



In-depth review of sustainable communities policy

Report to the UK Sustainable Development
Commission

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Executive Summary

The Sustainable Communities Plan

In 2003 the Office of the Deputy Prime Minister (ODPM) published *Sustainable Communities: building for the future*, generally known as the Sustainable Communities Plan (SCP). The aim of the SCP was to achieve “a step change ... to tackle the challenges of a rapidly changing population, the needs of the economy, serious housing shortages in London and the South East and the impact of housing abandonment in places in the North and Midlands.” But the SCP aimed for much more than a radical increase in housing supply. Its goal was the creation of sustainable communities.

Since the SCP’s publication in 2003 the Government’s Plans have been the subject of continuous debate and scrutiny. Paramount among the concerns has been whether, in its haste to build new housing, the government will repeat the mistakes of early mass house building, resulting in low quality housing, on undesirable estates and major adverse environmental impacts.

The Study

CAG Consultants were appointed by the Sustainable Development Commission to undertake an in-depth review of sustainable communities policy (the SCP and subsequent linked policy). This document and four accompanying area based assessments present the results of our review. The aims of the review were to:-

1. Investigate if and how the delivery of sustainable communities policy has helped to make communities more sustainable.
2. Learn lessons about how delivery of sustainable communities policy could better support the achievement of more sustainable communities.
3. Learn lessons about how to absorb the aims of the UK sustainable development strategy into government policy and practice more generally.

The review focuses on two proposals at the heart of the SCP – Housing Market Renewal Areas (HMRAs) and Growth Areas. It had two components:

1. A review of national policies on the Sustainable Communities Plan (SCP) and any existing performance assessments of sustainable communities policy by Government Departments and independent bodies.
2. Four area based assessments. Two in Growth Areas (Barking & Dagenham and South Cambridgeshire) and two in Housing Market Renewal Areas (East Lancashire and Newcastle / Gateshead).

Throughout we used the Government’s 2005 definition of sustainable communities to judge performance.

We were investigating a long term plan early in its lifetime. The Growth Area proposals are still at the planning stage. HMRAAs have undertaken some clearance and refurbishment and a very limited amount of new building. But the plans for major new housing developments are still at the proposals stage. Our area based assessments have therefore inevitably had to consider local plans much more than actual delivery.

This document presents our overall findings. There are also four separate reports on the area based assessments.

Is sustainable communities policy creating more sustainable communities?

The major house building planned for both HMRAAs and Growth Areas has yet to commence. It is difficult to predict how these developments will turn out and how communities will react to them. There is undoubtedly a lot of local effort to promote many of the key features of sustainable communities. Lessons have been learnt and practice has evolved. Despite this, there remain substantial risks that sustainable communities will fail to emerge. We catalogue these risks in the main report.

How can delivery better achieve sustainable communities?

There are of course no simple answers to this question and the government and local delivery bodies would claim that they are already doing their best. However, we believe more could be done.

HMRAAs and Growth Areas

1. The growing pressure on HMRAAs and Growth Areas to move more fully into implementation could undermine community engagement processes, master planning and complex negotiations with developers. DCLG needs to avoid this pitfall.
2. The nature of planning obligations and probably the future Planning Gain Supplement is such that funding is usually only forthcoming when the development is well advanced. This could be particularly damaging in terms of developing community cohesion and promoting non car-based journeys. New ways need to be found to provide advanced funding to local areas, perhaps linked into the proposals for PGS.
3. Implementation of high standards of sustainable construction (e.g. for climate change adaptation, energy efficiency, renewable energy, waste minimisation, water efficiency) is patchy and appears to rely on the commitment of local policy makers and the bargaining strength of local planning authorities. A voluntary code for sustainable homes is unlikely to achieve widespread backing from housebuilders in the short term and will therefore not resolve this problem. A compulsory scheme which sets minimum standards is essential.

4. Major housing growth and renewal can exacerbate local community tensions. The HMRA and Growth Areas would benefit from further advice on what might be done to reduce these risks and to strengthen community cohesion.
5. The Government is doing little to monitor how effectively HMRA and Growth Areas are delivering sustainable communities. In fact it appears to have left this task to parliamentary committees. More wide-ranging monitoring is needed to provide an early warning system of where things might be going wrong, combined with feedback mechanisms for responding to emerging issues.

HMRA

1. While some HMRA may succeed in turning round declining demand, it seems doubtful that areas such as East Lancashire, with continuing poor economic performance, will succeed without more radical intervention. Both low land values and low incomes are hampering progress. It would be a great pity if in the long run all the effort and expenditure brings little benefit. The Government needs to consider what more might be done to turn around this situation.
2. Affordability is a growing problem in some pathfinder areas. It is possible that residents whose homes are demolished or who are in privately rented accommodation may be pushed out of their community with rising prices and rents. Schemes are in place to address this issue, but their effectiveness needs to be closely monitored.
3. HMRA are only now moving to large scale delivery. All the good work on master planning and improving housing design and supporting infrastructure could easily be lost if pathfinder funding is reduced. Recent rumours about reductions in HMRA funding have rocked confidence. HMRA are still at a crossroads and need the certainty of committed funding into the medium term.
4. HMRA are monitored through key performance indicators on house building, house prices, refurbishments and vacancy rates and the Audit Commission undertakes intermittent reviews of their activities. The Government is reluctant to impose "over-prescriptive indicators and targets" on the pathfinders, however we are convinced that more rounded monitoring and reporting is needed on: provision of affordable housing and equity share schemes; balance between the demand for and provision of affordable housing; funding committed for infrastructure improvements; environmental standards agreed / achieved in refurbishments and new buildings.

Growth Areas

1. The current arrangements for agreeing funding for supporting infrastructure and services (planning obligations, Comprehensive Spending Review, Ofgem PRO9) forces local partners to plan for housing with no guarantee that the supporting services will be funded. Conditions must be placed on planning approvals to ensure that major developments do not go ahead until adequate funding is committed.

2. While Growth Areas are planning for mixed communities, the experience of the LBBD illustrates how private developers cannot be relied on to deliver in the context of complex Section 106 agreements and delays in funding regional level infrastructure. Similarly Growth Areas are aspiring to much increased proportions of affordable homes, but there are questions especially raised in Cambridgeshire over whether developers will co-operate. The Government needs to give further thought as to how progress in these areas should be monitored and what action needs to be taken to rectify any emerging problems.
3. There still seem to be fairly modest aspirations for sustainable transport and modal shift in the Growth Areas. It would be useful at this stage for the Government to review relevant Local Transport Plans and consider if what is proposed is sufficient to avoid further traffic growth in the Growth Areas.
4. The cumulative environmental impacts of the Growth Areas need to be reconsidered now that the plans are firming up. The Government should commission further research into whether cumulative impacts will be within or exceed environmental limits.
5. DCLG reports on an extremely limited number of indicators under PSA5. The plans for housing growth will be fundamental to sustainable communities and deserve more comprehensive monitoring and reporting. The PSA5 indicators should be expanded to cover: delivery of affordable housing and mixed communities; modal shift targets and achieved; funding committed for infrastructure improvements; environmental standards agreed / achieved in new buildings; and planning approvals contrary to advice in Flood Risk Assessment. The reporting should distinguish between the Growth Areas and the rest of England.
6. There are no systematic measures for sharing good practice between Growth Areas. Lots of interesting ideas and practice are emerging some of which are noted in the concluding sections of each growth area report. The government could consider how to ensure that emerging lessons are being shared, perhaps with the assistance of Regional Government Offices.

What are the wider lessons for government policy and practice?

Despite the initial fanfare about sustainable communities, initially ODPM did very little beyond insisting on and funding major housing growth and renewal. This approach evoked widespread criticism and resistance, and the Government found itself on the receiving end of endless parliamentary critiques, local political opposition and rearguard actions from statutory agencies.

ODPM and its successor has learnt lessons. There is no question that its current approach to the Growth Points¹ is vastly improved. But in the meantime valuable

¹ Announced in December 2005, the New Growth Points initiative is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing,

opportunities have been lost. So much more could have been done to encourage exemplar projects, share good practice and learn lessons.

The experience of sustainable communities policy raises the wider question of how such a fundamental government project could have been pursued regardless of the government's sustainable development objectives. Clearly at the time the SCP was launched the Government's structures for integrating sustainable development into policy were failing. It remains to be seen whether the structures announced in 2005 for strengthening the national delivery of sustainable development² will be sufficient to ensure that government policies take full account of sustainable development. It is to be hoped that the Government has accepted that the concept of sustainable communities is now too deeply embedded to be ignored.

There is a raft of initiatives currently underway that will have a fundamental impact on the delivery of sustainable communities. The Government, and the SDC as its advisor, needs to keep a close eye on these and ensure that they continue to support the goals of sustainable communities. They include:-

- The Growth Points Initiative
- The Code for Sustainable Homes
- Planning Policy Statement 25: Development and Flood Risk
- The Planning Gain Supplement and particularly how revenues will be distributed
- The 2007 Comprehensive Spending Review and the current study to inform this
- OftWat's pricing and investment review PRO9
- The Barker Review of Land Use Planning and the Government's response

through a partnership with Government. 29 areas have now been named as New Growth Points across the East, South East, South West, East Midlands and West Midlands

² *Securing the future: delivering the UK sustainable development strategy*, TSO March 2005, pp153-157.

Introduction

In 2003 the Office of the Deputy Prime Minister (ODPM) published *Sustainable Communities: building for the future*³, generally known as the Sustainable Communities Plan (SCP). The aim of the SCP was to achieve “a step change ... to tackle the challenges of a rapidly changing population, the needs of the economy, serious housing shortages in London and the South East and the impact of housing abandonment in places in the North and Midlands.”

But the SCP aimed for much more than a radical increase in housing supply. In the introduction it argued that:

Communities are more than just housing. They have many requirements. Investing in housing alone, paying no attention to the other needs of communities, risks wasting money – as past experience has shown. A wider vision of strong and sustainable communities is needed to underpin this plan, flowing from the Government’s strong commitment to sustainable development. The way our communities develop, economically, socially and environmentally, must respect the needs of future generations as well as succeeding now. This is the key to lasting, rather than temporary, solutions; to creating communities that can stand on their own feet and adapt to the changing demands of modern life. Places where people want to live and will continue to want to live.

The SCP was a wide ranging document and included proposals for: raising the standards of existing social housing; improving the liveability of local areas; reducing the number of empty properties; achieving a step change in housing supply; increasing the rate of home ownership; meeting rural housing needs; and doing all of this while protecting the countryside and enhancing its quality.

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1. Investigate if and how the delivery of sustainable communities policy has helped to make communities more sustainable.
2. Learn lessons about how delivery of sustainable communities policy could better support the achievement of more sustainable communities.
3. Learn lessons about how to absorb the aims of the UK sustainable development strategy into government policy and practice more generally.

The review focuses on two proposals at the heart of the SCP. They are:-

³ *Sustainable Communities: building for the future*, ODPM 2003.

1. To “bring life back to those areas, most notably in the North and the Midlands, where there is low demand for housing, and where – in the worst cases – homes have been abandoned”⁴ by focussing on nine Housing Market Renewal Pathfinders.
2. To “accommodate the economic success of London and the wider South East and ensure that the international competitiveness of the region is sustained, for the benefit of the region and the whole country”⁵ by providing for major growth in four growth areas.

It asks how well the Housing Market Renewal Areas (HMRA) and Growth Areas (GAs) are achieving the SCP’s original aspiration to create sustainable communities. The 2003 SCP listed the “key requirements of sustainable communities.” This definition was revised in 2005 and published in quick succession in the ODPM’s Five Year Plans for Sustainable Communities⁶ and in the Department of Environment Food and Rural Affairs (DEFRA) UK Sustainable Strategy.⁷ For this study we have assessed the achievements of the HMRA and GAs against the Government’s 2005 definition of sustainable communities which is presented in appendix 1.

Where are the Growth Areas and Housing Market Renewal Pathfinders?	
<p>The Growth Areas:</p> <ul style="list-style-type: none"> • Ashford • London Stansted Cambridge Peterborough • Milton Keynes and South Midlands • Thames Gateway 	<p>The HMRA: -</p> <ul style="list-style-type: none"> • NewcastleGateshead • Hull and East Riding of Yorkshire • South Yorkshire (Sheffield, Doncaster, Barnsley, Rotherham) • Birmingham and Sandwell • North Staffordshire (Stoke, East Newcastle-under-Lyme and east Biddulph) • Manchester Salford • Merseyside (Liverpool, Sefton and Wirral) • Oldham and Rochdale • East Lancashire (Burnley, Blackburn, Hyndburn, Pendle and Rossendale).

While sustainable communities has been led by the ODPM (now DCLG), the Treasury has increasingly become involved in the debate over housing supply, its affordability and contribution to economic growth. In 2003 the ODPM and the Treasury jointly

⁴ *Sustainable Communities: Building for the Future* page 24

⁵ *Sustainable Communities: Building for the Future* page 46

⁶ *Sustainable Communities – People Places and Prosperity* and *Sustainable Communities – Homes for All*, ODPM Five Year Plans, January 2005.

⁷ *Securing the Future: delivering UK sustainable development strategy*, DEFRA March 2005.

commissioned Kate Barker to undertake an independent review of housing supply.⁸ In response to its recommendations the government announced a further increase in the supply of housing⁹ and a new Growth Points initiative. The Growth Points initiative, as a successor to the original SCP Growth Areas, inevitably was touched upon during our study and is discussed later in this document.

The review had two components:

1. A review of national policies on the Sustainable Communities Plan (SCP) and any existing performance assessments of sustainable communities policy by Government Departments and independent bodies.
2. Four area based assessments. Two in Growth Areas (GAs) and two in Housing Market Renewal Areas (HMRAs).

This document presents our overall findings. There are also four separate reports on the area based assessments.

⁸ *Review of Housing Supply: Delivering Stability – Securing our Future Housing Needs*, Final Report – Kate Barker, 2004.

⁹ *The Government's Response to Kate Barker's Review of Housing Supply*, HM Treasury and ODPM December 2005.

The long term goals of the SCP

The Goals

The SCP had long term ambitions:

- A step change in the supply of new housing in London and the South East by 2016.
- A turn round in declining housing demand across the country by 2010.

These were defined more exactly in the ODPM's Five Year Plan – *Homes for All*¹⁰ published in 2005.

Goals for GAs in *Homes for All*

By 2010 we will:

- Have delivered new developments in the Thames Gateway contributing to the total of over 60 000 new homes – on track for 120 000 by 2016.
- Deliver new infrastructure
 - CTRL domestic services from 2009
 - Docklands Light Railway extension to Woolwich and Stratford open
 - New Thames Gateway bus transits open
- Have delivered new developments in the other Growth Areas contributing to the total of around 100 000 new homes over the next five years in these Growth Areas; new communities established in Cambridge, Northampton, Ashford and others
- Commit up to £40 million to help other areas that want additional growth to prepare for it

Goals for the HMRA pathfinders in *Homes for All*

By 2010 we will:

- Reconnect pathfinder areas with neighbouring functioning housing markets
- Close by a third the gap between the level of vacancies and house values in pathfinder areas compared to the regions. Our long term aim is to eradicate the problems caused by low demand by 2020
- Through the pathfinders, ensure that
 - Residents have seen pathfinder areas change for the better. Today's worst housing will be a thing of the past. Concentrations of deprivation will be being broken up
 - Local people have been consulted about the future of their areas
 - Housing has been refurbished, and new houses built to improve and diversify the housing available to residents. The replacement of older housing has been managed properly
 - Former 'no-go' places have a new positive identity, while residents have benefited

¹⁰ *Sustainable Communities: Homes for All*, ODPM Five Year Plan, January 2005.

- from better services and environments
- Local and regional strategies are aligned to secure the delivery of services and that other investment complements the impact of the Housing Market Renewal Fund
- Support work to tackle low demand in additional areas outside the pathfinders
- Pilot new approaches to create more mixed communities on a small number of selected estates.

Implementation

The SCP proposals for GAs and HMRA have fed through in very different ways:

Growth Areas have been reflected in increases in housing numbers in Regional Spatial Strategies which have been subject to debate and examination at the regional level and are still feeding through into Local Development Frameworks. As such all new housing proposals in the GAs may be seen as resulting from sustainable communities policy, although of course a significant proportion of the housing proposals would have been taken forward under the previous Regional Planning Guidance housing allocations.

HMRAs cross two or more local authorities but are more self-contained than GAs. Joint HMRA delivery partnerships have been established and the refurbishment, clearance, and building of new housing can be more directly related to the priority that the government has placed on renewal in HMRA areas and HMRA Gap funding.

Many other aspects of sustainable communities policy have fed down through the government's national planning policy guidance, published in Planning Policy Statements (PPS). These have a considerable influence on the content of Regional Spatial Strategies and Local Development Frameworks. As such they have a significant impact on the direction of Growth Areas and HMRA.

Implications for our study

We are investigating a long term plan early in its lifetime. The Growth Area proposals are still at the planning stage. HMRA have undertaken some clearance and refurbishment and a very limited amount of new building. But the plans for major new housing developments are still at the proposals stage. Our area based assessments have therefore inevitably had to consider local plans much more than actual delivery.

It is no secret that written plans often turn out quite differently in reality. We cannot be sure that aspirations will turn into practice on the ground. On the other hand, this study has allowed us to capture what is happening relatively early in a long-term process, judge how well plans are at least aiming for sustainable communities and to identify opportunities for improvement.

Concerns about sustainable communities policy

Since the SCP's publication in 2003 the Government's Plans for housing growth have been the subject of continuous debate and scrutiny. Paramount among the concerns has been whether, in its haste to build new housing, the government will repeat the mistakes of early mass house building, resulting in low quality housing, on undesirable estates and (particularly in the GAs) major adverse environmental impacts.

There have been numerous investigations by parliamentary committees, the Audit Commission and others.¹¹ In the two tables on the following pages we outline some of their common concerns and the government's response.

Given the level of scrutiny that the government's housing proposals have already received, it is not surprising that this review has returned to many of the same themes. Therefore it is reasonable to ask - what does this study add? To this we would answer:

- It looks in-depth at four sub-areas and investigates what they doing to tackle the recurring concerns about GAs and HMRA's
- It systematically considers how well the four sub-areas are performing against the government's own definition of sustainable communities
- It has been conducted later (although still early) in the process and provides an update on national and local action

¹¹ See for example:

- *Housing – building a sustainable future*, House of Commons Environmental Audit Committee, January 2005.
- *Housing Market Renewal*, Audit Commission February 2005.
- *Empty Homes and Low Demand Pathfinders*, ODPM HPLG&R Select Committee, March 2005
- *Affordability and the Supply of Housing*, ODPM HPLG&R Select Committee, May 2006.
- *Sustainable Housing – a follow up report*, House of Commons Environmental Audit Committee, March 2006.
- *Would you live here? Making the Growth Areas Communities of Choice*. Jim Bennett et al, Institute of Public Policy Research, August 2006.

Concerns about Growth Areas	The Government's Response ¹²
<p>Given the complexity of housing markets, simply building more housing will not increase affordability.</p>	<p>In the long term the step change in housing supply should help achieve a better balanced housing market. But as this will take time, the Government has proposed solutions for in the short to medium term... to help households into home ownership through a wide range of low cost home ownership schemes to help first time buyers and others into home ownership.</p>
<p>The rush for mass house building and to accelerate planning applications (<i>arising from the Barker review of housing supply</i>) will result in poor quality housing.</p>	<p>The proposals for accelerating planning applications backed by design codes should, along with the work of the Commission for Architecture and the Built Environment (CABE) and the Academy for Sustainable Communities, ensure significantly improved design quality in new build.</p>
<p>Provision for new infrastructure (services and transport) will be insufficient and too late. Much of the necessary funding remains uncommitted.</p>	<p>The Government recognises the need to provide robust infrastructure across the Growth Areas. It is dealing with this by: providing additional funding to GAs and working across government departments to ensure that expansion in public services will be funded in the GAs. A cross-cutting review of the needs of GAs will be undertaken as part of the 2007 Comprehensive Spending Review.</p> <p>In addition planning obligations, eventually to be partially replaced by the Planning Gain Supplement proposed by Kate Barker (<i>a consultation draft was published December 2005</i>), will also be used to fund infrastructure.</p>
<p>The proposals do not take adequate account of environmental limits and the environmental damage that could be caused by housing growth.</p>	<p>The housing proposals need to be environmentally sensitive. The SCP included proposals for strengthening protection of the Green Belt, increasing housing densities and siting 60% of new housing on brownfield land. The Government also commissioned a report from Entec into the environmental impact of housing supply.¹³</p>
<p>The advice of environmental bodies such</p>	<p>A new "Concordat" has been agreed between the Agency and ODPM. This</p>

¹² *Government Response to the House of Commons Environmental Audit Committee Report – Housing: Building a Sustainable Future*, May 2005 and *The Government's Response to Kate Barker's Review of Housing Supply*, December 2005.

¹³ *Study into the Environmental Impacts of Increasing the Supply of Housing in the UK*, Entec April 2004

<p>as the Environment Agency is not being properly taken into consideration.</p>	<p>creates new early warning systems through which the Agency can flag up concerns to Ministers.</p>
<p>The proposed code for sustainable buildings will be insufficient given the delays in its finalisation, the limited improvements that it will require beyond building regulations and its probable voluntary nature.</p>	<p>The energy standards in the Building Regulations have been strengthened. The proposed code for sustainable buildings / homes will set new standards for resource efficient houses.</p>
<p>The Thames Gateway proposals could result in many new houses being built in areas of high flood risk.</p>	<p>Planning Policy Guidance 25 on flood risk (<i>now draft PPS25</i>) will strengthen guidance on development in areas of flood risk, and require flood risk assessments where appropriate. The Thames Gateway London Partnership is working with the Environment Agency on the production of a Strategic Flood Risk Assessment (SFRA) of the 11 London Thames Gateway boroughs. All projects in the Thames Gateway receiving ODPM funding are required to produce appropriate Flood Risk Assessments.</p>

Concerns about HMRA's	The Government's Response ¹⁴
<p>There is an over reliance on housing clearance with severe consequences for stability of neighbourhoods and preservation of heritage.</p>	<p>Housing market renewal is about making balanced interventions which will restore normal housing markets to communities. Proposals that focus only on demolition do not fit with the pathfinder approach and will not be funded by ODPM. We expect to see a proper balance between a range of interventions, including radical refurbishment in some areas, alongside economic and social measures.</p>
<p>Increases in house prices combined with house clearances may result in local residents being unable to afford to stay in the area.</p>	<p>The Government expects the pathfinders to monitor affordability closely and to respond to changes by taking an intelligent and informed view of likely longer-term trends. Where markets have changed sufficiently to make affordability a significant issue they need to ensure that a good supply of affordable housing is maintained.</p>
<p>Local communities are not being adequately involved in decisions about their areas.</p>	<p>ODPM will expect the pathfinders' new forward plans to set out clear and acceptable approaches to community engagement, tailored to their particular circumstances. If these are not satisfactory, funding will be withheld.</p>
<p>Low demand is not just about poor quality housing, but also the result poor quality public services and local environments. But parallel funding for regeneration and public services may be insufficient.</p>	<p>Overall population numbers in HMRA's are not expected to rise and so current public sector funding, which already takes account of deprivation levels, should be sufficient.</p> <p>It will be very important for local service providers to work together closely to manage these periods of transition.</p> <p>Where pathfinders raise concerns about provision of parallel services, the ODPM will engage in discussions with other government departments.</p>
<p>Economic decline is also a major cause of low demand housing and so regeneration initiatives must be more closely linked to the pathfinder initiatives.</p>	<p>The Regional Development Agencies are providing vital support to the HMRA pathfinders. The Government has provided the RDAs with supplementary (non-statutory) guidance about ODPM's policies and priorities for areas of low housing demand.</p>

¹⁴ *Government Response to the ODPM HPLG&R Select Committee's Eighth Report on Empty Homes and Low Demand Pathfinders*, July 2005.

The absence of detailed objectives beyond that of closing by a third the gap between the level of vacancies and house values in pathfinder areas compared to the regions. This makes it difficult to monitor progress and determine progress towards sustainable communities.

Core performance indicators are in place, covering key input, output and outcome measures. Individual pathfinders are also expected to set and monitor local indicators to reflect and respond to their particular context and challenges... The Government believes that it is important not to constrain the pathfinders unduly with over-prescriptive indicators and targets.

Review Methods

Two components

The review had two components:

1. A review of national policies on the Sustainable Communities Plan (SCP) and any existing performance assessments of sustainable communities policy by Government Departments and independent bodies.
2. Four area based assessments. Two in Growth Areas (GAs) and two in Housing Market Renewal Areas (HMRAs).

The **national policy** review combined the following: -

- Review of sustainable communities policy documents, previous reviews of the SCP and the government's housing proposals, and national monitoring information relevant to sustainable communities policy
- Telephone interviews with DCLG, DEFRA, Environment Agency, English Nature and English Heritage staff (see appendix 2) and review of documents that they provided

The **four area based assessments** combined the following: -

- Review of regionally relevant documents such as the Regional Spatial Strategy
- Review of local policies and proposals such as the Local Development Framework and master plans for new developments
- Telephone interviews with local delivery staff in the delivery partnerships and local authorities

Separate reports are available on each of the area based assessments and provide further information on who was interviewed and the documents that were considered.

Throughout we used the principles of Sustainable Development and the Government's 2005 definition of sustainable communities to judge performance. The review involved looking for indicators and evidence from ongoing planning and delivery to assess whether or not sustainable communities policy is contributing to sustainable development and the creation of sustainable communities.

Choosing the four sub-areas

The SCP announced four growth areas covering large swathes of the south east and east of England and nine HMRA pathfinders. For this study it was decided to look in

depth at four sub-areas, two in the growth areas and two in HMRA's. The sub-areas were selected to, as far as possible, reflect the diversity of circumstances across the areas. We therefore chose areas (and sub-areas within these) that represented the full range of characteristics described in the table below.

For all four areas	
Two located within or extensions to metropolitan conurbation	Two centred on medium sized non-metropolitan settlements
Located in four different regions	
For Housing Market Renewal Areas	
Predominantly privately owned housing	Predominantly social housing
One at the top of the range of planned government funding.	One at the bottom of the range of planned government funding.
For Growth Areas	
Primarily infill	Primarily urban extensions
Subject to wider regeneration initiatives	Within a more affluent area

The four sub-areas chosen were:

Housing Market Renewal Areas:

- **Newcastle Gateshead (concentrating on Newcastle):** Conurbation + predominantly social housing + bottom of range of planned government funding + North East region
- **East Lancashire (concentrating on Blackburn):** Centred on medium sized settlements + predominantly privately owned housing + top of range of planned government funding + North West region

Growth areas

- **East London Gateway (concentrating on Barking & Dagenham):** Conurbation + infill + wider regeneration project + South East Region
- **Cambridge (concentrating on South Cambridgeshire):** Centred on medium sized settlement + urban extensions + more affluent area + East of England region

Limitations of the methodology

Understanding the diversity of experience

The GAs and HMRA's encompass a wide range of circumstances, not only those summarised in the table above, but also different delivery bodies (regional and local bodies and delivery partnerships). Among the HMRA's, existing housing markets are very diverse in terms of age, type and levels of home ownership.

Our findings are, therefore, not necessarily transferable to all of the GAs and HMRA's. Our national policy review has helped to broaden out the findings, but can not provide



the same level of detail as the sub-area assessments. We had hoped to supplement these assessments with national monitoring information on the GAs and HMRA's. In fact we discovered very little national monitoring data and what is available focuses on direct expenditure and delivery. Information on the how well the GAs and HMRA's are performing against the criteria for sustainable communities is not readily available. This is discussed further below.

Judging final outcomes

As discussed above, the SCP had long term ambitions and we are investigating a long term plan early in its lifetime and it is impossible to judge the final outcomes. Our area based assessments have inevitably had to consider local policies and plans much more than delivery on the ground.

The assessments are also unsuited to addressing the complex question of whether simply building more housing and clearing poor quality stock will successfully influence a complex housing market in the way that the government hopes¹⁵. This will only be discernible over a much longer time frame.

On the other hand, the sub-area assessments can highlight issues that the HMRA's and GAs (and their successors) need to address.

¹⁵ See *Affordability and the Supply of Housing*, ODPM HPLG&R Select Committee, May 2006 for an understanding of the complexity of this issue.

Will HMRA and GAs be sustainable communities?

This section presents our main findings. We begin by summarising progress in the four sub-areas and then present our findings first in terms of the Government's primary aim of *meeting housing need* and then under the headings used in the Government's 2005 definition of sustainable communities. (See appendix 1.) Under each heading we summarise the findings for:

- The two Housing Market Renewal Sub-Areas
- The two Growth Sub-Areas

National perspectives derived from the national policy review have been absorbed into the commentaries on the HMRA and Growth Areas. Detailed findings for each of the sub-area assessments are available in separate reports.

The following abbreviations are used in this section:

BNG = Bridging NewcastleGateshead

LBBD = London Borough of Barking and Dagenham

SCDC = South Cambridgeshire District Council

Progress to date in the Four Sub-Areas

East Lancashire: The East Lancashire HMRA covers five local authority areas (Blackburn with Darwen, Hyndburn, Pendle, Ribble Valley, Burnley). A stand-alone private limited company *Elevate* was established in 2003 to deliver housing renewal. The area is dominated by privately owned terraced housing, both owner occupied and privately rented. In most areas new replacement homes are proposed to replace the worst existing properties with the remainder of the worst properties to be extensively refurbished.

By August 2005 Elevate had: improved 1019 homes; demolished 387 dwellings; and had yet to build any new homes. In the longer term (2006-19) Elevate are planning to demolish a further 6700 homes, refurbish a similar number, and facilitate the construction or conversion of 7600 homes. The Area Based Assessment focused on inner North West Blackburn and in particular on Bank Top which has a significant Black and Minority Ethnic (BME) population.

Newcastle and Gateshead: The Newcastle Gateshead Pathfinder covers the inner core of Newcastle and Gateshead. The two local authorities have established a joint body, Bridging NewcastleGateshead, to deliver the HMRA. The pathfinder area has a large amount of social rented stock. To date BNG has: improved 900 homes; demolished 1302 dwellings; built or converted 37 homes; acquired 7.38 hectares of land and made 2.48 hectares available for new homes; and carried out major neighbourhood planning and master planning schemes to enable delivery to begin. In the longer term (2006-18) BNG are planning to demolish a further 3000 homes, refurbish 10,500 homes, facilitate the construction or conversion of 7000 homes, and make 112 hectares of land available for new homes.

As well as reviewing BNG as a whole, the case study includes a more detailed review of the Walker Riverside sub-area in Newcastle. Walker Riverside was selected as it has been a major focus of BNG's work to date and is the most advanced. Walker Riverside is an area of 6,200 houses, most built between 1920 and 1935, of which almost 70% is local authority owned. The eastern end of the area is industrial and there are significant areas of parkland. Extensive community and stakeholder engagement has been undertaken, a master plan prepared, a submission draft Area Action Plan (AAP) and design code published and show homes have been built. Implementation in Walker Riverside is in its early stages. Only work on the Cambrian estate has commenced.

There is no guarantee that the standards set in Walker Riverside will be repeated in other parts of the HMRA. For example BNG has gap-funded schemes in Walker Riverside to secure Lifetime Homes Standards and EcoHomes Very Good, but they have not yet committed to this elsewhere.

Barking and Dagenham: The SCP proposals have been absorbed into the Mayor's Spatial Strategy – the London Plan (February 2004) - and into the East London Sub Regional Development Framework (May 2006). LBBDD has published several Issues and Options papers in preparation for its Local Development Framework (LDF). The draft LDF is not yet available.

Most of the planned housing development in LBBDD will happen on key large scale development sites. 10,800 dwellings are due to be built at Barking Riverside over the next 20 years. Other areas that are expected to see significant housing growth are Barking Town Centre (4,000 homes) and South Dagenham (5,000 homes). However proposals for these are still in the planning stages with complex negotiations taking place on planning obligations and other issues.

Consequently little actual sustainable communities policy-linked development has happened yet. Plans for Barking Riverside are the most advanced. An outline planning application for Barking Riverside was submitted in December 2004. The full planning application for Barking Riverside is currently under discussion, but publicly available information on what is proposed is still very sketchy.

South Cambridgeshire: The SCP proposals have been absorbed into the draft East of England Plan (RSS) published in December 2004. The RSS has recently undergone an examination in public (EIP) and the inspector recommended a number of changes.

Within Cambridgeshire delivery is being co-ordinated through Cambridgeshire Horizons which is a non-profit making company funded by the local authorities and DCLG. A number of new settlements and urban extensions have been planned for Cambridge and environs. SCDC has undertaken substantial preparatory work for its Local Development Framework, which is expected to be adopted in 2008. An Area Action Plan and Strategic Design Statement for Northstowe, an urban extension proposed in South Cambridgeshire, have been developed. The major transport infrastructure project, the Cambridgeshire guided Busway, has been approved.

Meeting housing need

Housing Market Renewal Areas

All of the pathfinders to date have been primarily occupied with preparation for major building and refurbishment projects. The Audit Commission has expressed concern about the slow pace of housing development in both of our case study areas. Because of the slow progress across the pathfinders it is too early to judge the potential long-term impact on house prices and vacancy levels.

Since the launch of the SCP, house prices in the pathfinders have doubled, but there has been little progress in terms of narrowing the gap with regional averages. House prices in HMRA's have tended on average to do no more than keep pace with regional prices, with some pathfinders performing better than others. There is little evidence as yet that vacancy rates have gone down. There is no evidence yet of a reduction in empty properties in either East Lancashire or BNG HMRA's. This appears to be due to the acquisition of properties for demolition/refurbishment which have temporarily pushed up vacancy levels.

In East Lancashire the time taken to map housing need, as well as to undertake community engagement, has meant that progress in meeting the housing targets has only recently begun to gather pace. In consequence there are still a large number of vacant properties in the area, but this is expected to fall as the speed of redevelopment increases. The BNG programme is also still in its early stages, with much of the emphasis to date on research, identifying priorities and engaging the local community. BNG believe that they are now at *'take-off point'*, but are worried about rumours that Ministers are proposing to reconsider the levels of funding for HMRA's within the forthcoming Comprehensive Spending Review. The Government's change in attitude is believed to be because of national shifts in the housing market resulting in less severe problems of low demand. BNG believe that without financial support private developers may well not invest in less attractive areas given the continuing fragility of the local housing market. (See below.)

Housing prices in East Lancashire remain well below the averages for the region as a whole, and in fact the gap is widening rather than narrowing. The combination of low house prices and high rates of home ownership by people on low incomes is resulting in significant numbers of homes falling into disrepair. NWRA and Elevate both recognise the need to introduce a greater 'mix' of owner types into the market and in the long term increase wage levels. This is seen as a more sustainable method of meeting housing needs rather than simply providing 'new housing for old'.

In contrast house prices have more than doubled in the BNG area between 2001/2 and 2005/6. The gap with average Newcastle housing prices has narrowed and has stayed fairly constant with Gateshead prices. However, BNG believe that the market remains fragile. Although there has been growing investor interest in some areas, there has been very little in some of the more critical areas such as Walker and Scotswood and much of the price rises can be attributed to the growing dominance of high value new build apartments rather than much-needed family homes.

BNG are also seeking to diversify the house types on offer, with a particular emphasis on the provision of family homes. All homes in Walker Riverside will be built to Lifetime Homes Standards. BNG are providing the gap funding to enable this to be achieved and will be monitoring the impact of this carefully. If it has a positive market impact, they suggest that this will make it easier to achieve across the board, although they are not committed to this at the moment.

Rising house prices has created a new problem of affordability in the pathfinder areas. All of the pathfinders have schemes to allow home owners whose homes are cleared to move into new or refurbished housing in the area. But there are concerns that existing home owners on low incomes may not be able to afford the new / refurbished properties.

Owner occupiers whose houses are demolished receive the market value of their houses, plus Home Loss and Disturbance payments. Despite this the early findings of a study commissioned by the Joseph Rowntree Foundation (JRF) concluded that:

*Many owner-occupiers affected by demolition have encountered a substantial gap between the amount of compensation they receive for their existing home and the cost of purchasing a suitable alternative in an appropriate neighbourhood. The size of this affordability gap varies, but estimates provided by the Pathfinders suggest an average of £35,000. Most owner-occupiers affected by demolition wish to remain home-owners but require additional financial support to purchase a new home.*¹⁶

This problem is being addressed by increasing provision of social housing in HMRA where this was traditionally under represented (such as East Lancashire) and providing "intermediate housing" usually by offering shared equity schemes. The JRF study

¹⁶ *Addressing Housing Affordability, Clearance and Relocation Issues in the Housing Market Renewal Pathfinders*, Joseph Rowntree Foundation *Findings* September 2006.

concluded that the pathfinders are working hard to address this problem, primarily by offering interest-free relocation equity loans of up to £35,000.

Given the continuing low house prices in East Lancashire, affordability is not seen as a major problem. However, there have been a small number of complaints from BNG residents that they were being priced out of their areas or unable to purchase houses of equivalent size. BNG has been criticised by the Audit Commission for providing little information on what is planned in this respect.

For BNG the focus has been on achieving a better tenure mix – currently there is a predominance of Council-owned properties. In Walker Riverside, for example, 70% of properties are Council-owned and the absence of owner-occupied housing has been identified as a key factor in residents leaving the area. Therefore all new housing will be a mix of 80% private and 20% social/shared equity housing. However, rising house prices in the area has inevitably raised affordability issues and BNG has made a commitment to ensure that there is no loss of *occupied* social rented housing as a result of its regeneration work. They are also currently piloting the use of equity loans as one means of addressing affordability.

There are concerns that the relatively small size of current developments in East Lancashire bring with them lower returns on investment. This will have a knock-on effect on development timescales and the preservation of period properties, a particular concern in Blackburn and across the region as a whole. The need has therefore been recognised to increase the overall size of sites to increase developer returns. Elevate are attempting to address this issue through the development of Area Design Frameworks.

Growth Areas

As with HMRA, there has been slow progress in achieving the government's targets for housing growth, particularly outside the East London Gateway. The ODPM Annual Report 2005 notes:

- An upturn in new housing supply in the South East, London and the East. However, the annual net additions to dwelling stock were below the average necessary to meet the government's target for 1.1 million new homes by 2015.
- National figures for homeless families in temporary accommodation continue to rise.
- There is a continuing upward trend in the ratio of lower quartile house prices to lower quartile earnings in high demand regions (London, South East, South West, and East.)

The Government has suggested that this slow progress is in part due to local political opposition. Certainly developing and adopting Regional Spatial Strategies (including Examinations in Public) and the integration of RSS housing policies within Local Development Frameworks has taken time and is really only now beginning to take effect across the Growth Areas.

While overall housing targets are being met in LBBB, the rate of housing completions in the Cambridge Sub Region has been considerably lower than that planned in the RSS. It has taken some time to win political support for the proposals and to unlock sites. However a good range of housing locations are now coming forward and house completion rates are expected to rise substantially over the next few years.

Of the 501 units completed in LBBB 2004-05, 221 units (nearly half) were affordable housing. Despite this LBBB believe that there is a shortfall of approximately 2000 affordable units per annum, especially for one and two bedroom units, and forecasts an increasing problem with affordability. The Council estimates that it can make up about half of this shortfall through intermediate housing such as shared ownership / key worker housing.

Cambridgeshire is a high cost area and as yet house prices do not appear to be moving closer to national or regional averages. Given the slow rate of house building to date, as yet it is difficult to judge how sustainable communities will eventually impact on house prices. The intention through the RSS is to increase affordable housing from around 12% of supply to around 30%, or up to 40% in areas designated as suffering 'housing stress'. SCDC has substantially underperformed against its current affordable housing target of 40%, but this is due to the target changing as new LDF policies evolve. Between 1999 and 2004 only 14.2% of new housing was affordable whereas in 2004/05 it was 19.3% of completions.

It is intended that this situation will improve in future with the LDF containing much stronger policies on affordable housing and much higher rates of affordable housing completions are anticipated at the major development sites of Northstowe, Cambridge East and Cambridge Southern Fringe. The indicative targets for affordable housing in the emerging draft LDF are for approximately 30% social rented and approximately 20% intermediate housing, giving a total of 50% affordable. But there remain doubts that these targets will be achieved. Developers are arguing that they can not afford to build at this rate. Questions have also been raised over whether a 40% rate would result in unbalanced communities.

Both LBBB and SCDC are aiming to create communities with mixed land use, mixed tenures, various levels of housing affordability, different housing sizes, and housing ages. However in reality in LBBB there is a shortage of larger family houses being developed. In 2004-05, 97.7% of all units approved were one and two bedroom units. Exacerbating this situation, there is a tendency for existing larger houses to be subdivided into small flats. There is concern that private sector developers find larger houses less profitable and therefore are not coming forward with proposals.

Active, inclusive and safe

Community cohesion and identity

Housing Market Renewal Areas

The aim in East Lancashire has been to plan redevelopment within boundaries that are historically recognised by the community. The belief is that this has enhanced community cohesion and allowed different communities to make different choices about the future of their area. Thus in the Bank Top area of Blackburn the community preference was mainly for refurbishment, whereas the community in the Ashford area of Blackburn preferred redevelopment.

The BNG area already has a very high level of turnover compared with other parts of Newcastle / Gateshead. This inevitably weakens community cohesion. BNG places a strong emphasis on sustaining communities and developing them rather than clearing them and starting afresh. This approach seems to have emerged from the lessons learnt from the extensive clearance which took place in the West End of Newcastle prior to BNG. Concern was expressed, however, that the output-driven nature of the HMRA programme can conflict with this approach which inevitably takes time.

Growth Areas

LBBD is the 7th most deprived Borough in London and scores highly on a number of indices on the Index of Deprivation. There are concerns that the pace and scale of housing development is threatening community cohesion. In particular, as with Blackburn, there is a perception among some parts of the community that BMEs and recent immigrants are being favoured for new housing to the exclusion of the traditionally predominantly white community of the area. The BNP has exploited these tensions.

Although the aim in both LBBD and SCDC has been to mix private and social housing, this has led to tensions. Tenants of social housing expressed concerns about the “second class” nature of their housing and divisions between social and private housing residents. In some cases this has been exacerbated by a physical split of the housing, with social housing squeezed into a corner of the development.

Community safety

Housing Market Renewal Areas

There is considerable concern about crime levels and fear of crime in East Lancashire, however, crime levels appear to be falling. BNG are providing revenue funding for various initiatives to address community safety and anecdotal evidence suggests that there has been a significant improvement in community safety in BNG areas, particularly in the West End of Newcastle. Both Elevate and BNG are promoting Secure by Design (SBD) principles and the Walker Riverside Area Action Plan goes further, in requiring all housing development to comply with SBD standards.

Growth Areas

Crime and safety remain major concerns for many LBBB residents and between 2001 and 2004 recorded crime increased in the Borough by 7.8%. The LBBB has proposed a range of measures to tackle perceived and actual crime and disorder. In contrast community safety is not considered to be a major issue in SCDC.

Well run

Delivery partnerships

Housing Market Renewal Areas

The Audit Commission has responsibility for monitoring the governance arrangements in the HMRA pathfinders and has published a number of reports on the pathfinders.

The East Lancashire HMRA crosses five local authority areas. In order to co-ordinate delivery across such a wide area Elevate was established as a stand-alone private limited company. Many other HMRA delivery partnerships (such as BNG) are much more closely tied to their local authorities. While there are no major concerns about Elevate's performance, there have been some difficulties in separating Elevate's delivery role from the strategic role of the local authorities. Elevate and the relevant local authorities (the five district authorities, Lancashire County Council and Blackburn and Darwen Unitary Authority) have established 'Elchex', the East Lancashire Chief Executives Group to take the lead on strategic issues such as transport and access. It is too early to assess how well this arrangement will work.

BNG is a strategic alliance, initially established by Newcastle City and Gateshead Councils. It now incorporates representation from the two Local Strategic Partnerships, One NorthEast (the Regional Development Agency) and English Partnerships, together with independent members. Gateshead Council is the accountable body and Newcastle City Council is the host employer of the core staff. BNG is responsible for overseeing development and overall delivery of the HMR programme and for strategic options appraisal and project appraisal. Local delivery is through the two local authorities (and partner organisations), both of which have established dedicated teams to manage and deliver BNG within their authorities.

The Audit Commission has criticised BNG's performance in a number of areas: the under-representation of BMEs within BNG governance structures; poorly targeted interventions that are not clearly linked to strategic priorities; and an unnecessarily slow pace of delivery. BNG has now developed a new approach for targeting resources within particular priority areas, called 'strategic commissioning'. While BNG acknowledges that delivery, especially refurbishment, could have been faster, it also argues that good strategic planning and community engagement takes time, and that rushing this stage would be unacceptable. Despite these criticisms, there is a

perception that BNG has managed to achieve much better inter-agency working than in the past.

Growth Areas

The London Gateway Thames Partnership, a private-public sector partnership, has a strategic and lobbying role to promote regeneration in east London. Delivery is undertaken through the London Thames Gateway Urban Development Corporation (UDC). Cambridgeshire Horizons has over-riding responsibility for co-ordinating growth in Cambridge Sub-region. It brings together local councils and development agencies to promote a co-ordinated response to the substantial number of the planned new settlements and urban extensions. There has been no independent evaluation of the partnerships' performance (in contrast with HMRA's). However we did not identify any significant concerns with their performance, although understandably co-ordination between such a wide range of delivery bodies is proving a struggle.

Community engagement

Housing Market Renewal Areas

The early findings of research commissioned by the Joseph Rowntree Foundation concluded that:

Although the Pathfinders are increasingly using a range of community consultation methods, it is often difficult to balance the empowerment of residents with the strategic phasing and longer-term planning of housing market and neighbourhood renewal because of the complexities of acquiring new properties, synchronising the different timescales of stakeholders (including private developers), and the uncertainties of future funding.¹⁷

Our case studies indicated that the pathfinders are working hard to engage communities. BNG's approach has been commended by the Audit Commission. A wide range of techniques have been used to engage local residents and traders. Key to achieving buy-in from the local community in Walker Riverside was the 'Walker Riverside Promise', which made various promises about engaging residents in decisions and ensuring that those who wanted to stay in the area would be able to do so. Elevate has established and funded neighbourhood management teams to manage community engagement. These teams, under the strategic direction of Elevate and working with the local authority, are responsible for managing engagement and consultation exercises which run in parallel with implementation of the Area Development Frameworks. This approach is seen by Elevate and their local authority partner's as being an appropriate method by which they can act upon resident views and concerns in their decision making processes.

¹⁷ *Addressing Housing Affordability, Clearance and Relocation Issues in the Housing Market Renewal Pathfinders*, Joseph Rowntree Foundation *Findings* September 2006.

Growth Areas

LBBB is undertaking substantial consultation on both its strategic plans and major development proposals such as for Barking Riverside, Dagenham Dock and Barking Town Centre Regeneration. Despite this there remain some anxieties about the extent of community engagement and how well local communities understand what exactly is being proposed. There is concern that some residents have been misled into believing that much of the housing will be for BMEs and recent immigrants, with the BNP seen as spreading misinformation.

SCDC is undertaking ongoing public participation processes associated with, for example, planned new developments at Northstowe and on Cambridge's southern fringe.

Environmentally sensitive

Overall environmental performance

Housing Market Renewal Areas

Elevate has prepared a Sustainability Framework establishing good design and development principles that it would like developers to meet. This considers:

1. Transport and Access
2. Crime and secure homes design
3. Appropriate land use within development sites
4. The management and construction of sites; and
5. Sustainable energy use including the use of low energy use designs

These principles are not binding and do not set minimum standards, but Elevate believe that they are influencing local authority planning decisions and Environmental Impact Assessments of complementary facilities such as schools and leisure facilities. Masterplans in the HMRA will be subject to Sustainability Appraisal and are expected to take account of Elevate's Sustainability Framework. However, the challenge has been to ensure that the Framework is applied by local authorities across the HMRA. This was recognised as a problem by the Audit Commission. There are questions over whether the local authorities, especially the smaller district authorities, have the capacity to progress this standard of appraisal on a scheme by scheme basis. There has not been a rigorous assessment to determine the influence of the Framework on private developments.

In order to progress key developments within the HMRA, Elevate has established 'preferred developer' agreements with private developers for individual sites. These agreements are based on competitive tender and guidance to developers is released in advance of the Invitation to Tender. This guidance, which sits within Elevate's overall Sustainability Framework, includes 'Guidance to Achieving Eco-Homes for new build

and refurbishments' and a note on sustainable building practice. Developer masterplans submitted for individual sites are assessed according to the criteria. Therefore, Elevate stress that high environmental design standards are considered prior to the masterplanning stage to ensure that good principles are considered from the outset. Given the slow pace of new build in East Lancashire, it is still too early to assess how effective this will be.

Growth Areas

LBBB has proposed a range of measures for strengthening the environmental performance of developments within its *Issues and Options* papers published as part of the preparation of the Local Development Framework (LDF). The draft LDF has not yet been published and therefore we can not be certain that these proposals will be taken forward. In the meantime the LBBB has recently introduced a *sustainability statement* which must be completed by planning applicants. This asks applicants to answer questions on a range of environmental issues. It is too early to judge whether this will have a significant impact on environmental performance. The decisions on the Barking Riverside planning application will be an interesting test of LBBB's commitments.

The East of England RSS discusses energy, water efficiency and climate change adaptation at a strategic level but its policies are far less specific than those contained in the London Plan. Detailed policies for sustainable construction are equally difficult to identify in the emerging SCDC LDF even though the RSS says that these will relate energy policies to the sustainable communities policy requirements for growth areas.

Climate change

Housing Market Renewal Areas

DCLG maintain that they have been encouraging the pathfinders to promote energy efficiency through their liaison with the pathfinders (see below). For example in April 2005 they wrote to the pathfinders about the availability of funding for tackling fuel poverty and improving energy efficiency. However, these measures remain voluntary and dependent on funding availability.

Elevate's Sustainability Framework provides guidance on energy conservation, renewable energy and adaptation to climate change for new developments. However, given the difficulties in enforcing the guidance (described above) it is debatable whether it has had a significant impact to date. The North West Decent Homes Standard (based on the national standard) influences decisions on the replacement and refurbishment of housing. It sets out four principle criteria by which houses are assessed as being 'fit for purpose'. This includes "reasonable degree of thermal comfort" but does not set targets from achieving minimum standards of energy efficiency.

Some of the early initiatives in Newcastle have a strong emphasis on energy efficiency and renewable energy. The aim for the Cruddas Park and Byker schemes is to achieve Carbon Neutral development. However development partners have yet to be identified

for these schemes and final standards agreed. A key design principle in the Walker Riverside Design Code is to maximise the solar potential of sites and one of the first sites for development incorporates the use of solar panels. There does not appear to be such a strong emphasis on sustainable design and renewable energy in the Gateshead schemes. However, BNG hope that their new Design Protocol will achieve higher standards across the board.

Adaptation to climate change does not seem to have featured high on BNG's agenda to date beyond addressing flood risk. One explanation was that adaptation policies have taken time to be adopted in regional and local planning documents, but now that these are in place it is hoped that implementation will improve.

Growth Areas

A number of LBBB policy documents make commitments to reducing energy consumption and increasing the generation of renewable energy within housing. Among the proposals set out in the LDF *Issues and Options Paper* are that new developments should use energy efficient design measures to reduce the need to heat and cool buildings. However, precise energy efficiency and renewable energy standards for new housing have yet to be set, although current proposals for the LDF are that new developments will in future be required to provide 10-20% of energy from renewable sources. There is no information available on the energy efficiency standards or renewable energy generation in housing that has recently received planning permission from LBBB. Adaptation to climate change is generally given limited consideration apart from flooding issues (see below.)

The East of England RSS has policies requiring developments of greater than 50 dwellings to prepare energy consumption statements and to generate renewable energy for at least 10% of their needs. The area action plan for Cambridge's southern fringe proposes "flexible design that is energy efficient, built to be an exemplar of sustainable living with low carbon and greenhouse gas emissions and able to accommodate the impacts of climate change." BRE is currently working with developers on plans for low carbon/low energy use housing and technologies are emerging, but definite proposals are still awaited.

Water supply

Housing Market Renewal Areas

Because the HMRAAs are not intended to accommodate housing growth, the Environment Agency do not believe that they raise significant issues for water supply or waste water treatment. However, problems of water pollution may arise from development on contaminated land in the pathfinder areas.

Elevate's guidance for developers (for both 'new-build' and refurbishments) includes standards for efficient water use, both internally and externally, including the use of grey water systems, low flow rate utilities and showers, auto shut-off systems and rainwater recycling. Developer master plans submitted for individual sites were assessed according to these criteria and points awarded for the use of this technology.

Therefore environmental design standards for water use and supply were considered from the outset. Given the slow pace of new build in East Lancashire, information on the actual standards that will be achieved is not yet available.

Little evidence has been found of a strategic commitment to promote water efficiency in BNG beyond that of promoting EcoHomes. (See below.)

Growth Areas

One of the major debates generated by housing growth in the south east has been whether the demand for increased water supply and waste water treatment in the Growth Areas can be accommodated without severe consequences for water flow, water pollution, with knock-on effects on biodiversity and landscapes. As a result, the Environment Agency has been working with local authorities to prepare Combined Water Cycle Studies. The studies have identified potential solutions including infrastructure upgrades and in some cases higher (above water fitting regulations) water efficiency standards for new housing. It remains to be seen whether the infrastructure proposals will be funded within OftWat's next water investment and pricing review in 2009 (PRO9), and even if they are funded, there remain questions over whether the investment will happen soon enough. The Environment Agency has indicated that they may ask for housing developments to be delayed until capacity improvements are in place.

There remain considerable doubts over whether plans for new water supplies in the East of England will be able to meet the increased demand from new housing. The draft RSS advocated strong water conservation measures and the use of Sustainable Urban Drainage Systems (SUDS). However, the inspectors' report on the EIP of the RSS states that "truly sustainable development will mean marked change, indeed a reversal of the habits and attitudes of the region and its people, to, among other things, water use, energy consumption and waste". It goes on to say that "without action going well beyond the remit of the RSS and the planning system the changes needed to secure truly sustainable development will not occur".

Several infrastructure upgrades are proposed for London. Three major waste water treatment centres in East London are planned for the coming years. Local sewerage treatment may also be developed for areas of the London Thames Gateway. But it is difficult to determine from available information whether these will be sufficient to cope with the planned growth.

In the meantime it appears that current housing approvals in the Growth Areas are rarely meeting the higher water efficiency standards that the Environment Agency would like to see. Meeting higher standards remains voluntary, particularly for private housing developments. There are indications that SCDC is failing to agree with developers water efficiency standards as high as they would like. LBBD's *Issues and Options Papers* propose measures for minimising water consumption, collecting rain water and installing systems for water re-use (grey water) in housing, but there is no information on what standards are currently being achieved.

Flood risk and drainage

Housing Market Renewal Areas

There are no areas of flood risk within the East Lancashire HMRA. However, there is concern that silt run-off during the build phase of development work could be a problem. The relatively narrow watercourses may not be able to handle run-off from exposed brown-field sites. Flood Risk due to flash floods is also concern.

Filtration trenches are being installed to deal with on-site silt run-off and Sustainable Urban Drainage (SUDs) is being promoted to developers on developments of all sizes. The actual deployment of SUDs within individual development sites is difficult to quantify. It is thought to be low given that most of the work completed to date has been refurbishments which have worked with existing drainage systems. The development of Bank Top has however included the re-modelling of the streetscape to implement a 'home zone' (These are streets remodelled to give greater consideration to the needs of the pedestrian, with changes made to the speed limit, parking provision and highway). This has used some aspects of SUDs in its design.

None of the BNG proposals are within a flood risk area. There is little evidence that BNG is promoting SUDs at present. The Walker Riverside Design Code suggests that the area *'does not require additional sustainable drainage intervention'*. Although the Code mentions that the future Supplementary Planning Document on Neighbourhood Development will include further guidance in terms of permeable surfaces and water recycling.

Growth Areas

There has been widespread concern that the levels of housing growth in the South East will result in housing being developed in areas of flood risk. This is particularly a problem in the Thames Gateway. The Environment Agency has also complained that Local Planning Authorities frequently ignore the Agency's advice and approve planning applications in flood risk areas.¹⁸ The Agency would prefer that these issues are resolved at the strategic planning stage rather than over individual planning applications. However, the Agency believes that their advice on both strategic plans and planning applications is increasingly being heeded.

The Agency is hopeful that new national planning policy, if adopted, will improve the situation. The consultation version of the new Planning Policy Statement (PPS) on flooding¹⁹ strengthens protection against flood risk in four key ways:

- A requirement for Strategic Flood Risk Assessments (SFRA) during the preparation of regional and local strategic planning documents.
- Local Planning Authorities must consult the Environment Agency and take into account the SFRA when preparing their LDFs.

¹⁸ *Housing – building a sustainable future*, House of Commons Environmental Audit Committee, January 2005

¹⁹ *Consultation on Planning Policy Statement 25: Development and Flood Risk*, ODPM December 2005.

- Developers required to prepare Flood Risk Assessments (FRA) for developments proposed in flood risk areas, including proposals for reducing or managing the risk.
- If the local planning authority is considering acting against the advice of the Environment Agency on planning applications in flood risk areas, they must refer the planning application to their Government Office.

Approximately a third of the LBBB is at risk of flooding. The East of England also has significant areas that are flood prone. In both areas the approach is firstly to favour development in areas of low flood risk or which are already protected by flood protection measures and secondly to expand flood protection measures. However, concerns have been expressed that in the Thames Gateway nobody is taking a holistic perspective on flooding and protection measures, and that piecemeal measures across the Gateway will prove inadequate.

In Cambridgeshire flood mitigation measures are proposed for new Cambridgeshire settlements such as Northstowe. Measures at Northstowe will include dykes or canals within the urban fabric of the town to help give Northstowe a distinctive character as well as managing surface run-off. Surface water attenuation lakes will be constructed on the lower parts of the site to store water if necessary before being released at a controlled rate.

More generally in Cambridgeshire there may be some local authority resistance to installing SUDs because of the long term maintenance costs thought to be associated with it. In East London sustainable urban drainage systems (SUDs) are advocated at the regional and LBBB level. We understand that SUDs will be used at the Barking Riverside development.

Greenfield land and greenbelt, biodiversity & countryside

Housing Market Renewal Areas

The HMRA are operating within existing built-up areas and therefore will not directly impinge on greenbelt. However, related employment generating developments can do so. In East Lancashire, for example, the Whitebirk employment park is proposed on greenbelt close to Blackburn.

In fact, it is hoped that by attracting more people back into inner areas, that HMRA will reduce the pressure for greenfield and greenbelt development. Although it is too early to judge whether this will happen, there is evidence that the BNG pathfinder has led to a stronger policy focus on development in inner areas with a considerably higher proportion of new housing in the two authorities now proposed in the HMRA.

High housing densities can also reduce pressure for greenfield development. However, for HMRA the approach is more complex. Some already have high density levels but the benefits are lost because of high vacancy rates. HMRA are in fact tending to aim for a mixture of density levels within developments which allow for a more diverse mix of housing types and greenspace, which it is hoped will attract more developers and

residents back into inner areas. Higher density levels are accepted as being preferential to maximise the use of brownfield sites but these are accompanied by areas of lower density to add variety to the range of properties available and introduce a much needed level of 'mix' into the property market. This is seen to be particularly necessary in the HMRA with housing markets that continue to perform poorly, such as Elevate East Lancashire.

In East Lancashire it is recognised that some clearance is needed to reduce vacancy levels and allow for the development of a more varied 'mix' of housing stock. Elevate have set variable dwelling density rates for individual communities and landscape types to maximise the available use of space and provide acceptable returns on private investment. Bank Top in East Lancashire is aiming for 55 dwellings per hectare (dph). Similarly in BNG the aim is for a moderate housing density that delivers a more diverse housing stock with a greater proportion of larger family housing. The proposed density of developments is between 30 and 50 dph.

There are proposals to improve greenspace and biodiversity in the Walker Riverside Area Action Plan. This identifies two sites of nature conservation interest, proposes to explore the feasibility of designating one more and includes a suite of proposals to improve the open spaces in the area, including green corridors to link the area to the River Tyne. A development tariff has been agreed with the Council's development partners to fund these improvements.

Growth Areas

No housing has been built on former greenbelt in the LBB in recent times or is proposed on greenfield sites. All the housing planned to meet LBB's current and future housing targets is expected to take place on brownfield sites. In contrast the East of England target is for 60% of new housing to be on brownfield land. Greenbelt land was recently released around Cambridge for housing development and only 37% of housing development in SCDC is expected to be on brownfield sites. This low figure is unsurprising given the number and size of urban extensions that are planned. However, it should also be remembered that the new town of Northstowe is being developed on a former airfield and adjacent land near Longstanton and Oakington and is thus, at least in part, a brownfield development.

The average density of new residential development in LBB rose from 47 dwellings per hectare in 1995-98 to 70 dwellings per hectare for 2001-2004. The East London sub-regional framework asks Boroughs to include detailed proposals for appropriate densities in their LDFs, in accordance with the SRQ matrix (a density matrix) and other London Plan policies, including masterplans for larger sites. New developments in LBB are expected to achieve densities of as much as 275 homes a hectare on sites within 10 minutes walking distance of a town centre, with lower densities elsewhere.

The East of England RSS sets a minimum density of 30 dwellings per hectare, although it suggests that "in appropriate locations and with high quality design...densities up to or in excess of 100 dwellings per hectare can be fully acceptable". In reality, high density examples seem hard to find. The Area Action Plan for South Cambridgeshire proposes a density of at least 40 dwellings per hectare (with higher densities around

centres) for the Northstowe settlement. Meanwhile for the urban extensions planned on the southern edge of Cambridge the densities are expected to be around 50 dwellings per hectare.

English Nature report that they have been encouraged by the positive attitude towards green infrastructure in the growth areas. However, it remains unknown to what extent the planned improvements to green infrastructure will in fact be funded through planning obligations and other sources.

While proposals for housing development on nationally designated sites are virtually non-existent, English Nature are concerned that it is proving very difficult to predict the indirect and cumulative impact of developments close to important habitats. (This is required under the Strategic Environmental Assessment - SEA - Directive). For example, the Thames Basin contains fragmented heathlands and it seems likely that the increased recreational uses as a result of housing growth will have an adverse impact on ground nesting birds. Similarly the impact of additional traffic and street lighting on the breeding success of birds is difficult to predict. One of the most important indirect impacts of housing growth on biodiversity could be reduced water flow and increased sewage discharges.

The biodiversity value of brownfield sites is sometimes also forgotten. English Nature believes that master planning could be better employed to combine housing development with biodiversity enhancement measures on areas that are deliberately left undeveloped.

Although there has been a long term decline in the extent and quality of biodiversity sites in the LBBB, this has taken place under previous planning policies. The LBBB *Issues and Options* Papers and the Barking and Dagenham Biodiversity Action Plan include a range of measures to enhance biodiversity and improvements associated with sustainable communities policy are expected to enhance biodiversity in the borough. Nor is the loss of greenfield land around Cambridge expected to result in direct losses of or changes to designated biodiversity sites and landscapes. Substantial investment in green infrastructure has occurred and is planned, including local green corridors, SUDS, green space, cycling corridors as well as a number of wetland reserves (Great Fen, Wicken Fen, Berry Fen etc). The Growth Area Fund has funded a nature reserve at Coton - including footways, signage, tree planting, and encouraging habitats. However, despite these positive measures, it is of course difficult to predict the overall impact on biodiversity as a result of the indirect impact of housing developments in these areas.

Waste

Housing Market Renewal Areas

Developers in East Lancashire have not been placed under any requirement regarding demolition and construction waste. Similarly little evidence was found of a strategic commitment to promote the reuse/recycling of demolition waste or the promotion of materials with low environmental impacts in BNG, although the Design Code for Walker

Riverside mentions the need to use sustainable local materials in public realm design where possible.

Growth Areas

The LBBD has policies to encourage the re-use and recycling of building materials and the renovation or adaptation of existing buildings. The sustainability statement that must be completed by planning applicants also includes questions about construction waste. However, no information is available on performance by recent developments. SCDC also hopes to promote construction waste minimisation and maximise opportunities for re-use and recycling of construction materials. The proposals for Northstowe include a Resource Re-use and Recycling Scheme which requires constructors to categorise the nature and type of waste or surplus material arising, its volume, and proposals for dealing with each component.

Cleaner and greener

Housing Market Renewal Areas

BNG is putting considerable revenue funding into improving local environmental quality, such as the environmental action teams in Walker Riverside. However only 10% of the 2006-07 HMRA funding may be used for revenue projects and this is felt to be insufficient to carry out the day to day improvements that are necessary to raise perceptions of the area.

Elevate has used English Nature's 'Guidance on Accessible Green Space' to define key standards for the improvement of green space. However, there is concern that the increasing costs of land remediation (for both housing and additional greenspace) are prohibitive to development and in particular private developers. Development sites are still perceived to be too small to support additional environmental remediation works. Master-planning in the HMRA is seen as being focussed on too small an area to successfully address wider local environment issues. Elevate have now begun a programme of developing strategic links (based on housing size, type and location) between development sites to increase the financial returns available to developers. It is anticipated that this will also increase the wider sustainability of surrounding green-space by 'tying in' remediation work to development programmes, rather than by seeing developments as divorced from their surrounding area. In the meantime Elevate has supported a number of projects to create new greenspace and improve the quality of existing greenspace in areas that are particularly poorly provided.

In the contrast, in the BNG area there is generally already an acceptable level of greenspace provision and the emphasis is more on improving the quality rather than the quantity and access to it. Some development is proposed on greenfield / open space sites, such as in Walker, Benwell and Scotswood. However, this will not necessarily lead to an overall loss of greenspace. For example, in Walker Riverside, 10.9 ha of existing open space will be removed but 11.2 ha added, resulting in a net gain of 0.3 ha. A development tariff has been agreed with partners for development of

land owned by the Council, and this money will be used to improve the quality of open space.

Growth Areas

LBBB's *Parks and Green Spaces Strategy* documents the Borough's proposals to ensure that there is good access to public parks, green spaces and biodiversity sites. Barking has given each of its parks and open spaces a score including distance from homes, facilities and general quality. Few rated well. The Borough reports that in the medium term it has set aside £5 million to spend between 2005 and 2008 to deliver the strategy. However, it notes that "although this is a significant commitment, we will not be able to make all of the improvements that are needed. So, to make the best use of this investment, we will prioritise funding."

Sustainable construction

Housing Market Renewal Areas

The difficulties with achieving widespread implementation of Elevate's Sustainable Homes Framework have already been discussed. Elevate are currently working with 12 developer partners to consolidate use of the Framework. Whilst EcoHomes (part of the BREEAM suite of standards) is being adopted as the minimum standard, Elevate are also looking to developers to meet the 'Building For Life' (Silver) standard. These standards are agreed through 'lead developer' agreements which declare minimum design and build standards during the procurement process for a particular development. Feedback from developers has been positive with many seeing the EcoHomes standard as 'bread and butter' for their design standards. Building for Life (Silver) is seen as being more challenging with some developers unsure as to the subjectivity of the criteria used for assessment. CABE have indicated that they will be issuing guidance on this.

A requirement for EcoHomes 'Very Good' is included in Newcastle City Council's Submission Draft Core Strategy and in Gateshead's UDP Re-Deposit Draft Replacement Plan (January 2006). If adopted, this would be applied to all public and private schemes across the BNG area. To date, BNG has not specified the use of EcoHomes standards for all developments but EcoHomes 'Very Good' will be required for the new homes in Walker Riverside, with the gap funding for this being provided by BNG.

Growth Areas

There is no information on what proportion of new homes is currently built to EcoHomes standards for either LBBB or SCDC.

The LBBB sustainability statement for planning applications refers to the need for developments to meet BREEAM standards of very good through to excellent. LBBB has also proposed a strengthening of the environmental standards in developments within its LDF *Issues and Options* papers. Barking Riverside will be an important test of what will actually be achieved.

The aspiration for future development in SCDC is to design both housing and public realm to very high sustainability standards. For example, the Area Action Plan for Northstowe says that the area is intended to be an 'exemplar' project which will be "Building a proportion of the development to advanced practice which fully addresses sustainability issues and minimises any environmental impact by pushing at the boundaries of the proven technology available at the time of the development." Despite this we found no mention of Ecohomes in the emerging LDF Core Strategy or in Area Action Plans for Cambridge's fringe.

To date private sector builders in SCDC have proved reluctant to meet EcoHomes standards and generally prefer to do the minimum required by building regulations. Registered Social Landlords (RSLs) have done much better because of funding conditions imposed by the Housing Corporation (all Housing Corporation funded projects must achieve EcoHomes 'Very Good' standard). There remain doubts that the private sector will strengthen the environmental performance of buildings without the force of a compulsory sustainable buildings code.

Well designed and built

Housing Market Renewal Areas

There were concerns in the early days of the pathfinders that the quality of housing renewal showed no real improvement over previous renewal projects and was unlikely to result in a radical lift in local housing markets. Over time the Commission for Architecture and the Built Environment (CABE) has become increasingly involved in the pathfinders, providing guidance (including sharing best practice) and direct advice through CABE enablers. As a result HMRA are increasingly using master planning and GAP funding to enhance the quality of housing renewal. So, for example, the first housing development by the Oldham Rochdale pathfinder has recently won an award for its high standard of design. The Selwyn Street scheme received the gold Building for Life award, which is run by CABE and the Home Builders Federation. However, as our case studies found, these excellent efforts face the risk of being derailed by the economics of local housing markets, particularly in areas such as East Lancashire where house prices are failing to recover.

In East Lancashire CABE has established a regional pilot programme, Design East Lancashire. CABE staff are placed within Elevate and they provide training and support to Elevate and preferred developers in the HMRA, as well as engineers, local authority officers, and residents. There are tensions between improving design standards and attracting private developers into the area. As noted above, the relatively small size of current developments bring with them low returns on investment. The concern for all involved is to ensure that developers continue to be attracted to the area. Any increase in development costs in a low value market may reduce the attractiveness for developers. Elevate have used HMRA GAP funding for land purchase to free up developer investment for actual building development costs. Elevate are proposing to tie this 'incentivisation' to developer KPIs for Ecohomes / Lifetime Homes standards to

ensure that Elevate's investment is mirrored by developers meeting sustainable design and build targets.

There is a strong emphasis on design standards in BNG, as evidenced by the piloting of the Design Code approach in Walker Riverside, the Housing Expo proposed for Scotswood and the Byker design competition. In conjunction with CABI, BNG are also in the process of developing a Design Protocol to ensure consistent design standards across the board for new build schemes. CABI have been involved in the delivery of the pilot design code work and BNG have regular contact with CABI representatives. The Audit Commission have commended BNG for their commitment to design quality. BNG has also used Urban, Landscape and Townscape Assessments (ULTA's), a character assessment technique that is applied at the neighbourhood level.

There was considerable concern in the early days of the HMRA that the heritage of local areas was being ignored in the plans for extensive clearance. DCLG are now encouraging the pathfinders to undertake heritage assessments and build this into their plans for clearances and redevelopment. For example Design East Lancashire has introduced Heritage Area Appraisals for use prior to the development of site masterplans. Elevate has also worked jointly with English Heritage to produce guidelines for carrying out group repair schemes in areas such as St Mary's Conservation Area in Nelson.

English Heritage has confirmed that in most cases there has been good engagement between their regional offices and the pathfinders. The agency is now much happier with the HMRA proposals, partly because of the increased engagement of English Heritage and CABI and also because the plans for clearance have been scaled down. Several explanations have been given for the reductions in planned clearances:

- Community resistance (in some areas)
- Rising house prices making the economics of refurbishment more attractive
- Several early high profile cases in which inspectors refused applications for Compulsory Purchase Orders (CPOs) on the grounds of heritage and other factors

Growth Areas

It remains uncertain how well character and heritage will be protected and enhanced across the Growth Areas. English Heritage has encouraged Growth Areas to undertake historic environment characterisations and has published guidance on promoting heritage in the Thames Gateway.²⁰ CABI are also currently preparing guidance for Growth Areas. Characterisations have been undertaken in some areas, Kent and Essex County Council are particularly good examples, but this has not been universal and is not required under national planning guidance. The size of the Growth Areas and the diversity of delivery vehicles have also made it impossible for English Heritage Regional offices to maintain an overview of everything that is being proposed.

²⁰ *Growing Places: Heritage and a Sustainable Future for the Thames Gateway*, English Heritage 2005.

There is a belief in LBBD that housing quality is improving and the proposals for Barking Riverside have been lauded by DCLG as an example of good design. Of course the reality has still to be tested. In SCDC it is accepted that pre-SCP developments such as Cambourne performed poorly in design terms. Interviewees are optimistic that the masterplans currently under development, as well as involving expert advisors, will achieve much higher design quality. A priority for LBBD is that all new homes meet Lifetime Homes Standards and this has been included within planning briefs.

LBBD has aspirations to “transform the view of the borough’s heritage to one which is overwhelmingly positive.” It recognises that current levels of heritage protection are inadequate, although none of the interviewees mentioned any concerns over heritage protection. The intention is that the new LDF will take a more comprehensive approach to the protection and enhancement of both buildings and areas. It is possible that master planning for the new sustainable communities policy linked developments may also help to protect character and heritage, but this has still to be tested.

Well connected

Housing Market Renewal Areas

HMRA are located within existing urban areas and consequently have established transport infrastructure. However, improvements in public transport provision are an important factor in making the areas more attractive and providing better access to facilities and jobs.

The creation of the East Lancashire HMRA is believed to have facilitated a more co-ordinated approach to improving transport provision. The most significant investment proposed is the East Lancashire Rapid Transit system. The aim is to provide a strategic link comprised of dedicated bus lanes and priority measures between the key sub-regional centres of Blackburn, Darwen and Accrington. This will be laid out to maximise links between HMRA areas and earmarked employment sites such as Whitebirk, noted above. The Rapid Transit system has received £20m of investment through Blackburn and Darwen’s Local Transport Plan 2 submission although further committed funding is still required. Improved rail links to central Manchester are also proposed, but there are considerable questions over whether these will be funded.

It is intended that the Rapid Transit system will be complemented by small scale investment in transport and access infrastructure complementary to housing refurbishment and development. Bank Top was the first area in the HMRA to undergo streetscape improvements alongside the refurbishment of housing stock. These were funded through Blackburn with Darwen Council’s Road Safety allocation through LTP1.

The East Lancashire Sustainability Framework sets out key principals for transport, mobility and access in the HMRA. This includes design standards for footways and cycle paths and ‘best practice’ levels for each mode to employment sites and key facilities. There is however, limited information on the use of these design standards by developers and there are concerns that developers will often go after ‘quick’ wins,

taking forward housing development without considering an area's transport and access needs.

BNG have made efforts to align regeneration and transport proposals in the area, although they are largely dependent on the local authorities for ensuring that this happens. The need for transport improvements to support regeneration efforts is referred to in planning policy and a number of the proposed LTP schemes are designed to achieve this. The possibility of metro extensions had been explored but apparently do not meet the government's new funding criteria. Guided busways and 'other bus technology' are now being proposed.

In the case of Walker Riverside, provision for walking and cycling is a feature of the master planning and design work. For example, the Walker Riverside Design Code identifies how improvements to the main Walker Road will be designed, including dedicated cycle lanes. The design code also has a strong emphasis on reducing car dominance in local streets. The design code's hierarchy includes mews, courtyards, home zones and shared surface streets.

The master plan for Walker Riverside includes a funding plan for all transport elements. This combines three sources of funding: Department for Transport funding through the Local Transport Plan; council income from rising land values in the area; and developer contributions. The funding for the public transport elements has not yet been secured but the Council are seeking to align the Local Transport Plan with the plans for the area. Local funding from rising land values and section 106 agreements form a substantial part of the funding package. Therefore the funding for the public transport elements will only realistically be achieved during the 'mid-term' of the development programme, although investment in the walking and cycling elements is already taking place.

Growth Areas

The Department for Transport (DfT) believes that the Growth Areas are planning for a significant modal shift, not least because the trunk road network would be unable to cope with the potential traffic growth from new housing. Strategic transport improvements will need to be funded through DfT funding for Local Transport Plans or through Highway Agency programmes. DfT acknowledges that currently committed funding will be insufficient to support the transport proposals in Growth Areas, but argues that this is a long term project (to 2016) and that there is still time for funding to come through.

The issue is not only whether funding becomes available but also whether the public subsequently change their travel habits. This is seen as less of a problem in the East London area where public transport use (like elsewhere in London) is high. In other Growth Areas achieving modal shift is likely to be more difficult. If public transport provision arrives after the housing it is possible that car based transport patterns will already have become fixed.

Two much smaller sources of transport related funding are the Community Infrastructure Fund (CIF) and planning obligations. CIF was introduced in April 2006 and is intended to fund small schemes where transport infrastructure is necessary to unlock access to sites. Section 106 Agreements have been used for contributions to transport infrastructure, walking and cycling facilities.

LBBB aspires to concentrate housing developments in locations with good access to public transport, walking and cycling facilities and to achieve a significant modal shift in transport choices. A number of major public transport projects are proposed for the future including the extension of the Docklands Light Rail linking Beckton to Barking Riverside; construction of Crossrail; the East London Transit (originally intended to be a tramway but is now a high quality bus service); implementation of the Barking Town Centre Movement Strategy; and the Thames Gateway Bridge linking Becton to Thamesmead. Walking and cycling facilities are built into design briefs for the master planning of new communities and so it is anticipated that these will be funded by developers.

The funding for transport infrastructure in LBBB is complicated, but as far as we can judge, all of the major schemes are still in the planning stages and funding has yet to be committed. Delays in transport infrastructure, most notably the Docklands Light Railway, have already been responsible for delaying development at Barking Riverside.

The Cambridge GA has a high degree of car dependence. Improving access to jobs and services and promoting modal shift is a major theme for the sub-region. A range of transport infrastructure improvements have been identified. Among these are the A14 upgrading, including A428 'dualling'; the Cambridgeshire Guided Busway; a railway station and interchange at Chesterton Sidings; various transport interchanges and bus priorities; and access roads to new developments. Work on the Guided Busway which runs along a disused railway line from St Ives to the Cambridge Science Park (stopping at Northstowe among other places) is expected to start in January 2007 and will take nearly two years to complete, with the first bus services running on the busway in late 2008. Even with these investments, the most optimistic predictions made by experts interviewed are for 15% of journeys overall by bus.

A cycling, walking and public transport route network is planned for Northstowe as well as the guided busway to link with key locations in the sub-region. Home Zones are also proposed in the existing Northstowe master plan. However, the master plan is under review and these proposals may change.

There are anxieties in both Growth Areas that proposals for new public transport infrastructure will not be funded in time to happen in tandem with housing developments. There is a risk that government funding rules (requiring forecast use to cover costs) will lead to housing being developed before the public transport infrastructure. These delays may result in car dependent habits being formed in new developments which will be difficult to turn around with the arrival of improved public transport.

There are indications that major housing developments will be delayed if transport and other facilities are not funded. For example development at Barking Riverside has been delayed because funding for the Docklands light rail extension has still to be committed.

LBBB's car parking policy is increasingly predicated on finding ways to reduce the need to drive to work or for other purposes. SCDC also aims to achieve car parking standards at Northstowe to reduce car reliance. However, the details are not yet available.

Thriving

Housing Market Renewal Areas

East Lancashire is recognised regionally as an area that is particularly economically 'fragile' which continues to struggle to overcome the loss of key employers and the need for fundamental change in the area's economic structure. Despite this there has been a decline in the number of claimants in HMRA area as a whole between 1999 and 2004. Elevate recognise the need for a strategic approach to the regeneration of the local economy and has developed a 'transformational agenda' which sets out the measures which Elevate and their local authority partners will take to address long term socio-economic problems in East Lancashire. It is too early to judge how successful this will be.

Much of the BNG area is geographically close to centres of employment, but it is recognised that some of the communities are isolated from these opportunities in terms of transport access, skills etc. A number of examples were identified of efforts to promote job creation and access to employment. The Walker Riverside proposals include a master plan for the adjacent industrial area which includes the development of environmental industries, education facilities and skills training and this is supported by the Area Action Plan.

Growth Areas

In principle the new housing proposed in LBBB should have easy access to centres of employment. There are also proposals for job creation close to areas of major housing growth and LBBB is linked into wider regeneration schemes that include job creation and skills development through the London Thames Gateway Partnership and its delivery arm, the UDC. In reality LBBB has a strong background in heavy manufacturing which is now in decline and there are high levels of commuting into central London and elsewhere for work. The extent to which regeneration plans will succeed in attracting jobs into the borough remains to be seen. The Borough is intending to require local labour agreements for major new housing developments with contributions from developers towards adult learning/local labour and construction programmes.

There are well developed proposals for job creation close to planned new development areas in SCDC. In contrast to LBBB the aim is to avoid economic over heating and there do not appear to be any major concerns about attracting sufficient jobs close to new developments.

Well served

Housing Market Renewal Areas

East Lancashire has faced considerable difficulty in developing and improving 'complementary' facilities such as schools, health centres and community facilities. As noted before, the size of developments and potentially low returns on developer investment are making it harder to fund improved services through planning obligations. It is has also been suggested that to date the potential offered through Section 106 and 278 agreements has not been fully realised, and only now are Elevate and their Local Authority partners making greater use of these tools.

Local master planning and neighbourhood planning in the BNG area is addressing issues such as access to retail, schools, open space and other services/facilities, and the Area Action Plans address non-housing elements. Commenting on Walker Riverside, the Audit Commission state that *'Housing proposals also tie in with other regeneration activities in health, transport and education to support the overall aim of developing sustainable neighbourhoods...'* The master plan includes a funding plan for all housing and non-housing proposals. Most of the capital funding for non-housing elements in Walker Riverside has been secured, particularly through the ring-fencing of all local authority income from rising land values for investment in the local area.

However, achieving delivery of the non-housing elements is acknowledged as being problematic because of the uncertainties surrounding the necessary long-term funding for public services and of attracting private service providers such as retailers into the area. Attracting private investment relies heavily on generating confidence on the part of investors. The uncertainty brought about by the two year funding cycles for HMRA's seems to be undermining efforts to generate that confidence. BNG believe that they are increasingly successful in achieving integration between their strategies and wider strategic plans. Local Area Agreements are also thought to offer the potential for closer alignment and integration of funding. At the moment, however, achieving alignment is somewhat hampered by the uncertainties surrounding funding and the variety of different funding streams.

Growth Areas

The intention in both Growth Areas is that new housing should happen in tandem with new facilities. For example, the Northstowe Area Action Plan speaks of "A town centre which meets most of the needs of its residents and those of nearby villages for shopping, leisure and entertainment on a scale and with the variety of facilities appropriate to a market town."

Section 106 contributions are being used to help fund the capital costs of services and facilities. For example a complex Section 106 agreement is currently being drawn up with Bellway Homes - joint venture partners for the development of Barking Riverside. Cambridgeshire Horizons is also developing a planning obligation strategy for sub-regional infrastructure which will be incorporated into the planning obligation and conditions strategy for Northstowe.

However, there are several concerns about the reliance on planning obligations to fund facilities:

1. Funding only becomes available once the houses are built
2. It usually only supports initial capital and start-up costs and the extent to which the running costs of public services will be forthcoming remains uncertain
3. It may result in good provision within major developments such as Barking Riverside and Northstowe, but other areas remain poorly served.
4. The huge complexity of the negotiations raises doubts over whether robust legal agreement can be achieved for periods as long as 20 years

Although public bodies are working well together in planning for the new housing there is still no certainty that these agencies will receive the funding that they need to expand their services in line with housing growth. As with transport infrastructure, the indications are that major developments may be delayed if there is inadequate provision of social and physical infrastructure.

Other issues

National monitoring

National monitoring of sustainable communities policy is limited and concentrates on housing outcomes.

Both the Audit Commission and the ODPM Select Committee noted the difficulty of monitoring progress in the HMRA's. The ODPM eventually issued core performance indicators for HMRA's. These relate to numbers of houses cleared, refurbished and built.

The box below shows the performance indicators that DCLG reports on annually for its Public Service Agreement (PSA) 5 target to:

Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.

Clearly the measures being used touch on only a fraction of the characteristics of a sustainable community that have been considered within this study.

ODPM Reporting against PSA 5

Low-demand indicators

- Percentage by which the regional long-term vacant dwellings rate exceeds the national long-term vacant dwellings rate.
- Number of local authorities where a basket of house price comparison measures is substantially lower than equivalent national house price figures.

High-demand indicators

- Numbers of statutory homeless households with children in temporary accommodation.
- The ratio of lower quartile house prices to lower quartile earnings in the regions characterised by high demand.
- Annual net additions to the dwelling stock in the South East, London and East Government Office regions.

Protection of the countryside indicators

- Net change in the area of designated green belt in each region.
- Percentage of housing development on previously developed land created through the conversion of existing buildings.
- Average density of new housing development in each region.

National liaison

In this section we briefly describe how DCLG liaises with DEFRA, delivery partnerships and national advisory bodies about sustainable communities policy.

HMRA's

DCLG and its predecessor ODPM has never issued written advice to the pathfinders but relies on other bodies, such as CABE to do this. DCLG holds meetings with pathfinder representatives to discuss a variety of issues and share good practice. The topics cover a mix of process issues (funding / performance management, annual reports etc.) and research and good practice. Recent topics for discussion have included: supporting vulnerable people; equity loans; Homeswap; engaging Education Authorities; and creating new woodlands.

From DEFRA's perspective the HMRA's do not raise major environmental issues in the same way as Growth Areas. Consequently DEFRA has focussed its attention on the latter (see below) and has relied on its statutory bodies to engage with the pathfinders.

Growth Areas

DEFRA

In 2003 DEFRA had very few staff available to respond to the SCP. Just three members of staff were dealing with national planning policy and the SCP. DEFRA's priority was to ensure that national planning policies promoted sustainable communities. Consequently it had limited input into the detailed proposals for the Growth Areas. It relied on its non departmental bodies, notably the Environment Agency and English Nature, to respond to proposals on a day to day basis.

DEFRA has recently established a Sustainable Communities Division and increased its capacity for responding to housing growth. As well as commenting on traditional environment issues the new Division also encompasses transport and DEFRA's transport section has been brought into this Division.

The priority for the new division continues to be one of focussing on national policies, although it is commenting on the new Growth Points proposals. (See next section.) DEFRA also attends DCLG meetings on the Growth Areas with the Environment Agency and English Nature. (See below.)

Statutory Agencies

In the early days of the SCP, statutory bodies such as the Environment Agency, English Nature and English Heritage, felt excluded from decisions. Consequently their objections were raised through other forums, particularly RSS consultations and examinations in public. The net result was a battle between national government and its own advisory bodies.

More recently liaison has considerably improved. A concordat was agreed between ODPM and the Environment Agency in August 2005.²¹ Amongst other things, the concordat included a commitment that the ODPM would engage the Environment Agency at an early stage in planning delivery sites and that both organisations would:

- Work together and respect each other's point of view
- Identify and undertake studies into significant barriers to the sustainable communities programme at the earliest possible stage
- Establish an early warning system for sites that may generate concern
- Share research findings
- Share information on public statements in advance (the "no surprises rule")

Since then quarterly meetings have been held between the Agency, ODPM / DCLG and DEFRA to discuss issues as they arise. English Nature has attended these meetings since April 2006 and Natural England (English Nature's successor) has been invited to join the concordat.

In July 2006 English Heritage, CABE, the Arts Council, Sports England and the Museum and Libraries Association, DCMS and DCLG agreed the *Culture and Sustainable Communities Joint Agreement*. This recognised the importance of culture in creating sustainable communities. The agreement made a commitment to establish a "task group of senior officers from all the partner bodies [that] will meet on a regular basis to take forward the action associated with the agreement." How well this will work remains to be seen, but certainly English Heritage would welcome more regular and structured contact with DCLG, along the lines of that enjoyed by the Environment Agency.

²¹ *Concordat on Sustainable Communities between Office of the Deputy Prime Minister and the Environment Agency, August 2005*

The Growth Points

Following the Barker Report on housing supply²² which recommended a further increase in housing numbers, the Government announced a new Growth Points (GP) initiative. In December 2005 local areas across the south of England and the East Midlands were invited to submit applications to accommodate new GPs. The intention is that, once an area is designated as a GP, that they will bring forward their proposals to the RSS. As with Growth Areas, these will still have to be approved through the RSS process. The Growth Points initiative, as a direct successor to the SCP Growth Areas, provides an interesting illustration of if, and how, the government's approach to housing growth has changed over time.

The first noticeable improvement is that there has been a much more transparent decision-making over the choice of areas which has engaged local partners engaged. Local authorities have been invited to submit applications to be GPs and these are currently being scrutinised.

Secondly GP applicants have been told that they must be able to demonstrate that the "growth can be achieved sustainably - without major environmental impacts - and that it is realistic in terms of supporting infrastructure, for example on transport. Proposals will need to set out their local and strategic impacts on the environment (for example regarding water supply, flooding and sewerage) and they should be realistic about the need for additional investment."²³ The DCLG have set out grounds for rejecting GP proposals (see box below) which suggests that sustainability issues are being seriously considered.

DCLG Grounds for Rejecting Growth Point Proposals

- (i) Main transport access for proposed growth relies on road/rail links already subject to severe congestion, with no management alternatives and/or increases in capacity likely to be realistic, deliverable or affordable;
- (ii) Large scale and unacceptable degree of environmental impact eg on statutory conservation areas or flood risk affecting a majority of proposed site and mitigation measures unlikely to be agreed;
- (iii) A major imbalance between the scale of growth proposed, particularly in the 2006-16 period, and the supporting plan measures proposed in relation to the local economy, town centre amenity and key enhancement and infrastructure schemes;
- (iv) The proposal fails to contribute appropriately to wider sustainability objectives such as prudent use of natural resources and social inclusion as set out in the UK Sustainable Development Strategy;
- (v) There is a lack of adequate supporting evidence on deliverability, on investor commitment and market support.

²² *Review of Housing Supply: Delivering Stability – Securing our Future Housing Needs*, Final Report – Kate Barker, 2004.

²³ Taken from Growth Points page of DCLG website.

Thirdly, our interviews revealed that national departments / agencies responsible for environmental protection and enhancement (DEFRA, Environment Agency, English Nature, English Heritage) all feel that they have been much more closely involved in decisions on the Growth Points. Regular meetings are held with DCLG to discuss the GP proposals and DCLG has invited all of them to comment on the GP applications.

This new approach has allowed environmental issues to be identified and addressed up front, in contrast with the Growth Areas where environmental concerns were often dealt with through “rearguard actions” via comments on draft RSS and LDF and at examinations in public. The GP applicants have been asked to undertake studies on various environmental concerns and to propose solutions. The Environment Agency believes that, if this advice is acted upon, the vast majority of the GPs will be acceptable in environmental terms. However, all of the national bodies warned that it remains to be seen whether their recommendation will ultimately be listened to by DCLG. A final decision on the GPs is expected to be made in October 2006.

Conclusions

The aims of this review were to:-

1. Investigate if and how the delivery of the Government's Sustainable Communities Plan has helped to make communities more sustainable.
2. Learn lessons about how delivery of the Sustainable Communities Plan could better support the achievement of more sustainable communities.
3. Learn lessons about how to absorb the aims of the UK sustainable development strategy into government policy and practice more generally.

In this section we address each of these questions in turn.

Is sustainable communities policy creating more sustainable communities?

The major house building planned for both HMRA and Growth Areas has yet to commence. It is difficult to predict how these developments will turn out and how communities will react to them. There is undoubtedly a lot of local effort to promote many of the key features of sustainable communities. Lessons have been learnt and practice has evolved. Despite this, there remain substantial risks that sustainable communities will fail to emerge. Below we:

- Summarise the main strengths and weaknesses of the HMRA and Growth Areas and identify the key risks for sustainable communities
- Consider whether the Government's proposals will be adequate to overcome these risks

HMRA

As yet the HMRA have made limited progress towards their primary target of narrowing the gap in house prices with regional averages. Progress in Newcastle looks more hopeful but East Lancashire is struggling. The fragmented nature of housing developments and the economic isolation of East Lancashire make this an uphill struggle. Elevate and the local authorities have plans to combine housing growth with economic transformation. In East Lancashire, the 'Transformational Agenda' is intended to act as a mechanism by which the RDA can align its funding priorities and allocation to the HMRA process, but on current evidence it remains doubtful if this support from the RDA will be enough to transform East Lancashire.

Rising house prices have created a new problem of affordability in some pathfinder areas. The government and pathfinders are aware of this issue and are introducing equity share schemes to help home owners who are being priced out of the area.

The pathfinders are making considerable efforts to preserve community identity and to engage communities in decisions about their areas. As a result proposals for wholesale clearances have been scaled down. However, the time spent on community engagement has delayed housing developments and the pressure on HMRA's to now deliver practical outcomes may put community engagement at risk.

Although a variety of approaches have been employed to promote sustainable construction methods (sustainability frameworks, masterplan criteria, Design Codes, developer guidance) there is little convincing evidence that high standards are being consistently pursued across the board or being implemented by developers. It is probable that some good exemplar projects will happen, while elsewhere, particularly in areas with low developer returns such as East Lancashire, private housing developments will do no more than meet building regulations. The Government claims that its' proposed code for sustainable homes will push up standards, but the consultation version of the code recommended voluntary compliance, which is very unlikely to resolve the difficulties currently faced by HMRA's in imposing higher standards on developers.

The pathfinders are very conscious of the need to improve the quality and / or quantity of greenspace. Developer contributions are being used to improve greenspace, and although Elevate has encountered some difficulties in this respect it is hoping to overcome them with its new approach to masterplanning.

As a result of the close involvement of the Commission for Architecture and the Built Environment (CABE) design quality has improved in HMRA's and the pathfinders are increasingly using master planning and GAP funding to enhance design quality.

There was considerable concern in the early days of the HMRA's that valuable heritage would be lost through extensive clearance. Since then the proposals for wholesale clearance have been scaled down and heritage appraisals are being used to inform redevelopment plans.

Provision for improved walking and cycling facilities are being built into masterplans and are expected to be funded through developer contributions. The creation of the HMRA's has facilitated a more co-ordinated approach to improving strategic transport. Initial funding has been committed for a Rapid Transit system in East Lancashire and strategic public transport improvements have been incorporated into the Tyne and Wear LTP although funding has still to be committed. BNG hopes to fund a significant portion of transport improvements in Walker Riverside via council income from rising land values and developer contributions. However, because these funding sources will not be realised until development has taken place, most transport infrastructure improvements will not appear until housing developments are well advanced.

Master plans and area action plans are aiming for good access to shops, schools, health and other services and facilities. Realising these aspirations is more problematic. Developer contributions and increases in land values may fund capital investments in economically stronger areas, but areas such as East Lancashire with low land values

are struggling to obtain sufficient developer contributions. There is also no guarantee that private service providers, such as retailers, will be attracted back into the pathfinder areas.

Although the existence of the pathfinders has helped to raise the areas' profile and promote more inter-agency working, uncertainties still surround long-term funding for public services. The government argues that overall population numbers in HMRA are not expected to rise and so current public sector funding, which takes account of deprivation levels, should be sufficient. It also makes a commitment that where pathfinders raise concerns about provision of parallel services, DCLG will engage in discussions with other government departments.

The Growth Areas

As with HMRA there has been slow progress in achieving the government's targets for housing growth. Housing affordability in high demand areas continues to deteriorate. While nearly half of the houses completed in LBB 2004-05 were affordable, in South Cambridgeshire the figure was much lower. But indicative targets in the emerging draft SCDC LDF are also 50%. There remain doubts that these targets will be achieved in South Cambridgeshire. Developers are claiming that they can not afford to build at this rate. Questions have also been raised over whether a 40% rate would result in unbalanced communities by offering smaller, cheaper housing rather than a mix of housing styles and sizes to attract households with diverse socio-economic backgrounds.

While planning policies are advocating mixed communities, in reality very few larger family houses are being developed in LBB. In 2004-05 nearly all approvals were for one and two bedroom units. There is concern that private sector developers find larger houses less profitable and therefore are not coming forward with proposals.

There is awareness of the need to create a sense of community in new settlements and extensions, primarily by creating mixed communities and providing community infrastructure. However, there is evidence that to date new housing developments have unintentionally harmed community cohesion. In LBB housing allocations have contributed to racial tensions while in SCDC divisions have occurred between residents of social housing and private developments in close proximity.

It is too early to judge how well the growth areas will promote energy conservation and renewable energy measures. LBB has made commitments in its planning policies and the decisions on the Barking Riverside planning application will be an interesting test. The emerging South Cambridgeshire LDF is weaker in this respect but BRE is currently working with developers on plans for low carbon/low energy use housing and technologies for the major new housing developments. Definite proposals are still awaited.

Questions have been repeatedly raised about the increase in demand for water supplies and waste water treatment resulting from population growth across the wider south

east. The Environment Agency has been working with local authorities to prepare Combined Water Cycle Studies which have identified solutions, both infrastructure upgrades and in some cases high water efficiency standards for new housing. It remains to be seen whether the infrastructure proposals will be funded within OftWat's next water investment and pricing review in 2009 (PRO9), and even if funded whether the investment will happen soon enough.

In the meantime it appears that current housing approvals in the Growth Areas are rarely meeting the higher water efficiency standards that the Environment Agency would like to see. There are indications that SCDC is failing to agree with developers water efficiency standards as high as they would like. As noted above, the Government claims that its' proposed code for sustainable homes will resolve this problem, but this is unlikely if voluntary compliance is retained.

There has been widespread concern that the levels of housing growth in the South East will result in development in areas of flood risk, particularly in the Thames Gateway. It is hoped that the proposed PPS25 will resolve this issue by requiring Flood Risk Assessments (FRA) and creating new powers to call in planning approvals that are contrary to Environment Agency advice. The Government has claimed that all projects in the Thames Gateway which have received Growth Area funding will be required to produce FRAs. Extensive flood mitigation measures are proposed for Northstowe in South Cambridgeshire. However, there remain concerns that the current approach to flood risk is too piecemeal and that it needs a more holistic approach. The final outcome also very much depends on the final text of PPS25 and how well the findings of FRA are heeded.

LBBB is planning for high housing density rates ranging from 70 to over 200 dph and all of its housing developments will be accommodated on brownfield land. In contrast SCDC is aiming for relatively modest housing densities of 40 to 50 dph, greenbelt land was recently released around Cambridge for urban extensions and new settlements and consequently only 37% of housing development in SCDC is expected to be on brownfield sites. Regionally the aim is for 60% of developments on brownfield land.

Although the growth areas are not proposing housing developments on designated biodiversity sites and are planning significant improvements in green infrastructure, the indirect and cumulative impacts on biodiversity are difficult to predict. Housing developments adjacent to valuable habitats may well have adverse impacts and damage may also result from increased pressure on recreational areas as result of housing growth.

The Growth Areas have not received the intensive support on housing design enjoyed by the pathfinders, but certainly there are aspirations to achieve good design quality. The widespread use of masterplanning should help in this respect.

The Growth Areas are conscious of the need to achieve modal shift but the targets for non-car journeys appear relatively modest and it is debatable that they will achieve the change in behaviour necessary to reduce car related climate change emissions.

Modal shift relies on transport infrastructure improvements, many of which do not have committed funding. Developer contributions are being used to fund smaller scale transport improvements, but cannot be expected to fund major strategic infrastructure. The DfT argues that this is a long term project and that there is still time for funding to come through. There is a risk that government funding rules will lead to housing being developed before the public transport infrastructure. These delays may result in car dependent habits being formed in new developments which will be difficult to turn around with the arrival of improved public transport.

The intention is that new services facilities should be developed in tandem with new housing. Section 106 contributions are being negotiated but funding from this source will only become available once the houses are built. There are worries too about the difficulty of negotiating such complex agreements, which may last for up to 20 years, and how feasible it is to predict what may be needed over such a long time period.

The Government has consulted on a new Planning Gain Supplement (PGS)²⁴ which aims to capture a portion of the windfall gains enjoyed by landowners when they receive planning permission. A lower rate may be used for brownfield developments. The PGS is not expected to come into force before 2008. The supplement would be payable only after the development commences. It is intended to replace the current Section 106 negotiations with a simpler and more consistent approach across planning authorities. Planning obligations would be reduced in scope to matters directly related to the development site and to affordable housing. Different mechanisms for redistributing the revenues to local areas are under discussion. It remains to be seen whether the PGS will be implemented and brings increased funding for local services. Whatever the outcome, there is no question that developer contributions alone will be insufficient to fund the new services and facilities needed in Growth Areas.

Although public bodies are working together in the Growth Areas to plan for new public services, the eventual availability of new public funding remains an unknown quantity. The Government claims that it recognises the need for new infrastructure (transport and other services) in the Growth Areas and that this will be taken into consideration in the 2007 Comprehensive Spending Review (CSR). A study is currently being undertaken into the needs of the GAs to inform the CSR.

Equally unknown are the consequences of the current Barker review of land use planning. Kate Barker has been asked to consider how the planning system can be speeded up, be more transparent and flexible for developers and better deliver "sustainable economic objectives". The brief also asked her to consider "the relationship between economic and other sustainable development goals in the delivery of sustainable communities." Her interim report recognises the important role of the planning system in achieving sustainable communities but also that the consequent complexity of the planning process may adversely impact on economic productivity. However she also found that there "is little appetite for a radical rethink of the

²⁴ *Planning-gain supplement: a consultation*, HM Treasury, HM Revenue & Customs and ODPM, December 2005.

planning-making process set in place by the Planning and Compulsory Purchase Act 2004.”²⁵ Clearly if her eventual recommendation resulted in significant “stream lining” of the planning process this might well impinge on the achievement of the many complex ambitions for achieving sustainable communities in the Growth Areas and elsewhere.

Although local areas and environmental bodies are trying hard to contain the environmental impacts of housing growth, the efforts are inevitably fragmented across different planning authorities. The Government commissioned some early work on the cumulative environmental impacts of the Growth Areas²⁶ but has never returned to ask whether cumulatively the proposals for the Growth Areas will be exceeding environmental limits. It has left this task to RSS Examinations in Public, but inevitably, given the diversity of issues addressed by EIPs, there are limits to what can be undertaken.

How can delivery of sustainable communities policy better achieve sustainable communities?

There are of course no simple answers to this question and the government and local delivery bodies would claim that they are already doing their best. However, we believe more could be done.

HMRAs and Growth Areas

1. The growing pressure on HMRAs and Growth Areas to move more fully into implementation could damage community engagement, master planning and complex negotiations with developers. DCLG needs to avoid this pitfall.
2. The nature of planning obligations and probably the future Planning Gain Supplement is such that funding is usually only forthcoming when the development is well advanced. This could be particularly damaging in terms of developing community cohesion and promoting non car-based journeys. New ways need to be found to provide advanced funding to local areas, perhaps linked into the proposals for PGS.
3. Implementation of high standards of sustainable construction (e.g. for climate change adaptation, energy efficiency, renewable energy, waste minimisation, water efficiency) is patchy and appears to rely on the commitment of local policy makers and the bargaining strength of local planning authorities. A voluntary code for sustainable homes will not resolve this problem. A compulsory scheme which sets minimum standards is essential.

²⁵ *Barker Review of Land Use Planning: Interim Report – Analysis*, HMSO July 2006.

²⁶ *Study into the Environmental Impacts of Increasing the Supply of Housing in the UK*, report to DEFRA, Entec UK et al, April 2004.

4. Major housing growth and renewal can exacerbate community tensions. The HMRA and Growth Areas would benefit from further advice on what might be done to reduce these risks and to strengthen community cohesion.
5. The Government is doing little to monitor how effectively HMRA and Growth Areas are delivering sustainable communities. In fact it appears to have left this role to parliamentary committees. More wide-ranging monitoring is needed to provide an early warning system of where things might be going wrong, combined with feedback mechanisms for responding to emerging issues. (See further suggestions for HMRA and Growth Areas below.)

HMRA

6. While some HMRA may succeed in turning round declining demand, it seems doubtful that areas such as East Lancashire, with continuing poor economic performance, will succeed without more radical intervention. Both low land values and low incomes are hampering progress. It would be a great pity if in the long run all the effort and expenditure brings little benefit. The Government needs to consider what more might be done to turn around this situation.
7. Affordability is a growing problem in some pathfinder areas. It is possible that residents whose homes are demolished or who are in privately rented accommodation may be pushed out of their community with rising prices and rents. Schemes are in place to address this issue, but their effectiveness needs to be closely monitored.
8. HMRA are only now moving to large scale delivery. All the good work on master planning and improving housing design and supporting infrastructure could easily be lost if pathfinder funding is reduced. Recent rumours about reductions in HMRA funding have rocked confidence. HMRA are still at a crossroads and need the certainty of committed funding into the medium term. Whatever their deficiencies in terms of the sustainability of delivery, the most unsustainable thing that the government could do now would be to pull back from their commitment to ongoing housing market renewal. Such a course of action would inevitably lead to the need for further major intervention in the medium term, not to mention the damage it would cause to the credibility of local and regional government and the planning frameworks they have developed.
9. HMRA are monitored through key performance indicators on house building, refurbishments and vacancy rates and the Audit Commission undertakes intermittent reviews of their activities. The Government is reluctant to impose "over-prescriptive indicators and targets" on the pathfinders, however we are convinced that more rounded monitoring and reporting is needed on: provision of affordable housing and equity share schemes; balance between the demand for and provision of affordable housing; funding committed for infrastructure improvements; environmental standards agreed / achieved in refurbishments and new buildings.

Growth Areas

10. The current arrangements for agreeing funding for supporting infrastructure and services (planning obligations, Comprehensive Spending Review, Ofgwat PRO9) forces local partners to plan for housing with no guarantee that the supporting services will be funded. Conditions must be placed on planning approvals to ensure that major developments do not go ahead until adequate funding is committed.
11. While Growth Areas are planning for mixed communities, the experience of the LBBD illustrates how private developers cannot be relied on to deliver. Similarly Growth Areas are aspiring to much increased proportions of affordable homes, but there are questions over whether developers will co-operate, especially outside of East London. The Government needs to give further thought as to how progress in these areas should be monitored and what action needs to be taken to rectify any emerging problems.
12. There still seem to be fairly modest aspirations for modal shift in the Growth Areas. It would be useful at this stage for the Government to review relevant LTPs and consider if what is proposed is sufficient to avoid further traffic growth in the Growth Areas.
13. The cumulative environmental impacts of the Growth Areas need to be reconsidered now that the plans for the Growth Areas are firming up. The Government should commission further research into whether cumulative impacts will be within or exceed environmental limits.
14. DCLG reports on an extremely limited number of indicators under PSA5. The plans for housing growth will be fundamental to sustainable communities and deserve more comprehensive monitoring and reporting. In fact the Government already collects huge quantities of planning and transport related statistics, some of which could be absorbed into the PSA5 indicators. The PSA5 indicators should be expanded to cover: delivery of affordable housing and mixed communities; modal shift targets and achieved; funding committed for infrastructure improvements; environmental standards agreed / achieved in new buildings; and planning approvals contrary to advice in Flood Risk Assessment. The reporting should distinguish between the Growth Areas and the rest of England.
15. Unlike with the pathfinders, there are no systematic measures for sharing good practice between Growth Areas. Lots of interesting ideas and practice are emerging. The government could consider how to ensure that emerging lessons are being shared, perhaps with the assistance of Regional Government Offices.

What are the wider lessons for government policy and practice?

Despite the initial fanfare about sustainable communities, initially ODPM did very little beyond insisting on and funding major housing growth and renewal. This approach evoked widespread criticism and resistance, and the Government found itself on the receiving end of endless parliamentary critiques, local political opposition and rearguard actions from statutory agencies. Meanwhile local practitioners were left struggling to square diverging advice on sustainable communities emanating from ODPM and DEFRA.

ODPM and its successor DCLG has learnt lessons. There is no question that its current approach to the Growth Points is vastly improved. But in the meantime valuable opportunities have been lost. So much more could have been done to encourage exemplar projects, share good practice and learn lessons.

The experience of sustainable communities policy raises the wider question of how such a fundamental government project could have been pursued regardless of the government's sustainable development objectives. Clearly at the time the SCP was launched the Government's structures for integrating sustainable development into policy were failing. It remains to be seen whether the structures announced in 2005 for strengthening the national delivery of sustainable development²⁷ will be sufficient to ensure that these mistakes are not repeated. It is also to be hoped that the Government has accepted that the concept of sustainable communities is now too embedded to be ignored.

There is a raft of initiatives currently underway that will have a fundamental impact on the delivery of sustainable communities. The Government, and the SDC as its advisor, needs to keep a close eye on these and ensure that they continue to support the goals of sustainable communities. They include: -

- The Growth Points Initiative
- The Code for Sustainable Homes
- Planning Policy Statement 25: Development and Flood Risk
- The Planning Gain Supplement and particularly how revenues will be distributed
- The 2007 Comprehensive Spending Review and the current study to inform this
- OftWat's pricing and investment review PRO9
- The Barker Review of Land Use Planning and the Government's response

²⁷ *Securing the future: delivering the UK sustainable development strategy*, TSO March 2005, pp153-157.

Appendices

Appendix 1

Government definition of sustainable communities

(Short version)

A flourishing, fair society based on opportunity and choice for everyone depends on creating sustainable communities – places that offer everyone a decent home that they can afford in a community in which they want to live and work, now and in the future.

Not all communities are the same – different places have different strengths and needs.

But sustainable communities have many things in common: decent homes at prices people can afford; clean, safe, green environments; access to jobs and excellent services – schools, health services, shops and banks; and people having a say in the way their community is run.

Sustainable communities should be:

Active, inclusive and safe – fair, tolerant and cohesive with a strong local culture and other shared community activities

Well run – with effective and inclusive participation, representation and leadership

Environmentally sensitive – providing places for people to live that are considerate of the environment

Well designed and built – featuring a quality built and natural environment

Well connected – with good transport services and communication linking people to jobs, schools, health and other services

Thriving – with a flourishing and diverse local economy

Well served – with public, private, community and voluntary services that are appropriate to people's needs and accessible to all

Fair for everyone – including those in other communities, now and in the future.

Appendix 2

People interviewed for national policy review

Tim Brennan	English Heritage
Daryl Brown	Department for Environment, Food and Rural Affairs
Henry Cleary	Department for Communities and Local Government
Richard Howell	Environment Agency
Ian Jordan	Department for Transport
Ian Scotter	Department for Communities and Local Government
Cath Shaw	Department for Communities and Local Government
Ian Smith	English Nature