

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:

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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)