

MAIDSTONE BOROUGH COUNCIL: HEATHLANDS GARDEN COMMUNITY

COLLABORATION AGREEMENT WITH HOMES ENGLAND: KEY TERMS SUMMARY

1. OVERVIEW

- 1.1 Maidstone Borough Council (the "**Council**") has agreed in principle to enter into a collaboration agreement (the "**Agreement**") with Homes England ("**HE**") in relation to the promotion and ultimate development and disposal of land intended to form Heathlands Garden Community (the "**Site**").
- 1.2 The parties' objectives are enshrined in the Agreement:-
- 1.2.1 comprehensive development of the entire Site for at least 4,000 homes
 - 1.2.2 holistic and sustainable development in line with Garden Community principles
 - 1.2.3 policy compliant affordable housing offer
- 1.3 The parties will initially work together to continue promoting the Site through the Local Plan Review process for allocation as a residential development site. If the Site is allocated for residential development then the parties will work together to seek planning permission (although HE will lead).
- 1.4 If planning permission is obtained for the Site, then the project will move into an "operational" or "delivery" stage (the "**Operational Stage**"). HE will take the lead from this point in, and will be responsible for delivering key site-wide infrastructure, and disposing of serviced phases or plots within the site, to developers for residential-led development, through its Developer Partner Panel (DPP).
- 1.5 The Initial Stage of the Agreement can last for up to ten years from the date of the Agreement. The Operational Stage can last for up to a further 35 years.

2. INITIAL STAGE OF AGREEMENT

- 2.1 To date, the Council has taken the lead on promoting the Site through the early stages of the Local Plan Review. A further submission is anticipated to be made in March 2021. If the Site is allocated for residential development in the review, then it will be open to the parties to make an application for planning permission for the Site.
- 2.2 As from entry into the Agreement the parties will work together through a senior level Steering Group, and also an operational level Working Group. This will create appropriate forums for decision making and day to day supervision of activities, monitoring progress of the project.
- 2.3 Within three months of entry into the Agreement, the parties will agree a "**Planning Strategy**" which will set out how they propose to obtain planning permission for the scheme (if allocated). The Planning Strategy will be agreed by the Steering Group. They will follow this Planning Strategy together to seek to obtain planning permission if the site is allocated.
- 2.4 Planning permission is likely to comprise an outline planning permission for the whole Site (ie a Masterplan), and probably a full permission for one or two early phases that are ready for delivery.
- 2.5 All costs at this early stage are shared 50/50 on the basis of expenditure incurred by each party.

3. OPERATIONAL STAGE OF AGREEMENT

- 3.1 If the Site is allocated, and planning permission is obtained, then the parties will agree:-
- 3.1.1 an Acquisition Strategy (how they will assemble the Site for delivery);
 - 3.1.2 a Development Strategy (what site-wide infrastructure will be delivered, where, and when: this includes not only roads and drainage but also "green infrastructure" such as parkland and also social infrastructure such as schools);
 - 3.1.3 a Marketing and Sales Strategy (how they will market the Site or parts of it to developers);
 - 3.1.4 an Estate Management Strategy (how the "common parts" of the Site will be managed in the long term). The Council will specifically be able to influence this Strategy and will be able to obtain input from members of local stakeholder groups to guide and oversee implementation of this Strategy.
- 3.2 Whilst Homes England will lead on the implementation of these Strategies, the Council will still have a "seat at the table" in terms of monitoring and where necessary influencing delivery.
- 3.3 HE will be responsible for leading in relation to acquisition of land within the Site. HE is in negotiations with a number of major landowners with a view to putting in place option agreements with those landowners, which will mean that a substantial proportion of the Site will be under its control.
- 3.4 All costs incurred during the Operational Stage will be allocated to a project account (a ledger account). As and when serviced plots or phases are sold to developers through HE's DPP panel, the sales receipts from those disposals will be credited to the ledger account. As and when there is any surplus in that account it will be allocated between HE and the Council in agreed proportions to reflect the financial and operational input of each party.
- 3.5 Where HE sells any land to a developer for delivery of affordable housing, the arrangements will provide for the Council to have a "right of first refusal" to acquire that affordable housing. This does not oblige the Council to acquire those units, but gives it the first right to do so at a price equal to that offered by RP's in the market.
- 3.6 Where HE retains any land to construct commercial development, the Council will have a "right of first refusal" to acquire those commercial units. This does not oblige the Council to acquire those units, but gives it the first right to do so at a price equal to that offered by purchasers in the market.
- 3.7 Whilst the Operational Stage can last for up to 35 years, if HE "sits on its hands" for 2+ years then the Council can serve notice on it, and ultimately terminate the Agreement. It is acknowledged that if the Council terminates early, then it may still have "sunk costs" and/or not have realised the full value of its time and economic investment in the Site. Therefore, HE has agreed that for the following ten years the Council would still get its share of proceeds in relation to the Site as if the Agreement were still in existence.