



**Anglian Water
Services Ltd**
Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
PE29 6XU

Tel 01480 323000
www.anglianwater.co.uk

Rt Hon George Eustice MP
Secretary of State for Environment, Food and Rural Affairs
Seacole Building
2 Marsham Street
London
SW1P 4DF

18 December 2020

Dear Secretary of State

Request for Direction by the Secretary of State pursuant to Section 35 of the Planning Act 2008 – The Cambridge Waste Water Treatment Plant Relocation Project

I refer to your letter of 11 December 2020 requesting further information pursuant to section 35A(3) of the Planning Act 2008 (the 2008 Act) and write on behalf of Anglian Water Services Limited (Anglian Water) to provide the information requested. This letter is submitted pursuant to section 35A(4) of the 2008 Act and is done so within the required 14 day period.

In responding, I have used the same numbering as set out in your request:

1. The relevant Area Action Plan/Local Plans being referenced in the request letter

- i. The latest version of the North East Cambridge (NEC) Area Action Plan (AAP) is the **Draft Regulation 18 NEC AAP** which was published jointly by Cambridge City and South Cambridgeshire District Councils for consultation in July 2020. Responses received by the Councils in the consultation are currently being analysed and it is expected that member engagement and regulatory approval of the Regulation 19 NEC AAP for pre-submission consultation and submission to the Secretary of State for independent examination will be secured in Autumn 2021 but publication and consultation delayed until after the Cambridge Waste Water Treatment Plant Relocation (CWWTPR) DCO is determined (expected late 2023).

The link to the latest NEC AAP July 2020 document on Greater Cambridge Shared Planning's website is

<https://consultations.greatercambridgeplanning.org/document/213>

- ii. The latest version of the Greater Cambridge Local Plan (Regulation 18: Issues and Options 2020) including the Sustainability Appraisal of Issues and Options (December



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2019) can be found at <https://greatercambridgeplanning.org/emerging-plans-and-guidance/greater-cambridge-local-plan/>.

- iii. The adopted Cambridge Local Plan 2018 (Policy 15 and corresponding Policy SS/4 of the South Cambridgeshire Local Plan 2018) identifies the existing Waste Water Treatment Plant site for redevelopment for high quality mixed-use development primarily for employment use as part of the 'Cambridge Northern Fringe East' Area of Major Change (now North East Cambridge or NEC). Links to the adopted Cambridge City Local Plan 2018 and the South Cambridgeshire Local Plan 2018 documents respectively are:

<https://www.cambridge.gov.uk/media/6890/local-plan-2018.pdf> and
https://www.scambs.gov.uk/media/12740/south-cambridgeshire-adopted-local-plan-270918_sml.pdf

The detail of the total amount of development, site capacity, viability, timescales and phasing of development in NEC are to be established through the preparation of an AAP to be developed jointly between Cambridge City Council and South Cambridgeshire District Council, and involving "close collaborative working with Cambridgeshire County Council, Anglian Water and other stakeholders in the area".

"Exploration in respect of the viability and feasibility of redevelopment of the Cambridge Water Recycling Centre to provide a new treatment works facility either elsewhere or on the current site, subject to its scale will be undertaken as part of the feasibility investigations in drawing up the AAP. If a reduced footprint were to be achieved on the current site, this could release valuable land to enable a wider range of uses. Residential development could be an option, subject to appropriate ground conditions, contamination issues and amenity and air quality" (paragraph 3.5).

Both adopted plans for Cambridge and South Cambridgeshire for the period 2011 to 2031 have a joint housing target of 33,500 at 1,675 per annum. However, their approvals were predicated on an early review to adequately address housing need which the Councils committed to commence before the end of 2019, with submission of a new Local Plan (the Greater Cambridge Plan) to the Secretary of State for examination anticipated by the end of Summer 2022. That review process has now started.

- iv. An explanation of how these plans interact with/support each other and this project is provided in the note at **Appendix 1** ('Savills DP Policy Note 141220').

As discussed at section 3 below Cambridge City Council's policy commitment to the relocation is further emphasised by its being a party, alongside Anglian Water, to the Housing Infrastructure Fund agreement with Homes England.

2. The importance of the relocation project to the strategic growth of Cambridge

The importance of the relocation project to the strategic growth of Cambridge is best summarised in the Housing Infrastructure Fund (HIF) Business Case prepared by Cambridge City Council which in its 'Project Summary' states:

The National Infrastructure Commission's 2017 report emphasised national prioritisation of the Cambridge – Milton Keynes – Oxford growth arc in advancing UK prosperity. Greater Cambridge has the potential to underpin this prioritisation as the fastest growing city economy in the UK (2018 Irwin Mitchell) with Greater Cambridge demonstrating a blended employment growth rate of 3.3% (CPIER, 2018), double ONS GB 2010-16 average rate. Inclusive growth is, however, an acute challenge for the area, with under-supply of housing and house prices more than thirteen times the average salary, putting prosperity at risk. With the Combined Authority commitment to doubling the area's Gross Value Added over 25 years [as set out in its Devolution Deal], the



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challenge is to ensure the growth in housing stock matches the area's ambitious plans for economic growth.

The relocation of the CWRC [Cambridge Wastewater Recycling Centre] is the basis for transformation of CNFE [now NEC] to support Greater Cambridge's continued sustainable growth and help meet the ambition of Cambridgeshire and Peterborough Combined Authority to double GVA by reinforcing Cambridge's position as a global centre of excellence for research, development and business success. CWRC relocation would release scarce land for development, facilitate housing on public and private land and reduce pressure for major housing development elsewhere in Greater Cambridgeshire.

Relocating the CWRC will release the CNFE Core Site, a major brownfield area for 5,600 homes (including 40% affordable) in line with the Cambridge Sustainable Housing Design Guide. It will also remove 'odour zone' restrictions around the CWRC that limit 82 hectares of land to industrial use. This would enable a further circa 3,000 homes to be built on adjacent land and nearby employment sites to more than double employment densities. The new housing in the CNF area will be within walking and cycling distance of thousands of jobs at the Cambridge Science Park, to the Cambridge North railway station, and other public transport. It will be transport net neutral.

The development will also deliver high quality commercial space, with potential to unlock expansion of the Cambridge Science Park and other sites to provide about 1 million sq ft of additional floor space.

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) September 2018¹ (developed by the Cambridgeshire and Peterborough Independent Economic Commission as established by the Cambridgeshire and Peterborough Combined Authority) sets out a robust and independent assessment of the Cambridgeshire and Peterborough economy and its potential for growth, describing the importance of Cambridgeshire and Peterborough to the regional and national economy, considering how it can achieve continued prosperity and high growth rates, identifying what types of infrastructure and other investment would best enable Cambridgeshire and Peterborough to achieve its full growth potential and contribute to regional and national economic growth and setting out policy and planning recommendations.

The Combined Authority area today accounts for only 1.28% of UK population and 1.37% of UK Gross Value Added (GVA), but that understates its importance. We consider that the aim of doubling GVA in this area by 2040 is realistic, and will be achieved in part by attracting knowledge-intensive businesses which would not locate elsewhere in the UK. Success here is of national significance. But it will only be attained if there is more ambition with regard to the development of new housing, and a careful prioritisation of infrastructure projects. In addition, such a stretching target will depend on improved collaboration between all local partners, public and private. (Preface, CPIER)

In a separately commissioned piece of research for the CPIER, the Cambridgeshire and Peterborough Futures (Futures) report considers the impact of different approaches to spatial development and concludes that a dispersal strategy, which seeks to relocate homes and businesses away from city centres is unlikely to be successful, as it is 'agglomeration' – the desire to be near other companies – that attracts companies to the area. "Other options, such as densification, fringe growth, and transport corridors all have potential benefits, and should be pursued to an extent, though none should be taken to its extreme". These strategic spatial options feature strongly in the ongoing assessment work informing the preparation of the Greater Cambridge Local Plan ('GCLP')².

¹<https://www.cpier.org.uk/media/1672/cpier-report-151118-lowres.pdf>

²<https://scams.moderngov.co.uk/documents/s119709/GCLP%20Development%20Strategy%20Options%20Summary%20Report%20Nov%202020.pdf>



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The CPIER economic review has been used to inform the Local Enterprise Partnerships production of its Local Industrial Strategy ('LIS'). CWWTTPR falls squarely within at least one of the three priorities for the Cambridgeshire and Peterborough economy set out in the Cambridgeshire and Peterborough Local Industrial Strategy July 2019³, namely to "Improve the long-term capacity for growth in Greater Cambridge by supporting the foundations of productivity" by, amongst other measures, investing heavily in housing and delivering transformational transport and infrastructure.

3. HIF funding and the timeline for the project

As I am sure that you will understand, given the confidentiality of the legal agreement with Homes England which secures the HIF funding for the project I am not able to divulge details in this letter. Nevertheless, I have provided references below to publicly available information that confirms that the project benefits from HIF funding. In addition, Cambridge City Council are a grant recipient under the terms of these arrangements which provides a linkage with the planning policy set out above to give confidence around the deliverability of those objectives:

- the MHCLG website confirms that the project has been awarded Forward Funding⁴. The project is listed as the Northern Fringe East lying within Cambridgeshire and Peterborough with HIF Funding of £227m
- On 11 November 2020, Homes England issued a press release publicising that HIF Forward Funding had delivered £1.8bn of investment to projects⁵. The CWWTTPR the project was referred to as a case study.
- HIF funding of the project was expressly referred to in the Government's Spending Review on November 2020 which notes that it provides "£227 million for the relocation of a waste water treatment plant in order to unlock nearly 9,000 homes on a brownfield site"⁶.

As the aim of HIF Forward Funding scheme is to enable infrastructure to be provided to unlock future housing development, Anglian Water are under certain legal obligations to deliver the CWWTTPR in order to make the existing site available for redevelopment. Further details on the qualifying criteria of an award of HIF Forward Funding are explained in the DCLG publication "Housing Infrastructure Fund - Supporting Document for Forward Funding"⁷

As explained in my letter requesting a Section 35 Direction, Anglian Water are under an obligation to deliver the CWWTTPR to enable housing development to start on the existing site from 31 March 2028.

I have copied below the high level project timeline, as presented at our recent meeting, which provides an overview of the programme to enable the delivery of homes on the site vacated to begin.

3

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge_SINGLE_PAGE.pdf

4

<https://www.gov.uk/government/publications/housing-infrastructure-fund>

5

<https://www.gov.uk/government/news/government-investment-in-homes-and-jobs-tops-18bn-to-support-a-housing-led-recovery>

6

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938052/SR20_Web_Accessible.pdf

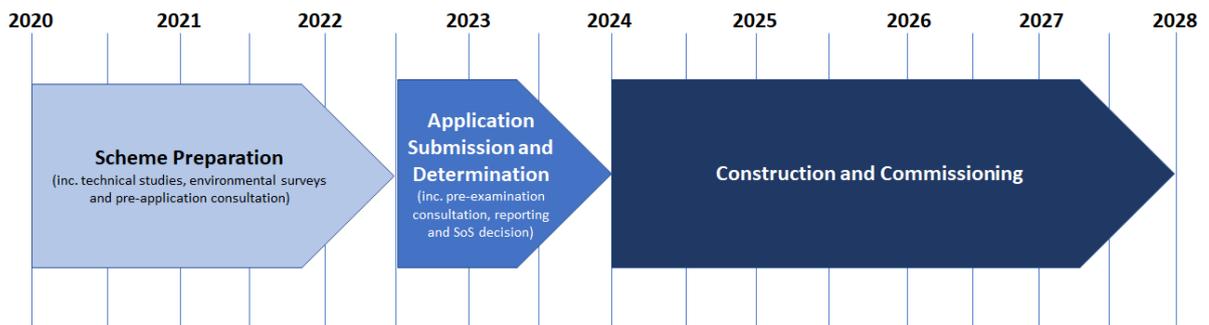
7

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/625525/HIF_Forward_Funding_supporting_document_accessible.pdf



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In order to meet this challenging timetable and reflective of the intermediate HIF contractual milestones, Anglian Water is currently intending to announce its preferred site for the CWWTPR in January 2021, with a view to submitting its DCO application in the Summer of 2022 following environmental impact assessment, progression of the design and extensive consultation with stakeholders and the local community as required under the 2008 Act. Two formal rounds of consultation are planned for the Summer of 2021, and early 2022 as well as an extensive programme of ongoing consultation through technical working groups throughout that period.

A DCO application submission in Summer 2022 would enable the DCO to be determined by the end of 2023 in accordance with the relevant statutory timescales. This would allow land assembly to be undertaken (using compulsory acquisition powers if needed) to enable work on the CWWTPR to commence in early 2024 to enable the ultimate deadline of March 2028 to be met.

As I explained in the original s35 request, the construction process is complex involving the construction of the new works, transfer tunnels from the existing works, new tunnels or pipelines to intercept flow to the existing works and outfall infrastructure. Once constructed, an extensive process of testing needs to take place to ensure that the new infrastructure is functioning effectively before the existing works can be taken out of service to allow the redevelopment of the existing site. Certainty over the timeframe for the planning process is therefore important to allow Anglian Water to meet its ultimate obligation to make the existing site available for redevelopment by the end of March 2028.

4. Powers available through a Development Consent Order

- i. The need for compulsory acquisition powers would apply to each of the three site options currently under consideration. For each site option, there are multiple owners and occupiers. This consideration affects not just for the main site, but also the related corridors for transfer infrastructure and the outfall location. In addition, Anglian Water would require the certainty of being able to extinguish or interfere with third party rights in existence over these areas. The certainty of compulsory acquisition powers is essential, given the scale of the project, the timing for delivery and the nature of the development – unimpeded land is critical. Whilst Anglian Water does of course, as is required for any promoter seeking compulsory acquisition, intend to seek voluntary agreement where possible, the timing and delivery of the project is such that the availability of compulsory acquisition powers are vital. I understand that there may also be pockets of unregistered land and potentially unknown third party rights.
- ii. It is anticipated that the CWWTPR will interact with the interests of various statutory undertakers. For example:
 - a. all site options will require transfer infrastructure to cross the A14
 - b. all site options will require an outfall to the River Cam
 - c. all site options will require associated infrastructure to cross the local highway network



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- d. all site options are likely to cross the infrastructure of various statutory undertakers, for example electricity and other utilities' pipes and cables, and telecommunications cables
- e. all site options will involve infrastructure crossing the existing railway line running to the east of the current site
- f. all site options are likely to require some improvements to the local highway network. One site option may require works to an existing bridge crossing the A14 at Low Fen Drove Way.

Anglian Water will require powers under the DCO to enable it to undertake these works and in return would expect the DCO to contain protective provisions to ensure that such works are able to be carried out expeditiously, but in such a way that protects the interests of Highways England, Network Rail, the Environment Agency, the Local Highway Authority and other statutory undertakers.

- iii. The full extent of highway works and potential diversions/temporary closures is not yet known as this will be further refined as the scheme is finalised and be informed by the conclusions of environmental impact assessment. However, Anglian Water is aware that such measures are likely to be needed in particular to facilitate the construction of the site access, and site construction works which may impact on the public right of way network in the vicinity of each site option. In addition, there is likely to be a particular requirement if Site 3 is chosen to undertake improvement works to the bridge crossing the A14 at Low Fen Drove Way which will require associated closures and diversions.

Anglian Water notes that the timeframe for the making of a direction pursuant to section 35 of the 2008 Act following the submission of this further information is now 28 days from receipt of this information. I would therefore be grateful if you would confirm receipt of this letter and look forward to hearing from you.

Yours sincerely



Alex Plant
Director of Strategy & Regulation
Anglian Water Services Limited



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Appendix 1
Savills DP Policy Note



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Cambridge Waste Water Treatment Plant Relocation (CWWTPR)

Development Plan Policy Framework Relating to the Cambridge WWTP Relocation



John Bowles
E: john.bowles@savills.com
DL: +44 (0) 203 810 9841
savills.com

Present Policy Context for CWWTPR

1. The adopted Cambridge Local Plan 2018 (Policy 15 and corresponding Policy SS/4 of the South Cambridgeshire Local Plan 2018) identifies the existing WWTP site for redevelopment for high quality mixed-use development primarily for employment use as part of the 'Cambridge Northern Fringe East' Area of Major Change (now 'North East Cambridge').
2. The detail of the total amount of development, site capacity, viability, timescales and phasing of development in NEC are to be established through the preparation of an Area Action Plan (AAP) to be developed jointly between Cambridge City Council and South Cambridgeshire District Council, and involving "close collaborative working with Cambridgeshire County Council, Anglian Water and other stakeholders in the area".
3. "Exploration in respect of the viability and feasibility of redevelopment of the Cambridge Water Recycling Centre to provide a new treatment works facility either elsewhere or on the current site, subject to its scale will be undertaken as part of the feasibility investigations in drawing up the AAP. If a reduced footprint were to be achieved on the current site, this could release valuable land to enable a wider range of uses. Residential development could be an option, subject to appropriate ground conditions, contamination issues and amenity and air quality" (paragraph 3.5).
4. Both adopted plans for Cambridge and South Cambridgeshire for the period 2011 to 2031 have a joint housing target of 33,500 at 1,675 per annum. However, their approvals were predicated on an early review to adequately address housing need which the Councils committed to commence before the end of 2019, with submission of a new Local Plan (the Greater Cambridge Plan) to the Secretary of State for examination anticipated by the end of Summer 2022. That review process has now started (see below).

Historic Policy Position

5. The existing CWWTPR site was initially allocated in the Cambridge City 2006 Local Plan for high density mixed use development as part of the Northern Fringe (Policy 9/6). This Local Plan refers to the allocation being contingent upon the relocation of the CWWTP.
6. The 2018 Cambridge City Local Plan replaced the 2006 Local Plan. The Sustainability Appraisal ('SA') of what is now the adopted 2018 Local Plan was originally undertaken in 2014. This SA confirmed at paragraph 3.12.4 that the 2006 Northern Fringe policy was no longer applicable because the relocation of the CWWTP was found to be unviable, and instead that the site would be taken forward through the Local Plan review and will focus on employment led development around the planned Chesterton Station. Chesterton Station was to be located on Chesterton Sidings within South Cambridgeshire District and the SA confirms that the City would be working with South Cambridgeshire District to ensure co-ordinated policies would be developed. The 2018 Cambridge and South Cambridgeshire Local Plans were then adopted (providing the extant respective Policies 15 and SS/4 referenced above).

7. Cambridge City Council consulted on its Issues & Options for the Northern Fringe East AAP in late 2014. With its accompanying interim SA, it explored four options for development and included reconfiguration of the site (option 3), complete relocation (option 4) and leaving the CWWTP in situ (options 1 and 2). This Issues & Options Report was effectively abandoned due to the Local Plan Examination which became protracted. However, the conclusions drawn from this exercise are referenced in the updated AAP Issues & Options Report 2019 (see below).

Emerging Policy Framework

8. The City Council issued its updated AAP Issues & Options Report in 2019 which deals with the change in circumstances and refers to the submission of a bid for HIF funding and the potential for this to enable the relocation of the CWWTP and unlock development on the site within the plan period (paragraphs 1.15 – 1.17). It goes on to state that the previously allocated Northern Fringe area would be combined with the Science Park and this would constitute the Area Action Plan (now referred to as the North East Cambridge Area Action Plan ‘NEC AAP’). The 2019 SA of the Issues & Options Report records this position (but does not assess options for consolidation or relocation of the WWTP). The non-technical summary does, however, reference the four options explored in the 2014 SA. It confirms (paragraph 1.3) that there was a strong preference for options 2 and 4 but that the Council members considered the cost and challenge of relocating the CWWTP were unfeasible, rendering option 4 impossible to implement.
9. In 2019 Cambridge City Council in partnership with Anglian Water, prioritised by the Cambridgeshire and Peterborough Combined Authority and supported by key stakeholders, applied for and secured Housing Infrastructure Funding (‘HIF’) of £227m to relocate the Cambridge WWTP. The strategic case in support of that award made clear that:

“Relocating the CWRC will release the CNFE Core Site, a major brownfield area for 5,600 homes (including 40% affordable) in line with the Cambridge Sustainable Housing Design Guide. It will also remove ‘odour zone’ restrictions around the CWRC that limit 82 hectares of land to industrial use. This would enable a further circa 3,000 homes to be built on adjacent land and nearby employment sites to more than double employment densities”.
10. In July 2020 Cambridge City and South Cambridgeshire Councils jointly published the Draft Regulation 18 NEC AAP for consultation. Policy 1 in the Draft AAP makes provision for NEC to accommodate 8,000 new homes and 20,000 new jobs, of which some 5,000 homes are to be provided on the existing WWTP site. The AAP strategy to deliver 8,000 new houses is predicated on this relocation.
11. In January 2020 Greater Cambridge Shared Planning (‘GCSP’) consulted on the Greater Cambridge Local Plan (‘GCLP’) (Regulation 18: Issues and Options 2020) including the Sustainability Appraisal of Issues and Options (December 2019). This Joint Local Plan is intended to replace both the adopted Cambridge and South Cambridgeshire Local Plans 2018 and cover the period to 2041. At present no view on the preferred approach to the development strategy for the GCLP has been reached. The Cambridge City Council and South Cambridgeshire District Council Joint Local Plan Advisory Group (‘JLPAG’) met on 24 November 2020 to receive an interim report on the key findings from the evidence work and testing of options undertaken, and the outcomes of the assessment of a range of growth levels and spatial strategy options.

12. Under 'Next Steps – Preferred Option public consultation' – the 24 November 2020 JLPAG report states that studies will continue to be developed towards a Local Plan Preferred Option. The Local Plan Preferred Options public consultation *“is scheduled for Summer / Autumn 2021. This will enable public consultation on the emerging preferred approach to be undertaken, and for the responses to be considered before detailed policies are drafted”*. It will *“include an explanation of the options tested and how they have been assessed to identify proposed preferred options”* and *“will allow the emerging preferred approach to be tested with the public and wider interests prior to confirming the preferred strategy for the Local Plan and the drafting of detailed policy wording in a full draft Local Plan”*.
13. The latest LDS indicates a further GCLP Draft Plan (Reg.18) consultation in Summer 2022. There will then be a Proposed Submission (Reg.19) consultation in Spring 2023 or it will be aligned with the AAP programme with a consultation in Autumn/Winter 2023. The option of GCSP integrating the AAP into the GCLP is under consideration and will be debated probably in late 2021.