

BUILDING FOR LIFE

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**STRATEGIC SETTING FOR
HOUSING MARKET GROWTH**

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STRATEGIC SETTING FOR HOUSING MARKET GROWTH

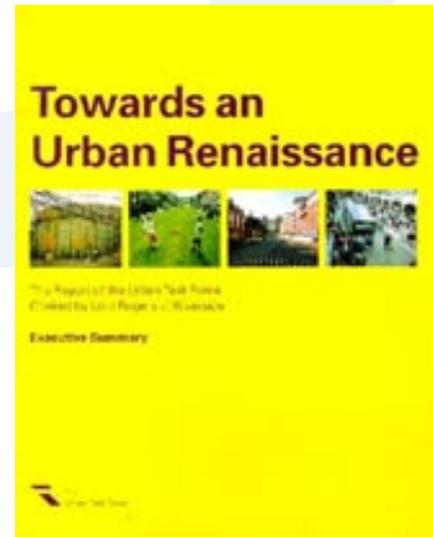
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I am going to be talking about “the strategic setting” for housing market growth, about the Cambridge-Stansted-London M11 corridor part of the Sustainable Communities initiative, about what work that has been done with some description of what is in it as well as thinking a little about cost and delivery; and what happens next.

The “how we got here” starts with John Gummer, oddly. It starts with the 4.4 million, the debate he got going in 1995 about where were we all going to live, particularly in the South East. That went on to the Urban Task Force and is now with the Sustainable Communities initiative [1]. The figure that keeps being bandied about is the 200,000 more homes that are expected in the South East, a figure I will refer to.

I was on the Urban Task Force and if there was one thing we were saying to Prescott and to the nation it was: things cannot go on as we are, we have got to change practice. A lot of what is now going on at strategic level is about that change and that tension at national and regional level.

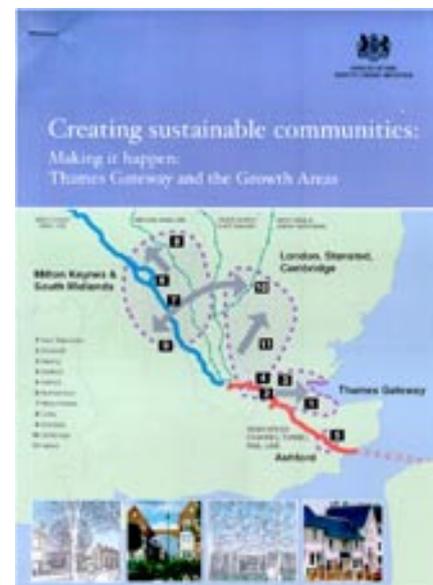
Then, of course, we have the Terminator himself coming in with the new Sustainable Communities plan, February 2003 [2, 3], a national initiative, of course, because it has quite a lot to say about the regions and about particularly the pathfinder areas in the low demand areas of the North and Midlands as well as the growth areas in the South East. Cambridge-Stansted-London M11 corridor is one of the growth areas. There are four and it is important to recognise that there will be a lot of growth elsewhere. The rest the South East outside the four growth areas is going to cop a lot of growth as well. So we are not just funnelling everything into these four growth areas.



[1]



[2]



[3]

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The four growth areas are very familiar: Milton Keynes/South Midlands (MKSM); the M11 corridor, which we will spend most of the time on today, in which we sit here at Harlow; the Thames Gateway north and south of the river; then the smaller Ashford one [4].



[4]

As to the sort of scale and status of MKSM, well there has been a Government Statement. It could be very big indeed. It could be, if you look at some of the numbers [5], well over 350 000 new households over a timescale of probably 25 to 30 years. That is the trouble with the right-hand column in this slide: it is not quite clear what is being talked about in terms of either area boundaries or timescale in each case, so all I am using those for is a sort of broad order of change. So MKSM is really big, a great big chunk of almost connected subregions across a swath from due north of London to north west of it.

The Thames Gateway, again a Government Statement. Prescott even got Blair out to stand by the side of him while he was doing his statement on that. A figure of 120 000 more homes was quoted, but again a query on what that means. But still an awful lot more than was forecast before in normal growth rates, so really trying to turn up the heat.

Ashford, now out to tender on master planning and much smaller in scale: basically a single urban expansion, albeit a big one.

Then this M11 corridor, where we are at the second option study. There has not been a statement and within an area that is not the whole corridor about 136 000 extra homes seems to be being suggested as the most likely range for change over the next 20 years. That is the sort of range of how they fit together.

MKSM	Statement	+366,000?
Gateway	Statement	+120,000?
Ashford	Master Planning	+30,000
M11	2 nd Options Study	+136,000?

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Now, among the planning work done so far, which I will just talk about very quickly, is a study led by Ecotec, but Will Cousins' team are involved as well from David Lock Associates. Atkins have done a study on the Harlow option. Then there is the Buchanan study of the Stansted M11 study published for consultation in September 2003, and so the most recent. And then what you might call the cluster of studies for the airport people at SERAS, which just about everybody, except possibly David Lock Associates and ourselves at Llewelyn Davies, have been involved in (he said bitterly). But basically managed and run by Arups and Atkins with a lot of urbanisation technique in it as well so it is not just about the issue of airport capacity itself. It is saying so what for urbanisation for new housing for new jobs.

Then there is the regional planning guidance for this region to be published 2004, led by the Regional Assembly.

So that is the list of strategy documents and how we got there. The first then is the study that was led by the Ecotec, which is called London Stansted Cambridge Subregional Study Spatial Patterns Explored. "On fait coucher dehors," as a man once said to me when I was working abroad and made to sleep outside, like a dog. An extraordinary name for a study. I do not know what anybody called it when they were working with it. Maybe Will Cousins can say. It is spatial patterns explored. It is not a plan, it is a way of looking at patterns growth.

There are four patterns, three growth scenarios, so you have all these combinations explored for this very big section of the country from Cambridge right down to the lower Lea Valley and the Thames by way of Stansted, Harlow and the outer bits of London. It has the thumbprints of the different planning consultancies. If you see the word "polycentricity" in this study, you know Ecotec have done it. If you see a new town suggested as one of the options, you know that David Lock & Associates were involved in it. There is an attempt to look at not just focusing on London. There is an attempt to ask if it is just about expanding new settlements? No, we could be doing completely new freestanding ones. They are in the options there.

Oddly, it was not asked to address the question 'should it be a growth area?'. In the existing RPG, this area is not. This is just to say where growth will occur but it is not identified as a major 'foot on the floor' focus.

It says that the growth in this corridor is in the national interest. It says that for two reasons: one, because Cambridge and the high-tech belt there is so important to what UK plc can offer; and, at the southern end of corridor, so is Central London. It is one of four World Cities. It is absolutely extraordinary that we have got one in this country. We have got to nurture it and the growth area can help it.

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It says that there are environmental risks with the growth options around Stansted and around Cambridge, and it identifies those. And you end up thinking, funny, on all these agendas, Harlow is always there. They have all got arcane distinctions between it being in an arc of development and a belt of development, which I am afraid rather left me cold, but they have all got this sort of sweep from about Stratford in Inner London, up through Harlow and Stansted and round to Braintree. I will come back to that, as a kind of thematic core that comes out again and again. None of the options really assume growth along the middle section north of Stansted/ Stortford and the southern edge of Cambridge itself. So those are sort of common elements between all the options that you look at.

It also tries to paint a picture of what on the various high and low growth scenarios the kind of land requirement might be [6], ranging from 2000 hectares up to nearly 7000, compared with already urbanised land in this very big area that I have described of about 54 000, beyond which is about 52 000 which is not constrained by major designations. So it is saying there is obviously a lot of land that does not have Green Belt or ANOB or SSI status in which we might consider this option. So it is trying to scale again what the order of change might be.

What's in it? (Land needs)



	Land needed to 2026
Scenario 1	6,700 hectares
Scenario 2	3,900 ha.
Scenario 3	1,900 ha.
	Totals at 2001
"Urban" land in S.A.	54,582 ha.
"Constrained" in S.A.	266,800 ha.
"Unconstrained" in S.A.	52,717 ha.

[6]

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But it does not explore what you might call a 'foot on the floor' option for the area around here, for Harlow and Stansted, by asking 'could this become the new Milton Keynes?'. Should we do something on this scale that deliberately tries to make the way Bletchley was moved from being a town to the city that is Milton Keynes? It does not say 'let us have a go at making this complex the Milton Keynes of the north eastern belt'.

It does not try and do what Peter Hall suggested, which was to thicken up the rail corridors with development all along them. Peter has in one of his books a suggestion of growing pretty well every settlement from Hitchin all the way along to Cambridge, for example, and all the way in the settlements as the main focus because you have already got high capacity rail -- again, an interesting contrast with some of the strategies that are emerging. As I was sort of joking, it does not have a rationale for some of the concepts, it seemed to me. It does not really say why you are going to come up with some of these ideas other than the ability to draw nice Pentel sweeps across the map -- we will have a debate about that.

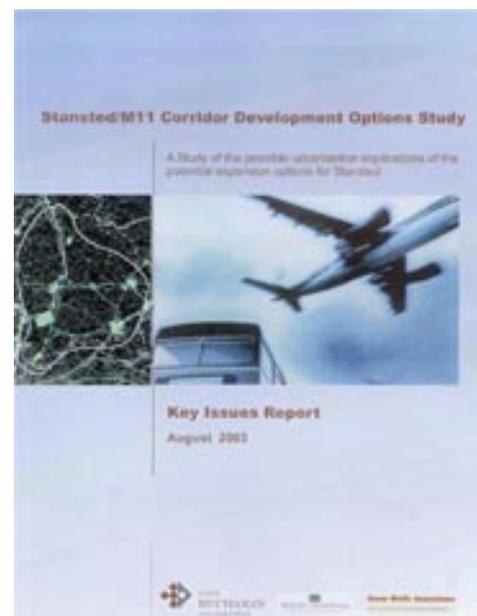
The other high profile study was the Harlow Options Study. There is the Stansted M11 one and SERAS. Harlow Options says it is a mode of potentially economic regeneration and growth capacity of the Harlow area. That was its brief. It says it is to feed into the Stansted M11 study, which is a bit odd since it was concluded in August and Stansted M11 was published for consultation in September, so one imagines a fair amount of flapping between the two consultant teams. We are talking about two separate parallel decision tracks that were bolted together rather late. It was completed in September 2003 and you will know better than me there have already been demonstrations all the way round Harlow and the surrounding areas about things like the bypass proposal that is in there. There have been concerns from authorities like East Herts, and to some extent they would, would they not -- there is a NIMBY element -- but also questions about the logic of it because it does not seem to follow, if you like, the urban and landscape geography of the area. So it would have provoked a live debate anyway, but it is feeding in anyway to this other one which Buchanans have just completed had the regional agencies have put out, which is the Stansted M11 Corridor Document Study, which is the core document of the minute, which again I will briefly cover.

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Stansted M11, it is a basis for a subregional strategy which will be part of Regional Planning Guidance [7]. That is what it is for. It is out for consultation. It is background work for RPG. Its study area is Harlow, Stortford and over towards Braintree, but with a wider study area which kind of mirrors the northern part of the M11. The wider M11, the Ecotec study, does not really nearly go as far south at that one did, but it does not plunge down into the London suburbs and beyond down into the river. This is the River Thames, I think.

It has the delightful, slightly anthropomorphic diagram of a man leading a bike or something -- I do not know what he is doing -- but it is very helpful actually because it does say we think our defining issues are the expansion of Harlow, the development of settlements along the transport corridors. It very much follows PPG3, PPG13 guidance. It says we need to introduce high capacity public transport along growth corridors. It is saying 'let us have development on the transport corridors', but it is also saying 'let us create transport corridors along which we will have growth'. So there is a kind of reciprocity there, which is slightly odd. So you are not quite left sure which cart is in front of which horse, unless that diagram tells you.

Then it does stress the supportive role of what it calls Major Urban Settlements, which will continue to experience growth, the point about lots of other areas. Cambridgeshire -- it does not specifically say Cambridge but it means Greater Cambridge, as it were -- Colchester and Chelmsford are all part of this logic. They all feed in, that they help justify the corridor, I think. So a fairly clear steer. The Executive Summary of that in particular is giving a pretty hard steer towards a particular form where we are moving from options explored towards a preferred shape, that unless somebody shouts very long and loud, and they will, will be Regional Planning Guidance fairly soon.

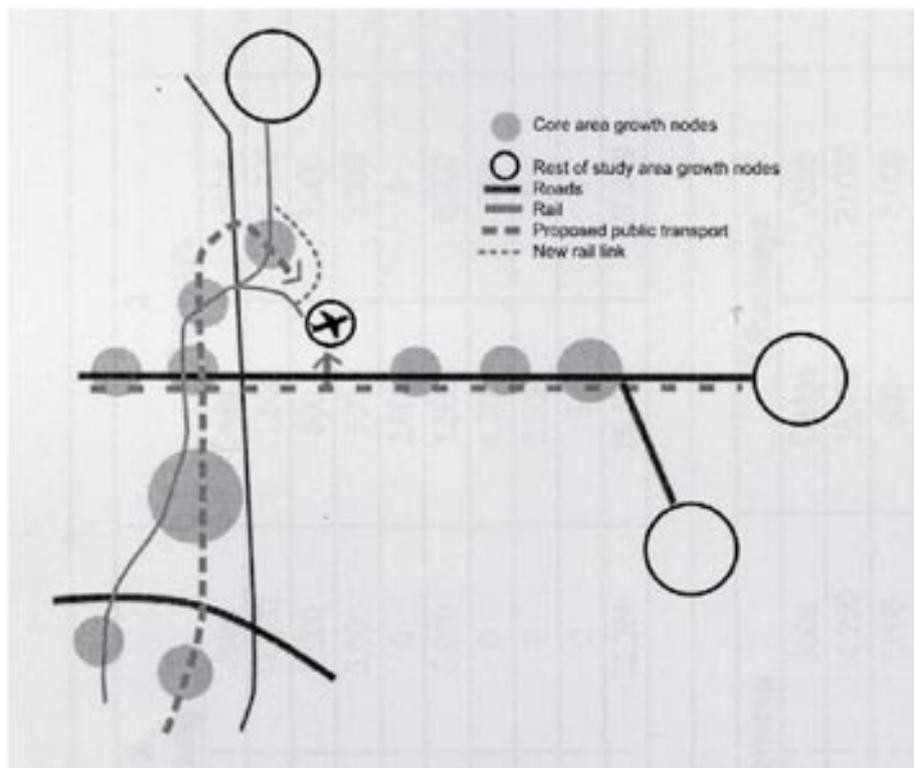


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Scale of change they are talking about: 35 000 to 45 000 new homes in less than 20 years inside the growth area; 76 000 to 150 000 plus new jobs, a huge number more new jobs. So more of a net import than it is at the minute, an attempt to get balance. Those two ranges actually are a product of what you assume about Stansted. The jobs, of course, grow hugely if you go for the really big Stansted. Interestingly, the homes do not. That homes range is from a grown Stansted to a hugely grown Stansted, so most of the growth is, if you like, John Prescott agenda growth, regional housing growth. It is not directly a product of the airport growth.

The Stansted question is how many runways [8]? One, as at present, two, three, four? It gets so carried away at one point there is a bit of the text that refers to four extra runways. I began to think I think we mean three extra, four in total. But that is a bloody big airport and I am not quite sure that that is on -- you know, not even on King Abdul Aziz Airport in Riyadh has four runways, or at least not four fully operating ones. So I think we are probably a bit off the scale there.



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But that does, in a sense, bring us on to airport itself. I am indebted to my daughter for this tasteful postcard of Stansted, which she sent me recently [9]. Very nice. But the important thing here is Stansted is years behind timetable because the White Paper is years behind timetable because the air study took two years longer than they expected to do. All the other regional ones were done two years before SERAS was finished, so we really have not got that basis yet. It will produce guidance on Heathrow, on Gatwick and on Stansted, and it is a pretty sound bet that the key options will be in those three locations: Heathrow. Because that is where the industry wants it; Gatwick, because it is stretching credibility to watch Gatwick operate a single runway at the volumes it is - it is easily the busiest single runway airport in the world; and Stansted because there is an awful lot of capital sunk here and it is unlikely that we will have an option that does not conclude, even if it is the Treasury twisting everybody's arms up their back, that this is a way of getting the most out investment, is to carry on growing at Stansted. Then you have got the rest, which is a mixture of airports that would like a lot of extra development and the Lutons and so on, and put up options, small ones that can soak up some of the slack are on the fringes of the region, like either City or Southampton, and then the sort of slightly suspiciously wild runners like Cliffe Marshes and Rugby and the one in the Bristol Channel which you sort of suspect are still in the mix because they help distract attention from the core options.



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But the point about for us is that Stansted's key decisions on runways and timing and the investment programme are not there yet and only then will we have a planning basis, it seems to me, that is supposed to be middle of next year but we are in the position where the biggest single investment that is very, very likely indeed in this area, and which as you have seen from the earlier figures is highly influential on what sort of growth and shape of growth we have, that is the planning basis that we should be going forward. Until then I suspect we are talking about more option studies.

So what is this idea? Not much actually. Area of search for growth is decided. Not really the spatial pattern, not really the scale. The key focal points, as I have said, Harlow as centre of the universe and one can bet on a lot of attention around the Stansted-Stortford-Harlow triangle, but not much beyond that is decided. The draft RPG 14 will try and give it a structure but, as I say, it is rather dependent on their White Paper.

So we are in this very odd situation where we can start to think about the shape of it, we can start to think about the fact that there is a huge need for commitment to this if it is going to happen. You know, it is not just going to just happen by normal planning policies. We go on as we are, and that is true for the quality, as David Birkbeck was stressing earlier, as well as the quantity. Roger Tim & Partners estimate there is about £8 billion worth of investment needed to make the corridor investments we are associated with, say the central options in the Ecotec block study.

Development corporations are very likely to be on the agenda. Maybe also EDA and those renaissance strategies I am working will be one of the vehicles by which a lot the of this can be made to focus on our existing urban areas and do it well as well as just rolling out the new stuff on green fields. And the Government Office will be pushing for that as well. I think the Government will be looking for some sort of response from the industry in terms of private sector consortia, of people putting together big performance operations, going back to this thing about consolidations. There is an interesting convergence there. I think we are talking about bringing in other players and so on. You know, the big RSLs, how are they going to be played in and so on?

So what happens next? Well, huge scale of pressures and opportunities and very difficult issues. It is the least clear of the four. We know where we are going on MKSM, pretty much on Thames Gateway, although that is critically dependent on rail investment as our study published a month ago suggested. We know what is going on in Ashford because they are much further on. This is the one that is easily the muddiest.

What options on Essex fields? I think are going to be keeping farmers rich for quite a lot longer. Things are not going to clarify very quickly. We are talking about Government announcements of timing that we have got to wait for. These are two big central Government initiatives, the growth areas and the air investment, and to some extent all we can do is wait for them. It will be contentious and it will be contested. Large chunks of the South Midlands where they are kind of ready for it, welcoming it, are areas that have a structure that is ready to accept development. In the Thames Gateway, a lot of the authorities there are looking for the sort of growth in investment identified in the Plan to help turn their communities round. But this is the one that will be a bloodbath. This is the one that will make QCs rich beyond even Tony Pidgley's wildest dreams.

So it is going to go a long haul. You know, this may seem a very sceptical view but I think this area in particular is one where we are going to get a core, I think, of activity, and I have tried to sketch out what that is, but I think what we are also talking about is an area where the strategic overview will take a very long time indeed to come out. I am sorry if that sounds like town planning as it always is, but it always is.