

Response to the EERA Consultation on RSS Scenarios



Formerly Cambridge Preservation Society

www.cambridgeppf.org

Cambridge Past Present & Future is a charity that celebrates the unique value of Cambridge as a cultural, academic and economic centre of international stature. It seeks to have a constructive influence on the continued social and economic growth and prosperity of Cambridge and its surrounding villages and countryside, based on sustainable forms of development that give priority to protecting its unique character as a place that is attractive in which to live and work.

CambridgePPF has prepared this full response to the RSS consultation which has been sent separately to EERA. Whilst the artificial structure of the questionnaire may be useful for analysing responses, it does restrict the opportunity for a more comprehensive contribution to an extremely complex and changing planning situation.

CambridgePPF appreciates that its first-hand knowledge of the East of England Region is confined to Cambridgeshire, and particularly to the area of Cambridge City and the surrounding area of South Cambs. Our response therefore focuses on this sub-area, although we recognise that the Cambridge sub-area is the main economic driver for a much larger geographical area and is strongly affected by developments elsewhere in the Region.

Executive Summary

- CambridgePPF urges that EERA adopt a new scenario 5: to accept the housing targets suggested in Scenario 1 but recognise that 2036 is a more realistic target date. That is, the Society supports further building of homes at an annual rate 25% lower than suggested for scenario 1. Annual building rates should be

Cambridge City	720
East Cambridgeshire	290
Fenland	400
Huntingdonshire	410
South Cambridgeshire	890.

- No development should take place without adequate provision of infrastructure, before people move in, not afterwards
- Quality of design, not only of the physical build but also to create vibrant communities, needs very significant improvement
- It is important to take the opportunity to review how the financial risks, particularly for the provision of infrastructure, are divided between local and central government and developers
- All new developments must include adequate green space, at least up to the standard provision recommended by government, and no sums of money should be taken in lieu
- With sufficient land already identified in the Cambridge sub-region for realistic housing development in the next 25 years, there is no justification for a further review of the Cambridge Green Belt.

CambridgePPF is keen to play a role in helping to improve the quality of developments in the Cambridge area, and in delivering a RSS that is realistic and achievable.

1. Introduction

1.1. CambridgePPF understands the importance of the region to the national economy, both as a centre for knowledge-based industry and for its agricultural output, and it appreciates that EERA's freedom of action is severely constrained by the expectations of central government. CambridgePPF acknowledges also that it cannot have more than a partial understanding of the consequences of the scenarios when they address only numbers of dwellings and do not consider their effect on the region's infrastructure, most particularly on

water	green infrastructure
flooding	biodiversity
waste disposal	recreation facilities
transport	landscapes
carbon emissions	food production
schools	

1.2. Because these constraints on the region's capacity to accommodate growth do not seem to have been adequately considered, CambridgePPF is not satisfied that the consultation on the RSS fulfils the statutory requirement to demonstrate how sustainable development will be achieved.¹ CambridgePPF assumes that in due course EERA will issue its assessments of these constraints, and they may lead it to change some its views.

1.3. CambridgePPF cannot see that adequate public or private funding will be available within the time scale of the RSS for the development proposed, given UK indebtedness and the important issues related to the ownership of land, its classification and subsequent planning-gain value. Planning Policy Statement 11 highlights certain matters to which EERA must have regard in preparing a revision of the RSS. Such matters include consideration of 'the resources likely to be available for implementing the RSS'². CambridgePPF urges that this is an opportune time to review how the increase of land value and the proceeds of local taxation can be applied for local benefit, and how financial risk, particularly for the provision of infrastructure and to meet the community needs, is divided between local and central government and developers.

1.4. CambridgePPF appreciates that its part of the region is strongly affected by developments elsewhere, but it is the Cambridge sub-region that it knows best and so much of this response focuses on it.

2. The case for growth

2.1. The Cambridge area has already experienced significant levels of housing growth. For the most part, this growth has been framed within a strong global and national economy. As with much of the rest of the UK, our housing stock is under pressure from an ageing population and other factors leading to smaller households. It has also been stimulated by many factors that are specific to Cambridge:

- the dynamic growth of the knowledge economy;

¹ Section 39 of the Planning and Compulsory Purchase Act, 2004

² Chapter 2 Requirements for Preparing a Regional Spatial Strategy Revision, in PPS11, Paragraph 2.4 . Furthermore, in para. 2.49 it is stated that 'The Regional Planning Board should ensure that the RSS is sound when submitted for examination' The list of criteria for soundness includes, ' (viii) whether it is realistic, including about the availability of resources, and is able to be implemented without compromising its objectives;'

- generous levels of investment in research;
 - the increase in the two universities' needs for student accommodation;
 - the city's emergence as a main centre for regional government;
 - a world-class medical centre;
 - a buoyant tourism sector;
 - a high-quality regional shopping centre;
 - an attractive place in which to live, with high-quality schools, cultural life etc.
- 2.2. So CambridgePPF accepts the need for the housing stock to increase, if only to reduce commuting into Cambridge for those who work in the city but at present have to live at a distance from it. It acknowledges also the rapid growth of housing lists with the impact of the recession and unemployment; the City Council alone now has more than 8,000 people looking for affordable housing.
- 2.3. It is important to set aside housing specifically designated for key workers who are vital to the future functioning and economy of Cambridge, as well as much-needed affordable housing.
- 2.4. Part of the housing problem arises from the understandable reluctance of people to move to smaller homes when their children have grown up and departed. It is important to try to offer accommodation in locations and of a quality that would encourage older people to move without losing touch with friends and family.
- 2.5. CambridgePPF has concern about the increasing use of Cambridge as a dormitory for London. Developments near the station are marketed and priced for London commuters and there will be a tendency for inhabitants of the Southern Fringe of Cambridge to get into their cars every working morning and clog up the M11 heading south.

3. Pointers from recent experience

- 3.1. CambridgePPF believes that lessons should be learnt from the recent past. In particular:
- The formula for determining funding allocations from central to local government has been wholly inadequate, and inequitable for the area in comparison with other parts of the UK. Consequently the physical infrastructure, community facilities and social services, which are crucial for civilised growth, continue to lag far behind. Pressures on public expenditure must be expected to exacerbate this picture, as already instanced by the recent draconian cut in Cambridgeshire Horizons' budget.
 - Experience with the development of the new settlement at Cambourne (and much earlier with Bar Hill) has underlined the distinctive challenges facing new communities. It is vital that future developments learn from this. They must be planned and resourced with proper regard to community development and not as a quick way to achieve target housing numbers. They need to be designed to create vibrant communities where people will want to live rather than where they have to live. There must also be effective integration with existing nearby communities. CambridgePPF is concerned that, with the emphasis so focused on targets, issues to do with quality design and community building will be neglected.
 - CambridgePPF stresses the importance, as was recognised by Cambridgeshire Horizons through the creation of its rolling fund, of putting much of the infrastructure in place before building the residential accommodation. This is obviously more difficult in times of financial stress, and raises the key question – who takes the financial risks for the development?
 - The quality of much recent development has been poor, because of the cost of land and the requirement, which the Society supports, to make substantial contributions to

off-site infrastructure and provide a high proportion of affordable housing. Current low levels of demand mean that the squeeze on quality will be exacerbated. There is a danger that the focus on quality will be lost owing to pressure to meet targets; unrealistic targets will further worsen the position.

- It is essential that designers of new developments remember that they will be in place for many years and so it is very important to think carefully about their appearance as they age and how they are likely to develop as places in which to live. Otherwise they will rapidly become dreary housing estates.

4. EERA's scenarios

- 4.1. CambridgePPF is unable to support any one scenario over the others, as all are seriously flawed. As is explained here, scenario 1 is the least unacceptable. We have adapted it to create a new scenario 5.
- 4.2. Uncertainty over economic underpinning casts severe doubt on the validity of EERA's consultation in so far as it relates to Cambridgeshire. CambridgePPF believes that all four scenarios are constructed on the basis of seriously overstated demand for housing, and the capacity to deliver it.
- 4.3. The current East of England Plan has not been achieving the planned number of new dwellings per year for greater Cambridge:

	2001-2021 plan	Completed by 2006
Cambridge City	950	460
South Cambs	1175	704

While it might have been hoped that the various fringe developments in the pipeline could have allowed a catch-up, the present financial problems make this implausible. For this reason, CambridgePPF urges that it is not appropriate to plan for the decade 2021-2031 on the basis that the current regional plan will have been completed.

- 4.4. A report prepared for Cambridgeshire County Council in June 2009 by WSP in association with other highly reputable consultants, entitled *The Cambridgeshire Development Study*, stressed the fact that housing demand through job creation has been exaggerated in all four of EERA's scenarios. The current Regional Spatial Strategy up to 2021 is based on a projected annual rate of job growth of some 3,750. Incorporating the impact of the recession and the likely length of the recovery, the WSP report suggests an annual rate of job growth up to 2031 nearer to 2,000. It is projected that 69% of these new jobs will be in Cambridge City/South Cambridgeshire, equivalent to around 1,500 jobs per annum. As the report makes clear, a significant over-provision of housing is being proposed that economic growth cannot support, with a significant shortfall between demand for employment as suggested by the housing numbers and the actual job supply in the future. For this reason, it is not realistic to plan for the decade 2021-2031 on the basis of assumptions incorporated in the current plan, nor of projections made before the credit crunch and recession.
- 4.5. 70% of the projected population increase for Cambridgeshire arises from people moving into the area for work. The expected performance of the economy is, therefore, the major influence on housing requirements. Apart from parts of Fenland, which look to Peterborough, and a certain amount of commuting to London, it is the economy of the Cambridge sub-area that will determine job growth. One must therefore challenge EERA's analysis based on economic forecasts produced by Oxford Economics. The *Strategic Housing Market Assessment* for the Cambridge Sub-Region sets out the key point:

The employment forecasts for Cambridge City are very different from those of all other districts in the region. The rate of growth between 2006 and 2021 is around 27% in all three scenarios – well above the 5% to 6% forecast for the region as a whole. No other district in the Cambridge sub-region has forecast job growth exceeding 7%. Cambridgeshire County Council has raised this issue with the forecasting team at OE and it appears that the basis of the forecast for Cambridge is quite different from that adopted for other districts. It has been assumed that employment land identified in relevant planning documents in the Cambridge area will all be developed. The assumptions elsewhere are based on likely economic conditions and the strengths of local industry sectors relative to regional and national expectations – not land supply. If similar assumptions were applied to Cambridge City's job forecasts as to all other districts the projected employment growth 2006/21 could reduce by as much as 20,000 to around 7,000.

- 4.6. Scenario 4 shows an unrealistic allocation to Fenland. It would inevitably increase commuting distances and car dependency, which in the context of greenhouse gas emissions is unsustainable.
- 4.7. Scenarios 2 and 4 (and, probably 3 as well) show unrealistic allocations to Huntingdonshire. CambridgePPF accepts that there is a case for growth in several of the Ouse Valley towns; which will achieve greater coherence if they cross certain thresholds for amenity provision. However, achieving high levels of job growth will be difficult and the clear implication of constructing 1,200 houses per annum would be high levels of commuting to Cambridge (predominantly), London and Peterborough. Even with the guided bus in operation, most journeys to work would be by car.
- 4.8. Scenarios 3 and 4 show unrealistic allocations to East Cambridgeshire. The recent master-plan for Ely has made a case for the city to grow significantly but highlighted the problem of out-commuting; which has deleterious impacts on community life and the environment. Efforts to stimulate high-tech job growth have been slow to yield results and current levels of commuting are already over-stretching the capacity of the A10.

5. Scenario 5

- 5.1. We urge the adoption of a new scenario, which is adapted from scenario 1, as it is the most realistic in terms of where job growth is likely to be located. Where scenario 1 falls down is in its achievability. There is no sign of development activity emerging from the doldrums and there is every indication that the availability of finance for property development will be constrained for several years more.
- 5.2. There is a strong social case for improving the housing conditions of the lower-paid and otherwise-disadvantaged sections of the community – that is affordable housing and housing for key workers. However, the wrecked condition of the public finances means that at a national level, the current housing programme is likely to be unaffordable. The conventional remedy is to reduce consumption and save in order to reduce the level of public and private debt.
- 5.3. With a return to prudence amongst building societies and other lenders, house and flat buyers' ability to pay will be severely constrained. Loans as a multiple of salary are returning to more prudent levels, which take into account the inevitability that interest rates will increase during the life of the mortgage. The logic, such as it was, of the old model of covert wealth transfer is broken – and with it the plausibility of sustaining high levels of housing growth over the period to 2031.
- 5.4. The continued buoyancy of the economy of the Cambridge sub-area is uncertain, especially if government funding for research and development and high-tech activities is reduced.

5.5. Realistically the next 3-5 years will see a continuation of the current low levels of housing completions. Thereafter the levels may well recover but even if annual completions rise to the levels assumed in Scenario 1 it would be foolhardy to suppose that they will rise sufficiently to bite into the backlog.

5.6. CambridgePPF concludes from this that:

- growth in housing in the Cambridge sub-area on the scale envisaged by the existing RSS, let alone its possible extension to 2031, is not likely to be attainable, given the current economic climate and the environmental constraints which will have to be faced when buoyant economic conditions eventually return
- whichever way the economic climate recovers it seems unlikely, given the Treasury controls over local fund raising, that sufficient finance will be readily available to cover the cost of the infrastructure required to support the growth envisaged by the existing RSS, let alone its suggested projection to 2031
- a sensible way forward will be to accept the balance suggested in Scenario 1 but recognise that 2036 is a more appropriate target date. This would mean scaling back the proposed number of homes per annum by 25% to the following:
 - Cambridge City 720
 - East Cambridgeshire 290
 - Fenland 400
 - Huntingdonshire 410
 - South Cambridgeshire 890.

It is our understanding, confirmed by the 2009 Cambridgeshire Development Study, that sufficient land has already been identified for up to 74,000 new homes, enough to meet these targets up to the year 2036, so no additional areas need be selected.

6. The crucial importance of quality

- 6.1. Cambridge is a city of international significance. CambridgePPF cannot emphasise too highly that the quality of Cambridge as a place has to be sustained, and even enhanced, if the area is to continue to perform strongly in economic terms. Hasty and poor-quality development, not balanced with infrastructure investment and with environmental considerations, will kill the goose that has hitherto laid the golden eggs. See the discussion on <http://www.damtp.cam.ac.uk/user/pvl/GOOSE/>. It is vital to sustain and enhance the quality of the Cambridge area as a place in which to live, learn, work and play.
- 6.2. A slower pace of development should make a positive contribution to this, particularly if the breathing space is used to catch up on the backlog of investment in the social and physical infrastructure. A sustainable form of development means balancing the social and environmental aspects with the economic.
- 6.3. CambridgePPF is concerned about the lack of long-term investment in all types of infrastructure to accompany additional growth. Significant development has occurred or is planned in and around Cambridge, yet investment in matching infrastructure has not kept up. There is a significant infrastructure deficit. It is unlikely that there will be sufficient public expenditure available to deliver the physical infrastructure to keep pace with its population's requirements, within the timescale of the review. It is questionable as to whether the possible introduction of a Community Infrastructure Levy or other local initiatives aimed at securing developer contributions, such as a potential Variable Tariff levied by Cambridgeshire authorities, will be able to make good this deficit. This is a critical issue that needs to be addressed by Government nationally, regionally and locally

and reflected in the revision to the RSS. Failure to address the deficit in infrastructure runs the risk that the proposed revisions to the RSS will be judged to have failed to deliver the quality of development and place-making desired. The revised RSS risks being judged as unsustainable and therefore unsound.

6.4. CambridgePPF emphasises the environmental challenges arising from such rapid growth. Unless these environmental factors are included in the assessment, the RSS will again be judged as being unsustainable and unsound. These factors include, both at the Cambridge sub-regional level and also regionally

- Delivering low-carbon housing and infrastructure as part of a greener economy with a greater provision of local renewable energy
- the increasing problem of water stress from rising rates of abstraction, even though much of the area is low-lying and prone to flooding.
- adequacy of planned infrastructure and rivers to deal with increased effluent
- the limitations of the transport infrastructure, both into and within Cambridge
- ensuring local jobs are grown in parallel with housing development to minimise work travel
- the protection of the historic built fabric of Cambridge
- the protection of important rural landscapes
- adequate provision of green spaces within urban developments
- preserving the integrity of the Cambridge Green Belt.

6.5. The planning authorities should ensure that the new development at Northstowe becomes an exemplar new community; with the very highest standards in both environmental and social sustainability. Proximity to world-leading research and development in the universities, and to the Cambridge high-tech community, offers a unique opportunity for demonstrating UK excellence. The standards should at least match, and preferably far exceed, those set for Eco-Towns.

CambridgePPF is keen to play a role in helping to improve the quality of developments in the Cambridge area, and in delivering a RSS that is realistic and achievable.

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Cambridge Past, Present & Future

Wandlebury Ring, Gog Magog Hills, Babraham, Cambridge CB22 3AE

Phone 01223 - 243830 www.cambridgeppf.org



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