

Report to:	<b>Cabinet</b>
Date:	<b>2<sup>nd</sup> May 2018</b>
Title:	<b>Proposed development at Threemilestone – A Case for Council intervention.</b>
Portfolio Area:	<b>Economic Growth and Development</b>
Divisions Affected:	<b>Threemilestone &amp; Gloweth; Chacewater, Kenwyn &amp; Baldhu</b>
Relevant Scrutiny Committee:	
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Approval and clearance obtained:	<b>Y</b>
<b>For Cabinet and delegated executive decisions only</b>	
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)	<b>Y</b>
Published in advance on Cabinet Work Programme?	<b>Y</b>
Urgency Procedure(s) used if 'N' to Work Programme?	<b>N</b>
Date next steps can be taken	<b>12 May 2018</b>

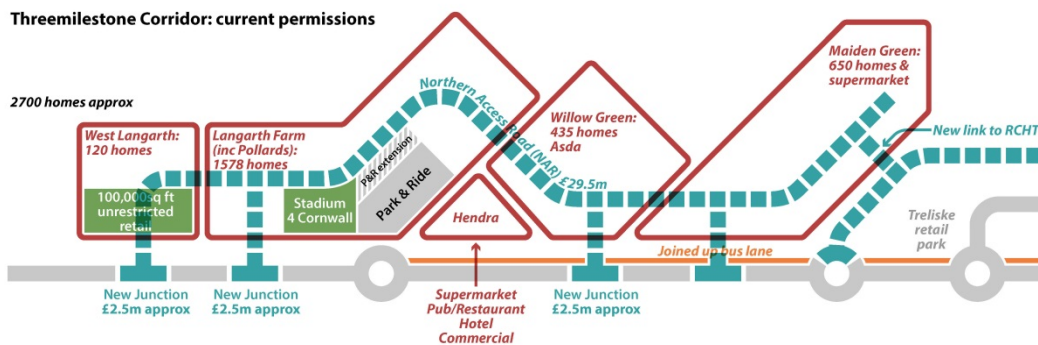
### **Recommendations:**

1. Cabinet agree 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 as described in table 3 of this report;
2. That an Urban Design Strategy, Design Code and associated sub strategies be created, involving public consultation, with the intent that these will become adopted by the Council as a material planning consideration, be the basis for any new/revision to the Truro and Kenwyn Neighbourhood Plan and will provide a policy context for the Council's own commercial/development activity;
3. To progress a revised reserved matters application at Langarth Farm in the context of the emerging urban design strategy and design codes;
4. To initiate engagement with the local community in accordance with the approach outlined in this report; and

5. That this programme of interventions at Threemilestone be included in the proposed 2018/19 Investment Programme to be submitted to Cabinet and Council later this year.

## 1 Executive Summary

- 1.1 The area to the north of the A390 at Threemilestone, Truro currently has a series of planning permissions totalling approximately 2700 homes. They were granted between 2011 and 2014 prior to the adoption of the Local Plan, when the provisions of the National Planning Policy Framework and the inability to show a five year housing land supply led the Council to have to approve speculative applications. This has resulted in a very significant development area, with a projected population of around 8,000 people, which will have a strategic significance for Truro as a whole.



- 1.2 Despite efforts by the Council to facilitate discussion between landowners, developers have advanced planning applications separately and without any coordinated provision of facilities or services. The result is four standalone permissions that compete rather than complement. There will be no town centre (other than largescale, and stalled, retail sheds) and other than the Northern Access Road, no meaningful connection between any of the areas to encourage social interaction and community integration. There is no real connection to Threemilestone, Treliske, Gloweth or Highertown.
- 1.3 This means that over the next 15 to 20 years we will see a place the size of Liskeard, Launceston or St Ives being built as a series of housing estates led by speculative developers, housebuilders and their financiers. If implemented in the form envisaged by the current outline permissions would deliver little more than a series of competing schemes, poorly connected with out of town/road side retail and commercial proposals instead of the people centre, walkable and liveable places that our communities and Councillors want us to deliver.
- 1.4 The first reserved matters approval (for 494 dwellings) includes the first section of the proposed Northern Access Road, which is shown as a standard 6m wide road that will need double yellow lines to control street parking. The layout is uninspiring; the houses themselves are designed to appeal to any of the national house builders rather than the residents and

are a far cry from the Council's ambition to create a distinctive and good quality entrance to Truro.

- 1.5 Significant upfront infrastructure is required for all of the sites, including access, drainage, electricity, and moving electricity pylons and a gas main. Most of the community facilities will only be delivered once significant housing has been built, since the only mechanism to require developers to deliver them is by way of section 106 agreements, which will only deliver new facilities after the need for them has arisen within the development itself. This is why, through regulatory planning, houses are always delivered before infrastructure (as an example the first school may not be open until 8 to 10 years from now) to ensure viability. The scale of infrastructure required is slowing down delivery and requires expensive debt borrowing from private financiers which in turn worsens initial viability. There is a strong risk that without intervention, developers will propose reduced contributions to affordable housing and the things that make for liveable and sustainable communities will be further eroded.
- 1.6 There is no car-based solution for transport in a growing Truro. Our transport modelling requires a significant modal shift from the car to alternative travel into the city centre. On the face of it the development of a significant number of homes at Threemilestone helps the imbalance in Truro between the numbers of jobs and homes in the city but careful planning is needed to avoid exacerbating existing transport issues.
- 1.7 This development is located where bus, walking or cycling into Truro could be the journey of choice for new residents. If we fail to plan infrastructure for this in a timely way, new residents will use their cars and the road network will not cope. The proposed Northern Access Road (NAR) is critical in providing additional capacity on this part of the A390 corridor, but it must be pedestrian and cycle-friendly. There also needs to be cycle, walking and bus infrastructure to meet the needs of residents as they move in to their new homes. Current proposals, however, do not even provide for a continuous cycleway along the length of the NAR and the design of the road itself focuses more on drivers than pedestrians.
- 1.8 Truro has a strong economy, and the focus of this development is to provide homes. Building a new town, however, gives an opportunity to grow jobs alongside homes. Imagine Liskeard or Launceston without businesses, shops, services or other facilities: we should not allow the developments at Threemilestone to become just a housing estate. Elsewhere the creation of new communities has led to at least one new job created for every new home. This will not happen if development is only led by housebuilding and housebuilders.
- 1.9 The current permissions are dominated by a number of proposals for large out of town retail units, each developer competing in a shrinking market. The significant scale of this retail proposition cannot now be supported by the market, but could lead to some poor quality shopping in a sea of car parking that harms the City Centre and undermines good urban design and place making. It will also not meet the day-to-day needs of local people and the new housing, being geared towards car-based traffic on the A390 with lowest common denominator offerings from national chains.

- 1.10 Developer and housebuilder led delivery will provide a mix of homes determined by the housebuilders market analyses, rather than the needs of our communities. There is also a real risk that proposals will be submitted to reduce the level of affordable homes on the basis of viability, particularly in early phases because of the need to forward fund infrastructure as already described. If we are building a new town we need the right homes in the right place.
- 1.11 To date, the process of development of the area has been protracted and uncoordinated, driven by individual developers. Whilst six sites have gained outline planning permissions, reserved matters applications for the residential parts of these developments have been slow to come forward. Notwithstanding the slow progress to date, discussions with developers and landowners have revealed that they are now keen to progress the development of schemes for which they have planning consent. It is clear that developments at Threemilestone will go ahead even if the Council does not intervene.
- 1.12 This report argues that the only way to deliver a well-planned new town rather than housing estates is for the Council to take a much clearer leadership role, including significant commercial intervention as well as a firmer and more proactive planning role.
- 1.13 Council leadership and potential Council land acquisition would also support the Council's Housing Development Programme, bringing a much broader mix of homes to meet residents' needs.
- 1.14 We should also undertake our own strategic viability appraisals and work with partners to get the highest level of affordable homes in the context of the Cornwall Local Plan.
- 1.15 The principles for this new place are broadly already described in the Cornwall Local Plan and the Truro and Kenwyn Neighbourhood Plan, but there is no specific allocation in either plan nor are there any specific formerly adopted policies or master plan. The Council's key objectives for the area are, however, relevant:
- To create a distinctive new place for Truro, linked to, but separate from, the city centre
  - To meet the social, economic and environmental aspects of sustainable development set out in the Local Plan and Neighbourhood Plan
  - To achieve the target level of affordable housing of 35% across the developments, and to ensure that developments help deliver housing, employment and older person accommodation targets.
  - To create a quality built environment that reflects a distinctive Cornish natural and historic form and character, respecting the character and setting of local settlements.
  - To increase the role of Green Infrastructure to provide integrated walking, cycling, play and recreation, to enable safe access by cycle or foot, to provide an opportunity for the capture of water safely in

ponds, wetlands and swales as well as increasing overall biodiversity protecting and enhancing species.

- To provide convenient, accessible and appropriate cycle and pedestrian routes, public transport and road routes within Threemilestone, connected to the surrounding area.
- 1.16 Over recent months a strategy of constructive engagement with developers has been followed, aimed at improving their existing plans for the area in line with Council thinking and an emerging urban design strategy.
- 1.17 Recent discussions with developers have demonstrated that there is scope for modifying developers' consented plans. In particular, the developers of Phases 1 and 2 of the Langarth Farm development, which has reserved matters planning consent and for which Cabinet approved the purchase of 154 plots (out of a total of 494 plots) in September 2017, have expressed agreement in principle to modify the plans towards a design that is in line with the council's objectives.
- 1.18 It is proposed that the Cabinet approved acquisition be brought to Council in July, with a update report to Cabinet in June if required. The proposition to acquire the land would be subject to the developers agreeing to implement revised schemes in accordance with the emerging urban design strategy and revised reserved matters, which the Council is seeking to progress.
- 1.19 A Strategic Outline Case (SOC) for the development sites at Threemilestone has been developed which evaluates a number of strategy and intervention options for the council to follow. The preferred strategic option is for greater intervention by the Council. This option includes the development of an adopted Urban Design Strategy, the creation of issue based sub-strategies and a Design Code for the area. It includes substantial land acquisition by the Council and re-planning existing consented schemes. It proposes forward funding of the northern access road and other community infrastructure, built by the Council in a timely way and sold back to developers as the scheme progresses.
- 1.20 Whilst this strategy could potentially constrain the initial start of development in the very short term, in the longer term it would provide more homes, more quickly, and with more certainty.
- 1.21 The overall programme of intervention is intended to be financially sustainable, with borrowing and interest costs paid back from the overall development. An application for a grant from the Housing Infrastructure Funding of up to £29.5m for the northern access road has been shortlisted for consideration in the next stage of evaluation.
- 1.22 This report seeks Cabinet approval of this ambitious leadership and delivery approach, and to agree that the costs of this programme be included in the Investment Programme to be submitted later in the year

## **2 Purpose of Report**

- 2.1 In July 2017 Cabinet (reference 1) approved the principle of proactive, direct public sector involvement in development and growth to deliver the targets identified in the Cornwall Local Plan and agreed that an appropriate investment and delivery programme be progressed for consideration as part of the Business and Financial Planning process
- 2.2 In November 2017 (reference 2) Cabinet endorsed the objectives and scale of investment, of £600m in the medium term, to deliver this programme. Cabinet agreed that individual projects and programmes would be brought forward for approval on a case-by-case basis within the framework of an annual investment plan.
- 2.3 The November 2017 Cabinet report set out a number of initial projects which included interventions at Threemilestone, including the delivery of the Northern Access Road (NAR) and the purchase of 154 plots at Langarth Farm for development of Council-owned rented properties.
- 2.4 The purpose of this report is to seek Cabinet support for continued work on these proposals in line with the direction of travel of this report, and to invite officers to continue with this as a series of projects funded from the Investment Programme. It is recommended that Cabinet agrees to incorporate the programme of interventions recommended in this report in the 2018/19 Investment Programme scheduled to be considered later this year.

## **3 Context**

- 3.1 Prior to the adoption of the Local Plan, the provisions of the National Planning Policy Framework and the inability to show a five year housing land supply led the Council to approve 2700 homes at outline planning permission stage between 2011 and 2014. These consents were granted within the framework of a Design Brief for the area that was adopted by the Council in 2012.
- 3.2 The adopted transport strategy (reference 4) for the growth of Truro addresses the transport implications of the imbalance in Truro between the numbers of jobs and homes in the city. There is no car-based solution to this current situation; Truro is already dominated by inbound commuters. We need to maximise the number of homes in the city centre and whilst plans for Pydar Street and other sites in the city will help to address this issue, this will take time and the total potential numbers are relatively low. The transport modelling for the area relies on a significant modal shift for the residents of the area and it will be necessary to make bus, walking or cycling into Truro the journey of choice for new residents. If we fail to plan for this in a timely way, new residents will use their cars and the road network will not cope. The proposed Northern Access Road is critical in providing additional capacity on this part of the A390 corridor, but it must be people- and not car-dominated, setting a standard and tone of a quality new place, by being pedestrian and cycle-friendly. It needs to be matched by investment in the existing A390 and connectivity from north to south. However, developers' proposals do not currently provide for a continuous cycleway along the length of the NAR, the design of the road itself focuses more on drivers than pedestrians, and no

proposals from developers address the need for connectivity with the existing Threemilestone community.

- 3.3 If we are going to take an interventionist approach time is critical. At Langarth Farm there is already full planning approval (including reserved matters approval) for 494 homes. Subject to final discharge of planning conditions and highway design this area will start to be built later this year. The land owner Inox already has an agreement with Sanctuary Housing for the construction of Phase 1 and 2.
- 3.4 The scale of growth at Threemilestone is critical to meet our adopted Local Plan; housing will be built here. The choice we now have is to allow the continuation of the current situation or to take an interventionist approach to build a town rather than housing estates.
- 3.5 This is a critical moment. This report sets out four broad options and strongly recommends that the Council takes a strategic place-making role through a series of interventions, proportionate to the need to take a leadership role, that will allow us to build a new town that both our existing and the proposed new community will be proud of.
- 3.6 Officers have been working on a vision and urban design strategy for the area. The draft proposal is to create a vibrant and distinctive new community comprising four new neighbourhood districts. They will provide new distinctive communities in walkable neighbourhoods, connected by sustainable transport, generous and high quality green spaces, with access to shops, facilities and meeting places. This should be a quality, modern but distinctly Cornish place within easy reach of the existing Threemilestone village, Truro and surrounding countryside.
- 3.7 **Policy Context.** The Threemilestone area was identified as a key development area prior to the creation of Cornwall Council and subsequently this was endorsed by the Council when it adopted a Development Brief for the area as a material planning consideration in January 2012. In the adopted Truro and Kenwyn Neighbourhood Plan the area is recognised as having outline planning permissions which meet the quantitative need for homes in the adopted Cornwall Local Plan.
- 3.8 The development area has a currently assessed capacity, based on existing outline planning consents, for around 2700 homes. This is a very significant development area, the size of a small town with a population of around 8000, with strategic significance for the whole of Truro and the surrounding area.
- 3.9 There are, however, no specific site-based policies or proposals and no formally adopted masterplan.

## **4 Strategic Case**

- 4.1 The strategic case for Council intervention in Threemilestone is set out in this section. In summary, this case states that:
- When completed the developments in the area will have a population of around 8,000, the size of a small town

- Developers have been slow to come forward with detailed planning applications and there is also a risk that the city's housing targets, including those for affordable housing, will not be met
- Without intervention there is a near-certainty that developers will build a series of housing estates, devoid of a sense of place and community, and at the minimum standard of housing design
- Intervention by the Council will enable it to bring forward public infrastructure to unlock development, set the standards for urban design, ensure that housing targets are met and build a new town that is well connected with both the existing Threemilestone development and the city centre
- There is an opportunity to provide a new place with green infrastructure at its heart, a healthy and vibrant place, within easy cycling and bus reach of the city centre.

4.2 **Policy Objectives.** In the context of the Cornwall Local Plan and the Truro & Kenwyn Neighbourhood Plan, the Council's objectives for the area are:

- Role and function of places:** To create a distinctive new community based on four interconnected new neighbourhoods linked to, but separate from, the city centre.
- Sustainability:** To meet all of the social, economic and environmental requirements of sustainable development set out in both the Cornwall Local Plan and the Truro and Kenwyn Neighbourhood Plan.
- Housing and employment:** To achieve policy levels of affordable housing of 35% across all the developments. To ensure that developments help deliver the right mix of homes including homes for older people as well as specialist accommodation provision. To use the opportunity to facilitate significant employment to meet the needs of residents and make the place as self-sufficient as possible.
- Character and design:** To create a quality modern built environment that reflects a distinctive Cornish natural and historic form and character, respecting the character and setting of local settlements.
- Green infrastructure:** To increase the role of Green Infrastructure to provide integrated walking, cycling, play and recreation, to enable safe access by cycle or foot, to provide an opportunity for the capture of water safely in ponds, wetlands and swales as well as increasing overall biodiversity protecting and enhancing species.
- Transport:** To provide convenient, accessible and appropriate cycle and pedestrian routes, public transport and road access all properly connected to the surrounding area and in particular to the existing settlement of Threemilestone.

Objective	Risk without Council intervention
a) Role and function of places	<ul style="list-style-type: none"> <li>• Standard estate-style development</li> <li>• Over-provision of retail and other commercial development that may generate profit for developers in the short term but may prove unviable in the longer term, with the risk of</li> </ul>



		unoccupied units for extended periods of time
b)	Sustainability of developments	<ul style="list-style-type: none"> <li>• Schools provided too late in the development process, meaning children having to travel and putting pressure on other schools and their communities</li> <li>• Unsustainable levels of commercial development, risking empty units or plots</li> <li>• Absence of a sense of community – no coherent town/village centres</li> <li>• Poor connectivity with existing Threemilestone community and other local facilities</li> </ul>
c)	Housing and employment	<ul style="list-style-type: none"> <li>• 35% affordable housing target not viable for developers, leading to delay or failure to meet target</li> <li>• Numbers of houses built fall short of targets</li> </ul>
d)	Character and design	<ul style="list-style-type: none"> <li>• Standard 'estate' house designs out of line with local vernacular</li> <li>• Standard 'estate' road design through full length of NAR</li> </ul>
e)	Green infrastructure	<ul style="list-style-type: none"> <li>• Maintenance of green infrastructure left to agents appointed by developers, which provide decreasing quality of service/maintenance over time</li> <li>• No coherence between preservation of existing green/ecological features and provision of usable green/open spaces</li> </ul>
f)	Transport	<ul style="list-style-type: none"> <li>• Discontinuous or no provision of cycle lanes</li> <li>• Poor connectivity with existing local communities, eg Threemilestone village</li> </ul>

g) **Transport:** To provide conven

**Table 1: Risks of continuing with non-intervention approach**

- 4.3 In the absence of Council intervention there is a risk that development will proceed in a piecemeal rather than strategic fashion, and that key infrastructure and facilities to facilitate day-to-day living will not be delivered. This risks the developments falling short of the council's objectives outlined above, as summarised in Table 1 below.
- 4.4 **Planning Permissions.** The area is divided into various sites that to date have been brought forward by developers/landowners as independent proposals; some have received outline planning permission and two sites (or parts thereof) have also secured detailed/reserved matters planning approval. If built out, existing planning consents would result in an incoherent and uncoordinated series of housing estates that would fall short in creating an environment in which communities can develop and thrive. Public infrastructure is likely to be provided only after a substantial number of homes have been occupied, lagging behind the needs of new residents.
- 4.5 The process of development of the area has been protracted (in discussion for at least 13 years) and uncoordinated, driven by individual developers. Whilst six residential sites in the area have gained outline planning permissions, reserved matters applications have been slow to come

forward. Developers are also progressing interests in further plots of land, to the west of West Langarth north of the A390, to the south and west of West Langarth south of the A390, and to the north east of Willow Green; planning applications are expected for these areas in due course.

- 4.6 **Policy Targets for New Homes.** Achieving the Council's targets for housing supply in Truro is reliant on delivery of large-scale sites at Threemilestone. Table 2 below shows the projections made at the time of the Truro and Penryn Neighbourhood Plan, which give a cumulative shortfall against the Plan target of 746 units by 2030.

<b>Development</b>	<b>Total</b>	<b>Planned start</b>	<b>2017/18 – 2022/23</b>	<b>2023/24 – 2030</b>	<b>In Plan Period</b>	<b>Later years</b>
Langarth	1500	May 2018	344	490	834	666
West Langarth	130	Feb 2020	108	22	130	
Maiden Green	515	Feb 2020	215	300	515	
Willow Green	435	Feb 2020	110	245	355	80
Pollards Fields	78	May 2019	78			
Threemilestone subtotal	2658		855	1057	1834	746
Other sites	1328	Various	1059	269	1328	
<b>Total</b>	<b>3986</b>		<b>1914</b>	<b>1326</b>	<b>3162</b>	<b>746</b>

**Table 2: Truro housing supply position at time of Neighbourhood Plan**

- 4.7 The early stages of development of these sites will provide relatively small numbers of dwellings due to a need to provide significant infrastructure on site; larger numbers will be delivered later in the plan period. Discussions with developers have revealed that delivery to 2022/23 is likely to be at least 400 units behind the projections shown in Table 2 above. This risks a failure to deliver to targets within the plan period, which could result in vulnerability to new and further speculative development undermining the Cornwall Local Plan and the Truro and Kenwyn Neighbourhood Plan.
- 4.8 Notwithstanding the slow progress through the planning process in bringing forward detailed planning applications, discussions with developers have revealed that a number have exercised options to buy land in order to progress their consented developments and that they are now keen to make progress. It is therefore clear that developments at Threemilestone will go ahead on the basis of the existing outline permissions and reserved matters proposals being prepared by developers unless the Council intervenes.
- 4.9 Since April 2017 the Council has been reviewing its approach to supporting delivery of development in Truro and how it might address the risks listed in Table 1 above. Through discussions with stakeholders it has

become apparent that there are a number of interrelated issues that have led to development stalling including:

- The area lacks a clear vision and/or holistic 'blueprint' to which all partners are agreed, including how the new developments relate to the existing Threemilestone village. This has resulted in planning permissions being sought and granted in a piecemeal and uncoordinated fashion.
- The uncoordinated approach has led to the projected duplication of community infrastructure (including schools) and retail facilities across the approved schemes.
- Planning obligations have been put in place that the developments can either not fund or not deliver at the right time.
- A lack of service centre and identifiable heart to the developments reduces their attractiveness to future residents and ultimately their development viability. Without pump priming in the form of the Northern Access Road, schools and local shops/services, attractiveness for development and potential residents is likely to be limited in the early phases.

- 4.10 In summary, a lack of coherence and absence of a consistent vision and design standards for the area pose a significant risk of a low-quality and unattractive developments across this strategically important site unless there is intervention by the Council. In the absence of this, developments will not be coherent, the new town will not have a proper centre or sense of community, design will be of a lower quality than desired and there is a risk that the Council's housing targets will be missed.

### **The Opportunity**

- 4.11 The opportunity here is for the Council to take a leadership role, in line with its growth aspirations, to improve place-making and design quality by using a combination of its borrowing capacity, its influence and its planning powers. This will require the buy-in of developers, politicians and the community to deliver a shared and deliverable vision for the area with a cohesive community offer of well sited schools and a district centre. It will also require the strategic road and green infrastructure network delivered at an early stage. The Council's investment in establishing the right approach, with aligned delivery of infrastructure (such as building the NAR), will provide investment confidence to the private sector and bring revenue through agreed developer contributions back into the Council as the developments progress, reducing potential impacts on viability associated with high initial costs of providing the key infrastructure. This approach has been proven to work in other areas across the country and lessons can be learnt from their experiences.
- 4.12 It is proposed to establish a clear vision for the area, maximising the use of the available land, improving urban design and placemaking, and creating a sense of community. Key elements of this vision will be:
- Building the Northern Access Road as an attractive tree lined avenue, designing the road network to be 20mph in all possible circumstances, making the environment pedestrian friendly,

providing a segregated cycle way, and with integrated public electric cycle stands (as being developed in Exeter)

- A new town centre containing local shops, services and facilities consistent with the scale and character of the development, together with two smaller local centres
- A mix of housing sizes, types and tenures to meet local needs, including affordable housing in line with policy targets
- Community facilities, including two primary schools, medical centre, community centre and sports pitches
- A high proportion of public open space, connected by walkable green corridors
- Cycleways and pedestrian walkways connecting all parts of the development, and making connection with the existing community at Threemilestone village
- Employment opportunities – both retail and non-retail
- Particular attention will be paid to the quality of developments, with a distinctive Cornish sense of place, retaining natural landscape features and focusing on architectural character.
- Absorbing some of the initial risk associated, expediting the provision of vital infrastructure could be in exchange for a share in the eventual profit as we unlock significant housing delivery.

4.13 The benefit of this will be the delivery of the right development for Truro and Cornwall, increased numbers of homes and the ability to ensure a continuation of the five year housing land supply. There are a number of stages required to set a new direction. These include:

- Investment in public infrastructure, including the NAR, schools and community facilities
- An adopted design code for the area;
- Land assembly to align with the vision;
- Land acquisition to allow the Council to act as master developer, diversify the opportunity of land parcels for smaller and medium size developers in Cornwall and to allow the Council to build significant numbers of its own housing products;
- Review of the 'big picture', including understanding market needs;
- Ensuring sufficient opportunities for employment of the right type are generated in the area;
- Ongoing developer/landowner engagement to agree a joint vision/strategic masterplan;
- Community and member engagement;
- Strategic viability assessment; and
- Site specific planning consents/ development agreements.

- 4.14 An evaluation of a wide range of options for the extent and nature of Council intervention has been undertaken. The results of the options analysis are summarised in Figure 1 overleaf, with further explanation of the options provided in subsequent paragraphs.

Figure 1: Summary results of options analysis

REFERENCE		OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION a	OPTION b	OPTION c	OPTION d	OPTION e	OPTION f	OPTION g
DESCRIPTION		DO NOTHING	RELY ON PLANNING	PARTNER-SHIP	STRATEGIC INTERVENTION	RESERVED MATTERS	PLANNING POLICY	PLANNING INSTRUMENTS	TRANSPORT SOLUTION, inc NAR	INFRA-STRUCTURE	MODEST LAND	SIGNIFICANT LAND
SC1	Role and function of places	Red	Red	Yellow	Green	Red	Green	Yellow	Green	Yellow	Yellow	Green
SC2	Sustainability of developments	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
SC3	Housing and employment	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
SC4	Character and design	Red	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
SC5	Green infrastructure	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green
SC6	Transport	Yellow	Yellow	Green	Green	Green	Green	Yellow	Green	Yellow	Yellow	Green
EC1	Capital investment	Grey	Grey	Red	Red	Grey	Grey	Grey	Red	Red	Red	Red
EC2	Revenue investment	Grey	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
EC3	Ongoing revenue	Grey	Grey	Yellow	Yellow	Grey	Grey	Grey	Yellow	Yellow	Yellow	Yellow
EC4	Asset value generated	Grey	Grey	Green	Green	Grey	Grey	Grey	Green	Green	Green	Green
EC5	Long-term revenue generated	Grey	Grey	Green	Green	Grey	Grey	Grey	Green	Green	Green	Green
EC6	Scale and complexity	Yellow	Red	Red	Red	Red	Yellow	Red	Red	Yellow	Red	Red
FINDING		DISCOUNTED	DISCOUNTED	POSSIBLE	RECOMMENDED	POSSIBLE	RECOMMENDED	POSSIBLE	RECOMMENDED	RECOMMENDED	POSSIBLE	RECOMMENDED

- 4.15 A number of strategic options for the approach that could be taken to further the Council's objectives for placemaking and design at Threemilestone have been identified:
1. **Do nothing:** Allow developers to come forward with individual detailed planning proposals within extant outline permissions. Do not seek to modify applications of existing proposals to meet objectives.
  2. **Seek to achieve Council objectives through arms-length planning process:** Use the planning process to modify developer proposals at reserved matters stage to achieve objectives
  3. **Council intervention using partnership approach with developers:** Use the Council's resources and strategic leadership, working with developers in a partnership approach, to make a range of interventions designed to improve placemaking and the quality of development. Use an adopted design code and masterplan alongside pump-priming of key infrastructure to act as a framework for negotiation with developers.
  4. **Strategic Council intervention to develop a new town and community:** Make large-scale, strategic investments in land and infrastructure and take control of design and planning consents in those areas to realise the Council's objectives. Develop a strategic vision and delivery plan for the whole area. Develop a design code and commission builds in line with this code. By doing so set an example to private sector developers and enforce improved design standards through the planning process.
- 4.16 **It is recommended that Strategic Option 4 is progressed** as it is the only one that has the potential to deliver the necessary control and influence over the changes to existing consents that will ensure that the Council's placemaking and design objectives will be met. By accelerating development in key sites and setting design standards it will unlock development in the area and give the necessary priority to the creation of a high-quality new town at Threemilestone rather than a series of housing estates. It will also provide the Council with the strongest position with developers in negotiating changes to existing planning consents.
- 4.17 Within this selected strategic option, a range of interventions may be made by the Council that are included in a proposed programme of work to achieve the Council's objectives of placemaking and improved urban design; these are described in the following section.

## **5 The proposed intervention programme**

- 5.1 Based on the options analysis in the Strategic Outline Case, the proposed programme of interventions at Threemilestone is outlined in the following paragraphs. A number of these have already been included in previous Cabinet papers, but others are new.
- 5.2 Development of **an Urban Design Strategy and a Design Code** for the area is under way (Option b in Figure 1), in conjunction with existing land

owners and developers. It is intended that these should be formally adopted by the Council to give weight to them in setting the planning framework for developments and also as a clear context for the Council's own commercial interventions. It is possible that greater planning weight could be achieved by building their requirements into a review of the Truro and Kenwyn Neighbourhood Plan

- 5.3 In parallel with the urban design strategy, it is important to ensure that the new community is economically sustainable; the size of the new community requires a local employment strategy to be developed. A recent economic development assessment for another large consented development identified that having a critical mass of population that can provide a sufficient labour pool is a key driver for the creation of sustainable local businesses.
- 5.4 There are 18,000 commuter journeys to Truro each day, and large centres of employment at County Hall, the College, Hospital and Threemilestone industrial estate all within 2 miles of the development. Access to local housing will support these existing employers, including the key workers for the Hospital.
- 5.5 To properly quantify and address the need and opportunities for employment it is proposed to procure a specific **Economic Impact Assessment** to inform a local employment strategy. We also intend to pursue on-site manufacturing facilities for properties to serve the immediate development requirements and other sites. As expressed in the urban design strategy we will also create an identifiable commercial and retail centre within the development.
- 5.6 Assessment of the strategic **viability** of the Threemilestone area as a whole, and of each of the sites within the area, is also under way. This calculates whether land purchase and development will deliver an acceptable return to developers (or, in the case of land purchased by the Council, to the Council) and will show the impact of different assumptions regarding, for example, the percentage of affordable homes in each development.
- 5.7 A bid for a grant of £29.5m for the **Northern Access Road (NAR)** (Option d in Figure 1) has been accepted in principle by the government's Housing Infrastructure Fund and a final decision is expected in autumn 2018. This will enable the Council to design and build the full length of the NAR, thereby providing access to all development sites and enabling the unlocking of development along the full length of the area. Although a grant to the Council, the investment will be repaid by developers through commercial agreements.
- 5.8 Investment by the council in other **public infrastructure**, (Option e) including schools, public realm, playing fields, sustainable transport (including cycle hire scheme) and energy infrastructure, would also accelerate and provide certainty of delivery of development in the area, and a proposal for such investment as part of an overall package of infrastructure investment that includes the NAR will be submitted to Cabinet as part of the 2018/19 Investment Programme.
- 5.9 A proposal for the Council to **acquire land** at Langarth Farm was approved by Cabinet in September 2017 (reference 3) and a further



report setting out proposals for the funding and delivery of new homes on the land through the Housing Development Programme was planned for submission to Cabinet in May 2018. However, the developers of this site have so far refused to make changes to the (unsatisfactory) design of the development that has received reserved matters planning consent. Subject to formal agreement to redesign the scheme it is recommended to progress the deal. We could then re-plan the entire area in line with the emerging design coding, securing revised planning permissions. This would give greater potential for the Council's Housing Development Programme, including commercial uses supported by the Council's proposed commercial development programme or to sell on to a range of developers to construct in line with the revised permissions. This would set the standard for urban design at the western gateway to the development and provide a precedent for other developments in the area. Legal and financial discussions will continue and it is proposed that the acquisition be brought to Council in July, with a update report to Cabinet in June if required. The proposition to acquire the land would be subject to the developers agreeing to implement revised schemes in accordance with the emerging urban design strategy and revised reserved matters, which the Council is seeking to progress.

- 5.10 The proposal to buy land at Langarth Farm will be a Council decision in accordance with previous resolutions.
- 5.11 Further proposals to acquire land for council development may also be made as opportunities become available. Discussions have taken place with landowners/developers regarding the Council's possible acquisition of land at West Langarth Farm, with a view to deleting the retail proposals and being led by housing and alternative commercial elements.
- 5.12 Taken together with adopted masterplans and design codes, **significant land purchases** (Option g in Figure 1) would set the standard for other developments by the private sector in the area, as well as assisting in bringing forward development of sites to underpin the provision of affordable homes, providing the potential for a long-term income stream for the Council and helping to meet the target for a five year land supply for Cornwall.
- 5.13 Proposals for investment by the Council in village centre public realm, improvements to the road layout to reduce rat-running, new playing fields and other public infrastructure in **Threemilestone Village** will also be brought forward in due course. Such investment would improve connectivity between Threemilestone Village and the new developments north of the A390 and bring much-needed improvements to public infrastructure in the village; they will need to be funded through development contributions, possible grants and potentially up-front investment by the Council.
- 5.14 Subject to Cabinet approval of the recommendations in this report, allowances for the proposals above will be incorporated in the 2018/19 Investment Programme.

The currently envisaged programme of Council intervention projects is summarised in Table 3 below.

<b>Intervention project</b>	<b>Estimated order of cost</b>	<b>Timescale</b>
1. Urban Design Strategy and design code	£300k (£100k already secured from MHCLG grant)	To be submitted to Cabinet for adoption following public consultation in late 2018.
2. Modifications to A390 already approved crossings	Circa £2m	To form part of Investment Programme Cabinet report later in 2018.
3. Northern Access Road	Circa £30m (£29.5m HIF from MHCLG)	To form part of Investment Programme Cabinet report later in 2018. Construction mid-2019 to late-2021
4. Land acquisition Phases 1 and 2 Langarth Farm	Circa £20m plus development costs	To form part of Investment Programme Cabinet report later in 2018.
5. Land acquisition at Maiden Green Farm	Circa £20m plus development costs	To form part of Investment Programme Cabinet report later in 2018.
6. Land acquisition West Langarth Farm	Circa £10m plus development costs	To form part of Investment Programme Cabinet report later in 2018.
7. Primary School	Circa £5m	To form part of Investment Programme Cabinet report later in 2018.
8. Playing Fields at Threemilestone Village	Approx £200k	To form part of Investment Programme Cabinet report later in 2018.

9. Other Public infrastructure	Circa £5m	To form part of Investment Programme Cabinet report later in 2018.
10. Green Infrastructure	Circa £2m	To form part of Investment Programme Cabinet report later in 2018.

**Table 3: Council intervention projects**

## **6 Benefits for Customers/Residents**

- 6.1 The proposed investment programme will provide an opportunity for the Council to set the standard for placemaking and design in the area. By taking control over the development of the NAR and key sites the Council will be able to specify their design, tenure mix and quality thereby meeting the key objective of improving placemaking in the area. All development will be subject to rigorous viability appraisal.
- 6.2 By providing infrastructure that developers would otherwise have to fund at the outset of development, Council investment will also help to unlock private sector development of the area. This will support the achievement of the Council's ambition to deliver 1,000 homes in Truro over the next four years, and 3,900 new homes between 2010 and 2030.
- 6.3 A further benefit will be the potential for the Council to provide homes for the Council's Housing Development Programme giving a long-term financial return from home rentals and sales. The Council could also benefit from the repayment with interest from developers for the public infrastructure investment. These income streams will support the Council's overall finances at a time of reducing central government funding, in line with the Investment strategy approved by Cabinet in November 2017.
- 6.4 Council investment will also deliver key benefits to the residents of the existing Threemilestone Village south of the A390. Possible realignment of the road layout and creation of improved public realm in Threemilestone centre, together with improved connectivity with the new neighbourhood centre at Willow Green, will provide a better sense of community. The possible provision of a playing field for the use of the Threemilestone Football Club will also meet a long-expressed need for improved local sports provision.
- 6.5 Investment by the Council will also support the creation of improved green infrastructure, including green cycleways and footways through the length of the whole development and also between the new development and existing features.
- 6.6 The recommended approach will deliver overarching benefits of a sustainable community, providing good quality homes serving Truro, addressing the overall imbalance of jobs and homes.
- 6.7 This is also a strategic opportunity to provide homes where residents need not drive into Truro because excellent cycle, bus and walking connections

will provide a realistic and practical alternative to car use for accessing the city centre and other services.

## **7 Relevant Previous Decisions**

- 7.1 In July 2017 Cabinet recognised the need for the Council to take a proactive role in delivery of both housing and jobs objectives, and associated infrastructure, as set out in the Local Plan and the Strategic Economic Plan. Cabinet also endorsed and accepted the principle of proactive, direct public sector involvement in development and growth to deliver the Cornwall Local Plan, and that such intervention be delivered through an integrated programme approach.

See:

<https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=66989>

- 7.2 In September 2017, in the first such intervention, Cabinet delegated to the Strategic Directors for Economic Growth and Development, following consultation with other officers and members, to acquire land at Langarth Farm, Truro. Cabinet also resolved that, following satisfactory acquisition of the land, a further report be brought forward setting out proposals for the funding and delivery of new homes on the land through the Housing Development Programme.

See:

<https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=66028>

- 7.3 In November 2017 Cabinet endorsed the vision, objectives and scale (£600m) of an Investment Programme for Cornwall to further the approached outlined at para 7.1 above. Cabinet agreed that an annual business plan for the investment programme be brought forward for its approval, and that projects or programmes within the overall financial scope of the investment and delivery plan would be subject to a detailed business case for approval by the relevant Strategic Director/Portfolio Holder or Cabinet in accordance with delegated powers.

See:

<https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=66028>

## **8 Consultation and Engagement**

- 8.1 Portfolio holders were briefed on the general strategy contained within this report in January 2018, and have been briefed on the detailed proposals in April 2018. Local councillors, including Truro City and Threemilestone Parish, have also been briefed.
- 8.2 A public engagement strategy has been developed and will be implemented following approval of this report.

## **9 Financial Implications of the proposed course of action/decision**

- 9.1 The delivery of the main interventions will be financed through borrowing. The request for this funding will form part of the subsequent Investment Programme report to Cabinet. To access the approved funding a business case will need to be approved through the Council's governance process.

- 9.2 To develop the range of interventions outlined as discrete projects investigation and design will be required to prepare the detailed business case for each project. It is proposed that the approved £2m base budget to support the Investment Programme will support this together with specific grant or service budgets as identified as available. At the time of business case approval and addition to the capital programme the project will capitalise the design and feasibility work and effectively replenish the base budget.
- 9.3 In line with the principles outlined for the Investment Programme the overall programme of interventions should be financially sustainable with all costs paid back by the development.
- 9.4 There is the potential to draw down grant from the Housing Infrastructure Fund of £29.5m for the Northern Access Road, subject to due diligence and final government approval.

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

- 10.1 The Council must act in accordance with its general powers and within specific, planning, housing, property, contracts and transport legislation. Specialist legal advice will be required to develop each separate project.
- 10.2 The Council would be required to advertise and consult on their own applications in the same way as any other application. In addition any application made by the Council must be decided in accordance with the development plan unless material considerations indicate otherwise and the Council would be required take account of relevant planning objections.
- 10.3 The above proposals will require the Council to secure infrastructure contributions, affordable housing and other mitigation through various legal agreements

## **11 Risk Implications of the proposed course of action/decision**

- 11.1 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.
- 11.2 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.
- 11.3 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.

- 11.4 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.
- 11.5 Any purchased sites may not realise the development value projected, or the market may decline significantly, a medium risk for five years.
- 11.6 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.

## **12 Comprehensive Impact Assessment Implications**

- 12.1 A Comprehensive Impact Assessment (CIA) for the proposals set out in this report has been completed. No significant impacts have been identified through the assessment. The CIA has been reviewed and approved by the Economic Growth and Development Equality Advisory Group (DEAG).

## **13 Options available**

- 13.1 A comprehensive analysis of the options available to the Council for progressing with development at Threemilestone was undertaken in developing the Strategic Outline Case. Two categories of options were evaluated: Strategy options and Intervention options. Strategy options representing the overall approach to achieving the objectives set out in section 4.2 above are set out in section 4.14 above.
- 13.2 Intervention options are alternative courses of action for the Council to take to achieve the objectives; many could be adopted under more than one of the strategy options. In summary, the intervention options considered were as follows:
  - a) **Reserved Matters:** Negotiate modifications to developers' proposals at the Reserved Matters stage
  - b) **Planning Policy:** Develop design codes and masterplans for the area to act as a planning policy framework within which development is permitted. These could be adopted as in one of a number of ways: for planning considerations, a Supplementary Planning Document to the Local Plan, Local Development Order and/or as Council Guidance
  - c) **Planning instruments:** Use available planning instruments such as completion orders and revocation orders to influence developers towards meeting the Council's strategic objectives
  - d) **Transport solutions, including Northern Access Road:** Develop a strategic approach to transport along the A390 corridor, designing junctions and other assets accordingly, and make a strategic investment in the NAR, taking control over its route, design and timing, thereby enabling faster development and a reduction in

'building site' conditions over a protracted period as well as a potential financial return to the Council

- e) **Other public infrastructure:** Make strategic investments in other public infrastructure, eg schools, and playing fields, bringing forward availability and enabling higher property values and viability for surrounding development
- f) **Modest land acquisition:** Buy a limited number of plots of land from developers within existing outline consents, thereby helping to safeguard affordable housing and housing targets
- g) **Significant land acquisition:** Buy a much larger portion of land from developers, taking control of masterplanning, housing design and community infrastructure, revising existing consents if necessary, and setting a standard for the whole area

13.3 The summary results of this analysis are presented Figure 1. The analysis showed that Strategic Option 4 was the preferred option, supported by a range of intervention options as outlined in proposed intervention programme at section 4 of this report. However, in the short term it is considered prudent to continue to progress Strategic Option 3 in parallel.

## **14 Supporting Information (Appendices)**

None

## **15 Background Papers**

- 15.1 Delivering Homes, Jobs and Communities: A Programme for Cornwall, Cabinet 26 July 2017
- 15.2 An investment programme for Cornwall (Delivering homes, jobs and infrastructure for communities and places), Cabinet 15 November 2017
- 15.3 A development delivery plan to accelerate housing delivery in Truro to meet strategic need, Cabinet 6 September 2017
- 15.4 Truro Sustainable Transport Strategy, March 2012

## 16 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)	Jane Astbury	17 April 2018
Finance (Required for <b>all</b> reports)	Leah Thomas	19.04.2018
Equality and Diversity (If required)	Not required	
Service Director (Required for <b>all</b> reports)	Phil Mason	20.04.2018
Strategic Director (If required)	John Betty	24.04.2018