

Cabinet

Date of Meeting: 11 September 2018

Report Title: Garden Village at Handforth – Delivery Strategy

Portfolio Holder: Cllr Arnold, Portfolio Holder for Housing, Planning and Regeneration

Senior Officer: Frank Jordan, Executive Director of Place

1. Report Summary

- 1.1 This report seeks Cabinet approval to expedite development at The Garden Village at Handforth (TGV). As shown at Appendix 1, the Council is the principal landowner, with approximately six other known landowners and a parcel of unregistered land within the redline boundary of the Local Plan Allocation.
- 1.2 Cabinet will be aware that this is a priority scheme for a number of reasons:
 - 1.2.1 It is allocated in the adopted Local Plan with the aim of delivering around 1500 homes, employment land, extra care housing, a primary school, village centre, green space and sustainable transport infrastructure. It is crucial to the delivery of the Council's five year housing supply.
 - 1.2.2 The Government has identified it as one of just fourteen new garden villages in the UK which has given the Council increased access to public funding through Homes England and the support of key national agencies.
 - 1.2.3 It has potential to generate capital receipts in support of the Council's medium term financial strategy.
- 1.3 There has been noteworthy progress, including:
 - 1.3.1 Allocation of the site in the adopted Local Plan.
 - 1.3.2 Housing Infrastructure Fund (HIF) of £21.7m from Homes England (subject to business case evaluation and due diligence) to forward fund key strategic infrastructure such as roads, junction improvements, green space and the village centre.
 - 1.3.3 Capacity Funding from Homes England to develop a Supplementary Planning Document (SPD) as required by the Local Plan policy and a subsequent planning application. Adoption of the SPD is anticipated by end of 2018.
- 1.4 However, in order to take the scheme forward, Cabinet approvals in relation to the following key aspects of the delivery programme are now sought:
 - 1.4.1 Land assembly, including via Compulsory Purchase, appropriation and renegotiating existing leases where appropriate and necessary.
 - 1.4.2 Acceptance of the potential Housing Infrastructure Grant Funding.

- 1.4.3 Bringing forward a land disposal strategy to accelerate the early phases of the development to ensure the Council's Housing Supply objectives are achieved and the HIF requirements are met.
- 1.4.4 Agreements with neighbouring landowners relating to delivery of infrastructure, equalisation, collaboration and financial contributions.
- 1.4.5 Procurement of strategic infrastructure including highways, utilities and groundworks.
- 1.4.6 Long term management of the development to ensure quality consistent with the SPD, Masterplan and future planning applications.

2. Recommendations

2.1 It is recommended that Cabinet:

- 2.1.1 Delegates authority to the Executive Director of Place to agree the terms and conditions of commercial, infrastructure delivery, collaboration and equalisation agreements between Cheshire East Council and the other principal landowners in consultation with the S151 Officer and the Director of Legal Services, and authorises the Executive Director of Place to take all appropriate action to enter into said Agreements.
- 2.1.2 Delegates authority to the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Planning and Regeneration and the Director of Legal Services, to take all necessary actions to secure the acquisition and/or appropriation of land and/or new rights to enable the construction of infrastructure (in line with the Allocation, the SPD, Masterplan & future planning approvals) and the delivery of all other planning objectives sought from the development of TGV including, where required, by use of Compulsory Purchase Order (CPO).
- 2.1.3 Delegates authority to the Executive Director of Place to agree the Terms and Conditions of the Grant offer from Homes England, in consultation with the S151 Officer and the Director of Legal Services, and authorises the Executive Director of Place to take all necessary actions to enter into an appropriate agreement.
- 2.1.4 Delegates authority to the Executive Director of Place to take all actions necessary to procure the required strategic infrastructure, utilities and groundworks as set out in the Grant offer from Homes England, the Local Plan Allocation and summarised in this report.
- 2.1.5 Authorises the Executive Director of Place, in consultation with the S151 Officer and Director of Legal Services, to enter into a contract with the winning tenderer for the construction of the required infrastructure at the appropriate time and within the approved budget.
- 2.1.6 Delegates authority to the Executive Director of Place to approve Land Disposal Strategy and to take all actions necessary to dispose of Council

owned land in order to bring forward development consistent with the SPD, Masterplan and planning approvals.

- 2.1.7 Delegates authority to the Executive Director of Place to take all actions necessary to establish or appoint a management regime, to take responsibility for the long term maintenance and enhancement of The Garden Village.

3. Reasons for Recommendations

- 3.1 The overarching reason for the recommendations is to expedite the delivery of this priority scheme, which will support the delivery of a number of key Council objectives, as set out in section 1 of this report.
- 3.2 The Council is seeking to build upon and strengthen the collaborative working arrangements with the other principal landowners, to ensure fair contributions from all parties and to facilitate a high quality development, with all essential and enabling infrastructure consistent with garden village principles.
- 3.3 Delegated authority to assemble the site, including where required to renegotiate leases with existing occupiers and using CPO and/or appropriation powers, is necessary to bring the scheme forward without delay. In particular, the roads, junction improvements and sustainable transport links are essential pieces of enabling infrastructure for the whole site and, thus, possession of the currently unregistered land is critical in ensuring its delivery at the earliest opportunity.
- 3.4 The £20m award from the Housing Infrastructure Fund is conditional on the Council entering into a formal agreement with Homes England and will be contingent on undertaking to deliver the programme in line with the Local Plan Allocation. It is now important to enter into the formal agreement and to ensure the Council meets the terms and conditions of the Grant offer.
- 3.5 Timely delivery of both the housing and key infrastructure requires the Council to procure a contractor to deliver the new strategic infrastructure including roads, junctions, utilities and groundworks set out therein.
- 3.6 Agreeing the land disposal strategy for the Council's landholding at The Garden Village enables the Council to bring forward, with certainty, a managed pipeline of different opportunities in terms of scale, tenure and density to ensure a timely contribution to achieving the Council's housing targets.
- 3.7 Establishing a long term management vehicle for The Garden Village, with community ownership/representation is integral to the principles of the Government's Garden Village concept. This entity will have responsibility for managing, maintaining and enhancing community and sports facilities and open spaces.

4. Other Options Considered

- 4.1 Consideration was given to proceeding without Housing Infrastructure Funding but this would slow the pace of development and the early delivery of wider benefits described above.
- 4.2 Consideration was given to disposing of the site to a single developer or in parcels but this would not result in certainty of delivery or the quality objectives that the Council wishes to see.

5. Background

5.1 Policy Context

- 5.1.1 TGV was adopted as a strategic site in the Council's Local Plan as site LPS 33. It forms a significant element of the Plan's housing supply, with the whole site allocation targeted to deliver 1500 dwellings during the Plan period. The Council must manage the delivery of the allocated sites to maintain a five year supply, to protect against the release of further greenfield land for development. The Council, through EotN as lead developer, is bringing forward the SPD and planning applications over the next twelve months.

5.2 Strategic Infrastructure and the potential need for a CPO

- 5.2.1 A CPO might need to be used to acquire land from parties unwilling to cooperate or where land is unregistered.

5.3 Disposal of Part of the Council Owned Land

- 5.3.1 The Council's land will be disposed of according to an agreed Land Disposal Strategy, which balances housing and commercial objectives, with quality of place, tenure types, affordability, infrastructure etc.

5.4 Housing Infrastructure Funding (HIF)

- 5.4.1 The Housing Infrastructure Fund will enable the delivery of significant upfront infrastructure including junction improvements and highways works, service roads, creation of a new village centre, core digital infrastructure, electricity and gas connections, water supply and drainage.
- 5.4.2 The infrastructure will increase the value of development land and enable the Council to maximise land values within the constraints of the SPD.
- 5.4.3 It will be important to procure contractors as soon as the Grant funding is in place to ensure Homes England's strict timetable with regard to spend is adhered to.
- 5.4.4 The indicative work programme is set out in Appendix 2.

6. Implications of the Recommendations

6.1 Legal Implications

- 6.1.1. In taking actions towards a potential CPO, the Executive Director of Place, in consultation with the Portfolio Holder for Housing, Planning and Regeneration and the Director of Legal Services, must follow the relevant processes set out in The Local Government Act 1972 and be mindful of the public law principles set out in The Localism Act 2011. In demonstrating the public interest case for proceeding with a CPO, the Executive Director of Place must also consider the Human Rights Act, as well as Articles 1 and 8 of the First Protocol to the European Convention on Human Rights. These Articles protect the rights of everyone to peaceful enjoyment of their possessions and private and family life, the home and correspondence respectively.
- 6.1.2 Further legal advice will be provided throughout the life of the project. In the next stages of work, this will focus on land acquisition/disposal processes, the terms of the Housing Infrastructure Grant funding conditions and ensuring compliance with public procurement legislation.

6.2 Finance Implications

- 6.2.1 The acquiring authority using CPO powers is expected to make clear the sources of funding for the land acquisition, compensation and the works themselves. The professional fees required to commence the CPO process are forecast at £50,000 to cover preliminary legal and surveyor's fees. This can be funded through Engine of the North's (EotN) approved Business Plan.
- 6.2.2 The cost of pursuing the CPO and/or appropriation through to implementation is difficult to estimate and will depend upon the success of private treaty negotiations.
- 6.2.3 The actual costs incurred for land acquisition/ compensation will be subject to further approvals at the appropriate level, as required in the Constitution.
- 6.2.4 The infrastructure will be funded through a combination of Housing Infrastructure Grant Funding and payments made by the developers / landowners. The various work packages have been accurately costed and are up to date and the scheme is capable of being implemented immediately.
- 6.2.5 The emerging collaboration, equalisation and infrastructure agreements with other landowners will enable the Council to share costs with neighbouring landowners, deliver efficiencies and to maximise land values.
- 6.2.6 This scheme is included within the Capital Addendum, as part of the Medium Term Financial Strategy approved at Council on 22nd February 2018. The Addendum includes projects of strategic importance, but where detailed business cases were not in place at the time the budget was approved. Items can be moved from the Addendum to the funded capital programme with the approval of the Portfolio Holder for Finance and Communications and the Interim Executive Director of Corporate Services. Such approval will be in place before expenditure on this scheme commences.

6.3 Equality Implications

- 6.3.1 Equality implications were considered as part of the Business Case preparation through a systematic Equality Impact screening assessment.

6.4 Human Resources Implications

- 6.4.1 There are no anticipated long-term impacts on staffing levels or costs within EotN or the Council. If additional temporary resources are required these will be met from the project or existing budgets.

6.5 Risk Management Implications

- 6.5.1 The full cost of a CPO process is unknown at the time it commences and this must be considered a risk. Pursuing a CPO would, where possible, be preceded by voluntary negotiations to acquire any necessary interests by agreement. The Council can confirm to the Secretary of State it no longer wishes to use CPO powers in respect of any interest should negotiations be successful or if the financial risks are considered to be too great. Delaying the pursuit of necessary acquisitions will delay the delivery of the infrastructure, the housing and the associated policy objectives it will achieve.
- 6.5.2 The sale of land will be subject to the grant of a suitable planning permission and there is a risk that this might not be obtained. However, the principle of development and the type of uses are consistent with planning policy, the emerging SPD and the Masterplan and pre-application consultations with the planning authority will be undertaken as part of EotN's due diligence.
- 6.5.3 There is a risk that objections to the disposal of Public Open Space will result in a decision not to dispose of the site.

6.6 Rural Communities Implications

- 6.6.1 This development will have sustainable development, including open space and a new village centre, at its heart.

6.7 Implications for Children & Young People

- 6.7.1 A primary school is proposed as part of new village centre.

6.8 Public Health Implications

- 6.8.1 This development will result in job creation and high quality homes. It may also result in new care facilities and provision. Completion of the highways improvements will minimise congestion.

7. Ward Members Affected

- 7.1 Handforth – Cllr Barry Burkhill and Cllr Dennis Mahon

8. Access to Information

8.1 This paper is based upon the following information:

- Local Plan Strategy
- Plan of land ownerships
- Programme
- Emerging SPD & Masterplan

9. Contact Information

9.1 Any questions relating to this report should be directed to the following officer:

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