



Agenda

Meeting: **Overview and Scrutiny Committee**
Date: **28 June 2016**
Time: **7.00 pm**
Place: **Council Chamber - Civic Centre, Folkestone**

To: **All members of the Overview and Scrutiny Committee**

The committee will consider the matters, listed below, at the date, time and place shown above. The meeting will be open to the press and public.

Members of the committee, who wish to have information on any matter arising on the agenda, which is not fully covered in these papers, are requested to give notice, prior to the meeting, to the Chairman or appropriate officer.

1. **Apologies for Absence**

2. **Declarations of Interest**

Members of the Council should declare any interests which fall under the following categories*:

- a) disclosable pecuniary interests (DPI)
- b) other significant interests (OSI)
- c) voluntary announcements of other interests

3. **Minutes**

To consider and approve, as a correct record, the minutes of the meeting held on 24 May 2016.

4. **Otterpool Park: A Garden Town of the Future - Proposal**

Report C/16/08 went to Cabinet on 8 June 2016. It set out the case for a potential new garden settlement in the district and sought Cabinet approval to submit an expression of interest for Otterpool Park, in response to the Government's prospectus for "Locally Led Garden Villages, Towns and

Queries about the agenda? Need a different format?

Contact Amanda Brooks – Tel: 01303 853495
Email: committee@shepway.gov.uk or download from our website
www.shepway.gov.uk

Cities”.

The draft expression of interest, which was included as a confidential appendix to the report, set out the unique and well-connected location for a potential garden settlement of up to 12,000 new homes near Junction 11 of the M20. It included a potential vision and key guiding principles that provide a foundation for working with land owners and the wider community to plan and deliver a new garden community.

The expression of interest is without prejudice to any future decisions the Council might take in its capacity as local planning authority.

It was resolved:

That the Cabinet agrees that a proposed new garden town at Otterpool Park has the potential to be a unique opportunity to deliver the strategic objectives of the Corporate Plan relating to boosting the local economy, increasing job opportunities and providing more homes.

That the detailed expression of interest, attached to this report, be agreed as the Council’s formal submission to the Department of Communities and Local Government’s prospectus for “Locally Led Garden Villages, Towns and Cities”, subject to any changes considered necessary by the Director of Strategic Development in consultation with the Leader of the Council.

That a further report be considered by Cabinet to consider the outcome of the expression of interest to Government.

5. **Exclusion of the Public**

To exclude the public from the following item of business, on the grounds that it is likely to disclose exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972:

‘Information relating to the financial or business affairs of any particular person (including the authority holding that information).’

‘Financial or business affairs’ includes contemplated as well as current activities.

6. **Otterpool Park**

Report C/16/09, which also related to the Otterpool Park proposal, went to Cabinet on 8 June 2016. The discussion was of a commercial nature.

It was resolved:

To receive and note report C/16/09.

To authorise the Corporate Director – Strategic Operations, in consultation with the Leader of the Council, to finalise the terms of and enter into a planning collaboration agreement with the owners of Folkestone

Overview and Scrutiny Committee - 28 June 2016

Racecourse to regulate the working arrangements between the parties as land owners and promoters with an objective of securing a suitable outline planning permission for a new garden town.

To authorise the Corporate Director – Strategic Operations, in consultation with the Leader of the Council, to finalise the terms of and enter into any option agreements with other land owners within the area of search that are considered necessary to deliver the Councils ambition for a new garden town.

To note that a further, more detailed, development agreement is proposed between the Council and the owners of Folkestone Racecourse and to authorise the Corporate Director – Strategic Operations to negotiate that agreement in the best interests of the Council with further report being presented to Cabinet prior to the agreement being entered into.

To agree an initial landowner promoter budget in order to fund relevant activities of up to £1m in the first instance to be funded from the appropriate reserves with delegated authority to the Section 151 Officer in consultation with the Cabinet Member for Finance to approve the funding source.

Julia Wallace, Otterpool Park Project Manager for Masterplanning and Design, will give a summary presentation on this report.

*Explanations as to different levels of interest

(a) A member with a disclosable pecuniary interest (DPI) must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares a DPI in relation to any item must leave the meeting for that item (unless a relevant dispensation has been granted).

(b) A member with an other significant interest (OSI) under the local code of conduct relating to items on this agenda must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares an OSI in relation to any item will need to remove him/herself to the public gallery before the debate and not vote on that item (unless a relevant dispensation has been granted). However, prior to leaving, the member may address the meeting in the same way that a member of the public may do so.

(c) Members may make voluntary announcements of other interests which are not required to be disclosed under (a) and (b). These are announcements made for transparency reasons alone, such as:

- membership of outside bodies that have made representations on agenda items, or
- where a member knows a person involved, but does not have a close association with that person, or
- where an item would affect the well-being of a member, relative, close associate, employer, etc. but not his/her financial position.

Voluntary announcements do not prevent the member from participating or voting on the relevant item

This page is intentionally left blank

Folkestone

Hythe & Romney Marsh
Shepway District Council



Minutes

Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 24 May 2016
Present	Councillors Mrs Ann Berry, Peter Gane, Clive Goddard, Mrs Claire Jeffrey, Michael Lyons, Frank McKenna, Ian Meyers, Peter Simmons and Mrs Rodica Wheeler
Apologies for Absence	Councillor David Owen
Officers Present:	Jordan Hall (Compliance and Information Governance Manager), Andrew Hatcher (Revenues and Benefits Manager) and Tim Madden (Corporate Director - Organisational Change)
Others Present:	

1. **Election of Chairman**

Proposed by Councillor Clive Goddard
Seconded by Councillor Mrs Ann Berry and

Resolved: To appoint Councillor Peter Gane as Chairman of this Committee for 2016/17.

(Voting: For 8; Against 0; Abstentions 0)

2. **Election of Vice-Chairman**

Proposed by Councillor Peter Gane
Seconded by Councillor Clive Goddard and

Resolved: To appoint Councillor Mrs Claire Jeffrey as Vice-Chairman of this Committee for 2016/17.

(Voting: For 8; Against 0; Abstentions 0)

3. **Declarations of interest**

There were no declarations for interest.

4. **Minutes**

The minutes of the meeting of Community Overview Committee held on 4 April 2016 were submitted, approved and signed by the Chairman.

5. **Council Tax Reduction Scheme 2017/18: consultation proposals**

The existing scheme for Council Tax Reduction runs until 31 March 2017. The Council is required by law to approve a scheme for the year ahead by 31 January 2017 at the latest, which has been subject to consultation.

Draft Cabinet Report C/16/04 (due to be considered by Cabinet on 25 May 2016) sets out draft scheme options for the next 3 years that can form the basis for consultation. The report seeks Cabinet agreement to a number of recommendations which are set out in the report.

Andrew Hatcher, Revenues and Benefits Manager will give a short presentation to members on these proposals.

Proposed Councillor Peter Gane
Seconded Councillor Mrs Ann Berry

RESOLVED:

To recommend that Cabinet consider making the following amendments to the proposals:

1. **To receive and note Report C/16/04.**
2. **To amend Option 3 to read “reduce backdated applications to a maximum of 3 months (as opposed to 1 month as proposed)”.**
3. **To remove option 9 in its entirety.**
4. **To amend Option 13 to read “To limit the number of dependent children within the calculation for Council Tax Reduction to a maximum of 4 (as opposed to 2 as proposed)”.**

(For 9; Against 0; Abstentions 0)

This Report will be made public on 31 May 2016

Report Number **C/16/08**

To: Cabinet
Date: 8 June 2016
Status: Key Decision
Corporate Director: Susan Priest – Strategic Development
Cabinet Member: Councillor David Monk, Leader of the Council

Subject: Otterpool Park: A Garden Town of the Future - Proposal

SUMMARY:

This report sets out the case for a potential new garden settlement in the district and seeks Cabinet approval to submit an expression of interest for Otterpool Park, in response to the Government's prospectus for "Locally Led Garden Villages, Towns and Cities" (see appendix A).

These ambitious proposals directly respond to the priorities of the Council's Corporate Plan which includes a commitment to Shepway residents enjoying a healthy, prosperous lifestyle and benefiting from high quality and affordable housing by making sure new homes are built in the district and by developing a sustainable and vibrant local economy.

The unique location of the potential area, south of the M20, near junction 11, presents an opportunity for a new sustainable, garden settlement that is well connected and which positively embraces local landscape features, infrastructure assets and community aspirations. It has the potential to deliver transformational long-term housing growth in the district responding to housing needs in Kent and the South East more broadly.

The existing community will benefit from improved access to local services, environmental improvements to existing villages and investment in infrastructure such as local roads and sewerage, and access to more local job opportunities.

The expression of interest sets out a potential vision supported by key guiding principles as a foundation for working with land owners and the wider community to plan and deliver a new garden settlement of up to 12,000 new homes.

The new community would place particular emphasis on the principles of the garden city movement, including sustainability, quality design, cutting edge technology, accessible green space and a high quality public realm.

The expression of interest is without prejudice to any future decisions the Council might take in its capacity as local planning authority.

REASONS FOR RECOMMENDATIONS:

The recommendations below support the priorities of the Council's Corporate Plan.

The Government prospectus for "Locally Led Garden Villages, Towns and Cities" offers a unique opportunity and potentially a transformational approach to strategic planning in Shepway.

RECOMMENDATIONS:

- 1. That the Cabinet agrees that a proposed new garden town at Otterpool Park has the potential to be a unique opportunity to deliver the strategic objectives of the Corporate Plan relating to boosting the local economy, increasing job opportunities and providing more homes.**
- 2. That the detailed expression of interest, attached to this report, be agreed as the Council's formal submission to the Department of Communities and Local Government's prospectus for "Locally Led Garden Villages, Towns and Cities", subject to any changes considered necessary by the Director of Strategic Development in consultation with the Leader of the Council.**
- 3. That a further report be considered by Cabinet to consider the outcome of the expression of interest to Government.**

1. BACKGROUND

- 1.1 There is an acknowledged national shortage of housing, not only in Shepway but in the South East of England generally and providing more homes is now a high political priority of both this Council and the Government.
- 1.2 While Shepway's current Core Strategy plans to deliver 8,000 new homes during the plan period from 2006 - 2026, the latest demographic evidence emerging from the Council's current work on its Strategic Housing Market Assessment indicates that its future housing need will be unmet unless new growth initiatives are brought forward. Therefore the time is right for the Council to consider a potential strategic response in providing significant medium and long term housing growth in the district.
- 1.3 Moreover, housing needs across Kent and the South East are likely to be exacerbated when the implications of meeting London's housing needs are considered. The further alterations to the London Plan set a 10 year housing target of 42,000 dwellings per annum, but the Housing Market Association produced by the Greater London Authority shows an annual housing need of 49,000 to 62,000 dwellings per annum, thus producing an annual shortfall of between 7,000 and 20,000 dwellings per annum. Research by Nathaniel Lichfield and Partners suggests that for the majority of councils across the South East, each could be expected to accommodate between 1,000 and 5,000 new homes by 2025 beyond their own locally assessed need.
- 1.4 The locations for providing significant housing growth in Shepway appear to be limited due to the statutory designation of the North Downs Area of Outstanding Natural Beauty and the coverage of Romney Marsh by flood zone restrictions. While much of the housing growth in Shepway has previously been met at Hawkinge, and within the urban areas of Folkestone and Hythe, previous work on the Core Strategy along with that currently being undertaken in preparing the Places and Policies Local Plan suggests that the opportunities for further strategic level growth in these areas appear limited.
- 1.5 However, there is a potential opportunity in the area south of the M20 and the high speed rail line, and outside the North Downs Area of Outstanding Natural Beauty (AONB) and flood zone 3a, to take advantage of the excellent strategic transport links offered by Westenhanger railway station and Junction 11. Since 2014 Officers of the Council have been exploring the economic potential of this area (Cabinet Report C/14/38 refers) to assess what might constitute appropriate development at this location.
- 1.6 In February 2015 Consultants AECOM and BBP Regeneration were commissioned to provide assessments of growth capacity, utilities and employment. The review of workspace provision identified a gap between the existing stock and latent demand and identified a number of suitable locations with potential to meet this need, including an out-of-town location with good connectivity at Junction 11.
- 1.7 In April 2015 Shepway's Economic Development Strategy 2015 – 2020 was published. This included an action (page 7, section 3.6) to identify and bring forward appropriate sites for commercial development and to explore opportunities for identifying new employment sites in and around the three M20 junctions, and specifically to commission masterplanning and a feasibility study to assess the employment potential at M20 J11 working with landowners and KCC to shape proposals for a lorry park.

- 1.8 In early November 2015 Hobbs Parker & Elgars jointly marketed Otterpool Manor Farm, Sellindge. Bids for the land had to be submitted by the 20th November 2015 and the Council was successful through this open process in securing this strategic land purchase to give a long term revenue income stream to the Council. Since December 2015 the land has been managed through a farm tenancy agreement giving a good rate of return on the Council's investment.
- 1.9 Since December 2015 Members and Officers have been working with the Government's Advisory Team for Large Applications (ATLAS) and their planning and transportation consultants to explore the potential for a new garden settlement in this area. This work focused on visioning, guiding principles and capacity which coincided with announcements made by the Chancellor of the Exchequer in his Spring Budget which invited the development of new garden settlements across the country. The Government's prospectus appended to this report, issued on the 16th March 2016, sets out how the Government is prepared to support local areas that want to create new garden villages, towns and cities.

2. GUIDING PRINCIPLES AND VISIONING

- 2.1 The work carried out in conjunction with ATLAS has resulted in a set of draft guiding principles that need to be developed further in conjunction with the land owners and the wider community into an exceptional and deliverable vision for a new garden town at Otterpool Park. These draft principles, set out in our Expression of Interest, are designed to ensure that the new community has economic, environmental and social sustainability at its very heart.
- 2.2 The proposed new garden settlement could provide up to 12,000 new homes through a phased approach and over multiple planning periods spanning some 30 years or more. The ultimate size of the community would depend on detailed assessments relating to infrastructure capacity, landscape impact, viability and a range of other masterplanning factors. However whatever its eventual size, the community would include an appropriate mix of housing types and tenures to meet all income groups, ages and household sizes as well as providing opportunities for starter homes, self-build and custom build dwellings allowing more people to have the opportunity of home ownership, while encouraging more small and medium sized companies to benefit from these different approaches of home building.
- 2.3 It is envisaged that the new town will be designed so as to embrace and enhance the natural landscape with a network of green open space of the highest quality. New schools, shops and community facilities will be an integral part of the community with walking, cycling and sustainable transport a priority. New infrastructure will meet the challenges of climate change to take advantage of the latest technologies in energy generation and conservation. It will be an ultra fast IT enabled community which includes adaptable homes with flexible space for home working as well as modern business space to provide differentiated inward investment opportunities for Shepway on a scale not currently available.
- 2.4 The area of search identified for the proposed expression of interest for a potential new garden community extends to approximately 615ha. It has been informed by site areas and densities that have been planned for in other new settlements and the land coverage of existing different sized villages and towns in the district.
- 2.5 Although no specific site boundaries or population densities have been committed to at this stage, the area of search includes a northern border formed by the railway

line and an eastern border formed by the A20 and the boundary of the Area of Outstanding Natural Beauty (AONB). The southern border of the area of search is formed by the B2067 Aldington Road and the western border by Harringe Lane and Harringe Brook Woods. There would be a clear boundary and landscaping between existing houses and the new development.

- 2.6 The land in the area of search encompass mainly agricultural uses together with farmsteads and small woodlands but also includes the existing settlements of Lympne, Westenhanger and Barrow Hill at Sellindge, the historic Westenhanger Castle, the former Folkestone Racecourse and the Link Park Industrial Estate as well as ribbon development along the A20 and local roads.

3. THE PROSPECTUS

- 3.1 The prospectus offers tailored Government support for areas with ambitious and innovative proposals and invites expressions of interests from local authorities.
- 3.2 The prospectus says that the Government will support local areas that embed key garden city principles to develop communities that stand out from the ordinary. The Government also highlights that it will not impose a set of development principles and will support local areas in developing their own vision for their communities. However it will want to see evidence of attractive, well-designed places with local support and we are delighted to have the support of our local MP Damian Collins, Shepway's and Kent's Business Advisory Boards, the South East Local Enterprise Partnership, East Kent College and many other partners in our community who appreciate the advantages of planning for growth in such a comprehensive and strategic manner.
- 3.3 The first part of the prospectus asks for expressions of interest by 31 July 2016 for new 'garden villages' of between 1,500 to 10,000 homes with a view to supporting up to 12 new proposals across the country.
- 3.4 The second part of the prospectus invites expressions of interest on a rolling basis for new garden towns and cities of more than 10,000 homes. The Government says that recognising the exceptional transformational nature of development at this scale, it expects to add to the garden towns and communities it is currently supporting at Ebbsfleet, Bicester, Basingstoke, Didcot, and in North Northamptonshire and North Essex.
- 3.5 Officers have held informal exploratory discussions with civil servants at the Department for Communities and Local Government who are receptive, without commitment, to an early expression of interest being submitted in June for a potential settlement of up to 12,000 new homes under the second part of the prospectus.
- 3.6 The prospectus for over 10,000 new dwellings does not prescribe a particular format for expressions of interest, but they are to articulate a clear vision for the new garden settlement, and include specifically:
- a map setting out the proposed site boundary;
 - a general description of the proposal, including both policy aims and technical aims so far as they can be known (such as housing numbers, likely delivery methods, retail and other commercial space, extent of green space, timescale for delivery etc);

- evidence which demonstrates that the scheme responds to issues of local affordability, and that there is strong growth potential over the medium to long-term;
- information on the specific advice and technical research that will be undertaken should the bid be successful;
- available evidence on scheme viability, including infrastructure costs and any abnormal costs;
- if available, any analysis/data evidence on the financial, social and economic benefits of the proposals;
- evidence on design and local consultation; and
- any information on transport infrastructure projects underway or committed around the proposed area.

3.7 To support wider housing and growth ambitions, expressions of interest must be led by local authorities but it is made clear that support from private sector developers and/or landowners will be welcome.

3.8 The Government have also said that it expects expressions of interest to set how the local community is being, or will be, engaged at an early stage, and strategies for community involvement to help ensure local support.

4. PUBLIC ENGAGEMENT AND CONSULTATION

4.1 Comprehensive community engagement will be carried out as a key element in developing proposals for the new garden settlement. Key activities could include early meetings with community organisations, workshops, Planning for Real type events, and public exhibitions. A dedicated section of the Council's web site (www.shepway.gov.uk/otterpool-park) has already been made available to host key documents for wide access as well as providing a direct mechanism allowing comments and questions to be raised via otterpool@shepway.gov.uk. Meetings with local town and parish councils will continue as they are encouraged to shape the proposals.

4.2 The expression of interest, if successful, will support the Council in working closely with our local communities to refine its vision and guiding principles. The intention is to ensure that our existing communities also benefit significantly from the investment through improved access to local services, environmental improvements to existing villages, investment in infrastructure such as local roads and sewerage, and access to more local job opportunities. A detailed community engagement plan will ensure that the views of town and parish councils, residents, businesses and local services can be carefully considered in advance of key decisions.

4.3 Establishing a proxy community of the future could act as an advisory group that will guide the Council throughout the long term process of planning and establishing a new sustainable community at Otterpool that embeds the values and aspirations of local people who potentially may be residents of the new town.

4.4 In addition, the review of the Core Strategy Local Plan (to include draft policies that support a new garden settlement) will require statutory public consultation at key stages of the plan's development. The Council would have to submit the draft plan to the Planning Inspectorate (PINS) for it to agree its soundness before it could be formally adopted. This process would include an examination in public in which all

interested parties can participate and where policies in the plan would be scrutinised in detail.

5. PLANNING POLICY FORMULATION

- 5.1 National Planning Policy places local plans at the heart of the planning system so it is essential that they are in place and kept up to date. Local plans set out a vision and a framework for the future development of the area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for safeguarding the environment, adapting to climate change and securing good design.
- 5.2 The Shepway Core Strategy Local Plan covers the period from 2006-2026. The evidence base supporting this plan is becoming increasingly outdated and it has become clear that a review is necessary to meet increased housing needs and changing circumstances within the district. A programme for reviewing the Core Strategy has been prepared that will consider the appropriate spatial strategy for growth beyond that already planned. This programme will be included in the next iteration of the Council's Local Development Scheme and in its annual monitoring report submitted to Government.
- 5.3 To be realised the proposed new garden settlement will need to be embedded as statutory planning policy in an adopted Core Strategy Local Plan Review. This involves a four year programme of work with a comprehensive supporting evidence base. A key component of the evidence base is a sustainability appraisal that assesses alternative options for meeting housing needs and aspirations, along with other technical studies that support the proposed policies that emerge, so that the plan is capable of being found sound following examination in public by the Planning Inspectorate (PINS). There is no certainty that this will result in the allocation of a new garden settlement at Otterpool Park as alternative options will be assessed robustly through the statutory Sustainability Appraisal process.
- 5.4 The current adopted Core Strategy plans for a growth target of 400 new homes a year to 2026 based on a 2009 assessment of housing need with a minimum requirement of 350 homes per year, averaged over the plan period. The plan includes strategic site allocations and strategic broad locations for development and will be supplemented by a Places and Policies Local Plan, currently being prepared, that will allocate smaller sites to meet the total growth level planned in the current Core Strategy.
- 5.5 A partial review of the Core Strategy would reassess housing needs to 2026 and also look to meet housing growth to at least 2036 based on an updated assessment of housing needs in the Council's housing market area. Although the Core Strategy Review will primarily focus on growth up to 2036, it could also set a platform for longer- term growth beyond this period. The garden settlement could be the key policy component for providing long term growth over multiple plan periods, covering some 30 years plus.
- 5.6 Additionally, depending on the outcome of the council's own objectively assessed housing need and constraints relating to capacity and master planning, a garden settlement could possibly contribute to meeting a broader housing need in Kent or the south east. This will require more evidence based work that examines the demographic and economic benefits and dis-benefits of encouraging additional migration into the district and will entail close work with neighbouring authorities and other governmental organisations under the duty to co-operate requirement.

5.7 The current review of employment land will also inform future considerations of commercial space and local job opportunities.

6. MASTERPLANNING

6.1 The vision and key guiding principles set out in the expression of interest will inform a concept masterplan for the proposed new settlement.

6.2 The Masterplanning process can ensure that quality is instilled at the heart of the proposals and it will draw out what is and is not achievable. It will also be a key evidence-based document that would have to support and demonstrate deliverability of draft policies in the Core Strategy Local Plan.

6.3 Later in the process after robust testing, if new planning policies are established supporting a garden settlement, the concept masterplan will go on to form the basis for a full masterplan that will be an essential component of a subsequent outline planning application.

6.4 The concept masterplan, underpinned by evidence-based documents, will include a proposed quantum and a broad disposition of land uses. Key aspects will include a proposed movement network identifying access points and routes. A number of overarching principles will need to be established in the concept masterplan such as the location quantum and function of accessible open green space, as well as neighbourhoods, character areas, gateways, landmarks, hubs, interfaces and building scales. Additionally it will set out how the new settlement will deliver low carbon initiatives and physical and social infrastructure requirements. Finally a concept master plan will include a route map for delivery that demonstrates viability, phasing and partnership arrangements.

7. RESOURCES

7.1 Resources will need to be made available for the costs incurred by the Council as both local planning authority and as a joint promoter of the project.

7.2 The prospectus says that to support local authorities in realising their vision for new garden settlements, the Government can provide a tailored package of support that could include a limited amount of funding. That funding could for example be used to ensure the local authority has the right skilled staff in place or pay for key studies and assessments. This funding is available in 2016-17 and 2017-18, with further funding subject to review.

7.3 The prospectus does not stipulate the level of funding support that will be provided but this is likely to be greater for the towns and cities programme than it is for the garden village programme.

7.4 Our expression of interest includes a robust case for funding from Government that supports master planning and related work.

7.5 A further report will be presented to Cabinet when the Council has a decision on the outcome of the submission.

8. RISK MANAGEMENT ISSUES

A summary of the perceived risks relating to submitting an Expression of Interest (EOI) areas follows-

Perceived Risk	Seriousness	Likelihood	Preventative Action
That the Government rejects the EOI.	High	Low/ Medium	To continue dialogue with civil servants at DCLG and ATLAS highlighting the benefits of the proposal.
That insufficient financial support is forthcoming from DCLG causing programme slippage.	High	Medium	To continue informal dialogue with civil servants at DCLG and ATLAS demonstrating how financial support will accelerate our programme.
That undue delay by DCLG in assessing the EOI causes programme slippage.	High	Medium	Close communication with DCLG through the assessment process.
That the planning and financial freedoms sought in our EOI are not supported by DCLG causing programme slippage and higher planning costs.	High	Low/ Medium	Continued discussion with DCLG on the enabling support we need from Government to deliver at pace.

9. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

9.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report.

9.2 Finance (TM)

The attached report sets out the proposal for the Expression of Interest. If the proposal is accepted, there will be a range of activities to be undertaken to achieve the proposal and these will have a cost associated with them.

Following advice, the current bid focuses on the Government supporting the Council on the extensive masterplanning and related work that would be needed to advance the project, while recognising that the Council would have to support its own costs for the statutory process of reviewing the Core Strategy Local Plan.

Shepway District Council's contribution can be funded initially through those reserves already in place for the planning work around junction 11 and from carry

forwards related to the area. The balance will need to be considered as part of a full budget management plan to be submitted to Cabinet in a future report once the outcome of the expression of interest is known and the extent of any Government support. The balance between funding through the base budget and from reserves will need to be more fully analysed. It is proposed at this stage that officers work to identify the appropriate reserves and present the funding plan once the outcome of the Expression of Interest is known.

9.3 Diversities and Equalities Implications (CL)

There are no diversity or equalities issues arising from this report at this stage, although diversity and equality matters will need careful consideration as the project progresses.

CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

Dr Susan Priest
Corporate Director, Strategic Development
Telephone: 01303 853315
Email: Susan.priest@shepway.gov.uk

Appendices

- A Department for Communities and Local Government Prospectus: Locally Led Garden Villages, Towns and Cities.
- B Shepway District Council Expression of Interest (Confidential Document)



Department for
Communities and
Local Government

Locally-Led Garden Villages, Towns and Cities



© Crown copyright, 2016

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.gov.uk/dclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Department for Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

March 2016

ISBN: 978-1-4098-4798-4

Contents

Foreword	4
Introduction	5
What do we mean by garden villages, towns and cities?	6
Garden villages	7
Eligibility criteria	7
Prioritisation criteria	7
Government support package	9
Application process	11
Garden towns and cities	13
Criteria for support	13
Government support package	15
Application process	17

Foreword

We were elected on a promise to get Britain building and help more people achieve their dream of home ownership. We are delivering. Housing starts and completions are at their highest level since 2008, and reforms to the planning system are helping speed up development across the country. Schemes like Help to Buy and Shared Ownership have helped over 270,000 families realise their dreams and become homeowners.

We have set out the most ambitious housing programme for more than a generation, doubling the housing budget so we can meet our ambition of delivering a million new homes over this Parliament.

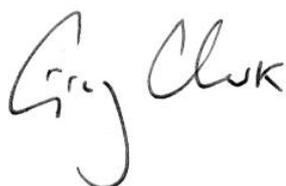
As part of this, and to ensure that strong communities are at the heart of new development, we made a commitment in our manifesto to support locally-led garden cities and towns in places where communities want them.

We are supporting a new wave of garden cities, towns and communities in Bicester, Basingstoke, Didcot, Ebbsfleet, North Essex and North Northamptonshire. Together, these have the potential to deliver over 100,000 homes with strong communities at their heart.

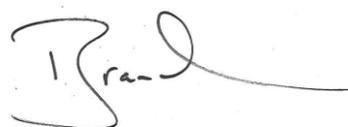
Each place is unique, but they all offer big opportunities for transformational long-term housing growth. This will ensure that the real and important benefits that people rightly expect are secured from the outset - quality design with cutting-edge technology, local employment opportunities, accessible green space near homes, high quality public realm. Great places for great communities.

These garden towns and cities are crucial towards meeting our long-term housing needs but we want to go further. This prospectus extends our offer of support which, until now, has been focused on new garden communities of at least 10,000 homes, to help those areas which also want to create new garden villages, towns and cities.

This country is building again, and we are committed to delivering a lasting legacy of new, beautiful places, with the homes that people rightly want, and expect. We encourage local areas and local communities who want to make new garden villages, towns, or cities, a key part of their offer on housing growth to read and respond to this prospectus.



The Rt Hon Greg Clark MP
Secretary of State for Communities
and Local Government



Brandon Lewis MP
Minister for Housing and Planning

Introduction

1. This government is taking action on a range of fronts to ensure the homes this country so badly needs, get built: speeding up the planning system; ensuring land for housing is available and gets built out; ensuring that we maximise the use of brownfield land; providing new opportunities for custom and self-builders; backing SME builders; providing more opportunities for home ownership through Help to Buy and our Starter Homes programme.
2. We are making good progress. We have delivered a net supply of over 170,000 homes up to December 2015 – a 25% increase compared to the year before. Housing starts have also risen 23% up to the same period. But we know if we are to achieve our target of one million new homes by 2020, we need to support and enable house building at all scales.
3. Large new settlements have a key role to play, not only in meeting this country's housing needs in the short-term, but also in providing a stable pipeline of housing well into the future.
4. We want to encourage more local areas to come forward with ambitious locally-led proposals for new communities that work as self-sustaining places, not dormitory suburbs. They should have high quality and good design hard-wired in from the outset – a new generation of garden villages, towns and cities.
5. We know that there is interest at the local level in how developing new garden villages, towns and cities can be a suitable way of meeting local housing need, rather than building on to existing settlements. We are taking important steps to support local areas who want to move in that direction.
6. We are proposing to strengthen national planning policy to provide a more supportive approach for new settlements. We are committing to legislate to update the New Towns Act 1981 to ensure we have a statutory vehicle well-equipped to support the delivery of new garden cities, towns and villages for the 21st century
7. This prospectus extends our existing offer to support local areas who want to create garden communities on a smaller scale. It offers tailored support to local areas which want to deliver a new garden village, town or city. It is divided into two parts covering expressions of interest for different scales of development.
8. The first part of the prospectus invites expressions of interest by 31 July 2016 for new 'garden villages' of between 1,500 to 10,000 homes. Our intention at this stage is to support up to 12 new garden village proposals.
9. The second part of the prospectus invites expressions of interest on a rolling basis in new garden towns and cities of more than 10,000 homes. Recognising the exceptional nature of development at this scale, we expect to add to the garden towns and communities we are currently supporting at Ebbsfleet, Bicester, Basingstoke, Didcot, and in North Northamptonshire and North Essex.

What do we mean by garden villages, towns and cities?

10. We do not consider that there is a single template for a garden village, town or city. It will be important for the new community to establish a clear and distinct sense of identity. We want to see local areas adopt innovative approaches and solutions to creating great places, rather than following a set of rules.
11. Equally, we are clear that this prospectus is not looking to support places which merely use 'garden' as a convenient label. Rather, we will support local areas that embed key garden city principles to develop communities that stand out from the ordinary. We do not want to impose a set of development principles on local areas, and will support local areas in developing their own vision for their communities. But, we will want to see evidence of attractive, well-designed places with local support.

Garden villages

Eligibility criteria

12. To be considered for government support under this section of the prospectus, proposals for a new garden village must meet the following criteria:

Size

13. For the purposes of this prospectus, we are defining garden villages, to include proposals that are not eligible under our existing offer, which is restricted to new garden towns and cities of over 10,000 homes. Therefore, to be eligible under this section of the prospectus, **proposals must be for a new settlement of 1,500 – 10,000 homes.**

Free-standing settlement

14. The garden village must be a new discrete settlement, and not an extension of an existing town or village. This does not exclude proposals where there are already a few existing homes.

Local authority-led

15. To support wider housing and growth ambitions, expressions of interest must be led by local authorities. We also welcome expressions of interest which include support from private sector developers and/or landowners.

Prioritisation criteria

16. There is no single model for the garden villages that we expect to support. Our intention is to support a range of proposals at different scales and in diverse locations that may, for example, be on land currently allocated for housing or currently outside the Local Plan. The factors we expect to take into account in deciding which expressions of interest to support include those set out in paragraphs 17 to 29.

Local leadership and community support

17. New garden villages should have the backing of the local authorities in which they are situated. We expect expressions of interest to demonstrate a strong local commitment to delivery. They should also set how the local community is being, or will be, engaged at an early stage, and strategies for community involvement to help ensure local support.
18. For those new settlements on the larger scale, it will be desirable for the Local Enterprise Partnership to be supportive of the proposal. This is to ensure that the potential economic benefits have been considered.

Quality and design

19. Good design is essential if we are to create sustainable places where people want to live and be part of the local community. It will be important for expressions of interest to demonstrate how the garden village, will be well-designed, built to a high quality, and attractive. Use of qualitative and quantitative research on local public opinion will be welcomed on issues around design and community.

Public sector and brownfield land

20. We encourage expressions of interest which make effective use of previously developed land (brownfield land) and/or public sector land.

Local demand

21. It is important that new garden villages are built as a response to meeting housing needs locally. We expect expressions of interest to demonstrate how the new settlement is part of a wider strategy to secure the delivery of new homes to meet assessed need.

Viability and deliverability

22. Expressions of interest need to demonstrate how the new settlement, including the necessary infrastructure, will be delivered. Effective land value capture can play an important role in funding infrastructure costs. We would encourage proposals that set out how land costs can be minimised, or land receipts deferred.
23. Whilst expressions of interest should be ambitious in their aims, they must also demonstrate a credible route to delivering quality places without additional public subsidy.

Additional or accelerated delivery

24. We will want to support expressions of interest that offer a strong prospect of quantified early delivery, a significant acceleration of housing delivery, and genuinely additional housing supply. We welcome expressions of interest that demonstrate how build-out of the garden settlement can be achieved at pace, for example by providing a good mix of tenures and multiple outlets.

Starter homes

25. High quality starter homes, to be offered at least a 20% discount for young first-time buyers, have a place within well-designed new communities. Like other major developments, it is our intention for new garden villages to be subject to our new statutory requirement in the Housing and Planning Bill, and provide a proportion of starter homes as part of their section 106 agreements (details of which we will be consulting on).

26. We welcome expressions of interest that show the greatest ambition to ensure that first-time buyers enjoy the benefits of home ownership, and have the opportunity to be an important part of the community.

Support for small and medium enterprise home builders

27. We encourage expressions of interest which provide opportunities to promote a diverse range of house builders, including small and medium sized firms, in the delivery of the garden village.

Innovation

28. We encourage expressions of interest that include innovative forms of delivery such as off-site construction, self-build, custom-build and a direct commissioning approach. We will also consider expressions of interest from local authorities who wish to be innovative in ways which we may not have anticipated.

Infrastructure

29. We would like to ensure that infrastructure needs are clearly assessed and met as part of any proposal.

Government support package

30. We recognise that each new garden village will be unique and each proposal will vary in the support required from government. Local authorities will therefore want to consider what aspects of the package set out in paragraphs 31 to 44 will help enable delivery.

Delivery enabling funding and support

31. To support local authorities in realising their vision for new garden settlements, we can provide a tailored package of support that could include a limited amount of funding. That funding could for example be used to ensure the local authority has the right skilled staff in place or pay for key studies and assessments. This funding is available in 2016-17 and 2017-18, with further funding subject to review.
32. In addition, direct support can also be provided by the Homes and Communities Agency (HCA), including through their Advisory Team for Large Applications (ATLAS). The assistance provided would be bespoke to each local authority, but might typically have a focus on providing expertise around planning for delivery.

Brokerage

33. The garden villages we commit to supporting will be a priority for delivery. We can play a key role across government in helping local authorities overcome barriers to delivery, and broker solutions to unblock any issues that arise.

Access to government housing funding streams

34. There are a number of funding streams which, subject to eligibility, could be open for successful expressions of interest to secure priority access. These include:
35. *Starter Homes Fund*: there is an opportunity to access funding for more starter homes from our £2.3 billion funding for starter homes if the additional starter homes are built out by 2020.
36. *Affordable Housing*: new proposals will also have an opportunity to access funding to deliver shared ownership, rent to buy and supported housing by 2020/21.
37. *Help to Buy: Equity Loan* will be available until March 2021, offering an equity loan of up to 20% of the purchase price, and enabling people to buy a new-build home with a deposit as low as 5%. This would provide the opportunity for people unable to save for a large deposit, but able to make regular mortgage payments, to realise their dreams of owning their own home.
38. We will also work with places we are supporting to help them navigate and seek funding from other sources of government funding, for example, the Home Building Fund, the free schools programme, and other roads and rail capital programmes.

Financial flexibilities

39. We welcome ideas about how additional financial flexibilities could unlock the delivery of garden villages. Where we support expressions of interest with ambitious proposals, we stand ready to explore options to improve viability and cashflow.

Planning freedoms

40. We are interested in working with local authorities which have a good track record of housing delivery who are prepared to commit to delivery of housing over and above their objectively assessed housing need through the creation of new garden villages.
41. In exchange for guaranteed housing delivery, we will work with you to identify and deliver planning freedoms to support housing growth including, for example, ensuring that there is greater ability to resist speculative residential planning applications, and to continue protecting the Green Belt.

Delivery vehicles

42. A dedicated delivery vehicle may, in some circumstances, be beneficial to lead on the planning, development, and building of the new garden village.
43. There are many forms that this could take, from publicly-led arm's length bodies, public-private partnership arrangements such as joint venture companies, or, for particularly complex proposals, a statutory development corporation. We are

committed to legislating to update the New Towns Act 1981 to ensure there is a fit for purpose vehicle for the delivery of new garden villages.

44. We are not prescribing any particular model, but we can support local authorities consider what the most appropriate delivery arrangements will be to ensure that the main partners are able to take key decisions effectively.

Application process

Who can apply?

45. An expression of interest must be submitted by a local authority. We would welcome bids that are supported by private sector developers and/or landowners.

How to apply

46. Expressions of interest must be **submitted by 31 July 2016** through the Homes and Communities Agency at garden.villages@hca.gsi.gov.uk. The HCA, both through their operating area network and ATLAS, is available to provide support in developing expressions of interest.
47. Expressions of interest must be able to demonstrate clearly that they meet the requirements set out in this prospectus. They should provide an indication of the tailored government support they are seeking and key issues that may require brokerage from government.
48. We are not prescribing a particular format for expressions of interest, but we would expect them to articulate a clear vision for the new garden village, with reference to the prioritisation criteria outlined above, and include specifically:
 - a map setting out the proposed site boundary
 - a general description of the proposal, including both policy aims and technical aims so far as they can be known (such as housing numbers, likely delivery methods, retail and other commercial space, extent of green space, timescale for delivery etc)
 - evidence which demonstrates that the scheme responds to issues of local affordability, and that there is strong growth potential over the medium to long-term
 - information on the specific advice and technical research that will be undertaken should the bid be successful
 - available evidence on scheme viability, including infrastructure costs and any abnormal costs
 - if available, any analysis/data evidence on the financial, social and economic benefits of the proposals
 - evidence on design and local consultation

- any information on transport infrastructure projects underway or committed around the proposed area

Shortlisting stage

49. The HCA will consider expressions of interest taking account of the criteria set out above.
50. Final decisions on which expressions of interest to support will be made by DCLG ministers in the light of advice from HCA and DCLG officials. All applicants will then be informed of the outcome.

Further information

51. For further information please contact the Homes and Communities Agency at garden.villages@hca.gsi.gov.uk

Garden towns and cities

Criteria for support

52. In considering whether to provide government support to expressions of interest for new garden towns and cities under this section of the prospectus, we will take account of the criteria set out in paragraphs 53 to 67. For the most part, these mirror those set out for garden villages in the previous section, but with some changes to reflect the scale of proposals:

Size

53. The new garden town, or city, must provide **at least 10,000 new homes**. This may be on a new site away from existing settlements, or take the form of transformational development, both in nature or in scale to an existing settlement.

Local authority-led

54. Expressions must be led by local authorities. We also welcome expressions of interest which include support from private sector developers and/or landowners.

Local leadership and community support

55. We expect expressions of interest to demonstrate a strong local commitment to delivery. New garden towns and cities should have the backing of local authorities in which they are situated, including the county council in two-tier areas. To ensure that the potential local economic impacts and benefits have been considered they should also have the explicit support of the Local Enterprise Partnership(s).

56. Expressions of interest should set how the local community is being, or will be, engaged at an early stage, and strategies for community involvement to help win local support.

Quality and design

57. Good design is essential if we are to create sustainable places where people want to live and be part of the local community. It will be important for expressions of interest to demonstrate how the garden town, or city, will be built to a high quality, well designed and attractive. Use of qualitative and quantitative research on local public opinion will be welcomed on issues around design and community.

Public sector and brownfield land

58. We welcome expressions of interest which make effective use of previously developed land (brownfield land) and/or public sector land.

Strategic fit

59. The delivery of a garden town, or city, will be a long-term project which is likely to have implications for how housing need is met locally, inform future decisions around strategic transport and other infrastructure, and impact on the location of future employment growth. We expect expressions of interest to demonstrate how the delivery of the new settlement fits with wider strategies for housing growth to meet assessed need, creating new jobs and the delivery of infrastructure to underpin growth.

Viability and deliverability

60. We recognise that the successful delivery of a new garden town, or city, is a complex project. We do not expect expressions of interest to provide a full set of answers about how the settlement will be delivered, but we will want to see clear thinking and ambitious proposals about how private sector finance can be leveraged in, opportunities to capture land value to fund infrastructure, and future infrastructure needs.

61. We will review with local areas the need for additional investment in infrastructure to support the full delivery of the garden town over time, but we would expect to see credible proposals for significant development without the need for further public subsidy. We welcome proposals that are located with good access to either existing or planned strategic transport infrastructure to provide local and national connectivity.

Additional or accelerated delivery

62. We will want to support expressions of interest that offer a strong prospect of quantified early delivery, a significant acceleration of housing delivery, and genuinely additional housing supply. We welcome expressions of interest that demonstrate how build out of the garden town can be achieved a pace, for example by providing a good mix of tenures and multiple outlets.

Starter homes

63. High quality starter homes, to be offered at least a 20% discount for first time buyers, have a place within well-designed new communities. Like other major developments, it is our intention for new garden towns and cities to be subject to our new statutory requirement in the Housing and Planning Bill, and provide a proportion of starter homes as part of their section 106 agreements (details of which we will be consulting on).

64. We welcome expressions of interest that show the greatest ambition to ensure that first-time buyers enjoy the benefits of home ownership, and have the opportunity to be an important part of the community.

Support for small and medium enterprise home builders

65. We welcome expressions of interest which provide opportunities to encourage a diverse range of house builders, including small and medium sized firms, in the delivery of the garden town.

Innovation

66. We encourage expressions of interest that include innovative forms of delivery such as off-site construction, self-build, custom-build and a direct commissioning approach. We will also consider expressions of interest from local authorities who wish to be innovative in ways which we may not have anticipated.

Infrastructure

67. We would like to ensure that, where possible, infrastructure needs are clearly assessed and met as part of any proposal.

Government support package

68. We recognise that each new garden town and city will be unique, and each proposal will vary in the support required from government. Local authorities will want therefore, to consider which aspects of the package set out in paragraphs 69 to 82 will help enable delivery.

Delivery enabling funding and support

69. To support local authorities in realising their vision for new garden towns, we can provide a tailored package of support that could include a limited amount of funding. That funding could for example be used to ensure the local authority has the right skilled staff in place or pay for key studies and assessments. This funding is available in 2016-17 and 2017-18, with further funding subject to review.

70. In addition, direct support can also be provided by the Homes and Communities Agency, including through their Advisory Team for Large Applications (ATLAS). The assistance provided would be bespoke to each local authority, but might typically have a focus on providing expertise around planning for delivery.

Brokerage

71. We can play a key role across government in helping local authorities overcome barriers to delivery and broker solutions to unblock any issues that arise. The garden towns we commit to supporting will be a priority for delivery and we will escalate issues that stand in the way of securing that, with a view to securing their prompt and effective resolution.

Access to government housing funding streams

72. There are a number of funding streams which, subject to eligibility, could be open for successful expressions of interest to secure priority access. These include:
73. *Starter Homes Fund*: There is an opportunity to access funding for more starter homes from our £2.3 billion funding for starter homes if the additional starter homes are built out by 2020.
74. *Affordable Housing*: New garden towns will also have an opportunity to access funding to deliver shared ownership, rent to buy and supported housing by 2020/21.
75. *Help to Buy: Equity Loan* will be available until March 2021, offering an equity loan of up to 20% of the purchase price, and enabling people to buy a new-build home with a deposit as low as 5%. This would provide the opportunity for people unable to save for a large deposit, but able to make regular mortgage payments, to realise their dreams of owning their own home.
76. We will also work with places we are supporting to help them navigate and seek funding from other sources of government funding, for example, the Home Building Fund, the free schools programme, and other roads and rail capital programmes.

Financial flexibilities

77. We welcome ideas about how additional financial flexibilities could unlock the delivery of garden towns and cities. Where we support expressions of interest with ambitious proposals, we stand ready to explore options to improve viability and cashflow.

Planning freedoms

78. We are interested in working with local authorities which have a good track record of housing delivery who are prepared to commit to delivery of housing over and above their objectively assessed housing need through the creation of new garden settlements.
79. In exchange for guaranteed housing delivery, we will work with you to identify and deliver planning freedoms to support housing growth including, for example, ensuring that there is greater ability to resist speculative residential planning applications, and to continue protecting the Green Belt.

Delivery vehicles

80. Delivering a new garden town of over 10,000 homes will need strategic long-term thinking and robust delivery arrangements. There are many forms that this could take, from publicly-led arm's length bodies, public-private partnership arrangements such as joint venture companies, or statutory development corporations. We are committed to legislating to update the New Towns Act 1981, to ensure there is a fit for purpose vehicle for the delivery of new garden towns available.

81. We consider that a New Town Development Corporation may be a good option for delivery at this scale. It will be able to focus on resolving complex co-ordination challenges, can compulsorily purchase land under the 'no scheme' rules, and will be able to provide long-term planning certainty that is likely to be attractive to private sector investors and landowners.
82. We are not prescribing any particular model. We are happy to help local authorities consider what the most appropriate delivery arrangements will be to ensure that the main partners are able to take the key decisions effectively.

Application process

Who can apply?

83. An expression of interest must be submitted by a local authority.

How to apply

84. Expressions of interest for new garden towns are invited on an ongoing, rolling basis from interested local authorities, rather than being subject to any fixed deadline. We would accept the submission of a formal expression of interest to have been preceded by a period of engagement with DCLG and HCA.
85. Expressions of interest must be able to demonstrate clearly that they meet the requirements set out in this prospectus. They should provide an indication of the tailored government support they are seeking and key issues that may require brokerage from government.
86. We are not prescribing a particular format for expressions of interest, but expect them to articulate a clear vision for the new garden town with reference to the criteria outlined above and include specifically:
- a map setting out the proposed boundary of the garden town or city
 - a general description of the proposal, including both policy aims and technical aims so far as they can be known (such as housing numbers, likely delivery methods, retail and other commercial space, extent of green space, timescale for delivery etc)
 - evidence which demonstrates that the scheme responds to issues of local affordability and the wider strategic needs of the local area, and that there is strong growth potential over the medium to long-term
 - information on the specific advice and technical research that will be undertaken should the bid be successful
 - available evidence on infrastructure costs and any abnormal costs and how it is anticipated these will be met
 - if available, any analysis/data evidence on the financial, social and economic benefits of the proposals

- evidence on design and local support
- any information on transport infrastructure projects underway or committed around the proposed area

87. Expressions of interest should be made by email to DCLG at locallyledgardencies@communities.gsi.gov.uk.

Selecting sites for support

88. Final decisions on which expressions of interest to support will be made by DCLG Ministers in the light of advice from DCLG and HCA officials.

Further information

89. For further information please contact DCLG at locallyledgardencies@communities.gsi.gov.uk.