

# GROWING SUSTAINABLE COMMUNITIES

## Northstowe Local Management Study Final Report



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August 2006



Marilyn Taylor Associates



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### Contents

<b>1. Introduction and aims of this report</b>	<b>1</b>
<b>2. Achieving quality growth</b>	<b>3</b>
Diverse objectives	3
Key factors for success	3
Priorities for the Northstowe Trust	4
Conclusions	5
<b>3. Adding value through the Northstowe Trust</b>	<b>6</b>
A scenario for incremental growth	6
Working with others	7
Conclusions	8
<b>4. Getting started</b>	<b>9</b>
1. Communications plan and promotional material	9
2. Visitor/marketing centre	9
3. Energy consumer co-op and the Energy Supply Company	9
4. Northstowe Forum and local governance	10
5. Enterprise development	10
Conclusions	11
<b>5. Building capacity</b>	<b>12</b>
Board functions and membership	12
Staffing	12
Financial implications	14
Phasing	14
A development charge	15
Conclusions	15
<b>6. Mobilising resources</b>	<b>16</b>
Stakeholder contributions	16
Other sources	16
Income generating projects	16
Endowment assets	18
Conclusions	18
<b>7. Addressing the risks and next steps</b>	<b>19</b>
Community backing	19
Financial viability	19
Leadership and trust	19
The next steps	19
<b>APPENDIX A</b>	<b>20</b>
Briefing Paper (April 2006): Roles & Relationships	
<b>APPENDIX B</b>	<b>24</b>
Making Northstowe a Model for Sustainable Development: providing 'green community' services through the Northstowe Trust	





# GROWING SUSTAINABLE COMMUNITIES

## Northstowe Local Management Study Final Report

### 1. Introduction and aims of this report

This report was commissioned by South Cambridgeshire District Council along with Cambridgeshire Horizons, English Partnerships and Gallagher Estates. It deals with how to set up a Local Management Organisation for the new town of Northstowe that will ensure that the stated objectives of creating a truly sustainable community will be achieved, and maintained over the foreseeable future.

Northstowe is an exciting opportunity to create something different from the usual suburban sprawl. The new town is increasingly being seen not only as critical to the continuing success of Cambridge as one of the most dynamic parts of the East of England, but also as a test of whether the UK can build 'sustainable communities' as opposed to talk about them. However a lot depends on how the place is managed, which goes far beyond what kind of masterplan is adopted. This report follows up the first phase of the Northstowe Local Management Study, *Who Runs This Place?* The summary report in February drew on research into what was involved in creating a successful new town, seven case studies of different management approaches, and alternative ways of financing sustainable development.

The first phase report concluded that a number of management organisations were needed, not just one, and that an evolving approach would work best. It recommended the formation of a development trust rather than a private management company to meet the declared objectives of the new town at Northstowe. A trust essentially operates as a business but with public objectives, and is usually constituted as a company limited by guarantee, as opposed to one whose duty is to maximise value for its shareholders. In particular a trust could:

- Involve and engage people, developing social capital early on
- Be responsible to the communities through membership and a board of directors, and thus provide a sense of public purpose

- Attract government grants, and charitable and other external funding that public bodies cannot
- Directly implement strategies and actions designed to ensure high levels of sustainable living
- Demonstrate innovation and entrepreneurial action, and take calculated risks that neither a public authority nor a private developer is able to do.

While discussion on new communities often focuses on what new buildings will look like, in practice it is the public realm that largely shapes the identity and appeal of a new community. The term 'public realm' includes not only a very extensive landscape and environmental framework, which needs to serve the needs of a variety of users, but also large parts of the proposed town centre, and of course the vital contribution that space in schools, leisure and health facilities make to creating a true community, as opposed to just another housing estate or business park. It therefore goes far beyond 'public open space'.

The first phase report drew on a wide range of ongoing studies, case studies, and meetings to discuss key aspects. It concluded that a development trust for Northstowe could be particularly useful in three main areas:

- sustainable energy
- landscape development including the protection and enhancement of biodiversity and the natural environment

- community involvement and governance.

It was already clear from the earlier Keystone Report that an asset endowment is vital to establishing a development trust as a credible and viable Local Management Organisation. Otherwise it will simply end up passing the begging bowl. Our first phase report identified seven different potential revenue sources, including the use of service charges and precepts. We also identified no less than ten types of assets that could be used to endow the trust, and hence enable it to fulfil the above roles. The report however did not attempt to resolve the fundamental issues of:

1. Who is going to fund the different elements that go to make up a truly sustainable community?
2. How and when are these to be provided?
3. And what will ensure that the stated goals are achieved over time?

It was therefore agreed to proceed to the second phase and to investigate how a Northstowe Trust might relate to other organisations, and in particular the roles of Registered Social Landlords, Parish Councils, and the proposed Energy Services Company (ESCO). We have therefore focussed on developing scenarios for how the trust might operate in its first three years, working up staffing and project proposals, and discussing how to get the trust underway. Our work has been complicated by the uncertainties related to the way the development is going to be organised, including even the masterplan itself, given the changing role of English Partnerships.

We believe that whatever the precise layout and extent of the new town, it will help everyone to know that from the start there is an organisation with a long-term

interest in seeing the town succeed. Thus the proposals to establish a local energy grid and CHP plant are the subject of two ongoing studies, and there have also been proposals for a community wind scheme. But whether there is a national or regional ESCo, having a community based trust will help in mobilising local support and overcoming the inevitable opposition to anything new.

This report aims above all to provide a kind of route map, and a basis for bringing the current stakeholders together around a shared vision. To that end:

- Section 2 addresses the challenges in securing and sustaining a quality environment, restating some of the conclusions from the first phase, which should be referred to for elaboration of a number of the key issues
- Section 3 shows how the Northstowe Trust can add value, and work with the other stakeholders to build the new community's social, environmental and economic capital, and therefore how expenditure can be considered as investment
- Section 4 proposes a set of activities and priorities for the first three years, which will not only enable the trust to prove itself, but will ensure that the right image is promoted for the new town, and therefore help boost early sales and occupancy

- Section 5 deals with the organisational form and staffing, and how to move forward in stages as resources allow
- Section 6 identifies a number of ways of providing the necessary funding, including some radical ideas for funding sustainable communities through measures to save energy and cut carbon emissions
- Section 7 presents an appraisal of the risks, and ends with a set of conclusions and proposals for next steps that the stakeholders can take forward.

Appendices set out the results of research undertaken in the second phase, including the briefing paper on Roles and Relationships produced by Marilyn Taylor (**Appendix A**), and a paper by URBED on Providing 'Green Community' Services through the Northstowe Trust (**Appendix B**) which suggests some practical ways of making the community fit for the 21st century.

## 2. Achieving quality growth

This section considers the diverse objectives of the main stakeholders, and key factors for success based on experience elsewhere in the successful 'stewardship' of the public realm. It concludes with suggestions on how to build up the 'capital' of the new community as rapidly as possible.

### Diverse objectives

Northstowe has been envisaged as a new town, with much higher standards than most recent housing schemes in the UK. Its progress and quality will be seen as a major test of the Government's Sustainable Communities Plan, and of English Partnerships' role of promoting housing on brownfield sites. However with no single organisation to make sure things happen as planned, and frequent changes in key personnel, there is a danger of yet again setting out to do one thing, and ending up producing something quite different:

- South Cambridgeshire District Council wants to ensure Northstowe does not intrude on existing communities. It also wants to learn from problems encountered with the new community at Cambourne, which despite looking attractive, has suffered early on from lack of places to meet, problems over running costs, social polarisation, and trees dying for lack of maintenance, as well as over-dependence on cars for getting anywhere. As the Planning Authority, it inevitably has to take a critical stand and so its capacity to provide leadership is limited, though it is responsible for promoting sustainable development under the Local Government Act 2005, and is in the forefront of efforts to save energy.
- Cambridgeshire County Council is concerned about the pressures on education and social services, which raise complex issues about co-location. It is also heavily involved in providing the Guided Bus on which the masterplan is largely based. Northstowe is one of many proposals under consideration, and there is limited experience of building new facilities, such as secondary schools. However there is a real interest in making the fullest use of Information Technology.
- Gallagher Estates have submitted a planning application based on the idea of creating an 'innovation market town'. As a private company it wants to be able to



Cambourne suffered 'teething' problems

market sites with planning permission to house builders and other developers as soon as possible to recover its investment. With high initial costs, considerable risks, and a number of competing projects, it is concerned to press on as rapidly as possible.

- English Partnerships has stated it wants Northstowe to be a 'benchmark for environmental sustainability' but also needs to achieve high land values. It is currently engaged in merger discussions with the Housing Corporation. There is still considerable uncertainty over what difference the new masterplan will make, other than to make the scheme even more ambitious, for example through higher densities, but its experience elsewhere has shown the value of investing in community development early on.
- Yvette Cooper MP, as the responsible Minister, has been quite specific in seeking to make Northstowe a national demonstration project for how to reduce carbon emissions. Previously her colleague David Milliband promoted the idea of 'double devolution', which would put more responsibilities on to local communities, along with, hopefully, new sources of funding, such as the use of property endowed

trusts. With Cambridge being so close to London, there will be continuing government interest in the project, and possibly additional funding for innovative elements.

- Cambridgeshire Horizons, the body charged with driving forward sustainable communities in the County, is concerned to ensure that Northstowe plays an early part in reducing the pressures on housing in the Cambridge area, where it could account for 25% of new housing. It has a particular interest in improving the quality of life, and meeting strategic objectives, for example in terms of cultural and landscape development. Though it has limited resources and its powers are largely those of influence, it services the Northstowe Project Board, which could play a key role.

### Key factors for success

The current arrangements are unlikely to produce the results the stakeholders are looking for, unless there are changes. Experience elsewhere (see for example the appendix in the first report on Lessons from New Towns, and also the earlier report on consultations Making Northstowe a Model for Sustainable Development) shows the importance of having organisations that can engage

local communities, provide dedicated leadership, and mobilise the resources needed to achieve them. Visits we organised to the historic model of Letchworth and the more recent Shenley Park Trust, as well as case studies such as Caterham Barracks confirm the value that trusts can add. But while there has been considerable debate on what Northstowe should be like, with working parties seeking to agree different aspects of the masterplan, it is still far from clear how a rather dreary and unappealing location is to be transformed into a place where people want to live out of choice rather than necessity. This alone argues for a body that has a long enough time frame (over 20 years) and an independent remit. Planning and development, while closely linked, are not the same. Also social or cultural development is increasingly seen as being as important as physical development (see for example, the Bristol Accord, which ratified the seven characteristics of a sustainable community defined in the Egan Report, and added the eight feature of Fair for All).

While both English Partnerships and Gallager Estates can fund the building of roads and other physical infrastructure, there is currently no single organisation able to assemble all the capital needed to make Northstowe truly sustainable. This requires social and environmental capital as well as financial capital, as was argued in *Who Runs This Place?* All the stakeholders have a range of functions and areas of interest, and so Northstowe is not their overwhelming priority. Furthermore providing community infrastructure is no longer just about providing space for a church, a school, and a few public houses! A Northstowe Trust could provide the missing driving force or champion in the early days, and the responsible steward in the longer term, provided that the stakeholders are willing to give it the chance to help the new community to grow, and apply the summary lessons from the case studies outlined in the first phase report.

### Priorities for the Northstowe Trust

Our first phase report set out thirteen tasks that the Trust could undertake early on



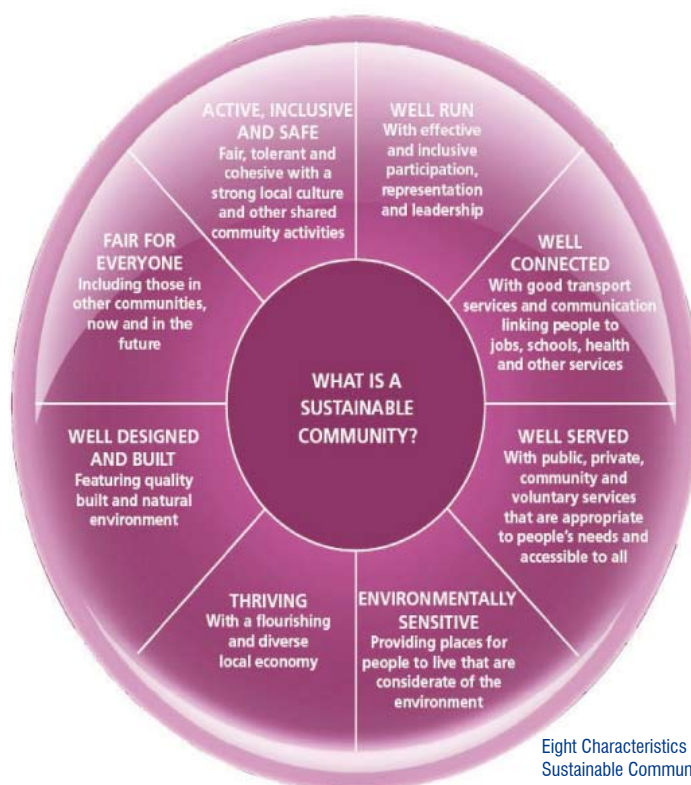
Above: Caterham Barracks Trust has mobilised community support

to help implement the above objectives. These underlie the importance of setting it up before the masterplan is set in stone. They can be boiled down to three key roles (see **Appendix A**) each of which will add value, or a different type of capital, to the development and therefore justify setting up another new body in what is already a crowded institutional landscape:

**1. Championing Northstowe as a sustainable community** (environmental capital): The Trust should help ensure that Northstowe truly is at the cutting edge, by overcoming inertia and scepticism about

the feasibility of sustainable development. It can also promote behavioural changes e.g. reducing car dependence, as for example has occurred in Freiburg, which the stakeholders visited as part of the Quality Charter process. A key lesson was the importance of engaging with the people who want to live in the new community, and using tools that support more sustainable forms of behaviour e.g. cycling, car clubs etc.

**2. Supporting active and engaged civic life** (social capital): The trust uniquely can address the issues of how people are to



Eight Characteristics of a Sustainable Community





Vauban in Freiburg shows how to create greener and safer streets

get to know each other. It can meet the need for social and other services in the days before the community has bedded down, for example through creating links with existing facilities and ensuring these are built up in ways that bring communities together, and do not divide them. The Caterham Barracks Trust, with its focus on providing facilities that young people will want, is a good example of this. Whilst a trust does not replace the need for elected councils, it can go beyond parochial concerns, for example finding creative solutions to community development

including making full use of ICT.

**3. Safeguarding the town’s assets** (economic capital): The activities of the trust can boost house sales and the value of the site by minimising conflicts and securing environmental quality. It can ensure that there are benefits for the existing communities, as has occurred in some of the Millennium Communities. It can also help the community to respond to unforeseen problems as they arise, as in classic success stories like Letchworth, for example by promoting the growth of new social and business enterprises.

**Conclusions**

The first phase of our work proved the value of setting up an independent trust for Northstowe. There is a distinct role for a development trust in both creating a benchmark for sustainable development and the formation of an innovative market town. Its main function is to help build the social and environmental capital that a truly sustainable community needs, but it should also add to the town’s economic capital, and thus help to sustain long-term property values.



As an example, when Milton Keynes New Town was developed, even though the Development Corporation was able to put in the infrastructure, it took several decades to overcome the ‘New Town Blues’. A community development function was set up in 1986, but only after considerable dissatisfaction (and indeed some early social housing schemes have since had to be demolished). Attempts to create a Green Town as a demonstration project never got off the ground, though some demonstration projects, such as Energy World and Future World, helped give the new town a progressive image. Today, Milton Keynes is very popular with its residents, in part because of the great lifestyle it offers, and new developments are seeking to overcome the limitations of the masterplan, which was inspired by Los Angeles. A central feature has been the network of open spaces, which are maintained by a trust and funded through income from the management of property let out to small businesses, which would not have been of interest to institutional investors. This only happened because the Development Corporation committed itself to a Vision for the New City that emphasised ‘freedom of choice’, starting with a park (and indeed disregarded a number of principles in the original masterplan). Importantly the goals of a high quality public transport system were never achieved, in part for lack of a champion, but also due to the low densities adopted, and the separate ‘redways’ have not worked as intended. The Chairman of the Development Corporation (Lord Campbell) had a huge influence on the way the New Town developed, and created a real sense of mission or purpose. But because he was supported largely by physical planners and architects, community development, including integration with existing communities, was neglected.

### 3. Adding value through the Northstowe Trust

This section deals with the roles the Northstowe Trust could be expected to play in the early stages of building the new town. Discussions with the stakeholders have suggested five main areas of benefit from establishing the Northstowe Trust. These provide the reasons for setting up a body that can hold assets, and manage them for the wider and longer-term community benefit. They also provide the justification for treating expenditure on the trust as investment, just like expenditure on roads or utilities.

#### A scenario for incremental growth

The Trust will play an increasing and changing role as the development proceeds, acting at times as a force for change, and ultimately as one of the main Local Management Organisations in Northstowe, along with bodies such as housing associations, and potentially a town centre management company:

- **Responding to local needs** The pressures for 'Green Separation' reflect natural concerns about avoiding spoiling the quality of life of people in the adjoining villages. Yet there are considerable opportunities for using the new town to improve local facilities, and the trust could act as an 'honest broker' in healing the divides. It is neither realistic nor desirable to act as if the communities will be quite separate. Northstowe's town centre will provide shops and services on the doorstep of Longstanton and Oakington. The neighbourhoods will provide a wider choice of housing that will make it easier for people to pursue what the Dutch call a 'housing career' without having to leave the area. For example a trust could promote new forms of housing tenure, such as co-ownership to encourage groups like 'empty nesters' to downsize or to enable young people to try out alternative life styles. Handled properly, the new town should boost the area's social capital, for example adding to the range of voluntary and community activities (an established community will have at least fifty). It could also meet common concerns, such as the provision of activities and space for young people. While some of these functions might be provided by the existing Parish Councils, particularly when they start receiving the precept from new residents, it still helps to have a body that can employ people to do things, and not just pass on

complaints. Inevitably in the early days residents of Northstowe will have to draw on facilities in the surrounding villages. Such shortages could provide opportunities for the Trust to promote better facilities, such as a new community centre or an expanded health practice, that will bring mutual benefits, and possibly make use of assets that would otherwise go to waste.

- **Implementing innovation** While there is a major opportunity to cut carbon emissions and save natural resources, doubts are inevitably raised over whether innovation is feasible, whether there is a market for it, and how it can be funded now that utilities have been privatised. An example is the scepticism shown to the idea of using medium to large-scale wind turbines to generate some of the energy that Northstowe will consume. The UK lags far behind other European countries in implementing 'green technology' as the Freiburg case study clearly illustrates (see **Appendix B**). Not only is there scope in Northstowe for tapping the brainpower of a leading world university, but there is also scope for creating partnerships with investors and suppliers, as we show in Section 6. Whether this is generating energy in more sustainable ways or using waste water to encourage biodiversity, the new town should create new employment and wealth, which will add to the area's economic capital. Here the examples of both Danish energy co-operatives and the German city of Freiburg can provide inspiration. The Trust will be able to work up projects and tap funds that others cannot, and hence will play a key role in turning difficult parts of the vision into reality. The Innovation Fund at Arbury Park provides an interesting precedent, but the important role of the Northstowe



Shenley Park Trust supports community life

Trust should be mainstream innovation, so that Northstowe serves as a model for the wider East of England area.

- **Generating positive publicity** It would be easy for Northstowe to generate a bad press, particularly given political tensions, the disturbance that any building project can create, and the possibility of 'problem families' ending up unsupported in new housing developments in a location which some consider far from sustainable. It is also hard to convey what the new town will be like early on, and communication material so far has not sold the benefits very well. Most people in the East of England have a negative view of new housing, which only interests a small proportion of the potential market. Yet there is also a market for something very different from the standard housing estate, as examples like Brooklands Avenue in Cambridge or the extension of Harlow are starting to show. Eco homes can command a premium, while energy saving measures can help families on low incomes to cope. Growing concerns about the availability of energy and water will provide opportunities for Northstowe (or some of its neighbourhoods) to be branded as being in the forefront of change towards a more sustainable way of life. A key function of the trust will therefore be communications, using all kinds of media. For example, we envisage, an early demonstration project of applying 'green technology' in a visitor centre that might be used by a number of developers



Block associations look after public space in Freiburg



Open drainage is a feature of Reiselhof

of different parts of the site. The example of the Shenley Park Trust in generating a positive image for what was an old psychiatric hospital provides a good precedent. While it is unrealistic to expect the country park to be an attraction in the early years, it would be possible to commission an iconic building, such as the Civic Hub, and to design it through a process that avoids the usual mistakes.

- **Complementing RSLs** An important part of Northstowe's role is to expand the provision of affordable housing, and undoubtedly this will involve housing large numbers of young families, who will initially lack support systems. Experience elsewhere, for example set out in research for the Joseph Rowntree Foundation and the report by Three Dragons for Cambridgeshire Horizons, has shown the importance of securing the right balance of housing provision. Our discussions with the Housing Forum, bringing together the Housing Corporation and the Housing Associations who may be involved with Northstowe, established that RSLs will be required to do more than just build and manage housing. But while the provision of adequate play facilities can be built into development briefs, there is also a need to have a body capable of monitoring the growth of the community, and promoting new facilities as the needs of the residents change over time. Young children grow into teenagers, and as the Three Dragons report highlighted, this needs to be planned for from

the start. The trust should therefore have a special interest in the way children can be encouraged to take an interest in environmental issues, and act as 'green ambassadors'. They could, for example, be taking part in school based programmes aimed at adopting less wasteful lifestyles, starting with walking or cycling to school rather than being dropped off by their parents!

- **Maintaining high standards** Many people are put off new communities by the way in which new developments have failed to live up to their promises. Classic examples are the problems associated with new towns like Harlow and new communities like Thamesmead. More recently CABE's Housing Audits have attacked the great majority of new housing schemes for the way in which they deal with the public realm and car parking in particular. The Northstowe Trust can help ensure that Northstowe not only looks attractive from the start, for example by taking responsibility for promoting the greening of common areas in association with the new neighbours, but also by responding to change, as has happened in places like Letchworth and Shenley. This will provide the confidence needed for people of all classes to want to live and build their lives in Northstowe, and hence boost demand and property values. Once it has got going, the trust should be able to help in designing and looking after public spaces that are both well used and easy to maintain. It might focus on the Town Park or the

Civic Hub as a flagship project, that can be used to set examples for developments elsewhere in the town, for example in the way parking and linkages with hubs are handled.

### Working with others

From our discussions with stakeholders, we believe the above proposals would win general acceptance, and therefore provide enough confidence to make an early start. The presence of a trust would bring a number of benefits for those involved in making Northstowe a reality:

- As most people would prefer not to have a major development in their backyard, relations with local people up till now have been fraught. Local residents, and the Parish Councils that represent them, should therefore welcome a means of getting involved in sorting out common concerns that go beyond what planning and Section 106 agreements can adequately cover. As our case study of South Woodham Ferrers illustrates, the Parish or Town Councils will benefit from there being a not for profit body putting projects together that are in the communities' longer term interest, while receiving increased revenue from the precept that the new residents will be paying. Hence a trust should help break down divisions.
- Developers, including not just Gallagher Estates but also builders who take on specific elements, should appreciate being

able to work with a body that represents the long-term community, not just the people currently living in the surrounding area. It can deal with the Spaces Left Over After Planning (SLOAP), and help attract people to want to live and work in Northstowe because it is as attractive as an established town or village, not a poor relation. For example the Trust could take on aspects of the water management system where there are no established models, and promote changes in behaviour as well as provide new forms of infrastructure, so that the drainage system does not end up being fenced in, but becomes a feature, as in Rieselfeld in Freiburg.

- English Partnerships has already expressed interest in finding innovative solutions to the problems of creating communities on brownfield sites. They have been exploring different models of trust, including the idea of Community Land Trusts to address the issues of providing affordable housing into perpetuity. The Millennium Community at Allerton Bywater is just one example where it has been found useful to set up a trust to manage community provision for both the existing and new residents. The creation of a properly resourced trust will make it easier to focus on the difficult financial and construction issues.

- The government, through David Milliband, has expressed interest in the idea of devolving more functions and powers to the neighbourhood level, and using Local Area Agreements to get the different strategic partners to work together with fewer checks and more incentives for collaboration. There are also new organisational forms, such as Community Interest Companies, which are intended to make it easier to fill the gaps between what the public and private sectors are best able to do. The Northstowe Trust could be in the forefront of showing how to apply sustainability principles to relatively well-off suburban locations, as opposed to city centres or rural areas. It will therefore provide

something to talk about even when there is relatively little to see on the ground.

- Cambridgeshire Horizons wants an innovative mechanism to help fill the funding gaps, and to ensure that the new town is not a 'poor relation' of the existing communities. The Milton Keynes Roof Tax provides one possible model, but does not address the issues of how to harness the potential for self-help and collaborative action. The Northstowe Trust will provide a convenient body for packaging funds from different sources, and avoiding the constraints on local authority expenditure. It may also enable some pioneering work to be done on cracking the problems of financing infrastructure (for example by tapping into the Transport Innovation Fund).

## Conclusions

The Northstowe Trust offers benefits over relying on a private management company where profit will be the main consideration, particularly as far as taking forward projects that will require ongoing management and a degree of innovation, and where the goal is maximising community benefit. It avoids the need to rely on the local authorities or to set up a Development Corporation to fund certain innovative parts of the community infrastructure. It therefore provides a third way, and a natural partner in a public private partnership in the important period before the community and related income stream has built up sufficiently for a Town Council to be established.

## 4. Getting started

The Trust inevitable needs a broad remit, but to win support needs to prove itself through achievements. This section explores priority activities for the first three years, and demonstrates the immediate contribution that the trust can make to getting Northstowe built. It is in line with the discussion at a workshop on July 31st, which stressed the importance of proceeding incrementally, with the full support of all the stakeholders.

The role of the Northstowe Trust will inevitably change over time, and as 'nothing succeeds like success', it will be important to identify some early wins that can be undertaken with limited resources in order to build credibility and trust. Having considered a range of possible projects, we have selected the following five as an agenda for early action, each of which should be relatively easy to resource, given the will:

### 1. Communications plan and promotional material

With a new masterplan under consideration, and agreement to build the Guided Busway, it is going to be essential to provide ongoing information on what Northstowe is going to be like, and how it is going to be built to a variety of interests, local and national. The Charter Symposium held at the Trinity Centre, Cambridge Science Park on the 7th of July highlighted the importance of working with potential occupiers and suppliers early on to overcome institutional inertia, and the scepticism that new ideas encounter in the UK. There will be a need for a range of material including:

- An interactive and continually updated website, providing a portal into a range of sources of information, including existing and proposed services and facilities in the locality
- A travelling display exhibition, including a portable model and phasing plan, explaining how Northstowe fits into other major projects e.g. A14 upgrading
- A library of relevant studies, including reports by consultants, information on other relevant projects, and all the material that easily gets lost or forgotten, and delays going down the 'learning curve'.

With so many organisations involved in the development of Northstowe, commis-

sioning the Northstowe Trust to play this function will help maintain continuity and improve co-ordination at the local level. By channelling resources through the Northstowe Trust, rather than national Public Relations consultants, the investment will generate added value. It can tap into support from bodies like Inspire East and the Academy for Sustainable Communities. It can also harness the County's interest in new applications for advanced ICT, such as, for example, creating 'virtual communities' using 3D computer graphics to enable people to experience what the new community will be like before it is built, and to input reactions to the planning and design process.

### 2. Visitor/marketing centre

Once development works start on site, it is going to be important to provide a focus for communications, including responding to those who are interested in the idea of living or working at Northstowe. It is normal for developers to provide a marketing centre, with staff to handle enquiries. However given the innovative and large scale nature of Northstowe, we suggest this is combined with landscaping and other work to present a positive and exciting image to the outside world when most of the area will look like a building site.

For example the marketing centre could include an exhibition on environmental technology and ways of saving energy and other natural resources, with a reedbed and flow form system for cleaning water, which would appeal to families. It could include space for periodic events, for example markets and fairs, which will generate interest and much needed revenue. Above all it could show examples of the kinds of development under consideration for Northstowe: an example is the £60,000 house, a prototype of which was recently displayed

outside the Building Centre in London, and which formed a key element in a fascinating short exhibition, but which was then demolished rather than being reinstalled where it could have acted as an attraction.

The Trust should be able to make use of a suitable site, which will form part of the longer-term landscape framework, and mobilise voluntary and other efforts in creating a place that is a pleasure to visit. It could secure contributions in kind as well as money from housebuilders and suppliers of building components. It might work with the European Smartlife research project in Cambridge already funded under the Integer Programme to promote innovation in construction, and possibly other initiatives looking for a high profile site to demonstrate what they can do, thus maximising investment from other sources. A good model worth investigating further is provided by the Building Exhibitions used in Germany and Scandinavia to generate interest in major new housing sites.

### 3. Energy consumer co-op and the Energy Supply Company

We have argued (see **Appendix B**) that the Northstowe Trust can provide the ideal vehicle for turning the proposals for sustainable energy into reality. We have suggested that this project could be taken forward in three stages, involving increasing levels of risk and investment:

- Green services to reduce carbon emissions e.g. car and cycle club, bio-fuel sales
- Bulk purchase and installation to encourage households to go for energy saving options
- Energy distribution infrastructure to enable renewable supplies of energy to be obtained at lower costs (see Section 6)

There is already a good head of steam, with a number of local partners, as well as potentially other investors provided the decision is taken to promote innovation, and not just rely on the existing utilities. This project provides the best chance of tapping additional sources of funding to those available to the stakeholders, as it can access not only the Growth Fund, but

also funds from the Department of Energy and charitable foundations. There is already a great deal of interest in alternatives to relying on nuclear power (which incidentally was what led to Vauban getting going in Freiburg) with some funding starting to come through from DEFRA (e.g. for biomass schemes). There will also be interest in ways of saving water, and there is considerable scope for using investment in the 'green infrastructure' to reduce long-term utility bills. URBED has contacts with potential European partners who have already solved the kinds of problems that are likely to be raised, but further work needs to be done into feasibility, looking in particular at issues of maintenance and risk, and at how to raise capital at minimum cost to the project.

#### 4. Northstowe Forum and local governance

A community has to be given time to grow and put down roots, but the process can be encouraged by appropriate forms of local governance. The Briefing Paper on Roles and Responsibilities (attached at **Appendix A**) explores the potential roles for both the Trust, and for existing Parish Councils, especially in the early years. The Northstowe Trust could help to facilitate discussion during the critical period when there is no Town Council, and when it is vital to attract people interested in helping to make the community a success (as opposed to protecting established interests through NIMBYism). One way of doing this is to copy the approach in Vauban in Freiburg, and to facilitate debates on different aspects of the project by setting up a Northstowe Forum. This could be a practical means of linking the talent that exists in the university, and the many businesses in the surrounding science parks with specific opportunities to apply new technology. It also offers an opportunity to engage people in practical actions, and to work with partners such as the Princes Foundation on ways of introducing new ideas, for example by working through young people. There are a growing number of influential people expressing interest in the project, but their goodwill will be lost unless there are ways

**Water management and public spaces** Possibly the most complex areas for environmental sustainability in the 21st century will be dealing with water, both the shortages of water fit for drinking and growing food, along with excesses of flood water at certain times. Northstowe's scale, character and position make it well suited for water recycling. Inspiration can be drawn from Dutch cities and new suburbs, such as in Almere, where water is used to add value to housing development by creating new canals and drainage ditches with a requirement that 10% of the space in a new development should be given over to water. Not only does this add value to the new housing, but it also has a natural cooling effect. Research for CABE found that new developments in Groningen, and also Aarhus in Denmark and Malmo in Sweden have all created successful new water based open spaces. From providing water butts to harvest rainwater from detached houses, to Sustainable Urban Drainage Systems for high density groups of houses such as in the town centre, investment in sustainable development can pay off. Thus in Aarhus, dumping city spoil on adjoining fields saved transportation costs, and created a recreational hill-scape with more golf courses to reduce the needs for health care among the elderly. In Malmo collaboration between the city and the water authority led to the integration of drainage ponds and canals in the park system, with a corresponding saving in the costs of increasing the capacity to deal with waste water. Savings in the huge infrastructure costs (estimated at £300 million) can be used to help fund environmental innovations, such as the common duct we are proposing.

of following them up periodically.

#### 5. Enterprise development

Though the original idea was to build up the town centre as the population grows, there is also a possibility of developing some of the facilities much earlier by serving a wider community. This should include some of the leisure and educational facilities, as well as commercial shops and services, to create a proper town square. But it could also include space for small enterprises to avoid Northstowe being seen as a 'clone town', and to counter some of the opposition that such a scheme will inevitably generate. If this were combined with creating the Town Park as an attraction, many of the problems involved in establishing the right image for Northstowe could be overcome. In turn this would create opportunities for the Trust including:

- Letting out space to creative enterprises such as artists in units designed for small businesses until demand builds up
- Securing interim uses of land that will be developed later, such as for parking or recycling
- Promoting ways of saving natural

resources, for example through schemes for reducing packaging or reusing bottles

- Managing car parking, for example using Park and Ride or Bike and Ride to help achieve the carbon saving targets
- Attracting businesses that are applying new environmental technologies, and who will benefit from a location in a project that will be a demonstration of what they are doing.

While this will need some seed corn funding, by tapping into the new town centre, the Trust could make use of surplus space in the early stages, and also draw on the longer term value created by the town centre, and recycle it back into the community. As with Coin Street on London's South Bank, a community based trust can provide the leadership to enable large companies to build productive relations with the local community, and could tap into the interests of a number of illustrious Cambridge graduates.

Though we agree with the potential for attracting arts and other uses, as suggested in the report from David Powell

Associates, having considered the opportunities for using the barracks as a temporary hub, we suggest that all available resources are concentrated in creating a demonstration project for 'green design' using new construction. This will reinforce the vision for Northstowe, generate national as well as local publicity, and probably provide better value, for example in terms of usable space. In time, as spaces become available, for example the Officers Mess, the Northstowe Trust could be a potential developer, though it may not want to compete with commercial developers, once the risks have been reduced.

**Conclusions**

The priorities for the first three years are to establish the Trust as a credible organisation and useful partner. We have selected initial projects that should provide early wins, and tap into funding sources other than those of the main stakeholders. They are all important, but do not have to be done all at once. However as decisions are being made that could be irreversible, it is crucial to introduce the Trust as a player as soon as possible, starting with the communications role, where it should be able to act as an 'honest broker' without suffering from the distrust that inevitably greets private developers and public agencies.



Innovative design in the Dutch new town of Almere



Hoje Taarstrup heating plant and head office. Danish coops help build really sustainable communities



Images courtesy of Gallagher Estates

**The barracks as a demonstration project**

We also tried to assess using the Barracks for small and community enterprise to provide an early win. This was difficult given problems over access and the lack of proper surveys. We consider that parts of the barracks have an important role to play in giving the new town a sense of history, given the part the airfield played in the Second World War. Unfortunately there are too many obstacles to making this a priority project for the trust, including:

- Undistinguished set of buildings (unlike Caterham Barracks, for example) which limits the potential for raising grants
- Requiring investment in repairs and conversion if the spaces are to be used by a multiplicity of tenants
- Located away from the front of the site, and therefore of limited value as a demonstration project
- In a place currently due to be redeveloped, which will make it hard to attract investment for renovation and conversion
- Proposed as a base for construction work, which would conflict with public uses.

## 5. Building capacity

This section addresses the issues of who is to run the Trust, and how they are to relate to existing organisations. It also identifies the kinds of staff that will need to be recruited and the initial financial implications.

### Board functions and membership

Having considered a range of possible structures, we recommend using the proven model of a company limited by guarantee. The memorandum and articles of association should allow it secure charitable status, if and when required (probably for its environmental aims). It will be able to set up subsidiary organisations, or enter into partnerships with other bodies, for example to promote the proposed energy or green services co-operative, and thus can engage with private investors where appropriate (as we saw on visits to trusts in Hertfordshire). While it will be useful to involve an appropriate firm of solicitors, it will be advantageous to adapt a constitution that has already worked well elsewhere. As there are now over 300 development trusts in operation, there is no shortage of models that would work in Northstowe, and an early visit to possible models is recommended. The important point to remember, however, is that this is not a trust formed by local people to respond to problems of local deprivation, as is often the case, but a body set up to promote environmental innovation in the interests of the longer-term community, who currently cannot be identified. Hence though the mission is to create a sustainable community, it is not being set up to serve the interests of disadvantaged groups or areas.

Experience suggests that while there is often concern to represent as many bodies and interests as possible, trusts are most effective when they are run by people who have complementary skills, and shared values, so that the minimum time is wasted in fruitless arguments. This inevitably limits the numbers of board or management council members, and as most people are very busy, it will be far better to get 7-10 people who are prepared and able to turn up regularly for at least three years, than a much larger number who come and go. Consideration could be given to a system of rotation as it is common for

trusts to have much larger memberships made up of people who support the general aims.

A workable structure would be:

- A chairman and vice chairman, who are people of standing in the local community, and who have good links with both the public and private sectors; thus one might be a former local government chief officer, while the other could be a business man or woman, who had retired to the Cambridge area, and who was interested in some aspect of the environment
- Board members who are initially appointed by the stakeholders (and who could be members of the Northstowe Project Board) with rotation to allow for change over time, for example by members standing down after five years
- Spaces to be filled by nomination from both the existing communities through the Parish Council, plus spaces for co-opting people on to the Board who would strengthen its capacity.

It would be normal for the Board to meet monthly in the first instance, and then at three monthly intervals once staff have been recruited and are performing satisfactorily. Good practice would be to hold annual meetings open to the general public, and if a Northstowe Forum is set up, with its own membership, then the Board would expect to get involved in debates and discussions. If there were a wide Trust membership it might be appropriate for board members to offer themselves up for reappointment at meetings open to members of the trust. Securing the involvement of first class people will require some diplomacy, but this may be easier if the shadow board is based on the Northstowe Project Board.

Care should be taken to get a balance not only of ages and gender, but also personalities if at all possible. As this can be hard



The Letchworth Foundation is key to the towns success

to do in practice, it would be perfectly appropriate to set up working groups, led by board members, to consider particular needs, such as engaging with young people, or focussing on specific projects. These could co-opt interested parties, and thus avoid trying to cover too much at board meetings, or appearing exclusive. It can be a good move to co-opt community livewires, and to ensure that the chair is someone who knows how to get the best out of people, and to attract resources, so that too much is not expected from the officers.

### Staffing

It follows from the key tasks set out in Section 2, and experience elsewhere that some quite special people will be needed to achieve the stated objectives. Not only is Northstowe quite different from a conventional housing scheme, after all it is intended to be a new town, but also the role of the Trust is to cajole and influence other organisations to go beyond their standard remit. Hence while the Chair of the Board will need diplomatic skills, the Trust's director is likely to be someone with a burning passion to put environmental ideas into effect, as well as proven management skills. It is therefore a job that may well need to be filled through head-hunting, rather than expecting the right person to respond to an advertisement.



The key positions we see as being four, backed up in time by staff who can either be employed directly or whose services can be drawn on through contracts with appropriate organisations. It might be possible for some positions to be part-time, or be filled by secondees, thus reducing initial salary costs, and the team might comprise:

- A director, charged with establishing the Trust as an efficient manager of services, and a means of packaging funding for environmental innovation
- A projects manager, responsible for devising, agreeing, and securing funding for projects, usually undertaken in partnership with other bodies, and focussed on environmental development
- A head of communications, responsible for liaising with both the local communities and other interested parties, and with particular responsibility for social development
- An office manager, who can administer services, and project the right image to a very diverse group of interests.

There are a number of pre-conditions for attracting the right person, or team of people:

- Roles that will provide personal satisfaction
- A budget that can be used to lever in other resources, for example through feasibility studies
- An understanding among the stakeholders that they are committed to doing something different (the emerging Quality Charter for Growth should help)
- An office on the site as early as possible, ideally close to the development team, but initially in one of the sponsors premises, for example Cambridgeshire Horizons.

Additional ways of boosting capacity would be:

- Using secondees from existing organisations to help in providing a reputation for being business-like and effective, as the jobs could offer an excellent chance

### Recommendations on the role and structure of the Northstowe Trust

1. The main stakeholders should establish the Northstowe Trust as the body primarily responsible for promoting and maintaining non-statutory community infrastructure, setting this in motion right away in order to:
  - a. provide a mechanism for representing community interests as the development proceeds
  - b. bring the different interests together in a single vehicle
  - c. enable an appropriate asset base to be developed to promote the longer-term sustainability of community infrastructure
  - d. begin to establish the ethos of Northstowe as an innovative place with a community spirit, developing early community activities and building links with existing organisations
  - e. help tackle the problems of isolation and exclusion that occur in new developments.

We believe that the establishment of a Northstowe Trust will help to differentiate the tasks of growing a new community and developing a new settlement, from the tasks of approving the overall masterplan and planning briefs.

2. The structure should initially be that of a company limited by guarantee, with a memorandum and articles of association that would allow it to secure charitable status if and when required, and to grow subsidiary or associated organisations as specific tasks and responsibilities develop. The Trust would be able to:
  - a. benefit from a flexible and proven organisational model
  - b. share the development of plans and proposals with others, building on good practice
  - c. minimise unnecessary transaction costs
  - d. enable early negotiations to take place with potential funding sources
  - e. ensure there is a body that can innovate and play an entrepreneurial role
  - f. package funding for innovative projects and services that will benefit both the existing and new communities

3. The business plan for the Trust should be drafted so that it can provide some early benefits for the wider community, but also expand its role as the development proceeds. The early formation of a trust could:
  - a. make a start on any agreed early environmental or community projects
  - b. build relations with individuals and organisations who could take forward elements of the community infrastructure
  - c. help launch proposals for the Local Energy Company
  - d. build management capacity at different levels
  - e. ensure that adequate provision for funding community infrastructure is built into the agreements with English Partnerships and Gallagher Estates
  - f. develop communication strategies and contribute to marketing and visitor arrangements

4. The structure of the company initially should be as simple as possible with a management board, and some staff to engage with those who want to help the process along. The initial functions of the management board will be to:
  - a. represent the main stakeholders
  - b. appoint staff
  - c. build up resources
  - d. promote the provision of community infrastructure in advance of demand
  - e. promote innovation in the way services are provided and needs are met
  - f. set up and service a networking forum concerned with innovation

5. We understand that at the moment it is assumed a Town Council will be set up. It could complement the Trust by:
  - a. monitoring the development of the new town and the growth of the community, and producing an Annual Report
  - b. setting a precept on the Council Tax and using it to maintain part of the community infrastructure e.g. footpaths and small open spaces
  - c. providing a fast response to problems that arise in the public realm
  - d. commission services and provision in line with community needs
  - e. acting as custodian for a charter setting out basic principles
  - f. ensuring full use and maintenance of the community infrastructure
  - g. promoting Northstowe as a good place to live and work and to share experience with other new communities

Based on the Phase One report *Who Runs This Place?*

for personal development for young civil servants or staff working for major builders who need to understand how development actually happens

- Entering into part-time contracts with consultants with proven ‘enabling’ skills to get the basic processes and procedures going as rapidly as possible
- Employing professionals with direct experience of pioneering new approaches to development in innovative Continental towns, such as in Denmark, the Netherlands or Germany (which should be relatively easy in Cambridge, particularly if the jobs are made part-time, thus enabling experienced people to continue with their studies
- Linking with appropriate parts of the universities (e.g. Anglia Ruskin as well as Cambridge) to offer a joint programme for developing skills in leadership and project management in building sustainable communities
- Taking advantage of support from the Academy for Sustainable Communities and Inspire East, and following up the path set by the Quality Charter programme that was initiated as a spin-off from this project.

### Financial implications

To make these recommendations work, is important to provide enough funding to get the Trust up and running, with the idea that as it proves itself it will be able to draw down more investment, which would be factored into the overall budget and business plan for Northstowe. In addition to the roles and types of people needed, there are a number of practical considerations in terms of employing staff to run the trust in its start up phase. For example it may be possible initially for one of the main players (Cambridgeshire Horizons, English Partnerships, Gallagher Estates, SCDC and the County Council) to employ the Trust’s staff directly (under their own terms and conditions), or to provide accommodation (with the Trust relocated onsite at the earliest opportunity).

Therefore based on the ideas of a board who provide their time for free and a full-

time staff of four officers in the first two and a half years, plus a budget to set up and run a number of feasibility studies, we propose the following cost elements, under three headings:

#### 1. Start-up and Board costs

Legal, financial and recruitment related costs **£30,000**

#### 2. Initial core costs

*Staffing:* based on the levels of salaries needed to attract the right staff the annual budget (including on-costs) would be **£140 - £160,000**

- Director £45-55k
- Projects manager £30-35k
- Communications manager £25-30k
- Office manager £20 - £25k

*Office:* as suggested above the Trust might be housed within another organisation’s premises (initially a stakeholder’s and later within a marketing centre), so that rent and rates would be free. However the cost of setting up and equipping even a modest office will be **£10 - £15,000**

*Running costs:* utilities, telephone, supplies, travel, conferences, publications, banking/insurance, audit etc will amount annually to **£20 - £25,000**

*Promotion and communication:* a great deal of communication material will need to be developed and will need to be attractive and imaginative if it is to mobilise other resources. A start up budget to cover website development, and exhibition and promotional material will be in the region of **£30 - £40,000**

#### 3. Feasibility study costs

Funding for three or four feasibility studies to prepare plans and funding applications for key projects, so as to attract the resources required to implement them (in addition to land that will be supplied by English Partnerships or Gallagher Estates). Almost certainly extremely professional expertise will be needed in the preparation of such bids. This might cost in the order of **£25 - £30,000 per study**

### Phasing

Because there is a natural reluctance to spend funds before planning permission has been secured, when the value of the site should increase significantly, expenditure will need to be carefully phased. At the stakeholders workshop on July 31, there was broad agreement of an approach that would ensure a director was in post in time to participate in the Section 106 negotiations, with other staff coming on board as the project starts to take shape. Though there are arguments for waiting until the new masterplan emerges, it was strongly emphasised that opportunities are already being missed to attract funding because of the lack of an appropriate body to prepare and submit proposals.

We therefore propose the following broad programme and expenditure timetable:

#### Sep 2006 - Mar 2007 **£15 - £20,000**

- Consultation with key interests e.g. Parish Councils
- Establishment of shadow board and legal incorporation
- Business planning and board induction e.g. policies and priorities
- Initial applications for funding

#### Apr 2007 - Sep 2007 **£55 - £60,000**

- Recruitment of director
- Initial office set-up and running costs

#### Oct 2007 - Mar 2008 **£105 - £110,000**

- Recruitment of office manager, communications manager
- Recruitment of project manager (mid period)
- Establish website and communications programme
- Balance of set-up costs
- Running costs
- 2 feasibility studies **£50,000**

#### Apr 2008 - Mar 2009 **£200 - £210,000**

- Full year’s staff, running and communications costs
- 2 further feasibility studies **£50,000**

Leaving aside the cost of the feasibility studies which should be financeable out of the various sources of funding mentioned in Section 6, the initial costs of setting up the Northstowe Trust (covering start-up and the first full year of operation, or two and a half years in all) are thus estimated to be in the order of **£375,000 - £400,000**. While a large sum this should be seen as an investment equivalent to commissioning a masterplan or undertaking engineering or design studies. We recognise that we are entering areas that go beyond what is expected to be covered under Planning Gain Supplement. Also there are a huge number of elements written into the current Section 106 draft agreement that could add up to tens of millions of pounds. However it is already recognised that project management is a legitimate charge, and research into lessons for good practice on planning tariffs has shown that a number of leading local authorities are using tariffs to cover open space and community facilities e.g. Richmond and Hammersmith.

Finally, it should be noted that some of the early activities proposed for the Trust, such as marketing and communications activity, may cover work which would be required anyway and can be 'commissioned' or 'contracted' work utilising existing budgets.

### **A development charge**

There are major ongoing studies into the financial arrangements, and ways of funding infrastructure, and it is impossible for us to be specific about how much should be allowed for community infrastructure, given all the uncertainties. However the debate on charging for planning gain has shown that there is value first in setting a tariff or charge, which enables developers (including successors in title) to know where they stand, and second in focussing on what is sometimes called Mutual Benefit. Rather than trying to itemise and tie down everything, which can lead to sterile and inflexible results, many believe that it would be better to bundle all the elements into a single charge, rather as is proposed under the government's proposals for Planning Gain Supplement. While these suffer from problems of calculation and allocation (which may mean that they never

get implemented) there are simpler models, such as the Milton Keynes Roof Tax or the South East region's Infrastructure Fund, which have the appeal of being easy to understand and to factor into development appraisals.

As Northstowe is intended to be innovative, there would be value in using the mechanisms we are recommending to develop a new approach to funding local management capacity. This might entail a combination of a charge on the capital account, perhaps paid as a proportion of the value created, plus a precept administered by elected Parish Councils or the new Town Council, when there is enough interest to support setting this up. The Milton Keynes Roof Tax of £18,000 per house is effectively about 10% of the average value (and accounts for about 40% of the estimated marginal cost of related infrastructure). Of this we understand that about £3,500 goes to education, which is about 2% of the development value. It would not seem unreasonable to allocate £1,500, or one percent of the development value, specifically to community infrastructure, to be paid over to what by that time would be a trust with charitable status. This would amount to some £15 million once the town has been built, and would produce £750,000 from the first 500 homes, which could then enable the emerging community to start to take some ownership in how resources are to be used for the common benefit.

### **Conclusions**

The Northstowe Trust should and can be set up incrementally, starting with the board, and gradually recruiting the officers. We have recommended practical ways of building capacity. We have also proposed a budget which should attract the right people. We have suggested that this could be capitalised, and treated as an investment in the early stages, just like investment in planning the physical infrastructure. We believe it will stand the Treasury Tests, particularly as it can help ensure that other investment is 'joined up' and that public investment will lever out private investment and voluntary effort.

## 6. Mobilising resources

This section considers where the resources needed to establish the Trust and cover its costs in the medium and longer terms can come from. It proposes a novel way of not only generating an income for the community, but also achieving the twin goals of creating an Innovation Market Town and a benchmark for environmental sustainability.

### Stakeholder contributions

We recommend that the stakeholder partners to this study should between them contribute the major part, if not all, of the initial start-up and core costs needed to get the Trust established. This will provide a practical demonstration of their support for the principles which underlie the Trust. A sum of £300,000 has already been discussed and if this amount can be assured it is likely that additional funding can be raised from other sources, such as those identified below. The question of how these should be shared out is one for the stakeholders to resolve, starting with South Cambridgeshire District Council, who will need to decide whether our proposals form part of the Planning Conditions, and therefore are factored into the Section 106 negotiations, as has been envisaged for some time.

### Other sources

There are a number of potential funding opportunities which need to be further explored, which is why funds need to be set aside for feasibility studies:

- **The Growth Fund** is specifically designed to remove barriers to development. Whether or not there is another round, the importance of Northstowe nationally suggests that a well-thought through proposal would be funded under some scheme or other. Establishing the Northstowe Trust should meet the main criteria, particularly if linked to securing community support, and overcoming potential obstacles. For example, the promotion of community enterprises as part of the Energy Supply Partnership, could, as has happened in Oxford, be a means of winning support for otherwise controversial elements, as it should reduce energy bills in the surrounding settlements, as well as generating some ongoing revenue.

- **DEFRA** is a growing source of funding for community-based initiatives to promote environmental sustainability. There will be particular interest in measures that help change attitudes and behaviour, and an important function of the Trust will be to keep in touch with changing schemes, and ensure that project proposals are worked up that take advantage of them. It is also likely that Neighbourhood Councils will have increasing roles to play in encouraging walking and cycling and in taking over land and property to help make them independent, and Cambridge is well placed to show a lead.

- **Department of Energy** is committed to diversifying energy sources, and there is huge pressure to make more use of biomass and wind resources, as well as to find ways of saving energy. As many of the proposals depend on changing behaviour, the trust should be able to tap into a range of programmes. For example one stop billing, and measuring personal carbon footprints, are both ways of making people more aware of what they waste or could save.

- **Transport Innovation Fund** is another substantial funding source for projects aimed at 'smarter, innovative local transport measures that combine demand management measures, such as road pricing, with measures to encourage modal shift and better bus services'. With the development of the Guided Bus it is going to be vital to make the most of bus stops, and to create charging systems that encourage as much use as possible. The ideas we have proposed below for parking charges would seem ideally designed for an application under this scheme.

- **EEDA's Investing in Communities programme** is specifically designed to support new social enterprises and community infrastructure, and should therefore be approached at the earliest opportunity, as

they are keen to get involved. This will be another means of demonstrating innovation in ways that involve people, not just buildings.

- **The Adventure Capital Fund** provides government finance, in the form of investment (including loan finance) and business development programmes, to community-based organisations seeking to become more financially self-sufficient through enterprise activities. The fund offers:

- Seed Capital: for pre-launch costs and start up expenses, product development, or investment in systems/equipment (£25-100k)

- Working capital: to strengthen cashflow during gaps in grant/revenue funding or to finance stock, debtors etc (£25-100k)

- Major investments: for asset development, including purchase of buildings or land, refurbishment costs (£100-400k)

- The new **Big Lottery Fund** has now clarified the major themes for funding from 2006-2009 several of which might be applicable to the Northstowe Trust, especially perhaps the 'Reaching Communities' programme.

- **Charitable trusts and foundations** are also a major source of potential funding for projects and activities, and particularly those that have personal connections with Cambridge or an interest in environmental issues.

### Income generating projects

The Northstowe Trust will have the most impact if it engages in partnerships with other organisations, and plays a catalytic role in bringing different interests together. Two potential sources of income have been identified which we believe are worth investigating further as both sources of ongoing revenue, and also as environmental innovations in their own right. Both justify further work, which could be funded through the proposed feasibility study fund:

- **Pavements and service ducts** The most promising possibility is for the Northstowe Trust to take over the responsibility for installing and operating a service duct underneath the pavements or cycle ways



Home zones in Freiburg

along the main roads. In the past huge amounts of resources have generally been wasted every time the roads are dug up to get at cables or other services, with each utility going it alone. The exception is the improved roads built by the Victorians in London, for example along Farringdon Road, where a service tunnel was built under the centre of the road along which all the services can be run. In Northstowe the potential of tapping new sources of energy, such as Combined Heat and Power, as well as the scope to rethink the design of roads, should make it possible to invest in service ducts, such as concrete trenches, which take all the services. In Scandinavia this even includes garbage, as well as hot water pipes, and the same duct might also be used to distribute rain water around the site. As it is quite normal for both banks and utilities to be involved in such ventures, the way forward could be to set up a feasibility study to explore options with both utilities and funding sources, including European companies with first hand experience.

If the Northstowe Trust ended up owning the ducts, it could not only make a charge related to resource consumption, but also require house owners to pay a connection charge for crossing the pavement, if they want to park cars off the roads, which would help discourage unnecessary car use. As the cost of the pavement is only a small proportion of the total infrastructure, this will provide a practical means of fund-

ing programmes to encourage walking and cycling. Indeed if this project is combined with the likely outcomes of work Cambridgeshire Horizons has commissioned on street design, it should be possible to cover the additional costs of the duct out of savings on the road itself, for example by constructing lighter and narrower streets, as in Vauban in Freiburg. If another precedent is called for, the City of Prague issued a bond through the European Bank for upgrading underground services, and added a couple of percent for redoing the pavements at the same time. There are a number of issues to be resolved, including those of maintenance and who bears the risk, as well as how charging would work, which are best explored by learning how other places have overcome the problems. As an example, the City of Stavanger, which is to be European City of Culture along with Liverpool, is financing its new concert hall through an agreement with the energy company, which is owned by a consortium of local authorities. With an average utility bill of £1,000 a home, which is rising rapidly, even a small charge of say £100 per home could cover the maintenance of the public realm, while the income from a couple of wind turbines should be enough to cover the core running costs of the trust. While more work would be needed to firm up the calculations, our initial research suggests this is not 'pie in the sky' but a practical possibility.

- **Parking charges** Another possible source of revenue, which may be even more controversial, is to charge a rent for parking spaces over and above a basic supply. This is much easier to apply than congestion charging, but can have a similar effect. Increasingly in historic cities like Cambridge everyone expects to pay for the right to park their car, and there have been a number of car free developments, including the mixed use scheme URBED has masterplanned, which is under construction next to Brighton Station, and where residents are being encouraged to join a car club. In Peterborough the Nene Valley Park Trust has an income of over £80,000 from parking on land it owns, plus a much larger income from leases and endowments. While there will be resistance to paying for parking, it will be much less if the revenue goes to a trust, which then uses it to pay for maintenance of part of the public realm, such as the pavements and open space, to high standards. Similarly rechargeable 'smart cards,' which are also usable on public transport, can be used to encourage new residents to try out public transport, as for example happens in Freiburg, and could also be used to pay for parking. If land is said to be worth a million pounds an acre, and an acre can provide one hundred parking spaces, it would seem quite reasonable to value each surface parking space at £10,000, and to expect an income of say £200 a year (based on a 5% yield less running costs and other charges). Clearly where the land is worth more, as in the case of the shopping centre, much more could be expected. By sharing parking spaces between commercial and residential uses, more intensive use can be made of the land, and hence greater value can be secured out of the investment to date. The only innovation is for the surplus to go to the Northstowe Trust, and hence the community, rather than a commercial undertaking like National Car Parks, that does little except collect the charge.

## Endowment assets

As well as generating income through entrepreneurial initiatives, there is also a strong case for endowing the Northstowe trust with assets that can yield an ongoing income, provided they are well managed. While our first phase study identified a wide range of potential assets, many, such as libraries, do not actually generate an income, while others will be sought after by commercial investors. **Appendix A** sets out an analysis of possible services and facilities that the Trust might provide for an appropriate payment, and our recommendation is to use small business units as the main means of building up economic capital, as this offers an income stream that would depend on the trust's management skills:

- **Small business units** As Northstowe is intended to be a new town, it will be essential to attract employers both large and small. A key requirement for small businesses is the provision of premises, ranging from incubators and market stalls, to small offices and shops. In work URBED did for both Milton Keynes and Peterborough Development Corporations, we set up Local Enterprise Agencies, with a stock of properties to manage, and both of these are still flourishing. In the case of Northstowe, we propose that, as part of an early disposal of land to build both business parks and also a town centre, a proportion of the space, say a third, is reserved for units employing less than ten people or say 2,500 sq ft, (overall, the national average of small units is about 50%). The freehold or a long lease on the space could then be conveyed to the Northstowe Trust, which would enable it to benefit from the long-term increase in rental values, and to play the role of a responsible landlord. The striking example of the Letchworth Heritage Foundation, which we visited as part of the East of England Study Tour, showed the value of such an endowment when the town centre experienced some difficulties when the cinema and some shops closed and also the Spirella Corset Factory needed a new use. It can be argued it is in the interests of other property owners for there to be a seedbed for small enterprises.

### Examples of trusts in operation

In our case studies (see separate report) we looked at a range of current examples. For example the Shenley Park Trust generates an income of £350,000 a year, largely from renting out properties, which is used to maintain a 45 acre and extend the social facilities of the new village. On a much larger scale, the Nene Valley Park Trust enjoys an income of £1.3 million a year to look after over 1,000 hectares. The much acclaimed Milton Keynes Park Trust, which has an annual budget of around £1.8 million, is endowed with a portfolio of small business properties that were of little interest to institutional investors, but which add to strength and diversity of the local economy. Caterham Barracks Trust is particularly interesting for the way an entrepreneurial director (originally a local Councillor) has negotiated to take over community buildings that are turned into revenue generating assets, such as a skate board park and places to hold parties. The developer only allows one parking space per unit, and all home purchasers get a £200 travel card which is updated when the annual management charge is paid. In contrast schemes that relied on commercial management companies, or did not endow trusts, were much less lively, or else encountered problems after the original developers moved on. Our case study of the experience in Rotherhithe, which was once covered by the London Docklands Development Corporation, shows the conflicts that can arise between 'them and us' and the need for alternatives to relying on the local authority for other than basic maintenance.

## Conclusions

With a strong early start provided through stakeholders' contributions of the bulk of the initial set-up and core costs, there are also several funding sources highly applicable to the aims and structure of the Northstowe Trust, which will help overcome the shortage of capital for innovation. There are also a variety of income-generating ideas which need to be further explored, and which will enable Northstowe to fulfil the stakeholders' objectives, and create a distinctive place with a strong image and ethos.

## 7. Addressing the risks and next steps

This report provides a vision for how the idea of the Northstowe Trust, which stakeholders broadly support, can be turned into a reality, along with a route map for moving forward. Like the town itself, there are inevitable risks, to which the obvious response is 'The journey of a thousand miles starts with a single step'. We have identified the main risks below before suggesting the next steps in moving forward, which were broadly supported at the workshop held on July 31st.

### Community backing

Interest and support for such a radical set of ideas can only be secured as part of wider consultations on the new town itself. We believe that there is a grudging acceptance of the inevitability of the new town from most of the people living around Northstowe, and a desire to ensure there are some benefits on the part of local politicians. Rather than asking for 'wish lists' of facilities, which may take years to develop, we believe it will be better to start in a small way with the communications programme, and build up relations gradually. There are obvious issues, which have been raised, about relationships with the existing Parish Councils, which can only be resolved through frank face to face discussions over a period of time.

The risks of outright community opposition can be greatly reduced not just through the selection of some board members who enjoy local support, but also by the initial staff appointments. The experience of the Caterham Barracks Trust shows how initial opposition to development can be turned into support when facilities are developed that meet the needs of the existing as well as the new communities. It would be highly desirable if the process of 'looking and learning' visits continues for representatives of the local community to be involved. A trip to Caterham Barracks and Mile End Park would help dispel any doubts.

### Financial viability

We have not had access to all the financial appraisals underway, but know that the margins are slim and the risks high at this point. However, as development proceeds and some sales are made, risks will start to reduce and land values should increase significantly. That is why we are suggesting a process in which the

community gradually builds up equity in the development. The idea of a Percent for Art is well understood among developers. So a percent for the community should not be too hard to sell, particularly if it leads to a much more flexible agreement on what is to be provided in Section 106 agreement, with the trust acting as a useful intermediary, given South Cambridgeshire's reluctance to take over assets and extra responsibilities. It can be factored into the cash flows and business plans, and could well win the support of the Treasury team who are currently investigating how to fund infrastructure, which would remove an uncertainty over what English Partnerships can support.

As for the bigger projects, particularly the Northstowe Sustainable Energy Partnership and the local Co-operative, this can only be tested out through funding the feasibility studies, and launching a prospectus to attract investors. If a renewable energy scheme can get off the ground in Oxford, why should it not also work in Cambridge, where the conditions are in many ways more favourable? Clearly a great deal of costing and negotiations will be required, but the key point is to have a body in place that can act in the wider and long-term community interest, rather than just pointing out the obstacles.

### Leadership and trust

In the end, of course, it all depends on people. By now many will be thinking that too much time has been spent in talking, and will be looking for tangible results. Just as it is common on the Continent to hold Building Exhibitions to promote interest in new sites, using the best designers, so we think it is vital to generate interest and excitement around what the benefits might be, as opposed to the problems. The

Northstowe Trust should be set up with that role in mind, to help provide a counterweight to all those who will be finding fault, and delaying progress. It should also help in attracting people with the necessary vision and long-term commitment to stick with the project, and ensure that the many barriers to innovation are overcome.

### The next steps

This report has been written as a briefing paper, and the summary (box on page 13) is intended to serve as an Action Plan for getting going. In short the actions that need to be taken before April 2007 are:

1. South Cambs should approve the proposal setting up the Northstowe Trust with the scope and roles recommended in this report
2. Agree that the Northstowe Trust should be set up with the shadow board provided by the Northstowe Project Board, and serviced initially by Cambridgeshire Horizons
3. Select a chair and vice chair, and coopt appropriate local members with an away day that could include visits to relevant trusts
4. Commission advice on outstanding issues, including, for example, the income needed to discharge obligations envisaged under the Section 106 agreement, and arrangements for the transfer of assets
5. Fund the recruitment of initial staff and start the process, possibly through a headhunter
6. Agree a business plan and work programme for the first three years, including the projects to be taken forward, depending on projected income streams
7. Put together funding applications for some major projects or feasibility studies, particularly those where there are critical deadlines, or where key decisions need to be taken as part of the masterplanning process
8. Launch the Trust publicly, ideally as part of consultations on the new masterplan. (April 2007).

## APPENDIX A

### Briefing Paper (April 2006): Roles & Relationships

#### 1. Introduction

This is a consultation paper to be considered as part of our 'work in progress' on Phase Two of the LMO study. It distils our emerging thinking about:

- a) the potential roles and delivery responsibilities of the proposed Northstowe Trust and other bodies;
- b) the various options for establishing sound democratic relationships and promoting good governance.

The ideas put forward have been developed through the further consultation and research we have carried out thus far in Phase Two of our work programme. We believe it is important to establish the viability of these ideas, exploring their perceived pros and cons, in order to begin to build consensus amongst the various parties involved. We need a strong steer about which elements to take forward and how to manage the process with elected members, and with wider stakeholders.

Broad conclusions about the ideas explored in this report will be necessary in order for us to complete the other elements of our task for Phase Two, particularly the action plan for setting up the Trust and the ways in which it might begin to operate (e.g. the scope for early activities).

There are still a great many issues of detail to be determined. However, these cannot be addressed until there is shared agreement on the purpose of the Trust, and a clear commitment to the work and resources that will be needed to establish it in a successful (sustainable) way.

#### 2. Managing Services and Facilities

In our Phase One report, we concluded that the amount and variety of public realm to be owned and managed calls into question the aspiration to establish one single management body. We suggested that there may be advantages in seeking to utilise a variety of different approaches. We

see the various potential 'players' in delivering public realm facilities and services in Northstowe as including:

Non-Statutory	Statutory
<ul style="list-style-type: none"> <li>• Northstowe Trust</li> <li>• Utility Companies</li> <li>• Commercial Providers (eg ICT)</li> <li>• Registered Social Landlords</li> <li>• Town Centre Management Company</li> <li>• Private Contractors</li> <li>• Leisure Trust</li> <li>• Independent School Trust</li> <li>• Voluntary Organisations</li> <li>• Residents or Commonhold Assocs</li> </ul>	<ul style="list-style-type: none"> <li>• Parish Councils</li> <li>• Town Council</li> <li>• District Council</li> <li>• County Council</li> <li>• PCT</li> <li>• Police</li> <li>• Emergency Services</li> </ul>

All of the bodies identified above have a potential role to play in delivering and managing services and facilities for the new Northstowe communities. Our current analysis is as shown below, which is set in the context of:

- a wide variety of options for activities/ services which could fall under the remit of the proposed Northstowe Trust; many of which might be delivered by subsidiary companies;
- the need to determine appropriate levels for democratic governance functions (discussed later in Section 3 of this briefing paper);
- the emerging ideas for establishing an 'energy co-operative society' as a subsidiary of the Northstowe Trust (see separate briefing paper on this).



Service or Facility	Who might provide it?	Commentary
Generic Infrastructure: <ul style="list-style-type: none"> <li>• Power supplies (including Wind Farm)</li> <li>• ICT Hub &amp; Network</li>   <li>• Rubbish Collection/Recycling</li> </ul>	Northstowe Trust  County, District, Town or Parish Councils	The model proposed (as a subsidiary of the Northstowe Trust) is an Energy Cooperative Society.  The same principles apply to ICT provision and therefore might also be provided through the co-operative. More information needed on ICT costs.  Possibly Northstowe Trust?
Town Centre Facilities: <ul style="list-style-type: none"> <li>• Civic Hub</li> <li>• Town Centre</li> <li>• Town Park</li> <li>• Civic Hub</li> <li>• Car Parks</li> <li>• Work Space/Incubator Units</li> </ul>	Possibly through a Town Centre Management Company, which could be a subsidiary of the Northstowe Trust or of a Town Council?	Potential rental income if ownership of commercial units and services is included.  Civic Hub may be revenue intensive to be adequately staffed. Need further information on the draft business plan.  There is a potential role here for the Northstowe Trust; however it is also arguably an appropriate role for the Town Council.
Leisure & Recreation: <ul style="list-style-type: none"> <li>• Country Park(s)</li> <li>• Water Park</li> <li>• Outdoor Sports Provision</li> <li>• Indoor Sports Provision</li> </ul>	Northstowe Trust or District or Town Council (contracted out) or Leisure Trust	Options unclear.  Potentially some income sources from this operation dependent on facilities offered.
Education: <ul style="list-style-type: none"> <li>• Primary Schools</li> <li>• Secondary School</li> <li>• Children's' Centres</li> </ul>	County Council or Independent Trust or Foundation	County Council will be required to advertise the intention for a new secondary school at Northstowe this summer to determine any external interest.
Other social provision: <ul style="list-style-type: none"> <li>• Community/youth centres</li> <li>• Neighbourhood play areas and green spaces</li>             Childcare/ Nurseries             Health Campus/Facilities         </ul>	Northstowe Trust District, Town or Parish Councils, RSLs, Residents Assocs  Voluntary Orgs Private Sector Northstowe Trust County Council  PCT	RSLs have confirmed their interest in a providing a neighbourhood management role and this may be an appropriate model to develop for facilities in residential neighbourhoods. However, without a source of income or subsidy, operation of community facilities remains a substantial revenue responsibility. Ownership of shops is a possibility (but have proved difficult to let at Cambourne).  However, RSLs' involvement at neighbourhood level may be dependent on decisions about where social housing is provided, whether it is provided in the early phases, the extent to which it is pepper-potted etc.  A neighbourhood management role and community provision may also be an appropriate role for Parish Councils.  Profit margins dependent on prices. Issues of access equity for lower paid or other need groups generally require subsidized facilities.
Community Services: <ul style="list-style-type: none"> <li>• Community Safety</li> <li>• Community Development</li> <li>• Youth Work</li> </ul>	Police District, Town or Parish Councils RSLs	

Clearly the analysis above needs fuller discussion, but we offer the following observations:

- 1.** The proposals regarding energy and ICT provision are the most innovative and require upfront infrastructure investment. The Northstowe Trust would seem to be the obvious provider. These activities would provide a new Trust with a strong early role and identity and have real potential to ‘add value’ to the principles of sustainable development underpinning Northstowe. They also provide a strong boost to civic engagement through the Co-operative proposal and therefore contribute to building an active civic culture. Given monopoly supply issues, the need for strong democratic accountability would be imperative (see Section 3 below).
- 2.** Under the above, ownership of the Wind development would be proposed for the Northstowe Trust. However, this leaves the question about who should own the Town’s other assets? Civic facilities are probably revenue liabilities and so by assets we think some of the town’s commercial facilities should be considered as part of the ‘asset package’. We have been greatly impressed with the Letchworth Heritage Foundation model whose substantial ownership of land and property has enabled it to generate profit to support a vibrant civic and voluntary culture, and to reinvest in facilities as they age or deteriorate. It would seem that there is perhaps a difficult choice to be made between the Trust as the owner of assets, and the Town Council. There is possibly also an overlap of potential role in town centre management.
- 3.** There are complex issues involved in considering the services which should be supported through local taxation, and those that need to stand completely independent of such financing. At the end of the day, regardless of who takes responsibility, once the developers’ initial revenue underwriting (as currently drafted in the Section 106) has been used there will be no new money ‘in the pot’ unless there is income-earning innovation. The Wind Development and energy supply is one option (but requires a more rigorous risk assessment) and ownership of commercial units for rental

income is another. As things stand, the concerns about the potential revenue burden of running the social and civic provision proposed to support Northstowe remain very substantial. The development promoters need to be actively and urgently engaged in considering the case for upfront investment in aspects of the social infrastructure and perhaps different assumptions about who takes ‘profit’ on aspects of the scheme (i.e. owns, or takes the income from, some of the commercial assets).

### **3. Democratic & Governance Options**

As indicated above, there is potentially a wide variety of organisations likely to be involved in delivering services and managing facilities for the new communities at Northstowe. Critical issues of accountability arise.

However, our Phase One report also concluded that people make communities and building an active and engaged resident culture is essential to the success of Northstowe as a good place to live. How can such a culture best be supported and embedded?

Whilst speculation continues about the possible content of the Local Government White Paper (due to be published shortly), the general direction of current political policy towards governance favours devolved/decentralised decision-making and the fostering of more active engagement from citizens in the governance process. The development of a more active role for Parish Councils appears to be a strong possibility.

ODPM has just published an interesting report on the challenges for local governance in the years ahead. One of its conclusions of relevance here is “that to meet the challenges we have identified will exist in 2015 greater citizen engagement with the structures of local governance is essential, not simply desirable”. There will be a much reduced role for local government in direct service delivery, and an increased role in “regulation, influencing behaviour and supporting communities to respond to

difference and care for vulnerable groups and individuals”.

Planning and preparing for good governance at Northstowe needs to be a well managed process, but not a fixed and inflexible one because the context is so uncertain. We therefore advocate the following approach:

- Set clear goals for building a participative community
- Build on what exists now (Longstanton and Oakington Parish Councils) during the early phases
- Build the role of the Northstowe Trust as a champion for active and involved communities (able to stand apart from the requirements of the statutory planning process) but not as a substitute for strong democratic governance institutions (especially scrutiny)
- Let future governance structures evolve in pace with national policy and local peoples’ aspirations.

We are questioning the assumption that there will be a Town Council at a fixed trigger point. We think the more organic approach outlined above might be more sensible, particularly given the physical way in which the new town will evolve – e.g. the current locations of Phases One and Two (prior to the Town Centre) and their relationship with Longstanton and Oakington.

This latter point is particularly relevant given that we assume early properties (estimated as 2,000?) will be included within existing Parish Council boundaries and they will therefore have a substantially increased precept income during the early phases of the town’s development (as of course will the District Council). They are therefore important partners.

Even were a Town Council eventually established, the critical early years need proper local governance which the District Council alone will struggle to provide, and strong active residents associations take time to grow. So why not explore the potential to build the role and capacity of

existing structures?

Alternatively, the Northstowe Trust could perhaps be seen as the agency to plug the gap before a Town Council. Indeed, several partners seem to hold the view that the role of the Trust will decline as a Town Council comes into being. But we think the Trust needs itself to be accountable and cannot be the holder of the democratic mandate. Also, the Trust's culture needs to be innovative and entrepreneurial, not 'municipal'.

We also think the development of a stronger role for the existing Parish Councils (even if on an interim basis before determining town-based structures) would enable partners to respond to the recommendations contained in the recent report (produced by Three Dragons and Halcrow for Cambridgeshire Horizons) on good practice in developing balanced and mixed communities. This recommends a strong role for existing/adjacent communities in the growth and development of the sub-region.

Of course we do appreciate that current policies are to develop the new town of Northstowe completely separately from the existing settlements (even though one of them is already deeply affected by growth and struggling to respond). A phrase overheard during our consultations sums up the current position perhaps: "we do not want to integrate, just visit". We also recognise that there are powerful lessons from experiences at Cambourne and would welcome further discussion about this.

Finally, it occurs to us that there may some value in considering relationships and roles for Local Strategic Partnerships in thinking ahead about governance. This is outside of our remit, but we believe is of potential importance. At the moment Cambridgeshire Horizons' Project Groups bring partners together to plan for service provision, but eventually the agenda will have to move onto delivery and potentially meeting the requirements of the County's Local Area Agreement. Similarly we wonder whether there isn't a case for exploring the potential of establishing a

Mayor for Northstowe, someone who can really champion the place and its emerging communities.

#### 4. Potential Roles for the Northstowe Trust

Based on our work in Phase One, the analysis above and the separate briefing paper provided on developing a model for sustainable green community services, we currently see the Northstowe Trust focusing on three major roles:

- a)** Championing Northstowe as a sustainable development, rich in environmental innovation and enabling effective stewardship of natural resources – critically delivering the Wind Development/energy (and possibly ICT) and managing the country/water park (freehold interest in which could still be vested with, probably, the District Council.
- b)** Supporting active and engaged civic life, through promoting the Energy Co-operative and developing as much early community and entrepreneurial activity as possible in both the new neighbourhoods and for existing residents of Longstanton and Oakington. The extent of early activity is partly dependent on the potential for use of the barracks, but at the very least the remit of the Trust should be established as including both Longstanton and Oakington (there may also be arguments for establishing its coverage even wider).
- c)** Safeguarding the Town's assets (including the town centre and park) and utilising income to support its own financial viability, recycling profits into supporting active civic life and social provision. (NB Were its remit agreed to include existing settlements of Longstanton and Oakington, the developer's contribution currently drafted in the Section 106 could be administered through the Trust in order to kick start this role.)

## APPENDIX B

### Making Northstowe a Model for Sustainable Development: providing 'green community' services through the Northstowe Trust

This discussion paper has been prepared by URBED as part of work on the Local Management Organisation for the new town of Northstowe. It investigates how the provision of 'green community services' could overcome key challenges in achieving the objectives of the stakeholders. It suggests the supply of green services, bulk purchase, and an interest in the energy infrastructure would provide the proposed Northstowe Trust with a vital role and source of long-term income, and enable the proposed Northstowe Energy Supply Partnership to achieve its aims. The main focus of the paper is on how to deliver an innovative package of 'green community' services, with the aim of achieving a similar performance to new European communities such as Vauban and Kronsberg in Germany, and Hammarby Sjöstad in Sweden. It also proposes the use of a tried and tested legal structure to deliver these services – the consumer co-operative society.

#### 1. The challenge for sustainable communities

The creation of the New Town of Northstowe with 8-10,000 homes, plus employment in shops and businesses, provides one of the best opportunities in the UK for putting the principles of sustainable communities into effect. Both South Cambridgeshire District Council and English Partnerships, who now own a controlling interest in the land, are committed to making Northstowe 'a benchmark for sustainable development'.

The challenge is how to put this aspiration into practice in the face of competing pressures. The biggest challenge is funding the infrastructure, costed at £300 million on top of the cost of the land, with English Partnership's reportedly having to invest £100 million in acquiring 288 hectares, comprising the old Oakington airfield

and barracks. Research for the ODPM found that infrastructure in the UK typically costs more than construction does. What is worse, this has to be provided up front. Hence if the new homes are to be affordable as well as attractive, it will be vital to find ways of cutting the long-term running costs, and of funding the up-front infrastructure costs.

Faced with these financial pressures, it is common to cut back on innovation, and to delay funding community infrastructure. Yet these will be critical to the scheme's long-term success, as we have argued in *Who Runs This Place?* This paper therefore considers an alternative delivery and funding mechanism aimed at capitalising on the appeal of living in a community that will offer a higher quality of life, energy security into the future, and lower overheads. There is already some evidence of a market nationally for housing that is designed to last, and where the running costs will be much lower, with a limited number of experimental 'eco homes'. In a city like Cambridge, with a well educated and cosmopolitan population, high property prices, and a history of successful innovation, the demand should be much stronger.

ESD's strategy report for the Northstowe Sustainable Energy Partnership highlighted the likely carbon 'footprint' of the new community – estimated at 30,000 tonnes CO2 per annum. This footprint is even greater if you begin to factor in other elements of a community's carbon footprint, such as car use which for households alone could amount to 20,000 tonnes CO2 per annum. Hence it is important to go beyond a single solution, and to promote a package of measures.

With a growing consensus on the need to take radical action to tackle climate change, and emerging concerns about national energy security, it is new-build communi-

ties of the scale of Northstowe that create the best opportunities for innovation, and for catching up with European best practice. Furthermore the Cambridge sub-region is a focal point for technological innovation, with many of the leading companies and experts in the field. The challenge is therefore to create a framework for implementation as the community is developed, in order to manage carbon emissions.

In direct response to this challenge ESD have proposed an integrated package of energy proposals which respond to the advantages of the region in terms, for example, of sunlight, wind, and the availability of biomass to burn as fuel. This comprises the following measures, which are to be championed by the Northstowe Sustainable Energy Partnership:

- Influencing the way people use energy.
- High energy efficiency standards
- Communal heat and power for the higher density, mixed use town centre
- Local wind cluster with 2-3 large turbines to supply renewable electricity
- Micro-generation for low density residential areas

These seek to deliver CO2 savings of 20% by 2020 and 60% by 2050, in-line with government policy. The big question is how to overcome the natural resistance of developers to innovation. In this paper we have therefore sought to explore further the implementation framework for these proposals, and the potential synergies with the community management framework for Northstowe, drawing on lessons from schemes that have worked well elsewhere.

#### 2. Lessons from Germany

In considering the best approach for Northstowe we have looked at the development process for sustainable communities in Europe. Taking two examples from Germany, where most progress has been

made – Kronsberg and Vauban in Freiburg (see case study) – there are four common features:

- **Co-ordination:** Firm leadership from the local authority combined with the establishment of a special agency to facilitate and monitor implementation of sustainability measures;
- **Strategies:** Establishment of community-wide strategies in which all homes and businesses participate;
- **Targets:** Establishment of community-wide targets for performance to which all homes and businesses must respond, together with area-specific targets to prompt higher performance innovative schemes.
- **Partnerships:** Establishment of partnerships with experienced providers in order to deliver community-wide infrastructure and services.

In both Kronsberg and Vauban a fairly rigid framework for delivery formed the basis for negotiation with developers. Elements of this approach will probably be required in Cambridge if a similar level of performance is to be achieved. However, the more overtly market orientated and risk averse nature of the UK property and energy markets suggests the need to tailor this approach so that it is more flexible and inclusive of the end-user or consumer. The lack of more progressive subsidy mechanisms such as Germany's Solar Feed-in Tariff - which guarantees a premium rate for electricity sales over 20 years – also suggests the need for alternative procurement routes to achieve the economies of scale needed to compete with conventional power sources.

### 3. Towards a charter for sustainable development

For faster progress to be made it is essential to agree some basic principles that can govern housing growth in the Cambridge area, and be incorporated into Section

#### Sustainable masterplanning in Germany Vauban (Freiburg) and Kronsberg (Hannover)

Germany has a number of notable examples of large-scale new communities that can truly claim to set the standard. The success of projects such as Kronsberg (3,000 units) and Vauban (2,000 units) has been the achievement of high standards of performance across large numbers of homes – by generally adopting sustainability measures such as district heating, low energy design and car-free housing.

In each case a co-ordinating body steered by the Local Authority, and bringing together key partners, has guided the delivery of the vision. This body has set the framework for delivery, and put together the partners to deliver elements of the vision. At Kronsberg a special agency – the Kronsberg Environmental Liaison Agency (KUKA) – was established to:

- Support community-wide projects and strategies
- Ensure delivery of minimum building standards
- Manage public relations and marketing

KUKA has played a leading role in guiding the delivery of the sustainability vision, and has also played a training and advisory role throughout the process, as well as monitoring progress.

Each new community has created a clear framework for implementation of tried and tested technologies and/or approaches at a large scale. More expensive or experimental measures have only been introduced on a smaller number of units by specialist developers, for example the solar powered homes at Vauban, or where developers or occupiers have chosen to incorporate them (see [www.thesolarvillage.com](http://www.thesolarvillage.com)).

Community-wide strategies have ensured a holistic approach to the delivery of sustainability measures – for example;

- Kronsberg established a 60% CO2 reduction target, which has resulted in a combination of supply and demand-side options including gas-fired CHP, off-site wind power and a 55 kWh/m2 energy demand target.
- Vauban's family housing is largely car-free with car parking provided at the periphery of the site, a car club offers an alternative to car ownership and special public transport passes offer an incentive to residents to use the new tram.

This has required a comprehensive approach to the delivery of new services to ensure the alternatives gain acceptance. For each new service appropriate partners have been selected to ensure effective delivery. This also reduces the risk and provides a clear development framework for individual developers, enabling them to differentiate the housing.

Targets have also been used – such as the 'Kronsberg standard' for energy efficiency – but not the detriment of the community-wide measures. Strategies and targets have been applied to all developers – private, social landlords and co-operatives – and, importantly, practical support was provided to fill gaps in knowledge and skills.

106 Agreements. This needs to recognise consumer concerns for choice, economy, and reliability of services, whilst accepting that some services may need to be delivered on a monopoly basis to make them viable – for example, community heating – and that in the long-term services may be needed that encourage a shift in behaviour – for example, reducing car ownership through the use of a car club or car pool service, prompted by higher charges for parking. The principles in the charter might therefore encompass:

- **Stewardship** - Managing valuable assets such as heat and power networks, in order to ensure there is sufficient long-term re-investment in the quality and security of supply. Where possible a community's purchasing power needs to be aggregated to achieve the greatest economies of scale and to wield greater influence with suppliers and contractors.

- **Accountability** - Ensuring that new services are delivered in the most transparent and responsive way, particularly where there is a monopoly supply. Management from the bottom-up can also make delivery more responsive to community and/or individual consumer needs, for example distinguishing between social housing, whose occupants are likely to be at home much of the time, and homes where everyone goes out to work.

- **Responsibility** – Encouraging households and businesses to take responsibility for reducing their carbon emissions. This could include shifting the focus from charging for consumption of energy e.g. gas, electricity, petrol; to the consumption of services e.g. lighting instead of power, car use instead of petrol, so that consumers have a more direct relationship with how they use resources. It could also be extended to encompass associated carbon emissions – along the lines of Domestic Quota proposals.

#### 4. Delivery mechanisms – a consumer orientated model?

The consumer co-operative is tried and tested model for delivering goods and services, and the cooperative movement is already involved in a number of innovative projects e.g. recladding the headquarters

#### Ensuring accountability for a monopoly supply Consumer-owned district heating (Denmark)

Høje Taastrup is one of 19 district heating co-operatives in Greater Copenhagen. It is owned by its heat consumers and manages a heating network, standby boilers and associated customer services. The co-operative supplies heat to 4,500 consumers, equating to 2.6 million sq metres of heated floor area or 30,000 households.

The co-operative's rules stipulate that it is not-for-profit. If surpluses are generated then they must be re-invested or used to lower prices the following year. The heating prices are therefore calculated on a transparent basis to consumers, reflecting the actual cost of providing and maintaining the service. Prices are also benchmarked against other heating suppliers in the area.

The co-operatives structure is based around a board of representatives, which is the main decision making body. The constituency for this board is split three ways with households having 15 shares, Housing Associations 10 shares and commerce/industry 10 shares. Elections are held once a year. The closer relationship with consumers has been demonstrated as an efficient model for the delivery of town/village-scale district heating.

Source: DTI Global Watch (2004) *Co-operative energy – lessons from Denmark and Sweden*

of the Cooperative Insurance Society in Manchester with solar panels. Retail consumer co-operatives have been in existence for over 100 years in the UK and are a familiar and, importantly, a trusted brand to most households. This structure has provided the framework for successful energy service delivery in the USA and Denmark specifically, to provide community heating. Furthermore the world's largest consumer co-operative society – the Co-operative Group – provides retail services to members in the sub-region, and its Central and Eastern Regional Board could be approached to support the project.

Tailoring this approach for Northstowe, the energy and mobility services for the new community could be provided by a new consumer co-operative society. Established as an Industrial and Provident Society, the consumer society could be responsible for providing a range of energy services to its members - Northstowe residents and businesses- and potentially also to housebuilders and housing associations.

Home owners would automatically join the association, which could be a subsidiary of the principal Local Management Organisa-

tion, which we are calling the Northstowe Trust, just as a car buyer might join the RAC. Members could then access a range of 'green community' services – some of which would be compulsory, others a matter of choice:

- **Heat** – via the community heating network or from micro-generation;
- **Power** – via the community power network and from renewable sources, either at a community scale or from micro-generation;
- **Utility** – A or Energy+ rated equipment and fittings that minimise power consumption e.g. lighting, appliances;
- **Fuel** - bio fuels for vehicles, focussing on the forecourt sale of bio diesel and bio ethanol;
- **Mobility** – access to a car and cycle service (otherwise known as a car club) available on-street across the community, as well as special public transport passes.

#### 5. Developing a financial model

The energy consumer society – as proposed above would aim to provide services to its members in the most cost-effective and responsive way, rather like a local Health Trust might do. The society would cut out some of the risks of the

development process by co-ordinating and directing investment in 'green community' services, and using the purchasing power of its members to negotiate the best deals and underwrite investment into the future. The activities of the co-operative, and the benefits it would bring to its members, might fall into three broad categories, starting with the easiest to fund first:

**1. Green services:** The provision of responsive services such as a car and cycle club would provide access to mobility on a pay-as-you-use basis, and would enable the company to promote its services to a wider market than just Northstowe, which would help in putting the new development on the map. Biofuels could also be retailed through local forecourts, something which the Co-operative Group is currently exploring. This could provide an early element in the 'social infrastructure', making use of land alongside the main road to the site, and creating an early symbol of Northstowe's 'green' credentials.

**2. Bulk purchase and installation:** The commitment of household members would enable the bulk purchasing and retailing of consumer equipment, including low energy appliances and lighting and solar micro-generation. The aim would be to achieve economies of scale, and the ownership of common assets such as micro-generation equipment could be retained by the society. This service could be provided to house-builders at the time of construction, or to households when choosing properties and post-completion. Partnerships with local installers for micro-generation would also be a key element of this service, and it is likely that businesses at Northstowe would be active in other parts of the sub-region.

**3. Energy distribution infrastructure:** The management of the heat and power distribution network. Consumers would benefit from re-investment to ensure quality and security of supply, as well as a greater level of accountability than private utilities (see case study). Commissioning and enabling of the infrastructure could be achieved through English Partnerships, and could involve a major gas or energy supplier as a partner, if that enabled finance to be raised at a lower cost, and also produced economies in laying services. For example

it would enable utility partners to save having to replace gas mains with heat mains, and the same duct might serve a multitude of purposes. There are opportunities to tap into the rentals and community dividends that suppliers of wind energy are prepared to pay, and as the payback time can be as little as five years, while the equipment lasts for thirty years, there is an obvious source of funding for community projects. A rough estimate of what 2 or 3 turbines might provide suggests an annual income to the Northstowe Trust of £150,000, which should more than cover its overheads.

To instigate these activities the coop could either contract with service providers to an agreed specification – for example, a car club provider such as CityCarClub - or develop infrastructure and services directly or in conjunction with partners – for example, investment in the community heat and power network, working with partners such as the Co-operative Bank, EDF Energy, Transco and British Gas, or

Energy Power Resources who run nearby Ely Power Station, one of the largest installations in the UK. It could also draw on the utility contribution from Gallaghers, which could be used to attract government grants for renewable energy and innovation.

The society could also raise finance from its members. A community investment share issue has been used by the Westmill co-operative in Oxfordshire, which provides a relevant model from a similar kind of place to Northstowe. It is developing a 6.5 MW wind development with £4.4m in share capital raised from its members. This mechanism could be used to gain acceptance for the wind development proposal as proposed by ESD. This could create an income stream to establish a revolving investment fund for energy services. The 'solar bond' initiative in San Francisco is an interesting example of a broader approach to investment which could be used. Capital was raised on the basis of cross subsidy between wind power, solar power and energy efficiency.

#### Community owned wind power gains acceptance Westmill co-operative

Westmill Wind Development Co-operative was established to facilitate community ownership of a 6.5 MWe wind development in Oxfordshire. After 3 years of deliberations by the district council the proposal was finally granted permission in October 2004, citing community benefit and climate change as key factors. Membership is open to the wider community who can buy shares of between £300 and £20,000. A share issue was opened in late 2005 which had raised over £4m upon closing in February 2006. The board of the co-operative represents a cross section of the community. Oxford, Swindon & Gloucester Co-operative Society have invested £100,000 in the wind development.

Source: Energy4All, *Wind of change for the vale*, 18th October 2004

#### Sustainable energy investment in the USA San Francisco 'Solar Bond' Initiative

In November 2001 voters in San Francisco voted overwhelmingly for the issuing of a \$100m self-financing bond repayable over 25 years. The investment earmarked by the bond is split three ways - \$50m for solar photovoltaics, \$30m for wind power and \$3m for energy efficiency with the remaining money used to finance the debt. The economics are based on the concept of bundling together technologies with a long payback period, in this case solar photovoltaics, with the shorter payback periods of wind power and energy efficiency. The scale of the investment is designed to achieve economies of scale which will bring down unit costs. The proposition also seeks to support local installers and manufacturing opportunities wherever possible.

Source: Vote Solar (2003) The vote solar initiative, <http://www.votesolar.com/index.htm>