

WHO RUNS THIS PLACE?

Northstowe Local Management Study Phase One Report

December 2005/February 2006



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A further separately bound appendix is attached: Learning from Case Studies

Summary Report

1. Introduction

This summary report sets out our initial conclusions on the development and management of Northstowe as a successful and sustainable new town. The first phase of our commission set out to:

- a. examine the potential tasks/role of a local management organisation
- b. advise on what form of local management organisation would be best
- c. explore how a development trust might evolve and be funded.

The conclusions and proposals we make are based on our findings from:

- the inception workshop with partners and other stakeholders;
- a review of relevant Government policies;
- a variety of case studies of relevant models and different approaches (see **Appendix A** for summary learning lessons and the **separate appendix** *Learning from case studies* for full case studies);
- general lessons from the growth of New Towns (**Appendix B**);
- emerging ideas for the town centre, the landscape framework, arts and sports facilities, and proposals for the Northstowe Sustainable Energy Partnership;
- feedback from Steering Group on our Progress Review Report (meeting held on 2nd November);
- discussions with the key stakeholders to identify interests and concerns.

The **Research Report** pulls together the main findings in three sections:

1. **Creating an innovative and sustainable community:** considers the current proposals for public realm and community infrastructure as presented in the outline planning application and draft Area Action Plan. In summary the key points are:
 - there are substantial challenges in building a new town of sufficient distinction and quality to overcome the risks of creating a least-choice dormitory for Cambridge City;
 - quality public realm, provided early, particularly landscape and schools, are critical factors in determining choice and attracting new residents; these facilities can add substantial value to new housing;
 - new communities benefit from substantial investment in building social capital; the current proposals for a high proportion of affordable housing will require intensive investment in community facilities, particularly for children and young people who are likely to be concentrated in this sector;

- the scale of the proposed landscape/park content, and other public realm facilities, poses serious challenges to the affordability of running costs; the assets of the place will need careful management to maximise value.
2. **Assessing the Local Management Options:** explores the range of organisational options which might be appropriate for Northstowe and the key management tasks. The main conclusions are that there are four possible approaches to management, none of which are mutually exclusive:
- a. through the public sector, i.e. parish, district or county
 - b. contracting to a private management company
 - c. partnering with a Registered Social Landlord (RSL)
 - d. through a new, community-based organisation: this could take several different forms:
 - a **Development Trust** (company limited by guarantee with possible charitable status) able to utilise a wide variety of funding sources, but requiring an endowment and initial funding for staff and feasibility studies
 - a **Social Enterprise** (e.g. a Community Interest Company), adopting a more explicit ‘trading’ culture, and raising funds in the forms of equity or loans;
 - a **Community Land Trust**, seeking to create value through community ownership of an area of land, usually to secure affordable housing in perpetuity, but also suitable for other purposes;
 - a **Commonhold Association**, possibly as a form of RSL partnership to represent households in part or all of development.
3. **Financing sustainable development:** briefly reviews the potential sources of revenue income, the range of ‘assets’ that might be available (including the value of endowed land), issues of asset ownership and management responsibilities. Not only is it important to involve local residents and businesses in monitoring and guiding the way the new community develops, but there is also a need for mechanisms that can turn fears and opposition into positive energy, and that can begin to grow effective governance capacity.

The section concludes with identifying ways in which the early establishment of a community based organisation has potential to ‘add value’ to the development and to the development process itself, to an extent that none of the other 3 options (see a-d above) offer. Its potential role in management will need to evolve over time, but the first priority is to establish it, and to do so in such a way as to keep its structure and form as flexible as possible.

2. CONCLUSIONS

Though proposals for Northstowe have aroused considerable local debate, there is an over-riding view, clearly expressed in the report of the public workshops in January 2005 *Northstowe: Creating a New Community*, that ‘it should be a unique new town – its architects should aim to create the conditions for a vibrant and successful community to develop with a forward looking identity of its own’. From our work in Phase One we have identified several immediate and difficult challenges in developing a successful new community:

- a. **The public realm will shape Northstowe’s future.** The design and management of the public realm, the spaces between buildings, will create the first impressions in the minds of new residents and investors. It will affect the long term value of property. It is also a key concern for neighbouring residents. It will therefore be one of the main ways of implementing the vision of Northstowe as an ‘innovation market town’, for example through the drainage system, energy production, and as a truly walkable place.
- b. **Good facilities for children and young people are essential from the start.** The early establishment of schools and other facilities for the use of children and young people is also critical for building a sustainable new community. These facilities are even more essential if affordable housing is to form a substantial proportion of the development. Surrounding villages will have key concerns about the impact/added value of a new secondary school, yet it could act as a bridge between existing and new communities as well as attracting new households to choose Northstowe as a good place to bring up a family.
- c. **Local management capacity will need to evolve.** Just as towns take time to grow, so do organisations – whether a new Town Council, a development trust or any other form of LMO. Trust needs to be built up by what is done, not just what is promised. Experience of successful new towns (**Appendix B**) shows the importance of a group of people with a shared vision, who can see the wood for the trees, and who can make things happen.
- d. **Careful stewardship will be required to safeguard sustainability.** There are difficult decisions to take about the use and provision of assets, and the form in which they are endowed, in order to cover the costs of the town’s ongoing management, and to respond to new demands as the community grows. To achieve a viable financial model, partners need to work together on the development of packages that can produce the best value in the long term.

In conclusion there are:

- a series of different tasks
- which require different kinds of organisational mechanism

- which need to evolve as the development grows
- and which will require different types of investment.

We therefore believe partners should proceed incrementally in such a way as to ensure maximum flexibility and added value at each stage.

3. Implementing an Evolving Approach

Our primary conclusion is that community based organisations – whatever their form - have an important contribution to make in the *creation* of places, as well as to their *management*. They are best grown *incrementally* and the sooner they can actually *deliver services* the better their chances of gaining momentum, resources and the widespread support that such bodies need to be successful.

We therefore believe that the partners to this study should have confidence in proceeding with further work to establish a community based organisation at Northstowe. – and indeed that the aim should be to establish it as soon as possible (initially using the flexibility of a limited company structure). We suggest calling it the Northstowe Trust for the moment.

There are four critical areas where such a body could focus activities:

1. **Providing early public realm:** the added value of physical capital through early provision of innovative landscape and facilities (i.e. use of barracks) to attract new residents and improve quality of life for existing residents in the surrounding areas
2. **Supporting community life:** the added value of social capital, through enabling people to achieve personal development through collective action, fostering a participative culture; providing creative mechanisms to involve existing village residents; and developing leadership
3. **Promoting environmental innovation:** the added value of sustainable energy through promoting the use of renewable forms of energy in generation and distribution, increasing energy efficiency, including transport, and branding the lifestyle that Northstowe can offer its residents and businesses
4. **Building management capacity:** the added value of good governance through mechanisms that can manage the place as it evolves, set up partnerships to maximise value from assets, attract funding for innovative projects, and be accountable and responsive to local needs

The availability of the former barracks as a group of buildings in reasonable condition provides an obvious starting point, and one that has been key to the launch of most development trusts. Their appropriate reuse would help to show that Northstowe is actually going to happen. They probably could provide useful space for new enterprises, creative activities, and facilities for young people, or mothers and children.

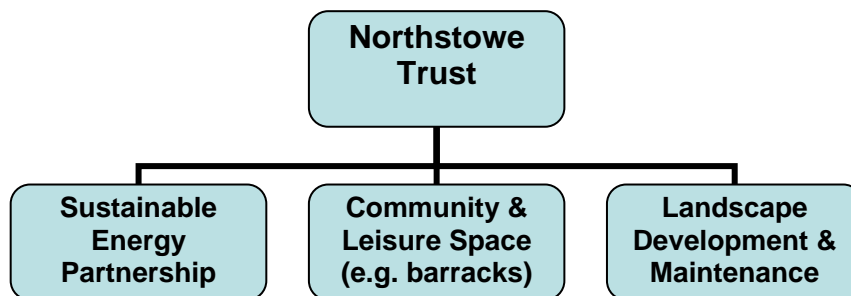
The buildings are on Ministry of Defence land, which may be transferred to English Partnerships. Their early use might be an important way of building a sense of

partnership, as well as an initial contribution towards the longer-term asset endowment that the new community is going to need.

Early use of these sites would also offer the potential to make an immediate contribution to the landscape of the place. It would allow planting and other features to get established before people start to move in. It could provide a project office and marketing base. Above all such an approach would help ‘demonstrate’ Northstowe in action – rather than just on the drawing board – and help in attracting further investment.

Another early action for the Northstowe Trust might be to refresh public consultation and involvement. It would enable positive links to be built with local institutions (including the existing parish councils). It would provide a practical way of exploring the issues of service provision, governance and accountability. Above all it would enable facilities to be provided when they are needed, and not many years later.

The Northstowe Trust might evolve as an integrated group of organisations or functions. Crudely drawn, this might encompass:



We suggest that the Northstowe Trust be established as a flexible structure, able to grow and develop as circumstances unfold. A not for profit company limited by guarantee would probably be the best structure to start with. Decisions about possible charitable status can be made later as the need for other subsidiaries or related structures became clearer.

The processes of establishing the board, attracting the right board members, beginning to engage others, writing project briefs, negotiating funding – all these activities will begin to build competence in management and governance roles. Building a team and finding the right champions to take projects forward is as important as the bricks and mortar, and needs to happen in parallel with the planning process, so that time is not wasted, and opportunities lost.

4. Taking the next steps

Our original proposal in response to the brief focussed the work in the second phase on developing a business and action plan. There are three tasks:

- develop the business plan
- work up proposals
- agree the action plan.

Our work on the first phase has made it clear that a distinction needs to be drawn between developing an agreed masterplan, which will take several years before the details of the Section 106 agreement are signed up to, and promoting development, which is about working up viable projects. As everyone seems agreed on the importance of social capital, and of starting with a nucleus, we are proposing that we use the second phase to build an effective partnership, in which the stakeholders divide up the roles and contributions that each are making.

Learning From Experience

Northstowe must evolve in stages

- providing the landscape, roads and utilities infrastructure e.g. drainage framework
- building neighbourhoods, not just streets of houses
- developing leading edge business parks e.g. university links
- attracting the right shops and services e.g. local enterprise
- providing for education, health and life-long learning

Above all this requires South Cambridgeshire District Council (SCDC) to take the lead on the community infrastructure and related public realm. To do this, it is essential to have:

- a shared vision, with some overriding principles or a 'charter' to govern how the community grows - its DNA so to speak
- a concordat or written agreement between the stakeholders on what aspects of the public realm each is going to be responsible for
- a strategy for developing the site in phases, linked to the provision of different elements of community infrastructure; for example the secondary school might be brought forward and used as the nucleus for a whole neighbourhood, with its playing fields providing a key part of the landscape framework
- a mechanism for orchestrating investment that fairly divides the cost of financing the infrastructure between the stakeholders and beneficiaries
- a means of maintaining the momentum and holding true to the vision and charter, which will include not only the role of the Northstowe Trust, as a means of promoting innovative projects that benefit the wider community, but also a 21st century town council that can monitor progress and ensure concerns are dealt with promptly.

To achieve this we are proposing to start by helping the partnership set up a working party to agree the composition and role of the board and task groups, along with a brief for the appointment of initial staff, and an operating budget. Proposals for Phase 2 are set out in **Appendix C**. A discussion paper *Moving Forward into Phase Two (January 2006)* a summary paper reflecting on Phase One and looking ahead to Phase Two is attached as **Appendix D**. To help reach agreement we have developed proposals for a capacity building process (see **Appendix E**). This includes a study tour to look at different approaches to managing the public realm. It will lead on to a Charter Symposium where agreement can be forged between the stakeholders (funding for this was secured at the end of January).

The success of what we are proposing depends not just on support from South Cambridgeshire District Council and Cambridgeshire Horizons, but also the wholehearted backing of Gallaghers and English Partnerships (EP), if and when they take over the MOD land. From our initial explorations we believe that what we have proposed will win favour, and enable SCDC to negotiate far more benefits from the scheme than if it relied on planning powers alone. Indeed it could well provide the model for Growth Areas that both the ODPM and English Partnerships are looking for, with the community deriving long-term benefits from securing a share in the land, just as many of the successful models referred to in **Appendix B** did in the past.

5. Recommendations

Having reviewed lessons from elsewhere and the aims of the stakeholders, we propose the following principal recommendations, and supporting arguments, which will be tested out in the second phase:

1. The main stakeholders with a long-term interest should establish the Northstowe Trust as the body responsible primarily for promoting and maintaining non-statutory community infrastructure, and set 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 organizations
 - e. help tackle the problems of isolation and exclusion that occur in new developments

We believe that the development 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, in line with possible scenarios for the Town Council and community trust. The formation of a trust early on could:
 - a. make a start on any agreed early environmental 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 Gallaghers
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. A new Town Council will be set up, as soon as the population is large enough, to complement the Trust and in order to:
 - a. monitor the development of the new town and the growth of the community, and produce an Annual Report
 - b. set and use a precept on the Council Tax to maintain part of the community infrastructure e.g. footpaths and small open spaces
 - c. provide a fast response to problems that arise in the public realm
 - d. act as custodian for a charter setting out basic principles
 - e. ensure full use and maintenance of the community infrastructure
 - f. promote Northstowe as a good place to live and work and to share experience with other new communities
6. Support will be provided through a separate capacity building programme as described in **Appendix E**.

Research Report

This report presents the findings from the first phase of our work. It provides the evidence for deciding whether to set up a development trust, and what functions it might perform. This is an essential step in ensuring that the public realm and community infrastructure in a 21st century new town are managed and maintained in ways that will sustain property values and minimise environmental impact. Planning can only achieve so much. Equally important therefore is setting up the right management structures. These need to address the development challenges posed by the site, and ensure that the landscape and environment framework, and particularly the town centre, are well managed from the start.

1. Creating a Successful New Town

While there are inevitable concerns and disagreements over what kind of place Northstowe should be, and over aspects of the development proposals, there is no doubt that the site of the old Oakington Barracks and adjoining land is going to become the largest settlement in South Cambridgeshire. Creating a place as large as Huntingdon or Ely in a couple of decades is a huge challenge, and what matters is not just the desired end state, but progress along the way.

Stakeholder Aims

Multiplicity of objectives with no agreed division of responsibilities

- Creating a 'real town', not just housing estates e.g. new place, real buzz, sense of community etc. (all)
- Providing for 25% of housing growth in the Cambridge sub-region (ODPM/Cambridgeshire Horizons)
- Promoting an 'innovation market town' with a distinct identity and a profitable base (Gallaghers)
- Demonstrating sustainability principles as an exemplar (S. Cambs./EP)
- Engaging the community from the start (S. Cambs.)
- Avoiding being swamped (Oakington and Longstanton)

Development Challenges

The development principles for Northstowe include *'innovative urban design ...which engenders an inclusive, vibrant and diverse community spirit with a strong sense of local identity'*. Special features include the idea of it being *'an exemplar of sustainable living'* supporting both healthy life styles and a net increase in bio-diversity. The landscape strategy and the

requirements for supporting services and facilities are therefore intended to ensure that Northstowe is more than just a series of housing estates and commercial facilities.

Though the masterplan no doubt provides for the range of physical facilities that make up a town, it does not necessarily show how the community spirit that underlies a successful place is to be created. Experience with some of the New Towns, as well as private housing estates, shows that people moving in frequently expect more than the settlement can provide, and may not be willing to accept less, particularly when new housing is also becoming available in established communities.

Northstowe is intended to be one of the largest towns in Cambridgeshire, and as the first new town since medieval times, needs a strong philosophy and heart. However, as is recognised, providing that identity is extremely difficult in somewhere new and where retailers prefer a few large units to a traditional High Street. Experiences in places such as South Woodham Ferrers (see separate Case Studies Appendix) show how difficult it is to create anything on the scale of a traditional town centre. Furthermore many of those who move into new housing are doing so because they cannot afford an older place, and may move on as soon as they can. With both partners working somewhere else, there is little time for involvement in community-building activities.

The focus on providing more affordable housing could stigmatise the development if it is not very imaginatively designed and carefully managed (especially if a Traveller's Site is to be located there). Affordable housing is intended to be scattered through the site but a more important concern may be who lives in the homes, the numbers of children of different ages, and how to ensure that conflicts are avoided. For example the provision of facilities for teenagers has been a problem in new settlements like Shenley as they mature, where a site allocated for a new school has never been taken up by the County Council. In other places, health providers have often struggled to provide services from buildings provided for them.

While the ODPM definition of a sustainable community calls for places that meet eight criteria, including being inclusive and well-run with a choice of lifestyle, in practice this is very hard to achieve in new communities. New communities often end up with a disproportionate number of young families (especially those in social housing as at Caterham where practically the only children have tended to be those living in social housing), and those who cannot afford anything else, which imposes demands that the existing facilities and social networks cannot meet. As a result there is often conflict from the start. The answers lie not just in avoiding 'ghettoes' of social housing, for example through careful mixing of tenures at a block and neighbourhood level, but also in creating 'pathways of housing choice', so that successful households do not have to leave, and avoiding excessive concentrations of economically inactive people.

The plans are substantial:

- 6,000 homes to be completed by 2016
- A town centre and four local centres plus two employment zones
- 133 ha of open space (a third of the total) with a town park, water park, and two country parks
- Encouraging energy efficient travel with a vibrant town centre
- A high quality landscape and a resource efficient community
- 20 documents and dozens of plans

Landscape and Environment Framework

The draft Area Action Plan (AAP) confirms the importance given to landscape issues in the creation of Northstowe. The new landscape will not only enhance the setting of the town, and ensure ‘*green separation*’, but should also provide a range of recreational and other facilities to make Northstowe a place worth settling in. At present the site is described as of average quality for the region, with the main features including Lombardy poplars on the airfield, a watertower, and the views of Longstanton as a fen-edge village largely hidden behind a belt of trees. Intriguingly part of the landscape was planted for military training purposes to recreate the landscape of Northern Germany, which is now seen as alien to the fen-edge landscape. A landscape strategy is required before development can take place. Work is well underway on the sub-regional context, which reveals that Northstowe is in a relatively arid area with little access to the countryside. The research also shows that there are number of other major projects which are in competition for funding, including major projects on land owned by the National Trust and the University.

Facilities and features identified in the AAP include:

- Landscaping along link roads and the country parks
- A town park of at least 3 hectares with leisure facilities e.g. tennis courts
- Two country parks plus a Water Park to compensate for the lack of opportunities for informal recreation in the surrounding farmland
- A replacement for the current Cambridge Golf Course
- Sustainable urban drainage systems that avoid flooding and reduce water consumption, and that add to the town’s attractions
- Alternative energy measures, such as wind and solar power and recycling facilities
- Maintenance of the existing landscape, and additions to it, such as new woodland buffer zones.

This is potentially a very large portfolio to manage and it is salutary to bear in mind that much of the current focus on improving the quality of parks and green spaces stems from the consequences of declining revenue input for staff and maintenance. The recent Countryside Agency report “Towards a Country Park Renaissance” reflects that “with limited access to funding opportunities, the last thirteen years (i.e. 1990 to 2003) have been a period of stagnation for most country parks”.

A number of issues have arisen:

- Boosting investment early on without overloading Section 106 potential
- Keeping down costs to public sector e.g. funding new schools and health facilities
- Defining the distinct character
- Providing enough vision and leadership
- Engaging all the stakeholders as full partners
- Resolving landscape issues e.g. drainage
- Setting up the right Local Management Organisation (LMO)

Town Centre Strategy

The draft Area Action Plan also calls for a vibrant town centre that complements existing facilities and that provides opportunities for socialising as well as shopping. A range of facilities are suggested as appropriate to a small 'market town' catering to a population of 19-24,000 people (dependent upon further population analysis) including shops, restaurants, public houses/bars, banks, building societies, post office, cinema, library and adult learning, health facilities, cultural facilities, places of worship, Town Council offices and access to public services information. Local concerns about competition with nearby market towns are recognised as important, and the AAP also specifies that the intention is not to compete with Cambridge City itself. Gallaghers are undertaking further work to assess what might be feasible.

Briefs for several of the public facilities are already under active development with partners, including:

- the location and requirements for a new secondary school
- a 'civic hub' co-locating public information and various services, including voluntary organisation and community space
- a 'health campus' offering a range of primary care services
- indoor sports facilities
- external sports areas, (floodlit pitches, athletics track etc.)
- library and life-long learning facilities
- a faith centre

Critical issues under discussion currently include the potential for co-location of services, shared facilities with the schools and the ownership/management options. For example a swimming pool or public hall might be provided as an early part of the development of a secondary school, and provide a valuable amenity for the surrounding as well as the new community. Alternatively the school might be run as an exclusive private school, with facilities only for its own students.

Finally, it is important to note that in the AAP it is proposed that the Town Centre is commenced three years after the start of development (i.e. in 2010). At that point some

2000 dwellings may have been completed and Northstowe will be home to approximately 4,800 people (based on an average household size of 2.4). This will be enough to generate substantial demands for community facilities, but not necessarily enough to make them financially viable.

Stewardship and Governance

Partners have been considering the management challenges to be faced as the town develops. The public and community facilities as currently proposed (not only in the town centre but also in the proposed local centres), alongside the extensive proposed landscape and parks, will require very substantial revenue funding to maintain quality and accessibility. For example the annual budget for Nene Park in Peterborough is around £¾ million, while the much smaller Shenley Park in Hertfordshire has a budget of nearly £400,000 a year (see Case Studies Appendix). There is no existing model for the management of such provision in South Cambridgeshire. The District Council does not own or manage leisure facilities or community centres (although it does manage the Milton Country Park), with provision in villages being provided mainly through the village colleges run by the County Council. Public realm management such as grass cutting, public toilets and play areas are largely the responsibility of the Parish Councils. In Cambourne the division of responsibility between housebuilders has been a cause of concern, particularly where trees have died for lack of care and attention.

The draft AAP addresses issues of implementation, management and maintenance for facilities and services. Single landownership is favoured, especially for the landscape areas, recreation and biodiversity. The landscape strategy will also need to cover water and drainage features within open spaces. Issues are already being raised concerning the extent and use of the water spaces; for example whether it will be possible to practice rowing or go fishing. Concerns will no doubt grow about children's safety, and about avoiding water wastage. Indeed one of the main areas where Northstowe can be truly innovative is in the way it handles water. URBED's good practice guide *Biodiversity by Design* refers to the role played by a wildlife trust at Cambourne, and the potential for community stewardship in minimising costs, with a number of good examples.

Gallaghers commissioned a report on management options from Ove Arup earlier this year which explored the various models available, including a private management organisation, or a development trust, and which also considered the potential role of the proposed Town Council (the trigger for the formation of new parish or town council appears to be in the region of 150-200 electors). The report concluded that:

- a private management organisation might be preferable in the short/medium term
- in the longer term, a town council or development trust model would be more appropriate
- that the functions of the development trust and town council potentially overlap to a considerable degree and that the need for one, or the other, or both should be

carefully considered in full partnership with Northstowe residents as they begin to take up residence in substantial numbers.

Officers have cited experiences at Cambourne (see *Cambourne, A Sustainable Community?* – which can be downloaded from the SCDC website), and particularly those associated with the recent formation of the new Parish Council, as indicating the need to pay early attention to community development and public involvement in facilities and services planning.

Workshops in January 2005 on the design and co-location of community facilities recommended the ‘co-location and the creation of community hubs’ and that ‘Northstowe should be developed to cater for its new residents as they arrive - lessons can be learned from Cambourne where the infrastructure largely trailed the housing development’, so that, for example, rooms for meetings and events need to be provided from the start. Inspiration at the event was also drawn from the role of a Community Foundation in Milton Keynes as a funder of voluntary activity, and the importance of having ‘local enablers’ to encourage people to come together.

“The aim should be to widen the scope of the planning process at all levels and involve those creative and innovative individuals and groups who are currently not involved. The real challenge in formulating culturally sensitive approaches to developing new towns is to stimulate the ideas, energy and incentives to participation that such a process requires.”

Indeed the draft AAP requires such involvement. For these reasons, partners have been interested to explore the potential of establishing a development trust or similar community-based organisation for Northstowe at an early stage.

CAMBOURNE: A SUSTAINABLE COMMUNITY?

Cambourne is an important initiative to create a new settlement driven by the private sector. A report published by the Chartered Institute of Housing and South Cambridgeshire District Council provides some useful lessons for other developments.

Context

The idea of new settlements around Cambridge was first promoted in the Country Structure Plan in 1986 which proposed locations on the A6014 and A10 North of Cambridge. After many years of battling where these should be, outline planning permission was given for Cambourne in 1994 (previously known as Monkfield Park. This is off the A428 and the main reason the Council went for this location is the contribution it provided to bypassing an existing village. The Masterplan and Design Guide were approved in 1996, and the idea was to create three villages separated by open space. Work started in 1998 and the first homes went on sale in 1999. The site for housing is 323 acres, out of a total of 1030 acres, and includes a 100 acre country park, village greens and an eco park, as well as 229 acres given over to a golf course and 45 sports playing fields.

By November 2005 1,764 homes had been built of which 30% were affordable, and the total is intended to be 3,300 houses, though this may be revised upwards. A survey in 2002 found that 23% of the new residents had come from Cambridge, 13% from elsewhere in the South Cambridgeshire district, 25% from the East of England, 34% from other regions, and 4% from abroad. 28% moved there to be nearer their job, and 25% to get a different sized house. 39% gave the concept of a new village as their reason, and 34% price compared with other parts of Cambridge.

Community

The primary aim and objective in the masterplan is sustainability. Community facilities are provided at trigger points, for example a community centre when 1000 homes were occupied. Affordable homes were provided through the developers transferring 37 acres of serviced land in tranches of up to three acres throughout the development. The affordable housing is therefore spread around, and is required to meet the same external design standards as the market housing. This has added 30% to costs. The low cost housing which was to have been provided by the developers proved unviable.

A Community Development Officer was employed to help establish local groups, provide information, and enable participation, including addressing health and well-being issues, working through partnerships. After 1000 homes were built a Parish Council could be formed and the District supported the appointment of an acting Parish Clerk. Housing associations funded a community development worker.

Lessons

Cambourne offers a number of lessons:

- Pressures for increased densities
- Problems with making buses viable
- Tensions from permeable layouts
- Failure to involve housing associations early enough
- Developers preference for building their standard products
- Confusion over open space ownership and maintenance
- Late provision of facilities and problems over agreements with developers
- Lack of funding for public art
- Need for facilities for children and young people, particularly pre-school care, youth club
- Tension over those in affordable housing getting more facilities and 'them and us'
- Conflicting demands on open space
- Sustainable life styles and provision of local shops

The report now turns to a brief consideration of the various models available, in the light of the following principles and key tasks.

Framework for Assessment

Principles

- Creating value
- Using resources effectively
- Creating income leverage
- Engaging the wider community
 1. At each stage of development
 2. in the different elements of development

Tasks

- Creating the right image (early stage)
- Delivering community infrastructure
- Building social capital
- Balancing the population
- Sustaining growth

2. Local Management Approaches

Development Trusts and Social Action Organisations

Development Trusts come in many forms (and there are over 300 of them now), but basically they are independent, community-owned and managed enterprises that aim to make profits through assets, property or trading and reinvest them for social benefit. They act entrepreneurially (taking risks, which perhaps distinguishes them from the conventional local authority service provider) and aim to be financially self-sufficient (or have substantially reduced requirements for grant or other charitable income). However, despite their goals of financial independence, in practice most trusts gain income from a variety of sources, including contracts and grants. Like most voluntary organisations, they have to be flexible and responsive in juggling many different pots of funding. Very few operate without any form of public subsidy. There is a national membership body, the Development Trusts Association (DTA), that co-ordinates regional support networks and plays a prominent role in the development of government policy towards asset-based organisational development.

It is worth remembering that one of the earliest models of development trusts is that of the Settlement movement and its close association with universities. Coming into being during the early part of the 19th Century, Settlements began as philanthropic projects aiming to bring men and women from universities to live among the poor in London and in other cities undertaking voluntary work and working to alleviate poverty. For example, Cambridge House & Talbot Settlement in Camberwell, London was originally promoted by Cambridge University. By the 1950s most had moved on from offering live/work experiences to a more general role as Social Action Centres. The Settlement buildings they established were, and have largely remained, substantial assets which have underpinned their sustainability. There is a national membership body, the British Association of Settlements and Social Action Centres (BASSAC), which works in close partnership with the DTA with whom they share similar objectives.

Government policy is increasingly positive towards the development of an effective, independent community/voluntary sector. The Home Office, ODPM and the DTI are all involved in aspects of policy development to support this, encouraging a greater role for the sector in delivering public services, and promoting greater self-sufficiency from grants and charitable sources of income through asset ownership and development. Most significantly, the Government has recently allowed a new general consent for councils to dispose of assets for up to £2 million less than their market value in cases where they consider the disposal likely to promote economic or social well-being. As part of work on developing proposals set out in the consultation report *Why Neighbourhoods Matter*¹ the Government is also currently exploring the potential of

¹ 'Citizen Engagement and Public Services: Why Neighbourhoods Matter', one of four documents published by ODPM in early 2005 as part of its development local government strategy.

‘community right-to-buy’ (as operates currently in Scotland) giving the voluntary and community sector increased rights to take over disused land and buildings and bring such assets back into vibrant community uses.

The Potential of a Development Trust for Northstowe

The idea of a development trust is seen in the draft AAP for Northstowe as a possible means of enabling community development, democratic engagement, and economic development in the new town. To further explore this idea, an initial report was commissioned from Keystone Trust, based in Thetford. This differentiates between two models: the ‘social business model’, which focuses on generating surpluses through exploiting competitive advantage; and the ‘community model’, which focuses on community development and participation.

The most viable trusts own and manage substantial assets including workspace, residential properties, shops and markets, community centres and sports facilities. For example Keystone is developing an innovation centre, an enterprise factory, and various community centres, and there are to be a number of sister trading companies. The creative aspects of what Keystone does, such as the musicians collective for 14-25 year olds, demonstrate what makes a development trust different from the private management organisation referred to in the Ove Arup report explored above.

However there can be a downside, including treading on the toes of local authorities, taking risks that do not work out, and diversifying too rapidly. Many of the people who have the vision needed to get new ideas off the ground may not be very good when it comes to running a large organisation. Building an income stream requires dedication, and is not just a matter of paying the right salary to a successful manager. Invariably the successes are associated with outstanding individuals, plus a lucky break. There needs to be a driving force or champion, as well as people with the right standing and range of skills, if a trust is ever to get off the ground.

The report suggests that the potential core business of a Northstowe development trust might include:

- Community development and democratic engagement
- Social enterprise support and development
- Developing a mixed income stream portfolio of assets and services

and that the asset base might include:

- Leisure facilities
- Community halls
- Parks and open spaces
- Playgrounds
- Land zones for commercial purposes
- Business park or units

- Office space.

However, it is important to distinguish between ‘capital assets’ and ‘revenue liabilities’. Community halls, parks and playgrounds for example are revenue intensive and rarely survive independently without public subsidy (unless entry charges are pitched commercially).

A successful trust would need to own substantial assets capable of generating real returns. Ideas so far investigated by SCDC officers have focused on the potential of renewable energy (wind turbines/combined heat and power) which might also be assets capable of generating revenue surpluses. It has been suggested that the proposed Northstowe Sustainable Energy Partnership could be linked to a development trust, perhaps providing income from land rented to wind turbines. Certainly the results of our research (see later) suggest that community based energy companies can be an important way of overcoming opposition to alternative forms of energy, even if the payment only contributes a small part of the cost of maintaining the public realm.

Finally, Keystone’s report identifies a checklist of key issues which need to be addressed in any decision to establish one at Northstowe:

- The size of the asset endowment (as without substantial assets, there is no point in going ahead)
- Pump-priming revenue for the early years, as it takes time to develop assets to the point they cover running costs
- Clear political leadership and senior officer commitment, as a trust needs to be seen to occupy a third ground between the public and private sectors
- Timing, as a trust needs to get in at the ground floor of a development not as an afterthought
- The area of benefit, which could just be Northstowe, or might take in the surrounding villages, which would give it a community base from the start.

Organisational Forms

We have so far examined the development trust/social action centre model, which is essentially a **voluntary organisation**, usually established as a limited company with charitable status, and often with separate trading companies which covenant their profits back to the parent charity through Gift Aid. There are a number of proven models, with other new options becoming available which we now explore.

One form for a development trust is a **social enterprise**, explicitly established to trade and make profit for social purposes. The government has recently established a new charitable form, the **Community Interest Company** (CIC), a new type of company, designed for social enterprises that want to use their profits and assets for the public good. CICs will report to an independent regulator on how they are delivering for the community and how they are involving their stakeholders in their activities. A new

government unit to promote social enterprises has been established as part of the DTI to promote the idea of social enterprises, and with a growing number and type of operations, and some outstanding successes like Greenwich Leisure or Hackney Community Transport, the idea has relevance to Northstowe.

The government believes that the CIC will be a valuable addition to existing forms and particularly suitable for those who wish to work within the relative freedom of the familiar limited company framework without either the private profit motive or charity status. An organisation cannot be both a CIC and a charity. Some of the key points about CICs include:

- CICs will be more lightly regulated than charities but will not have the benefits of charitable status, even if their objects are entirely charitable in nature.
- Charities, and all other (non political) organisations, will be able to establish CICs as subsidiaries.
- An organisation wishing to be a CIC can choose one of three company forms:
 - private company limited by shares,
 - limited by guarantee or
 - public limited company.
- To ensure that they use their assets and profits for the community interest CICs will be restricted from distributing profits and assets to their members. This is known as an ‘asset lock’ – a transparent and entrenched way of ensuring that assets are used to benefit the community.
- In order to raise investment, CICs limited by shares will have the option of issuing shares that pay a dividend to investors. The dividend payable on these shares will be subject to a cap, set by the Regulator (after consultation), in order to protect the asset lock.
- CIC’s will not enjoy any special tax status as such. They will generally be in the same position as any other organisation in obtaining any tax concessions or grants otherwise available, for example due to their type of activity or location. The benefits of lighter CIC regulation may well be outweighed by the tax benefits of being a charity

The advisory leaflet on this new company form states that:

“A CIC may well be the vehicle for your social enterprise if:

- *You want to incorporate with limited liability*
- *You want to be a company because it is a familiar legal form with the flexibility to tailor it to your own organisational structure, membership and governance*
- *You want it to be clear to your members, financial backers, customers and others you deal with that you will work for the benefit of the community rather than private gain*
- *You want to be sure that, if the organisation ceases to be a CIC, the remaining assets will be preserved for the community rather than distributed to members*

- *You do not want charitable status e.g. because it is not appropriate to your planned activities or the financial benefits of being a charity will not be material*

However, as this is a very new trading form, unfamiliar to banks and financial institutions, it requires further investigation if felt to be of relevance to Northstowe. It is unlikely to meet all the core challenges identified earlier.

A well established and regulated sector, which increasingly describes its work as social business, is that of **Registered Social Landlords** (RSLs). They include innovative traditional housing associations like the Guinness Trust, which is credited with getting the Prince of Wales' new community at Poundbury at Dorset off the ground, as well as former housing departments of local authorities. Similarly the Peabody Trust has played a key role in promoting innovative new forms of housing, including building at higher densities (see URBED's report *Better Neighbourhoods: Making Higher Densities Work*). Many are diversifying their operation into various group structures, including community and economic development. Increasingly RSLs are also becoming involved in neighbourhood and estate management initiatives, particularly as a result of local authority stock transfers, and in their role as affordable housing providers in new development. For example, the Hyde Group are involved in a partnership with Crest Nicholson at Oakgrove Millennium Communities scheme in Milton Keynes, establishing a subsidiary body which will be responsible for all public realm management responsibilities for the new development.

The work that the Hyde Group are undertaking at Oakgrove is also interesting because it is using another new organisational form, that of the **Commonhold Association**. This is a new type of property ownership, an alternative to the long leasehold system, which allows freehold ownership of individual residential and non-residential units within a wider estate owned by the Commonhold Association. A key point is that under commonhold arrangements, ownership is not limited by time as it is with a lease.

The essential principle of Commonhold is the management of the common asset through the democratic mechanism of the Commonhold Association, on the basis of one member one vote. The Commonhold Association is a limited company and is the vehicle which owns and manages the common parts of the estate (or building such as blocks of flats). All unit holders (which can be houses, flats, commercial property and even golf courses!) are entitled to be members of the Commonhold Association, and indeed are the only persons entitled to membership (although Directors do not need to be unit-holders). There are no shares or share capital, and the legislation limits liability to £1 per member.

There are rules to govern the registration and operation of new CICs that do not yet have unit-holders, allowing the developer the right to appoint directors, and allowing for a transitional period between registration and the sales of units. These rules allow the

developer to influence, but not control, the management of the Commonhold Association whilst he still retains a significant financial interest in it.

Commonhold Associations have to establish what is known as the *Commonhold Community Statement* which sets out restrictions and obligations in the use of units, and the common parts, and sets out arrangements for the financial contributions required from each unit holder towards the running costs of the association.

There appears to be much in this model of potential relevance to Northstowe, particularly its democratic basis, ability to levy management charges, and a vehicle through which to meet the Area Action Plan's reference for single ownership and management. Under a Commonhold Association, there could be sub-associations formed for groups of houses/neighbourhoods, allowing/promoting a greater degree of community involvement in local management issues.

Another model attracting considerable interest currently is that of **Community Land Trusts (CLT)**. Early examples of these were places like Letchworth or Hampstead Garden Suburb, and they have tended to be the product of visionary individuals. Their aim is to transfer land to community ownership, for example for the development of affordable housing in rural areas, and to 'capture the value uplift' of the asset over the long term, thus sustaining affordability/low cost. As with so many of these models, what distinguishes a Community Land Trust is its aims and objectives rather than its organisational form. CLTs are usually limited companies with charitable status or Industrial & Provident Societies. What is of particular note for Northstowe is that 'land' is potentially the most valuable asset that can be transferred to community ownership, and its value comes from the use allowed by the planning system, rather than just its intrinsic qualities. English Partnerships has taken an interest in this kind of model and is thought to favour the use of trusts in order to maintain quality standards in new developments. However there is as yet little research available to show what works best. There is also a growing number of trusts that have taken over and manage wildlife habitats, an excellent example being Marston Vale community forest in Bedfordshire (see our report *Biodiversity by Design*).

Finally of course there is the management role of the **public sector**, which is by its very nature community-based, i.e. the District Council, County Council, Primary Care Trust and the intended Town Council. There are good examples of where land has been transferred to local authorities as a condition for granting planning permission, or after minerals have been extracted. An excellent example is the Cotswolds Water Park, which was created from gravel pits South of Cirencester, and turned into a major recreational attraction, along with holiday homes and some superb eco houses by nationally known architects. There are also plenty of historic examples where a charge or tax on local residents has been collected, which is then used to support the maintenance of common land, as in Wimbledon Common. Indeed it is the basis of the principle by which a parish or town council can charge a precept on the Council Tax. This is also being used in new

developments, for example at Caterham Barracks where residents are required to pay a ground rent to a trust.

To what extent community and social facilities will remain in the ownership of the public sector is yet to be debated. Options would include:

- maintaining ownership, but leasing facilities to external bodies responsible for management and service delivery;
- maintaining ownership and responsibility, contracting out management and delivery functions to external bodies; or
- maintaining ownership and full responsibility for management and delivery.

On the whole, the safeguard to the public interest is usually for the public sector to retain freehold ownership, utilizing long lease arrangements to enable external organisations to use the land/asset as security. However, as noted above, the government's interest in new models for asset ownership responsibilities has led to the development of enhanced models that include asset locks to safeguard the public interest.

Conclusions

In summary, there are four potential options for the management of public realm at Northstowe, none of which are mutually exclusive and all have a potential role to play:

- through the public sector, i.e. parish, district or county
- contracting to a private management company
- partnering with a Registered Social Landlord (RSL)
- through a new, community-based organisation

Benefit of a Community-based Organisation

At the early stage we suggest establishing a new community based vehicle, the Northstowe Trust (set up as a company limited by guarantee) which offers a number of advantages

- Not for profit
- Entrepreneurial leadership
- Embraces innovation
- Community support
- Potential to generate income
- Flexibility and responsiveness
- Capacity to grow/change

3. Financing Sustainable Development

Whatever the form of organisation(s) established in Northstowe for public realm management and community engagement, where is the funding for all the potential facilities to come from? At present the public authorities are looking to the developer to make commitments for funding a substantial amount of infrastructure, as well as accepting a range of constraints on what can be built, including revenue dowers. As there is a limit to what can be funded out of the value created on the site, particularly up front when it is most needed, it will be vital to tap all possible sources.

Revenue Sources

There are at least seven ways of supplementing the resources required to manage the intended facilities:

1. **service charge** Just as flat owners are used to paying a service charge to cover maintenance and insurance of the structure, or householders pay for the costs of maintaining a square to which they have a key, so it would be possible to require those moving into the development to undertake to pay a service charge to a management company for services above those expected from the local authority. It may be possible for a company to borrow against the expected revenue provided there are some property assets that can be used as security.
2. **town council precept** The Town Council, when formed, could decide to take responsibility for aspects of public realm management and facilities provision, levying precept charges accordingly (e.g. at Cambourne the new Parish Council now levies the highest precept in South Cambs.). The money raised could be used by them to provide services directly, or to fund service contracts with independent bodies/LMO or Development Trust.
3. **income from land or property** The most straightforward arrangement, and one commonly used by development trusts, is to take on some land or buildings that when developed can generate an income out of which services can be funded. These can be facilities that enhance the overall development, for example a sports centre, as in the case of Caterham Barracks, or that broaden the community, as in the workspace provided at Shenley Park. There, an income of £350,000 a year covers the cost of maintaining a 45 acre country park, and is increasingly being used to extend the social facilities, for example a nursery and play centre in a former chapel.
4. **profits from services** Another possibility is to take on the operation of a profitable service, such as energy provision in return for which a management fee could be levied. Profits can be generated from selling surplus energy back to the national grid, as the case study of Vauban in Freiburg illustrates. Car parking might be another potentially lucrative service, particularly if parking charges are extended to cover private business and retail parks, as the Ministry of Transport is apparently considering.

5. **user charges** The level of user charge for sports, leisure and community facilities will always be a contentious issue, balanced between the need to generate income with the need to ensure that facilities are accessible to all and do not cause social exclusion.
6. **grants and charitable funding** Although public authorities can access government grants for new initiatives, one of the main benefits of independent, charitable or social enterprises is their ability to access a range of government and charitable sources of grants unavailable to the public sector. However, much grant giving is concentrated in areas of deprivation, not applicable to Cambridgeshire. It is also subject to increasing competition (e.g. the Big Lottery) as other major funding sources cease (principally SRB). Such organisations can of course also undertake fundraising activities as charities. The general rule is that charitable foundations are only interested in significant forms of innovation that benefit needy groups, and are best looked to for top-up not core funding.
7. **business rates and service charges** There may be options for the retention of business rates (through the local authority Business Growth Incentive Scheme) which will enable local authorities to draw some extra revenue from business expansion in their area. Another option is the establishment of a Business Improvement District linked to a Town Centre Management Company, which enables a supplementary Business Rate to be charged if the majority approve. While in the town centre itself, tenants are likely to pay a service charge to the eventual owner of the shopping centre, who will want to keep it down to maximise rental growth, there is potential for using the BIDs model in the business park, and this could be a good way of developing an effective business community.

One of the greatest challenges for the agencies involved in the development of Northstowe is co-ordinating and managing across all these possible revenue-producing streams to support the best possible quality of life. This challenge is essentially the aim behind the government's 10-year vision for local government, demonstrating community leadership by:

- working in partnership (through Local Strategic Partnerships),
- commissioning services through a variety of providers (including the private, voluntary and non-statutory sectors) and pooling services between groups of authorities,
- managing all income and resources to produce quality of life outcomes,
- responding to the legitimate demands of local people and service users.

Creating a new town offers exciting opportunities to think creatively about organising asset ownership and management responsibilities to maximise the value of the community as a whole, and not just private property. Partners are already developing ideas of service co-location for example, but the opportunities are much wider than this. This requires positive thinking about what are the genuine 'assets' of Northstowe, who might own them, and how they can be provided most efficiently.

Asset Endowment

In exploring the possible establishment of a development trust as a local management organisation, both the Keystone Report, and our own explorations, stress the critical role of endowing assets capable of producing a sufficient return. There may be critical choices to be made here, not just in agreeing

- what might constitute the assets to be transferred,
- but also the form in which they are transferred.

The following table explores the potential ‘asset base’ at Northstowe:

What asset?	Who is likely to own it?	Commentary <i>(NB the term development trust is used as a generic term for any kind of community-based LMO, such as a Community Land Trust, social enterprise or Commonhold Association)</i>
Land for housing	Developers RSLs	A proportion of the land or the housing could be gifted as an asset base to a Development Trust. They do not have to manage it; and could long-lease it to an RSL and take the income from ground rent.
Employment sites/business enterprise developments	Developers or Private Companies	Enterprise units are a regular feature amongst Dev Trust assets and can earn good incomes, though management costs mean that a minimum scale is essential e.g. at least 30,000 sq ft.
Other commercial sites	Developers Private Companies	The town centre or business parks could be operated as Business Improvement District to raise management income. Town centre land could be gifted in some form to a Town Centre Management Company or development trust, as in the case of Letchworth Garden City or Milton Keynes Park
Landscape and parks	County, District or Town Council?	Land designated for open space/landscape use could be gifted to a development trust, or leased, thus reserving ownership in the statutory sector.
Civic Hub and its facilities ... which may include arts centre; possibly a library, cafe	District or Town Council? Possibly leased to Development Trust?	Civic Hub needs careful integration with the rest of the town centre proposals, and particularly commercial sites. Potentially revenue intensive and therefore a financial liability.
Ecumenical centre	Unclear	Could be rented to multi-faith coalition and therefore potentially an asset for ownership by development trust, or developed by providing a site to an appropriate group.

What asset?	Who is likely to own it?	Commentary <i>(NB the term development trust is used as a generic term for any kind of community-based LMO, such as a Community Land Trust, social enterprise or Commonhold Association)</i>
Local community centres and youth clubs	Could be part of primary schools Or District or Town Council	These facilities are probably more liability than asset. Could put commercial childcare facilities in them for some income.
Waste Management & Recycling Facilities	County council	Recycling businesses is a growing social enterprise sector, and there is scope to take building waste, as in the example of the park at Malmo, Sweden
Land for Wind Turbines or other energy production plant	County, District or Town council	Under investigation as a potential social enterprise, but an important source of income in Scandinavia.
Existing barracks	English Partnerships?	Could be a vital mechanism in kick starting community activity and a new partnership vehicle, potentially supported by English Partnerships provided it is made available at a peppercorn with an endowment.

We conclude from this that the most valuable asset is the land itself, potentially allowing a development trust (or other community based model) to secure income from direct development. Alternatively, but less powerfully, is the option to endow leasehold interest in land for development for purposes that are income generating - enterprise units would be a typical example, with sustainable energy models a growing sector. In addition the commitment from the developer to manage and maintain the public realm for a period of years will provide a source of income for the LMO, and could be ‘commuted’ or converted into a capital contribution to the long-term asset base.

There are complexities here with the degree to which a development trust might also act as the ‘developer’, or be responsible for commissioning the development. We are also drawing a distinction here between *ownership* and *management*. Ownership of public realm and public facilities could be retained by the existing public sector (parish, district or county council) but leased long term to a development trust or LMO, allowing them to utilise the income. Alternatively, facilities can be retained by the public sector, **contracting out the management function** (which can also allow for the retention of income, and which indeed can be performance-related).

Also critical is the way that revenue hungry facilities are commissioned, such as the Civic Hub. At what point should a viable business plan be required for facilities such as these? It will be essential to contain the costs, and provide income-generating facilities, such as a café for example, if funds are to be available to develop the wider community

infrastructure. Other facilities, particularly facilities for young people and local community centres, are likely to be commercial loss makers, even though they help build social capital, and therefore will require support to make the most of voluntary effort.

It is essential therefore that genuine, income-producing assets are endowed to any new community-based LMO or development trust. Just passing over responsibility for revenue hungry community facilities in order to avoid a drain on the public purse is not a viable approach. These will be investigated in the second phase of this project.

Adding Value

There are other ways in which value can be added to the development process by promoting alternative models for providing services and supporting a strong community role. Establishing a vehicle able to exploit this potential added value would seem to be a process worth investing in. These are the critical areas where we believe the establishment of an early vehicle, a development trust of some sort, could help maximise the potential for added value:

Adding Value through Sustainable Energy Models We can draw lessons from the case studies, and particularly European experience in places that are similar to Cambridge in many respects. We have therefore undertaken a case study of a couple of recent developments in Freiburg in Southern Germany, an ancient university town which is twinned with Oxford, and also drawn lessons from Cooperative Energy companies in Denmark and Sweden (see *report of the DTI Global Watch Mission, 2004*).

European experience with alternative forms of energy, such as wind, solar, and Combined Heat and Power, has been much greater than that of the UK, and therefore has a lot to teach us now that we are running out of conventional sources. Denmark has one of the highest qualities of life, which in part reflects a higher level of research and development (2.4% of GDP versus 1.9% in the UK, where two-thirds goes into pharmaceuticals and aerospace). Energy technology expertise now accounts for over 5% of Danish exports. District heating now accounts for 50% of space heating, almost entirely on a retrofit basis, and 85% of the 430 district heating companies in 2001 were cooperatives. By 2002 wind power provided 14% of the nation's electricity consumption, largely from small wind farms, and the installed capacity was four times larger for a population a tenth of the UK.

Cooperatives played a pioneering role, backed up by Environment and Energy Offices who provided advice on sustainability throughout the country, and acted as project managers until the sector was able to stand on its own feet as a commercial concern. The example of the Middelgrunden Offshore Wind Farm near Copenhagen provides a good example of how the system is made to work through local partnerships, who ensure communities draw some benefits rather than just the landowners. They also benefit

from direct public and local authority support, grants for pre-planning, and tax incentives.

As in the case of German experience with solar power, price support, in the case of Denmark, assisted by a special tax on energy, provided the security needed to raise private finance. What the cooperative model provided was a means of turning local opposition into support. While there is a greater cooperative tradition, and for example farmer cooperatives account for 80% of biogas production, the Scandinavian experience shows how organisational innovation can enable prosperous regions both to raise their quality of life and to create much more sustainable towns and cities. Hence they are very relevant for the stated objectives as an 'Innovation market town', and an exemplar for applying the principles of sustainable development.

Adding Value through Landscape Development Instead of viewing the landscape provision as a drain on development, an alternative way is to see it as one of the best means of creating value, and making the town truly an innovation.

- a. **Promoting a Distinctive Identity** The first priority is to use the new landscape to transform the look of the place, to make it somewhere that every house buyer in the Cambridge area will want to visit. How can that be achieved? Not by the design of the architecture alone, which for the most part will tend to be from housebuilders' standard house types. Nor can it be simply building an iconic structure, such as church or town hall, as it would be hard to compete with what Cambridge already has to offer. So the answers have to lie in re-moulding the landscape and creating from the start places that will attract and entrance visitors. There are plenty of places where parks have boosted property values such as Regents Park in London and Amsterdam's Bosch Park. There are also several possible mechanisms, such as Garden Festivals or the Building Exhibitions that are used in Scandinavia and Germany to launch a new development. But there could also be more modest ideas, like creating a large children's playground, an organic farm, an unusual market place, and above all a system of lakes and canals that will support wildlife, and turn Northstowe's flatness into an asset. In the process a major landscape artist could be employed to re-mould the ground. One example is Stockley Park in West London where a former rubbish dump was turned into a major business park and an award winning golf course designed by Jack Nicklaus as part of the planning gain, which paid for the new landscape.
- b. **Adding value to new housing** People like rooms with views. A view over water can add 18% to property values, while an estate agent believes that views of Shenley Park added 10% to what houses would otherwise have sold for. At present few people will enjoy the views of the extensive parks, as they are at either end. However it may be possible to design the initial phases so that water weaves through them, as it does, for example in the Surrey Docks. An ecological park and an urban farm could help cut the costs of maintenance, while boosting attractions. Hampstead Garden Suburb, with its innovative clusters of flats and grand houses on

either side of the Heath Extension show how such an approach can sustain long-term property values. However everything depends on how well the landscape is maintained; the success of Hampstead Heath is very much due to it being owned by the Corporation of London.

- c. **Cutting development costs** Little thought has yet been given to reducing the costs of new infrastructure without sacrificing quality. How is that to be achieved? One way is to use extensive planting to soften the impact of easily constructed buildings, for example using the Dutch 'tunnel' construction system which saves around 10% on house costs. Similarly instead of the parks being isolated, the open space could form a series of quadrangles, expanding on the Cambridge tradition. Reiselfeld, a town extension in Freiburg shows how this can be done in ways that have attracted young families to move there. Another way of saving huge costs is not to have the roads adopted which can allow narrower carriageways and crossroads instead of roundabouts.
- d. **Achieving Innovation** Northstowe will not succeed without a considerable degree of innovation. Yet neither the public nor private sectors are very good at innovation. Instead ways must be found of encouraging entrepreneurs, including social enterprises, in trying out new ideas. This could range from a petrol station that sold biofuel to a garden centre that used solar panels. The potential is huge, provided that a landscape can be created that will draw on a wider market than just the initial residents and workers.

Adding Value through Community Involvement and Governance Finally, many of the case studies reflect on the added value brought to the creation of new places by the activities of local communities (existing and new). One of the most practical ways of cutting maintenance costs of the landscape, for example, is not only to ensure that every area of open space is overlooked, thus discouraging vandalism, but also to involve the community in its creation and maintenance. This has worked well in Freiburg, thanks to the extensive use of co-housing and co-operative housing associations.

Northstowe may currently be viewed as an unwelcome but inevitable intrusion on local life. There may also be consultation fatigue. Creating an opportunity for people to turn their energies to stewarding its development in a more creative way, and bringing some early benefits to existing villages, might well be the way forward.

Many new developments start this process through developing uses for existing buildings. For example, at Allerton Bywater Millennium Communities development, English Partnerships have invested over £2 million upfront (i.e. ahead of development) in converting existing community buildings to provide quality community access and services to current village residents during the long period of development upheaval. This has involved the formation of a new 'village company' (a development trust) to take leases on these properties and manage them sustainably in the long-term. A new childcare nursery has been opened in one of the buildings, which is generating a source of early income. Other facilities include sports/leisure and a relocated public library.

This approach has made a tremendous contribution to community involvement and the engagement of existing residents in the scheme as it progresses.

At Northstowe we have already identified that there is just such an opportunity with the existing barracks and officers mess buildings (currently in use by the Home Office but due to be vacated in 2006). Discussions with the partners have indicated that the idea of bringing the existing barracks into early use is gaining momentum and is broadly seen as a helpful way forward. This could provide an early role for a development trust, and could bring about any number of immediate activities, for example:

- attracting people with energy and ideas into the area by the development of facilities such as artists' studios
- providing childcare facilities or activities for young people
- supporting existing parish councils with community activities or priorities such as improving existing village greens and other public space
- creating and managing wildlife areas
- offering space for allotments or other forms of organic activity e.g. market gardens
- accommodating recycling services
- promoting interim uses, such as farmers markets, or car boot sales to attract visitors and generate income
- promoting car clubs and other initiatives to save energy use such as cycling and walking
- raising the profile of Northstowe, through events such as a 'building exhibition' rather like Energy World in Milton Keynes
- planting and looking after trees in their early life
- establishing a Northstowe community website and communications channel
- supporting the involvement of people in the development of Northstowe, and in planning service provision (as required by the Area Action Plan)
- providing community development support to early residents of Northstowe

No doubt many more ideas might be generated as things get going and people start visiting the site. An important early role for the Trust will be to ensure that the adopted areas work, especially as much of the open green space will be multifunctional. For example, the town centre is likely to include a town square and will adjoin a town park. While businesses might be persuaded to pay for periodic events and some uses will generate income, e.g. Farmers' Market, unless there is an organisation with the necessary vision and management capacity these will simply be empty words. A second major advantage to early formation is therefore to begin the process of identifying and supporting a cohort of leaders around which the organisation can take shape and develop, building organisational capacity. The potential for it to take on other, more major, tasks and roles in the development, such as responsibilities for assets, could be dependent on demonstrating capability and particular organisational and management competencies.

Early development of a new partnership vehicle might also allow a 'space' within which to have the much needed wider debate about governance and responsibilities. Growing capacity for a new Town Council brings new challenges about roles and accountabilities. It may also have implications for existing Parish Councils. Most policy agendas for public service providers are about closer end-user involvement and joint commissioning. Everyone needs to understand and grow new skills in making these approaches effective. Effective stewardship and high management standards will be critical to Northstowe becoming a sustainable community.

Early formation might also attract leaders or champions for particular aspects of the scheme, the landscape for instance, able to drive forward the vision and weather the various stops and starts that always accompany major development. Getting the right board in place would help ensure innovation. Development can easily get bogged down in the practical problems, losing sight of the bigger vision. With so much talent in the Cambridge area, and a whole range of issues on which innovation is needed, it would be a waste of an opportunity not to bring the right people together to focus on the public realm and community infrastructure. Some of these will already be on the Northstowe Project Board. Others may be local business people, or residents in the surrounding area.

Finally, launching a trust gets the development process underway. There is a palpable sense that people have done so much talking now it is time to actually get on and do! As long as plans and structures are flexible, there is no harm to embarking on the journey without a detailed route map and with uncertain destinations. Growing a new place, and a new organisation, is an incremental process taking place over many years. The sooner the process starts the better. As the Chinese say, *'the best time to plant a tree is ten years ago'* and *'the journey of a thousand miles starts with a single step'*.

APPENDIX A

SUMMARY LESSONS FROM CASE STUDIES

Shenley Park Trust:

- a well endowed trust generates sufficient income to maintain quality public landscape and respond to community needs

Nene Park Trust

- attractive park facilities can generate income and unite communities

Milton Keynes Parks Trust

- start with a park!
- transfer of assets capable of generating realistic returns

South Woodham Ferrers

- difficult to create the scale and feel of a traditional town centre
- local authorities can be the driving and visionary force in creating new places

Chatham Maritime

- benefited from being a regional renaissance priority
- shortfall of service charge met by RDA in recognition of strategic importance of quality public realm

Caterham Barracks

- development trusts can create an early 'buzz' through promoting the early reuse of existing buildings and contribute powerfully to the integration of new and existing communities
- concentrations of families in social housing need access to good facilities for children and young people
- innovative use of service charges to cover variety of imaginative community benefits, including promoting environmental sustainability

Vauban, Freiburg

- sustainable energy can work
- it's a great place because people make it themselves

APPENDIX B

LESSONS FROM NEW TOWNS

Northstowe is intended to be an innovative market town for the 21st century. Though most of the debate on planning new settlements focuses on the trends and priorities for great cities, the reality is that most of the growth in population has been taking place in smaller towns, and it is these that are most under threat from urban sprawl and globalisation which is making everything look alike. We have therefore considered a range of examples of successful places to identify the features and principles that Northstowe needs to apply if it is to be truly sustainable. In short these include:

- An extensive, distinctive, and well-managed public realm
- Memorable and well-used public places and spaces
- A network of street and lanes that encourage walking to work or shop
- A leading educational institute at the heart of the town
- A few landmark buildings and towers
- Civic pride and good government.
- Underlying principles (a charter)

How can these features be developed in a new town? The best places are organic, that is they grow up over time, responding to changing needs and opportunities. The process of urban growth leaves behind a physical capital, but it is the economic and social capital that creates sustainable growth. The economic capital essentially comes from trading with other places, and is influenced by both natural resources and the quality of the connections. The social capital is much more intangible, but can stem from patronage, as in the case of Hampstead Garden Suburb, or from ideology, as in the case of Letchworth, as well as from local institutions, particularly when those have an endowment.

Planned English market towns

English market towns are generally much less planned than their Continental equivalents, and have left more to chance. Nevertheless there has been a long tradition of using charters to regulate competition, and guarantee sufficient returns to make private investment worthwhile. The first markets tended to be in the church yards, and religious foundations created some of our most beautiful towns, like Ely. The introduction of market charters by Edward III ensured that towns were at least 6 2/3rd miles apart to avoid wasteful competition. Often planted where two roads meet, or where the main road crosses a river, cattle markets led to wider roads, such as in Marlborough.

The haphazard nature of most English towns reflects ancient patterns of ownership, though a few show a clear plan, like Devizes, usually reflecting a dominant aristocratic landowner. While many were engulfed by the growth of industry in the 19th century, a

few retained an independent wealth as transport hubs or educational centres, as in the case of Marlborough. Though many have lost trade to other larger towns and out of town superstores, some of used their heritage to find new roles. The great majority have lost most of their traditional industry, but developed as suburbs for neighbouring cities and as places for the wealthier to retire to.

- **Marlborough**
 - Ancient High Street with coaching inns
 - Cattle market
 - School at the heart
- **Ely**
 - Monastic foundation
 - Junction point on trade routes
 - Civic meeting places
- **Devizes**
 - Ancient settlement
 - Planned curving form
 - Flexible market square
 - Town Council as entrepreneur (Corn Hall conference centre)

Villages of vision

In the 19th and early 20th century, a number of philanthropists and leading businessmen planned new communities, such as Saltaire, Bourneville and Port Sunlight to house their workers. Horrified by the ugliness, dirt and squalor of industrial towns, they commissioned masterplans, and ensured that the estates were well managed. The greatest influence on 20th century planning came from the writings of Ebenezer Howard, who set out a set of principles for the garden city aimed at combining the best of both town and country in one place.

The pioneering examples like Letchworth and Welwyn Garden City harnessed new industries to create relatively self-sufficient communities, and tapped funding from insurance companies to help build up their infrastructure. Their well-kept front gardens and leafy streets inspired hundreds of imitators, few of which achieved the standards of quality laid down in the superb masterplans of Parket and Unwin, or the grand streets built by Lutyens in the centre of Hampstead Garden Suburb. Hampstead is particularly interesting because it used the value created by building on land next to an extension of the Northern Line of the Underground to save an extension of Hampstead Heath from development.

Imitations by local authorities have tended to fail because they ended up with too high a proportion of the population living on benefit, as in Benchill in Manchester, or because they are rather monotonous. There have only been a few private attempts to create new communities, and the most distinguished, New Ash Green in Kent, failed financially due to lack of public support, and was finished off in a more conventional way.

- **Letchworth**
 - Social and economic mission
 - Trust ownership of freeholds and key properties
 - Masterplan to create a balance of uses
- **Hampstead Garden Suburb**
 - Environmental and social mission
 - Masterplan to create vistas
 - Multiplicity of developers and variants of terraces and flats
 - Defence of Hampstead Heath
 - Trust ownership of freeholds (conservation of character)
 - Central square and Institute
 - Hoppa bus
- **New Ash Green**
 - Private initiative (Span and Eric Lyons)
 - Innovative houses
 - Financial failure

Post war new towns

The idea of planned new settlements was taken up in a big way in the New Towns, which went through a number of phases. Initially they were largely built to provide public housing to replace that lost through bombing. Crawley near Gatwick Airport has thrived, and each of its 12 neighbourhoods has a distinct character stemming from the local centres. These provide not just shops and services, but also community spaces and health centres, and the local authority used contributions from developers to fund improvements.

In the second phase, Peterborough took a totally different approach to Milton Keynes, and extended existing centres, while providing compensating benefits through the development of a large well-endowed country park between them. Milton Keynes invested hugely in a public realm that hides the new housing, and a huge network of roads and roundabouts, along with a central park. Each kilometre square was designed by a different architect, but to the outsider the plan is confusing, though after a period of New Town Blues it seems to be liked by its residents.

- **Crawley**
 - Series of neighbourhoods
 - Robust centres
 - Local authority control of shops
 - High quality public transport
 - Improvement fund
- **Peterborough**
 - Country Park as community benefit

- Trust run park, with other enterprises e.g. steam railway
- Series of townships
- **Milton Keynes**
 - ‘Start with a park’ slogan
 - Network of villages with extensive landscape separation
 - Property endowment for a trust

Local authority partnerships

A number of new settlements have been developed to accommodate urban expansion, and have tried to provide new centres to serve the residents. However experience in South Woodham Ferrers suggests that new settlements can only support a third of the retail facilities or space of an older settlement, due to the high costs and risk associated with something new. They also tend to suffer from attracting young families because they are the only place they can afford, and then everyone gets old at the same time. A further problem is said to be a high turnover, with young couples leaving before they put down roots.

Most tend to look conventional. They are a by-product of distributor roads, cul-de-sacs, and standard house types. Efforts have been made to create curving roads as in Bowthorpe in Norwich, but few people are to be seen walking along them. Poundbury has attracted a lot of attention for trying to replicate the best of a traditional town, but some think it looks like an architectural zoo. It does seem to have provided for a range of tenures, though tensions still occur, and early on created a central place with a distinct character. Some private developments, like Lower Earley in Reading, have started off well with quality housing, only to see standards drop in later phases.

- **Bowthorpe, Norwich**
 - City council initiative
 - Subsidiary development company
 - New villages and mixed uses
- **South Woodham Ferrers, Chelmsford**
 - County initiative
 - Essex Design Guide
- **Cambourne**
 - Mix of uses
 - Private developer initiative
- **Poundbury, Dorchester**
 - Royal patron
 - Ambitious masterplan to replicate a traditional country town
 - Developed initially by a housing association and local developers
 - Cars kept in courtyards
- **Cotswold Water Park**
 - Reuse of old gravel pits as a country park

- Housing limited to second homes
- Energy efficient architect designed village

LEARNING FROM ABROAD

Renaissance models

Much of the inspiration for English civic planners has come from Northern Italy, where the long-term results of Roman planning are still visible in many places. During the renaissance towns competed to outdo each other in the beauty of their buildings and public spaces. The dense, elegant centres are still the preferred places to live, and contrast with the sprawling traffic dominated suburbs, where poorer people tend to live. Notable features include arcaded squares, as in Mantua, universities animating smaller towns, as in Pavia, squares at the centre of curving streets, and memorable towers, some of which, as in San Gimignano, were displays of private wealth and power. Local rivalries were turned into sporting events, as in the Palios of Sienna.

- Mantua and Pavia
- Sienna and San Gimignano

The best models for taking account of environmental sustainability issues are in Europe, and have been developed on land owned by the municipality. Natural drainage and ecological approaches to landscaping create some great public places. There is a much stronger tradition of living in apartments and co-housing, where some facilities are shared. Self-build is much easier too. Typically the new developments have been linked to a city centre by high quality public transport, such as a tram, and have appealed to young families because they offer a great environment for bringing up children.

There is a major market for housing that offers a different lifestyle, not just for urban intellectuals and professionals, but also for the retired, who value being able to walk to the shops and take part in social activities. However creating a balanced population is difficult, and in Sweden high quality peripheral estates have ended up dominated by foreign immigrants because of an over-provision of social housing. In some places, such as Malmo, Building Exhibitions have been used to promote new developments as fashionable places to live.

Though the American principles of New Urbanism are proving very influential, the examples of their application tend to be in rather special situations, and may have been overplayed by their architects.

- **Freiburg: Vauban and Rieselfeld (Southern Germany)**
 - Sustainability measures
 - Coownership
- **Bo1, Malmo (Sweden)**
 - Designed as a test bed for innovative housing

- Promoted through a Building Exhibition
- **Montpellier (France)**
 - Technopole
 - Tram spine
- **Almere (Holland)**
 - A series of neighbourhoods
 - Innovative architecture
 - Social teams
- **Seaside, Florida (USA)**
 - Design codes
 - Largely a retirement community

In a CABE report based on case studies of foreign parks *Is the Grass Greener..? Learning from international innovations in urban green space management*, eleven case studies were examined under a series of headings, which brought out the value that good parks added to the quality of life. Lessons for Northstowe include:

- In general foreign parks are managed by the municipality with little voluntary involvement, though services often contracted out to private firms. The exception was the Minneapolis Parks and Recreation Board, which is an independent form of local government with its own law making and tax raising powers
- The allocation of sufficient funding is crucial; in Paris park maintenance accounts for 1% of the city's budget, and the city has been adding new parks each time a major development goes ahead
- Different types of green space have different needs, which require devolution of management responsibilities to local areas, while standards are regulated at the municipal level. It is easiest to contract out routine maintenance tasks, while keeping creating functions in-house. User reactions need to be regularly monitored.
- There is no single best way of organising maintenance, but it needs to be considered from the beginning. Public employers tend to be more flexible than private contractors.
- New developments in Aarhus, Malmo and Groningen all created new water based spaces, and in Malmo, collaboration between the city and the water authority had led to the integration of drainage ponds and canals into the park system, with a corresponding saving in costs.
- A coherent management strategy is needed for all green spaces and to integrate different management regimes
- Aarhus has been turned into an exemplary green city, including removing a road bridge over the river, greening the motorway reservation, dumping soil on greenbelt land to save haulage costs and create a recreational hill-scape, and introducing golf courses into parks to reduce the needs for health care among the elderly.

APPENDIX C

PROPOSALS FOR PHASE TWO

Having largely completed the phase 1 report (on which comments are still being received), URBED and Marilyn Taylor Associates are starting work on the second phase, which is now due to be completed by the end of March. Our original proposal in August 2005 stated that *'The second phase is essentially about working with the partners' group to turn the recommendations from the first phase into an achievable action Plan'*. Our report *Who Runs This Place*, which is responding to comments, sets out the arguments for establishing a Northstowe Trust sooner rather than later. This paper outlines the work we propose to undertake in the next phase, as a basis for agreeing priorities and end products, and the person days allocated to each element.

We are proposing to use as a basis the work scheme set out in our original proposal, but with some minor modifications that take into account comments received on the first draft for the second phase work programme. We believe that, following consultation, the priority will be to set out the Trust's role(s) and its relationships with other key organisations. In addition we will agree early (first three years) task areas, set out organisational considerations, including funding needed to set up the trust, company structure, and staffing. Other potential financing sources for activities will also be identified.

The contract allows for 25.5 consultancy days (revised as below to 22), and the following plan demonstrates how we would propose using that time. The work is divided into three sections:

1. Develop scenarios

- a. **Consultation** Working closely with SCDC we need to discuss the emerging ideas with key local organisations and individuals, as well as RSLs, the County and the Health Authority, in order to explore in more depth:
 - ◆ the potential roles and nature of the Trust, including its governance
 - ◆ the types of activities which it might begin to contribute, and
 - ◆ its relationship to other bodies (including the Town Council).

We understand that SCDC are keen for us to align this work with the next phases of their consultation processes and we will ensure that we are fully conversant with these.

Most importantly we need to get a full response from English Partnerships on what they would and might not support. The end product will be proposals for

the aims and role of the Trust, together with list of initial activity and projects that the Trust could help promote or deliver.

- b. **Role Scenarios** Drawing on the above, we will illustrate the potential roles of the trust through a number of ‘scenarios’, exploring different role combinations and relationships with other bodies, and thus demonstrating the variety of management arrangements that we believe the ‘public realm’ will probably require. We propose to enable stakeholders on the client group to work through these various scenarios at the proposed workshop session below.
- c. **Funding Scenarios** We will explore potential funding opportunities and put forward indicative budget options for the operating costs of the Trust over the first three years, to include funding for project development as well as staffing and related expenses. We will set out what funding sources, including revenue generating opportunities, are potentially available to the Trust apart from contributions from the main stakeholders, thus providing a clear indication of what the stakeholders need to contribute

2. Work up staffing and project proposals

- a. **Board and representation** While the formal appointments will depend on support from each of the stakeholders, we will propose the institutional form and structure of the Trust, drawing on what has worked well elsewhere. We will also suggest how the board can evolve to play an active and early part in the creation of the New Town, to complement the work that is going on to develop an agreed Area Action Plan, with Outline Planning Consent for the main uses.
- b. **Staffing** We will put forward descriptions of both the jobs and type of people required to fill them, along with suggestions for when they need to be appointed, approximate salaries, how they might be recruited, and how they would relate to existing organisations.
- c. **Roles and relationships** We will suggest how the role of the trust can grow and evolve, as the New Town itself grows. We will propose how the members of the Trust should relate to both the emerging Town Council, once enough residents have moved in, existing Councils, and the Northstowe Project Management Board, as well as the wider issue of establishing a community spirit early on.
- d. **Initial development projects** Our report sets out potential projects, of which two are of particular importance to the early work that a Trust might become involved in, and to early stages of negotiations over planning permission, and Section 106 agreements:
 - i. Reuse of part of the barracks for small/community enterprise and other services/activities
 - ii. Sustainable energy partnership

For each of these, we will prepare a brief review of what the project will entail, what role the Trust could play, what funding sources are potentially available, what size of asset the project might provide, and what action is needed on the part of the Trust to add value to the existing land and buildings. Other parts of

the public realm, such as play facilities linked to housing provision and local centres, are best dealt with in the briefs for specific sites or neighbourhoods.

3. Agree final report

- a. **Workshop with stakeholders** Because of the importance of creating a shared vision, and agreement on the way forward between the stakeholders, we propose holding a further workshop in late February to review and, if necessary, modify, the emerging proposals for phase 2 so as to gain widespread acceptance. This will critically need to involve Gallaghers and English Partnerships, as well as the other stakeholders, who will need to come prepared to confirm their willingness to play a part in setting up the Trust and the order/nature of their contribution.
- b. **Output and client review meeting** The output of phase 2 will be a report in the form of an Action Plan for the Trust, and at the end of March we propose a final meeting of the Steering Group where we will give a PowerPoint presentation to summarise what has been achieved, and what actions need to be taken over the next year. This could include commissioning further studies, e.g. a feasibility study on converting part of the barracks, as well as applications to funding sources.

Time allocation

Northstowe LMO Phase 2	Days			
	NF*	FK	AW	MT
1. Develop scenarios				
a. consultation	2			3
b. funding requirements/scenarios	2	.5		1
2. Work up staffing and project proposals				
a. board and representation	.25	.5		.25
b. staffing		1		.25
c. roles and relationships	.25	.5		1
d. projects	1	.5		1
3. Agree final report				
a. workshop	1	1	.5	2
b. output and client review	1	.5		1
Total days (25.5)	7.5	4.5	.5	9.5

(*3.5 extra NF days are included to take account of time originally allocated to Christopher Lloyd)

APPENDIX D

MOVING FORWARD INTO PHASE TWO (January 2006) *a summary paper reflecting on Phase One and looking ahead to Phase Two*

Aims of the Phase One Study

The primary aim of Phase One of the Northstowe Local Management Organisation (LMO) Feasibility Study was to explore the strengths and weaknesses of what the Study Brief describes as the two main alternative types of Local Management Organisation for managing the intended public realm:

- a Private Management Company (PMC), or
- a Community Development Trust (CDT).

Both are described as companies limited by guarantee, but the CDT would also have charitable status. We suggest that the primary difference between these two models is that one trades for private profit (the PMC) and the other channels any surplus generated back into community benefit (the CDT).

As a new Town Council will be formed for Northstowe, the study was also intended to explore the potential role of this new democratic body and its relationship with management, or what we would prefer to call stewardship, of the public realm.

The impetus for this study was driven by different ambitions amongst partners:

1. To support community development and the creation of social capital as the new town begins to establish.
2. To respond to the draft Area Action Plan which currently seeks to establish one single body responsible for public realm management.
3. To find ways of making public realm management more affordable and sustainable in the long-term.

These are challenging ambitions. It appears to us that

- one is concerned with providing ways of engaging with people and growing an active and strong community
- another is concerned with providing clarity for the Area Action Plan
- whilst the other recognises the scale of public realm revenue costs and the challenges ahead once any developer contributions have run their course.

Most of the issues about setting up a Local Management Organisation boil down to who is going to fund all the different elements that go to make up a truly sustainable community, and how and when they are to be provided. Everyone agrees that this is

about far more than building new housing or shopping centres. Furthermore there are real limits to what can be achieved through the planning system on its own, however complex the Section 106 agreement. We believe it is vital to start with social capital or the community infrastructure to avoid the kinds of problems that have bedevilled new settlements in the past like Milton Keynes or Cambourne.

There are also considerable complexities in understanding the scale and range of what will constitute Northstowe's public realm, and how to make it play its full potential part in making the new town an attractive place to live and invest.

What Comprises Northstowe's Public Realm?

In our Phase One Report we explore what 'public realm' consists of at Northstowe, recognising in particular:

- the extent of open and green landscape currently proposed and the added value that quality landscape can bring, especially if it is provided early in the development process (perhaps especially somewhere like Northstowe which has little by way of existing distinctive landscape with which to start);
- the important contribution of schools, leisure facilities and facilities for children and young people in creating an attractive place for potential residents (particularly where substantial affordable housing provision is planned);
- the complexities of commissioning and establishing a vibrant town centre; and
- the potential revenue challenges in the amount and type of public realm facilities currently envisaged for Northstowe.

Feasibility of a Single Management Body

Our findings indicate 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 suggest that there may be advantages in seeking to utilise a variety of different approaches, and that it may not be sensible to seek to pin down responsibilities at too early a stage. The development process is a complex journey, and therefore building in maximum flexibility and choice would seem to be both a desirable and sensible approach.

To demonstrate how a wide variety of management options may be appropriate as Northstowe develops, we propose to develop a number of illustrative scenarios as part of Phase Two. Our aim in compiling them will be to illustrate the potential added value of establishing a variety of new ownership and management vehicles at Northstowe, one of which could certainly be a new CDT, but it may not be the only vehicle used. It is possible that there could be a 'group structure' encompassing a variety of different organisations (and we posed this example in our Phase One Report), but again it is too soon to suggest this with certainty.

Ownership of Public Assets

The common assumption is that public assets need to be safeguarded for the public good, owned by the institutions of local government or other public bodies such as health agencies. Charities also own and operate a wide variety of public assets, such as arts venues, community centres, etc. A crude way of differentiating between public institutions and charities is that the former depend on public taxation and the latter on charitable giving. However, in reality, the difference has always been more blurred. Many charities depend largely on government grants, or contracts for their income, and the public sector depends a good deal on services provided through the charitable and voluntary sector.

The Government is currently seeking to promote an increased role for voluntary organisations (and social enterprises) in providing public services, and exploring ways in which the financial prospects of voluntary organisations can be strengthened through the ownership of assets. In recognition of the need to safeguard assets transferred in this way, new mechanisms and organisational forms are currently being tested, such as the asset lock provision of the new Community Interest Company. There are many fields of public policy in which this agenda is evident, most notably that of the strong role proposed for independent and faith schools. However, transferring the ownership of public assets to independent organisations (whether social enterprises or charities) is still a challenging concept for many, perhaps particularly for local government.

In our Phase One Report we differentiate between ‘ownership’ of the public realm and ‘delivering management services’. The freehold owner of a facility can lease it to an external provider, and/or contract out management services (our proposed scenarios will show various possible combinations of ownership and management responsibility). The critical point is that the owner holds overall responsibility for its effective stewardship, and that such stewardship responsibilities must be safeguarded through strong, democratic accountability.

However, at Northstowe, perhaps the real challenge is to identify what will be construed as an asset when much of what is proposed is likely to be more of a revenue liability.

Acquisition of Land and Property

As concluded in the Keystone Development Trust study previously commissioned, for any community-based vehicle such as a CDT to be successful, ownership of assets (land and/or property) is seen as a prerequisite. Our Phase One report contains an analysis of the potential ‘assets’ at Northstowe. Currently the only potential major income earning facility seems to be the provision of energy, and even this has yet to be firmly ascertained, or the ownership of business units which can generate reliable commercial income.

However, we draw particular attention to the importance of land ownership by community-based organisations, potentially allowing them to capture the increased land value from development. The Community Land Trust movement is particularly prominent in promoting this, but its intentions are usually the provision of affordable housing in perpetuity (especially in rural areas) rather than more general development or the provision of public facilities. That said, we do believe there is potential merit in further exploration of community-based, land ownership models and their potential contribution to Northstowe as the development process unfolds. English Partnerships are known to be interested in this model.

Added Value of Community Based Organisations

Findings from the case studies support the case for considerable added value from a CDT model in that they:

- involve and engage people, developing social capital;
- can be accountable to communities through membership and the election of the board of directors;
- can attract government grants, charitable and other external funding that public bodies cannot; and
- can demonstrate considerable innovation and entrepreneurial flair in what they do, taking calculated risks.

Not only is this added value important in considering future **management** of the public realm, we argue that CDT-type organisations (i.e. community based, not for private profit organisations) have a potentially important role to play in the **creation** of the public realm, providing opportunities for increased engagement with the development process and, potentially, for innovation and external funding.

However, there are inevitably also risks and weaknesses in the model. Despite the value-driven 'badge' of the community development trust movement, CDTs are essentially voluntary organisations, and prone to all the difficulties such bodies face, which can include:

- weak democratic accountability if local resident membership is low or not inclusive of everyone
- short-term vision driven by short-term funding opportunities
- weak governance capacity by voluntary board members
- attracting good quality staff if employment terms are poor/not competitive

Growing a strong new voluntary organisation requires considerable investment of time and resources in capacity building and organisational development. Incremental growth is therefore preferable, with robust safeguards and partnership.

Making an Early Start

Finally, we raise the potential possibility of using the existing barrack buildings on the site to generate early activity and community-relevant provision. Their use offers an important opportunity to engage with existing service providers and local residents in the surrounding area, and to get on and ‘do’ things over and above the requirements of the statutory planning process which is at the moment the sole driver in creating Northstowe. As new community-based organisations are best grown incrementally, using the barracks may well represent the best starting point for a new CDT vehicle if one is to be established, especially given its potential to involve and respond to the needs of existing residents in the surrounding area.

Town Council Responsibilities

One of the more consistent puzzles that partners to this study are raising is the extent of overlap between the role of the proposed Town Council and any new community-based organisation. There is a sense that the two bodies could be ‘competing’, both for the democratic mandate, and for ownership of public assets. A strong view has also been expressed by the representative from the Cambridgeshire Association of Local Councils, that even were a CDT model established early in the development of Northstowe, many of its functions should eventually pass to the Town Council meaning that the latter would grow as the former shrinks. (NB One of our proposed scenarios will explore this potentially interesting relationship.)

Government policy regarding the future role, and financing, of local government is currently under substantial review both through the Lyons Enquiry, and the work going on in preparation for the expected Local Government White Paper in June. However there are several consistent directions of policy already evident from recent publications, including:

- devolving more functions and powers to the neighbourhood level (e.g. to Parish Councils although other bodies are also mentioned, including neighbourhood management groups and development trusts)
- developing greater expertise in purchasing (or commissioning) services, rather than necessarily providing services directly
- demonstrating strong community leadership and working in partnership through LSPs

The role and financing of local government seems certainly set to change, but our view is that Northstowe will need a thriving and active Town Council undertaking the roles that Lyons Review describes as “place-shaping” and that in so doing it will seek to work in partnership with local organisations and other service providers.

Having an active and diverse voluntary sector is a measure not only of social capital, but also contributes to the involvement of local people in governance and decision-making. Think about standing in the middle of Huntingdon or St Ives and survey the number and

variety of local organisations contributing to local services and community life. Northstowe needs to develop this richness too, and it seems to us that establishing a CDT vehicle is at least making a start in providing support for this richness to begin to develop.

Conclusions

In conclusion, we believe that the creation of Northstowe's public realm, and determining its management arrangements, involves:

- a series of different tasks
- which require different kinds of organisational mechanism
- which need to evolve as the development grows
- and which will require different types of investment.

We advise that **one** of these organisational mechanisms could be a CDT-type model because of the added value it can potentially bring in its own right, as well as its potential contribution to the challenges and complexities of public realm management.

However, successful CDTs take considerable time to evolve, and therefore it is desirable to make the earliest possible start. The early use of the existing barracks may provide the best basis for making such a start. Our report recommends establishing what we have called the 'Northstowe Trust' as a limited company in the first instance as the most flexible basis for proceeding on what is certainly a complex journey. The objectives we identify in the next section below on Phase Two will aim to provide more clarity and greater certainty.

With regard to the other model posed in the brief, a PMC, another of the management mechanisms available at Northstowe may well involve contracting to such a body. Other than certainty (and familiarity with the model by developers), there is little added value on offer as such companies do not undertake community development and do not build social capital. The LMO aspirations listed in the brief for this study would not be met by a private management company. Therefore, whilst PMC services may figure in managing Northstowe's public realm, we see little point in establishing a new one. Were the services of one required, there are plenty of existing companies that can be contracted. There is also the potential of RSL models.

Objectives for Phase Two

We see the primary objectives of Phase Two as being to further test the desirability of establishing a Northstowe Trust, taking account of the views of different stakeholders, and to further explore the ways in which the Trust would need to be supported and developed to make the most effective contribution to both the creation, stewardship and management of the public realm. As mentioned above, we also propose to develop a number of possible illustrative scenarios for stakeholders to work through and refine

together as we believe these might help articulate improved understanding of what the options might mean in practice as Northstowe develops.

Proposed methodology to achieve these objectives, building on our original tender proposals, is currently being considered by the client group and work will commence this month. Our intention is to ensure that firm decisions can be reached about whether or not to proceed to establish a new Trust vehicle, and if so, provide a robust action plan for its first three years.

In parallel with Phase Two of this LMO study, URBED will be taking forward separate work on the proposed Visioning and Charter events that are also outlined in our Phase One report.

APPENDIX E

TOWARDS A CHARTER: PROPOSALS FOR THE VISIONING PROCESS

This proposal sets out ideas for a series of events to overcome the barriers to developing a sustainable community at Northstowe, by sharing experience both between Growth Areas, and also with other developments in places that could provide inspiration and lessons. The process would not only produce a greater sense of partnership, but would also provide teaching materials that could be used by others planning and designing new communities.

Challenges

The development of Northstowe, just outside Cambridge, is one of the most important opportunities not only for relieving pressures on the Cambridge housing market, but also for building an exemplary new community. A masterplan which includes 8,000 houses, several centres, a major business park and a country park has been drawn up by Gallaghers for the site. However most of the site is owned by the Ministry of Defence, who are expecting to secure maximum value for the land. The site may be transferred to English Partnerships, but there is considerable local opposition, a Council with no overall control under pressure to cut staff, a multiplicity of interested parties, and little obvious leadership. Cambridgeshire Horizons are doing valuable work on the strategic context, but there are calls for greater leadership, and for devoting sustained time to sorting out the conflicts.

URBED's work on the Local Management Organisation for a partnership led by South Cambridgeshire District Council has already revealed diverse objectives and unresolved strategic issues such as how the secondary school will be procured, lack of a shared vision or over-riding goals, fragmented delivery mechanisms, possible financing gaps, and a masterplan that almost certainly cannot be implemented as it stands. As it could take several years before agreement is reached on the plans and Section 106 agreement, if the development is to make an early contribution and not end up a white elephant, some creative thinking is needed urgently.

Proposals

While there are no easy answers research undertaken for CABE and published as *Better Neighbourhoods: making higher densities work* suggests that progress would be helped by drawing up a charter that sets out the basic principles for the development, and the contribution that each stakeholder is expected to make. Furthermore, as those involved are working under pressure but in isolation, and have had little chance to visit relevant models, funding is needed to build capacity before the plans are finalised.

Based on previous experience, including both successful projects and those that have run into difficulties, we propose a process with four main elements:

1. A briefing paper summarising the situation in terms of the planning brief, current proposals, and relevant experience elsewhere (largely already prepared, and to be agreed with Cambridgeshire Horizons)
2. A study tour to recent new communities in South East England, probably taking in three or four developments in Hertfordshire, and possibly Essex (to be run in conjunction with Buildings for Life, and perhaps sponsored by Cambridgeshire Horizons)
3. A half day action planning conference in Cambridge for an invited audience of stakeholders to develop ideas for a charter (to be designed and run by URBED, using our round table conference format) followed up by the preparation of a report summarising the main ideas and relevant models, to be sponsored by ASC and EP
4. A further study tour to see exemplary European projects (likely to involve Freiburg in Southern Germany, and possibly to be followed up by a visit to a Dutch new town or to Montpellier in Southern France), all of which have parallels with Cambridge, to be organised possibly by the Regional Centre of Excellence, and perhaps sponsored by EP and
5. A consultation process around the draft charter with interested stakeholders and the local communities (possibly to be organised by English Partnerships and the Cambridge Architecture Centre)

Benefits

Properly organised, and with the active support of partners, the process should produce a number of benefits for the stakeholders, as well as a demonstration project for the Academy for Sustainable Communities to show how risks and conflicts can be reduced, and capacity increased, including hopefully:

- Better trust and understanding between the main participants
- The emergence of leaders prepared to take on specific responsibilities for elements of the masterplan
- Higher standards of design with principles to assure longer-term quality
- Innovation in tackling key elements of the masterplan e.g. environmental sustainability
- Faster progress on implementing elements that take the most time, such as growing the landscape
- Moving down the learning curve, and avoiding 'reinventing the wheel'.