

This Report will be made public on 12 October 2022

Report Number **C/22/46**

To: Cabinet
Date: 20 October 2022
Status: Key Decision
Responsible Officer: Ewan Green, Director of Place
Cabinet Member: Cllr David Monk, Leader of the Council

SUBJECT: OTTERPOOL PARK STEWARDSHIP

SUMMARY: This report presents the approach by which it is proposed to deliver the stewardship element the Otterpool Park new garden town development. The report sets out the strategic principles which will underpin the approach to stewardship. The report outlines key considerations for the Council and seeks agreement to establish a dedicated stewardship vehicle in line with the Otterpool Park Charter.

REASONS FOR RECOMMENDATIONS: Cabinet agreement is required to determine and agree the overall approach to delivery of stewardship and the establishment of a new stewardship vehicle as a subsidiary of the Otterpool Park LLP. The decision is required in advance of the Otterpool Park outline planning application being determined by the Local Planning Authority to confirm that the requirements of the policies related to Otterpool Park stewardship within the Core Strategy have been met.

RECOMMENDATIONS:

1. To receive and note report C/22/46.
2. To agree the overall approach to delivering stewardship as set out in the report.
3. To agree to the establishment of a stewardship vehicle as a Limited Liability Partnership and as a subsidiary of Otterpool Park LLP.
4. To note that a further report will return to Cabinet with more detail on the assets proposed to be transferred to the vehicle, the treatment of assets, and funding model supported in a detailed business plan.

1. BACKGROUND

- 1.1 Governance and stewardship are key garden town principles and underpin how decisions are made and by whom and how the quality of a place can be sustained over the long-term. Having appropriate governance arrangements in place at the outset of a development is regarded as essential to its ultimate success as a 'place'. It allows an appropriate legal structure to be put in place in a timely way that provides a vehicle for the involvement of the local community; that secures long-term resident involvement; that allows land (or other assets) to be held securely for the benefit of that community; and for financial contributions to be guaranteed for long term management purposes.
- 1.2 The principle of long-term stewardship of public space and community assets is a founding objective of Otterpool Park within its guiding principles and vision. A core element for the vision for the site is that there will be a long-term mechanism in place to ensure that the landscape, open spaces and new facilities are maintained to a high standard and that both current and future residents are involved in their planning and management as the new town grows and develops.
- 1.3 The approved Otterpool Park Charter includes a section on establishing a suitable legal entity for long term management. Please refer to:
https://www.folkestone-hythe.gov.uk/media/1338/A-Charter-for-Otterpool-Park/pdf/A_Charter_for_Otterpool_Park.pdf?m=637098561986330000
- 1.4 Cabinet previously agreed to the high-level principles of long-term stewardship at its meeting of 18 October 2017 (see Minute 47 of the meeting of that meeting). Please refer to:
<https://www.folkestone-hythe.gov.uk/moderngov/documents/s24999/Draft%20Cabinet%20Report%20Otterpool%20Park%20Long%20Term%20Stewardship%2018%20Oct%202017%20FINAL%202.pdf>
- 1.5 Otterpool Park Limited Liability Partnership (LLP) Business Plan sets out a high-level overview of the way in which a stewardship may be brought forward. Please refer to:
<https://www.folkestone-hythe.gov.uk/moderngov/documents/s39494/Appendix%20Otterpool%20Park%20Business%20Plan%202022%20low%20res%20version.pdf>
- 1.6 The adopted Core Strategy sets out the policy requirements in relation to Otterpool Park stewardship in Policy SS9. This states that:
- 'A strategy for the long-term stewardship of the settlement shall be developed. This shall include the creation of a Community Trust or new elected body. The infrastructure that will need to be managed and maintained by the Trust or elected body may include: (i) Strategic and local open spaces; (ii) Sports pitches; Leisure facilities; (iii).

Community buildings; (iv). Public squares and spaces including public art and street furniture; (v). Sustainable drainage systems (SuDS); (vi). Allotments, community orchards and woodlands; and (vii). Heritage facility, such as a museum or archive storage’.

- Requirements to ensure the quality of all open space and physical assets on handover to the Trust or elected body will be set out in a Section 106 legal agreement.

1.7 As part of the outline planning application Otterpool Park LLP, as the applicant, has set out a strategy to meet the policy requirements for stewardship. Prior to determination of the outline application, and to meet the Core Strategy requirements, the Local Planning Authority (LPA) needs to be assured that the applicant for planning permission has agreed a strategy and identified the type of stewardship vehicle that will be established to meet these objectives.

1.8 The applicant is Otterpool Park Limited Liability Partnership (LLP), which is owned by the Council in part directly and in part through Otterpool Park Development Company Ltd. Under the Members’ Agreement governing the LLP the Council needs to approve any proposal by the LLP to establish another vehicle. Hence in order to satisfy the LPA the LLP needs to obtain the approval of the Council to the proposed stewardship vehicle. In addition the detail of funding arrangements for the stewardship vehicle to ensure a financially sustainable model in the long-term will also be required as part of the finalisation of the s106 agreement aligned to the outline planning application. Again the LLP will need the approval of the Council to this aspect.

Please refer to: <https://www.folkestone-hythe.gov.uk/otterpoolpark/planningapplication/updated/2022>

1.9 In addition, it has become clear through the planning process that the need for a long-term stewardship model is also central to the delivery of other wide-ranging objectives set out in the LLP’s business plan. There are a range of options to be explored further through the detailed stages but examples include: the long term management of open spaces and habitats required to deliver 20% Biodiversity Net Gain in perpetuity; the careful management of heritage assets within their settings ensuring they are celebrated and enhanced in the long-term; and, the delivery and management of mobility hubs to meet modal shift targets and encourage sustainable modes of transport.

1.10 The LLP, through the actions agreed in its business plan is gearing up for delivery of infrastructure and new homes. This includes market testing and selection of housebuilders for phase one of Otterpool Park. Confirmation of the approach to stewardship is needed as part of the process to complete agreements with housebuilders who will be involved in delivering Otterpool Park.

- 1.11 At this stage it is therefore a requirement to confirm the Council's intentions as owner of Otterpool Park LLP in relation to stewardship and the delivery mechanism by which these will be achieved. This report therefore presents an overall strategic approach for the delivery of stewardship for Cabinet approval, with a more detailed separate paper on the finances prepared for cabinet in the coming months.

2. OTTERPOOL PARK STEWARDSHIP - STRATEGIC PRINCIPLES

- 2.1 With reference to section 1.4, the Council has previously agreed the following five strategic principles from which stewardship will be delivered at Otterpool Park:

- The long-term stewardship of open space, public realm (other than highways) and non-commercial community buildings will be the responsibility of a new body, i.e., not FHDC.
- The responsible body will form part of an approach to land value capture for Otterpool Park. Its income is likely to come from a range of sources including income generating assets, endowment and potentially service charges. However, income sources being reinvested in the new community will need to be balanced against income generation to FHDC for investment in facilities and services for residents across the whole district.
- While a trust or similar structure is likely to be the most suitable vehicle initially, potential future transition to a Town Council should be allowed for. FHDC should retain representation on the body.
- The body will be community-led (as distinct from a privately run management company). It should also allow for future residents and businesses to shape the objectives and governance of the organisation, and to influence the design of new community facilities and spaces.
- High quality management and maintenance over the long term is of fundamental importance when setting out the objectives of the stewardship body.

- 2.2 The approach to delivery of stewardship as outlined in this report is therefore based on the principles set out above. Whilst governance and stewardship arrangements are vital in maintaining the quality and attractiveness of a development, they are also fundamental in enabling and nurturing new communities. The need for community development activity is not explicit in the above principles but is set out in the Charter. Community development will therefore form a key part of the delivery of stewardship.

- 2.3 In developing the proposed stewardship model for Otterpool Park a review of other garden community developments has been undertaken. The learning and best practice from this has been used to define the Otterpool

Park stewardship proposals (refer to the Appendix). This looked at a range of issues including scale of development, governance and funding.

3. STEWARDSHIP DELIVERY OBJECTIVES

3.1 Stewardship will evolve as an integral part of the overall development of Otterpool Park on a long-term basis. The delivery of stewardship (and actions required to deliver) will be based on 4 objectives:

- Establishment of an appropriate stewardship vehicle.
- Identification and transfer of assets to be managed by the Stewardship vehicle.
- Development of a viable funding model based on a hybrid of sources.
- Development of a sustainable business plan to deliver long-term stewardship, including community development activity.

3.2 In considering these objectives a range of key issues for the Council to address are outlined below and this includes feedback from the Overview and Scrutiny Committee meetings of 31 May 2022 and 6 September 2022:

- The role of, and control mechanisms for, the Council in a delivery vehicle, particularly in the formative years of the overall development.
- Short, medium and long term financial and governance implications for the Council.
- The expertise and specialist knowledge of both the LLP and Council officers needs to be fully involved and utilised during the initial set-up and running of stewardship.
- The vehicle should ultimately be community led.
- The delivery vehicle must not preclude the potential to transition to a Town Council over the longer term.
- Consider protection of assets for the long term (e.g., use of covenants).
- Specialist finance and tax advice should be sought, particularly in relation to asset transfer.
- Agreement to the assets which would be transferred into stewardship vehicle.
- Potential for a stewardship vehicle to support charitable activities in the future.
- Financial planning must fully assess long term liabilities for assets (e.g. community facilities).
- Development of a business plan based on a sustainable funding model, including a range of funding sources.
- Reviewing models which are in place elsewhere to inform the approach to be taken for Otterpool Park.
- Community involvement from the outset is important.
- Ensure that the recommended approach fully considers learning from other garden towns and large scale developments.

3.3 The key issues raised by OSC are a mix of high level strategic and detailed operational matters. It is therefore considered that the most appropriate

way to deliver the stewardship objectives is in two stages via reports to Cabinet:

- Stage 1 through this report seek Cabinet agreement to establish a stewardship vehicle (including the type of vehicle).
- Stage 2 a further report to Cabinet to provide more details of the operational matters relating to that stewardship vehicle, the treatment of assets and a detailed business plan.

4. ESTABLISHMENT OF A STEWARDSHIP VEHICLE

- 4.1 It is necessary that community assets, if they are to be maintained over the long term, should be owned by an organisation that has perpetual succession, so some form of corporate body is required. The Council's previous decision refers to "a trust or similar structure". The Otterpool Park LLP business plan refers to a "a subsidiary of the LLP and be formed as a company limited by guarantee". This report considers in more detail the form of the body as there are several possibilities which can deliver the principles set out by the Council.

External support has been provided to assess the most appropriate form of stewardship vehicle (SV).

- 4.2 The following structure options were identified by Officers following initial legal advice and the review of other stewardship approaches as the most appropriate possibilities for the SV:

- a limited liability partnership (LLP);
- a community interest company (CIC);
- a company limited by guarantee (CLG); and
- a charity -either be a Charitable Incorporate Organisation (CIO) or a Charitable Company Limited by Guarantee (CCLG).

- 4.3 A review of the above options has been undertaken by officers alongside specialist advice obtained from Browne Jacobson (solicitors) and Kreston Reeves (finance and tax advisors). The basis of the review was to assess the options to determine which SV model would best meet the requirements to achieve the strategic principles as outlined in Section 2.1.

The factors assessed to support this were:

1. Governance relationship between FHDC and SV
2. Regulatory Framework
3. Taxation
4. Alignment between the Stewardship Strategic Principles and Otterpool Park Charter
5. Future transition to a potential town council
6. Community and charitable activities

Review Summary

4.4 A summary of the review is outlined in the table below with further analysis provided in paragraphs 4.3 to 4.21:

Criteria	Limited liability partnership (LLP)	Community interest company (CIC)	Company limited by guarantee (CLG)	Charity
Governance relationship with FHDC and SV	✓	✓	✓	✓
Regulatory Framework	✓	✗	✓	✗
Taxation	✓	✗	✗	!
Alignment to Stewardship Strategic Principles and Charter	✓	✓	✓	✓
Future option to transition to a town council	✓	✓	✓	✗
Community and Charitable activities	✓	✓	✓	✓

Key:

✓	Fully meets requirements
✗	Does not meet requirements
!	Partly meets requirements

4.5 This initial review points to the most advantageous type of SV as being either an LLP or CLG structure although it recognises that the Charity or CIC option could work in terms of governance and strategic alignment (although the Charity option precludes transition to a town Council).

A: Governance Relationship

4.6 One of the key considerations regarding the SV is its relationship with the Council and Otterpool Park LLP. It is considered important that the Council maintains a strategic control of the SV, particularly in the formative stages of the delivery of Otterpool Park (i.e., at least an initial 5 - 10-year period) in order to maintain high quality standards and to directly influence delivery decisions.

4.7 It is proposed that the SV should be established as a subsidiary of Otterpool Park LLP. Ensuring Otterpool Park is a true community is just as important to the Otterpool Park LLP as master developer as its role in, for example, ensuring the waste water treatment works are built or that the residential development is of a good design. To make Otterpool Park a success it is not possible to have the physical infrastructure without the community infrastructure and vice versa. It is essential therefore that there is a strong link between Otterpool Park LLP and the SV. On a more practical level, day to day expertise on the development of the town is concentrated in Otterpool Park LLP with staff who have the knowledge, skills and, as importantly, the time to devote to the project. Staff at Otterpool Park LLP are invested in making the project a success and will

therefore be readily placed to be closely involved with the success of the SV. A subsidiary of the LLP is therefore considered desirable.

- 4.8 Establishing a subsidiary of Otterpool Park LLP would also retain a direct link to the ownership controls of the Council, providing safeguards in relation to control in decision making particularly important in the early days of the development and SV.

The proposed composition of the board of the SV is described in paragraph 5.4 and will consist of nominees of the Council, the Otterpool Park Development Company Ltd, the LLP and a representative of the community. This would ensure that governance and decision making is aligned to the Council's ambitions for stewardship and ensure sole focus on delivering the Otterpool Charter stated requirements.

- 4.9 A subsidiary, rather than a standalone SV, therefore allows for relationships to be simplified and ensure that the aspiration for the new town environment and 'place' is embedded as the SV is established and matures through the critical first stages of delivery. This subsidiary route would also ensure that the necessary skills and experience of the Otterpool Park LLP, and the Council, are readily available to the SV to guide and to nurture in line with council wishes.
- 4.10 If it is to be a subsidiary of the Otterpool Park LLP then it is unlikely that the SV could be a charity. This is because it would not have the necessary independence for the Charity Commission to be satisfied that it could be registered as a charity. Further, if structured as an LLP it could not be a charity as an LLP must be established as a business.

B: Regulatory Framework

- 4.11 The regulatory framework also differs between the various forms. Charities are highly regulated and subject to scrutiny by the Charity Commission at the point of registration and subsequently. A CIC is registered with the CIC Regulator. There is greater flexibility in the operation of a CIC compared to a charity and regulation by the CIC Regulator is lighter touch than by the Charity Commission.
- 4.12 A CLG and a limited liability partnership are the least regulated of the possible structures although, of course, CLGs and limited liability partnerships have to comply with the normal legislative requirements in the same way as any other company or limited liability partnership.
- 4.13 Any assets transferred into a CIC or charity will then be subject to an asset lock meaning that those assets can only be transferred to another asset-locked body. This would be unsuitable if the Council wishes to retain strategic control of the stewardship body or would wish in the future for a potential town council to have such control.
- 4.14 Looking at the various options it is considered that a CLG or an LLP are the two options that are the most advantageous. A Charity or CIC are, as stated above regulated, a Charity more so than a CIC, however, there

appears to be no advantages at this stage for the SV to be a regulated body to such extent.

- 4.15 Against this it should be noted that if it were the desire in the future to move to a CLG, and potentially also a Charity, this would be possible if the SV were initially a limited liability partnership. The same is not true in reverse, although a CLG could become a charity it could not convert itself into a limited liability partnership.

C: Taxation

- 4.16 A key consideration of the stewardship model is that assets is will initially be gifted to the SV and that it will build a necessary sinking fund to cover the long-term maintenance and replenishment of SV assets. In order to build a sinking fund the SV will have to make an operational surplus and this will be taxable. This points to either a CLG or LLP structure being most suitable.

The key financial advantages of a CLG or a limited liability partnership revolve around consideration of which structure would be most tax efficient. It has been concluded that there are substantial savings in both Stamp Duty Land Tax and Corporation Tax in having the SV as another limited liability partnership. Taxation advice from Kreston Reeves LLP suggests that a subsidiary LLP structure is more tax efficient in the long term.

To mitigate Stamp Duty (SDLT) and Corporation Tax, Kreston Reeves recommend structuring the SV as an LLP. Since FHDC and OPLLP are within the same group of companies, land transfers to the SV would be an intergroup transfer. In addition, the Council as one of the partners, does not pay corporation tax. In contrast, these tax advantages are not available to a CLG because it is a stand-alone company.

- 4.17 Against this it should be noted that if it were the desire in the future to move to a CLG, and potentially also a Charity, this would be possible if the SV were initially a limited liability partnership. The same is not true in reverse, although a CLG could become a charity it could not convert itself into a limited liability partnership.

Potential for a Town Council

- 4.18 It should be noted that under either structure a future town council for Otterpool Park could participate in the SV either, in the case of a limited liability partnership, by becoming one of the owners or, in the case of a CLG, by becoming a member. In due course the Town Council could also become the outright owner of the SV assets.
- 4.19 The district council can form a new town council through a community governance review. Community governance reviews are undertaken pursuant to the Local Government and Public Involvement in Health Act 2007. In addition, the district council has to have regard to the statutory guidance issued by the Secretary of State and the Local Government Boundary Commission for England. In basic terms the district council

would determine the terms of a community governance review and publish them. The district council would, from the publication of the terms of reference, be required to complete the community governance review within twelve months. Extensive consultation of the potentially affected existing community would be required which is not possible in the initial years of development of Otterpool Park as it is a new town.

- 4.20 It would be difficult at this stage to justify starting a community governance review to establish a new town council at Otterpool Park because there simply is not an existing community in the area that it could defend as being reflective of. Looking at the provisional timetable for development, the time to start the community governance review process would appear to be at least some five to ten years hence when the essence of a new community is starting to coalesce.
- 4.21 Should a town council be created it would be a separate local authority. It will have to formally decide whether it would wish to be involved in long term stewardship of the communal assets whether directly or indirectly. This decision would be entirely down to the town council once formed and would be a significant decision given that it would be a new body itself (and a key consideration would need to be ensuring that the capacity required to effectively discharge stewardship at the scale proposed for Otterpool Park existed).

Alternative Options

- 4.22 Two alternative options for the delivery of stewardship were considered; (i) a third-party company; and (ii) Council retention of the assets. These were discounted on the basis that they did not align well with the strategic principles for Otterpool Park Stewardship.
- 4.23 It should be noted that the role of third-party organisations, such as the Land Trust, was included as a potential option in previous Cabinet reports. The Land Trust was set up to manage large sites previously owned by government and it has a good deal of experience of managing a range of landscape assets within new communities including SuDS (Sustainable Drainage System). Their model involves ownership of the green assets being transferred to the Trust in perpetuity as the governance body, along with an endowment, a commitment to services charging or a combination of both. However, the one major downside is handing over land ownership to a third party. This does not align with the stated objectives for Otterpool Park, and consequently this option has not been pursued further.
- 4.24 It would be possible for the Council to retain the stewardship assets. The principles agreed by the Council however seek to set up a new body rather than the Council retain community space and assets in the new town. This principle is also enshrined in the Charter for Otterpool Park. The reason for this is that the Council was not accepting on going liability for new green spaces and other assets for sound financial reasons, as historically management and maintenance has been inadequately funded through commuted sums resulting from the planning process. As Otterpool Park includes 50% open space (which is a significant management liability), the

Council does not currently have the resources to manage large new additional spaces to the high standards expected for Otterpool Park. Furthermore, there has been strong support for a community-led approach that allowed those living and working in the town to be directly involved in local decision making (expressed potentially through a parish or town council in the future).

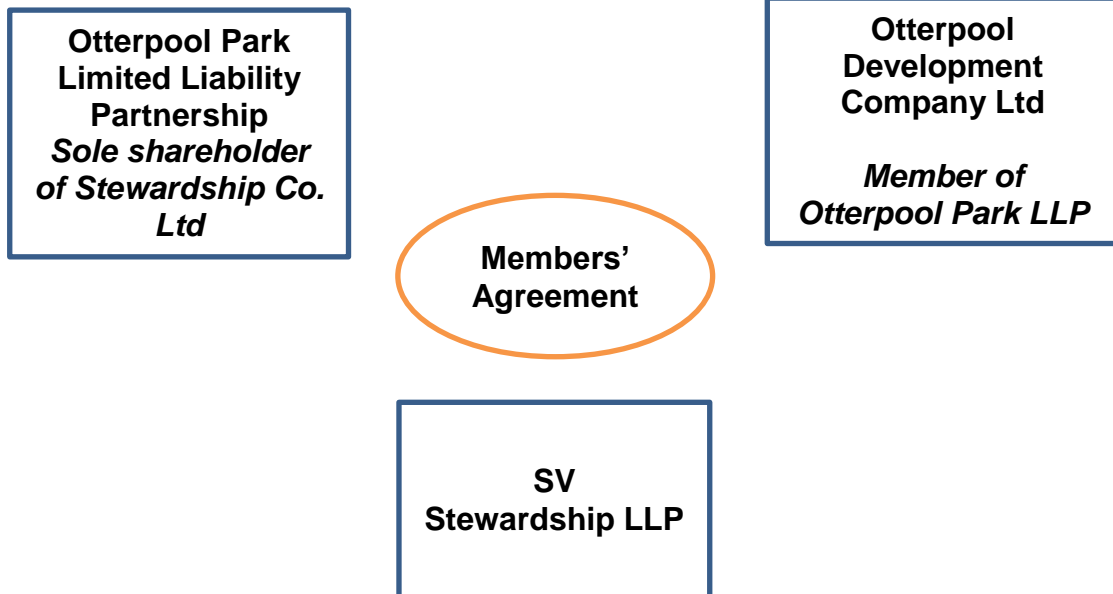
5. Recommended Stewardship Vehicle

- 5.1 Following the review of the options it is considered that the following are key factors when recommending the most appropriate option: (a) the governance relationship between the Council, Otterpool Park LLP and the new SV; (b) the regulatory framework; and (c) taxation.

Having further assessed these options it is recommended that a limited liability partnership (Stewardship LLP) be established as the stewardship vehicle and that this would be formed as a subsidiary of Otterpool Park LLP. The basis for this recommendation is that it will:

- Ensure a simplified relationship with the Council and Otterpool Park LLP (corporate group structure and governance arrangements are already in place between the Council and Otterpool Park LLP and Stewardship LLP would align with that).
- Provide strong Council control and influence, particularly in the initial years.
- Create a direct link with Otterpool Park LLP, ensuring coherence and alignment with the Otterpool Park vision and place making ambition.
- Facilitate transition to greater community involvement over time including the potential for a town council to take a role.
- Maximise the benefits of skills and experience of the Otterpool Park LLP team both at planning and delivery stages.
- Will achieve significant Stamp Duty Land Tax and Corporation Tax benefits.

- 5.2 A limited liability partnership needs to have at least two owners and it is proposed that these will be Otterpool Park LLP and Otterpool Park Development Company Ltd as the Nominee Company). The Nominee Company's primary function is to be the second member of the SV. It would not play an active role in its activities. A diagram showing the corporate structure is set out on the next page.



- 5.3 It is considered that initially that the board of the Stewardship LLP should initially be small and focussed on formulating the business plan and gearing up to deliver the related actions necessary during start up and establishment phase. This initial focus would be more on management rather than representation, with wider representation evolving as part of the wider community engagement undertaken for Otterpool Park as the new town evolves. There would however be community representation on the board from the outset. It is proposed that Stewardship LLP be required to review the extent and nature community involvement annually.
- 5.4 It is proposed that an initial Board is established of 6 consisting of:
- 2 nominated by the Council
 - 2 nominated by Otterpool Park LLP
 - 1 nominated by the Nominee Company (Otterpool Development Co Ltd)
 - 1 nominated from the community
- 5.5 The present strategic programme for delivery of Otterpool Park shows the first housebuilders on site in March / April 2024 and this provides an indication of when to form the SV.
- 5.6 Subject to Cabinet's approval it is the intention of Otterpool Park LLP to establish the SV in a dormant form as soon as possible. The intention then is to have the draft business plan of the SV ready for the board's approval in November 2022 so that it can be presented Cabinet, together with the LLP's business plan on 25 January 2023.
- 5.7 The board of the SV would then be appointed in June 2023 so that they could endorse the business plan and consider a work programme.
- 6. STEWARDSHIP ASSETS, FUNDING AND BUSINESS PLANNING.**

- 6.1 Following agreement on the form of the SV a further report will be brought to Cabinet seeking approval for the treatment of assets, and proposed funding model in a business plan for the SV.
- 6.2 A detailed business plan will be developed based on a 30 year financial model demonstrating that the SV will be sustainable. Funding for the SV is likely to come from a range of sources including income generating assets, endowments, and potentially estate service charges. This blended funding model will provide a financially sustainable way of ensuring the long - term maintenance of the stewardship assets.

7. RISK MANAGEMENT ISSUES

7.1 Risk at this stage is outlined in the table below:

Perceived Risk	Likelihood	Seriousness	Preventative Action
Council does not agree an approach to stewardship.	Low	High	Proposed approach aligns with Council agreed strategic position. Research and due diligence carried out on stewardship vehicles provides robust and comprehensive basis for Council decision.

8. LEGAL/FINANCIAL AND OTHER POLICY MATTERS

8.1 Legal Officer’s Comments (NM)

There are no legal implications arising directly from this report. The Council has sought external legal advice from Browne Jacobson who will continue to provide support as and when required.

8.2 Finance Officer’s Comments (LW)

The report outlines the broad financial issues to be considered for the establishment of the proposed stewardship vehicle. The detailed financial implications of establishing, funding and operating the proposed stewardship vehicle will be subject to a separate report to Cabinet in the near future which will include the development of a 30 year business plan. As such, there are no financial implications arising directly from this report.

8.3 Diversities and Equalities Implications

There are no equality and diversity implications directly arising from this report

8.4 Climate Change Implications

There will be positive climate impact arising from this report such as positive social and economic impacts from establishing a limited liability partnership (Stewardship LLP).

9. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Ewan Green, Director of Place
Telephone: 07783659864
Email: ewan.green@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None.

Appendix 1 Case Studies of Stewardship Vehicles

Chilmington Green Community Management Organisation Ashford	
Scale and stage	Around 6000 homes Community Management Organisation – formally registered at Companies House in 2019
What it covers	Open space, community buildings, commercial premises, community hub facility (including GP surgery), and drainage. The functions of the CMO are described as: <ol style="list-style-type: none"> 1. Commissioning (grounds maintenance etc) 2. Financial investments and management 3. Asset management (sports facilities, play areas, eco projects, hire of facilities etc) 4. Community development
How funded	<ol style="list-style-type: none"> 1. Service charges to residents 2. Developers are required to contribute to the CMO: <ul style="list-style-type: none"> - A deficit grant of £3,350,000 over 10 staged payments - Endowment of up to three sets of commercial premises totalling 50,000 sq ft, though two of the premises can be commuted to a cash contribution of £2,190,750 each instead. - Contributions to the set-up costs of the CMO and two sets of operating premises for it. The third premises is in the community hub and is the final ‘home’ of the CMO office
Commercial vehicle	Independently financially sustainable without reliance on council tax through financial investment and commercial rental income.
Decisions on assets	Decisions sit with CMO Trustees. Representatives weighed toward developers initially but with increasing resident representation over time – local decision making is important. Trustees also include representatives from Ashford BC, KCC, voluntary sector, the PC and housing association.
What structure/governance	Charitable company. Includes clause for governance review to allow for potential parishing in future.
Lessons	<ul style="list-style-type: none"> • Community development is an important function of the CMO. • Work needed with existing parishes to balance their views with those of future residents and raise issue of new parish in future (including boundary issues). • Consider using an SLA with the local council in the early days to build expertise in the new entity. • It’s too early to assess its sustainability or success.

North West Bicester Local Management Organisation	
Scale and stage	Up to 6000 homes Phase 1 started on site in 2014; approx. 500 homes completed.
What it covers	open space community buildings energy centre
How funded	Study on funding has been jointly commissioned by developer and Cherwell DC.
Commercial vehicle	Not yet finalised
Decisions on assets	To be locally led. Local Management Organisation (LMO) – a locally focussed, democratically accountable organisation with potential for representation from the three local authority tiers. This will shift over time to include more local residents, to the point where the developer no longer has an interest.
What structure/governance	Staged approach means that the process began with establishing a Strategic Delivery Board (stage 0) - see below for further details of the stages. Initially management will be controlled by Cherwell DC, A2Dominion (developer) and other interested local representatives.
Lessons	<p>Staged approach is a useful model for the long timescales involved in development:</p> <ul style="list-style-type: none"> • Stage 0 – Strategic Board established (prior to planning permission granted) to agree initial objectives, commission preliminary studies and engage with existing community and stakeholders. • Stage 1 – organising initial management of open space and gauging community interest/training new residents to build capacity (led by Cherwell DC and A2Dominion). • Stage 2 – Interim Partnership Board set up as precursor to the LMO, including some new residents. • Stage 3 – establishing the LMO, including preparation of a business plan, legal structure, voting rights etc • Stage 4 – establish permanent LMO Board and grow the LMO team, once a critical mass of residents has moved in (possibly around 5 years on). • Stage 5 – development completed; assets and responsibilities handed over in full to the LMO. <p>Use the process to engage existing community stakeholders to ensure greater community cohesion between existing and new residents. Early dialogue with Town Council has been essential.</p>

Milton Keynes Parks Trust	
Scale and stage	Covers whole of Milton Keynes (around 230,000 population), established in 1992. The trust employs a large professional team of people and has a turnover of around £9m per year.
What it covers	Includes around 5000 acres of green space; local centres; commercial premises; car parks; and community centres and a café. Excludes verges and street trees, and local landscaping within housing and commercial areas.
How funded	Received significant endowment from English Partnerships on set up. Endowment from new assets paid up front. Other income includes: <ul style="list-style-type: none"> • Car parking charges • Profit share with farmers grazing livestock • Grants • Licences for events.
Commercial vehicle	Holds over £100m in reserves. Endowment managed to near 3.5% on top of inflation (though commercial property trust and equity investment). Holds 10% for operational costs.
Decisions on assets	Trustees are nominated by partner organisations or are self-nominated. All tend to be local.
What structure/governance	Charity and company limited by guarantee.
Lessons	<ul style="list-style-type: none"> • Trust works hard to work with the Council over future strategic growth and planning future provision of green space. • Get a sound financial footing from the start to enable financial independence. • Be prepared to take hard decisions in line with charity objectives.

Camborne Town Council, Cambridgeshire	
Scale and stage	<p>Around 3,300 homes originally approved (in 2011, a further 950 homes were given the go ahead). Current total approximately 4,300 homes. The first residents moved into Cambourne in 1999. A Parish Council was established in 2004. The Parish Council (PC) voted to become a Town Council (TC) in March 2019. The reasons provided for this decision include: strengthening Cambourne's identity, no cost implications to residents, more positive perceptions/taken more seriously, greater credibility in terms of partnership building and business links creating more opportunities for the town, greater gravitas in marketing as a town rather than as a village.</p> <p>An expansion at Cambourne West has recently been permitted (comprising a further 2,350 homes).</p>
What it covers	<p>250 ha of green space, sports centre, verges, community hub and other community spaces. Also runs community events, manages waste collection and energy efficiency fund for the community.</p> <p>Community-building was an important part of the early role to avoid isolation of residents and encourage young people to become motivated and involved.</p>
How funded	<ol style="list-style-type: none"> 1. S106 contributions (endowment with new facilities) 2. Parish precept (£450,000 pa) 3. Contract with Cambs County council for verge maintenance 4. Rental income from sports centre 5. (TC plans to acquire commercial premises for business rental and a community shop)
Commercial vehicle	<p>As a TC the council must balance its books annually and therefore has very little in reserves. Annual budget is set in business plan, based on known income from precept.</p> <p>Other sources of funding include Landfill Tax and South Cambs DC for specific projects.</p>
Decisions on assets	<p>Locally led through Parish Councillors</p>
What structure/governance	<p>Number of councillors set to increase from 13 to 19 with growth of Camborne. The PC is very commercial in the way it is run, and role of parish clerk has been critical – they are effectively the chief executive of the organisation.</p> <p>A PC was always planned for Cambourne but initially an interim PC was set up to manage assets until the PC was in place.</p>
Lessons	<ul style="list-style-type: none"> • TC is well regarded locally. It was intentionally set up to be a dynamic and proactive organisation. • Success has relied on strong leadership from parish clerk and the right commercial skills. Wide range of skills

	<p>across councillors has also been important, including finance, development and architecture.</p> <ul style="list-style-type: none"> • Interim PC (made up of representatives from existing parishes and district council) was not a success and had to work hard to reach agreement on decisions. • Creating the parish rooms and using them for a wide variety of groups and classes gave momentum and encouraged residents to meet one another. • Camborne originally had some private management companies set up by developers; PC has now taken on some of these areas.
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Caterham Barracks Community Trust	
Scale and stage	Around 400 homes, all completed. Caterham Barracks Community Trust in place since 2000 (initially with Linden Homes). The Trust was borne out of seven working groups of local volunteers formed during the planning stage of the project.
What it covers	Buildings but not open space – all were existing buildings within the barracks site, including a church and officers mess. Some buildings now leased to occupiers including Arts and Recreation Centre, small business space and a nursery. Others used for community activities eg skateboard park in the church.
How funded	<ul style="list-style-type: none"> • Initial endowment • Interest free loan from developer in early years • Rental income from building occupiers (charged at full commercial rates) <p>Trust has not proved financially sustainable until the last few years as had to borrow to restore buildings and struggled to pay back the mortgages. Arts and Recreation Centre went into receivership before current management took it on. It was originally to be endowed the commercial space now occupied by Linden Homes, which has reduced its anticipated annual income.</p>
Commercial vehicle	Retains ownership and rental income of buildings.
Decisions on assets	Trust's Board takes decisions. Includes representatives from organisations operating on the site eg sports clubs.
What structure/ governance	Charitable Trust (in the Trust's view this has pros and cons- its objects can be restrictive).
Lessons	<ul style="list-style-type: none"> • Trust was endowed with too many costly assets at the start that required investment, and business plan didn't allow for recession when income was hard to generate.

	<p>S106 should have allowed for review to the arrangements.</p> <ul style="list-style-type: none">• Community development has been an important part of the Trust's brief, with facilities intended for the use of the wider Caterham population to meet existing deficits. It has been successful in this. Has community allotments rather than individual ones.• Trust would recommend providing and retaining ownership of ducts for utilities and communications as these can attract income from utilities.• Allow for the fact that some community facilities may not work out or be financially viable, so should allow flexibility.• Didn't appear to have a constructive relationship with either the Council or the developer.• Think about creating jobs not just employment space.
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