Delivering Housing through Large Scale Garden Communities in North Essex

Presentation to LGA Conference
New housing supply
Thinking about opportunities from large scale

• Large-scale housing developments are complex and bear significant risk:
  – development timescale
  – need for very patient capital
  – significant up front funding
  – demands on LA capacity
  – and it is not just housing

• Government Support via the DCLG ‘Garden Towns & Villages Programme’

• North Essex joined programme in 2016
North Essex
Key Drivers

• Housing need and long-term growth ambitions
• Councils evolving new Local Plans
• Large-scale cross-boundary proposals
• Need for significant and shared infrastructure
• Need to identify a secure steady supply of housing into the future, deliver quality development and infrastructure
• ‘Garden City’ approach to address delivery and quality challenges
North Essex Garden Communities
Local Plans Preferred Options

West of Braintree
10-13,000 homes

Tendring Colchester Borders
7-9,000 homes

Colchester Braintree Borders
15-25,000 homes

Total Capacity
32-47,000 homes
Delivering new infrastructure
Illustration (West of Braintree site)

• Education Facilities: 6 Primary Schools, 1 Secondary School and 14 Early Years
• New community and health centres
• Leisure and sports facilities
• New Country Park with facilities
• Sustainable transport: travel plan measures (car clubs, etc), bus service subsidies, transit hub and contribution to strategic public transit system
• Local highways improvements including junction upgrades and contribution towards delivery of an upgraded A120
• Upgraded pedestrian and cycle links and bridges over A120
• Over £500m investment in new infrastructure (per site)
North Essex Garden Communities
Charter – Key Objectives
North Essex Garden Communities
A new approach to delivery

• “Land value capture” key aspect of GC principles
• Land in various positions (options, promoters, land owners)
• Local Delivery Vehicle structure to:
  – Possibly take land ownership;
  – Evolve masterplan / planning;
  – Raise finance (with scope for direct LA investment)
  – Deliver infrastructure.
• Risk and profit sharing arrangement
• Value capture either reinvested for better infrastructure / place making, or as a commercial return
North Essex Garden Communities
Company Structure

Local Authorities
- Directors (Member level) of NEGC Ltd
- Directors (Officer level) of LDVs
- Planning & regulatory retained separately

NEGC Ltd
- Wholly owned by Councils
- Oversight & coordination role

Local Delivery Vehicles
- Subsidiary Companies of NEGC Ltd
- Jointly owned with external partners
- Responsible for direct delivery

Landowners/Promoters/External Partners
- Directors of LDVs
- Land/Option Agreements with LDVs

Wider stakeholders
- Involved in design & planning (NEGC & LDVs)
- Engaged in Council statutory planning activities
- Ownership & long term stewardship of assets
Taking a role in delivery
Necessary Skills & Workstreams

- Planning and design
- Transport planning
- Infrastructure and utilities design, procurement and delivery
- Programming and project management
- Comms and PR
- Community engagement
- Governance and monitoring
  - Land / Commercial / Partnerships
  - Special projects / innovation
  - Finance and business planning
  - Marketing and disposals
  - Inward investment and business support
Kerslake Review

Key Questions:

1. Are we ambitious enough (place shaping)?
2. How do we maintain the pace and quality of build development?
3. Are we maximising our position with Government in terms of support and funding?
4. Are we positioned to exploit any commercial income streams which could come from the development?
5. What is the best vehicle for managing the opportunity?
6. Do we have the capacity and capability to oversee the developments effectively?
Recommendations…

1. Develop a clear, differentiated strategy for each site;
2. Resource up accordingly. Need for a full-time Director and a dedicated project team;
3. Explore development partners and finance partners;
4. Build a much stronger, high-level conversation with Government;
5. Revisit the delivery timetable;
6. Align the Garden Communities timetable with the Local Plan timetable; and
7. Clarify the position on infrastructure with Planning Inspectors.
Current Workstreams / Activities

- Ongoing land negotiations
- Mobilisation of NEGC Ltd and set up of site specific LDV’s
- Enhancing in house capacity (Delivery Team and MD)
- Concept masterplanning and technical evidence gathering
- Agreeing Submission version Local Plans
- Corporate financial analysis – how best to fund and deliver.
Medium-Term Workstreams / Activities

- Finance and delivery market testing
- Preparing LDV Business plans and case for financial involvement
- Local Plan progress through EiP and subsequent planning policy formulation
- Community empowerment and enabling
- Preparation of planning applications
- Set up local stewardship bodies.
Housing Business Ready

Braintree visited by the Housing Finance Institute in June 2016

Housing Business Ready Assessment – Outstanding

Found a meticulous approach to overseeing housing delivery

- Ensuring senior officers and Councillors know what needs to be delivered
- Working with housebuilders and landowners throughout the building process
- Asking for regular updates on delivery rates

Results include no major stalled sites in the District

Permissions granted for 1,700 homes over the last 12 months
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