**CITY COUNCIL MEETING 25th AUGUST 2021 : SOUTH LANCASTER GROWTH CATALYST**

**BRIEFING NOTE FROM CLOUD**

CLOUD members were among those who joined the recent public briefing sessions (on 4th & 11th August) arranged by the City Council on the South Lancaster Growth Catalyst (SLGC) and the associated Housing Infrastructure Fund (HIF) bid. These briefings were of course a welcome opportunity for local residents to ask questions and raise their concerns. However, they were also notable as the first and only such public event since we read in a central government press release in March 2020 that approval had been given to *‘140 million from the Housing Infrastructure Fund for the ‘South Lancaster Growth Catalyst’ proposal which will unlock up to 9,185 homes’.*

We are very concerned at the funding arrangements, risks and uncertainties surrounding SLGC and the HIF bid. The answers to questions at the public briefing sessions did nothing to reassure - many answers were evasive and unconvincing. These 2 sessions provided only a total of one hour for questions - clearly insufficient time as many questions remained unanswered at the end.

This briefing note summarises the concerns of CLOUD members. We encourage you to consider these points before making your decision at the special City Council meetingon 25th August.

We appreciate that both Lancaster City Council and Lancashire County Council are involved with the HIF bid, although it is not clear from the information available to us how the risks and liabilities are to be shared.

We are sending this email to all Lancaster City Councillors and are writing in similar terms to Lancashire County Councillors.

If you wish to discuss any of these points further, please contact CLOUD (Citizens of Lancaster Opposed to Unnecessary Development) [**by following this link**](https://www.cloudbgv2017.co.uk/contact)

This short video clip provides a visual summary of the issues we raise as a preface to the attached evidence pack **Click here for link** [**Lancaster :The Biggest Decision for a Generation**](https://www.youtube.com/watch?v=lY7hK7Pg-G8)

Signed, Tony Breakell (CLOUD Treasurer) on behalf of CLOUD Management Committee

**SUMMARY**

* **Not a Garden Village but a 30,000 inhabitant New Town for South Lancaster?**

The HIF bid claims to unlock up to 9185 new houses. This equates to a new town of 30,000 inhabitants - about the size of Kendal. However the Local Plan, agreed only last year, makes no mention of a house-building target anywhere close to the 9185 figure and refers only to around 3,500 houses. Unanswered questions include : Why this change, where are 30,000 new inhabitants coming from etc?

* **South Lancaster Growth Catalyst (SLGC) - Liabilities not Benefits**

It is dangerous to look on the HIF funding as an obligation-free gift from central government. The infrastructure cost for SLGC is estimated at £261M, to be funded from HIF (£140M), unspecified but as yet unconfirmed grants (£23M) and developer contributions (£98M). Developer contributions (or roof tax) are by no means guaranteed and there is a real risk of the CIty Council and council tax payers being locked into repayment obligations.

* **Is the HIF bid a Contrivance?**

We have been told that the 9185 represents the number of houses needed to generate sufficient roof tax to plug the funding gap from the HIF bid. This is a contrivance - HIF bids should be based on real, unmet housing demand. At the recent public briefing sessions we were told that 9185 was purely ‘a business case figure’ and that ‘numbers were something of a distraction’. However this 9185 figure does matter - it is crucial to Lancaster City Council’s ability to repay £98M!

* **Climate Emergency Declaration**

The HIF bid simply fails to address Climate Emergency issues such as the achievement of carbon neutrality. How can Lancaster City Council unanimously vote for a Climate Emergency in 2019 and ignore the full carbon emissions of major road building schemes?

* **Highways England**

Highways England has repeatedly raised substantive objections to development proposals for south Lancaster. These have not been answered.

* **A Leap in the Dark - incomplete information and inadequate public consultation**

At 23rd June Council Meeting, the Council Leader described SLGC and the HIF bid as the most important decision for the city in a generation and encouraged an open public debate on it. It is clear that risks and uncertainties are high, questions remain unanswered and too little time has been allowed for public debate. A rushed decision cannot be a sensible one. We encourage you to take the sensible approach and withhold your agreement from HIF on 25th August.

* These issues are covered in more detail below.

1. **Not a Garden Village but a 30,000 inhabitant New Town for South Lancaster?**

* 9185 new houses means around 30,000 additional inhabitants (ONS suggests that the average household size is 2.4 persons, but this figure is likely to be higher as Bailrigg Garden Village is expected to contain predominantly larger houses). Lancaster’s current population is 53,000, so this would be a new city within a city. What evidence has been presented to City Councillors to explain where 30,000 new inhabitants are coming from? Where are the jobs for them? What about the additional demands on school places and health services - both currently under pressure? What impact will this new town have on road congestion and pollution?
* Where are these houses to be located? According to JTP consultants who are carrying out master-planning for Bailrigg garden village - *“Using this work it is calculated that Garden Village would deliver approximately 5,000 homes across the two plan periods (JTP Emerging Masterplan Newsletter no 3 March 2021)*. This leaves around 4000 houses to be fitted in elsewhere in south Lancaster - but where? In 2020 CLOUD sought information (through a Freedom of Information request) on the location of the 9185 houses by postcode, but we were told this information was not available. The planned locations should surely be made available to Councillors and local residents before any decision on HIF funding is taken?
* The 9185 figure represents a substantial increase in housing numbers compared to the Local Plan approved by Council only last year - Local Plan Policy SG1 Broad Location of Growth - Bailrigg Garden Village refers to “the delivery of at least 3,500 new houses” and para 12.21 refers to “ in the region of 3,500 new homes (both quotations from Local Plan Part 1 Strategic Policies and Land Allocations DPD). What is the justification for this increase? It might seem that 9185 doesn’t represent real housing need, but is the number necessary to try and make the HIF bid “add up”?
* In May 2019 Highways England expressed concerns that the ***development strategy being promoted as part of the HIF bid does not appear to be consistent with that submitted to the Secretary of State (SoS) for independent examination’. See*** [***Highways England on Scoping bid for Land North East of Bailrigg Lane 19/00491/EIO May 2019***](https://drive.google.com/file/d/1IQycV_RGjqNfj3bvoSVRs1QdAKFfEC_0/view?usp=sharing)
* As the result of complaints by Guildford and Coventry Councils, the Office of Statistics Regulation has told the statisticians in ONS that they should review and improve their housing needs methodology[. ***Link to OSR Report***](https://drive.google.com/file/d/11Tej_wGMpHLiqgg1mGz31XP-MkRgtVVH/view?usp=sharing)  The issue raised here is the distortion to population forecasts caused by ONS’s failure to exclude students after they finish their university courses - although many have moved away, they are still counted as part of the local authority population. This causes housing needs to be seriously overstated, especially in cities with a relatively large student population such as Lancaster. This review can only be expected to result in lower population forecasts in such locations and could undermine the population forecasts in the Lancaster Local Plan, let alone the higher housing number in the HIF bid. ONS have now published their Action Plan to implement the changes called for by OSR - here is the link : ‘[Future plans for research on population estimates and projections](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTA3MjkuNDM4MzU4ODEiLCJ1cmwiOiJodHRwczovL3d3dy5vbnMuZ292LnVrL3Blb3BsZXBvcHVsYXRpb25hbmRjb21tdW5pdHkvcG9wdWxhdGlvbmFuZG1pZ3JhdGlvbi9wb3B1bGF0aW9uZXN0aW1hdGVzL2FydGljbGVzL2Z1dHVyZXBsYW5zZm9ycmVzZWFyY2hvbnBvcHVsYXRpb25lc3RpbWF0ZXNhbmRwcm9qZWN0aW9ucy8yMDIxLTA3LTI5In0.UZZ_VIAOLQcrWKBNGKdrU2MfA3pV8cx_nfAsxzeBCO8/s/1796480354/br/110077044746-l)’.

1. **South Lancaster Growth Catalyst (SLGC) - Liabilities not Benefits**

It is unrealistic to rely on the SLGC development as a ‘milch cow’ to provide Section 106 contributions to fund social housing or other projects elsewhere in Lancaster. Experience shows that such contributions may be ‘promised’ at the outset, but often fail to materialise as developers claim they are unable to afford them, or at best offer a reduced contribution:

* SLGC requires a £98M developer contribution towards total infrastructure costs of £261M. This may be contrasted with St Cuthbert’s Garden Village in Carlisle, where the local authorities intend to recover just £10M from developers. £98M from 9185 houses represents a charge of £10,669 per house - a very ambitious target. Is it achievable or realistic? And if fewer than 9185 houses are built, there will be a shortfall, quite possibly substantial, in roof tax receipts - which would either add to the Council’s debt burden or have to be funded by council tax payers. The recent public briefing sessions advised that the roof tax was expected to also fund the provision of affordable housing elsewhere in Lancaster. This could, however, only be achieved by raising more than the proposed £98M from developer contributions - surely not an achievable target?
* If we refer back to the Local Plan and its target of around 3500 houses, it’s obvious that the roof tax per house would have been completely unachievable (same infrastructure costs but spread over far fewer houses). This is illustrated in the graph (at annex) which compares Bailrigg with other garden villages. This begs the question as to whether the real purpose of the 9185 figure in the HIF bid is to reduce the roof tax per house. If so it still leaves Lancaster with the highest infrastructure cost per house. To make matters worse, the £261M infrastructure cost includes school places and health provision for just 3500 houses - 9185 houses would require additional and currently unfunded infrastructure provision.
* Bailrigg Garden Village is also reliant on S106 funding for such items as its utility networks and water and flood management, health services and schools, its internal road network and footpaths/cycleways (not to mention the canal marina and water taxi proposed in JTP’s masterplan!).

These assorted demands on S106 funding need to be aggregated to establish whether it is realistic to expect developers to fund them all - **if not SLGC would produce liabilities not benefits for Lancaster.**

* Grab Lane. A further illustration of the risks of relying on developer contributions is provided by the current housing development at Grab Lane in Lancaster. A viability report - see link below - has been submitted on behalf of the developer claiming that the site is would not be viable if affordable housing had to be provided.

<https://drive.google.com/file/d/1qStYaLO5ct6LtrqlxNSIs31UKOqVTrBg/view?usp=sharing>

* If we look at housing developers elsewhere in the local area, it is notable that **no** developer contributions are needed on the Preston Western Distributor Scheme. This is a road scheme to open up land for housing development - so very similar to the J33 link roads in Lancaster’s HIF bid. The point is that Preston would potentially be more appealing than Bailrigg for developers who wouldn’t face the substantial contributions they are required to make under the HIF scheme. The situation is similar with the many ongoing housing developments around Garstang. None of these have involved the remodelling of a motorway junction or crossing the main railway line in order to secure site access. This raises the question of why developers would choose to build at Bailrigg Garden Village and have to pay substantial S106 contributions when alternative cheaper sites are available in the locality?
* Halsnead garden village near Liverpool was originally promised S106 contributions, but is now facing the prospect of receiving none. According to an article in the Liverpool Echo (26.12.2020), there are real doubts about whether developer contributions will be forthcoming for affordable housing (and also a lack of public transport links). [**Link to full article**](https://www.liverpoolecho.co.uk/news/liverpool-news/merseysides-garden-village-development-hits-18527749)
* A 2018 report on the situation in Manchester shows the difficulties and limitations around developer contributions and social housing. Some of the issues in the article are specific to Manchester, but the overall conclusion remains that developer contributions are not simple to secure. [**https://www.theguardian.com/cities/2018/mar/06/the-0-city-how-manchester-developers-dodge-affordable-housing**](https://www.theguardian.com/cities/2018/mar/06/the-0-city-how-manchester-developers-dodge-affordable-housing)

1. **Potential cost overruns and risks from the HIF bid.** 
   1. There is a history of cost overruns on road projects. For example :

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| --- | --- | --- |
| **Cost over-runs on similar projects** | **Original cost estimate** | **Final cost** |
| Bay Gateway Jt34 M6 | 2001 £62m | 2016 £140m |
| Broughton Bypass, nr Preston | 2015 £24m | 2017 £32m |

* 1. **Highways England** - In June 2021 Highways England (p.5) highlighted further uncertainty :

*[the] award of funding for the scheme to amend M6 Junction 33 is, in part, caveated on the agreement of transport modelling evidence, compliance with standards set out in the Design Manual for Roads and Bridges (DMRB), and the provision of any necessary mitigation. Consequently, at this stage* ***there is not yet full certainty that this element of strategic infrastructure will be delivered****.See* [*19/01135/OUT Outline planning application for the demolition of Low Hill House and the erection of up to 680 dwellings*](https://drive.google.com/file/d/1q-K6JFZ9IKohB7nqSsmdPz7wmf6iTKIy/view?usp=sharing)

* 1. Some other Councils have already voted against accepting HIF funding because of the associated financial risks - risks that also apply to Lancaster. Here are links to media reports ([Rutland](https://www.rutland.gov.uk/my-council/council-news/rutland-county-council-votes-to-decline-government-housing-infrastructure-fund-grant-of-294m/) and [Melton in Leicestershire](https://www.leicestershire.gov.uk/news/financial-risk-too-great-to-accept-grant-towards-new-road) )
  2. Building material costs are rising significantly as a result of shortages and rising demand as a result of Brexit, HS2, and the pandemic and are becoming very hard to forecast. In July 2021 a developer in Broughton near question was able to [**abandon a commitment to affordable housing because of the price of wood.**](https://www.lep.co.uk/news/politics/affordable-homes-cut-from-broughton-development-because-of-the-price-of-wood-3304174)

|  |  |
| --- | --- |
| **Construction Materials** | **Cost rises since November 2020** |
| Timber | 80% |
| Iron ore which impacts on steel joists | 80% |
| Soft wood | Almost 100% |
| Copper | 40% |
| Plastics | 60% |

How will price volatility be accommodated - has any contingency been allowed for this?

* 1. Liability for any cost overruns on HIF funded projects doesn't lie with central government, but with the local authorities involved. This is clearly shown in the case of St Cuthbert’s Garden Village at Carlisle - [**Follow link**](https://councilportal.cumbria.gov.uk/documents/b25707/Agenda%20Item%20No%2012%20-%20Carlisle%20Southern%20Link%20Road%20-%20Housing%20Infrastructure%20Fund%20Grant%20Determination%20Ag.pdf?T=9) - particularly these points:

Paragraph 3.12 - the HIF grant is stated to be a Maximum Sum - ie local authorities fund any cost overrun. Similarly at paragraph 6.6 “Responsibility for cost over-runs – In entering the GDA, the Council will be responsible for all cost over-runs.” It is not clear to us whether Lancaster City or Lancashire County would be liable for cost overruns in connection with the South Lancaster Growth Catalyst, but whichever authority ‘picked up the tab’, it would be local residents as council tax payers who would be liable to pay.

St Cuthbert’s has a very similar housing target to the South Lancaster Growth Catalyst - 10325 houses, compared to 9185 here. There, however, the similarities end. St Cuthbert’s set its housing target figure back in 2017 when the garden village scheme was initiated. At that stage Lancaster’s target for Bailrigg Garden Village was set at 3500 to 5000 houses. The 9185 figure only emerged in 2020 in connection with the HIF bid. The total infrastructure costs for St Cuthbert’s are only £144M, compared to £261M for Lancaster. Of the £144M, £134M is coming from HIF leaving the balance of just £10M to be recovered from a roof tax, compared to £98M for SLGC.

In paragraphs 3.5 & 3.6 the original 2018 cost estimate £102M increased to £136.7M after cost validation, this higher figure being used in the HIF bid. We are not aware of any equivalent cost validation exercise for the Lancaster HIF bid.

1. **Lack of Strategic Highways and Transport Plan.**

The current proposals only cover the M6 link to Bailrigg Garden Village and the city centre gyratory changes - but what about the impact of these new roads and the South Lancaster Growth Catalyst adding to traffic volumes on A6 through Scotforth and Greaves and elsewhere in South Lancaster?

**Highways England** has repeatedly, during and after the Local Plan Hearings in 2019, expressed concerns regarding transport plans in Lancaster. In May 2019 Highways England made the following statement:

*The principle for a Garden Village in South Lancaster has been established through the*

*emerging Local Plan. It anticipates that 1,655 new dwellings will be delivered in the plan period*

*in South Lancaster. It should be noted that we have previously raised concerns with the*

*Council relating specifically to this area, as part of our responses to previous*

*consultations on the Local Plan.* ***We consider that there is a lack of robust transport***

***evidence to support the level of growth proposed in Lancaster as a whole, and in***

***particular South Lancaster.*** [***Highways England on Scoping bid for Land North East of Bailrigg Lane 19/00491/EIO May 2019***](https://drive.google.com/file/d/1IQycV_RGjqNfj3bvoSVRs1QdAKFfEC_0/view?usp=sharing)

These views are repeated in [**September 2019 Highways England Comments on Main Modifications to the Local Plan**](https://drive.google.com/file/d/1syzOBu2Sp_9wphV2_oVyQ1FvGt9VQ3Yg/view?usp=sharing)

1. **Climate Emergency** **Declaration.** See  [**powerful article**](https://www.lep.co.uk/news/politics/dont-put-a-millstone-around-our-childrens-neck-urges-former-climate-advisor-appealing-to-lancaster-city-councillors-3349229?IYA-mail=d893a4b4-9261-4796-80a9-3d266ccf81b3&fbclid=IwAR15muVoyB1NBsLHNHHMkdTwyPMsQJ6rtABPQpK-pCP-fCKn3igyAoIWIuo)warning against a climate millstone

Has the City Council’s Climate Emergency panel reviewed the South Lancaster Growth Catalyst and the HIF bid? We understand this hasn’t been done as this was regarded as the responsibility of the County Council. Bus Rapid Transit and the cycle superhighway are **not** HIF funded : “*The £140m is completely focused on the large strategic infrastructure part of the wider package so all £140m would fall into your category of 'road building'. The other categories would be funded by what the government term 'local contributions', such as from other public funding pots or from housing/commercial developers via the planning system. In the bid approximately £30m worth of public transport and active travel (cycling and walking) initiatives have been identified.”* (Lancaster County Council response toCLOUD Freedom of Information request July 2020).

* Given priority in the HIF bid for M6 link roads instead of greener travel within Lancaster, doesn’t this show that Bailrigg Garden Village is intended to be a commuter/dormitory place for travel to employment in Manchester and elsewhere down the M6? How is this car dependency compatible with the City Council’s Climate Emergency declaration of January 2019?
* Further doubts are raised by Highways England regarding the lack of transport modelling underpinning the sustainable transport proposed, questioning its very sustainability. In May 2019 Highways England pointed out: ***There is no robust transport evidence to demonstrate that these forms of sustainable transport infrastructure and services will provide the necessary modal shift to achieve the sustainable movement of people and goods, particularly in relation to the level of proposed growth in South Lancaster.*** [***Highways England on Scoping bid for Land North East of Bailrigg Lane 19/00491/EIO May 2019***](https://drive.google.com/file/d/1IQycV_RGjqNfj3bvoSVRs1QdAKFfEC_0/view?usp=sharing)

1. **Changes since adoption of the Local Plan by Lancaster City Council in July 2020.** After the Planning Inspector determined that the Local Plan was sound, it was approved by Council in July 2020 and was then supposed to set the pattern for development in Lancaster up to 2031. Since then however there have been a series of substantial changes, on none of which have local residents been consulted. Not only is this undemocratic but it goes against the spirit of the Local Plan as the key determinant of development strategy. In particular :

* BGV Boundary - the BGV boundary as set in the Local Plan has now shifted to exclude all land east of the A6 and to include a swathe of agricultural land to the west out to Glasson.
* The introduction of the new target to build 9185 houses.
* The Local Plan envisaged that Bailrigg Garden Village development would be taken forward through an Area Action Plan (AAP) and associated public consultation [Local Plan part 1 Policy SG1 (page 49) states *“The Council will prepare and implement a specific Development Plan Document (DPD) for this area of growth, entitled the ‘Bailrigg Garden Village Area Action Plan DPD. As a result development in this area will be in accordance with this Area Action Plan….”*. Instead we have been presented with a master-planning process and the HIF bid - but without any sign yet of the AAP.
* Rapid progression of the HIF bid now seems the key objective - is this sensible in advance of the AAP and the definition this is supposed to bring to development of south Lancaster?

1. **A Leap in the Dark - incomplete information and inadequate public consultation**
   1. We call for publication of **all** risk and viability assessments prepared on the HIF bid - so that these can be seen by Councillors and residents before any final decision is taken. We welcome the statement by the Council Leader at the 23rd June 2021 meeting about involving all city councillors in the decision making process. We also encourage Lancaster County Council to make publicly available the risk assessments which it has undertaken in connection with the HIF bid, particularly with regard to the M6 J33 road links.
   2. We maintain that any decision **now** on HIF would be premature until there has been proper consultation and evaluation of risk..

**Annex**

**Cost per house of road infrastructure for garden villages**



Sources: Long Marston, Culm and Melborne, Websites and press releases; St Cuthbert’s Carlisle <https://www.thecumbrialep.co.uk/housing/> Bailrigg Garden Village Lancaster City Council Local Plan, Infrastructure Delivery Plan 2018; 2021 Briefing from Lancaster City Council, August 2021