use of Additional GAF2 Funds for Fund Joint Working

- 3.2.1 The Committee has previously given guidance on the allocation of the additional £1.4Mn secured to fund joint working. Significant progress has been made with recruitment and on key consultancy projects. However, recruitment has proven difficult in some areas, especially urban design.
- 3.2.2 A proposal has been prepared to set up a joint local authority design team to work across the City and South Cambridgeshire major developments. The benefits of such an approach would be greater flexibility in the use of resources, the potential to attract more skilled people to the area, and the benefits of cross-fertilisation and application of expertise across the two districts. The team would have close contacts with the County Council highways development control team and the Delivery Managers at Cambridgeshire Horizons to ensure an integrated approach to urban design.

3.3 Long Term Funding

- 3.3.1 As mentioned above, there will be further opportunities to bid for additional HGF. In addition, other funding streams will be explored, including the Community Infrastructure Fund (CIF) – a joint DfT / CLG fund for growth related transport projects. Discussions with CLG will continue to ensure that every opportunity to secure additional funds, including potential further rolling fund, is explored. To maximise the chances of securing additional funds, Cambridgeshire will need to continue to show progress towards housing delivery targets.

3.4 Transport Issues

- 3.4.1 A separate report from the Highways Agency on trunk road issues is included under Item 6.
- 3.4.2 Consultation on the County Council's Transport Innovation Fund (TIF) proposals is underway and due to finish at the beginning of March 2008. A clearer view on how to progress the scheme when the consultation results are known.

3.5 Strategic Housing Market Assessment (SHMA)

- 3.5.1 The draft SHMA has been prepared and currently the subject of consultation. Key emerging findings show that high levels of affordable housing are required to meet demand generated locally, therefore strongly supporting arguments for at least 40% affordable housing in major new developments.

3.6 Communicating the Growth Agenda

- 3.6.1 A coordinated approach amongst the authorities and Horizons is essential. Cambridgeshire Horizons is in the process of recruiting a

Communications Manager. One of the responsibilities of this post will be to oversee the communication strategy for growth.