North Essex Garden Communities

Business Case for Additional Capacity Funding for 2016/17

Introduction

1.1 Colchester Borough Council (CBC), Braintree District Council (BDC), Tendring District Council (TDC) and Essex County Council (ECC) (‘the Councils’) are continuing to work in partnership with the University of Essex, the South East LEP (SELEP) and Haven Gateway Partnership (HGP) to consider pioneering, ambitious and visionary new Garden Communities across North Essex, with the potential for a significant number of new homes, along with transformational new infrastructure and considerable local economic growth opportunities.

1.2 The Councils are still keen to apply all of the TCPA Garden City principles to these large scale communities in order to select the best locations, and to deliver the communities to high standards. TCPA principles recognise that local leadership and control over land use are key to this approach, through which increases in land values arising from the granting of planning permission are applied first and foremost to the delivery of infrastructure and the long term stewardship of public facilities.

2.0 Description and Location of Proposals

2.1 Since the original capacity funding was granted, the North Essex Garden Community Project (NEGC) has expanded and the potential for new Garden Communities in four separate locations is now being considered:

- To the west of Colchester, on the border between Colchester and Braintree District, and in the proximity of Marks Tey. The area is adjacent to the mainline railway between London and East Anglia, and at the intersection of the A12 and A120 strategic transport corridors (referred to in this document as ‘Marks Tey’). Land is being promoted which provides the opportunity to create a new settlement of considerable scale, with new and upgraded infrastructure and provision for economic development and employment growth;

- To the east of Colchester on the border between Colchester and Tendring. This provides the opportunity for a Garden Settlement to take the form of a significant urban extension to Colchester as well as significant employment opportunities and transport and infrastructure upgrades;

- To the north of Colchester and north of the A12. This area is located between the villages of Langham and Langham Moor respectively with a large proportion of the site containing part of Boxted Airfield which comprises a former Royal Air Force Station. This is being promoted to
provide a new community incorporating mixed uses and enhanced physical and social infrastructure; and

- To the west of Braintree. This land straddles the border between Braintree and Uttlesford District. The site is close to the improved section of the A120 which provides good links to London Stansted Airport. Development would need to incorporate significant employment opportunities and infrastructure and services.

2.2 In total, the North Essex Garden Communities has the potential to deliver up to 35,000 new homes, supported by new infrastructure.

2.3 All the locations benefit from active promoters and/or landowners who are keen to see development of some or all of the land which might be needed. Whilst these promoters have their own planning proposals, the Councils are keen to form their own vision for any such settlements, and to choose the scale and boundaries that appear to offer the best prospects for sustainable communities and viable development.

2.4 To assist this process, the local authorities are continuing to work with Garden City Developments CIC (GCD), a not for profit community interest company, to promote and establish partnerships with these third party landowners and option holders. These discussions are continuing to explore landowners’ appetites to enter legally binding agreements with the respective councils. To date, GCD has made positive progress with all landowners/agents and it is anticipated that a form of legal agreement will be in place before the Councils issue their Preferred Options Local Plans in June/July 2016. These agreements will seek to give the Local Authorities, through their Local Delivery Vehicles (LDV’s), effective control of the delivery of the Garden Communities by acting as “Master Developer” for the scheme(s) as through the Local Planning process.

2.5 To assist the Councils in this process, a governance and delivery structure has been established. This includes an agreement to establish LDV’s for each Garden Community, thereby enabling Council investment in the new communities as well as joint working with landowners/promoters. These structures have been approved at Cabinet within each of the Councils as well as by the North Essex Garden Communities Shadow Delivery Board. Further work on the detail and composition of the LDV structures is currently underway.

2.6 Since the capacity funding was awarded in December 2015, the Councils have procured a consultant team to assist them; AECOM has been instructed primarily to help inform the councils’ selection of Preferred Options and specifically the locations for any Garden Communities, and Denton’s LLP has
been instructed to advise on the LDV delivery structure, the detailed landowner negotiations and issues relating to planning policy formulation.

2.7 The Councils continue to be committed to establishing an appropriate and robust planning policy framework to create and deliver new high quality Garden Communities to meet housing and employment need in the plan period and beyond. It will therefore be important that the policy framework provides sufficient guidance on the nature, content, infrastructure requirements and delivery process for the garden communities to underpin and reinforce the approach to delivery proposed.

3.0 Plan-making processes

3.1 All three district Councils are in the process of evolving concurrent new Local Plans to address future need, and intend to publish Preferred Options during June/July 2016. It is envisaged that the Preferred Options will include reference to the Garden Communities and their locations.

3.2 To facilitate the strategic consideration of the Garden Communities proposals, the Councils have taken the approach to plan for the proposed Garden Communities and the North Essex area as a whole through the preparation of a ‘Part 1’ chapter. This document is being prepared across the four Councils and will effectively the first chapter to each Local Plan. It is envisaged that this common Part 1 will be assessed at a separate Local Plan Inquiry and will address some of the key strategic issues in North and Central Essex including the proposed Garden Communities. Concurrent discussions on this are currently being held with the Planning Inspectorate.

3.3 The Councils are working towards a number of following key milestones. This is still an ambitious work programme and further consideration is required in terms of the most appropriate route towards planning consents, with scope for twin-tracking policy and application processes to ensure expedient delivery. It should be noted that given the complexity, nature and scale of the range of areas being considered, this timescale is indicative and will be adapted to suit the individual merits of each site.

- Issue Preferred Option Local Plans June/July 2016
- Submit Part 1 and Part 2 Local Plans Early 2017
- Part 1 Local Plan Inquiry Summer 2017
- Part 2 Local Plan Inquiry Winter 2017
- Adopt Local Plan (Part 1 and Part 2) Mid 2018
- Prepare Joint Plans / Masterplans 2016-2017
- Adopt Joint Plans Mid 2018
- Determine planning applications 2018/19
- Start on site initial phases 2020/21
4.0 Capacity Funding Bid

4.1 This section of the submission focusses on how the existing capacity funding has been committed, the outcomes that have been achieved as a result of that funding as well as setting out a business case for additional funding for 2016/17.

Commitment of the 2015/16 Capacity Funding

4.2 In December 2015, the North Essex Garden Community Project was awarded £640,000 of capacity funding. In addition, £15,000 of funding was also secured from Essex County Council (ECC) making £655,000 in total.

4.3 The allocation of this funding was agreed at a NEGC Steering Group meeting in January 2016.

4.4 This budget, along with a status update, is set out below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description of output(s)</th>
<th>Budget</th>
<th>Status Update</th>
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<tbody>
<tr>
<td>Project Costs</td>
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<tr>
<td>Project Manager Post</td>
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<td>£43k</td>
<td>Position is in post on a 24 month contract expiring in July 2018.</td>
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<tr>
<td>Project Officer Post</td>
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<td>£30k</td>
<td>Position is now in post on a 12 month contract.</td>
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<td>Masterplanning</td>
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<tr>
<td>Masterplanning and Concept Framework</td>
<td>Concept Feasibility Study (Stage 1)</td>
<td>£110k</td>
<td>AECOM were appointed utilising the HCA multidisciplinary framework in January 2016 to prepare a Concept Feasibility Study. This work will assist in evaluating the proposals for the Garden Communities and will help inform the Councils’ selection of preferred options. AECOM are due to deliver their final report to Councils in early May 2016.</td>
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<tr>
<td>Masterplanning and Concept Framework</td>
<td>Concept Feasibility Study (Stage 2)</td>
<td>£190k</td>
<td>It is envisaged that this work will be commissioned once Preferred Option Local Plans have been issued mid-2016 and will focus on the conceptual masterplanning of those sites that have been selected as Garden Communities within the respective Local Plans.</td>
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<tr>
<td>Community engagement/</td>
<td>As the proposals evolve, the Council’s will need to</td>
<td>£25k</td>
<td>It is envisaged that this strategy will be procured once Preferred</td>
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<td>Consultation Strategy</td>
<td>Options have been released in mid-2016 and will focus on the Garden Communities.</td>
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**Landowner Negotiation and Support**

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Negotiation Lead</td>
<td>Garden City Developments are continuing to work on behalf of the Councils and with the respective landowners with a view to entering into legally binding Agreements. The intention of these Agreements will be to give effective control of the delivery of the Garden Communities to the respective LDV’s.</td>
<td>£50k</td>
<td>GCD has been formally engaged to continue acting on behalf of the Councils during 2016/2017. The initial phase of this contract includes work up until Preferred Options are issued in June/July 2016. However, it is expected that GCD’s role in the Project will extend substantially beyond this point.</td>
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| Negotiation legal support   | Legal and land agency assistance with the landowner negotiation process as well as providing further advice on the setting up and administration of the delivery vehicle(s).                                                                 | £153k   | Denton’s (Stephen Ashworth) were appointed in March 2016. This instruction was to provide focussed legal assistance to the project, and in relation to three distinct workstreams:  
  - Robust and clear planning framework;  
  - LDV arrangements; and  
  - Land agreements.  
  Given the broad scope of work required, Denton’s has been initially appointed on an hourly basis.                                                             |
| Negotiation and investment financial support | Financial assistance to support the negotiation and investment considerations of the Project.                                                                                                                                 | £50k    | Discussions are currently underway with PWC to provide additional financial support to the Project. It is envisaged that this work will include work surrounding the tax implications of the LDV creation and structures as well as a review of the financial model. |

**TOTAL**                                                                 | £651k  |  |
It is noted that the original submission to DCLG requested £848k (£863,000 including the ECC grant). This amounts to a shortfall of approximately £212,000. Should this submission be successful in being awarded this shortfall, it is envisaged that this additional funding would be allocated in the first instance to those outputs that were included within the original submission but that were not included on the reduced budget agreed by the Steering Group, as follows:

**Infrastructure Delivery Planning - £90,000**
- Infrastructure Delivery Plan(s) (IDP) for each Garden Settlement;
- On and off site infrastructure schedules;
- Advice on infrastructure timing, delivery, associated stakeholder liaison; and
- Advice on available infrastructure funding opportunities.

**Additional transport modelling, capacity and strategy work - £100,000**
- Additional transport feasibility modelling capacity to identify innovative transport solutions with the aim of creating a different pattern of movement from the 65% travel to work by car that currently exists.
- Investigation of rapid transit links for each Garden Community.
- Feasibility assessment on how to overcome the barriers to walking and cycling movement such as the A12, A120 and the rail line.
- The Councils are already expending large sums to undertake transport modelling to inform Local Plan work and this element of funding is for additional work.

**Additional Community Engagement Work - £10,000**
- The original submission sought £35,000 for community engagement work. The agreed budget reduced this to £25,000.

**Plan Making Support - £12,000**
- Additional capacity to further advance the Joint Part 1 Plan.

Further detail on these additional outputs is set out in the original submission in December 2015. However, further information can be provided if required.

**Why further funding is required?**

The Councils are committed to progressing with Garden Communities. However, although they have a proven track record of delivery and have already committed significant funding to investigating the feasibility for Garden Settlement type development, the strategic scale and associated timing and
delivery of development proposed is far beyond what any Local Planning Authority has dealt with over recent times. As such, further dedicated resources, specialist advice and support will be required to develop proposals – particularly once Preferred Options Local Plans have been released. Whilst the location of any proposed Garden Communities has not been determined, the proposal is extremely ambitious and visionary in terms of scale and delivery, and will set high standards for design, quality and the provision of green space.

4.8 Put simply, we do not believe that Garden Communities of the purity, unique nature and scale of ambition that the North Essex Garden Community Project is proposing are currently being proposed elsewhere across the UK.

4.9 There are a number of further areas of work that will need support to develop emerging proposals, to meet key milestones and secure delivery. These are detailed below.

**Capacity Funding**

4.10 The Councils are already expending considerable sums as part of their formal plan making processes. In addition, a joint working governance structure and dedicated project management post has been created.

4.11 However, the further evolution of the proposals as Garden Communities, of the scale being envisaged, introduces far greater complexity and resource requirements than the Councils can support through existing budgetary allowances. As such this submission is being made to enable the Councils to both dedicate sufficient technical input, and undertake a range of key studies and assessments.

4.12 As foreshadowed within the original submission to Government in 2015, consideration is currently being given to whether the creation of a dedicated Garden Communities Team should be put in place once Preferred Option Local Plans have been released in mid-2016. This would give the Project more focus while also (and importantly) convincing landowners that the Councils are fully committed to the garden city principles and the process.

4.13 Notwithstanding that, this submission focusses on outputs that are expected to be incurred and/or commissioned within the 2016/2017 financial year as follows:

- Preparation of a Common Part 1 Chapter within each Local Plan;
- Preparation of Joint Plan(s) addressing each Garden Community
- Signed legal agreements with local landowners across all the chosen sites;
- Concept Masterplans prepared for all sites;
- Infrastructure Delivery Plans prepared for all sites;
• Creation and establishment of local delivery vehicle(s) for each Community(s); and
• Creation of an appropriate stewardship model.

**What would any further funding be spent on and expected outcomes?**

4.14 The table below sets out the detail of the various required work streams, the outputs and defines the additional funding sought. This is in addition to the work streams highlighted in Section 4.5 which relate primarily to the previous submission.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description of Output(s)</th>
<th>Additional Cost</th>
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<tbody>
<tr>
<td><strong>Internal Resources</strong></td>
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<tr>
<td>Senior Management</td>
<td>The Councils have already committed to allocating their own internal resources to drive the Garden Communities Project forward through the agreed Governance and structure arrangements.</td>
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<tr>
<td></td>
<td>To support this, there are Working Groups set up in relation to legal, finance, transport and masterplanning. These Working Groups involve Officers from all four Councils as well as representatives from ATLAS and the University.</td>
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<td></td>
<td>In addition, each Council has dedicated one day a week to the Project. This day (‘Garden Community Thursday’) involves Directors from each Council co-locating in one place for the whole day and allows the coordination of meetings between the various parts of the Project Team and is in addition to their normal day to day Council responsibilities.</td>
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<td></td>
<td>This represents a significant time and resource commitment to the Project.</td>
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<tr>
<td>Project Manager Post</td>
<td>Match funding is sought to ensure this position continues to be funded, principally to manage contracts and ensure the plan making is progressed on time.</td>
<td>£46k (match funded)</td>
</tr>
<tr>
<td>Project Officer Post</td>
<td>Match funding is sought to ensure this position continues to be funded, principally to assist the Project Manager and ensure that the Project continues to be serviced.</td>
<td>£31k (match funded)</td>
</tr>
<tr>
<td><strong>Evidence Base &amp; Key Consultancy Support</strong></td>
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<tr>
<td>Continuing landowner negotiations and legal support</td>
<td>As mentioned elsewhere in this submission, GCD is continuing to lead discussions with landowners as to their willingness to enter into agreements with the Councils. This work is being supported by legal assistance from Denton’s who have been engaged in relation to three distinct work streams, being the landowner agreements, the delivery vehicle evolution and the town planning strategy.</td>
<td>£210k</td>
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Landowner Agreements

Whilst the landowner discussions are progressing well, additional legal support will be required to lead and support the detailed Agreements moving forward. Whilst it is envisaged that initial agreements will be signed prior to the issuing of Preferred Options, final versions of these agreements must be in place prior to the submission of all Local Plans in early 2017.

LDV evolution

Legal resources will be required to continue to evolve thinking and put in place the most appropriate delivery vehicle (LDV) for the Garden Communities. It is envisaged that these LDV’s will be in place by the end of 2016.

Town planning strategy

Legal assistance will also be required to advise on the strategic planning approach that the Councils are taking. This includes the common Part 1 which will form part of each Local Plan and how this relates to the rest of the plan. In addition, it is envisaged that Senior Counsel advice will be sought in relation to strategic planning issues.

The previous submission requested £160k for this element of work. This was to include both GCD and additional external assistance. Since Denton’s have been appointed to provide legal assistance, it is clear that additional work will be required to continue to support this critical element of the Project.

Based on current budget projections, it is anticipated that an additional £210k is required to continue to provide legal support to the Project, primarily to secure legally binding agreements with landowners prior to submission of the Local Plans and to assist in setting up the LDV’s.

In addition, existing legal officers across all four Councils will continue to be involved in the Project as part of the Legal Working Group.

Valuation advice

Additional valuation and surveyor advice is needed to inform the landowner negotiations and agreements. This work will provide information in relation to the local property transaction market, local land values as well as testing assumptions about land values in relation to the Project.

| Valuation advice | £20k |
| Financial Capacity | Additional capacity will be required to explore the financial implications of the Project, and in particular the LDV structures and running costs, the available funding sources and types, the investment potential for the Communities, the creation of business plans as well as separate tax assistance. Financial assistance in relation to auditing will also be required.  
In addition to this advice, recruitment is currently underway to procure a full time Financial Modelling Analyst. This role will form part of the ‘in house’ Project Team and will primarily be responsible for developing and maintaining the existing ATLAS financial model that has been created to support the Project as well as providing additional financial assistance across the project and preparing business plans where required.  
A copy of the Job Description for this post can be provided if necessary. | £175k |
| Additional infrastructure modelling, funding, capacity and strategy work | Additional infrastructure modelling resources are required.  
This work will also consider the creative use of land which motivates people to travel in a more balanced pattern and will include feasibility assessments on how to overcome the barriers to walking and cycling movement.  
The issue of infrastructure provision and how this could be funded and delivered is also something that needs further capacity - In particular, exploring how the forward funding of infrastructure would be secured as part of each Garden Community as well as the delivery mechanism(s) that would be involved. | £80k |
| Community Trust capacity | One of the key principles underlying the North Essex Garden Communities Project is the long term stewardship of assets. Further capacity is therefore required to investigate the mechanisms that could be used to set up and deliver Community Trusts, if that is deemed the most appropriate option. | £40k |
| Communications Strategy | Capacity is required to prepare a dedicated Project Communications Strategy. This will set out a procedure for dealing with internal and external communications in relation to the Project. | £40k |
| Economic Modelling | Work is required to consider the local and regional economic impacts of the Garden Communities. This will also assess the role and extent of employment generation within each Community and how they may relate to the wider North Essex economy. | £30k |
Demographic Modelling: Work is required to consider the demographic composition of the future populations of the Garden Communities alongside any likely future population change, and the impacts that this could have on the Communities. This will include work in relation to the delivery of social and community aspects of the Garden Communities.

Housing Tenure: Work is required in relation to the housing tenure mix and specifically what the Garden Communities would be seeking to achieve in relation to the mix of housing tenure. It is envisaged that this element of work will also include work as to how Starter Homes will be integrated into the Garden Communities.

Low Carbon/energy strategy: Initial feasibility work has suggested that some of the areas under consideration for Garden Communities may be suitable for low carbon/energy initiatives. Additional work is required to assess this potential, highlight potential low carbon/energy opportunities and such opportunities could be incorporated across the Garden Communities.

Water Cycle Study: Since the previous submission, the requirement for dedicated Water Cycle Studies has been identified. These studies will assess the strategic water cycle impacts of the Garden Communities over the anticipated lifetime of the project. This work is in addition to the water cycle work required to support the Local Plans and will involve long term strategic forecasting.

Sub Total - Additional Funding Requested: £792k

4.15 In summary, additional capacity funding would enable the respective Local Plans to be advanced efficiently. In terms of timing, the current Local Plan timetable envisages that the Garden Communities will start delivering housing towards the middle to the end of the next plan period (around 2024-25). The intention will be for each Local Plan to highlight broad areas within which Garden Communities will be investigated further, with the detail to be devolved to specific DPD’s or alternative masterplanning mechanisms for each Community. The current intention is for these documents to be created sequentially, with overlap where possible. Should additional resources be secured, this could enable the masterplanning/DPD process for each Garden Community to be brought forward and progressed in parallel as the individual Local Plans progress to examination and adoption. This could then expedite the overall planning timescales, all of which could result in bringing forward work on the ground in some areas up to two or three years earlier than currently envisaged.
4.16 In addition, and as set out in the above table, the issue of infrastructure provision and how this could be funded and delivered is also something that could be expedited as a result of additional funding. In particular, exploring how the forward funding of infrastructure would be secured as part of each Garden Community as well as the delivery mechanism(s) that would be involved. Again, expediting this work in parallel with the Local Plan process could enable the delivery of the Communities earlier in the plan period (two or three years) than is currently envisaged.

4.17 Finally, the unique nature of the North Essex Garden Community Project, and the intention for the Councils to be in control of the proposals through local delivery vehicles means that there will also be a beneficial impact on the delivery of houses, and specifically the pace and quantity of housing delivery which is expected to be beyond traditional market delivery norms.

Why funding cannot be obtained from other sources?

4.18 It is acknowledged that the Project is ambitious, and if successful could lead to the delivery of new Garden Communities of a scale and size that has not been seen in the UK since the Second World War.

4.19 It is also acknowledged that, for the Project to be successful, it cannot rely only on assistance from capacity funding. As such, it is envisaged that additional funding will need to be provided by each of the Councils.

4.20 This has been acknowledged by each of the Councils, and a draft budget is currently being prepared for the Project to cover the next three years. It is expected that this budget will inform a Paper to be considered by the Shadow Delivery Board meeting in May. It is expected that this Paper will be asked to authorise the commitment of additional funding to the Project from each Council. This will be in addition to any funding secured as part of this submission.