

Report to: Cabinet

Date of Meeting: 27 November 2019

Public Document: Yes

Exemption: None

Review date for release None



Subject: **Garden Communities and Delivery Vehicles**

Purpose of report: This report considers what is needed to ensure the delivery of great places within the District alongside the local planning process. There is considerable learning from the current generation of strategic development sites. The report reflects on this learning, considers the current direction of government policy and contemplates the potential for the Council to adopt a more proactive approach going forward. The report assesses the different delivery options available to the Council and the type of delivery vehicle that could be established. .

The Strategic Planning Committee meeting of the 22nd October considered and endorsed the recommendations in this report. Subsequent to this the Ministry of Housing, Communities and Local Government published details of the proposed New Development Corporation Competition fund on the 25th October. The third recommendation and the background links have been updated accordingly.

The report seeks support for Garden Community status and for the principle of submitting a bid to MHCLG's New Development Corporation Competition.

Recommendation: **That Members;**

- 1) Acknowledge the importance of having effective delivery vehicles/mechanisms in place at the earliest stage possible in order to support the development of high quality places**
- 2) Confirm support for the Exeter and East Devon Garden Community status**
- 3) Endorse the principle of submitting a bid to MHCLG's New Development Corporation Competition**
- 4) Receive a further report on the options for constituting an effective delivery vehicle up to and including the establishment of a Locally Led New Town Development Corporation.**

Reason for recommendation: To ensure that the Council has the necessary tools and resources in place to support the delivery of well designed, high quality and sustainable places.

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Financial implications: There are no direct financial implications from the recommendations in this report, however there are many implications including financial that

	could flow but these will require specific reports and approvals through Council.
Legal implications:	Allocation and Development Strategies must go through the statutory Local Plan process for each Local Planning Authority, this will be for consideration through the GESP and/or East Devon District Council's Local Plan. At this stage there are no other legal implications than those set out in the report.
Equalities impact:	Low Impact
Climate change:	High Impact The form and location of development has a direct impact on its carbon footprint. There is a long standing ambition to achieve the delivery of zero carbon development in the West End of the District. It is reasonable to expect that future major development proposals should at least meet this standard. The ability to achieve sustainability objectives is also relevant to the consideration of different delivery options/vehicles.
Risk:	Low Risk
Links to background information:	<ul style="list-style-type: none"> • Principles For Accommodating The Future Growth Needs Of East Devon • Future Housing Needs and Requirements in East Devon (item 4) • Guidance on the New Towns Act 1981 (Local Authority Oversight) Regulations 2018 • Garden Communities Prospectus • Independent Review of Build Out: Final Report • MHCLG New Development Corporation Competition guidance
Link to Council Plan:	Encouraging communities to be outstanding; Developing an outstanding economy; Delivering and promoting our outstanding environment; Continuously improving to be an outstanding Council

1 Introduction

1.1 The District Council has a track record of bringing forward and delivering large scale development proposals. In particular the West End of the District is due to accommodate over 10,000 homes in the period 2011 to 2031 alongside strategic employment sites. Cranbrook alone will provide over 60% of the District's strategic housing requirement. This is part of a deliberate spatial strategy enshrined within the Local Plan which in turn is a product of the distinctive characteristics and qualities of the District, not least the fact that two thirds is within designated Areas of Outstanding Natural Beauty.

1.2 This paper makes no comment on the future level of housing to be accommodated in the District. Rather it considers the scenario that, if there is to be further large scale development, how this can best be delivered. There is considerable learning from the current generation of strategic sites in this respect. The paper outlines current Government policy and support and assesses how best the Council can move forward in terms of adopting a more proactive stance and, in turn, how this can ensure that key ambitions and policy objectives are realised on the ground.

2 Background

2.1 The Government has a target of delivering 300,000 homes per year. The title of the 2017 Housing White Paper '*Fixing our broken housing market*' is instructive of the challenges that are

faced in meeting this objective. Homes England's Strategic Plan includes an ambition to disrupt the housing market and to play a far more active role moving forward.

2.2 The Independent Review of Build Out led by Sir Oliver Letwin MP reported in October 2018. This advocated significant additional powers for local planning authorities in relation to large sites of over 1,500 units. This included giving local authorities clear statutory powers to purchase the land for such large sites compulsorily at prices which reflect the value of the those sites once they have planning permission and a masterplan that reflect new diversity requirements (in terms of the range of house types and tenures). Further powers to control the development of large sites through the involvement of Local Development or Infrastructure Development Companies were also advocated.

2.3 National planning policy and guidance makes it clear that the delivery of new homes is not just a quantitative exercise. Ministers have emphasised that good design and place making have a vital role to play in the delivery of the UK's housing. The Building Better, Building Beautiful Commission is advising government on how to promote and increase the use of high-quality design for new build homes and neighbourhoods. The Letwin Review also advocates the use of masterplans and design codes to achieve good design alongside rapid build out rates.

3 Garden Communities

3.1 There are a range of Government initiatives to support the delivery of new housing. Of particular note is the Garden Communities programme. A prospectus was launched in August 2018 which included the following text;

This prospectus sets out our vision and expectations for high-quality place-making across this country. It's a fresh opportunity to stimulate economic growth in new places, and a chance to aspire beyond identikit housing and town centres that look like anywhere and nowhere. It's a call to developers, investors, local authorities and local enterprise partnerships to build communities with local character, good employment opportunities, strong services, integrated and accessible transport, innovative uses of technology – and beautiful green spaces

3.2 The prospectus invited bids for ambitious, locally supported, proposals for new garden communities at scale. Proposals for new Garden Towns (more than 10,000 homes) would be prioritised but proposals for Garden Villages (1,500-10,000 homes) would also be considered. In return for tailored assistance to help design and deliver the vision for these places, the expectation of Government was for local areas to deliver significant housing and economic growth in locations where there is sufficient demand for housing.

3.3 The prospectus made it clear that government expected proposals to demonstrate how they will meet and embed the key qualities below;

a. **Clear identity** – a distinctive local identity as a new garden community, including at its heart an attractive and functioning centre and public realm.

b. **Sustainable scale** – built at a scale which supports the necessary infrastructure to allow the community to function self-sufficiently on a day to day basis, with the capacity for future growth to meet the evolving housing and economic needs of the local area.

c. **Well-designed places** – with vibrant mixed use communities that support a range of local employment types and premises, retail opportunities, recreational and community facilities.

d. **Great homes** – offer a wide range of high quality, distinctive homes. This includes affordable housing and a mix of tenures for all stages of life.

e. **Strong local vision and engagement** – designed and executed with the engagement and involvement of the existing local community, and future residents and businesses. This should

include consideration of how the natural and historic environment of the local area is reflected and respected.

f. **Transport** –integrated, forward looking and accessible transport options that support economic prosperity and wellbeing for residents. This should include promotion of public transport, walking, and cycling so that settlements are easy to navigate, and facilitate simple and sustainable access to jobs, education, and services.

g. **Healthy places** – designed to provide the choices and chances for all to live a healthy life, through taking a whole systems approach to key local health & wellbeing priorities and strategies.

h. **Green space** – generous, accessible, and good quality green and blue infrastructure that promotes health, wellbeing, and quality of life, and considers opportunities to deliver environmental gains such as biodiversity net gain and enhancements to natural capital.

i. **Legacy and stewardship arrangements** – should be in place for the care of community assets, infrastructure and public realm, for the benefit of the whole community.

j. **Future proofed** – designed to be resilient places that allow for changing demographics, future growth, and the impacts of climate change including flood risk and water availability, with durable landscape and building design planned for generations to come. This should include anticipation of the opportunities presented by technological change such as driverless cars and renewable energy measures.

4 Exeter and East Devon Garden Communities

4.1 The Strategic Planning Committee received a paper in September 2018 entitled '*Principles for Accommodating the Future Growth Needs of East Devon*'. This considered how future growth could be accommodated sustainably in the District in terms of the following four themes;

- Healthy and Prosperous Communities
- Environmental Protection and Enhancement
- Resource Consumption and Climate Change
- Economic Growth, Education and Employment

This was followed by a paper in November 2018 entitled '*Future housing needs and requirements in East Devon*'.

4.2 Together these papers introduced debate around potential thinking and approaches to accommodating future growth in the District. The September 2018 paper identified the north west quadrant of the district to the north of Exmouth and west of Ottery St Mary as the least constrained part of the district for accommodating growth. Three potential approaches for accommodating growth in this location, including the potential to establish a further new town, were outlined.

4.3 The opportunity to submit bids in response to the publication of the Garden Communities prospectus was considered in the context of the possibility of further large scale development proposals coming forward in the District. Officers of the Greater Exeter Councils, supported by the then Leaders, developed a number of draft schematic linked bids to the programme to join the existing Culm Garden Village in Mid Devon which was designated in 2017. The deadline for the submission of bids was the end of November 2018.

4.4 The largest of the bids was titled 'Exeter and East Devon Garden Communities'. This was a bid with Exeter City Council and Teignbridge District Council. This anticipated the delivery of circa 20,000 homes under garden community principles both within and outside of the City. In terms of development within the City this subsequently developed in to the Liveable Exeter vision which anticipates the delivery of circa 12,000 new homes on key brownfield sites and was launched in to the public domain in February of this year. The potential for strategic scale development in the North West Quadrant area of the District was also identified and the discussion

concept of a network of linked villages, referred to as Clyst Villages, was put forward in order to satisfy the requirements of the application process.

4.5 Government announced in May of this year that the Exeter and East Devon bid had been successful. This was accompanied by an award of £750k of capacity funding was provided for the first year which currently sits with the City Council as the lead applicant. The City Council's Executive meeting in July endorsed the establishment of a steering board and the recruitment of a project team to lead the delivery of the Liveable Exeter programme. Teignbridge District Council's Executive also confirmed support for the status in September. To be able to access this or potential future rounds of capacity funding requires the Council to confirm its support for this status as it relates to the District. This forms the basis of a specific recommendation of this paper. The allocation of the funding is related to the timing of housing delivery with the emphasis and priority in the first instance being on the brownfield sites within the City.

4.6 It is important to emphasise that the designation of a garden community does not in itself make any decisions about development. The legal position in relation to making decisions on development strategy and allocations is clear – this must be carried out through the preparation of local plans.

4.7 The specifics of which sites and growth areas are proposed and the overall scale and form of development will need to be considered through the passage of the Greater Exeter Strategic Plan and/or the Local Plan review. Therefore there is no pre-empting of that formal legal process. Rather it is an opportunity to engage with government and its agencies to identify investment priorities and other support needed to ensure that future growth and development is delivered to a set of high standard principles. Garden Communities status will help to support this process both directly through additional revenue funding and indirectly through greater government support referred to as 'brokerage') going forward. It is also an opportunity to engage with other local authorities in the programme to share experience and best practice.

5 Locally Led New Town Development Corporations

5.1 The Garden Communities prospectus makes it clear that delivering a new garden community requires long-term strategic thinking and robust delivery arrangements. There are many forms that this could take – from arrangements such as joint venture companies, to Development Corporations.

5.2 The prospectus commits government to working with successful proposals to help them work through the detail of the most appropriate delivery arrangements to ensure main partners can take key decisions effectively. Government has recently taken action to enable the creation of new locally accountable New Town Development Corporations. These vehicles can help to provide long-term certainty, resolve complex co-ordination challenges, invest directly in infrastructure that unlocks development, and use compulsory purchase powers to help lay out a new town. The single purpose nature of such development corporations is also a demonstrable and visible public sector commitment to achieving high quality development that can help to attract private investment and also harness expertise and leadership from this sector.

5.3 The first generation of New Towns owed much of their success to the ability of Development Corporations to acquire land at, or near to, existing use value and capture uplifts in land value from the infrastructure they developed and subsequent economic activity to reinvest in the local community. The Government accepts that the use of compulsory purchase can play an important role assembling land for new settlements. If land is acquired by a new town development corporation, compensation would be assessed in accordance with the 'no-scheme' principle as defined in the Land Compensation Act 1961. In practice, the value of compensation would depend on the location, character and planning status of the specific land being acquired.

5.4 The Guidance on the New Towns Act 1981 (Local Authority Oversight) Regulations were published in June 2018. In order to designate a new town and establish a locally led development corporation the Secretary of State must be satisfied that it is "expedient in the national interest"

that the area of land proposed be developed as a new town. For the Secretary of State to be able to judge this, government will want to test the evidence to ensure that a project of such scale and complexity rests on sound foundations. In doing so, a number of areas will need to be examined;

Evidence of community participation and consultation

The Secretary of State will need to be satisfied that there is a robust evidence base demonstrating the suitability of an area for a new town, and that appropriate local public participation and consultation has taken place.

Deliverability

Whilst recognising that the delivery of a new town is complex, the government will need to be satisfied that deliverability has been robustly assessed against a range of scenarios and assumptions. The government will need to see financial modelling covering the whole delivery lifecycle, including projected returns and debt profile, clearly showing peak debt requirements.

Best route

The Secretary of State will need to be satisfied that the new town designation and the creation of an LLNTDC represent the best route to securing expedited delivery of a high quality, sustainable new development with the necessary supporting physical and social infrastructure and a plan for the long term stewardship of assets.

Governance

The government will expect to see robust governance proposals relating to the LLNTDC.

Place making, community engagement, stewardship and future growth

The government will expect to see robust proposals for high quality place making, by, for example, adopting frameworks such as the Garden City Principles.

Strategic Environmental Assessment and Appropriate Assessment

Before seeking a new town designation, government expect local authority/authorities seeking to become oversight authorities to have considered carefully the environmental impacts of their proposals.

5.5 The Ministry of Housing and Local Government (MHCLG) launched a £10m New Development Corporation Competition on the 25th October. The eligibility criteria make it clear that applicants will need to;

- demonstrate that they can use the requested funding to progress work and generate proposals for innovative delivery models such as development corporations
- demonstrate that the delivery models being explored are intended to deliver a transformational housing or regeneration project
- endeavour to make key learnings from the funding available to other local areas and to central government in order that best practice and lessons learned can be disseminated, not including commercially sensitive information

The Government is looking for up to 10 transformational housing and economic growth opportunities. It is a recommendation of this paper that the support in principle is given to submitting a bid to this Fund, potentially in conjunction with our partner Greater Exeter authorities.

6 Assessment

6.1 There is considerable experience within the District of identifying and bringing forward major development proposals, particularly in the West End of the District. In terms of major housing developments these have exclusively been commercially led. In other words these have been promoted and delivered by commercial companies, such as house builders, with no public control of land. Designations, such as the Growth Point in 2007, alongside other programmes have helped to secure Government funding and enable investment including in terms of infrastructure improvements. But delivery arrangements have been informal and planning led with no additional statutory powers.

6.2 It is important to reflect on the experience of delivering the Cranbrook new community which began construction in 2011. The original vision for Cranbrook was as a sustainable, vibrant, attractive town which combines the rich urban fabric of a historic Devon service centre or market town whilst meeting the needs of 21st century lifestyles. Much has been delivered in the past 8 years to work towards the achievement of this vision. But challenges around design, sustainability and stewardship (all areas highlighted as key purposes of New Town Development Corporations) are recurring themes. In the town centre for example the lack of any publicly controlled land has frustrated the ability to bring forward more agile responses to the challenges facing the high street, such as modular space.

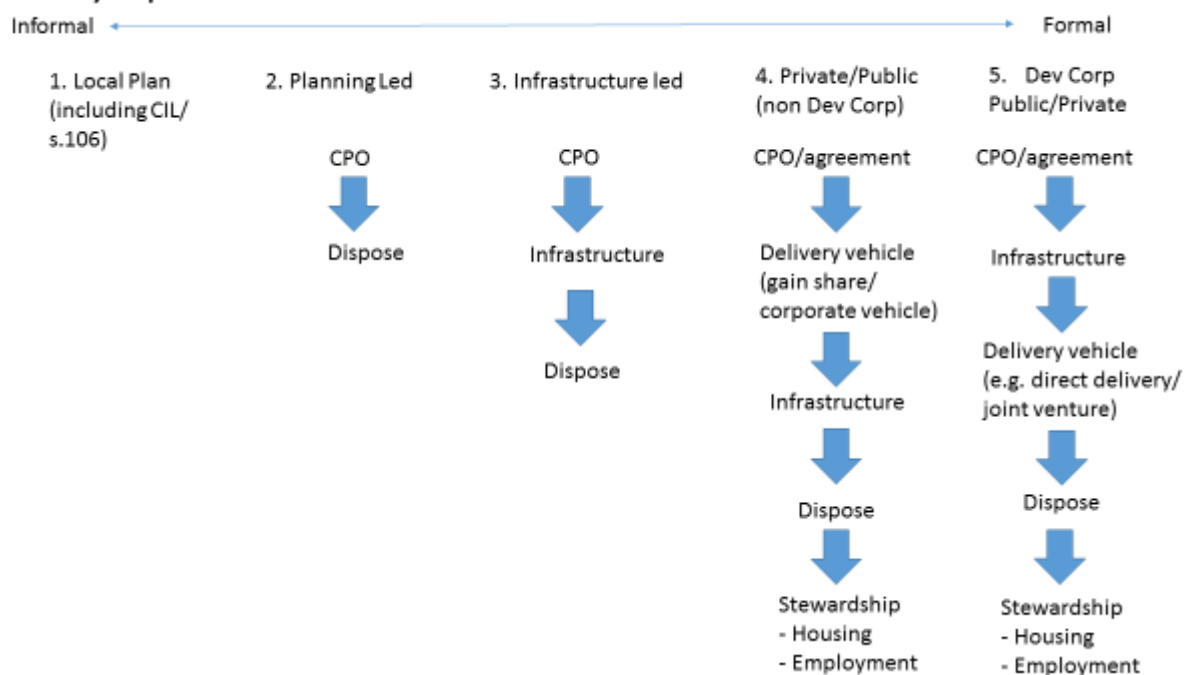
6.3 The issue remains of how we get the right delivery structures and vehicles in situ to ensure that we can create great places for people to live in, work and enjoy of which we can all be proud. It would be far too simplistic to suggest that this should be a purely public sector exercise. Despite the significant public sector investment in infrastructure in the West End, the level of private sector investment has comfortably outstripped this by a ratio of at least 10:1. But a model that is motivated solely by profit alone is not a solid foundation upon which to build a new town – we are working with house builders, not town builders as one colleague neatly summarised it.

7 Place making

7.1 There is significant learning spread throughout the Council on what it takes to deliver great places. It is important that we act on this knowledge in preparing for the next generation of strategic sites that will be identified through the Greater Exeter Strategic Plan and/or Local Plan review. There is also considerable synchronicity with the direction of Government policy including the legislation to enable locally led New Town Corporations to be created and the general tenor of the Letwin Review. Everything points to the Council needing to adopt a more proactive and assertive approach moving forward.

7.2 The full range of delivery options available to the Council will need to be carefully considered. A session was held recently with colleagues from North Essex Garden Communities. They are the most advanced nationally in terms of considering different options up to and including locally led development corporation status. The slide below sets out a spectrum of delivery options with increasing degrees of direct involvement and formality;

Delivery Options



7.3 Garden community status provides a platform to engage with Government and to undertake a full assessment of the options moving forward. Equally MHCLG's New Development

Corporation Competition provides an opportunity to undertake the type of detailed analysis that will be required to support the establishment of a locally led, powerful delivery vehicle going forward.

7.4 Critically this analysis needs to consider the existing generation of strategic sites alongside what might come forward in the next chapter. The development of Cranbrook is only around 25% complete in terms of the level of new homes that have been built and occupied. There are considerable challenges, not least in relation to the town centre, that still need to be resolved. Equally we have benefited from the majority of the land that is the subject of the current outline planning permission for 3,500 homes being under the control of a single development consortium. For the expansion areas of Cranbrook, as anticipated in the Cranbrook Development Plan Document, we will move to an un-consortiumised model with up to eight separate landowner/developer parties.

7.5 This will make the overall coordination and delivery of development far more complicated. We need to ensure that robust delivery mechanisms are in place that are capable of dealing with this scenario. One concept that has risen to the fore over recent years is that of the master developer. This is akin to the role that is performed by the Duchy at Poundbury in Dorchester. This provides an extra level of coordination, regulation and licensing over and above what the planning system in isolation is capable of achieving. This helps to realise the types of qualitative outcomes that we all seek and demand.

8 Alternative options

8.1 An alternative option would be not to support the Garden Community status and not to be part of this programme. It is perfectly possible for the Council to continue to plan for future development within the area without being part of this programme. However this would represent a 'no change' scenario despite the learning detailed above. The downside from this would also be that the platform from which to engage with Government would be removed. Whilst no definitive position can currently be established in relation to the ability to secure future government investment, for example for essential infrastructure improvements, it is likely that the lack of this status would also mean that the District is viewed as a lower priority. Homes England's Strategic Plan has a priority to support the delivery of garden communities for example.

9 Conclusion

9.1 We have significant experience of delivering major proposals in the District up to and including a new town. It is important to reflect on what we have learnt during this process and to ensure that robust delivery vehicles are in place to give us greater influence and better tools to achieve our quality and sustainability objectives and to support the creation of great places.

9.2 Our experience together with the direction of government policy points to the need to adopt a more proactive and assertive approach. Garden Community status will provide a platform from which to engage with government to explore future options in this respect. It is important to emphasise that this is not a planning designation, but the start of a conversation through the local plan process with our communities and with government about the infrastructure and other support available to the Council to ensure that future growth in the area is as high quality as possible.

9.3 Neither does Garden Community status commit the Council to pursuing a particularly delivery option or vehicle. Rather it presents the opportunity, alongside a bid to the Delivery and Innovation Fund, to carefully analyse and consider all options available to the Council. In turn this will need to be reported back to Cabinet.

9.4 Ultimately garden community status provides an opportunity for the Council to demonstrate real leadership of place and to ensure that we have the necessary tools and resources at our disposal to achieve our ambitions. Considering the options for dedicated delivery vehicles at the earliest opportunity is an essential ingredient of this.

9.5 Finally it is important to emphasise that the delivery of major strategic developments is a long term endeavour. Even when the development of individual homes has finished it is essential that there are robust and cost effective stewardship arrangements in place to ensure the ongoing

delivery of assets and services that continue to meet the needs of our new communities over time. Ensuring that such arrangement are in place is again one of the leading objectives for development corporation status.