

By: Adam Wilkinson, Managing Director for Environment and Regeneration

To: Environment & Regeneration Policy Overview Committee - 31 January 2008

Subject: Ashford Growth Area - Progress and issues

Classification: Unrestricted

Purpose of report:

- 1. To inform Members of the proposal for the County Council to enter into a formal Collaboration Agreement with the three other main Ashford's Future partners, and the proposed establishment of a Special Purpose Vehicle (SPV) as a key new element in the delivery structure for Ashford's Future in delivering growth to Ashford**
- 2. To examine the implications for the County Council and proposed way forward.**
- 3. To provide an update to Members on KCC activity in support of the Ashford Growth agenda.**

Summary

The County Council is one of four core partners in the Ashford's Future Partnership; the others being Ashford BC, SEEDA and English Partnerships, with a focus on delivering growth in Ashford.

The County Council is supporting the activities of the Partnership, and has particular interests in transport projects, public realm benefits and design excellence, major sites and community infrastructure, waste management, the regeneration of the town centre and transformational projects.

The last year has seen change and progress in a number of areas;

- (ii) the departure of the Ashford's Future MD, and secondment of KCC officer Abby Raymond to take over as interim MD, pending review of partnership;
- (iii) the development of an Ashford's Future Cost Plan and Programme for Development;
- (iv) Securing of Growth Area Funding (GAF 3);
- (v) consideration of future delivery vehicle options, and reappraisal of partnership arrangements;
- (vi) progress of partnership projects;

1. Proposals for new arrangements for the Ashford's Future delivery vehicle and partnership

A report was submitted to COG on 7th December 2007, with a proposal for the County Council to enter into formal agreements to establish a Special Purpose Vehicle (SPV), and review and formalise arrangements for the Ashford's Future Partnership (the detailed report is appended as a background document). A

Cabinet decision is pending; this report is intended to assist in the decision-making process.

In summary the Ashford's Future Partnership was established in 2002 to deliver growth in Ashford. Activity to date has been coordinated by the Ashford's Future core team supported by partners. Following a review in 2006 by Graeme Bell on behalf of CLG (Communities and Local Government), the Ashford's Future Delivery Board (AFDB) has agreed to review arrangements to ensure the partnership moves effectively into a more intense period of delivery and promotes more effective engagement with the private sector.

Accordingly the core partners have been working together to develop a SPV (Special Purpose Vehicle) to deliver specific infrastructure projects and drive forward the regeneration of the town centre. The SPV will subsume the role of the current Ashford's Future Core Team, and provide both Programme Management and SPV Project Delivery functions.

The SPV will be a company, with private sector representation and a private sector Chair.

The AFDB will become the Ashford's Future Partnership Board, and a new SPV Board will be responsible for the functions of the SPV.

The SPV is scheduled to enter a transition period from April 1st 08 with full transfer to a company to coincide with the arrival of the new MD (likely to be by June 08)

A Collaboration Agreement is also being developed to put the partnership on a more formal basis. This will outline those areas that the partners agree to deliver. The Collaboration Agreement will be complemented by a Programme for Development (effectively a business plan) for the Partnership. This Programme will identify lead partners for key projects and those projects to be delivered by the SPV.

2. Implications for the County Council

2.1 The proposals as outlined highlight a number of potential issues for the County Council, outlined and discussed as follows:-

2.1.1 Democratic accountability over public investment in Ashford;

- ◆ The Ashford's Future Delivery Board, in its new guise as the AF Partnership Board (AFPB), will continue as a public sector-led partnership with Ashford BC Chair, retaining formal control of the overall Ashford's Future programme and the allocation of CLG Growth Area Funding (GAF) and tariff monies.
- ◆ The SPV Business Plan will require the formal approval of the AFPB.

2.1.2 Potential conflicts of interest (eg by locating the programme and SPV delivery functions together)

- ◆ Programme management functions for the Partnership will be within the SPV, accountable to the AFPB via a Service Level Agreement.

- ◆ The Articles of the new SPV should avoid it being able to expand its influence beyond that currently envisaged.

2.1.3 Membership of the new SPV and Partnership Boards

- ◆ Membership of the AFPB will be similar to the existing AFDB.
- ◆ The SPV Board will comprise four public sector representatives and four private sector representatives, to include an independent private sector Chair. The private sector Chair has been appointed, with the approval of the AFDB at their December 07 meeting. A process for appointing the remaining private sector Board Members is currently under discussion.
- ◆ EP, SEEDA, KCC and ABC will each be able to nominate a member to the SPV board but once appointed the responsibility of those individuals is to the SPV.
- ◆ These issues are amongst others being considered in the development of the SPV. Details of the SPV will be reported to Members in due course.

2.1.4 Resource implications for the County Council

- ◆ The growth of Ashford is a corporate activity across all Directorates, coordinated by the E&R Directorate. Officers are working to support KCC interests, but also to support the AF team and the partnership.
- ◆ Existing arrangements are unlikely to be sufficient to support a significant gearing up of activity as required by the new Collaboration Agreement/SPV. There is now an opportunity for KCC to review and formalise its support for the Ashford Growth Agenda, and develop a more targeted programme of activity with clear roles and responsibilities. This will enable more effective service delivery and a pro-active approach by the County Council in the delivery of agreed objectives.
- ◆ Although this will require a clearer identification of resources and some changes in the County Council's approach, it is anticipated that this will not affect mainstream budgets, and should result in no additional financial implications for the County Council, with additional staff resource where necessary being funded from external sources.

2.2 Conclusion

The revised arrangements as proposed should retain the confidence of the CLG and improve the AF Partnership's chances of securing adequate ongoing funding for the Ashford's Future programme, including adequate revenue funding for the SPV team and the programme management role carried out currently by the Core Team.

The SPV proposal provides an expanding skill set towards project delivery and management, and provides an efficient means of delivering key projects in Ashford.

3. Update of activity

Key Areas of Interest to KCC and recent activity

All areas of work have been informed and developed with the assistance of Working Groups comprised of partner organisations, including reps from the County Council.

3.1 Transport

KCC is working closely with the AF team, delivering key transport projects that support the expansion of Ashford, support economic development and incorporate public realm benefits.

Projects of County Council interest and some of their benefits are listed below, together with a reference to the Partnership's Transport Strategy.

Strategy element	Action
To introduce a new quality public transport system for the town – Smartlink – and Park and Ride services	Park and Ride to be introduced by Autumn 08; Smartlink bid has been submitted for LTP funding for the period 2011/12
To ensure 'through traffic' uses the M20 and other appropriate routes	M20 junction 10 interim improvements now complete; M20 junction 10A planned for 2012; M20 junction 9 and Drivers roundabout improvements planned;
A programme of public realm improvements, including converting the old historic Ring Road to a series of two-way quality streets and the introduction of a public art strategy to operate within the engineering design	Phase One works complete (introduction of two-way traffic); Phase Two public realm improvements to be complete by Autumn 08; this will also support the County Square development and help to remove pedestrian severance and car dominance in the town centre and in the new communities; 'Hearts and Minds' campaign commenced with the 'Lost O' arts project;
Limited programme of highway improvements; notable inclusions are new Victoria Way, and the dualling of Chart Road	Victoria Road junction works under way; Victoria Way development allows the town centre to expand; Concept design work complete for Victoria Way to Leacon Road; plus proposals to improve traffic capacity at Matalan Roundabout (A28)
To manage car parking so as to minimise traffic volumes entering the town centre	Parking Strategy in place

NB a location map and proposed designs will be on display at the meeting

3.2 Major sites

The County Council is working to achieve corporate and service delivery objectives within major sites. Activities to achieve this are at Appendix 1 of this report.

3.2.1 Section 106 agreements;

In Ashford KCC has secured to date a total amount of **£24,687,554** for Community Infrastructure. The breakdown of this figure is at Appendix 2 of this report.

The County Council is working closely with Ashford BC on a Supplementary Planning Document.

New government proposals for a Statutory Planning Charge (tariff) to replace previous Planning Gain Supplement: a Community Infrastructure Levy. This was outlined in the new Planning Bill published on 27 November, and at present it is unclear as to whether this will replace or operate alongside existing s106 provision.

3.3 Environmental sustainability

The County Council is supporting and helping the development of a number of initiatives where sustainability is a key issue;

- ♦ **The Green and Blue Grid;** a major programme to plan and deliver multi-functional open space and sustainable access in Ashford.
- ♦ **Water Efficiency measures;** KCC has set up, and continues to support, an award winning project to demonstrate higher standards of water efficiency in new homes. And KCC is now leading the development of a pilot project to retro-fit water-saving devices into 500 existing homes. This project will also develop an approach that could be rolled out more widely offering the chance to offset the residual water requirements of new homes.
- ♦ **Energy;** The County Council is supporting the assessment of sustainable energy options for Ashford and the development of preferred management options such as an energy supply company (ESCO).
- ♦ **Ashford's Footprint:** By March 2008 this important study will be completed. It will provide measurement of Ashford's ecological (and carbon) footprint allowing comparisons to be made between different policy and planning interventions. It will also provide a high level monitoring indicator for sustainability of Ashford's development.
- ♦ **Waste Management;** the development of solutions to waste disposal and developing best practice with developers.

3.4 Government Growth Funding

The recent government Growth Area funding (GAF 3) announcement for the period 2008-11 awarded around £23m to Ashford, leveraging around 200m of infrastructure investment. It is anticipated that this will provide funding for a number of projects with a County Council interest. There are further funding opportunities for a share of the £200m CIF (Community Infrastructure Funding) and additional GAF 3 funding held in reserve, plus Regional Infrastructure Funds and other funding streams such as lottery.

Projects with a County Council interest on the preliminary list to benefit from GAF 3 funding, are appended at Appendix 3.

4.0 Conclusions

The County Council continues to have a very important role in the development of Ashford, and is making a major contribution to the Growth Agenda. The revised arrangements of the AF Partnership will assist in formalising and streamlining the County Council's input

Recommendations

To seek Members in principle support for the proposal to establish a Special Purpose Vehicle (SPV) to support the delivery of the Ashford's Future programme, subject to funding being made available to cover establishment and operational costs in the current and future years

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Background Documents

Draft Heads of Terms for Collaboration Agreement

Draft Ashford's Future Partnership function diagram

Paper based on report to COG 7th December 2007 (reflects recent updates)

Appendix 1: Major sites progress report

- ♦ **Templer Barracks;** The s106 was completed in October 2007, securing a new 2Form Entry Primary School site of 1.95ha and contributions of £4.08m towards its building, £3.02m towards Secondary education and a further £1m for Bus services on this scheme
- ♦ **Chilmington Green;** the County Council is pioneering the development of a new, innovative Community Hub model, working with other partner organisations in the Borough. The Chilmington Area Action Plan is currently out to Consultation.
- ♦ **Cheesemans Green;** lack of developer to take this development forward currently.
- ♦ **Newtown Works;** Revised Scheme has been the subject of re-consultation. Scheme cannot support all the community infrastructure contributions sought, therefore reduced level of contributions likely to be recommended with a clawback arrangement (i.e. if value of property increases, the County Council may benefit from an uplift in contributions).
- ♦ **Learning Campus;** the County Council supports the development of a Further Education campus - a transformational project for Ashford - on this SEEDA-owned site.
- ♦ **Elwick Road;** the development of a major mixed-use private-sector led development is in its early stages, with the potential to bring employment opportunities and commercial development to a prominent central Ashford site.
- ♦ **Victoria Way – Bellway Homes site;** planning permission for a scheme for 355 units resolved to be granted subject to the s106 due to be completed imminently; highway works have now commenced.
- ♦ **Powergen site;** a proposal by (Bed) Zed Homes is at appeal currently (Jan 08); KCC is defending its s106 policies for community infrastructure and Highways contributions.
- ♦ **Park Farm South East Extension;** 550 dwellings proposed; an appeal Lodged due to non determination.
- ♦ **Warren Park and Ride;** enabling residential development to support delivery of Park and ride.
- ♦ **Former Police College Training Centre, Kennington;** c500 units – marketed Sept 07 as Development opportunity subject to necessary consents. The County Council will be seeking contributions for both transport improvements and community infrastructure.

Appendix 2; breakdown of contributions to KCC

£14,236,932 Primary education
£10,159,670 Secondary education
£93,236 Libraries
£51,067 Ad Education
£146,649 Youth & Community

Appendix 3; Preliminary GAF 3 funded projects with a KCC interest

- ♦ Newtown Bridge
- ♦ Park and Ride
- ♦ Victoria Way
- ♦ Ring Road
- ♦ Sustainable Waste Management

- ◆ Waste Management; Best Practice for developers in construction and recycling
- ◆ Water Efficiency measures
- ◆ Gateway Plus; enhanced library and other facilities
- ◆ Chilmington Green Community Hub development
- ◆ ESCO
- ◆ Multi-purpose events Arena
- ◆ Green and Blue Grid implementation projects

Appendix 4; Ashford's Future Delivery Board – current membership

Name	Organisation	Position
Councillor Paul Clokie	Ashford BC	Leader
Pam Alexander	SEEDA	Chief Executive
Roger Gough	KCC	Cabinet Minister for Regeneration & Supporting Independence
Lee Amor	SEEDA	Executive Director of Development & Infrastructure
David Hill	ABC	Chief Executive
Adam Wilkinson	KCC	Managing Director, Environment & Regeneration
Howard Ewing	GOSE	Deputy Regional Director of Housing & Planning
Fiona Cruickshank	Housing Corporation	Director – South Investment & Regeneration
David Edwards	English Partnerships	Regional Director – Southern England
Barrie Neaves (Acting Board Member)	EA	Project Manager
Martin Tugwell	SEERA	Director of Development
Robyn Pyle	Private Sector Representative (Land Securities)	Director, Urban Community Development Team
Gwyn Drake	Highways Agency	Divisional Director Network Strategy Division – South
Andrew Wells/Henry Cleary	DCLG	Director Sustainable Communities Unit