

**CAMBOURNE 950 DEVELOPMENT – SECTION 106 AGREEMENT**

**To: Cabinet**

**Date: 16<sup>th</sup> November 2010**

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

**Electoral division(s): Bourn**

**Forward Plan ref: 2010/038**

**Key decision: Yes**

**Purpose: To inform Cabinet of the current position that has been reached on the Section 106 negotiations for the proposed development of 950 new homes at Cambourne.**

**Recommendation: Cabinet is invited to consider the paper and:**

- a). Approve the list of s106 requirements as contained in Appendix 1 as the County Council's formal response to South Cambridgeshire District Council;**
- b). Delegate to the lead Member for Growth, Infrastructure and Strategic Planning in consultation with the Acting Executive Director for Environment Services the authority to make minor alterations to the Section s106 requirements as contained in Appendix 1;**
- c). Approve the use of a Parent Company Guarantee to provide security for the s106 payments due to the County Council.**

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## **1. EXISTING SETTLEMENT OF CAMBOURNE**

- 1.1. Cambourne is a new settlement which has been developed following the grant of outline planning permission in 1994 for 3,300 dwellings. The Master Plan envisaged that the settlement would take the form of “three villages” (Lower, Great and Upper Cambourne). As of October 2010, a total of 3,001 houses have been completed.
- 1.2 In August 2007, an application for 950 additional houses was submitted to South Cambridgeshire District Council. The application will, if permitted, take the housing total within Cambourne to 4,250 homes. The plan set out demonstrates the location of the Cambourne 950 dwelling proposal.
- 1.3 Cambourne is an established community and will continue to grow to 3,300 dwellings in the absence of the current planning application that is the subject of this report. Therefore, it is useful to reflect on how public services are currently provided to the community already living there.

### Primary Education

- 1.4 Primary education will be provided at 3 permanent schools. These are Monkfield Park, The Vine and Jeavons Wood, which is due to commence construction shortly. These schools are required for the community that will live at Cambourne for the development of 3300 dwellings that already has planning permission.
- 1.5 The additional 950 dwellings will require additional primary school accommodation. The projected peak primary school population (for 4,250 dwellings) will reach 8 Forms of Entry (FE) and is projected to level off for the long term at 6.4 FE. In the medium term the County Council is delivering and planning for accommodation for the 3,300 dwellings currently permitted and sufficient accommodation for the 4,250 if planning permission is granted.

### Community Facilities Hub

- 1.6 Sackville House is where the Cambourne GP Surgery, the Cambourne Library and office space for public service staff such as Education Welfare Officers and Parent Support Workers can meet clients and provide direct services. A part of Sackville House is currently used by the County Council Trading Standards Service.

### Public Transport

- 1.7 Existing bus services are provided between Cambourne and Cambridge. Residents also use the St. Neots to Cambridge service that calls in at Cambourne. Public Transport Officers at the County Council advise that currently Monday to Friday peak hour services are nearing capacity and this will be exacerbated by the building of the remaining 3,300 houses and further exacerbated by an additional 950 dwellings. This view is shared by the main operator of services (Stagecoach).



## 2. MAIN ISSUES

- 2.1 Cabinet first discussed this planning application in November 2008 and agreed to endorse an objection to the application on the grounds that the s106 supporting the application was inadequate. The November 2008 Cabinet paper included a list of County Council s106 requirements which the developers had initially failed to acknowledge.
- 2.2 As the only County objection to this application was in relation to s106, this paper focuses on the progress that has been made in order to address the objection.

### Progress since November 2008

- 2.3 Since November 2008, there has been a series of discussions and negotiations with the developers and District Council in relation to the economic viability of the development proposal.
- 2.4 The District Council has commissioned an independent consultant to advise on the viability of the development who has confirmed that the original District and County s106 requirements, along with the District Council policy requirement of 40% affordable housing would make the Cambourne 950 proposal unviable. It has therefore been necessary to reconsider the overall package.

### Current Situation

- 2.5 Discussions over the past few months have resulted in a refinement of the

County Council's s106 requirements. The refinement has reduced the financial total of the s106 requirements, which has assisted with the issue of the development viability. Although the total contributions that would be made to the County Council are reduced under this revised package, Officers are firmly of the view that the reduced amount, if secured, will not have any negative impacts on the County Council's ability to deliver its statutory duties at Cambourne.

- 2.6 The current set of County Council s106 requirements is detailed in Appendix 1. The Appendix also explains any changes which have occurred since the November 2008 Cabinet paper.
- 2.7 Cabinet is asked to consider and approve the current list of s106 requirements as contained in Appendix 1. If Cabinet approves this list, it will form part of the South Cambridgeshire District Council report to their Planning Committee and will form part of the Heads of Terms for the s106 agreement.
- 2.8 As part of the negotiations that have taken place on this proposed development, Cabinet is also asked to note that the District Council has a policy of requiring 40% affordable housing, subject to economic viability. For this particular development, 40% will not be achieved. The District Council is seeking 30% affordable housing instead on the basis of viability.

#### Security for s106 contributions

- 2.9 To provide security for the County Council's s106 contributions, it is recommended that a Parent Company Guarantee on the developers of the site should be obtained.
- 2.10 The Parent Company Guarantees are expected to be with Bovis Homes Limited and Taylor Wimpey UK Limited. A financial appraisal has been conducted of both companies and it has been concluded that both are large enough to provide sufficient guarantees to cover the County Council's s106 contributions. To protect against the possibility of late payment or non payment of s106 contributions, Cabinet is asked to approve the use of a Parent Company Guarantee as a means of providing security.

### **3. SIGNIFICANT IMPLICATIONS**

#### **Resources and Performance**

#### ***The S106 legal agreement provides insufficient funding to provide the necessary infrastructure***

- 3.1 The attached Appendix would provide sufficient funding for the County Council to provide the necessary public services and infrastructure for the Cambourne 950 development. If, however, these levels of resource are not secured and the development still goes ahead, there will be significant negative impacts on the County Council as further borrowing will be required that may limit the delivery of other capital schemes.

### ***Possibility of Appeal***

- 3.2 At present, the developers have indicated that there is little prospect of an appeal. However, if no agreement can be reached on the level of affordable housing and the s106 requirements, then there is potential for a planning appeal in the future. County Officers would be confident of defending the requirements contained in the Appendix should an appeal be lodged.

### ***Other issues***

- 3.3 In terms of the specific contributions themselves, all capital contributions will be index linked to nationally recognised indices to protect against the risk of increasing construction costs.
- 3.4 Parent Company Guarantees will be obtained providing Cabinet agree that this is an appropriate form of security.

### **Resources and performance issues**

- 3.5 In terms of performance, Local Area Agreement National Indicators (NI) 154 & NI155 – Number of homes delivered and number of affordable homes delivered are relevant here. If there is a delay in issue of planning permissions and signing of the s106 agreement, this will directly affect the performance against these two indicators.

### **Statutory Requirements and Partnership Working**

- 3.6 The following are significant implications:
- The S106 agreements will enable the County Council to provide facilities and services that discharge its statutory duties in relation to education, highways, waste, community learning and development. Failure to secure the funding will have a direct impact on the ability of the Council to undertake these duties.
  - The development proposals have been subjected to significant public consultation and debate. This includes through the Local Development Framework processes which the County Council has an input.

### **Climate Change implications**

- 3.8 There are no significant implications for any of the headings under this category.

### **Access and Inclusion**

- 3.9 There are no significant implications for any of the headings under this category.

### **Engagement and Consultation**

- 3.10 There are no significant implications under this category.

Source Documents	Location
Application documents	<i>New Communities – A wing, 2<sup>nd</sup> Floor Castle Court</i>

**APPENDIX 1**  
**County Council S106 Requirements – Cambourne 950**

	Requirement	County Cabinet Formal Position 4/11/2008	County Officers Current Position (Unendorsed)	Summary of Change
1	Secondary Education	£8,000,000	£5,429,744	Approach to process has been reviewed
2	Post 19 Learning Facility	£2,500,000	£0	Contribution no longer required
3	Early Years Provision	£400,000	£456,080	A further study has been done and provided a more detailed estimated cost.
4	Primary Education	£5,000,000	£4,775,000	No 'real' reduction. Costs have been moved
5	Library Extension	£270,000	£151,200	This original cost was based on a formulaic approach. The revised cost is taken from a more detailed study which identifies exactly what work is required in order to extend the library within Sackville House.
6	Public Transport	£2,600,000	£0	Removal of contribution to assist overall viability and to protect contributions which are needed by the County Council for the direct provision of services.
7	Modifications to junction of Broad St and High St	£65,000	£65,000	No change
8	Traffic Island; Traffic Regulation Orders (TROs) and Public Consultation	£40,000	£40,000	No change
9	Rights of Way	£30,000	£0	Reduced contribution as the Wildlife Trust is able to assist with funding and Parish Council are not supportive of suggested path improvements.
10	Archaeology Displays	£30,000	£0	Provision made within existing Cambourne S106
11	Waste	TBC	£140,799	Detailed study not completed until January 2009
	<b>TOTALS</b>	<b>£18,935,000</b>	<b>£11,057,823</b>	

## **A1. Secondary Education**

- A1.1 The original £8m figure is based on a proportion of the cost of a new secondary school at Cambourne and was used in a bid to Department for Children, Schools and Families (DCSF) in March 2009. The County Council still wish to build a secondary school at Cambourne, however, to date, there has been no response to the County's bid.
- A1.2 In this light, the County Council has now provided a 'free standing' estimate using the same approach that is uses for new secondary schools/extensions to existing schools elsewhere in the County. It is estimated that the total cost of the 5FE (750 place) secondary school is £21.7m (2Q10). As the Cambourne 950 development is expected to generate 25% of the pupils that will attend the school, the County Council is seeking 25% of the cost, which is just over £5.4m.

## **A2. Post 19 Learning Facility**

- A2.1 The £2.5m request was included within the Cabinet Report as an indicative figure while justification was sought from Officers. Following further discussions with the relevant County Officer, it is deemed that a S106 requirement is no longer needed.

## **A3. Early Years Provision**

- A3.1 It has been suggested that the modular building, which is currently being used as temporary accommodation for the Jeavons Wood Primary School, can be modified for the provision of early years and youth facilities. However, this modular building is a significant County asset and therefore this is not the preferred solution.
- A3.2 The preferred solution is to seek a separate early years' contribution which would be used to provide appropriate accommodation for this age group. The new permanent primary school at Jeavons Wood could provide an 'Early Years' Wing.

## **A4. Primary Education**

- A4.1 There has been no 'real' change in the amount of money being sought in relation to Primary Education. The 2FE (420 place) Primary School has been estimated at £7.5m. Given the high birth rate at Cambourne, the County Council consider that the 950 development would generate approximately 300 primary aged children (70% of the School). The developers have agreed with the figure of 300 primary aged children. Therefore, 70% of £7.5m works out at £5.25m; however, by applying the current Construction Price Index, the contribution required is actually £5m. This has be reduced to £4,775,000 to account for the fact that the developer is now providing land for the Jeavons Wood permanent school at no cost to the County Council, whereas the Council had previously agreed to pay £225,000 for it.



## **A5. Library Extension**

- A5.1 As a result of the increased population that would arise from 950 dwellings, the County Council is seeking to expand the Level 1 Cambourne Library into a Level 2 Library. This is inline with the County's Library Service Levels Specification. The expansion would mean an additional 87m<sup>2</sup> of public library space, with the library staff room being located to the first floor where there is currently a small area of empty space. The expansion has been costed at £101,500, and the County Council estimate an additional £50,000 would be required for books and IT equipment for general fit out.

## **A6. Public Transport**

- A6.1 Following further scrutiny, the County Council is no longer seeking a public transport contribution. In order to assist with the viability issues and to protect the contributions which are required by the Council in order to directly provide its own services, this contribution has been removed.

## **A7. Modification to junction of Broad St and High St**

- A7.1 There has been no change in the amount of money being sought in relation to this matter. This is a key highway issue that needs to be resolved in order to allow the development to go ahead.

## **A8. Traffic Island; TROs and Public Consultation**

- A8.1 There has been no change in the amount of money being sought in relation to this matter. These contributions are necessary to enable County Highways to go through the necessary processes in order to carry out essential highway works.

## **A9. Rights of Way**

- A9.1 The original £30,000 contribution included a proportion of money which would have been used to promote rights of way in Cambourne. The Wildlife Trust has since pooled resources with the County Council and is able to inject some of its own capital to help promote rights of way and nature within Cambourne. The County Council also intended to use the contribution in order to seal the surface of certain areas of footpath along the Cambourne perimeter. However, the Parish Council wishes to maintain the current 'rural nature' of the footpaths, and therefore does not want sealed surface footpaths. No contribution is sought.

## **A10. Archaeology Displays**

A10.1 County Officers have removed the request for an archaeology contribution as the original Cambourne S106 includes some provision for the display of archaeological remains. The relevant Officer is in discussions with the developer about how best to move this forward.

## **A11. Waste**

A11.1 An extension to the St Neots Household Waste Recycling Centre was opened in the Autumn 2009. The extension, which will serve the Cambourne 950 development, is required as a direct result of current and expected growth in West Cambridgeshire. The Cabinet Paper did not contain a figure in relation to the waste contribution as the study report and justification were not produced until January 2009. The County Council is seeking a contribution of £140,799 which is based on £148.21 per dwelling.