

This report will be made public on 20 March 2018

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report number: **C/17/89**

To: Cabinet
Date: 28 March 2018
Status: Key Decision
Chief Executive: Alistair Stewart
Cabinet Member: Cllr David Monk, Leader of the Council and Cllr Dick Pascoe, Property Management and Environmental Health

SUBJECT: OTTERPOOL PARK DRAFT FRAMEWORK MASTERPLAN

SUMMARY:

This report brings to Cabinet for its consideration the draft Framework Masterplan for Otterpool Park prepared by the landowners' consultant team, and seeks its endorsement to allow it to be used to make representations to the Local Planning Authority on its Regulation 18 draft Core Strategy Local Plan and to inform a planning application currently under preparation. It also provides an update on the role of Homes England as a landowner in the project and sets out the Collaboration Board's proposed Unique Selling Points on which to base future promotion of the garden town.

REASONS FOR RECOMMENDATIONS:

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

- a) The recommendations will enable submission of a draft Framework Masterplan for the garden town to the Local Planning Authority, and work to continue on an outline planning application to maintain the existing programme for the development of Otterpool Park.
- b) The recommendations below have resource and financial implications for the Council.

RECOMMENDATIONS:

1. That report C /17/89 be received and noted.

- 2. Cabinet endorses the draft Framework Masterplan for Otterpool Park to enable the Council as land owner, in conjunction with its partner Cozumel Estates Ltd to:**
 - a. make representations to the Local Planning Authority's consultation on its Draft Core Strategy Local Plan; and**
 - b. based on the "red line boundary" prepare an outline planning application to be submitted to the Local Planning Authority in summer 2018.**

- 3. Cabinet endorses the principles below set out in the Framework Masterplan:**
 - Initial outline planning application for 8500 homes**
 - Masterplan to show further expansion in later phases to approximately 10,000 homes within the boundary shown in the diagram in Appendix A;**
 - Creation of around 15 hectares of employment space, contributing to a total of approximately 8000 jobs;**
 - Approximately 275 - 300 hectares of green infrastructure; and**
 - Development to be delivered in a phased way.**

- 4. Cabinet notes Homes England's new role as landowner partner to the project and supports its representation on the Collaboration Board.**

- 5. That Cabinet endorses the Collaboration Board's proposed Unique Selling Points as set out in section 10.**

1. Background

- 1.1 Cabinet received a report on the delivery of Otterpool Park on 31 January 2018 (report C/17/76). That report sought Cabinet approval to pursue a preferred option of a joint venture and consider the potential to establish a council controlled Development Company. It also sought agreement in principle to using its compulsory purchase powers if necessary to assemble land. The confidential annex of that report gave an update on land acquisition, and on the role of Homes England.
- 1.2 This report brings the draft Framework Masterplan for Otterpool Park to Cabinet, and seeks approval for the parameters for development at Otterpool Park. It describes an independent review process to test the overall capacity and viability of the project and provides an update on the role of Homes England in the project. It also seeks endorsement for Unique Selling Points that will be used by the Collaboration Board to promote the garden town.

2. The draft Framework Masterplan

- 2.1 The joint site promoters, the council and Cozumel, are required to submit a draft Framework Masterplan to the Local Planning Authority (LPA) to inform its evidence base for the site allocation policy in the Core Strategy Local Plan. The Framework Masterplan is a high level document that sets out the broad scale, land uses and principles for Otterpool Park. It includes indicative diagrams that set out the broad spatial plans for the site. The document will not in itself have any planning status but will form a key part of the landowners' representation to the LPA in response to its Regulation 18 draft Core Strategy Local Plan (CSLP) which was brought to Cabinet on 17 January 2018.
- 2.2 The draft Framework Masterplan is included as Appendix B. Work will continue on the full masterplan and planning application, including pre-application liaison with the LPA, toward its submission in August 2018.
- 2.3 The draft Framework Masterplan includes a summary of the opportunities and constraints for the site and the evolution of the masterplan, set in the context of the original vision and objectives included in the Expression of Interest to Government. It includes:
 - Concept and vision;
 - Land use framework and strategy;
 - Transport strategy;
 - Green infrastructure strategy;
 - Water strategy;
 - Sustainability strategy;
 - Place making strategy;
 - Delivery and implementation strategy; and
 - Phasing.

2.4 The draft Framework Masterplan as it stands today has been revised to reflect a range of considerations:

- Engagement with local organisations including Parish Councils; statutory agencies and the wider public during 2017;
- Viability assessment by Montagu Evans;
- Further work on employment and job creation;
- Capacity and viability review by consultants Savills (summarised below);
- Place Panel reviews in January and February 2018; and
- The LPA growth options assessment work and Regulation 18 draft CSLP.

2.5 The outcomes of the public engagement and Montagu Evans work were summarised in the report to Cabinet of 19 July 2017, and have reaffirmed many of the principles included within the initial work, including:

- The importance of landscape and quality of open space;
- Maximising the use of excellent access to the M20 and station for locating business space and housing;
- Creating walkable neighbourhoods; and
- New employment opportunities.

3. Type and scale of development

3.1 The draft Framework Masterplan sets out the indicative number of houses to plan for at this stage. The plan shows scope for between 9,000 and 9900 homes south of the railway line. This is separate and in addition to the Draft Local Plan allocations for a further 600 homes expansion of Sellindge to the north of the M20. This means a cumulative total of between 9,600 and 10,500 homes. The preparation of the masterplan allows for the total impact of around 10,000 homes when assessing infrastructure requirements. Similarly the Council's Housing Infrastructure bid provides for the needs of a future 10,000 homes. This position has been derived from a number of appraisals and we therefore feel is a robust approach.

4. Review of viability (Montagu Evans)

4.1 Information in the initial draft report on viability provided by Montagu Evans and further work by Farrells suggested that for the first phase of the project (i.e. the proposed boundary for the planning application, which does not include all land within the original area of search) a figure of 8000 homes would be most appropriate. A higher number of houses within this area – towards 12,000 – would require a high percentage of flats to houses, approximately 50%. Montagu Evans concluded that considering the market in this location and the character of the local area, demand will be geared more toward houses rather than flats. It has recommended a significantly lower percentage, at around 15%

and has noted that a higher density of development would not meet the characteristics expected of a garden town. This was reinforced by positive support through the engagement events for high levels of accessible green space and landscape, and concerns about design quality. Montagu Evans therefore suggests that a lower density and mix of housing would be more appropriate.

5. Review of capacity and viability of Otterpool Park (Savills)

5.1 Given the scale and impact of Otterpool Park for the council and the community, the council felt an independent 'health check' of the project would be beneficial before finalising the planning strategy through the Framework Masterplan. It commissioned Savills to undertake an independent high level review of capacity, viability and master planning work completed to date, with the agreement and support of Cozumel Estates. This work was completed in January 2018. The headline findings from this work are set out below.

- The study assessed the calculations of housing numbers within the areas proposed by Arcadis and Farrells for the proposed planning application red line. It suggested an alternative means of calculating density and providing green space, but resulting in a similar figure of around 8000 homes. The study confirmed that a lower density of development was more appropriate in this location, in fact suggesting lower densities and fewer flats, due to likely muted demand.
- Following analysis and site visits it concluded that there is scope for further housing capacity both within the existing red line and beyond it for future phases of the town as it continues to expand over multiple plan periods, potentially up to 11,500 homes. It recognises that there will be a range of physical constraints that would be likely to reduce this number.
- In Savills' view more green space may have been provided for mitigation than is necessary, which may be creating barriers to connectivity between outlying communities and the town centre.
- The study suggested that potential improvements to the masterplan could be made, such as the internal road layout and better integration between employment and residential areas. It recommended reconsidering the location of the town centre so that it is more central and accessible to all neighbourhoods of the garden town, and suggested exploring the potential to relocate the railway station further west so that it was within easier access of more people.

6. The updated masterplan

6.1 Shepway District Council Local Planning Authority supported by Aecom

Since the initial masterplanning work, the Cabinet has approved the Regulation 18 draft Core Strategy Local Plan for consultation (17 January 2018). This document includes a site allocation and draft policies for a new garden community. The diagram included in that document takes in land that goes beyond the proposed planning application red line being considered by the landowners, and seeks provision of “a minimum of 5,500 new homes in a phased manner within the plan period (to 2036/37) with potential for future growth to provide a total of 8000-10,000 homes (subject to detailed masterplanning) within the site allocation area beyond the plan period” (draft Core Strategy Local Plan 2018). This is an important document to which the masterplan and planning application must respond.

6.2 The Collaboration Board (supported by Arcadis and Farrells)

The Collaboration Board reflected on the feedback from Savills and the draft CSLP policy, to consider what the most appropriate boundary for the masterplan and planning application should be. Some of the land suggested for inclusion by Savills have strong planning justifications for being included, as they are less sensitive to constraints and impacts including views from the Area of Outstanding Natural Beauty (AONB) than other parts of the site. Other areas, such as to the west of Harringe Woods, are considered to be too environmentally sensitive and would sit outside the natural landscape boundary provided by the wood and the undulating topography. Aligning with the boundary set out in the CSLP site allocation would ensure the plans conform to the policy, and would mean that the whole site is properly and comprehensively planned so that development beyond the application boundary does not come forward piecemeal. It would also allow requirements for all infrastructure to be taken into account for longer term growth. This boundary provides natural containment to Otterpool Park on all sides – with the M20 and rail line to the north, AONB to the north and east; the escarpment to the south and the woods and sensitive higher ground to the west, where strategic planting is proposed to enhance the visual impact of the town.

6.3 The Collaboration Board therefore proposes a phased approach, with an initial planning application of up to 8500 homes, but a masterplan boundary that demonstrates the potential for growth in the area to around 10,000 homes over time.

6.4 The figures above exclude the proposed allocation of 600 homes at Sellindge. However the cumulative impact of these homes is taken into account in planning for infrastructure including roads, bus services, healthcare etc. It is important to note that the planned growth at Sellindge is distinct from Otterpool Park and both Sellindge and the new garden town will maintain its own character and identity, but the combined impacts should be incorporated into the masterplan.

6.5 Given the town-scale of Otterpool Park the Collaboration Board favours a slightly higher density than suggested by Savills to ensure Otterpool Park offers variety in the type and size of housing and its height and character, and to make the most of proximity to the train station. It is important to appreciate that the exact number of homes will change as detailed design progresses, and must be flexible enough to change over time when the masterplan is reviewed in years to come.

6.6 In addition to homes the draft Framework Masterplan includes delivery of:

- Employment land: 15 hectares of land will be provided for commercial and light industrial business space, in addition to other retail and leisure facilities. Many new jobs will also be created in the new community facilities, including education, healthcare and sports. It is estimated that around 8000 jobs will be provided at Otterpool Park (this does not include construction jobs). A more detailed breakdown is provided in the draft Framework Masterplan.
- Accessible green infrastructure: provision of landscape and open space has always been a primary objective for the garden town. The framework masterplan suggests that generous green infrastructure including parks, wildlife habitats, playing fields etc. will be provided (approximately 275 - 300 ha, excluding private gardens).
- The quantum noted above have been derived as a result of testing options and looking at best practice elsewhere, and are therefore felt to be the most appropriate balance. Cabinet endorsement is sought for the indicative quantum above, and the masterplan boundary shown in the plan in Appendix A, and included in the draft Framework Masterplan.

7. Masterplan review by Savills and Places Panel

7.1 With such a large and significant project as Otterpool Park it is important to challenge and test the masterplan proposals as they emerge to ensure the best outcome and that it meets all the original aspirations for the town. The LPA has commissioned consultant FRAME to set up a Place Panel - a panel of experts that will review the emerging plans and policies for Otterpool Park as they develop. The Place Panel has considered the draft masterplan twice, in January and February 2018. At the initial meeting in January the panel was broadly supportive of the plans prepared to date and its landscape led approach, but provided some recommendations to the design team. The main points are set out below.

- Reconsider where the 'heart' of the town should be so that it is easily accessed by all residents but also links well to the station.
- Encourage walking and cycling, through building strong connections between each neighbourhood, the station and the town centre.

- Develop the idea of a circular route through the different character areas by providing more details on the changing character of the neighbourhoods as one passes along this route.
- There is potential for improvement to the appearance and character of the A20 to avoid severance between north and south.
- Consider the landscape function of all green infrastructure as well as its character.
- Give further thought to the role and character of employment at Otterpool Park, and the extent to which it will be a destination or an origin for working people.
- Clearly define the unique character and identity of Otterpool Park. It should feel like one town rather than a series of separate neighbourhoods.
- The importance of Westenhanger Castle as an asset is recognised, and a more detailed analysis of the relationship between it, the town centre and park recommended.

7.2 Further details of the strategies for green infrastructure and transport were sought by the panel for its next meeting. The panel would like to consider the strategies for transport, green infrastructure, water, drainage, and energy and information technology at future Place Panel meetings (April 2018).

7.3 Savills also provided some recommended improvements for the masterplan as noted above, many of which reflected the thoughts of the Panel.

7.4 Arcadis and Farrells felt this was constructive feedback and made the following amendments to the masterplan in response:

- Turned the high street to a north south alignment, with a stronger route to connect the south of the site.
- Reconsidered the movement patterns around the site, including the access to the town centre, and the integration of the A20 into the scheme to change its character.
- More direct pedestrian and cycle routes.
- Provided for the panel further details on the approach to green infrastructure, transport strategy and street character.

7.5 These changes were well received by the panel at its meeting in February 2018. It has asked for further detail on the design and layout of the town centre and park area at the next stage of the design process.

7.6 Relationship to Lymgne and Barrow Hill, Sellindge

The LPA's Places and Policies Local Plan included a site allocation of 125 homes to the west of Lymgne. The more recent draft CSLP suggests that this housing be moved further west to provide a green buffer around the village. The landowners support this approach, so the masterplan proposes an accessible green space be established around Lymgne as part of the wider green infrastructure network. This would protect the character of Lymgne and provide green space for both new and existing residents. A green buffer has also been incorporated to the west of Barrow Hill, Sellindge following dialogue

with the residents of Barrow Hill and Sellindge Parish Council. The Collaboration Board is also very conscious of concerns regarding the use of the A20 by heavy goods vehicles and is actively pursuing ways in which to reduce the volume and speed of traffic.

8. Next steps for the Framework Masterplan

8.1 Programme:

The landowner partners will submit the draft Framework Masterplan to the LPA as part of a representation to the CSLP consultation, subject to Cabinet endorsement. The Framework Masterplan will form the basis for the outline planning application. An Environmental Impact Assessment Scoping Opinion will be submitted in early April, with the application itself following in late summer 2018.

8.2 Consultation:

The landowner partners will begin engagement activities during April and May 2018, following the publication of the draft Framework Masterplan. This will include meetings with parish councils and outreach through the Otterpool Park website and social media. Formal public consultation will take place in June 2018 as part of pre-application process for the outline planning application. The timing of this is intended to follow on from consultation by the LPA on the draft Places and Policies Local Plan (Feb - March) and draft CSLP (March - May), but allowing enough time for feedback to shape the application before it is submitted.

8.3 This work has all been completed within the agreed budget for developing the proposals for Otterpool Park.

9. Homes England

9.1 Cabinet is aware that Homes England has been negotiating with landowner of 'Phides' land Somerton Capital to acquire its land holdings within the Otterpool Park Area of Search. This would allow it to join the council and Cozumel Estates as a landowner partner, bringing investment and expertise. We can confirm that this purchase has now been completed.

9.2 The detail of the partnership arrangements will be worked through, but will be based on existing principles within the Collaboration Agreement of equalisation of costs and values (proportionate to land ownership) and joint working to prepare a comprehensive masterplan and planning application. It will be represented on the Collaboration Board. Homes England has agreed to share the cost of this technical work based on the percentage of its land holding.

9.3 Homes England supports the draft Framework Masterplan and the programme for submitting a planning application.

10. Unique Selling Points for Otterpool Park

10.1 The Collaboration Board has also been considering what it is that will make Otterpool Park distinctive as a place to live and work, in addition to meeting the vision and guiding principles as set out in the original Expression of Interest to government (which remain the starting point for planning the garden town). Otterpool Park will need to ensure it is distinctive from other locations in Kent and other garden towns elsewhere, stimulating demand in what is a competitive market. The Board has set out a set of Unique Selling Points (USP) that will be used to promote the garden town to businesses, developers and residents. The main headlines for the USP will be:

- **Location**
This includes accessibility to M20, Dover Port and Eurotunnel; and rail service to Folkestone, Ashford and London. Its proximity to the coast and AONB make it an attractive location for businesses and residents.
- **Lifestyle**
This includes the rich range of new green space that will be provided and access to the outdoors - 'from coast to countryside'. Otterpool Park will offer opportunities for a healthy lifestyle with access to walking and cycling; country and water pursuits; and the cultural opportunities of Folkestone and Hythe.
- **Working Environment**
Otterpool Park can deliver the highest standards of ICT; a variety of affordable, modern and flexible space, from working from home and small business hub space to large scale business spaces. An attractive environment, well connected to facilities, green space and a vibrant community, will appeal to businesses and their employees.

10.2 Cabinet is asked to endorse the three tenets of Location, Lifestyle and Working Environment as part of the USP for promoting Otterpool Park.

11. Risk Management Issues

11.1 A summary of the perceived risks as far as the Framework Masterplan is concerned is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Fail to submit Framework Masterplan in March 2018.	Medium	Low	Continue to prepare planning application and to liaise with LPA to agree content.
Fail to submit a planning application by late summer 2018.	Medium	Medium	Regular review of programme of work and liaison with the LPA through the Planning Performance Agreement.
Delay to project delivery as a result of delay to draft Core Strategy Local Plan.	High	Low	Carefully prepared landowner representations that give evidence to support draft CSLP allocation.

12. Legal and Financial Comments

12.1 Legal Officer's Comments (David Kelly)

There are no legal implications arising directly out of this report other than those already provided for. On the basis it is agreed that "Homes England" (which is the non-departmental public body of the Ministry of Housing, Communities and Local Government) is to become a party to the Collaboration Agreement (currently between the Council and Cozumel Estates), it will require amendment and it is

anticipated Pinsent Masons (Solicitors) will be instructed to draft the variation agreement.

12.2 Finance Officer's Comments (Tim Madden)

There are no finance comments.

12.3 Diversities and Equalities Implications

This report does not raise any specific diversities and equalities implications.

Contact Officer 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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Background documents

Appendices

Appendix A — Draft masterplan spatial layout and site boundary.

Appendix B — Draft Framework Masterplan document.

