

NORTHSTOWE ECOTOWN DEMONSTRATOR PROJECT

To: **Cabinet**

Date: **15th June 2010**

From: **Acting Executive Director, Environment Services**

Electoral division(s): **Willingham; Cottenham, Histon & Impington; Bar Hill; Papworth & Swavesey**

Forward Plan ref: **2010/022** *Key decision:* **Yes**

Purpose: **To inform Cabinet of:**

- i) **the successful bid for funding under the Eco Towns programme; and**
- ii) **the proposed delivery programme for the County element of the programme**

Recommendation: **Cabinet is recommended to:**

- i) **note the proposal for an exhibition building at the Longstanton Park and Ride site through the Eco Town programme funding and the proposed programme for delivery;**
- ii) **note current uncertainties regarding funding; and**
- iii) **approve the project for delivery subject to funding becoming available**

<i>Officer contact:</i>	<i>Member contact:</i>
Name: Chris Poultney Post: Project Manager Email: Chris.Poultney@cambridgeshire.gov.uk Tel: 01223 718853	Name: Councillor Roy Pegram Portfolio: Environment & Community Services Email: Roy.peggram@cambridgeshire.gov.uk Tel: 01223 699173

1 BACKGROUND

- 1.1 Cambridgeshire County Council, South Cambridgeshire District Council and Cambridgeshire Horizons submitted a successful bid to central government for funding from the Eco Town programme. Part of this funding will enable provision of 'demonstrator' projects related to the Northstowe development.
- 1.2 In developing the bid, a proposal emerged that combined two projects in an integrated package, united by a central theme of low-carbon living. The projects are:
- Retrofitting of existing homes at Rampton Drift, (an existing community within the Northstowe site boundary) to improve energy efficiency, incorporate renewable energy technology and lead to different behaviour of residents in terms of energy consumption; and
 - The construction of a highly accessible exhibition and learning facility on the Longstanton Park & Ride site, incorporating sustainable building techniques.
- 1.3 The funding also covers a further piece of work to deliver a number of studies comparing current ambitions for Northstowe (as described both in existing local planning policy and the December 2007 outline planning application for Northstowe) to the standards set out in the Planning Policy Statement (PPS). This work will be managed by Cambridgeshire Horizons and will look at areas in which the current ambitions for the town need to be investigated, revised and enhanced to match eco town aspirations.
- 1.4 The County Council is to undertake the management and delivery of the new building on the Longstanton Park and Ride site, to be built using sustainable construction methods and demonstrating efficient use of resources. South Cambridgeshire District Council will manage the retrofitting of the Rampton Drift properties. The funding is time-limited and must be spent by the end of the 2010 /11 financial year. It should be noted, however, that under the new Coalition government, this funding award with many others is being reviewed and therefore certainty as to its availability may not be clear for some time. This report describes the County Council element of the Eco Town proposal and recommends an approach to dealing with this funding uncertainty.

2 THE SCHEME

- 2.1 A total of £1,500,000 was awarded to Cambridgeshire by the department for Communities and Local Government (CLG), £365,000 less than the bid amount. £1,135,000 million was allocated by CLG for demonstrator projects, with the remaining £365,000 allocated to complete the studies noted in paragraph 1.3. Demonstrator projects are defined as capital works that will show the concepts and standards expected of Eco Towns in advance of the towns being built. Cambridgeshire partners propose to use £555,000 of this to retro-fit energy saving measures and technology to houses in Rampton Drift, within the Northstowe footprint. This will be led by South Cambridgeshire District Council. The other project, covered in detail in this report, concerns

£580,000 which has been designated to construct a new building at the Longstanton Park and Ride site.

- 2.2 The proposal is for a highly accessible building and exhibition space to be constructed to a high environmental standard and act as a demonstrator to showcase sustainable construction and resource use. This building will be used to display information to educate the public in ways of living greener lifestyles. This will include information about the environmental credentials of the building itself, as well as about complementary projects including the retrofitting at Rampton Drift. The building will benefit from its highly accessible location at the Longstanton Park and Ride site. It will also be available as a terminal building to Busway passengers, providing toilets and other facilities.

3 PROGRAMME, LAND ACQUISITION AND FUNDING

- 3.1 The timescales for delivery are tight. Under CLG's stated funding terms, the building must be completed and all invoices submitted by April 2011 and the anticipated key milestones for this project are as follows:
- Engage contractor – May 2010 (completed)
 - Submit planning application – July 2010
 - Obtain planning permission – October 2010
 - Commence work on site – November 2010
 - Complete building – March 2011
- 3.2 It is critical that this programme is maintained to deliver the building within the time available.
- 3.3 The land on which the building sits forms part of the Cambridgeshire Guided Busway Park and Ride site at Longstanton and is in the ownership of the County Council. Consequently, there will be no land issues that will delay the delivery of the project.
- 3.4 Matters in terms of funding are, however, less certain. The new Coalition Government has pledged to review all financial decisions made after 1st January 2010 and the Eco Town funding falls into that category. Currently there is no certainty that the funding for this project will continue and it may be some time until there is clarity on that matter, most likely to be shortly after the emergency budget on 22nd June.
- 3.5 Given this uncertainty over funding, there are two options for the way forward. The first is to wait until there is clarity over the availability of funding until any further work is undertaken on the project. Officers views are that given the already extremely tight programme, should this be the case and assuming there will be no clarity until towards the end of June, the project will by that time be undeliverable and even if the funding were made available, it could not be spent and the project delivered in time.

- 3.6 The second option is to commence a limited amount of preparatory work such that if the funding were to be confirmed, the project would be underway and there would be a much better chance of delivery within timescale. This would, however, mean committing some funding at risk until a clear decision is made by Government. It is estimated that to move the project forward in this way, the minimum amount of money that could be spent to develop it in a meaningful way would be £10,000. This is in addition to some £5,000 that has already been spent prior to the current uncertainty over funding. Should this course of action be taken, it is suggested that this money would need to come from the Transport Capital Funding Strategy and Development budget. It is unlikely that this could be recovered if the Government cancelled the Eco Town demonstrator funding, but it would be included within the overall bid figure of £580,000 if the funding was confirmed.
- 3.7 Given that at the time of writing this report, there is no certainty as to the availability or otherwise of the Eco Town funding and that if some preparatory work is not undertaken soon on the project, it will not be possible to deliver it, officers recommend that Cabinet endorses option 2 and caps spend by a further £10,000 to the end of June at which point a further review can be undertaken. Clearly, should it become clear that the funding will not be available prior to that point, work on the project will cease immediately, pending a further Cabinet decision. It is proposed that in a situation where the Eco Town funding is cancelled, officers will seek to recover what has already been spent from Government, but if this is not possible, it will need to be funded from other sources, e.g. the Transport Capital Programme.

4. RISK MANAGEMENT IMPLICATIONS

- 4.1 Members are advised of the following risk management implications arising from this report. These risk issues have been identified using a risk management process carried out in accordance with the Council's risk management strategy.
- a) Delays in planning approval and other project processes*
b) Funding approval from central government is not formally signed off
- 4.2 In order to manage these issues a number of mitigating actions are to be taken in accordance with the management action plans prepared by the identified risk owners.

Risk (a) monitor programme for delivery, early engagement with key stakeholders, maintain and manage project risk register.

Risk (b) this risk is outside the County Council's control but continued engagement with the Government Office and CLG will help understand the exposure.

5. SIGNIFICANT IMPLICATIONS

Financial, resources and Performance implications

- 5.1 The project budget is £580,000, which has been programmed for expenditure in the current financial year. All project costs will be funded from the CLG

allocation. Cambridgeshire Horizons are co-ordinating a search for top up funding through grants and sponsorship. No assumptions are being made about the availability of any top up funding, but greater resources would allow the building to achieve even higher levels of environmental performance should they be available.

- 5.2 The general election and subsequent change of government has caused a delay in the formal sign off of the funding agreement for this project. This is expected to be clarified by late June and therefore any work until this point will be undertaken at risk. The project timescales are extremely tight and therefore if no work is undertaken until the funding agreement is completed the project will be undeliverable.
- 5.3 The consequences of this are that to deliver the project work needs to be undertaken before the funding is confirmed or there will not be sufficient time to complete it. If money spent at risk is not recovered, it will impact on other transport delivery.

Statutory Requirements and Partnership Working

- 5.4 The Ecotown demonstrator projects are being delivered by South Cambridgeshire District Council and the County Council, with overall coordination by Cambridgeshire Horizons. The three organisations have worked well together so far in bringing the bids together and will continue to do so in the future.

Climate Change

- 5.5 The building will be constructed to very high environmental standards, keeping emissions to a minimum. The new building will feature installations such as rainwater harvesting and will act as an exemplar building for future development in the area. Recycled materials may form part of the construction. Further, the education dimension to the project will assist in enabling the wider public to adopt greener approaches to their own lifestyles. This should have a positive effect on climate change implications.

Access and Inclusion

- 5.6 The new building will be highly accessible using the Cambridgeshire Guided Busway and the associated cycling and walking facilities.

Engagement and Consultation

- 5.7 It is proposed to carry out formal consultation through a combination of member briefings and the planning process. Initial engagement with Parish Councils took place during the development of the bid to CLG.

Source Documents	Location
PDG report 3rd June 2010 Eco-town bid letter (26th February 2010) Ecotown funding approval letter (23rd March 2010)	New Communities 2 nd Floor, A wing Castle Court Cambridge