



OTTERPOOL PARK

COUNTRYSIDE • CONNECTED • CREATIVE

DOCUMENTS SUBMITTED IN SUPPORT
OP5 APPENDIX 4.13 – **GOVERNANCE AND
STEWARDSHIP STRATEGY**

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March 2022



OTTERPOOL PARK

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Governance and Stewardship Strategy

Otterpool Park

MARCH 2022

Q90224

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1 Introduction

Otterpool Park is a proposed Garden Town located in the Kent countryside, in Folkestone and Hythe District.

The proposals that are the subject of this amended outline planning application propose 8,500 new homes. Ultimately, the Site could accommodate up to 10,000 new homes plus new workspaces, schools, shops, community facilities, spaces for leisure, arts and culture. It will be integrated into the natural landscape and enhance the unique local heritage.

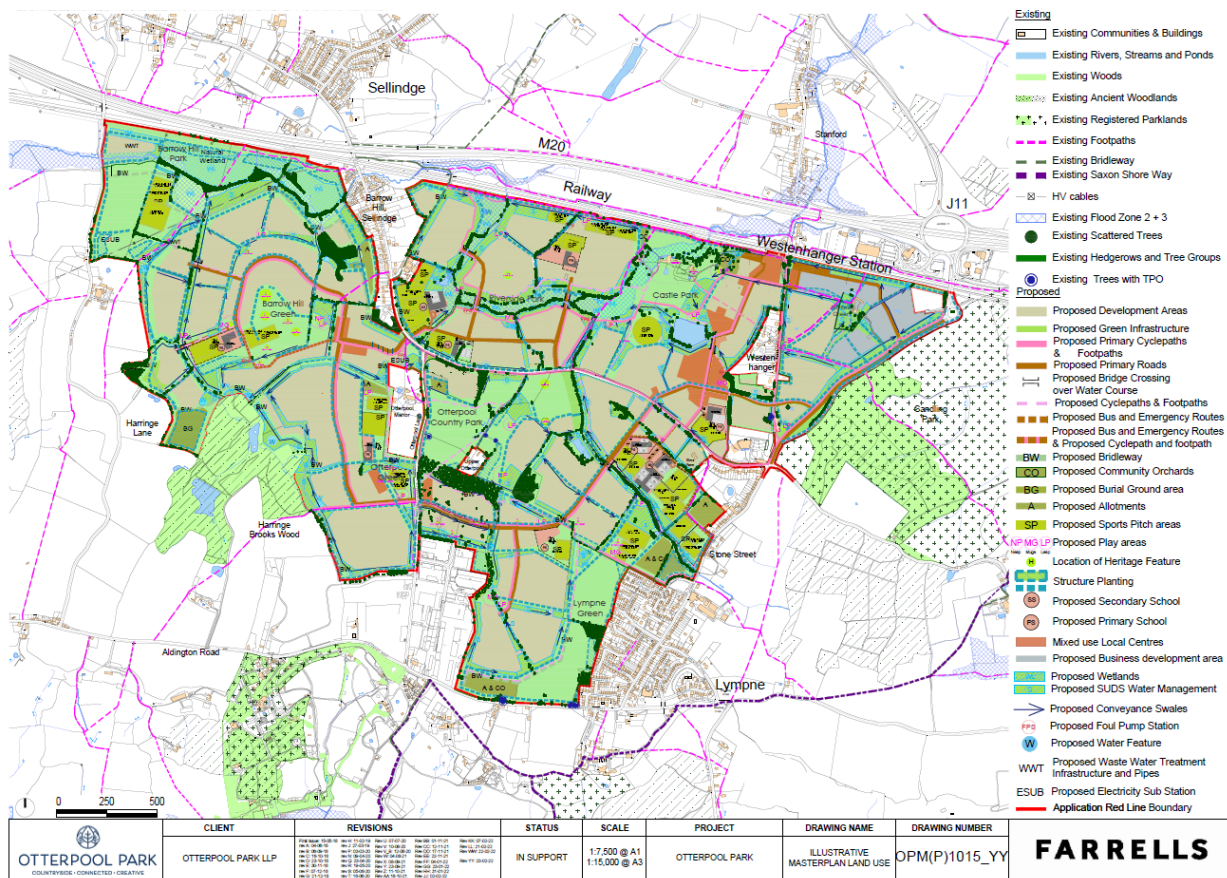
A core element for the vision for the site is that there will be long term mechanisms in place to ensure that the landscape, open spaces and new facilities are maintained to a high standard and that both current and future residents are involved in their planning and management.

This Governance and Stewardship Strategy sets out the proposed approach to governance at Otterpool Park which will be secured through appropriate legal commitments attached to the Planning Permission.

The Proposals

- 1.1 An amended outline planning application is being prepared for up to 8,500 new homes at Otterpool Park. It includes:
 - Strategic Design Principles, which establish the aspirations for what can be achieved at Otterpool Park
 - Parameter Plans, which will show the broad location of all components of the development. These plans will also show major access and transport routes.
 - A Development Specification which will set out the floorspace that can be delivered at Otterpool Park by use class. The Development Specification (Section 2) also sets out the tiered-approach that will be taken to delivering the proposals from outline stage (Tier 1), to detailed masterplan (Tier 2), to reserved matters applications (Tier 3).
- 1.2 This Outline Planning stage is referred to as “Tier 1” in the planning strategy that has been agreed with the Local Planning Authority, Folkestone and Hythe District Council (FHDC; “the Council”).
- 1.3 Any permission will be bound by a Section 106 Legal Agreement which will, among other things, set out the detail of how facilities and infrastructure will be provided, and the broad mechanisms and the terms under which community facilities, or land for these facilities, will be funded, managed, leased and/or transferred to the future operators.
- 1.4 These components will provide a planning and a legal framework for how the needs of the community will be met and development delivered.

Figure 1: Illustrative Masterplan



Governance and Stewardship at Otterpool

- 1.5 Governance and stewardship underpin how decisions are made and by whom and how the quality of a place can be delivered and sustained over the long-term. Having appropriate governance arrangements in place at the outset of a development is essential to its ultimate success as a 'place'. It allows legal structures to be put in place that provide a vehicle for the involvement of the local community, that secure long-term resident involvement, allow land to be held for the benefit of the community and for contributions to be guaranteed for long-term management purposes.
- 1.6 Whilst governance and stewardship arrangements are vital in maintaining the quality and attractiveness of a development, they are also fundamental in enabling and nurturing community involvement. Research has indicated that, in new developments, having social interaction and social networks locally is strongly linked with higher life satisfaction and lower crime. In established communities, social networks often grow organically, responding to local opportunities and shared resident interests. These types of groups can take a wide range of forms, including sports groups, parents' groups, local heritage societies etc. Community groups also form around organising local events such as street parties or cultural events.
- 1.7 The Government has provided for flexibility in how Garden Towns are delivered and how their governance and stewardship arrangements are structured¹. No specific delivery model has been prescribed although there is a requirement for any structure to allow for decisions to be taken effectively.
- 1.8 The Town and Country Planning Association has produced useful guidance which has influenced governance arrangements in new communities, including this strategy².
- 1.9 An initial Governance Strategy for Otterpool Park was submitted with the Outline Planning Application in 2019. It described the process of consultation and engagement undertaken to date and set out broad options for governance and management including different approaches that might be taken for different assets and the types of governance arrangements that might be suitable for each.
- 1.10 This updated strategy reflects further work undertaken by the consultant team and the Otterpool Park Limited Liability Partnership or "the Otterpool Park LLP" (the applicant) to refine that approach, in part in response to issues raised by stakeholders and partners on the 2019 Application.
- 1.11 This Strategy starts by re-stating context and need for governance structures; and restating the principles agreed in the Charter for Otterpool Park, and by Folkestone and Hythe District Council, when establishing the project. This places long term governance and stewardship at the heart of the vision.
- 1.12 It then identifies the types of assets and facilities that fall under the management and/or operation of different bodies at a 'general' level, setting out which types of assets and facilities will be managed by whom (and this is supported by additional detail set out in **Annex 1**).

¹ <https://www.gov.uk/guidance/garden-communities/governance>
- accessed December 2021

² TCPA, 2014. Built Today, Treasured Tomorrow: a good practice guide to long-term stewardship.

1.13 The approach will, by necessity, develop over time given the long-term nature of the project. Detailed plans for assets will be developed as each phase is brought forward. This Strategy therefore pays particular attention to the provision of assets that will come forward in the first phase, and illustrative arrangements for that provision. This is included in **Chapter 3: Stewardship: types and items of infrastructure**.

1.14 The following section then identifies the Organisational and Legal Framework for

Governance at Otterpool Park– the key bodies that will be in place and their relationships to each other and to residents.

1.15 The Strategy concludes with a programme for implementation, including the timing of when further details are required and when arrangements will need to be established (and how this relates to Tier 2 and Tier 3 processes and approvals in the planning strategy).

What is Governance and Stewardship?

Governance and stewardship underpin how decisions are made and by whom and how the quality of a place can be sustained over the long-term... It allows legal structures to be put in place that provide a vehicle for the involvement of the local community that secure long-term resident interests, allow land to be held in trust and for contributions to be guaranteed for long-term management purposes.

In essence:

Governance is the 'How': how are decisions made and by whom and how are they funded?

Stewardship is the 'What': the things that need to be managed for the long term

2 Governance

2.1 Governance is defined as:

"the exercise of political, economic and administrative authority in the management of a place³".

2.2 Long-term stewardship means:

"ensuring that an asset is properly looked after in perpetuity⁴".

2.3 Governance and stewardship 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 legal structures to be put in place that provide a vehicle for the involvement of the local community; that secure long-term resident involvement; that allow land to be held for the benefit of the community; and for contributions to be guaranteed for long-term management purposes.

2.4 There are a wide range of assets and facilities that require governance to ensure they continue to be maintained and managed. These include: education, health, sports, open space and green infrastructure, public areas that are not adopted by the highway authority, emergency services, transport infrastructure, community facilities, utilities and community housing i.e. homes delivered by a Community Land Trust (CLT) and/or other specific local body (if that forms part of the housing strategy). There are also many different forms that governance can take, some of which have taken many decades to evolve. However, it is becoming

increasingly clear that traditional models of governance can no longer be applied to new developments/facilities and that new approaches are required. These will be discussed in more detail later in this Strategy.

Principles and Objectives

2.5 Governance and stewardship have been a consideration for the proposals at Otterpool Park from the outset. In October 2017, Council Members were asked to approve some key principles which had been identified through research, case studies from elsewhere, site visits and study tours. These principles, which are intended to establish the foundations for this stewardship strategy, are set out below:

- 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 Folkestone and Hythe District Council (FHDC, "the Council");
- 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, endowments, 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.

³ Adapted from the United Nations Development Programme, 1997. Governance for sustainable Human Development. p.6

⁴ TCPA, 2014. Built Today, Treasured Tomorrow: a good practice guide to long-term stewardship. p.8

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.

2.6 Council Members also agreed the scope that this Governance Strategy should broadly cover the following:

- Assets - identifying the assets a new body could manage. In addition to the items listed in the principles above, this could potentially include a wider list of facilities or premises such as: commercial premises or land for income generation; car parks; community-run facilities such as shops or pubs and ducts along streets for utilities.
- Funding and Sustainability - to create a sustainable organisation, what is the optimum method and balance of income streams and the commercial basis on which it will ensure long-term financial sustainability.
- Decision-making - who will make decisions on assets and at what point in the development - including the timing and extent of involvement of local representatives.
- Governance - the most appropriate governance structure. This should test models such as a charitable trust or Community Interest Company, or an external body such as the Land Trust.

2.7 This approach was reflected in the development principles set out by the Council in its Charter for Otterpool Park in 2017 which included, “*Establishing a suitable legal entity for long term management.*”

Practicalities of establishing a governance body

2.8 The governance arrangements and relationships between partners will need to be set within a clear legal framework which sets out the roles and responsibilities of the various organisations, gives the Council and partners certainty that commitments will be delivered, ensures that all assets are properly safeguarded and ensures that the various elements can be funded.

2.9 This framework has been informed by the Principles agreed by the Council as set out in Paragraphs 2.5 to 2.7, above.

2.10 These arrangements will need to be in place early in the development process so that they can inform agreements on land sales but be sufficiently flexible to adapt to changes over time.

2.11 The key bodies and their likely structures are set out below, and in the flow chart at Figure 4 and Figure 3.

Otterpool Park LLP

2.12 Otterpool Park LLP has taken legal advice from lawyers Browne Jacobson on the options that are available to them, as well as considering precedent from elsewhere.

2.13 Otterpool Park LLP will:

- be the Master Developer for the site;
- secure Planning Permission;
- procure the supporting infrastructure.

2.14 The LLP will enter into a Strategic Land Agreement with the Council enabling it to “call” for land to be transferred to it or a third

party at the appropriate times. This will enable the LLP to enter into development agreements with developers on some parts of the site (for example the Town Centre) whilst retaining a freehold interest and will dispose of building plots to housebuilders on other parts. In doing so, it will need to ensure that contracts for such transactions secure appropriate maintenance obligations and, where appropriate, there are rent charge and/or service charges to contribute to wider long term management arrangements.

2.15 The LLP will also build the physical infrastructure and transfer that into long

term management arrangements following completion.

2.16 In the first phase of development, it is likely that the LLP will establish the management arrangements and pass them over to a 'Governance Body' when that is established. As set out above, other assets will be leased or passed over to service providers.

2.17 For those items which are identified above as being the responsibility of the Governance Body, long-term stewardship and governance will be undertaken by a new body established for the purpose.

3 Stewardship: types and items of infrastructure

- 3.1 The starting point in defining governance arrangements is to understand what will be 'governed'. This section of the Strategy sets out the preferred approaches to governance and stewardship for the different assets that are proposed at Otterpool Park. This has been informed by the masterplan (which itself has been shaped and influenced through feedback from service providers and stakeholders) and the workshops with providers and stakeholders.
- 3.2 It should be noted that although the places and facilities that will be created are defined as 'assets', in fact many will be 'liabilities' requiring ongoing operating costs, which will often not be covered by income generating opportunities. The model therefore needs to ensure that such costs can be covered.
- 3.3 As noted in the original Draft Strategy it is not necessarily the case that it is best or most efficient for all types of assets to be managed by a single 'Governance Body', particularly where those items require specialist skills or knowledge for their management. This would include 'heritage assets', such as Westenhanger Castle, or the sports provision.

'Clusters' of Services and Providers

- 3.4 The work to date has identified the following 'clusters' of services which will require governance. These are listed below split between those items/services which will be managed by the new 'Governance Body' and those which will be managed by other

bodies, service providers or specialist vehicles.

- 3.5 **Annex 1** sets out more detail in relation to each of the items including who will own, manage and maintain the items – which will vary between different elements. It broadly splits into the following asset groups:

Governance Body

- Strategic parks and open space
- Play areas
- Allotments
- Outdoor sports provision
- Community centres & community development

Statutory or Community Providers

- Healthcare & emergency services
- Education
- Place of Worship
- Primary transport infrastructure and related Sustainable Urban Drainage

Contracted Provision

- Indoor sports provision

LLP (or FHDC) or Specialist Body

- Westenhanger Castle
- Town Centre

Mixed or to be confirmed

- Shared space greenways, pathways, bridleways, cycleways
- Smaller play areas/amenity areas

Broad Asset Groups and Cost Testing

- 3.6 These broad asset classes translate into over 100 individual line items in the draft asset register that has been produced for the LLP.
- 3.7 Initial modelling has been undertaken on the high-level stewardship costs and phasing of delivery (and therefore phasing of costs) associated with these items. This has involved:
- Identification of individual assets and timing of delivery;
 - Benchmark capital costs based on standard multipliers and projected project from Arcadis, the LLP's cost consultants;
 - Benchmark operational costs based on standard costs, examples elsewhere and benchmarked against other trusts and Governance Bodies.
- 3.8 This work is intended to inform broad order of magnitude of cost/subsidy requirement for those items which may be the responsibility of the Governance Body.
- 3.9 The modelling also assumes central costs for core staffing, other governance and support, and for Community Development (which is part included in the Community Centres costings).
- 3.10 If the Governance Body is to receive a rentcharge from properties, it will need to have an internal legal and administrative function to manage and collect the charge.
- 3.11 The modelling does not pre-suppose whether (for example) estate management and green infrastructure services are managed and delivered in house, contracted to a specialist provider or a mixture.
- 3.12 It is likely that there will be at least some core environmental staff and given the nature of the development there will also be an overlap between environmental, recreational and community development activities.
- 3.13 This work will be updated following the submission of the revised Planning Application to inform discussions on the nature of Section 106 obligations
- 3.14 Detailed modelling of income sources and the balance between endowments/income generating assets and service charge have not yet been undertaken but will be required as part of the business planning for any Governance Body.

Phased Approach to Business Planning

- 3.15 As the application is in Outline, the precise specifications and timing of each of the infrastructure items are not yet known; and some of this information will only be known in phases as Tier 2 Masterplans and reserved matters applications come forward. It will therefore be necessary for the Section 106 agreement to allow for the approach to Governance and Stewardship to evolve over the period of the development.
- 3.16 For illustrative purposes the LLP has worked with its team to focus on the items and locations that will see investment and development first. These include:
- Westenhanger Castle and the area around it;
 - The Town Centre;
 - The station area;
 - Green and community infrastructure associated with the first phase of housing.

3.17 These assets are listed in more detail in **Annex 2**.

3.18 Westenhanger Castle, because of its sensitive heritage status, and the Town Centre because of its mixture of uses and stakeholders, are likely to be treated separately and retained by the Council and/or the LLP in the early stages of the development process at least.

3.19 The Council is committed to a long-term sustainable future for the Castle, and it has a key community role in the town. Until further work has been done on the business plan for the castle it is premature to say what the best approach will be to its long-term stewardship. There are likely to be commercial tenants within the Castle and associated uses, but the Council and/or LLP may want to also set up separate charitable arrangements for the castle to allow it to secure third-party funding, favourable tax treatment and to deliver community projects.

3.20 Current thinking for the Town Centre is that it will remain in the ownership of the Council or the LLP. Retaining control of land will ensure the town centre is responsive to future needs and trends, and future investment and regeneration can be done comprehensively without dealing with multiple landowners.

3.21 There are some obvious potential overlaps and economies of scale between the management arrangements for the Castle, the Town Centre and the remainder of the development. Even if ownership of these assets is not transferred to the Governance Body, the Body could still provide contracted management services. This is likely to be the case, for example, for the Castle Park.

3.22 It is also possible that commercial assets in the Town Centre, or income from parking and other income generating opportunities

could be used to endow/support the Governance Body.

Requirements of Section 106 Agreement

3.23 It is anticipated that a phased approach to business planning will be enshrined in the Section 106 Agreement.

3.24 For each set of Tier 2 masterplans (or Reserved Matters Applications (RMAs) - Tier 3 where information is not available) the LLP will provide: detail on the assets (and liabilities) within the relevant land; the agreed governance approach for those assets and liabilities; and a Business Plan to balance assets and liabilities.

3.25 A Business Plan will identify:

- The land and/or assets and facilities in a phase (or relevant plot) that will require ownership and long-term stewardship;
- The anticipated costs of managing maintaining the asset based on actual figures where possible or examples of similar assets;
- The proposed sources of income and revenue;
- The most appropriate governance model to apply to each asset;
- The timing of implementation of the chosen governance model and any interim measures required, including management by the LLP;
- Any linkages between different assets that should be reflected and/or considered as part of the governance model.

3.26 Once established, the Governance Body will be consulted on the detailed specifications for any assets it is expected to manage in order that they can be specified in a way that allows them to be managed efficiently and affordably.

3.27 The framework for establishing and agreeing the functions and responsibilities of the relevant bodies is set out in the section that follows.

4 Organisational and Legal Framework

4.1 The starting point for the Otterpool Park LLP has been that this needs to be an organisation that has perpetual succession, so some form of corporate body is required. The LLP has been advised that there are three suitable possibilities for the governance body:

- a Community Interest Company (CIC);
- a Company Limited by Guarantee (CLG); and
- a charity. This would either be a Charitable Incorporated Organisation (CIO) or a Charitable Company Limited by Guarantee (CCLG).

4.2 The LLP is keen to retain the option – at least in the early stages of the development – that the Governance Body should be a subsidiary of the LLP. This would allow relationships to be simplified and for ‘quality control’ as the Body becomes established. In the Town Centre & Castle Park Phase it will be essential for the success of the development that a high quality of management of early assets is in place to attract and retain residents, businesses and investment.

4.3 This means that, in the first instance, a ‘Co Ltd by Guarantee’ (CLG), ‘Limited Liability Partnership’ (LLP), or ‘Community Interest Co’ may be the best option because, whilst Charities have tax advantages they are required to be independent and are limited in their remit, only able undertake activities that are explicitly within their duties and powers, which will limit its flexibility to evolve.

4.4 A CLG or LLP would be the most flexible option and would not preclude the body

being converted to a Community Interest Company (CIC) at a later date, if that were to be the preference. Taxation advice from Kreston Reeves suggest that there is a strong case for an LLP over a CLG as the latter would be liable for both Stamp Duty Land Tax and Corporation Tax, which could be significant. The preferred option is, therefore, an LLP.

4.5 It is important to note that it is the intention to ensure that assets within the Governance Body are ‘locked’ and safeguarded for use in perpetuity – so any transfer should require that specific terms and conditions are met. A CIC body can be appropriate for this in the longer term.

Governance Body Board

4.6 The LLP, working with FHDC, will need to determine the membership of the Board of the Governance Body, again reflecting the intention that it should be ‘Community Led’.

4.7 Typically, such Boards are comprised of or advised by ‘representative’ members, which could include the LLP, the Council, Kent County Council, the Parishes, and people with specialist skills for example in Community Consultation, Engagement and Empowerment, Property or Estate Management, Human Resources, Environmental and Heritage issues or Property Law.

4.8 The precise membership will be agreed when the structure is finalised (see timetable and process in **Section 5: Programme and Next Steps**, below).

Housebuilders and Residents

4.9 Whilst the LLP will be acting as Master Developer, plots will be sold to housebuilders (including specialist providers and custom builders). They will be responsible for ensuring appropriate arrangements including ‘on plot’ costs for common areas, for example parking. Land

sale contracts will include covenants which ensure that reasonable 'rent charges' can be secured from residents to contribute to the development wide management costs.

- 4.10 The LLP recognises that the Government has been reviewing leasehold arrangements for new homes, ground rents and service charges for home buyers. Any rent charges (or service charges for apartments) will need to reflect current and future legislation, and also ensure that all parties have certainty over likely amounts and that such charges cannot increase unreasonably over time.

Commercial and Other Developers

- 4.11 The Otterpool Proposals will also contain a range of other uses including Town Centre and commercial development. It is likely that the LLP or The Council will retain the freehold of the Town Centre to ensure it is maintained at a high quality. This will again include service charges which will be subject to being transparent and reasonable and meeting the legal requirements of the Royal Institute of Chartered Surveyors' Service Charge Code.

Service Providers and Community Groups

- 4.12 As shown in Paragraph 3.5 and **Annex 1** various facilities will be owned and/or operated by statutory or other public service providers (e.g. health, emergency services and education).
- 4.13 The terms on which facilities will be provided will be set out in the Section 106 and will be consistent with any legal obligations with which such providers are required to comply.
- 4.14 It may be that there is the potential for some shared facilities/responsibilities with the Governance Body – for example, in shared use of community or sports provision which will be defined through the Reserved

Matters Application (Tier 3) process set out in Paragraph 3.24 (above).

Parish Councils and Town Council

- 4.15 Otterpool Park will cross the boundaries of several current Parish Councils (see Figure 2). It will clearly increase the population of several of the Parishes significantly and potentially bring with it increased income associated with the Parish precept.
- 4.16 The Parish Councils have the potential to have a role in the management of assets, particularly recreational assets and open space, within their areas. There is also the potential in the longer term for a review of local governance arrangements to reflect the growth of the Garden Town including changes to parish boundaries or the creation of a new Town Council.
- 4.17 The Local Government and Public Involvement in Health Act 2007 provides the legal basis for Community Governance reviews which can be triggered by the District Council or petitions from Parish Councils. They are undertaken in consultation with parishes, residents and other stakeholders. Such a review, if it were undertaken, would be likely to happen some way down the line with the development.
- 4.18 The proposed governance approach would be flexible enough to respond to this both in relation to potential to transfer assets and involvement of the Parishes in the Governance Body.

Evolution of the Structure

- 4.19 Figure 3 and Figure 4 (overleaf) show how the structure described above could evolve.
- 4.20 In the early stages of the development process, the LLP will maintain control of the process, working with partners to specify, construct and put in place interim

management arrangements for the first phases of development.

4.21 The Governance Body would be established in advance of completion of the first assets to undertake community development and establish its asset management capabilities. Over time, assets will be transferred to the Body to own and manage, but the Body may remain a subsidiary of the LLP. Alongside this, other providers would also specify and operate facilities, according to the agreed Business Plan.

4.22 In the long term, Figure 4 shows how the LLP could step away, leaving the Governance Body as a stand-alone vehicle. There would be options for that Body to transition to a different corporate structure or exit and transfer assets into one or more new bodies.

4.23 In the longer term, a Town Council or new Parish Council boundaries could be formed, as described above.

Figure 2: Parish Council Boundaries

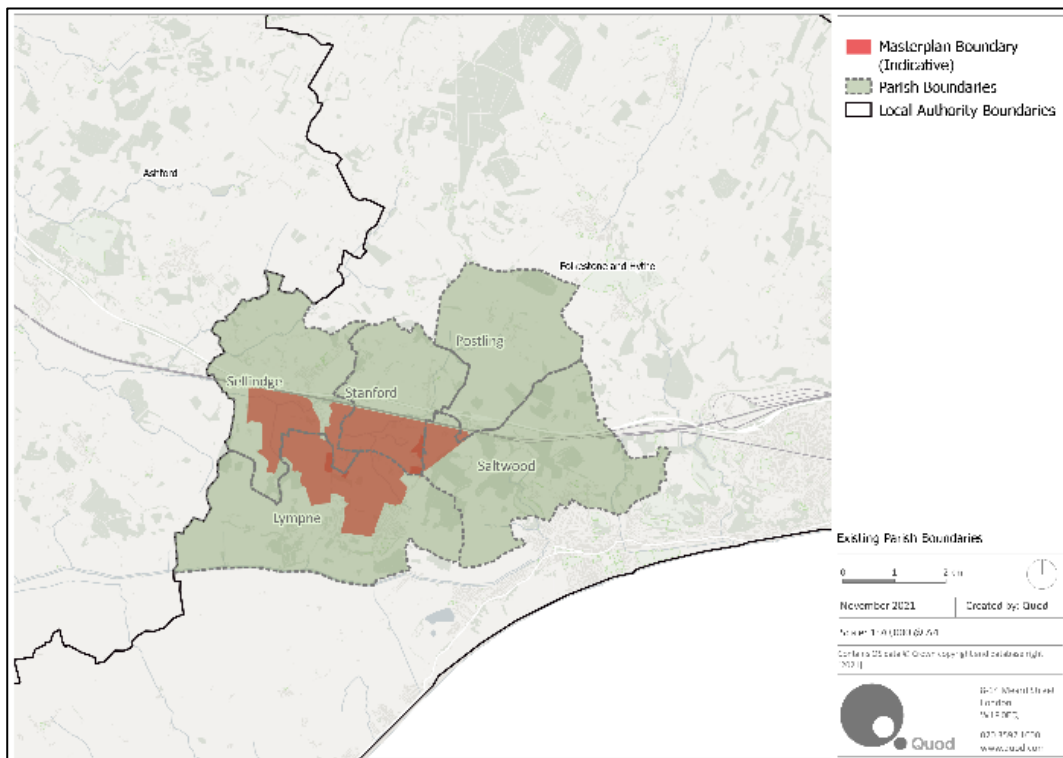


Figure 3: Governance Structure Development Phase

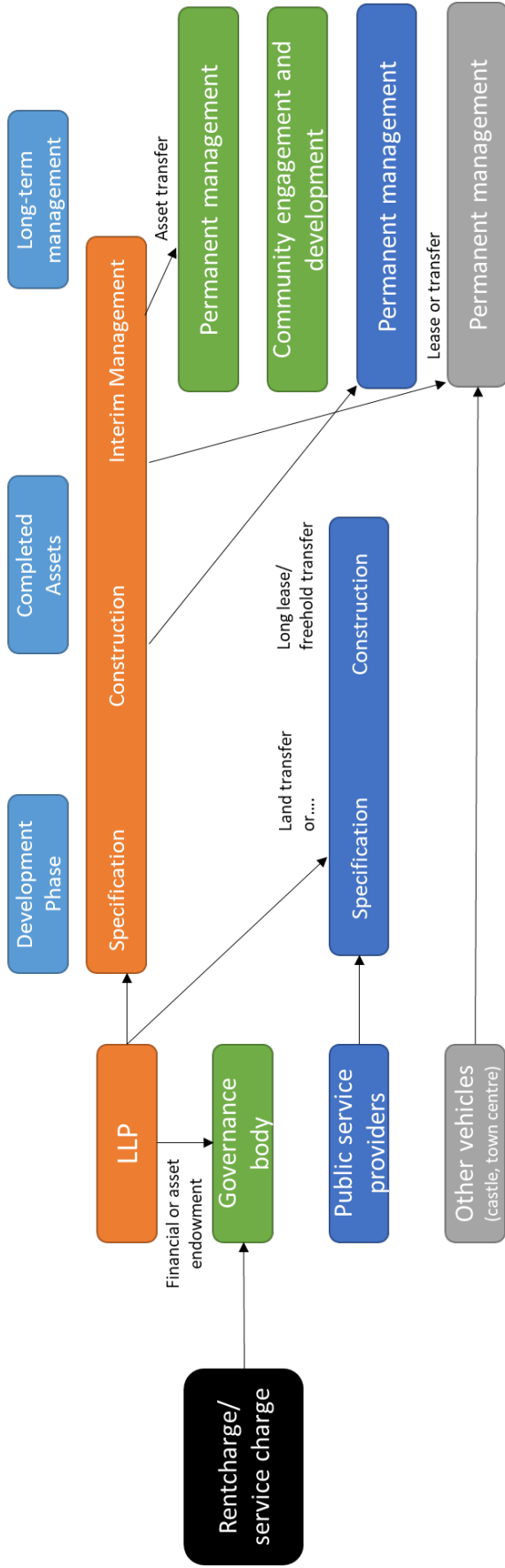
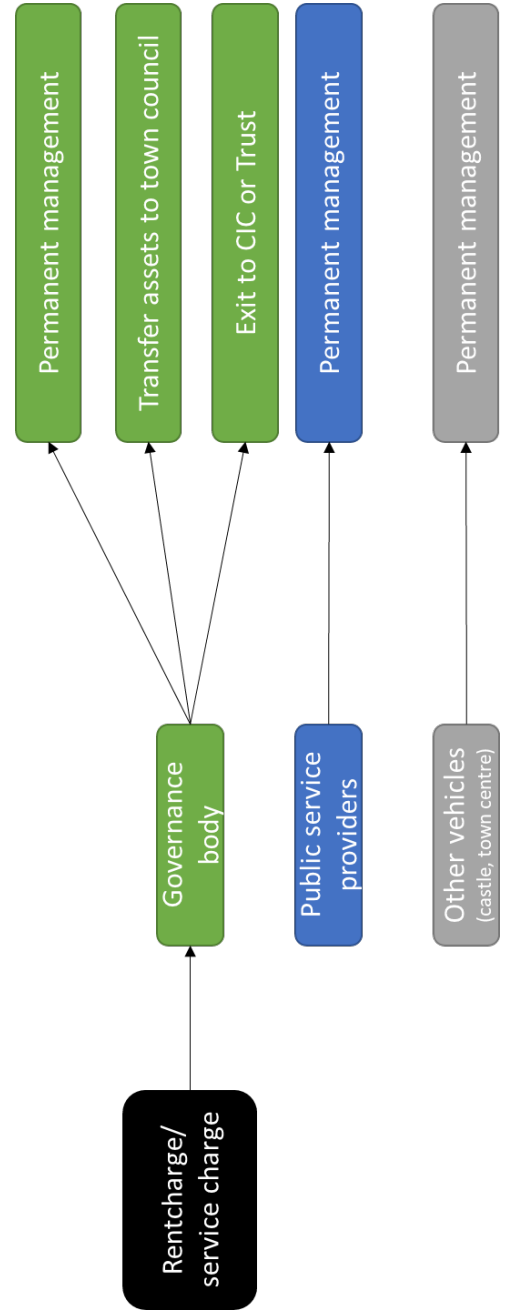


Figure 4: Governance Structure Options, Completed Development



5 Programme and Next Steps

Timing: Striking a Balance

- 5.1 This Strategy demonstrates how a Governance structure for Otterpool Park will evolve over time. In the first instance it is important that arrangements are put in place in a timely way to ensure that the 'Governance Body' is ready to take on its role and can work with the LLP to craft the early phases of development and undertake early Community Development activities.
- 5.2 At the same time, it is important not to over-engineer a structure too soon given that the project is still in the planning phase. There is a risk of having a body in place, and recruiting enthusiastic members, only to have little to do in the early stages. This can also result in considerable wasted time and cost. The programme below therefore identifies stages which can inform the implementation of the strategy.

Stage 1: Outline Planning (Current)

- 5.3 The revised outline planning application is due to be submitted in early 2022. The application will, it is anticipated, be determined in 2022, and an associated Section 106 agreement will be entered into and will need, in relation to Governance, to identify a framework with an appropriate degree of flexibility, as explained above.
- 5.4 If granted, the Outline Planning Permission (Tier 1) will be followed by Tier 2 submissions (masterplans and design codes for specific phases) and Reserved Matters Applications (RMAs) (Tier 3), which will need to be approved before any substantive development can take place on the site. This will need to include information on proposed Governance of assets associated with RMAs.

Stage 2: Shadow Board and Finalising Governance Structure (2022 onwards)

- 5.5 The first infrastructure and homes are unlikely to be completed until 2023/2024 at the earliest. As suggested above, it is likely that the LLP will have established Interim Management Arrangements for the first assets and therefore transfer of assets to a new body is unlikely to take place until maybe 2024/25 at the earliest and possibly later.
- 5.6 It is not therefore essential for the Governance Body to be formally constituted immediately but it is suggested that a Shadow Board is put in place as soon as there is certainty over planning/development timelines, to work with the LLP and ensure that the emerging detailed plans reflect the intended long-term approach.
- 5.7 Two items will however need to be resolved relatively early in the process. The first is the approach to Rent Charge/Service Charge which needs to be reflected in land disposals and also in the establishment of the necessary administrative arrangements to deal with early house sales. The second is Community Development including work with existing residents and Parishes but also putting in a 'landing pad' for new residents and curating and promoting a sense of community as soon as new residents arrive. Both of these activities can be managed on an interim basis through the LLP but it should be with a view to establishment of permanent arrangements.

Stage 3: Permanent Structure (2023 Onwards)

- 5.8 The work described above will allow for a smooth transition to the Permanent Structure. It is intended that the legal entity should be established first in a dormant form, this will enable reference to it to be made in planning agreements and agreements with housebuilders. It is suggested that a full Business Plan (based on current anticipate project trajectory) should be produced by the Shadow Board in 2023. This would allow the legal entity to be operational by 2024, well in advance of any requirement to take on the management of assets. This period would be likely to see the transfer or secondment of Community Development and Administrative staff from the LLP into the new body.
- 5.9 Table 1 sets out some indicative timescales for establishing the governance body.

Table 1: Governance Body – indicative timescales

	Date
Legal structure	
Agree shortlist of options for structure	January 2022
LLP agree preferred option	February 2022
Cabinet agrees option	June 2022
Establish legal entity (dormant)	July 2022
Board	
Agree members of shadow/advisory board	March 2023
Establish shadow/advisory board	June 2023
Establish permanent board	January 2024 or six months prior to the first occupation – whichever is first

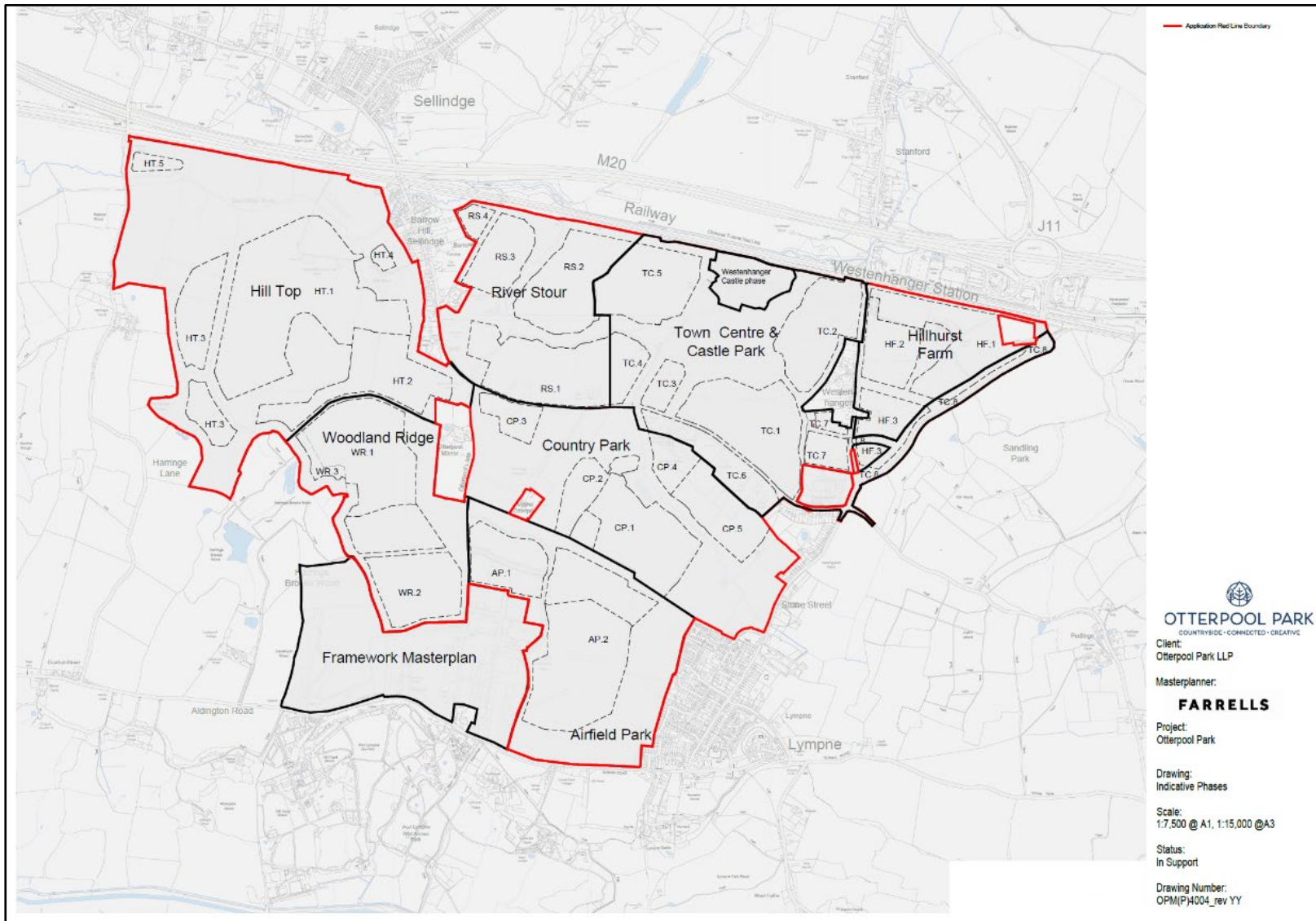
Annex 1: Assets Typology

Asset/Facility	Ownership	Management/ Maintenance	Operational Funding	Subsidy Required?
Healthcare and Emergency Services				
Health Facility	LLP	Subject to lease details	NHS England/CCG	No
Ambulance stand	LLP	Subject to lease details	NHS England	No
Police unit	LLP	Subject to lease details	Kent Police	No
Education				
Nursery/pre-schools	Governance Body	Nursery operator (private/voluntary/charitable)	Fees from childcare	No, possible income
Primary schools	KCC or School Operator	School Operator	DfE	No
Secondary school	KCC or School Operator	School Operator	DfE	No
Sports facilities				
Indoor Sports Facilities	LLP, Governance Body or FHDC	Contracted Provider	Income and Potential Management Fee	Subject to precise mix, see Sports Facilities Strategy
Outdoor Sports Provision	Governance Body	Governance Body or Contracted Provider	Fee income and subsidy	Yes
Open space/green infrastructure				
Strategic open spaces	Governance Body	Governance Body or Contracted Provider	Service Rent Charge/Grant/Endowment	Yes
Smaller spaces/areas of amenity				

Asset/Facility	Ownership	Management/ Maintenance	Operational Funding	Subsidy Required?
Play areas (standalone)	Plot Company	Plot Manco	Commercial income (limited)	
Habitat				
Allotments	Governance Body, Parish or Society		Fees	
SUDS (wider drainage role)	Depends on nature/location	Governance Body or Contracted Provider Or utility company (depending on location)	Mix	Yes
Cemetery	FHDC	FHDC		
Community Facilities				
Community Centre/s	Governance Body	Governance Body	Income/Rental	Yes
Place of worship	Governance Body or Faith Body	Faith Body	Income/Rental	No
Transport infrastructure				
Primary routes (e.g. roads, pathways, bridleways, cycleways, adopted highways-related SUDS)	Kent County Council	Kent County Council	Kent County Council	Adoption Fees
Minor/other routes (e.g. shared space greenways, pathways, bridleways, cycleways)	Governance Body	Governance Body District Council OR Parish Council	Service Charge/Endowment or Precept	Probable
Car-parks	LLP	LLP or contracted	Parking charges	No

<u>Asset/Facility</u>	Ownership	Management/ Maintenance	Operational Funding	Subsidy Required?
Car-courts and Communal Areas	Plot Company or Residents	Plot Manco	Service charges	No
Bus stops and bus shelters	Bus operator	Bus operator	Via bus operator	

Annex 2: Town Centre and Castle Park Location and Assets



Asset	Freehold Interest	Leasehold Interest	Built by	Maintained/Operated by
Indoor sports centre	EHDC/LLP or Governance Body	Operator	LLP – triggers and build stages in S106 agreement	Operator
Castle Area				
Westenhanger Castle	Council or LLP	Trust/Tenants/Operator	Council or LLP	Trust/Tenants/Operator
Castle Car Park	EHDC/LLP (possible Governance endowment)	Operator	LLP	Operator
Castle Park including play areas and cricket pitch	Governance Body	Possible role for Sports Trust/Clubs on pitches/pavilion	LLP	CIC
Station Area				
Station	Council /LLP (where outside NR ownership)	Operator	LLP or Southeastern? (Network Rail)	CIC / Southeastern?
Station Square	Council /LLP	CIC	LLP	CIC
Station car park (adjacent to park)	CIC (for income)	CIC/Operator	LLP	CIC
Town Centre				
Town Centre (see area on plan)	Council/LLP	LLP	LLP (With partners)	LLP (possibly with shared
Town centre buildings:	Council/ LLP			
Civic centre		Council	Council	Council
Health centre		CCG or GP Practice	LLP	CCG
Innovation centre		Operator	Commercial partner	Tenant

Asset	Freehold Interest	Leasehold Interest	Built by	Maintained/Operated by
Mixed use (e.g. retail/ commercial/ residential)	Residents	Block Freeholder/Long Leaseholder or Commercial SPV	LLP with commercial partner	CIC? Tenant?
Employment space		Developer/Operator	Developer/Operator	
Town centre public realm including three main squares and streets that can't be adopted (NB - these will need to be individually costed)	Council/ LLP		LLP	CIC (KCC discussion)
Footpaths	Relevant landowner	n/a	LLP?	Landowner and/or CIC (Discuss with KCC)
Community buildings: - Main community public indoor space/ performance. library etc - Secondary community health and wellbeing (smaller, quieter spaces including voluntary sector) - Places of Worship	Governance Body Governance Body Governance Body or Faith Body	CIC? CIC? Provider	LLP LLP/Provider	CIC? CIC?

Asset	Freehold Interest	Leasehold Interest	Built by	Maintained/Operated by
Streets and cycleways	KCC Highways (wherever possible, unless can't be adopted)		LLP (primary roads) and developers (secondary and tertiary)	KCC (for discussion)
Trees and SuDS within highway	CIC (assuming can't be adopted by KCC)		LLP	CIC (for discussion)
SuDS	CIC (NB reed beds for nutrient maintenance may sit with water co; similarly if rainwater harvesting included) Reservoir (Internal meeting to confirm breakdown/options and plan)		LLP	CIC
Ecology habitats	CIC Council/LLP (e.g. Castle)	CIC Operator	LLP	CIC (Monitoring?) (Other off site/outside Town Centre & Castle Park Phase)
SuDS – engineering structures	Water co		Water co	Water co
Utilities (to confirm)	Council Others?		Lease to utility company	Utility co

Asset	Freehold Interest	Leasehold Interest	Built by	Maintained/Operated by
(Need for below ground plan)				
Smaller landscape areas including pocket parks	CIC or Plot Developer	CIC or Plot Developer	Housebuilders	CIC or Plot Management Company
Doorstep Play/LEAPs				
Play areas (Strategic)	CIC		LLP	CIC
Heritage assets (barrows, causeway)	CIC		LLP	(Maintenance and Interpretation)