

This Report will be made public on 12 December 2016

Folkestone

Hythe & Romney Marsh
Shepway District Council



C/16/82

To: Cabinet
Date: 20 December 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

SUMMARY:

The Cabinet at its meeting on 8th June 2016 agreed that:-

1. 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 the Cabinet 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.

This further report informs the Cabinet of an announcement on the 11th November 2016 by the Department of Communities and Local Government and Gavin Barwell M.P, Minister for Housing and Planning, that Shepway's expression of interest has been successful and that £750,000 of additional Government capacity funding has been made available that will help kick-start work and enable the Council to take forward their proposal.

The report below sets out the planning, master planning and financial implications of the announcement and updates members of the work that is being carried out to progress the project.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because:

- a) The recommendations will enable officers to progress key work streams that are necessary for achieving strategic objectives of the Council's Corporate Plan

relating to boosting the local economy, increasing job opportunities, and providing more homes.

- b) The recommendations below have resource and financial implications for the Council.

RECOMMENDATIONS:

1. To receive and note report C/16/82.
2. That Cabinet agree that the underlying work necessary to take forward Otterpool Park as a new garden settlement continue and in particular:
 - a. That the on-going evidence based work necessary for reviewing the Core Strategy Local Plan is noted and that, following the completion of the Growth Options Study and the Strategic Housing Market Assessment, a report on progress and next steps be considered by Cabinet early in 2017.
 - b. That the £750,000 of capacity funding received from the Department of Communities and Local Government be included in the Council's budget framework for progressing the masterplanning of Otterpool Park.
3. To note that a landowner/promoter update will be given to Cabinet on 7th March 2017.

1. Background

- 1.1. The Council in June 2016 submitted an Expression of Interest for a new garden settlement of up to 12,000 new homes at Otterpool Park in response to the Department of Communities and Local Government's prospectus for "Locally Led Garden Villages, Towns and Cities". The expression of Interest led by Shepway District Council was supported by Kent County Council, Cozumel Estates (owners of Folkestone Racecourse) and Damian Collins M.P as well as a wide range of other key organisations and local businesses. The submission document stressed the unique opportunity presented by Otterpool Park to provide much needed new homes, employment and other facilities in a unique strategic location with a significant part of the area of search being in public ownership.
- 1.2 The Expression of Interest document and other background information about Otterpool Park can be found at this link on the Council's web site:

<http://www.shepway.gov.uk/Otterpool-Park-A-Garden-Town-for-the-Future>
- 1.3 Gavin Barwell M.P, Minister for Housing and Planning, announced on the 11th November, that Shepway's Expression of Interest has been successful. In making the announcement the Minister commented that the Government "want to turbo-charge house building on large sites to get the homes built in the places people want to live, so that this country works for everyone, not just the privileged few" and "furthermore, we (the Government) are getting behind plans for a new Garden Town which offers a unique opportunity to boost the local economy, jobs and provide new homes in Shepway, Kent. The Minister confirmed that "Otterpool Park Garden Town will be supported with £750,000 of additional government capacity funding that will help kick-start work and enable the local council to take forward their proposal".
- 1.4 As well as welcoming the Government's public and financial support, the inclusion of Shepway in the garden settlements programme will continue to give members and officers access to Ministers, senior officials in the Department of Communities and Local Government and peer authorities who are also planning new settlements.
- 1.5 The Council is progressing two distinct works streams with regard to planning and delivering future strategic level growth in Shepway. The first work stream involves the Council under its responsibility as the local planning authority reviewing the Core Strategy Local Plan 2013, while the second work stream involves other officers working closely with development partners Cozumel Estates in masterplanning a new settlement at Otterpool. Progress and future work in respect of each of these two work streams is set out below.

2. Review of Core Strategy Local Plan

- 2.1 The existing Core Strategy Local Plan was adopted by the Council in 2013 although many of the strategic policies are based on a substantial evidence

base assembled in earlier years and the four strategic allocations/broad locations for development all have planning permission or an agreement in principle to grant planning permission. The time is therefore right to review the Plan and work has started on assembling an updated evidence base that will underpin new strategic policies for growth. This work is distinct from the Places and Policies Local Plan which involves the draft allocation of a range of smaller and medium sized sites with new development management policies and which was recently the subject of public consultation.

- 2.2 There are four evidence based studies that are well underway. The first of these is a Strategic Housing Market Assessment (SHMA) carried out by Peter Brett Associates (PBA) as a joint commission with Dover D.C, with whom Shepway has a joint housing market area (meaning that a significant number of people commute between the two districts). The study draws on data from the Census and the Office for National Statistics so as to predict “objectively assessed need” (OAN) for housing. It is anticipated that both districts will plan to meet their own OAN within their own district boundaries. As PBA conclude their work they will finalise an OAN for Shepway which will identify a number of new homes that are needed per annum between 2014 (the base year of the study) and 2037. This will equate to a minimum requirement per year and the existing commitments in the current Core Strategy and current proposals in the draft Places & Policies Local Plan together with sites with planning permission and existing allocations will be subtracted off this figure to give us an overall figure to plan for.
- 2.3 The second evidence based study is a High Level Growth Strategy. This is a strategic review of the opportunities and constraints in the district for accommodating the level of growth identified in the SHMA. AECOM has been commissioned to carry out this 20 week study which is underway and comprises two phases of work. The output from phase one to be completed by the end of December will be a summary paper of high level growth options across the district with mapping which also identifies where significant infrastructure investment may be needed to unlock the potential for suitable growth. This work will be informed by a workshop with technical stakeholders, a high level landscape appraisal carried out by AECOM, and other key evidence base documents such as the Strategic Flood Risk Assessment. Phase two to be carried out early in the new year involves more detailed testing of the options and infrastructure requirements identified in phase 1 with targeted stakeholder engagement prior to producing a Strategic Growth Options Report which, following consideration by Cabinet early in 2017, would inform new spatial policies for the Core Strategy Review.2.4. The Strategic Growth Options Report will also be informed by an updated Shepway Transport Model. AECOM transport unit, who carried out the transport assessment for the existing Core Strategy, has been appointed to carry out this work. The methodology for the model has been agreed with Highways England and Kent Highways. This involved updating data for 13 key roads and 35 junctions with the necessary survey work carried out in October 2016 so as to establish a robust baseline against which future strategic growth options can be tested. Phase two of the commission involves building in potential growth options and carrying out performance tests of key junctions using specialised software and preparing concept junction improvement plans in key locations.

- 2.4 All stages of the review of the Core Strategy Local Plan from inception to adoption have to be informed by a Sustainability Appraisal (SA). The SA ensures that development options are tested against a range of agreed sustainability factors and that the Plan meets all the tests for legality, soundness, and case law. LUC, who are also the SA consultants for the Places and Policies Local Plan, has been appointed to carry out this work which will span the whole process through to adoption of the new Core Strategy. Work has started on establishing a suitable sustainability appraisal framework that complies with the National Planning Policy Framework. Following the required consultation with statutory bodies, the draft sustainability appraisal framework will be reported to Cabinet in early 2017. This will allow detailed drafting of the revised Core Strategy Local Plan to get underway in preparation for a further report to Cabinet in late 2017 and a formal regulation 18 public consultation on a revised Core Strategy to be carried out in early 2018.
- 2.5 As work on the Core Strategy review progresses, additional work to that already underway and referred to above will need commissioning to support the evidence base and to underpin the emerging spatial policies for strategic level growth. A three year budget of approximately £950K from 2016/17 through to 2018/19 plans for the anticipated necessary expenditure to ensure that a sound Plan is produced. The budget will fund evidence based documents in addition to those already underway, such as habitat regulation assessment, additional transport capacity work, masterplan assessment and infrastructure requirements. It will also be needed to cover the examination costs of the revised Core Strategy and if and when necessary independent legal advice.
- 2.6 The Council's Expression of Interest set out a number of potential planning freedoms and flexibilities that it is felt would be helpful in accelerating the Local Plan making process and reducing risk and uncertainty. Although some discussions have already taken place, the issues raised need to be explored further and the Minister has confirmed that his officials will meet with Council officers so as to explore potential opportunities in more detail.

3. Otterpool Park - Landowner and Promoter Workstream

- 3.1 A collaboration agreement was signed on 8 September 2016 between SDC and Cozumel Estates, owners of Folkestone Racecourse (wholly owned by the Rueben Brothers) to set out the principle of working together on a comprehensive masterplan for the development of a new town of up to 12,000 homes, jobs, open space and facilities at Otterpool Park.
- 3.2 Following the collaboration agreement a contract was also issued for planning and masterplanning work for Otterpool Park to a consultant team led by Arcadis who will cover all technical work (transport, landscape, water etc), project management and cost consultancy. Included in the supporting team are Farrells who specialise in masterplanning, WYG who will provide strategic planning advice, Property House covering communications and Kevin Murray Associates who will lead on community engagement. There will be a programme of consultation and community engagement throughout the masterplanning process starting with the events scheduled to be held between the 8th to 10th December 2016.

3.3 The Corporate Director – Strategic Operations will be providing a detailed update to Cabinet on 7th March, which will cover all aspects of landowner/promoter progress, including land assembly and masterplanning. Subject to the outcomes of the Strategic Growth Options Report referred to above, the framework masterplan will inform and support draft polices in the emerging Core Strategy Local Plan review. The further development of the framework masterplan into a full masterplan will then support the subsequent submission of a planning application and provide the spatial basis of planning for a new garden settlement.

4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks is as follows:

Perceived Risk	Seriousness	Likelihood	Preventative Action
The Council falls behind in its programme for producing a new Core Strategy Local Plan and / or the Planning Inspectorate do not support the Plan submitted for independent examination.	High	Medium	To ensure that the necessary resources are made available to prepare a robust Plan and that the Council draws on the advice of CLG, relevant agencies and other local planning authorities in the Government’s new settlement programme. Additionally that the Council continue its dialogue with the Government to secure planning freedoms and flexibilities that can potentially speed up the planning process and create more certainty that the project will be successful.
There are a wide range of potential risks to take in to account in the delivery of Otterpool Park including changes in market conditions,	High	Medium	That the Council continue with a comprehensive and up to date risk register

infrastructure and viability constraints and planning delays.			
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5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report. Legal Services will advise upon any further contractual, property and/or planning matters upon instruction.

5.2 Finance Officer's Comments (TM)

The report sets out some of the activity which will be required in order to progress the project. The receipt of £750,000 funding for the project will be used to carry out the activities required to support it over the next 3 years. This is in conjunction with existing Council resources and the funding for the initial promoter budgets which was agreed by Cabinet at its meeting of 8 June 2016 (report C/16/09). It is important to recognise that this is a large and complex project and whilst officers have developed a 3 year budget to support the activity, this is kept under constant review and is needed to respond to circumstances as these change. At the aforementioned report, it was recognised that the initial budget for the promoter activities would need to be updated as activities progressed and further reports will be brought back to Cabinet as this occurs for any further funding.

Diversities and Equalities Implications

5.3 This report does not specifically highlight any equalities implications at this early stage although future consultations will need to reach 'hard to reach groups', and the revised Core Strategy Local Plan will be subjected to an Equality Impact Assessment as it takes shape.

6. 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

None