Submission by Save Honey Hill Group

Response to Applicant's Revised Funding Statement [REP6-002] published on 8 April 2024 and Related Planning Matters

12 April 2024

1. Introduction

- 1.1 The Applicant submitted a radically revised Funding Statement at D6 which was published on 8 April 2024. The deadline for responses to this is D7 12 April 2024.
- 1.2 SHH wishes to protest strongly about the late submission of such an important document, without time for adequate consideration and response by Interested Parties before D7, the effective close of the Examination. SHH has not been able in the time available before D7 to secure advice from Counsel, who are engaged on other business. SHH is also disappointed that the ExA has not yet subjected this statement to forensic examination nor asked any further questions.
- 1.3 SHH has prepared a Preliminary Response which sets out serious concerns about the Funding Statement and related planning matters, in essence, that the intended land sale seriously compromises the potential delivery of the vision for North East Cambridge set out in the most recent Reg 19 version of NECAAP.
- 1.4 The Regulation 19 NECAAP is before the Examination, having been submitted by the City Council/SCDC which is in REP5-114 Appendix 7. To assist the ExA, various plan Figures from that document are in Annex A to this submission, although clearly the ExA may wish to read the supporting policies and reasoned justification in the original document.

2. Submissions on Funding

2.1 The Applicant submitted an initial Funding Statement badged as Rev 02 which was accepted as part of the DCO application in June 2023. In response, SHH has expressed substantive and well researched concerns about the adequacy and certainty of funding in a series of submissions, including in:

SHH 01 [RR-035] Relevant Representations

SHH 04 [REP1-171] Written Representations

SHH 22 [REP3-067] HIF Grant Conditions Submissions

SHH 42 [REP4-106] SHH Response to Applicant's Comments in REP3-045

SHH 45 [REP4-106] Note of Oral Submissions at CAH1

- 2.2 Following earlier requests by SHH, the Applicant finally submitted an incomplete set of HIF Business Case and related documents, some of them only immediately before CAH1. No adequate summary of the operation and terms of the HIF Grant was provided.
- 2.3 Funding was discussed at CAH1. SHH 45 summarises Oral Submissions made by SHH at that hearing. The Applicant, Homes England and Cambridge City Council all attended that hearing and responded to the ExA's questions. In summary, the Applicant asserted that the available funding,

then standing at £249.5 million, excluding land costs, would, in the words of John Cormie, the Applicant's Director of Property, be 'tight, but sufficient to deliver the project'.

- 2.4 In SHH's view, the Applicant did not address SHH's evidence sufficiently in answers to various ExQ. The ExA requested the Applicant to provide a further update on funding, to deal with the issue of potential shortfalls in funding.
- 2.5 The Applicant submitted a slightly revised Funding Statement Rev 03 at D4. This did not address any of the principal questions about how any cost overrun beyond the fixed grant and regulated funding for treating sewage from future development would be met. Subsequent answers to the ExA's Written Questions noted that, under the terms of HIF Grant Determination Agreement and other agreements, the partners were committed to meeting a cost overrun of up to 5%, but no more. The Applicant stated that a further statement on funding was being discussed with the partners and would be submitted, in time for the ExA and other parties to consider before the close of the Examination.
- 2.6 It has taken the Applicant until D6 to submit a radically revised Funding Statement [REP6-002]. This contains, in Appendix 4, a brief Joint Statement dated 2 April 2024 from the Applicant, Homes England and Cambridge City Council, the latter acting in its role as lead HIF grant authority and landowner. No independent submission on these matters has been made by Homes England or by the Councils, in their role as local planning authorities.
- 2.7 Appendix 4 sets out a revised funding budget of £391.6 million, at estimated outturn prices, to which must be added £16.1 million, that has been magically realised from regulated funding for the Waterbeach pipeline, as now added in para 3.1.3 of the revised Funding Statement. This total of £407.7 million represents a 63% increase from the £249.5 million sum said to be sufficient in evidence at CAH1.
- 2.8 Appendix 4 concludes that 'The Applicant is, therefore, confident at this point in time that all the funding for the costs of the Proposed Development will be available to enable the Proposed Development to proceed.'

3. SHH Preliminary Response

- 3.1 The 'core site' is a 48ha site, comprising the existing WWTP site and adjoining land owned by Cambridge City Council and is the principal development site for housing in NECAAP. This is now also being described as 'Hartree', a name given to it by the developers. The 'core site' is variously shown outlined as the City Council/Anglian Water site as Site C and Site E in the NECAAP plans in Annex A. About 80% of that core site is owned by the Applicant. That site is, as noted in para 1.4.7 of REP6-002, intended to be developed as a new urban quarter, principally for 5,600 housing units, to be 'consented under a separate and future planning permission, by master developers Land Secs U+I, appointed' under a Master Development Agreement and other agreements with the partners. The ExA should note that it has always been anticipated that a single masterplan application would be submitted for the core site showing a comprehensive approach to a mixed use urban neighbourhood layout, compliant with the policies in NECAAP.
- 3.2 SHH has fundamental concerns in relation to the revised Funding Statement and to the sources and quantum of funding now apparently available. These are, in summary, that:
 - (i) SHH understands that Homes England has no authority under the GDA [REP1-121] to approve any increase in budgets, beyond claims for expenses in the Enabling Phase, until a DCO or other consent to relocate the works has been approved by the Secretary of

State. At that point, the Applicant has to provide a fully costed estimate of the costs of construction intended to be met from any HIF Grant. This cannot yet have taken place, and we question on what basis Homes England has been able to commit an additional £50 million in funding at this early stage.

- (ii) The City Council has not confirmed that authorisation has been given by Cabinet to conclude an advance land sale involving any land in their ownership.
- (iii) The basis of SHH's concerns about adequacy of funding have always focussed on the likely inflation in construction costs, including changes in specification, and the likelihood that the original budget for enabling costs would together have to be exceeded. The Applicant has now, of course, confirmed that those concerns, which have been largely ignored to date, are entirely correct. The Applicant has provided no breakdown of its new cost estimates, merely stating that these are at outturn prices 'between £370 and £400 million' ignoring the Waterbeach pipeline. This would appear to allow, leaving aside the enabling costs, which have an approved budget of c£31 million, for post consent construction and other cost inflation of around 30% between 2023 and stated completion of the WWTP relocation in early 2028. All of this money is likely to be required to complete the relocation.
- (iv) The Funding Statement in paras 3.1.11 and 3.1.12 and in Appendix 4 now says that 'the parties have agreed heads of terms for the conditional forward sale of land from the core site for commercial development, for life sciences and other employment, to Land Secs U+l' for an agreed sum of £92.1 million. This is also described in Figure 1.2 and the table in Appendix 4 as 'minimum proceeds from the sale of land' This is stated to be land 'outside the operational footprint of the WWTP' and will be subject to a separate planning application 'later this year, with a decision expected in Q1 2025'. No plan showing the location or ownership of the land to be sold has been provided by the Applicant. The sum of £92.1 million is an open market development value for high quality business development. Published statements by the Applicant and the City Council have always made clear that the development and recycling agreements assume that the Applicant will only receive 'existing use value' for any land used for development, with most of any surplus capital receipts being recycled for social and affordable housing in the rest of Cambridgeshire via an agreement between Homes England, the partners and CAPCA.
- (v) Given the timetable for the early commercial development application, that application will fall to be considered against the provisions of the approved Cambridge City Local Plan, not NECAAP or the GCLP, which will not have progressed further than at present by then. It is also entirely possible that no decision will have been made on the DCO by then. For the reasons explained below, SHH believes that this forward land sale seriously undermines the Applicant's 'planning case' for the DCO and is at odds with the Councils' proposals for a holistic and comprehensive integrated mixed use development on the core site as set out in NECAAP. It also flies in the face of the normal arrangements for the delivery and development of joint venture sites in multiple ownership through a master development agreement.
- (vi) Neither the City Council nor SCDC have offered any view on the planning implications of this advance land sale, which we believe compromises many of their objectives for high quality housing in a mixed-use development at NECAAP.

3.3 As the ExA will be aware, the normal arrangements for development on multiple ownership sites through a joint venture or master development agreement, entails, in summary, 'shared pain,

followed by shared gain'. This enables the fair sharing of the costs of development, in particular in this case, the very substantial investment in on and off-site infrastructure, 40% affordable housing and community uses to be incurred, before the net profits from development ie the residual land value, is shared by the owners on an agreed basis. This crystallisation of value and payments for land almost never precedes the grant of detailed planning permission and is not completed until much if not all of the development land and buildings have been sold. We have not been able to review all the details of the MDA and associated agreements for the core site, but from what we know, those principles are followed in those agreements.

- 3.4 The GCLP FPs Housing Trajectory only anticipate that 3,200 of the 5,600 dwellings on the 'core site' will have been completed before 2041. Any crystallised land value payments to the City Council and the Applicant would normally wait until the development is well advanced, if not completed, to ensure that all of the necessary costs of development have been or will be met.
- 3.54 The early sale of land on a key part of the core site, for an agreed minimum sum, is likely to seriously constrain the ability of the developers and the local planning authorities to secure the high quality, properly serviced, high density mixed use urban neighbourhood, that is the '15 minute city' vision, set out in NECAAP and also extolled at length in recent statements from Government.
- 3.5 The only land within the 'core site' outside the operational works and offices used by the Applicant, is the adjoining City Council land, which fronts onto Cowley Road heading to Cambridge North station, maybe extending into the under-used southern portion of the present WWTP site. This is the only land, in the absence of a DCO for relocation of the WWTP, on which an 'early commercial development' could reasonably be granted permission by the City Council as local planning authority, in accordance with the adopted local plan. Any land for 'early commercial development' must have direct frontage access to Cowley Road. The Council can only grant any permission for what has to be a 'free standing' development which can stand alongside the existing WWTP.
- 3.6 Such a development may well accord with the adopted local plan policies and, if granted, entirely confirms SHH's evidence to the Examination that there is both strong commercial and planning logic for permitting high quality commercial office/R and D floorspace at this location.
- 3.7 The briefing to Councillors on 12 February 2024¹ stated that Landsecs U+I was intending to increase the employment floorspace on the 'core site' from around 23,000 sq m to 90,000 sq m. This substantial uplift in employment space attracted several critical questions from Councillors, including whether this was in accord with NECAAP. Unfortunately, the minutes of that meeting² do not include any answers given by the developers or the Council's Officers and more recent discussions by Councillors have taken place in closed session.
- 3.8 The intention in NECAAP was that this 23,000 sqm of employment space would mainly be dispersed in multi-use buildings, for example, retail and/or offices with residential on upper floors. See Figure 17 in Annex A. This would not be feasible in an 'early commercial development' which could proceed in advance of relocation of the WWTP. The 90,000 sq m referred to by the developers is therefore envisaged to be free standing 'early commercial development' of offices/R and D/life sciences floorspace, which, of course, accords with what those occupiers prefer. There are numerous examples of such development on the Cambridge Biomedical Campus.

² Agenda item - Core Site/Hartree, North East Cambridge - Cambridge Council

- 3.9 On that basis, early commercial development will involve the release of around 7 to 9ha of the core site. At normal employment densities, this would accommodate around 10,000 jobs. The only land which is suitable and could be granted permission in accordance with the adopted local plan would be the City Council land on the north side of Cowley Road.
- 3.10 Given that the core site is already proposed in NECAAP for a very high density urban neighbourhood, it will be extremely challenging to accommodate 5,600 houses, plus retail, community uses, including schools, roads and adequate green and public space within the remaining 40ha of the site in a way that meets the spatial planning vision in NECAAP. Concerns have been expressed strongly by stakeholders at earlier stages in NECAAP consultation about the very high densities and the need to build tall buildings to accommodate them. Those building heights were reduced before inclusion in the most recent Regulation 19 Submission Draft of NECAAP. The only sustainable solution in those circumstances will be to radically reduce the quantum of housing to be built on the core site. The HIF Grant was explicitly given to support the development of housing.
- 3.11 SHH's evidence is that the need for 'early commercial development' and the open market sale of a key part of the core site fatally undermines the Applicant's 'planning case' for the grant of the DCO, which is the principal element of the 'very special circumstances' being claimed. It will require the City Council and SCDC to fundamentally rethink NECAAP to accommodate it. This seriously compromises the 'vision' for North East Cambridge, which has strong support from the Government and Homes England and, at least until now, by the City Council and SCDC as local planning authorities.

4. Conclusion

- 4.1 SHH has made a Preliminary Response to the revised Funding Statement. The overall budget now proposed is far more realistic, but we raise serious concerns about whether the additional funding from Homes England is committed and about the reliance on a £92 million early land sale for commercial development.
- 4.2 Given the evidence and arguments set out in this submission, the Applicant's 'planning case' for the grant of the DCO, which relies on the release of this site for a high quality mixed use urban development is fatally weakened. NECAAP will need to be substantially revised. The ExA, in our submission, must conclude by giving little or no weight to the emerging NECAAP (or to its inclusion in the GCLP) in the 'planning balance' when reaching a recommendation on the DCO.

SHH 67 Annex A Selected Figures from NECAAP Regulation 19 Submission Draft

Entire Document is in Examination Library under REP5-114 CCC LIR Appendix 1 7) Proposed Submission NECAAP – Regulation 19



KEY

- A Well's Triangle (private ownership)
- B Cambridge Regional College
- C Cambridge Science Park (Trinity College)
- D St John's Innovation Park (St Johns College)
- E Cambridge Waste Water Treatment Plant, former Park and Ride and Golf Driving Range (Anglian Water / Cambridge City Council)
- F Merlin Place (private ownership)

- G Cambridge Commercial Park / Cowley Road Industrial Estate (multiple land ownership)
- H Milton Road garage site (private ownership)
- I Trinity Hall Farm Industrial Estate (Brockton Everlast)
- J Cambridge Business Park (The Crown Estate)
- K Nuffield Road Industrial Estate (multiple land ownership)
- L Chesterton Sidings (Network Rail)

Figure 6: Land ownership within the Area Action Plan boundary

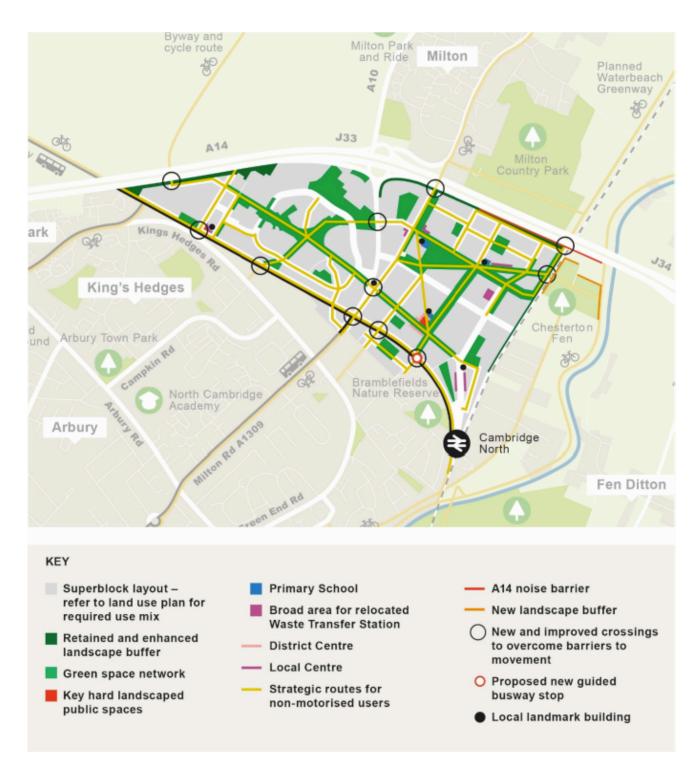


Figure 10: The Spatial Framework for the Area Action Plan

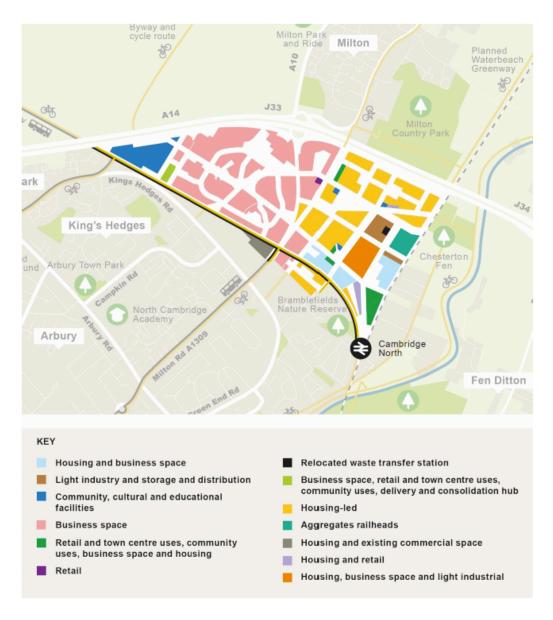
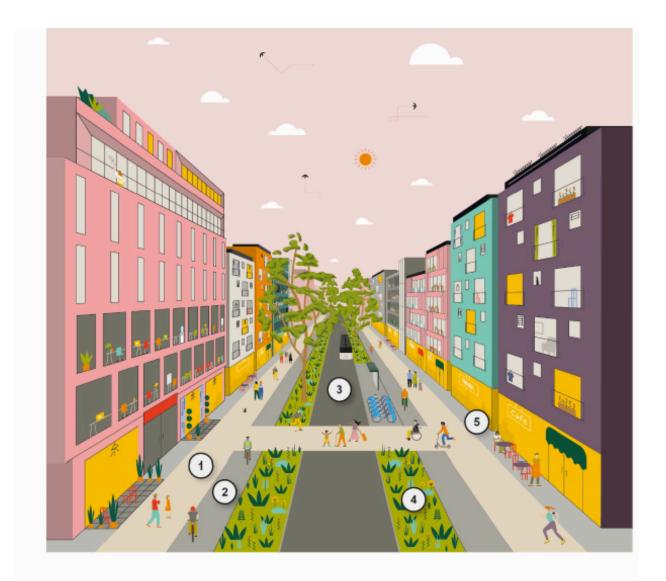


Figure 11: Proposed land uses within the Area Action Plan boundary



KEY

- 1 4m wide footway
- 2 2.5m wide (minimum) segregated cycle path
- 3 6.5m wide carriageway with a design speed below 20mph
- 4 3.5m wide soft landscaped strip including 'forest scale' trees and sustainable urban drainage swales
- 5 Minimum 2m public realm outside footway, where ground floor activities can spill out

Figure 16: Illustration of proposed design features for primary streets



KEY

- 1 Minimum 21m distance between building frontage
- 2 2m wide footway
- 3 Street design incorporates informal seating, planting, doorstep play areas, cycle and disabled parking, drop-off areas and accommodates vehicle access with a design speed below 20mph in a 'Woonerf' approach

Figure 17: Illustration of proposed design features for secondary streets in high density areas

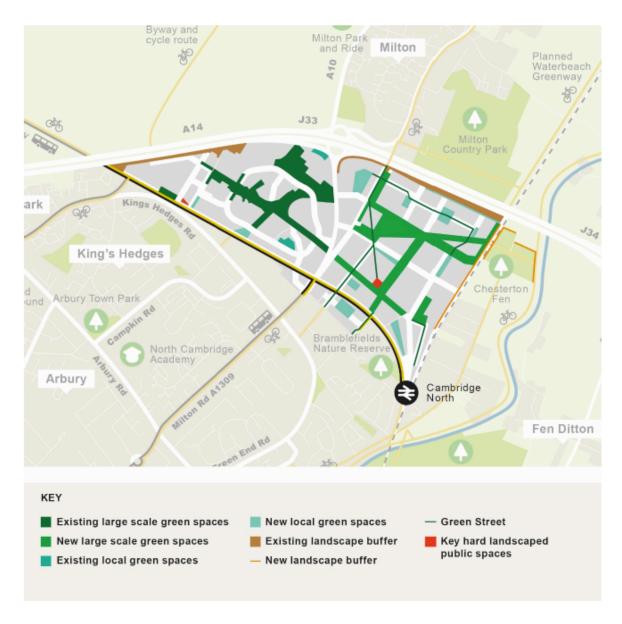


Figure 19: Open space network to be created by the Area Action Plan



Figure 21: Building heights considered suitable for North East Cambridge

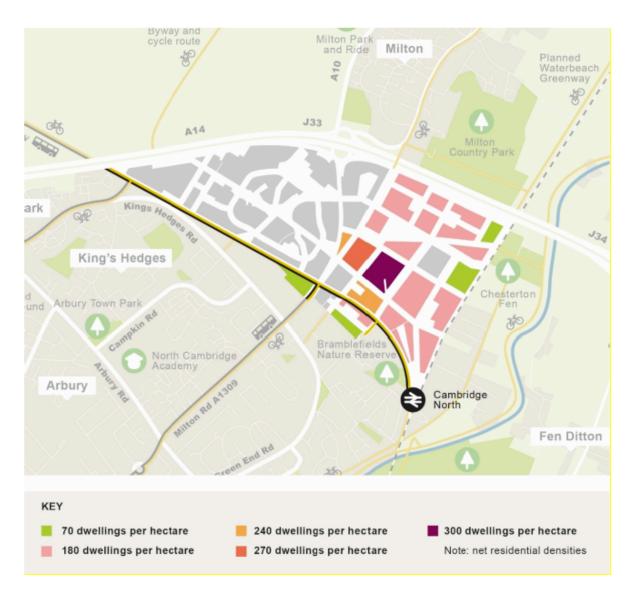


Figure 23: Residential densities considered suitable for North East Cambridge

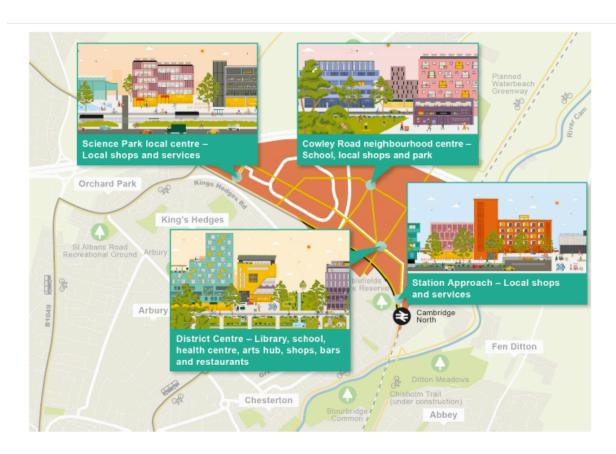


Figure 24: Location of new centres in North East Cambridge

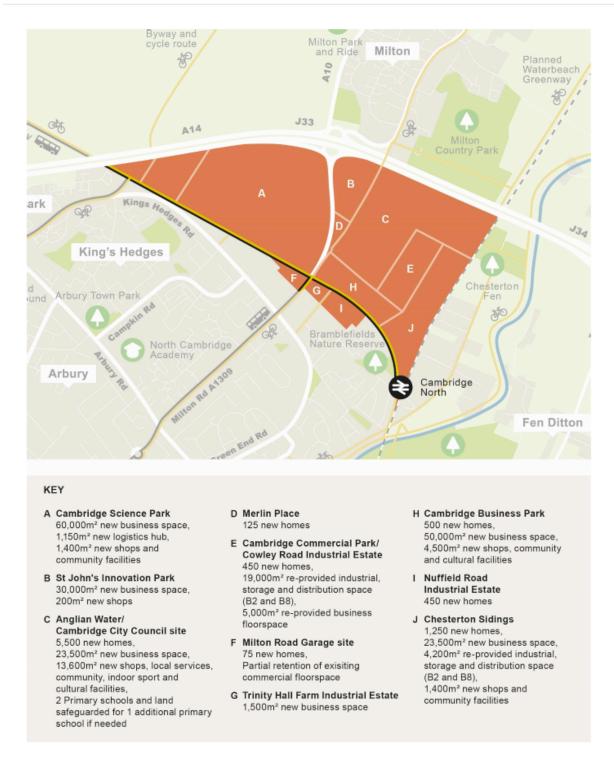


Figure 30: Map graphic showing broad locations and quantities of business space, homes and other land use envisaged four North East Cambridge

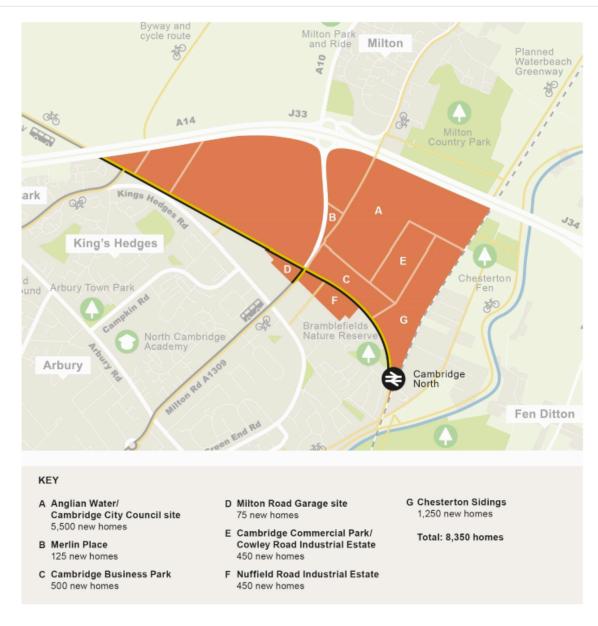


Figure 33: Map graphic showing broad locations and quantities of new homes envisaged in North East Cambridge

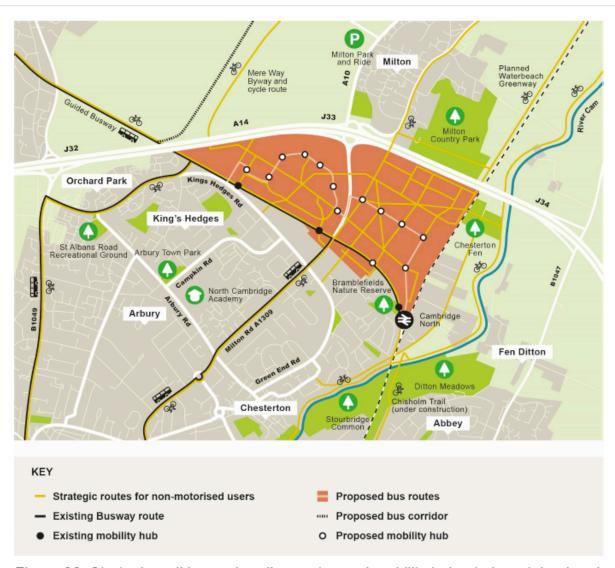


Figure 38: Strategic walking and cycling routes and mobility hubs, to be retained and created in North East Cambridge.

CWWTPR DCO Examination

SHH 68

Submission by Save Honey Hill Group

ISH5 – Traffic and Transport Matters, 9 April 2024: Written Summary of Oral Submissions

12 April 2024

Introduction

This note summarises oral submissions made by Ian Gilder for SHH at the ISH5 Hearing on 9 April 2024.

SHH had submitted SHH 64 [REP6-134] at D6 dealing with the revised Transport submissions made by the Applicant on 26 March 2024. The Applicant also submitted a revised CTMP [REP6-080] and OLTP [REP6-082] at D6 which had not been reviewed prior to the hearing.

Agenda Item 2(a) Applicant's Update

Noted and accept the Applicant's views that the updated assessment of Transport Effects in Chapter 19 required no consequential changes to the Noise or Air Quality assessments or the indirectly 'parasitic' assessments.

Noted the Applicant's view that the Independent Review should be helpful and treated as authoritative by the ExA.

Agenda Item 2(b) Clarifications

Use of non-car modes including public transport by staff at existing WRC and availability of public transport to access new works. SHH shares the ExA's surprise that the Applicant has not provided a baseline survey of travel patterns to the existing WRC, given that the majority of staff at new works will be transferring from the existing. Applicant accepts that there will be little or no use of rail or bus to travel to new works, whereas existing is well served by bus and in easy walking distance from Cambridge North station. Noted Applicant's intention to clarify kinds of measures to promote sustainable travel in the OWTP.

Noted intention to exclude Bank Holiday working during construction.

ExA asked that Applicant respond to points made in SHH 64 at D7.

Agenda Item 2(c) Assessment of Effects

SHH accepts the reasoning for reducing the reported 'significant' fear and intimidation and severance effects for pedestrians during operation at J33 and J34 to 'not significant' once the nature of those junctions, extent of use and safeguards are taken into account. Noted that driver delay at J34 peaks now fell below capacity threshold for assessing and reporting as an impact, but that Applicant would add reference to this into Chapter 19.

Potential congestion and delay to drivers at J34. SHH noted that Horningsea Road and Ditton Lane south of J34 is an important congested commuting route into and out of Cambridge. SHH noted that while on a 'typical' day it functions satisfactorily, there are numerous occasions, maybe 5% of morning peak hours, where traffic on Horningsea Road congests back and starts to block operation of J34 and leads to long delays for drivers going into Cambridge. This can happen because of roadworks,

but also occurs when there are delays on Newmarket Road further into the City. For residents of Horningsea or Fen Ditton this can be very inconvenient.

Agenda Items 2(d) Mitigation, (e) IPs' Observations and (f) Policy Matters

CTMP and OOLTP. SHH concerns as set out in SHH 64 are with the drafting of the HGV hours of use restrictions for Clayhithe Road and Station Road, Waterbeach and with the lack of clarity about what mitigation measures will be applied to operational traffic, if problems do occur in peak hours at J34, once the works is operational. The Applicant has agreed to consider amending these in the CTMP and OOLTP to be submitted at D7. There will be no opportunities for IPs to comment on these.

Sustainable transport measures. SHH stated view that, on the evidence, the PD is less sustainable in transport terms than the existing works location. It does not conform to para 109 of the NPPF or para 4.13.1 et seq of the NPSWW or Policy TI/2 of the South Cambs Local Plan. The Applicant sought to argue the opposite, but only on the basis that the prospective development at NEC was sustainable and outweighed any failure in relation to sustainable transport at the PD. SHH's view is that this argument is irrelevant to the question asked by the ExA and answered by SHH.

Noted that the Applicant intends to set out more detail about the sustainable workers travel plans to be implemented by the Applicant once the PD opens. Since these are only intentions which may or may not be successful, only limited weight can be given to them.

SHH reminded the ExA that the new works location on a restricted junction on the A14, necessitates additional HGV mileage in comparison to the existing site, which is accessed from all directions via J33. Operational HGVs and deliveries approaching the new location from the east will have to travel past J34 and then double back at J33 to access the works (and the reverse when outbound).

Ian Gilder MA MRTPI FRSA

12 April 2024

CWWTPR DCO Examination

SHH 69

Submission by Save Honey Hill Group

Response to Submissions Made by the Applicant at D6

12 April 2024

1. Introduction

- 1.1 The Applicant submitted a further 117 amended documents at D6. SHH and other IPs have therefore only had 4 working days, including one day devoted to ISH5, to respond to these. SHH has expressed serious concerns about this late submission, but has managed to make a Preliminary Response to the radically Revised Funding Statement in SHH 67. The ability of SHH to respond to other submissions at D6 has been compromised. We have been unable to review or comment on many of those submissions.
- 1.2 As the ExA is aware, there are also a number of important documents which have not yet been submitted by the Applicant and are due at D7. In particular, it is very unsatisfactory that the following documents are not yet available:

Final draft DCO

Construction Traffic Management Plan

Outline Operational Logistics Traffic Plan

Final s106 Agreement

1.3 SHH is aware that the Quy Fen Trust has asked for changes to the draft s106 agreement in relation to Schedule 3 and SHH endorses that request.

2. Responses to Submissions Made by Applicant at D6

2.1 REP6-005 Hedgerow and Tree Preservation Plans

The Applicant has submitted revised Hedgerow and Tree Preservation Plans. These cannot be checked against Schedule 16 which has yet to be updated. The Plans now show more hedgerows within limits that are to be retained, but not from our knowledge all distinct hedgerows that are inside or on the Order limits. Since this cannot now be corrected, SHH accepts the Applicant's commitment in the CEMP that all hedgerows will be mapped and surveyed by the enabling works contractors before work commences.

2.2 REP6-070 Outline Carbon Management Plan

The Applicant should be required to commit to net zero operational emissions, under both the CHP and biomethane options, taking account of all activities on the site and directly related to it, without using carbon offsets or credits. The obvious way to achieve this is to require the Applicant to deploy sufficient solar generation on site for both the CHP and biomethane options to deliver net zero.

2.3 REP6-084 Flood Risk Assessment

We have noted the ExA's questions in the Rule 17 letter dated 8 April 2024 on flood risk addressed to the Applicant and the Environment Agency, which should clarify the positions of both parties as to whether the Proposed Development creates additional flood risk and how that can be mitigated.

2.4 REP6-113 Design Code

The revised Design Code is a substantial improvement on the previous version, although a considerable number of constructive comments by SHH in SHH 53 [Ex lib] have not been taken on board.

SHH continues to advocate for a more stringent construction carbon target of c34,000 tCO2e, which should be included as an absolute value in CAR.02. The remaining carbon codes are now acceptable.

SHH continues to disagree with the Applicant about the parameters for the earth bank in LAN.02. It should be a continuous bank with all of the outer slopes to be no less than 1:5.

2.5 REP6-117 Applicant's Responses to ExQ3

Q1.5 Status of Ministerial Statements: The 'Case for Cambridge' and the Ministerial Statements referred to are essentially promotional or statements of ambition by the Government. They do not set out any intention to legislate or any specific planning policy intentions or any additional funding to help deliver the high rates of housing growth that they envisage. Unlike primary and secondary legislation and national policy statements, the status to be given a Ministerial Statement is less than any of these and entirely dependent on its content.

The ExA is now aware of them and may wish to refer to them, but they are not in our view a 'material consideration' as intended in para 6 of the NPPF and can safely be ignored as 'trivial' and given little or no weight.

The Applicant cites the decision in Oxfordshire Diocesan Board of Finance v SSLG and Wokingham BC (2013). In that case, the Secretary of State in determining an appeal had failed to refer to a then recent Written Ministerial Statement (WMS) which dealt with sustainable development and how that requirement was to be set out in changes to the NPPF. The WMS concerned explicitly stated that the guidance therein would be 'taken into account when making appeal decisions'. In that case, the High Court, not surprisingly, ruled that the SSSLG had been in error in not taking that ministerial statement into account. That case is of no relevance to this DCO Examination.