

COUNCIL-LED GARDEN COMMUNITY UPDATE

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 21st July 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	21 October 2020

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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 or affordable rent. The emerging masterplan is landscape led with up to 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>

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 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"> There are no legal implications arising from this report as it is for information only. 	Principal Solicitor - Commercial
Privacy and Data Protection	<ul style="list-style-type: none"> No impact identified 	Policy and Information Team
Equalities	An Equalities Impact Assessment will be completed if the proposal forms part of the draft spatial strategy of the Local Plan Review.	Equalities and Corporate Policy
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 21st July 2020 and addresses the following areas:
- Promotion of Heathlands through the Local Plan Review (LPR)
 - Homes England partnership update
 - Principal Landowners
 - Community engagement
- 2.3 **Promotion of Heathlands through the LPR.** The Local Planning Authority (LPA) published its evidence base for the LPR to the Strategic Planning & Infrastructure (SPI) Committee last month. This evidence base included a report produced by Stantec evaluating the three garden community proposals. This Stantec report will no doubt inform the SPI Committee decision expected in November as to which, if any, of the garden community proposals should feature within the next public consultation stage of the LPR, i.e. the LPA's preferred spatial distribution for future development in the borough.
- 2.4 The Stantec report critiqued the proposal in terms of the following: deliverability, employment, transport, infrastructure, placemaking and governance. The Stantec report concludes that Heathlands could be suitable for inclusion in the LPR but raises the following areas of weakness for further exploration and evidence gathering; connectivity, the western parcels (minerals and waste water treatment plant), relationship to Lenham Heath, possible expansion to the north of railway line and more generally viability / land value capture.
- 2.5 The Council, acting as land promotor / developer will submit representations on all these matters to the LPA within the next two weeks. These areas of uncertainty had been highlighted to this Committee over the course of 2020. The Stantec report in effect appears to set out four possible scenarios for Heathlands were it to proceed:
- 3,000 homes if the western parcel is removed
 - 4,000 homes as per the June 2020 masterplan
 - 4,000 homes but with the northern parcels added to replace lost western parcel
 - 4,000+ homes if the western and northern parcels feature
- 2.6 All these scenarios can be further explored should the broader proposal feature in the next stage of the LPR, in partnership with Homes England and the LPA.
- 2.7 Furthermore, at the request of the LPA, RSK have been commissioned to provide a preliminary assessment of the Heathlands proposal in respect of Nutrient Neutrality requirement, as recently established as a requirement by Natural England. I.e. the Heathlands location falls within the Stour Operational Catchment area and so it will be necessary to demonstrate

that any development would not adversely affect the local water environment. This report is due imminently and a meeting is being scheduled between the Council (as promotor), the LPA and Southern Water to explore this matter and the various possibilities and requirement around the existing wastewater treatment plant.

- 2.8 **Homes England (HE) Partnership update.** HE received on 7th October 2020, their Development Project Executive approval to undertake their own due diligence of the project to a value of £250k. This sum increased their previous expenditure cap, and this is funding the following: Title due diligence, technical due diligence, financial due diligence, collaboration agreement with MBC and the negotiation of Option Agreements with the principal landowners. It is envisaged that any areas of serious concern will have been identified and raised well in advance of the pivotal November 2020 SPI committee, but so far their findings appear consistent with the conclusions reached and shared by MBC officers and indeed those reached by Stantec too.
- 2.9 This sizeable due diligence budget is helpful as it can also be used for further work to present to the LPA in respect of their various lines of enquiry identified by Stantec, in particular developing the sustainable transport strategy to include opening discussions with Network Rail. HE will also undertake a full independent valuation of the site prior to entering contractual negotiations with the landowners.
- 2.10 HE will seek their final approval for their full £1.5m contribution for match funding with MBC (for the full £3m promotional costs) in February 2021, once they (together with MBC) have concluded the negotiations with the principal landowners. The intention is for contracts to be in place by March 2021.
- 2.11 Furthermore, HE has also provided MBC with some initial ideas as to the possible deal structures that could be utilised between the two organisations for the delivery phase (so post securing outline Planning consent). These will be explored by the Corporate Leadership team once there is clarity in terms of whether Heathlands will feature in the next stage of the LPR, and then brought to this Committee for decision in due course.
- 2.12 **Principal Landowners.** The five principal landowners and the additional landowners to the north of the railway line are fully briefed and are aware that commercial negotiations will need to recommence and proceed at pace after the November SPI decision (assuming that it is a positive decision). They are also aware that these negotiations will now include HE too.
- 2.13 **Community Engagement.** The Parish Council do not support the proposal and to this point it has not been possible to establish a positive dialogue with the Save Our Heathlands group either. If Heathlands does feature in the next stage of the LPR a community engagement strategy will be developed and presented to this Committee for approval before being rolled out. The ideal scenario would be that the Council could work positively with both entities even if they continue to oppose the scheme,

so that their input can be secured to improve the proposals in the event that the project does ultimately proceed, whilst respecting their ultimate preference that it does not. This modus operandi has been offered previously, but arguably prior to the November SPI decision this would have been too early from their perspectives.

- 2.14 **Summary.** Once again good progress has been made since the last update report and it remains possible that the proposal may feature in the next stage of the LPR. If this does occur, there will need to be extensive dialogue with the LPA to develop and refine the proposal further and to provide further information and evidence as required. Furthermore, if this milestone is achieved, further work will need to be undertaken with Members and all stakeholders to develop the desired infrastructure package more fully and then create a plan as to how best it can be delivered. I.e. for a compelling infrastructure package to be delivered, a critical success factor will be a high level of Member consensus and advocacy on the matter with various stakeholders, to include the Local Enterprise Partnership.

3. AVAILABLE OPTIONS

- 3.1 The report is for noting.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 N/A.

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. When the proposal was last reported on 21 July 2020, further risks were identified, that broadly remain unchanged, as follows:

- Terms cannot be agreed with the landowners (principal and minority).
- 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.

5.3 New emerging risks are that:

- The LPA could move to support the proposal in the next stage of the LPR process, but this Committee falters in its resolve to continue to back the project over the long term.
- The further due diligence being undertaken by HE could identify currently unforeseen areas of risk.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Nothing further to report since July 2020.

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 after the November SPI Committee.
- Continue to promote the proposal to the LPA through the LPR.
- Continue discussions with Homes England.

8. REPORT APPENDICES

None.

9. BACKGROUND PAPERS

None.