

COUNCIL-LED GARDEN COMMUNITY UPDATE

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| Final Decision-Maker | Policy & Resources Committee |
| Lead Head of Service | William Cornall, Director of Regeneration & Place |
| Lead Officer and Report Author | William Cornall, Director of Regeneration & Place |
| Classification | Public |
| Wards affected | All, but in particular Harrietsham & Lenham and Headcorn Wards. Lenham Parish Council and Boughton Malherbe Parish Council are affected. |

Executive Summary

The proposal was last considered by this Committee on 29th April 2020. The purpose of this report is to provide an update in respect of the progress made since then in pursuing a council-led garden community, near Lenham Heath (Heathlands). As in the case of previous reports to this Committee, the contents of this report relate to the Council's position as a potential property owner/developer and not as Local Planning Authority (LPA).

Purpose of Report

For information.

This report makes the following recommendations to this Committee:

1. To note the contents of this report.

Timetable

| Meeting | Date |
|--------------------------------|--------------|
| Policy and Resources Committee | 24 June 2020 |

COUNCIL-LED GARDEN COMMUNITY UPDATE

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue | Implications | Sign-off |
|--|---|---|
| <p>Impact on Corporate Priorities</p> | <p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling • Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations will materially improve the Council’s ability to achieve all the corporate priorities.</p> | <p>Director of Regeneration & Place</p> |
| <p>Cross Cutting Objectives</p> | <p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support the achievement of all the cross cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing of which 70% would be for social rent. The emerging masterplan is landscape led with 50% of the total proposed as green space. Led by the ambitions set out in the Strategic Plan the Council can ensure that the design principles of development where it is the master planner reflect the commitment to reduce health inequalities amongst other things.</p> | <p>Director of Regeneration & Place</p> |
| <p>Risk Management</p> | <p>See section 5.</p> | <p>Director of Regeneration & Place</p> |

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|------------------------------------|---|--|
| Financial | <ul style="list-style-type: none"> Investment in the Garden Community forms part of the Council's five-year capital programme and budgetary provision exists for the expenditure described in the report and the future plans outlined here. | Section 151 Officer & Finance Team |
| Staffing | <ul style="list-style-type: none"> We will deliver the recommendations with our current staffing. | Director of Regeneration & Place |
| Legal | <ul style="list-style-type: none"> Acting on the recommendations is within the Council's powers | Solicitor |
| Privacy and Data Protection | <ul style="list-style-type: none"> No impact. | Policy and Information Team |
| Equalities | <ul style="list-style-type: none"> Officers will commence the preparation of an Equalities Impact Assessment or equivalent should the proposal feature in the draft spatial strategy of the Local Plan Review. | Policy & Information Manager |
| Public Health | <ul style="list-style-type: none"> We recognise that the recommendations will not negatively impact on population health or that of individuals. | Public Health Officer |
| Crime and Disorder | <ul style="list-style-type: none"> The recommendation will not have a negative impact on Crime and Disorder. | Head of Service or Manager |
| Procurement | <ul style="list-style-type: none"> N/A. | Head of Service & Section 151 Officer |
| Biodiversity | <ul style="list-style-type: none"> The revised masterplan brief seeks a biodiversity net gain within the proposed redline. | Head of Policy Communications & Governance |

2. INTRODUCTION AND BACKGROUND

2.1 The council is pursuing this project as it is consistent with its Strategic Plan priority of "embracing growth and enabling infrastructure" and the desired outcomes within it:

- The Council leads master planning and invests in new places which are well designed.
 - Key employment sites are delivered.
 - Housing need is met including affordable housing.
 - Sufficient infrastructure is planned to meet the demands of growth.
- 2.2 This report will provide an update on the progress made since the last report to this committee on 29th April 2020 and addresses the following areas:
- Feedback from the LPA
 - Second stage landscape led masterplan
 - Landowners
 - Homes England partnership proposal
 - Land value capture
 - Financial model
 - Community engagement
 - Land Value Capture
- 2.3 **Feedback from the LPA.** Since the last report, the council has been advised by the LPA that the Heathlands proposal is one of four garden community proposals that it will consider in more detail at the present time. There were seven such proposals submitted in the “call for sites” exercise of the Local Plan Review (LPR) i.e. the LPA will be exploring whether any of the remaining proposals should feature within the next public consultation stage of the LPR, the LPA’s preferred spatial distribution for future development in the borough. Accordingly, the LPA requested further topic papers to support the Heathlands proposal, covering; landscape impact, place-making and governance, housing, employment, infrastructure, and transport. These were submitted during the week commencing 15th June 2020.
- 2.4 **Second stage landscape-led masterplan.** This was duly commissioned and is nearing completion. This latest commission drew on the RSK survey finds referred to last time and reflects the withdrawal of three of the principal landowners. The proposal now provides initially for circa 4,000 homes (previously up to 5,000) and a reduced redline of 776 acres (reduced from circa 900 acres in the initial vision document). The possibility of a further motorway junction on the A20 corridor between Lenham and Ashford will still be explored via the MBC / KCC infrastructure working group and through Duty to Cooperate meetings with key stakeholders held by the LPA. Furthermore, a possible location for the junction has been safeguarded within the revised masterplan, although were Highways England to eventually support its provision, they might ultimately prefer a different location elsewhere on the A20 / M20 corridor. Regardless of location, securing a new motorway junction is always a long term ambition that will require political consensus and lobbying at all levels, and then the case should also be made through the Local Enterprise Partnership.
- 2.5 The revised masterplan also makes provision for 16 acres of employment land, two further road links to the A20 inclusive of bridges across the

railway line. At the time of writing this report, the revised masterplan is being refined and its overarching booklet is still in production.

- 2.6 **Landowners.** The five principal landowners remain committed to the proposals and have submitted a joint letter of intent via their retained surveyor. Furthermore, the Council has also been approached by an SME developer acting for three smaller landowners within the redline that wish to make their land available for development too. The following table summarises the current position.

| Category | Ha | Acres | % |
|----------------------------------|-------|-------|------|
| Principal landowners | 215.0 | 531.4 | 68% |
| Additional interested landowners | 6.7 | 16.6 | 2% |
| Other land to be retained | 50.3 | 124.2 | 16% |
| Remaining land | 42.3 | 104.5 | 13% |
| | 314.3 | 776.7 | 100% |

- 2.7 **Homes England (HE) partnership proposal.** HE has now provided MBC with a letter of intent setting out their willingness to share land promotion costs of up to £3m 50:50 with the council. This sum would cover the ongoing costs of promoting the proposal through the LPR, securing the land Options and submitting a Planning application, a programme of work that would end in around March 2024. This commitment from HE will be reviewed when the draft spatial strategy of the LPR is published by the LPA in the autumn. This is a very positive development, not only in terms of the financial contribution but also the expertise and credibility that HE will bring to the proposal too.
- 2.8 **Financial model.** The high-level financial model that was presented as an exempt appendix to this committee in September 2019 is in the process of being refreshed. It is intended that this will be presented to this committee in July 2020. Initial indications are that the financial metrics of the revised proposal are improved.
- 2.9 **Community Engagement.** The Parish Council and Ward councillors have been invited to attend a Skype meeting in late June to ask any further questions on progress to date.
- 2.10 **Land Value Capture.** Government guidance is that land value capture is “the process of capturing some of the increase in land value which comes from policy decisions, the granting of planning permission by local authorities, or as a consequence of new or improved, publicly funded infrastructure projects.” In the context of garden communities, this involves making sure an appropriate portion of the enhanced land value arising from the development is made available to fund the delivery of:
- infrastructure
 - facilities
 - legacy arrangements
 - other measures needed to support development of a sustainable garden community

- 2.11 Therefore, in developing this proposal, the council has worked on the premise that all the infrastructure requirements for the garden community would be fully funded through land value capture i.e. the price payable for the land will be reflective of these enhanced infrastructure requirements that will be payable through a combination of S106, S278 and Community Infrastructure Levy (CIL). The detail of this concept will be explored further in the next committee report on the proposal.
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3. AVAILABLE OPTIONS

- 3.1 The report is for noting.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 N/A.
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5. RISK

- 5.1 When this proposal was presented to this Committee in September 2019, the likely risks were set out as follows:

- At risk consultancy expenditure.
- A period of uncertainty for the community affected.
- Possible negative perceptions of a broader role for the Council in the context of acting as master developer.
- Maintaining cohesion amongst the landowner group.

- 5.2 These risks have to some degree crystallised and largely remain. However, the level of cohesion amongst what is a now smaller landowner group, is now strong.

- 5.3 When the proposal was last reported on 29th April, the key risks identified were:

- Terms cannot be agreed with the landowners.
- That a suitable partner/s cannot be identified.
- That the LPA does not support the proposal at the next stage of the LPR.
- Challenge from individuals or organisations that oppose the principle and/or the specific details of MBC's council-led garden community
- That the second stage vision document, taking into account the RSK survey findings and the loss of three landowners might yield a compromised proposal.

5.4 Therefore, two of the risks identified last time (bullets 2 & 5 shaded) have receded.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Nothing further to report since April 29th.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The next steps will be to:

- Advance the commercial negotiations with the five principal landowners.
 - Continue to promote the proposal to the LPA through the LPR.
 - Continue discussions with Homes England.
 - Continue dialogue with Lenham parish council and other community groups / stakeholders.
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8. REPORT APPENDICES

None.

9. BACKGROUND PAPERS

None.