

Extract from the minutes of the Cabinet meeting on 30 November 2016

117. Establishment of the North Essex Garden Communities Local Delivery Vehicles and Funding Requirements

The Strategic Director, Commercial and Place, Section 151 Officer and Monitoring Officer submitted a report a copy of which had been circulated to each Member.

Councillor Peter Chillingworth attended and with the consent of the Chairman addressed the Cabinet. He noted the scale of the Garden Communities project. The concept was untested in this era and he was concerned that the Government was effectively trialing the concept in North Essex. Seeking to deliver two Garden Communities within the borough was likely to stretch the Council to the limit. In terms of the proposed West Tey development the development would be premature as the essential infrastructure would not be in place by 2033. For instance, the funding for the dualing of the A120 had not yet been allocated and a major upgrade of the railway network was required and it was not clear when this would be delivered. He believed that the Colchester/Braintree border settlement should not proceed and other options be explored.

Rosie Pearson of CAUSE addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express her concerns about the creation of two new Garden Communities. These were enormous and complex projects and a small change in the assumptions on which they were based could have huge consequences. Taxpayers would bear most of the risks involved but with little reward, which would mostly go to landowners and developers. Concern was also expressed about the lack of public involvement or representation on the Local Delivery Vehicles. The Council needed to consider very carefully and look at the proposals and modelling in detail, before proceeding.

John Akker of Stop 350, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express his concern about development in the borough. The proposed development of 350 homes in West Mersea had led to many objections to draft Local Plan, and the Council need to reflect on its mandate. The Garden Communities were a high risk project, especially given the economic uncertainties and the consequences of the vote to leave the European Union. To consider the delivery of two Garden Communities was particularly risky. The Council should consider and take further advice.

Councillor Alan Walker, Chairman of Marks Tey Parish Council, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). He believed that the issue needed a wider debate and should be considered by Full Council. The process needed to be apolitical in order to succeed and therefore backing from Full Council was critical. There were critical weaknesses in the report before Cabinet which would hamper delivery and expose the Council to risk. The report failed to look at alternative options for delivery of development. For example Ebbsfleet had set up a development corporation in order to deliver a similar community.

Ian Vipond, Strategic Director, made a presentation to the Cabinet setting out the challenges faced by the Council and how Garden Communities could help the Council meet them. He highlighted the Garden Community principles and set out the governance and funding arrangements for the Local Delivery Vehicles. He stressed that the decisions the Cabinet were being invited to make were about the mechanisms to bring forward Garden Communities and were not related to site specific considerations.

Councillor Smith, Leader of the Council and Portfolio for Strategy, explained that there was a clear need for more housing in the borough. In the past development had failed Colchester in that the necessary infrastructure to support housing and population growth had not been delivered. Therefore a different approach was necessary. One of the key aspects of Garden Communities was that the infrastructure was developed first. Whilst it was acknowledged that there were risks involved, there were also considerable benefits. There would be greater risks in not proceeding and allowing developers to lead on the provision of housing development. This involved a collaborative approach with landowners and developers. The option of proceeding through a development corporation had been looked at, but the membership of development corporations were appointed by central government and so there was less local accountability.

It was important to progress in a non- partisan way and the proposals would be referred to Full Council to debate. The proposals had received unanimous support at Braintree and Tendring.

As part of the project, an Independent Peer Review had been commissioned and had commenced. The review was being led by Lord Kerslake and the results were due in December and would be made public. The findings would be carefully considered as the project progressed.

Other Cabinet members also indicated their support for the proposals and highlighted that the Garden Communities had been in both the Liberal Democrat and Labour manifestos so the administration had a clear mandate to proceed. This was an excellent example of partnership working and the four authorities would work together to get the best possible deal for their residents.

RESOLVED that:-

(a) The external legal advice received that these decisions cannot and do not prejudice the outcome of any future decisions that the Council may make about the Local Plan to be made by Council in relation to the allocation of any Garden Community be noted.

(b) The proposal that, if appropriate terms can be agreed, the Local Delivery Vehicles will need to enter into legal agreements with landowners to enable the delivery of the proposed schemes be noted

North Essex Garden Communities Limited

(c) In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet agrees to set up and subscribe to North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 2.

(d) The North Essex Garden Communities Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 3 be approved.

(e) Councillor Paul Smith be appointed in his capacity as Leader of the Council to represent the Council as a Director on the Board of North Essex Garden Communities Limited.

Tendring Colchester Borders Limited

(f) In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet endorses the formation of Tendring Colchester Borders Limited by North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 4.

(g) The Tendring Colchester Borders Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 5 be approved.

(h) Ian Vipond be appointed to represent the Council as a Director on the Board of Tendring Colchester Borders Limited, and gives Delegated Authority to the Chief Executive to undertake any future appointments.

(i) In principle Cabinet agrees to provide an appropriate proportion of necessary funding to Tendring Colchester Borders Limited (by a combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV. Such commitment to be subject to Council approval.

Colchester Braintree Borders Limited

(j) In line with the resolution contained at minute 60 of the Cabinet Meeting of 27 January 2016, Cabinet endorses the formation of Colchester Braintree Borders Limited by North Essex Garden Communities Limited in accordance with the terms set out in the report and Appendix 6.

(k) The Colchester Braintree Borders Limited shareholder agreement between the Local Authorities in accordance with the terms set out in the report and Appendix 7 be approved.

(l) Ian Vipond be appointed to represent the Council as a Director on the Board of Colchester Braintree Borders Limited, and gives Delegated Authority to the Chief Executive to undertake any future appointments.

(m) In principle Cabinet agrees to provide an appropriate proportion of necessary funding to Colchester Braintree Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV. Such commitment to be subject to Council approval.

RECOMMENDED to COUNCIL that it:

(n) Notes the decision of the Cabinet to set up and subscribe to the North Essex Garden Communities Limited.

(o) Notes the Cabinet's endorsement of the formation of Tendring Colchester Borders Limited and Colchester Braintree Borders Limited.

(p) Endorses the in principle decision of Cabinet to provide an appropriate proportion of necessary funding to Tendring Colchester Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV.

(q) Endorses the in principle decision of Cabinet to provide an appropriate proportion of necessary funding to Colchester Braintree Borders Limited (by an appropriate combination of loan or equity) subject to a satisfactory business case setting out the full terms of the arrangement, which will need to accord with the approved Business Plans and masterplans for the project and the funding options available at the time any funding is required by the LDV.

(r) Notes the external legal advice received that these decisions cannot and do not prejudice the outcome of any future decisions that the Council may make about the Local Plan to be made by Council in relation to the allocation of any Garden settlement.

REASONS

To seek Cabinet's on-going support, working together with Braintree District Council, Essex County Council and Tendring District Council, to progress the concept of 'garden communities' and to approve governance arrangements for the project

ALTERNATIVE OPTIONS

No alternative options are presented.