

**Cornwall Council**Agenda No. **14**

Not Confidential

Decision Sheet From: **Cabinet**

Date: **18 December 2018**

Title: **DEVELOPMENT AT THREEMILESTONE (PART 1)**

Portfolio Holder: **Portfolio Holder for Planning and Economy**

Divisions Affected: **Chacewater, Kenwyn & Baldhu**

Relevant Scrutiny Committee: **Economic Growth & Development**

Key Decision: **Yes** Checklist Compliant: **Yes**

Urgent Decision: **No** Implementation Date: **22 January 2019**

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**DECISION:****RESOLVED TO RECOMMEND TO COUNCIL:**

1. That Cabinet recommend to Council that the capital programme be increased by £159.047m in respect of this programme of interventions, subject to the delegations and further authority of Cabinet as set out above.

**Reason for the Decision:**

Contained within the report.

**Alternative options considered:**

None other than contained within the report.

**Conflicts of interest declared:**

None.

**Dispensations granted in respect of a conflict of interest:**

N/A

## **1. Executive Summary**

- 1.1 In November 2017, Cabinet endorsed the vision and objectives for a proposed Investment Programme for Cornwall and approved an increase of £70 million to the Council's capital programme, to cover the continuation of the development of a number of schemes, including several within the Threemilestone Programme, so that momentum could continue in respect of acquisitions, feasibility, specialist investment and development advice, as well as promotion to planning permission stage.
- 1.2 In May 2018, Cabinet approved a strategy of intervention in the 2,700 new home development at Threemilestone north of the A390, Truro. Intervention by the Council was recommended on the basis of an analysis of a range of options against a background of uncoordinated, speculative and poor-quality development proposed by private sector developers. Significant intervention was considered to be the only realistic option that would deliver the Council's objectives in the areas of placemaking, community development, affordable housing and sustainability/green infrastructure. Cabinet noted that specific proposals for individual interventions would be brought forward at Business Case stage for approval in due course.
- 1.3 In June 2018, Cabinet approved the acquisition of 154 plots plus further land for public infrastructure at Langarth Farm. This decision was ratified by full Council in July 2018.
- 1.4 A bid has been submitted to the Government's Housing Infrastructure Fund to fund the construction of the Northern Access Road that will connect all the developments. Award is expected in spring of 2019 but there is a risk that the full amount sought may not be granted.
- 1.5 Work to date on the Threemilestone programme has been funded from operational and authorised capital budgets but a step change in funding is now needed to progress schemes and reallocate previously incurred revenue expenditure as capital expenditure.
- 1.6 This report seeks funding for the first stages of a delivery plan that will execute the strategy above. It consists of five elements:
  - Delivery of site infrastructure and acquisition of plots on land at Langarth Farm for which Cabinet approved funding in June 2018;
  - A Design and Delivery Framework that will define the vision, masterplans and design of the Threemilestone development and ultimately be given planning weight through a new outline planning application for the whole area and will be progressed in parallel with a review of the Truro and Kenwyn Neighbourhood Plan;

- Investment in the design and early delivery of the Northern Access Road (NAR), for which an application for grant funding from the Housing Infrastructure Fund (HIF) has been made;
- Investment in public infrastructure and social amenities, including foul water drainage, a primary school, a community centre, health infrastructure, an extension to the Park and Ride car park, and green spaces; and
- Acquisition of land at key sites, both to enable the construction of the NAR and for potential subsequent development as part of the Investment Programme.

- 1.7 A two-stage approach to funding this strategy is proposed. In the first stage (recommendations 1 to 3) Cabinet approval is sought to delegate authority to officers in consultation with members to commit expenditure for a number of items connected with the first developments, as well as planning and infrastructure as set out in subsequent paragraphs. The masterplanning work referred to in recommendation 2 will set out in detail the costs, income streams, recovery mechanisms and risks associated with each proposed development. Expenditure will not be committed until and unless approval is given at business case stage by delegated members and officers described in the relevant recommendations. This approach will enable officers to make progress in delivering infrastructure and taking a lead in masterplanning at Threemilestone, thereby enabling and unlocking development by the private sector.
- 1.8 As part of this approach, approval sought includes an increase to the capital programme by an amount up to the projected grant from the Housing Infrastructure Fund for the Northern Access Road. This will allow the grant to be used to rapidly make progress in the design and construction of the NAR, which is a critical piece of infrastructure in opening up the development site. In the event that the sum requested from HIF is not granted in full a further report will be submitted to Cabinet seeking approval for an alternative course of action, to be developed in light of the circumstances at the time.
- 1.9 In the second stage, further reports will be brought forward to Cabinet at Business Case (BC) stage in respect of a number of other schemes, including a primary school, community facilities, green infrastructure, a Park and Ride extension and forward funding of drainage. Full costs, income and risks for these schemes will be included in the business cases and expenditure will not be committed until and unless approval is granted by Cabinet at the time, but authority is sought at this stage to create the necessary funding envelope as set out at recommendations 4 a) to d).

### **Langarth Farm**

- 1.10 Following approval to acquire 154 plots at Langarth Farm in June 2018 the Council has worked intensively with the landowner to draw up a revised planning application for Phases 1 and 2 at Langarth farm. This

was submitted on 15 November 2018. The revised design gives the Council the flexibility to employ its own choice of builder to construct properties but in order to achieve a practically developable area the Council will need to take a further 10 plots, above the 154 approved by Cabinet in June, making 164 plots in total (from the total number of 494 plots that comprise Langarth phases 1 and 2).

- 1.11 Contractual agreements for the purchase of the plots at Langarth Farm are planned to be completed by 31 December 2018 and will require the Council to pay for infrastructure being constructed by the developer. Approval is therefore sought for the infrastructure costs associated with 164 plots, plus the acquisition of the additional 10 plots over and above the original 154. A further submission will be made to Cabinet in due course for funding to develop the 164 plots.

### **Design and Delivery Framework**

- 1.12 High level 'masterthinking' for the whole Threemilestone development area was undertaken in early 2018 but this now needs to be developed to a finer level of detail to create a Design and Delivery Framework that will inform the design of the area. It will also support the Local Councils in their updating of the Truro and Kenwyn Neighbourhood Plan that was adopted in November 2016. The design framework will include comprehensive public and member consultation and will deliver a clear vision for the area, with masterplans and design guides. These requirements can be given weight in the planning process through their inclusion in any revision to the Neighbourhood Plan, and through the submission of a new outline planning application for the whole area.
- 1.13 Development of the delivery framework will run in parallel with that of the design framework to ensure that designs are financially viable and that delivery plans are realistic and able to be resourced.
- 1.14 Funding is also sought to progress the initial scoping and design of, and business cases for, public infrastructure and social amenity schemes, including the NAR, a primary school, a community centre, health infrastructure, an extension to the Park and Ride car park and green infrastructure. Construction of the primary school is planned to take place in parallel with the initial development at Langarth Farm referred to above so that it is available to support the new residents of the Langarth Farm development and delivered ahead of what the current planning agreements require.
- 1.15 The Council is also pursuing the designation of the Threemilestone development as a Garden Community by MHCLG in order to open up opportunities for grant funding from government and to promote the requirement to deliver high quality development. A submission was made to MHCLG on 9 November 2018, but a decision on this submission is not likely until March 2019.
- 1.16 Funding is therefore sought to cover the items above and ongoing project and programme management to ensure that schemes are developed within a controlled environment.

## **Northern Access Road**

- 1.17 Work is progressing on the design of the Northern Access Road (NAR), which will unify the various developments at Threemilestone and open up areas of land so that their development can be brought forward. This design work has informed a bid for grant funding from the Housing Infrastructure Fund (HIF) that was submitted on 3rd December 2018, with an award expected in Spring 2019. Approval is sought to use any grant from the HIF for the design and construction of the NAR, noting that in the event that the grant is not awarded in full a further report will be made to Cabinet proposing options for the way forward and alternative sources of funding. Pending the result of this bid, funding is also sought to continue design and survey work to support a planning application for the road and to define specifications for the procurement of contractors to execute detailed design and construction.
- 1.18 As indicated above, investment in the NAR is a key part of the Council's intervention at Threemilestone. It will deliver a high-quality connecting spine through the development area, opening up parcels of land that are otherwise inaccessible without new junctions onto the A390, and facilitating sustainable pedestrian and cycle movement through the area.

## **Investment in public infrastructure and social amenities**

- 1.19 Discussions with South West Water have taken place regarding the arrangements to treat foul water arising from the new developments at Threemilestone. The key components are creating capacity at the main Newham sewage treatment centre, and a means to link the developments to that centre. The works at Newham are undergoing updating at the present time in that context. SWW have also produced draft proposals for the sewage system required to link the development to Newham, and the Council and SWW are working in partnership to ensure that the infrastructure for the whole development is put in place in a single coordinated way, whilst also ensuring that the developments cover the costs and burdens of doing so.
- 1.20 Early Council investment in social amenities, including a school, community facilities and green infrastructure was also envisaged in the strategy approved by Cabinet in May. The Council will seek to recover the cost of such features from developers through planning and commercial agreements as they build out their developments, although any costs invested would be at risk until such agreements had been secured. Their earlier delivery will support community-building, enable development to be brought forward on earlier timescales and provide leverage to the Council on developers to improve the quality of schemes. Commitment of funds for these schemes will only be made following further approvals by Cabinet in due course at Business Case stage. Approval at the present time is only sought to make provision for the cost of these social amenities and public infrastructure in the

Council's capital programme, to enable negotiations to proceed with confidence.

- 1.21 The Council is also mindful of the impact on health infrastructure. The Truro primary care practices are engaging with partners and exploring options for increasing provision and developing alternative methods for delivering primary and community based services. For the Council's part, the strategy for funding set out in this report is a key means of ensuring delivery of that infrastructure in a way that would not otherwise be possible.

## **Land acquisition**

- 1.22 The need for further housing in the Truro area was established in the Local Plan, adopted in December 2016, and Threemilestone developments will make a key contribution to meeting the Council's 5-year land supply, without which we are exposed to the risk of further uncoordinated, poor quality planning applications, in the absence of any design guide.
- 1.23 The Council's initial strategy of selective acquisition and development is succeeding in improving design standards. As indicated above, good progress has been made in improving the design and placemaking qualities of Phases 1 and 2 of the Langarth Farm development as a result of the Council's acquisition of land on that site, and this will result in a high-quality addition of 164 homes to the Council's Housing Development Programme.
- 1.24 Subject to business cases that will be brought forward in due course it is proposed to make further investments in land and property at key strategic sites to support the Council's strategy to improve placemaking and design in the Threemilestone development area, and to provide an investment return to the Council. This will reduce the risks of the private sector developing a series of housing estates and of failing to meet affordable housing targets. These sites will enable the Council to take a direct role in design and development, putting it in a strong position to specify what is built, control when it is built and make a financial return. It is envisaged that the Council will act as master developer, installing services in a significant portion of its land and selling serviced plots to builders, developing further plots and selling properties on the open market, and retaining a relatively small proportion for its own housing stock in the Housing Development Programme for letting at a range of rents.

## **2. Purpose of Report**

- 2.1 The purpose of this report is to seek approval from Cabinet for funding to continue to progress the strategy approved in May 2018 to make selective interventions in development at Threemilestone to achieve the Council's objectives of improved placemaking and urban design – creating a community not a series of housing estates.

## 2.2 Funding is sought for:

- Progression of infrastructure on what would be the Council's land at Langarth Farm Phases 1 and 2, the acquisition of which was approved by Cabinet in June 2018;
- Acquisition of an additional 10 plots at Langarth Farm Phases 1 and 2 to improve the practical developability of what would be the Council's land;
- Further development of the vision, layout and design guides for the Threemilestone development area and continuation of design, survey and other work to inform the development of strategies, planning consents and business cases for development;
- A two-form entry primary school to be built in line with the timing of the construction of the first phase of homes built in the development area;
- Development of other public infrastructure and social amenities ahead of the timing that developers would otherwise deliver these facilities;
- Development of 164 plots at Langarth Farm for the Council's Housing Development Programme; and
- Acquisition of further strategic sites at Threemilestone to enable the Council to gain a stake in development, enhancing design, bringing forward development, safeguarding affordable housing percentages and generating a financial return.

Approval is also sought for the provision of relevant allowances in the capital programme.

2.3 The aim will be to recover the majority of the above expenditure from developers under planning and commercial agreements with developers as properties are built out, secured against the relevant parcels of land. It will be financed from borrowing until such time that the receipts flow back in. Land acquisition for housing will be an investment and provision is sought from the Investment Programme.

2.4 Following approval to acquire 154 plots at Langarth Farm in June 2018 the Council has worked intensively with the landowner and developer (Inox and Sanctuary Housing) of Phases 1 and 2 of the development to draw up a revised design and contractual arrangements. A revised planning application incorporating enhanced layouts and designs for both the housing and the Northern Access Road was submitted on 15 November. The revised design has reallocated the units being acquired by the Council to enable a contiguous area to be bought rather than individual plots scattered throughout the development area as previously envisaged. This will give the Council the flexibility to employ its own choice of builder to construct properties rather than having to use Sanctuary Housing, who are building the remaining properties. In

order to achieve a practically developable area the Council will need to take a further 10 plots, above the 154 approved by Cabinet in June, from the total number being developed of 494 plots.

- 2.5 Contractual agreements for the purchase of the plots at Langarth Farm are being prepared. These contracts need to cover the costs of planning and other obligations that had previously been included in the cost of development rather than acquisition. Approval is therefore sought to progress the infrastructure required to enable delivery of the plots the Council intendeds to develop at Langarth Farm, including associated commitments for roads and other public infrastructure. Further approval will be sought from Cabinet in due course for the development of properties on these 164 plots.
- 2.6 High level 'masterthinking' for the whole Threemilestone development area was undertaken in early 2018. This has formed the basis of discussions with landowners and developers but it has always been intended that a more detailed vision and specification would be produced to ensure that development by the private sector proceeds in a way that meets the Council's placemaking and design objectives. It is therefore proposed to commission consultants to deliver a design and delivery framework that will inform the design of the area, ensure that plans for development are realistic and financially viable. It will also be able to support the Local Councils in their updating of the Truro and Kenwyn Neighbourhood Plan. This will include consultation with the public, developers and councillors to ensure input and buy-in to the emerging designs. In order to ensure that the framework is fact-based its development will be informed by analyses of the housing, retail, employment and energy markets in the context of the development.
- 2.7 Early investment in public infrastructure at Threemilestone is a key part of the strategy approved in May 2018 and work has already started on the design of the Northern Access Road (NAR). Its design will be of a higher quality than a standard estate road and will incorporate cycleways, trees and swales in a 'boulevard' style of highway that will add value to the development and open up development along its length. An application for grant funding from the Housing Infrastructure Fund (HIF) was submitted on 3rd December. In order to maintain the momentum of this project funding is sought to continue survey, design and other work needed to inform specifications to support the procurement of contractor(s) to build the road.
- 2.8 In order to further the strategy of early investment in public infrastructure, approval is also sought to increase the capital programme to provide funds to build a new primary school and a number of other social amenity schemes, including a community centre, health infrastructure, an extension to the Park & Ride car park and green infrastructure. Early delivery of these schemes will provide predictability of cost to developers, enhance the area as an attractive place to live, and support the development of a community in line with the strategy approved by Cabinet in May 2018. Further proposals are expected to be brought forward to Cabinet during 2019.

- 2.9 Ultimate funding of the investments outlined above will be through a combination of Council borrowing, grants (including a prospective grant from HIF for the NAR) and recovery of infrastructure investments through planning obligations (S38, S106, S278), CIL and commercial agreements with developers.
- 2.10 A phased approach will be taken to development. Decisions will be taken incrementally over the next 2-3 years, with major commitment made only after business cases have been prepared and approved. Capital investment in land will be offset by sales and letting of Council-owned land/properties. Short term investment in land and development can be used to generate value that can be reinvested in later phases.
- 2.11 A key objective of the Threemilestone Programme is to determine a balance between public and private sector involvement in development at Threemilestone that gives the best chance of achieving the Council's placemaking, design and financial objectives whilst not overstressing the Council's borrowing and resource capacities. In order to explore the envelope of possible development options initial viability analyses have been conducted at both aggregate level across the whole Threemilestone development, and at individual scheme level. These will be developed further in more detail and the results incorporated in business cases for investment in specific schemes for land acquisition and infrastructure that will be brought forward for approval in due course.

### **3. Benefits for Customers/Residents**

- 3.1 The benefits for customers and residents of the proposed investment programme were set out in the report approved by Cabinet in May. In summary, they are:
- By taking an active coordinating role in the developments the Council will be able to set higher standards for placemaking and design in the area, leading to a sustainable community, a more attractive place to live and providing good quality homes serving Truro, addressing the overall imbalance of jobs and homes and underwriting the Council's policy target of 35% affordable homes.
  - By providing infrastructure that developers would otherwise have to fund at the outset of development, Council investment will help to unlock private sector development of the area, thereby supporting the achievement of the Council's housing delivery targets.
  - Better cycle, bus and walking connections will provide a realistic and practical alternative to car use for accessing the city centre and other services.
  - By retaining some properties within its own housing stock the Council will receive a long-term financial return from home rentals and sales, supporting the Council's overall finances.

- The residents of the existing Threemilestone Village south of the A390 will benefit from investment in improved public realm and sports facilities, and improved connectivity with the new district centre at Willow Green.

#### **4. Relevant Previous Decisions**

- 4.1 On 15 November 2017, Cabinet approved an increase of £70million to the Council's capital programme to continue with the development of a number of schemes so that momentum could continue in respect of acquisitions, feasibility, specialist investment and development advice, as well as promotion to planning permission stage. (See: <https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=67278>) The schemes within the scope of the Threemilestone Programme included Langarth Farm and West Langarth; discussions to buy land parcels to provide homes within the Housing Development Programme and provide a possible extra care scheme; and the Truro Northern Access Road.
- 4.2 On 2 May 2018, Cabinet agreed in principle to the Council taking a significant strategic leadership and delivery role in developments at Threemilestone north of the A390 by way of a programme of specific and selective interventions, and that this programme of interventions would be included in the proposed 2018/19 Investment Programme to be submitted to Cabinet and Council later this year. (See: <https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=71166>)
- 4.3 On 20 June 2018, Cabinet agreed to the acquisition of 154 plots of land plus further land for public infrastructure at Langarth Farm. This decision was ratified by Full Council on 10 July 2018. (See: <https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=72581> and <https://democracy.cornwall.gov.uk/mgAi.aspx?ID=73535>)

#### **5. Consultation and Engagement**

- 5.1 Portfolio holders were briefed on the general strategy approved by Cabinet in May and January 2018, and were briefed on the detailed proposals in April 2018. This paper is consistent with briefings to Local councillors, including Truro City and Threemilestone Parish, during the course of the year. Portfolio holders were briefed on this proposal at IPHB on 19 November 2018.
- 5.2 A public engagement strategy has been developed but needs to be developed further once the funding sought in this report is approved.

#### **6. Financial Implications of the proposed decision**

- 6.1 This report is recommending an increase to the capital programme of £159.047m which can be divided into four categories: Langarth Farm;

Design and Delivery Framework; Northern Access Road and investments in land, infrastructure and development.

- 6.2 Of the total £159.047m capital expenditure, c. £51m is requested for delegated authority to deliver the activities as set out in recommendations 1 and 3 of this report.
- 6.3 The Threemilestone programme will be funded via a mix of sources. HIF funding for the NAR is one example. The other immediate expenditure elements requested in this report are borrowing for Langarth Farm (at recommendation 1) and the use of the Economic Development Match Fund Reserve for the Design and Delivery Framework (at recommendation 2).
- 6.4 It is assumed at this stage the additional elements of the programme will be funded through borrowing, with the expectation of recovery of infrastructure investments through planning obligations (S38, S106, S278), CIL and commercial agreements with developers. These will be assessed in individual business cases as they are prepared for Cabinet.
- 6.5 The Design and Delivery Framework expenditure requests funding from the Economic Development Match Fund Reserve, up to £7.626m, to be repaid as capital schemes are approved from eligible expenditure. The expenditure will support the development of a number of business cases.
- 6.6 Based on this report the NAR will only incur capital expenditure on the award of the HIF bid. Should the HIF bid be unsuccessful, or for a lower amount, a subsequent report to Cabinet is required.
- 6.7 The cost of the full Threemilestone programme, in conjunction with the other existing and proposed capital activity of the Council, will have a significant impact on the capital programme and borrowing levels. At this stage the risk is limited to the additional borrowing required for Langarth Farm. The assessment of land valuations supports the purchase price and should the need arise the land could be sold to recover borrowing costs.
- 6.8 At this stage there is no further approval for capital expenditure and for the other elements of the programme to access the capital uplift business cases will be required for Cabinet to approve.
- 6.9 The Development at Threemilestone programme has a number of estimates included in total cost estimate. In the instance that final costs are lower than current estimates the remaining capital will be returned to the Council's capital programme for alternative use, or the decision to not borrow will be taken to reduce the Council's debt position.

## **7. Legal/Governance Implications of the proposed course of action/decision**

- 7.1 The Council must act in accordance with its general powers and within specific, planning, housing, property, contracts and transport legislation. The Council has a general power to acquire land by agreement under section 120 Local Government Act 1972. The Council's decision to deliver the infrastructure which will service the development will be made under its general power of competence.
- 7.2 The Council's Governance and decision making framework has been, and must continue to be, observed by the Council.
- 7.3 The structure and the assumptions that support Recommendation 1 are set out in the Part 2 report.
- 7.4 The allocation of spending in recommendation 2 will be overseen by capital projects and individual decision notices must be prepared on a quarterly basis so that decisions on spend are clearly monitored.
- 7.5 The structure of the finance behind recommendation 3 is set out in the Part 2 report but will be subject to further high level legal advice to ensure that recovery can be secured through commercial agreements.
- 7.6 The submission of the planning application and its determination must comply with the Council's established procedures. Proposals for the Council's own development should be treated with the same transparency and impartiality as those of private developers.
- 7.7 Specialist legal advice has been sought in relation to the property land acquisition and planning aspects of this intervention.
- 7.8 Further reports must be prepared and approved in accordance with the Council's Governance and Decisions Making framework. Recommendations 4(a) (b) (c) (d) have not been subject to a viability analysis or specialist legal advice so the risks are unknown and are unable to be addressed by legal services in this report.
- 7.9 There are a number of planning conditions and obligations that will have to be satisfied by landowners. In addition the acquisition of 164 plots is subject to high level property legal advice, and the Council's objectives include:
  - (a) The acquisition of land for the development of housing at Langarth Farm and West Langarth (details of which are set out below)
  - (b) The ability to deliver the enhanced NAR through Langarth Farm and West Langarth in a way which is consistent with its proposed enhanced design for the whole of Threemilestone.
  - (c) Improvements in the layout and design of the developments at Langarth Farm to improve long term liveability for future residents and set a standard for the whole of the Threemilestone corridor.
  - (d) Agreement on a revised location for a primary school and the early transfer of that land to the Council within Inox's retained land (Langarth phases 3 – 6) (to be completed at the same time as the other transfers)

## **8. Risk Implications of the proposed course of action/decision**

- 8.1 The potential risks associated with the intervention programme were set out in the May 2018 Cabinet report. These are shown below.
- 8.2 Investment in public infrastructure by the Council is subject to normal project risks, for example of cost and time overrun. Strong project and programme management processes and structures are being put in place to manage these, funded from the allocations set out in this report.
- 8.3 The purchase of land is a usual commission and acquisition by the Council's Commercial Services. The progression of any purchases would be subject to normal contract management and due diligence. An unexpected problem, covenant or site condition may be revealed. If these are revealed before exchange of contracts then the Council may have incurred some fees at risk.
- 8.4 Landowners may change their decision to agree with a sale at short, or no notice. If the owner withdraws then the Council will have expended resources for the purchase with no prospect of recovery but this is not an unusual risk for this type of transaction.
- 8.5 There are a number of planning issues that are being clarified through the normal planning process including the potential modification of extant Section 106 Agreements.
- 8.6 Any purchased sites may not realise the development value projected, or the market may decline significantly, a medium risk for five years.
- 8.7 Major intervention by the Council may result in expenditure incurred by developers becoming nugatory. Developers may also suffer delays in developing their sites that they may claim will cause them to suffer financial losses. There is therefore a risk that developers may seek compensation or even initiate a judicial review, and careful handling of this risk will be needed.
- 8.8 Individual risk assessments will be brought forward as part of OBCs to be submitted for each intervention in due course.

## **9. Comprehensive Impact Assessment Implications**

- 9.1 A Comprehensive Impact Assessment (CIA) for the Threemilestone Programme, was considered by Economic Growth and Development Equality Advisory Group (DEAG) on 31 October 2018 and approved on 14 November 2018.
- 9.2 The key risks and impacts are positive rather than negative. The development strategy for Threemilestone will deliver:
  - Increased numbers of homes, of which 35% will be affordable, at a time of shortage in the Truro area
  - Additional employment opportunities

- Green spaces for the enjoyment of the community, providing increased diversity of plant species
- Connectivity with the existing Threemilestone village and with the rest of Truro
- Improved housing design and placemaking compared with what would have been delivered by the private sector

9.3 The development will have no material adverse impact on any of those with protected characteristics and in some cases will have a beneficial effect. The groups who are affected are those people who will live in the developments, and those people in the local area. By using intelligent designs for units and site layouts the Threemilestone development sites can maximise the opportunities for resident health and wellbeing, and the safety of the local community as a whole. Community engagement and planning processes will be properly deployed throughout the Threemilestone development programme. This will support the programme to ensure that local needs are identified and managed or mitigated through the design process.

9.4 The status quo (a series of uncoordinated consents and no means of co-ordinating infrastructure) is the greatest risk of all.

## 10. Options available

10.1 The key options to meet the Council's placemaking and design objectives were set out and evaluated in the May Cabinet report. Cabinet endorsed the preferred 'Significant Intervention' option that envisaged the acquisition by the Council of significant parcels of land at Threemilestone, coupled with a strategy of early delivery of public infrastructure such as roads, schools, community centres, sustainable travel and green infrastructure

10.2 The strategic options now facing the Council are:

**Do nothing:** Allow private sector developers to continue to progress planning applications that are constrained by the relatively unattractive returns they are likely yield, resulting in low-cost, low-quality development and the likely erosion of affordable housing quotas and minimal ability to bring forward key infrastructure.

**Large-scale strategic intervention:** As endorsed by May Cabinet, this would require significant investment by the Council but would deliver a higher-quality community and safeguard affordable housing quotas. This option would include the construction of the Northern Access Road (NAR) to the Council's planned 'boulevard' design at an early stage of the development, masterplans and design guidelines being put in place and enforced either through land acquisition or through the planning system, and public infrastructure such as schools, community facilities and green spaces being provided at an early stage.

**Intermediate intervention:** A strategy part-way between the options above in which it is assumed that (subject to securing HIF grant funding) the (NAR) is built to the Council's design but that less Council intervention in development results in a lower proportion of the development area being planned in line with a coherent masterplan, with delayed development due to the marginal viability of development from the private sector's point of view.

- 10.3 The initial investment in 164 plots at Langarth Farm, plus the development of the NAR, represent a strategy of intermediate intervention and approval to commit funds for these items is sought from Cabinet now. Further interventions in public infrastructure, social amenities and land represent a strategy of large-scale strategic intervention and approval will be sought to commit expenditure in due course as business cases are developed.
- 10.4 Within the large-scale intervention strategy there is a wide range of options for the achievement of the Council's objectives through the acquisition of land. These include:
- i. Secure planning consents and sell unserviced plots to builders
  - ii. Invest in infrastructure (roads, drainage etc) and sell serviced plots to builders
  - iii. Build properties and sell them on the open market (outright sale or shared ownership)
  - iv. Build properties and keep them to let at a range of rents, from full market rent to social rent

These will be evaluated as part of the viability analysis in the business cases for land acquisition that will be brought forward in due course.

## **11. Background Papers**

- 11.1 Proposed development at Threemilestone. A Case for council intervention. Cabinet, May 2018
- 11.2 A strategic purchase of land at Langarth Farm, Threemilestone – Cabinet, June 2018, Council July 2018

## **12. Supporting Information**

- 12.1 Appendix 1 – Funding requirements up to OBC (CONFIDENTIAL)

### 13. Approval and clearance

#### All reports:

<b>Final report sign offs</b>	<b>This report has been cleared by (or mark not required if appropriate)</b>	<b>Date</b>
Governance/Legal (Required for <b>all</b> reports)	Geoff Wild	5.12.18
Finance (Required for <b>all</b> reports)	Leah Thomas	06.12.18
Equality and Diversity (If required)	Not required	
Service Director (Required for <b>all</b> reports)	Louise Wood	5.12.18
Strategic Director (If required)	Phil Mason	7.12.18