



Ministry of Housing,
Communities &
Local Government

Tailored Review of Ebbsfleet Development Corporation

Review report



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Executive summary

Introduction

The Tailored Review of Ebbsfleet Development Corporation (EDC) is part of the government's public bodies reform programme.

The objective of the review was to provide independent, robust and fair challenge, set out informed views and findings and make clear recommendations on the following:

- the continuing need for the functions of the EDC and whether public intervention is still needed
- whether the development corporation model is the most effective model for delivering these functions
- where it is agreed that the organisation should be retained:
 - its capacity for delivering more effectively and efficiently
 - the control and governance arrangements

This report sets out the findings and recommendations of the tailored review.

Key findings

There was a general agreement that EDC is now making significant progress and should remain in place for at least a further five years. This is because the EDC has the potential to perform a critical role in the years ahead, both to shape and drive on-going development in the garden city and, in particular, the area that surrounds Ebbsfleet International Station (known as the central area) and to secure appropriate legacy arrangements. Removing EDC at this point would cause a significant risk to delivery.

To galvanise co-ordinated action by government, the private sector and local authorities in order to deliver a quality sustainable community, the scheme for a garden city at Ebbsfleet should be restated, giving confidence around a shared vision with realistic goals and performance measures.

The delivery of an acceptable and implementable scheme for the central area will be highly complex given land ownership, contractual commitments and existing planning permission framework. This single issue poses a very high risk to achieving a garden city at Ebbsfleet. It requires relevant government departments to work in partnership with the private sector to find a solution. As part of the solution, EDC should play a critical co-ordinating role, potentially investing in infrastructure, supporting early catalyst development and potentially through direct development.

The emerging proposal for a new entertainment park (known as the London Resort) in the northern part of the garden city area, being dealt with as a 'National Strategic Infrastructure Project' (NSIP), is causing uncertainty. The government needs to take co-ordinated action to avoid this continuing as a serious risk to securing a new scheme for the central area and therefore to the garden city concept. The Panel found a fragmented approach in relation to legacy arrangements, with no overarching framework for the long-term management of community facilities and open space in place for the whole area. The EDC has recently appointed consultants to look at an appropriate model and, as a matter of priority, the conclusions arising from this work need to be developed.

The existing approach to capital spend requires a high level of average cost recovery (75%) which includes community infrastructure. It is not clear why elements that are not capable of generating a return are included in the recovery calculation. This puts at risk some core elements of the garden city mandate.

EDC appears to lack the revenue funding to undertake necessary feasibility studies which is limiting its potential to influence how several billions of pounds are invested. For example, EDC needs to engage commercial advice on the changing nature of the central area and on the approach to the legacy work.

The lack of certainty about EDC's future, the inability of the Ministry of Housing, Communities and Local Government (MHCLG) to recruit an experienced permanent chief executive on competitive terms, and unacceptable delays in confirming the appointment of a replacement board director, are all undermining EDC's effectiveness and ability to fulfil its potential. These issues need to be addressed as a matter of urgency.

The panel were told that the relationship between the EDC and MHCLG has improved and become more effective over the last six months. Nevertheless, urgent action is required to put in place a co-ordinated, productive arm's length relationship, including a review of appropriate levels of financial delegation and a joint EDC board effectiveness review.

EDC lacks some key skills including direct commercial development skills and has limited design capacity. These are likely to be critical in negotiations and delivery of development of the central area. EDC should conduct a skills review to include an assessment of the skills needed to enable a more proactive and co-ordinated approach to community engagement consistent with garden city principles.

EDC staff are currently accommodated at the North Kent Police Station where there is restricted access for staff and public. This is not appropriate given EDC's role as a decision-making planning authority. New accommodation should be sought as a matter of urgency. Human resource procedures also require review, to ensure that processes and procedures are in place, and staff made aware of them.

List of recommendations

Ref	Recommendation	Report page number	Criticality
1	The EDC functions remain necessary and the corporation should remain in place for a minimum of five more years, subject to a review after five years to ensure that the organisation remains fit for purpose.	17	Urgent
2	The government should restate the vision for the development at Ebbsfleet as a garden city with a re-launch of the scheme emphasising the move to the delivery phase to give confidence around a shared vision.	17	High
3	EDC and MHCLG to agree new KPIs that are realistic, with SMART targets, having regard to the momentum in delivery and the embedded challenges going forward.	18	High
4	Government is urged to take a co-ordinated approach to enable EDC to facilitate a new viable scheme for the central area and explore direct government intervention as a catalyst. In addition to relevant teams in MHCLG, this should draw in key departments and agencies such Department for Transport (DfT), Highways England (HE) and Homes England.	19	High
5	EDC need to undertake viability assessments to test the balance between residential and commercial aspects of the existing planning permission for the central area.	19	High
6	Government needs to review the implications of the London Resort proposal, particularly for the central area of the garden city. It should explore ways to mitigate the impacts, such that a realistic scheme for the central area can be brought forward within the next two years.	20	High
7	As a matter of the highest priority: a) The EDC chair, with MHCLG support, needs to recruit a full-time chief executive using an appropriate professionally supported recruitment campaign and commercial remuneration package b) MHCLG needs to formally confirm the appointment of a replacement board member.	21	Urgent

Ref	Recommendation	Report page number	Criticality
8	An in-depth joint review of EDC board effectiveness and specific roles be undertaken, including the respective roles of chair and chief executive.	21	High
9	EDC and MHCLG need to reset their relationship so that the right high level of contact is maintained regularly at board level. There should be a co-ordinated point of contact within MHCLG established for operational matters, together with co-ordinated management of MHCLG teams.	23	High
10	MHCLG to review financial delegations that are appropriate for the task in hand, anticipated being at a minimum of at least £5 million.	23	Medium
11	EDC and Homes England to build on their current working relationship and ensure that their combined skills and resources are utilised effectively and their work aligned where appropriate, including support from MHCLG.	24	High
12	EDC and MHCLG to review the balance of skills at the EDC, focusing on the move to the delivery phase. This should include commercial development through either appointment, or a long-term arrangement with a private sector consultancy at a senior level	24	High
13	EDC to consider the adequacy of design skills appropriate to participate in the range of negotiations including the master-planning work being undertaken by developers for the central area.	25	High
14	EDC and MHCLG to review planning resources in light of London Resort National Strategic Infrastructure Project demands.	25	Medium
15	EDC to develop a community focus and formalised programme of engagement with an appropriate skilled resource in addition to current communication/public relations capacity to engage with incoming residents and wider existing host community in association with developers and local authorities.	26	Medium

Ref	Recommendation	Report page number	Criticality
16	MHCLG and EDC to review human resource (HR) processes to ensure that all necessary procedures and practices are in place and staff fully aware and trained as appropriate and an EDC board member identified to take a specific interest in HR matters.	27	High
17	EDC and MHCLG need to secure appropriate accommodation that is fit for purpose and accessible to the public and compatible with the planning function of the development corporation.	27	Urgent
18	EDC and MHCLG should review revenue funding to take account of feasibility studies and advice necessary to enable EDC to fulfil its role consistent with the outcome of recommendation 2 above, and the efficiency of existing shared services, particularly IT.	28	High
19	EDC need to develop stewardship and legacy arrangements, to deliver a holistic approach to green infrastructure, services and facilities, including coordinating with landowners where existing maintenance mechanisms are in place and where these arrangements are not capable of encompassing the wider area.	29	High
20	MHCLG and HM Treasury (HMT) should review the need for 75% cost recovery for those investments, such as green infrastructure, that do not make a financial return, and lower returning elements such as the Grove Road regeneration.	30	High

Introduction and background

Background to the Tailored Review

The Tailored Review of Ebbsfleet Development Corporation (EDC) is part of the government's public bodies reform programme. Tailored reviews are carried out at least once in the lifetime of a Parliament for each body and have the following aims:

- to provide robust challenge to and assurance of the continuing need for individual organisations – both their functions and form
- where it is agreed that an organisation should be retained, to review:
 - its capacity for delivering more effectively and efficiently
 - the control and governance arrangements in place

All tailored reviews are carried out in line with the Cabinet Office "Guidance on Reviews of Non-Departmental Public Bodies"¹.

Objective of the review

The objective of the review is to provide an independent, robust and fair challenge, set out informed views and findings and make clear recommendations on the following:

- the continuing need for the functions of the EDC and whether public intervention is still needed
- whether the EDC model is the most effective model for delivering these functions
- depending on the first two points, to review the EDC's corporate effectiveness including:
 - what good looks like for the EDC now that it is in investment and delivery phase and the arrangements that would best equip the EDC to deliver the garden city
 - governance, accountability and assurance arrangements
 - capacity for delivering effectively and efficiently
 - the relationship with MHCLG and MHCLG's sponsorship arrangements
 - the physical location of the EDC

Full terms of reference can be found at Annex A and lines of enquiry agreed with MHCLG

¹ Tailored Reviews: Guidance on Review of Public Bodies - <https://www.gov.uk/government/publications/tailored-reviews-of-public-bodies-guidance>

at Annex B.

Process

The review panel was composed of senior civil servants and senior external individuals with experience and expertise in the development industry, planning and finance. The panel was independent of the EDC and its MHCLG sponsor team. Information on the review panel is set out at Annex C.

The review panel carried out a short and focused review through reviewing papers and data, carrying out interviews with relevant stakeholders, visiting the site, and attending a board meeting. A full list of interviewees is available at Annex D.

The review panel would like to thank all those who took part in the review, who contributed significantly to the panel's understanding and findings.

Overview and context of the EDC

Background on Ebbsfleet

In the March 2014 Budget, the Chancellor of the Exchequer announced plans to create a new garden city – the first for over 100 years – at Ebbsfleet in North Kent. The garden city is made up of a number of large, complex brownfield and former quarries sites lying between Bluewater shopping centre, Ebbsfleet International train station and the Thames river embankment at Northfleet.

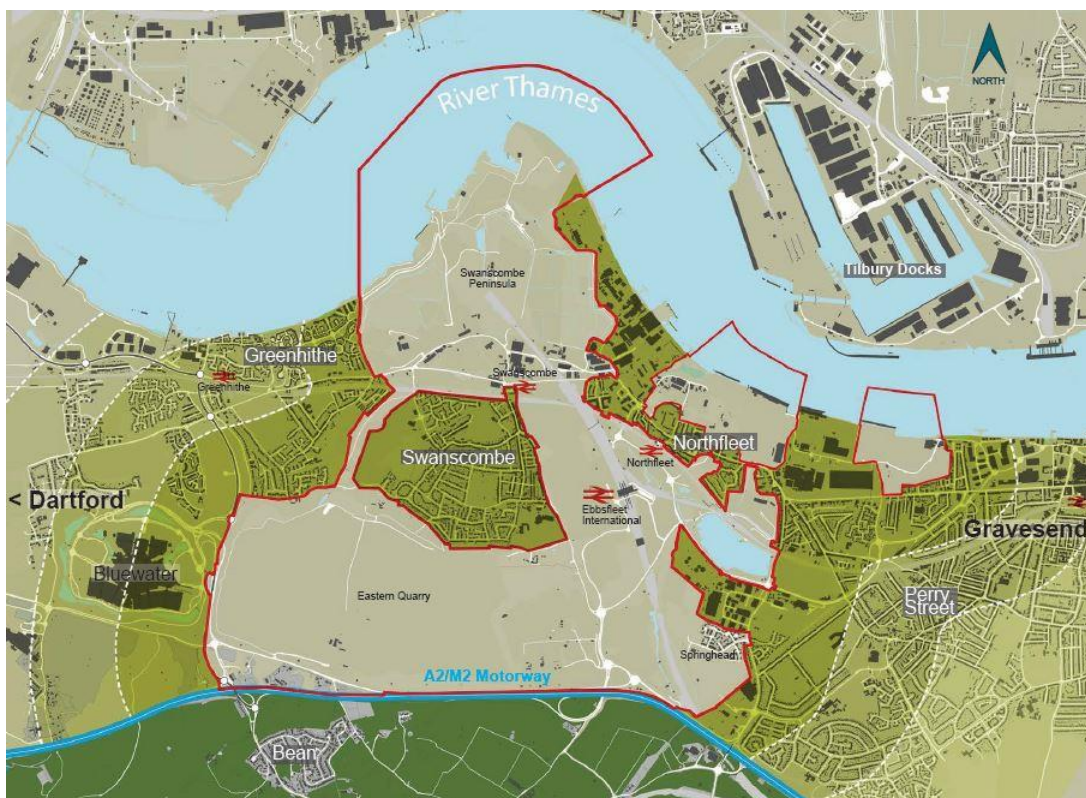


Figure 1: Extent of the EDC's planning determination powers

Major development at Ebbsfleet has been proposed for some time. Plans for Ebbsfleet Valley scheme date back to the mid-1990s when the decision was made to locate the new international rail station at Ebbsfleet. However, despite some of the sites being included within local council's development plans and subject to planning applications, progress had been slow. To unlock the potential of the area, the Ebbsfleet Development Corporation (EDC) was established. EDC is an urban development corporation (UDC) established under the Local Government, Planning and Land Act 1980 and subsequent secondary legislation of 20 April 2015². The corporation is a statutory body which reports to the Secretary of State for Housing, Communities and Local Government. The corporation was set up to provide the direction, focus and expertise necessary to coordinate investment, create the conditions for private sector investment and facilitate new development to meet the needs of both residents and businesses. The EDC also became the planning decision-making authority on 1 July 2015, taking on combined development control powers from parts of Dartford borough council, Gravesham borough council and Kent County Council³. The EDC's target is to deliver 15,000 new homes and 32,000 jobs with a target of 5,100 new homes by 2021.

The naming of this initiative as a 'garden city' presents a significant challenge since it is quite different in terms of governance and ownership to either the early 20th century garden cities or later new towns. The principles applying to garden cities (or villages and settlements) are widely accepted by practitioners as those summarised by the Town and Country Planning Association in 2014⁴. In setting up EDC however, the land was and remains in private ownership. Therefore, unlike its 20th century predecessor garden cities or new town corporations, the EDC does not have control of any land and specifically, land purchased at existing use or near existing use value, which had enabled these earlier settlements to make effective legacy arrangements and produce a long-term return. Nor did EDC start with a 'blank sheet of paper'. Land allocations in the relevant local plans and outline planning permissions, together with design codes and Section 106 agreements dealing with planning gain for much of the area of the garden city, were also already in place. Furthermore, there is the inherent challenge of not developing on previously undeveloped 'green' land but in a series of chalk quarries with contaminated land and complicated levels of hydrology in an otherwise densely populated part of North Kent. The whole of the northern part of the EDC area falls within the boundary of the London Resort National Strategic Infrastructure Project (NSIP) which would also have a significant impact on the garden city.

2 The Ebbsfleet development corporation was designated under Part 16 (Urban Development) of the Local Government, Planning and Land Act 1980 and subsequent Order – 'Urban Development - Ebbsfleet Development Corporation (Area and Constitution) Order 2015 Statutory Instrument 2015 No. 747' defines the area.

3 As set out in Urban Development - The Ebbsfleet Development Corporation (Planning Functions) Order 2015 Statutory Instrument 2015 No. 748

4 New Towns and Garden Cities: Lessons for Tomorrow - Stage 1 Report: An Introduction to the UK's New Towns and Garden Cities (2014) -

<https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=5bda030e-0b33-42ed-b4d4-0d4728be4ebd>

The vision for Ebbsfleet Garden City also includes a city centre to be built around the Ebbsfleet International train station on the High Speed 1 line. This is known as the central area. An outline planning permission for the central area is already in place, including up to 5 million square feet of commercial space. There is currently a legal requirement for extra car parking spaces to be provided (bringing the total to 9,000) to serve Ebbsfleet International station.

The mandate for EDC, set out below, refers to established 'appropriate Garden City principles' but, in the context of the governance and existing land ownership arrangements and permissions, can necessarily only be achieved through EDC being: the decision-making Planning Authority (largely reserved matters); infrastructure investment (Circa £300M - £75M net of targeted recoveries); potentially direct development; and finally influence. These are referred to in EDCs Corporate Plan as 'our 4 levers'⁵.

EDC Mandate

The overall mandate of the EDC is to serve as a catalyst for the creation, at pace, of a new garden city for the 21st century whose features include:

- high quality housing, with designs and layout in keeping with local preferences
- well integrated social and economic infrastructure
- ample, high quality green space and development which respects the natural environment
- a coherent identity that takes account of, and delivers benefits for, existing communities in the wider local area as well as those living in the new development

The EDC will deliver on that mandate by doing the following:

- **[Strategy for the EDC area]** Working with local partners and local people to develop a vision for the area and a strategy for delivering that vision. The vision for the area will be one that is supported by local people, with a coherent design and incorporating appropriate garden city design principles. The vision and strategy must make the most of local knowledge, through in-depth engagement with local people, so as to create large-scale development where people want to live and work. The vision and strategy will need to reflect uncertainties relating to individual sites and the UDC will identify and develop alternatives where required.
- **[Homes]** Delivery of significant new residential development with high quality design standards in the UDC's area of operation. The UDC will bring land into effective use, creating a coherent place that meet the needs of the area and enhancing delivery and quality through innovative approaches such as custom build. The UDC will ensure that

⁵ Ebbsfleet Development Corporation Corporate Plan 2016-2021 - <http://ebbsfleetdc.org.uk/wp-content/uploads/2017/09/PUBLIC-Corporate-Plan-V1.pdf>

residential development is consistent with the local plans and is suitably balanced with commercial opportunities.

- **[Investment]** Unblock barriers to housing and commercial development by facilitating or, where appropriate, directly providing investment in new infrastructure. The UDC should identify and administer proposals for the financing and delivery of the development of the garden city to maximise private sector investment and deliver value for money.
- **[Employment]** In developing and executing its plans and activities, take account of the employment needs of the area including through the employment opportunities afforded by the creation of the garden city.
- **[Delivery]** The UDC will engage with local people, will work with local partners and inward investors, and exercise its planning powers to expedite delivery of the garden city according to a clear timetable and value for money, accelerating housing delivery substantially beyond the current trajectory.

Governance structure

The governance structure of the EDC is set out on their website⁶. The board is responsible for ensuring that the corporation:

- performs its functions effectively and efficiently
- fulfils the overall aims, objectives and priorities set out in its corporate plan
- complies with all statutory or administrative requirements relating to the use of public funds

The chief executive is also a board member.

Funding

In the 2015 Autumn Spending Review the Chancellor announced an increased allocation for Ebbsfleet Development Corporation of £310 million to cover expenditure over the five years from April 2016 with a profile spend of £39.1 million in 2016 to 2017. This money is to forward fund utilities, transport and other community infrastructure needed to unblock housing and invest in the existing and future communities. It is to be invested in the expectation that 75% of costs will be recovered through, for instance, developer or commercial contributions.

⁶ <http://ebbsfleetdc.org.uk/about-us/> (viewed 1 October 2017)

Review findings

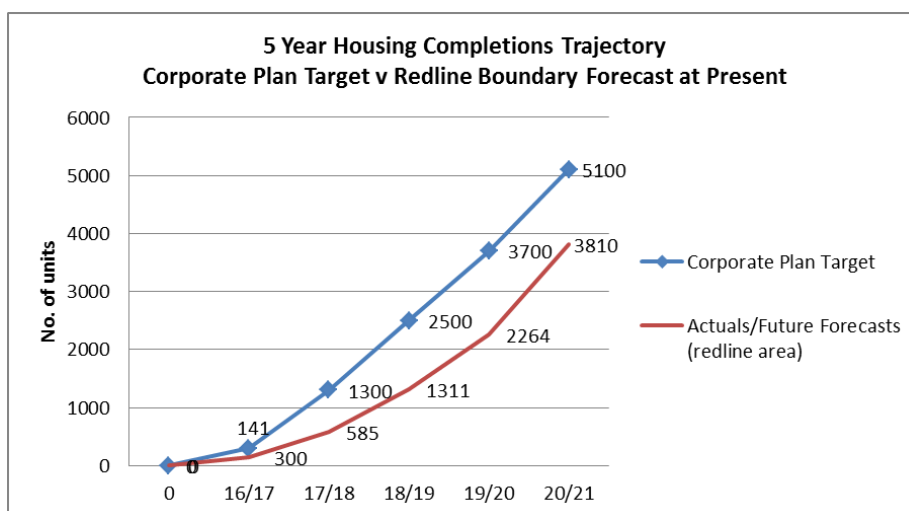
Status of the EDC - function and relevance

This section examines whether there is a continued need for the functions fulfilled by the EDC, and if there is, whether the EDC is still relevant to the core business of MHCLG.

The continued need for the EDC

There was a general acceptance by virtually all parties interviewed as part of this review and involved within the Ebbsfleet Garden City, that the EDC has the potential to perform a critical role in the years ahead to shape and drive ongoing development, and to galvanise a solution to the remaining significant challenges in order to deliver the central area around the Ebbsfleet Station quarter and secure appropriate legacy arrangements.

It appears to the review panel that, in setting out the mandate for EDC, the full extent of the challenge relative to the governance and powers available was not fully recognised. However, on-the-ground delivery has started to increase. As of September 2017, 703 homes have been completed since development of the garden city started, and on-site housing starts are running closely in line with the 2017-18 business plan annual target of 545 starts (262 starts April – September, running at 48% of annual target). The panel saw evidence that this improved pace of development was projected to continue. Whilst some of those interviewed stated that much of this delivery would have happened without the EDC, others suggested that the pace of development may not have been as great, particularly given the EDC investment to forward fund infrastructure. Regardless, as we state later in the report, the continued existence of EDC is critical to the delivery of a garden city. The key infrastructure so far, with recently approved business plans includes: the power supply, the A2 junctions, and the 'Fastrack' public transport investment. There remain critical investment needs, if delivery is not to stall once again, and if the central area in particular is to be brought forward.



In addition to the delivery of the central area, the EDC role is essential if the vision of creating a sustainable settlement along 'garden city principles' is to be achieved, rather than a series of suburban housing estates. The central area is fundamental to that vision, as is the creation of high quality strategic green space, city-wide community facilities, the regeneration of the riverside areas and effective legacy arrangements, all of which are dealt in more detail in later sections of this report. Development build out at garden city of 15,000 homes and 32,000 jobs is planned to be built out over the period to 2035⁷.

A commonly held view amongst stakeholders, and one with which the panel is inclined to agree, is that now is not the time to change delivery arrangements, especially as momentum to deliver the capital programme is picking up and the planning service is working effectively and building up relationships. Work is well advanced on the next critical business case for infrastructure dealing with foul water, arrangements for the roll out of the power in accordance with the approved business case is in progress, complex discussions concerning the central area have begun and work is commencing to bring together wider legacy arrangements.

The panel considered whether other delivery models might be appropriate for the project. Options included:

- bringing the EDC function into MHCLG
- transferring responsibility to Homes England
- transferring responsibility to the two local council areas (Dartford BC and Gravesham BC)

MHCLG does not have the skills or capacity to deliver a project of this scale. The development area spans two local authority areas, both of which are represented on the EDC board. There needs to be a co-ordinated approach across government to facilitate the development of the central area site (as referenced later in the report), which is crucial to the delivery of the garden city, and the ability to achieve this would likely be weakened by a solely locally-led approach to delivery. The panel found little appetite from Homes England for taking over the role of EDC. The panel also considers local involvement, as incorporated in EDC to be important. However, the panel believe that there is significant potential for the EDC and Homes England to work together more effectively to the benefit of the garden city and, as far as the central area is concerned, for EDC to adopt a more proactive approach potentially including direct development

It was generally felt that a radical change at this point could create major uncertainty, leading to a slowing down rather than a further acceleration of housing growth. Further, a more settled skilled team had been established within EDC with appropriate skills to continue the momentum. Removing EDC at this point would be a significant risk to delivery.

⁷ Ebbsfleet Development Corporation Implementation Framework 2017 - <http://ebbsfleetdc.org.uk/wp-content/uploads/2017/04/Ebbsfleet-Implementation-Framework.pdf>

In conclusion, the panel believe that there would be no strategic benefit in moving to a new alternative delivery arrangement and that the current arrangement, with a dedicated development corporation, is the most effective way of delivering a garden city at Ebbsfleet in the current circumstances set out above.

The panel's view is that the EDC should remain in place for a minimum of five more years, although there may be a role beyond that depending on a review at the time. The EDC's functions, post 2021, are likely to focus primarily on the delivery of the critical central area, strategic open space and regeneration opportunities at Northfleet Riverside, all of which are pivotal to the creation of a garden city. Given that the panel believes that the EDC should continue beyond 2021, it did not give detailed consideration of the actions needed to deliver a smooth exit. However, this should be stipulated as a line of enquiry in the next review of EDC. The panel believes that legacy arrangements for the garden city need to be prioritised going forward.

Recommendation 1 – The EDC functions remain necessary, and the corporation should remain in place for a minimum of five more years, subject to a further review after five years to ensure that the organisation remains fit for purpose.

Vision

Clearly, given the current widely recognised housing crisis, especially in London and the southeast of England, government is focussed on delivering a step change in housing delivery. Part of the EDC remit is, of course, to contribute to the supply of new housing at pace and to remove any blockages that prevent that happening. However, the approved EDC corporate plan⁸ sets out a broader vision for the establishment of a quality sustainable place.

During our investigations we noted mixed messages coming from government as to the importance of these wider objectives compared to a concentration on the delivery of housing numbers alone. It could well be argued that the two are not incompatible since the better the place the more attractive it is likely to be to investors and potential residents, although the focus on numbers may cloud the broader objectives. As explained later in this report, to deliver the vision for the garden city requires further action by government which will be the most important statement of all concerning the vision. In the meantime, to give confidence and to achieve the stated aim of fully involving all the stakeholders, including the surrounding local communities, the panel believe it would be helpful for government to confirm what it intends, in partnership with key stakeholders.

Recommendation 2 – The government should restate the vision for the development at Ebbsfleet as a garden city, with a re-launch of the scheme emphasising the move to the delivery phase to give confidence around a shared vision.

⁸ Ebbsfleet Development Corporation Corporate Plan 2016-2021 - <http://ebbsfleetdc.org.uk/wp-content/uploads/2017/09/PUBLIC-Corporate-Plan-V1.pdf>

The Ebbsfleet Garden City is largely being delivered on private sector land pursuant to existing planning permissions and master plans which were put in place long before the EDC was established. The objectives of the EDC enshrined within the corporate plan sets out the principles and key performance indicators (KPIs) (at Annex E) upon which Ebbsfleet Garden City should be delivered. Given the historic nature of the consents, and the fact the EDC does not own the land, the panel are not convinced that all of these KPIs can be delivered. It was noted that some KPIs do not have SMART (specific, measurable, achievable, realistic targets), or even any quantifiable targets at all. Realistic outcomes against which future performance can be measured need to be agreed as part of the refresh of the vision and considered in the light of the levers available to the EDC.

Recommendation 3 - EDC and MHCLG need to agree new KPIs that are realistic, with SMART targets, having regard to the momentum in delivery and the embedded challenges going forward.

Central area

Ebbsfleet Garden City is also situated adjacent to the highly successful Bluewater retail development which, interviewees noted, would limit the extent to which new retail and leisure uses could anchor any new town centre at Ebbsfleet central. That said, interviewees confirmed that, together with the extensive green infrastructure envisaged in the masterplan and regeneration of the riverside sites, a city centre remains a vital component in delivering a high quality new settlement at Ebbsfleet. All three of these elements remain significant challenges.

As previously stated, an outline planning permission was already in place for the central area including up to 5 million square feet of commercial space. However, post the 2008 crash and subsequent significant mixed-use development at Stratford and now also emerging at Canary Wharf, the market in Ebbsfleet for commercial space and achievable rents are considered to be in a very different place to where they were when the earlier permission was sought, notwithstanding the fast journey time to central London now available on the high-speed line. The historic reliance upon such a large component of commercial development would appear to compound the inherent viability and delivery challenges faced.

The challenge in terms of the city centre is further complicated by:

- i) the cost of replacing the existing 'at surface' car parking to make way for development, plus potentially providing several thousands more car parking spaces, in line with existing agreements which, in the light of changed mix of development, may well not be required
- ii) the current blighting effect of the London Resort proposal, located in the northern part of the EDC area. This is because of the perceived necessity to link the resort to the A2 trunk road via a four-lane road, accommodated through the garden city's centre, on a line and in a manner yet to be defined. This matter is dealt with later in this report.

From what the panel were told by wider stakeholders and landowners, viability is likely to be a significant issue, particularly in relation to the overall quantum of commercial floorspace, such that a different balance of uses will need to be negotiated. The panel learnt of emerging proposals for a 'health quarter' which, whilst encouraging, is reportedly still some way off commitment. The private sector land owners also seem to be some way off from bringing forward any firm proposals. It is essential that the blight caused by the resort proposal is resolved but even then, it is clear to the panel from discussions with the various stakeholders that the delivery of an acceptable scheme for the central area will be highly complex and requires involvement of relevant government departments working in partnership with the private sector to address these issues. Whilst a solution is beyond EDC and even MHCLG alone, the panel believe that EDC could play a critical co-ordinating role, potentially investing in infrastructure and supporting early catalyst development (such as the emerging medical campus proposal), or indeed taking a more direct development role itself, as well as fulfilling its role as decision-making planning authority. This is pivotal to the panel's recommendation that EDC should continue to exist for at least a further five years.

The panel understand that a series of master-planning meetings concerning the central area have been scheduled. We strongly believe, however, that more fundamental issues need to be discussed across government, recognising the critical role that development of the central area plays in realising the garden city vision. This could be achieved through, for example, the establishment of a cross-departmental implementation board. It is not inconceivable that negotiations across government and with private sector owners and operators will take 1-2 years with a scheme and agreements emerging thereafter, contributing to the conclusion above that EDC will need to be in place for a minimum of five years.

Recommendation 4 – Government is urged to take a co-ordinated approach to enable EDC to facilitate a new viable scheme for the central area and explore direct government intervention as a catalyst. In addition to relevant MHCLG teams, this should draw in key departments and agencies such Department for Transport (DFT), Highways England (HE) and Homes England.

Recommendation 5 – EDC needs to undertake viability assessments to test the balance between residential and commercial aspects of the existing planning permission for the central area.

The London Resort NSIP

The whole of the northern part of the EDC area and a wide corridor linking to the A2 falls within the boundary of the London Resort National Strategic Infrastructure Project (NSIP). Whilst the scheme is potentially positive in terms of employment opportunities, it is currently having a significant blighting effect on the central area. The panel understands that discussions to narrow the road corridor through to the A2 and how that will impact on land take are ongoing, and that a formal development consent application for the resort is anticipated to be submitted in the early part of 2018. Even so, it is understood that at least

25% of developable land in the central area will be lost, particularly if it is not possible to develop above the road. Covering the road at least in part appears to be essential to ensure appropriate links, public realm and maximising of the developable area. The panel believe that this is a serious risk to securing a new implementable scheme for the central area and therefore to the garden city concept itself.

Recommendation 6 - Government needs to review the implications of the London Resort proposal particularly for the central area of the Garden City. It should explore ways to mitigate the impacts, such that a realistic scheme for the central area can be brought forward within the next two years.

Governance

This section sets out whether the governance of the EDC is efficient and effective between the sponsoring body and the rest of government.

Context

The key sites within the garden city are situated within the administrative boundaries of Dartford and Gravesham borough councils and have already benefitted from outline planning permissions and/or allocations in the relevant local plans. The sites are complex however, with many significant technical and investment hurdles to overcome, and, despite longstanding consents, had either not commenced or stalled. Key sites are also owned by the private sector creating further challenges to the role and effectiveness of the EDC.

Given the inherent complexity, the historic nature of the consents, and the cross-boundary working with public and private sectors needed to establish a co-ordinated vision and delivery strategy, the initial expectations placed upon the EDC were unrealistic and the apparent frustrations at the lack of delivery in the early years appears unwarranted.

Notwithstanding this, the EDC has had difficulties assembling a settled team capable of leading the envisioning, promotion and delivery of the Ebbsfleet Garden City and, even now, continues to operate with a temporary chief executive and a board that is under capacity.

The lack of certainty about the future sustainability of the EDC, the decision at the very highest level not to offer a remuneration package on market terms, or engage a specialist executive search agency for the recruitment of a permanent chief executive, and unacceptable delays in completing the recruitment process for a new board member, have all contributed to this unsatisfactory state of affairs. For the EDC to function to its full potential, this needs to be addressed as matter of urgency. The recruitment of a permanent chief executive is likely to be particularly challenging. Given the skill set required, which includes a commercial awareness of the development industry, a track record of negotiation and delivery, the ability to promote EDC and inspire and support the staff team, the field is likely to be relatively limited to the extent that professional approach to seek out candidates will undoubtedly be required.

The EDC board is undoubtedly made up of highly experienced members. The panel was far from convinced that sufficient use was being made of their experience. Given the extensive challenges faced by EDC and the lack of a permanent chief executive, there appeared to be insufficient contact or proactive engagement between the chair and the highest level of government, and insufficient consideration as to whether the skills of the board were effectively utilised in supporting and challenging EDC on its delivery and engaging at the appropriate level with MHCLG ministers, senior officials and external stakeholders. At the same time as refreshing the vision for EDC, and notwithstanding the self-assessment review undertaken earlier this year, it would be beneficial to undertake a review to identify and address any barriers that impede the board members in effectively delivering their role, taking account of the matters identified as part of this review, including but not limited to, the past less than effective relationship with MHCLG. The panel believes therefore, that it may be timely for a more in-depth joint review to be undertaken of board effectiveness, which should consider whether certain board members should take a particular specialist interest. The board chair and incoming chief executive will between them need to liaise regularly with government at senior political and civil service levels on those matters identified in this report requiring further government decisions and actions.

Annexes F and G set out the EDC project governance and risk governance structures respectively.

Recommendation 7 – As a matter of the highest priority:

- a) The EDC chair, with MHCLG support, needs to recruit a full time chief executive using an appropriate professionally supported recruitment campaign and commercial remuneration package**
- b) MHCLG needs to formally confirm the appointment of a replacement board member.**

Recommendation 8 - An in-depth joint review of EDC board effectiveness and roles be undertaken including the respective roles of chair and chief executive.

Relationship between MHCLG and EDC

The sponsoring teams at MHCLG experienced significant change of personnel in the early years, as was also the case at the EDC, and the relationship between the EDC and MHCLG has been less than effective. The EDC has an experienced board but has been very remote from the key sponsors and policy formers within the department and separated by a wall of processes which, whilst necessary from an accountability perspective, disrupted an effective and timely strategic approach to decision making. The panel noted a lack of skills and experience within the relevant sponsoring teams within MHCLG relating to understanding the development challenges of delivering a new settlement of this scale and nature. The panel were told and agree that the slower than anticipated delivery in the first two years is not at all surprising given the complexity of the task and limited range of powers available, and that some of the earlier criticism is unwarranted. At the same time, the poor quality of the initial business cases submitted,

and a tendency to commit to unrealistic delivery timescales by EDC undermined confidence in EDC and has also contributed to a less than satisfactory relationship. Going forward, whilst delivery has now picked up pace, it is worth noting that flexibility around the detail of the capital investment programme would benefit delivery, because of the complexity of the schemes and especially given that EDC is subject to the timeliness of critical infrastructure beyond its control (for example the A2 junctions by Highways England).

Notwithstanding the above, the panel were told and believe that the functioning of both the EDC and MHCLG has become far more effective in the last six months with all stakeholders welcoming the galvanising role of the EDC. There remains an issue as to the number of contact points the EDC has to deal with within MHCLG, and the panel were made aware of inconsistent advice being received as a result of this and a lack of clarity on vision and priorities for EDC, as referred to earlier.

The relationship and effectiveness of delivery is not helped by the low level of financial delegation afforded to EDC, set at £250,000. This has led to the panel being advised of extreme examples of micro-management. Given the significant experience of the board, and subject to the appointment of a permanent chief executive, who would also be the accounting officer, the panel would expect a corporation of this nature to have significant financial delegation. Given the size of the capital programme, a delegation limit of £5 million would be appropriate.

It is acknowledged that the main elements of the capital programme running to tens of millions would, by necessity, be subject to business cases to MHCLG and, in certain cases, HM Treasury. The panel were advised of the inadequacies of some business cases, and a feeling that MHCLG staff had to spend a disproportionate amount of time in making them fit for purpose. It was acknowledged that given new appointments with a wider range of skills, the learning already done from previous business cases, and a more effective approach to project management within EDC with a realistic spend profile, the quality of submissions had improved significantly.

The panel also notes that EDC is a relatively small organisation with a complex task and a focus on delivery skills it is not surprising that knowledge of detailed internal government processes is limited. An appropriate partnership and clear lines of communication with the sponsoring department should be able to deal with business cases efficiently and effectively. However, the panel acknowledge that the business case /assurance process and Cabinet Office controls around government expenditure are such that engagement of EDC at a senior level, as well as working level, is required to ensure that processes run as smoothly as possible.

A framework document formally sets out the terms of the relationship between MHCLG and EDC. This document sets out the Accounting Officer responsibilities that have been designated by the Permanent Secretary of MHCLG to the chief executive of EDC. The respective responsibilities of the Accounting Officer are set out in Chapter 3 of *Managing*

*Public Money*⁹. The Accounting Officer has the responsibility of ensuring that the appropriate internal controls are embedded within the EDC and reported back to DCLG through the regular Accounting Officer meetings. The Chief Executive of EDC has put in place suitable internal controls, including project governance and risk management structures, so as to ensure that he is meeting his Accounting Officer responsibilities. These structures are set out in annex F and G of the report. The Framework document will need to be refreshed in the light of the recommendations of this review.

The panel identified instances where information and knowledge had either not been stored or passed effectively between teams within MHCLG, for example the Major Projects Authority Project Assessment Review 2016. Further detailed attention to handover processes, succession planning and general coordination under a lead senior manager is required.

Recommendation 9 – EDC and MHCLG need to reset relationship so that the right high level of contact is maintained regularly at board level. There should be co-ordinated point of contact within MHCLG established for operational matters, together with co-ordinated management of MHCLG teams.

Recommendation 10 – MHCLG to review financial delegations that are appropriate for the task in hand, anticipated being at a minimum of at least £5 million.

Relationship between EDC and Homes England

A further important relationship is the one between Homes England and EDC. Homes England was involved in the original set up of EDC, is involved in the provision of significant infrastructure loan funding at Eastern Quarry, and could play an important role in the development of the central area. The panel were advised of an effective day-to-day operational relationship. However, there had been considerable concern over a lack of common strategic approach to the site at Northfleet Embankment East, resulting in a lack of alignment and some wasted effort.

The panel had been asked to consider whether it would be more efficient and effective for Homes England to take over the responsibilities of EDC. The panel found no significant appetite for such an approach. There are considered to be advantages for maintaining EDC, including democratic representatives of the local communities, especially as a positive relationship with them is part of the EDC mandate and key to the garden city vision. The risk of a hiatus in delivery that a change could bring at this point is referred to elsewhere in this report, and the panel judge that there is continued merit in having an organisation 'on the ground' focussed on complex issues and relationships. A further advantage is EDC being the decision-making planning authority, which again includes local representatives.

Recommendation 11 – EDC and Homes England to build on their current working relationship and ensure that their combined skills and resources are utilised

⁹ HM Treasury *Managing Public Money* July 2013

effectively and their work aligned where appropriate, including support from MHCLG.

Efficiency and effectiveness

This section examines whether the delivery structure and arrangements are efficient and fit for purpose.

Resources and skills

Amongst all stakeholders, sponsors and the EDC itself, the panel heard of a widely accepted view that EDC's initial set up resulted in a 'false start', not helped the number of interim staff and a poor balance of skills relative to the task at hand. Since that time, EDC has taken time to assemble a more settled team with a more appropriate balance of skills. Project programming skills and a more robust project programming approach were said to be especially important.

Commercial skills

A number of interviewees believe that there is still a gap with regard to direct development and commercial skills, likely to be critical in negotiations regarding the central area investment decisions should EDC become involved in any direct delivery. This gap may be influenced depending on the skills of the permanent CEO once appointed. It may prove difficult to recruit anyone of sufficient experience and seniority to the CEO role and a preferable route may be for EDC to enter into a contract with a suitable consultancy to act on a 'call off' basis.

Recommendation 12 – EDC and MHCLG to review the balance of skills at EDC, focusing on the move to the delivery phase. This should include commercial development through either appointment or a long-term arrangement with a private sector consultancy at a senior level

Planning and design

In the panel's experience, the EDC planning function is generously staffed in comparison to most local planning authorities, a particular advantage that allows it to be responsive. Private sector developers report that the EDC's planning function is attentive, responsive and fit for purpose, albeit that there has been staff churn which has now settled. Having the decision-making planning powers is one of the key strengths of the corporation and another reason to keep arrangements as they are for the foreseeable future.

The developers did advise that there are sometimes seemingly challenging differences between the KPIs embedded within the developers' contractual obligations to the land owners and the KPIs by which the garden city is meant to be delivered. This is inevitable whilst the land within the EDC area remains within private ownership and EDC is constrained to work within the parameters of existing permissions. Elsewhere in this report a review of KPIs has been recommended, but otherwise these matters will continue to be the subject of negotiation.

The panel were made aware of local council concern over, as they saw it, the broad interpretation by the EDC, as planning authority, of what can be accepted as changes to existing outline permissions under Section 73 procedure¹⁰. This issue is relevant to the latter phases of development at the Eastern Quarry site (where the panel understands the matter is being successfully resolved), but may be of greater significance in relation to the extant permission for the central area where the same issue is likely to arise. The panel has been assured that this matter has been the subject of thorough legal advice to the board and will be kept under review as the proposals for the central area emerge.

EDC has a single member of the team with design skills whose time appeared to be spread rather thinly between negotiating reserve matters with a view to the promotion of high quality housing and public realm, the emerging proposals for the central area and promotional materials and formal documents such as the EDC Implementation Framework 2017. As noted elsewhere, master planning sessions for the central area are already being programmed. As these progress, it may be appropriate for EDC to review how it can best meet all these demands either by appointment or buying in an appropriate resource.

Recommendation 13 – EDC to consider the adequacy of design skills appropriate to participate in the range of negotiations including the master-planning work being undertaken by developers for the central area.

As explained elsewhere in this report, the London Resort is intending to bring forward its application early in 2018. Whilst EDC are not the decision makers in this case (that being the relevant Secretary of State), local planning authorities (LPAs) are statutory consultees. From experience elsewhere, LPAs have reported that NSIPs place considerable demands on staff time. It follows that EDC will want to keep this matter under review to avoid impact on its decision-making responsibilities in the rest of its area.

Recommendation 14 – EDC and MHCLG to review planning resources in light of London Resort NSIP demands.

Community engagement and data transparency

The panel believe that the EDC complies with MHCLG's Open Data Strategy and were advised that the strategy attempts to identify how MHCLG and its arm's length bodies can drive reform and service improvement through transparency and greater participation from citizens, communities, partner groups and small businesses.

The EDC's board meetings are open to the public and are broadcast over the internet (except where confidential issues are being discussed). The board agenda and non-confidential papers are published on the EDC's website in advance of each meeting, and questions for a formal EDC response can be submitted to the board via the website six

¹⁰ Section 73 of the Town and Country Planning Act 1990 - <http://www.legislation.gov.uk/ukpga/1990/8/section/73> (as viewed 1st October 2017)

days before any meeting. The EDC's performance is presented in a summarised, accessible form on its website and reported publicly through its annual report.

EDC planning committee meetings are open to the public and reports can be viewed five working days before the meeting. Representations can be made when an application is considered by the committee. Open access planning surgeries are held frequently at a local public location. Direct access by the public would be importantly enhanced if EDC's office location was changed in accordance with recommendation 17 below.

However, the panel believe that EDC needs a more co-ordinated approach to direct community engagement. A key part of EDC's mandate is to work closely with the surrounding local communities and incoming residents. Such an approach is normally embedded in the development of new communities and important in developing stewardship and legacy arrangements as well as developing civic life. The panel noted the extensive publicity and communication activity undertaken by the EDC team, and that the Section 106 agreements do require the developers to provide some resource to work with new residents. Nevertheless, the panel consider that EDC should review its available skills to enable a more pro-active and co-ordinated approach to community engagement, consistent with garden city principles and the development of legacy arrangements and civic life in co-operation with the district councils and existing or new parish/town (local) councils. In this regard, the panel were advised that Dartford borough council is currently subject to a review of administrative boundaries which presents a significant opportunity to tailor new democratic arrangements to meet the need of the Ebbsfleet Garden City community.

Recommendation 15 – EDC to develop a community focus and formalised programme of engagement with an appropriate skilled resource, in addition to current communication/public relations, to engage with incoming residents and wider existing host community in association with developers and local authorities.

Human resources (HR)

EDC does not have a dedicated HR resource and relies on its sponsoring department for professional HR advice. During its investigations the panel were made aware of a relatively high level of staff turnover and a lack of formal procedures being adapted for and applied to EDC's operation. Whilst it is accepted that it would not be an effective use of resources for EDC to have a dedicated HR professional on its staff, it is considered that a temporary secondment would be appropriate. The 'start and finish task' of the person seconded would be to ensure that all necessary procedures and processes were in place and staff trained and made aware as necessary. To ensure HR processes are embedded and effective a board member could take a particular interest in HR matters, including for whistleblowing procedures, in line with the recommendation 8 above.

Recommendation 16 – MHCLG and EDC to review human resource (HR) processes to ensure that all necessary procedures and practices are in place and staff fully

aware and trained as appropriate and an EDC board member identified to take a specific interest in HR matters.

Accommodation

EDC currently leases office accommodation in the North Kent Police Station building. The panel learnt that at least two members of staff could not access the office because of stringent security arrangements and had to be accommodated offsite. It is also understood that if a major security alert were declared, all staff could be asked to make temporary alternative arrangements. Furthermore, the public do not have free and ready access to the building, which is particularly inappropriate given the EDC's role as the decision-making planning authority. Off-site surgeries have to be arranged from time to time. The lease is up for renewal in June 2018 and the Kent Constabulary are understood to be consolidating their own accommodation needs. Apart from the obvious issues of lack of resilience and efficiency, the current position is detrimental to staff motivation, moral and security.

The panel consider this situation to be wholly unacceptable, particularly the lack of ready and free public access to planning related decision-making, and believe that arrangements for surgeries or meetings by appointment would not be acceptable alternatives in any other planning authority. New accommodation could improve public visibility and give staff a much better sense of being valued.

Recommendation 17 – EDC and MHCLG need to secure appropriate accommodation that is fit for purpose and is accessible to the public and compatible with the planning function of the development corporation.

Revenue

The panel believes there are two ways of considering the relative revenue costs of EDC. On the face of it, the net revenue cost of around £3.8 million per annum – although this includes significant costs of EDC's role as decision-making planning authority – could be seen to be managing an investment programme of circa £300 million. A wider interpretation is that the revenue costs are seeking to influence the delivery of a development with a total value of several billions. The sponsors could not identify any similar organisation against which to benchmark the revenue spend, and those dissimilar organisations identified varied widely, such that it was impossible to draw any firm conclusions.

The panel found no evidence than any further sharing of back office services would be either efficient or effective. Indeed, some use of MHCLG services, such as the IT system, created inefficiency by being too restrictive in terms of security to allow the necessary link to the National Planning Portal (essential for any planning authority), such that EDC planning staff have to have two computers and enter information twice. The panel understands that the same is true for finance staff.

Accepting the wider interpretation of EDC's role above, which is consistent with the mandate it has been given, the panel do not consider the revenue funding to be excessive. Indeed, the panel noted that the only way any resource was identified to begin the critical legacy work came about by offsetting it against staff salary, which itself was offset by monies obtained from 'Healthy New Towns' initiative. Other feasibility work is being funded by the monies accruing because of planning fees being higher than predicted. In the panel's experience the type of work in which EDC is engaged is bound to require some feasibility work at risk, since given the unique context set out in this report, innovative solutions will be required (for example as illustrated by the power supply project). The need to engage commercial advice on the changing nature of the central area, to inform negotiations and investment decisions, and the need to complete the legacy work will also require resource if EDC is to be effective.

Recommendation 18 – EDC and MHCLG should review revenue funding to take account of feasibility studies and advice necessary to enable EDC to fulfil its role consistent with the outcome of recommendation 2 above and the efficiency of existing shared services particularly IT.

Legacy arrangements

Given that this garden city development is quite different in terms of land ownership, ownership of assets and the capacity for land value capture to earlier models, an innovative approach to the provision and long-term sustainability of community facilities and strategic open space will be required.

In the absence of a wider strategy across the garden city, landowners and developers have put in place long-term management arrangements for each village quarter pursuant to a number of agreements under section 106 of the Town and Country Planning Act 1990¹¹ and linked to the various extant outline planning approvals. These require service charges to be paid by residents for the upkeep of shared open space and facilities which are being administered by a series of management companies. It is understood that the principal land owner has in place an overarching estate management company which procures services through private sector contractors for site-wide infrastructure and maintenance. Additionally, the s106 agreements require the provision of certain community facilities for which the developers are also responsible for finding long-term operators in whom those facilities can be vested. It is understood there are some areas of strategic open space that are not covered by this approach.

This fragmented approach, established before the formation of EDC, appears to be at odds with the aspirations to create the garden city, as set out in the mandate to EDC:

- well integrated social and economic infrastructure
- ample, high quality green space and development which respects the natural

¹¹ Section 106 of the Town and Country Planning Act 1990
<https://www.legislation.gov.uk/ukpga/1990/8/section/106> (viewed 1 October 2017)

environment

- a coherent identity that takes account of, and delivers benefits for, existing communities in the wider local area as well as those living in the new development

The lack of overarching legacy arrangements at this stage is considered unusual. At the very least, developing a holistic city-wide stewardship and legacy model should create economies of scale, ensure a consistent approach to quality, and provide an opportunity to deliver services to the garden city as a whole, not currently included in individual 106 agreements for the development areas. The panel understands that consultants have recently been appointed by EDC to propose an appropriate model for long-term stewardship and management of the garden city. However, the panel learnt that to carry this through to later stages and implementation will require support in terms of revenue funding, dealt with earlier in this report.

Recommendation 19 - EDC need to develop stewardship and legacy arrangements, to deliver a holistic approach to green infrastructure, services and facilities, including coordinating with landowners where existing maintenance mechanisms are in place and where these arrangements are not capable of encompassing the wider area.

Capital programme cost recovery

The panel learnt that EDC are required to achieve 75% cost recovery on all capital expended. There is little evidence as to the timescale for that recovery, although EDC papers assume it to be 30 years. The projects identified as core infrastructure in the Investment Programme are: electricity provision to the garden city, improved access to the A2, an extension of the 'Fastrack' bus service, and Ebbsfleet Central, accounting for some 72% of investment. Another critical piece of infrastructure is understood to be the potable water and waste water provision. Some infrastructure does not provide a return. The green corridors project that aims to link green spaces and walkways has a 0% recovery rate. The Grove Road regeneration scheme may only have a recovery rate of 40%. In order to reach the stipulated recovery rate of 75%, EDC has put together a tiered approach¹² to investment decisions, whereby investments with a nil or low level of recovery are scaled back until they can be afforded from a cost recovery perspective. The panel's investigations indicate that, under this scenario, the Grove Road regeneration scheme has been reduced from £26 million to £5 million, City Parks from £8 million to £3 million, and green corridors from £2 million to £1 million.

Such an approach would seem to put at serious risk several of the core elements that characterise successful garden cities and which were specifically included EDC's mandate at set up. This could potentially prejudice the creation and long-term sustainability of the city. The panel questions why particular elements that are not capable of generating a

¹² Investment Programme Assurance Paper (26 July 2016)

return are included in the recovery calculation. Given the nature of this high-level review it was not possible to investigate this further in any detail but it is something the panel recommends is thoroughly reviewed.

Recommendation 20 - MHCLG and HM Treasury (HMT) should review the need for 75% cost recovery for those investments, such as green infrastructure which does not provide a financial return and lower returning elements such as the Grove Road regeneration.

Annex A – Terms of reference

The objective of the review is to provide an independent, robust and fair challenge, set out informed views and findings and make clear recommendations on the following:

- the continuing need for the functions of the EDC and whether public intervention is still needed
- whether the EDC model is the most effective model for delivering these functions
- depending on the first two points, to review the EDC's corporate effectiveness, including:
 - what good looks like for the EDC now that it is in investment and delivery phase, and the arrangements that would best equip the EDC to deliver the garden city
 - governance, accountability and assurance arrangements
 - capacity for delivering effectively and efficiently
 - the relationship with MHCLG, and MHCLG's sponsorship arrangements
 - the physical location of the EDC. This will examine whether there is a requirement for all the EDC's functions (e.g. finance and HR) to be co-located with the rest of the body or whether there are opportunities to move any functions outside of the London radius

Scope:

Part 1: Status of the Development Corporation:

- Whether the functions of the EDC are still required
 - What has already been achieved on the ground at Ebbsfleet and how does that compare to the government's original objectives?
 - Has work to date achieved the government's aims?
 - Is the market expected to deliver a garden city without any further government intervention?
 - EDC's current investment programme runs to 2021. Will the functions of EDC be needed beyond this period?
- Whether the functions of the EDC should stay with the EDC or whether they should transfer to another body or back to the department.
 - Would this function be more responsive and effective if it were brought in house and closer to ministers?

- Would its functions be better delivered either as an executive agency or a public corporation?
- Would its functions be better delivered if they were transferred to another public body, such as Homes England?
- Alternatively, could these functions be better delivered through a contract with a private sector specialist or by grant funding the local council?
- What are the costs and benefits of moving to these models?

Part 2:

Efficiency and Effectiveness:

- The capacity of the EDC to deliver more efficiently and effectively
 - Does the organisation have the right resources to deliver its goals and are resources in the right place to deliver and manage risk effectively?
 - Are there skills gaps in the current organisation?
 - What steps need to be taken to ensure that EDC and Homes England work together effectively?
 - What options are there for additional savings e.g. shared services with other ALBs?
 - The proportion of spend that goes through centralised procurement arrangements to determine if the best use is made of central procurement
 - Whether EDC's services are digital by default as set out in the Government Digital Strategy
 - Department's Open Data Strategy, assessing whether further steps could be taken
 - What EDC's annual running costs are and how they compare against a/the benchmark(s) for other similar organisations in the UK and internationally
 - The cost of running the estate; ICT; Corporate Services; HR and energy
 - What actions need to be taken to ensure a smooth exit strategy for when the EDC is wound up?

Organisational Control and Corporate Governance:

- Whether EDC's corporate governance and management arrangements are sufficiently robust and transparent
 - Are governance and sponsorship arrangements sufficiently accountable?
 - Are corporate reporting arrangements, including programme management and financial forecasting robust?
 - Is the sponsorship relationship appropriate and fit for purpose?

- What governance arrangements are need to ensure that EDC and Homes England work together more effectively?

Annex B – Lines of enquiry

Is there a continued need for the functions of the EDC and is it still relevant to the core business of the department?

1. What progress has been made against the housing trajectory, what would have happened without intervention and what are the prospects going forward with or without intervention?
2. What are the key interventions that are still required to deliver the housing numbers and what is the best delivery model to achieve this?
3. What interventions are required to deliver the aspiration to make Ebbsfleet a Garden City including the Central Area?
4. What enhanced standards have been achieved to meet the qualitative objectives and what are the prospects going forward? Is further intervention necessary?

Is the delivery structure efficient and fit for purpose?

5. What credible processes are in place or proposed to deal with exit and legacy issues?
6. Given the lag on capital programme spend to date what are the prospects for effective delivery of the rest of the 5-year programme?
7. Is the Revenue budget fit for purpose including benchmarking?
8. What is the total resource across EDC and CLG being applied to the project?
9. Are the skills, competences and resources available appropriate to deliver the required outcomes and are there more opportunities for shared services or to move functions outside the London radius?
10. How effective and efficient is the EDC Planning Function?

Is the governance of EDC efficient and effective?

11. How effective is the relationship between EDC and its sponsoring body CLG and the rest of government (including Homes England and IPA) including any freedoms and flexibilities to deliver the required outcomes?
12. Is the governance and management of EDC effective and fit for purpose to deliver the required outcomes?

13. How effective is the relationship between EDC and its wide range of stakeholders and specifically a) the local authorities and existing local communities and b) developers and land owners?

Annex C – Review panel

Malcolm Sharp MBE (Chair), Planning and local authority consultant. Previously Managing Director of Huntingdonshire district council and past-president Planning Officers Society. Awarded an MBE in 2016 for services to Town Planning in England.

Chris Tinker, Executive Director at Crest Nicholson and the Group's Chairman of Major Project and Strategic Partnerships. Chris is also a Director of the Enterprise M3 LEP.

Brian Reynolds, Programme Director for One Public Estate. Brian is also Head of Public Sector Partnerships for Neat Developments Ltd.

Dr Helen Carrier, Director at the Department for International Trade.

Annex D – List of people interviewed

Frances Macleod Land and Homes Director, MHCLG
Michael Cassidy EDC Chair
Eleanor Cannell Deputy Director, Arm's Length Bodies, MHCLG
Jane Cockerill Deputy Director, Land & Housing Delivery, MHCLG
Mark Pullin EDC Chief Planning Officer
Gerard Whiteman EDC Finance Director
Paul Spooner EDC Interim CEO
Jennifer Hunt EDC Projects Team
Gerard Whiteman EDC Finance Director
Councillor David Turner Leader of Gravesham borough council, and EDC Board Member
David Hughes CEO of Gravesham borough council
Ian Piper Interim CEO, EDC
Graham Harris CEO, Dartford borough council
Councillor Jeremy Kite Leader of Dartford Borough Council, and EDC Board Member
Louise Hardy EDC Board Member
David Holt EDC Board Member and Deputy Chair
Richard Curtis HM Treasury
Phil Williams

Infrastructure & Project Authority
Isobel Stephen Director Housing Supply, MHCLG
Julia Gregory Director of Projects, EDC
Bob Lane EDC Board Member
David Lock EDC Board member and Chair of Planning Committee
Nick Walkley CEO, Homes England
Gareth Blacker General Manager, Investment, Homes & Communities Agency
Gareth Johnson MP MP for Dartford
Jon Levy Development Director, Land Securities
Beth Sedgewick Head of Land & Housing Delivery, MHCLG
Colin Lovegrove Land & Housing Delivery – Policy Advisor, MHCLG
Sarah Williamson Finance Business Partner, MHCLG
Farrah Jaffer Finance Business Partner, MHCLG
Peter Nelson Managing Director, Henley Camland
Iain McPherson Managing Director, Countryside Properties
David Huggett Divisional Director Strategic Land, Persimmon Homes Ltd
Julian Larkin Planning Director, Redrow

Annex E – EDC Corporate Plan 2016 to 2021 Key performance indicators

Quality homes and neighbourhoods

Indicator 1: Number of new Homes (completions per annum) 5100 by 2021. 1000 average annual target (rising to 1400 per annum by 2021)

Indicator 2: Quality and range of housing opportunities delivered

Enterprising Economy

Indicator 3: Number of new jobs created in the Garden City

Indicator 4: Progress on Ebbsfleet Central (floor space under construction)

Connected people and places

Indicator 5: % Modal shift toward sustainable forms of transport or movement within the city (from a 2016 base)

Healthy Environments

Indicator 6: Net gain in accessible open space, public realm and recreation areas completed

Indicator 7: Improvements to agreed local Quality of Life indicators (from a 2016 base)

A Civic Community

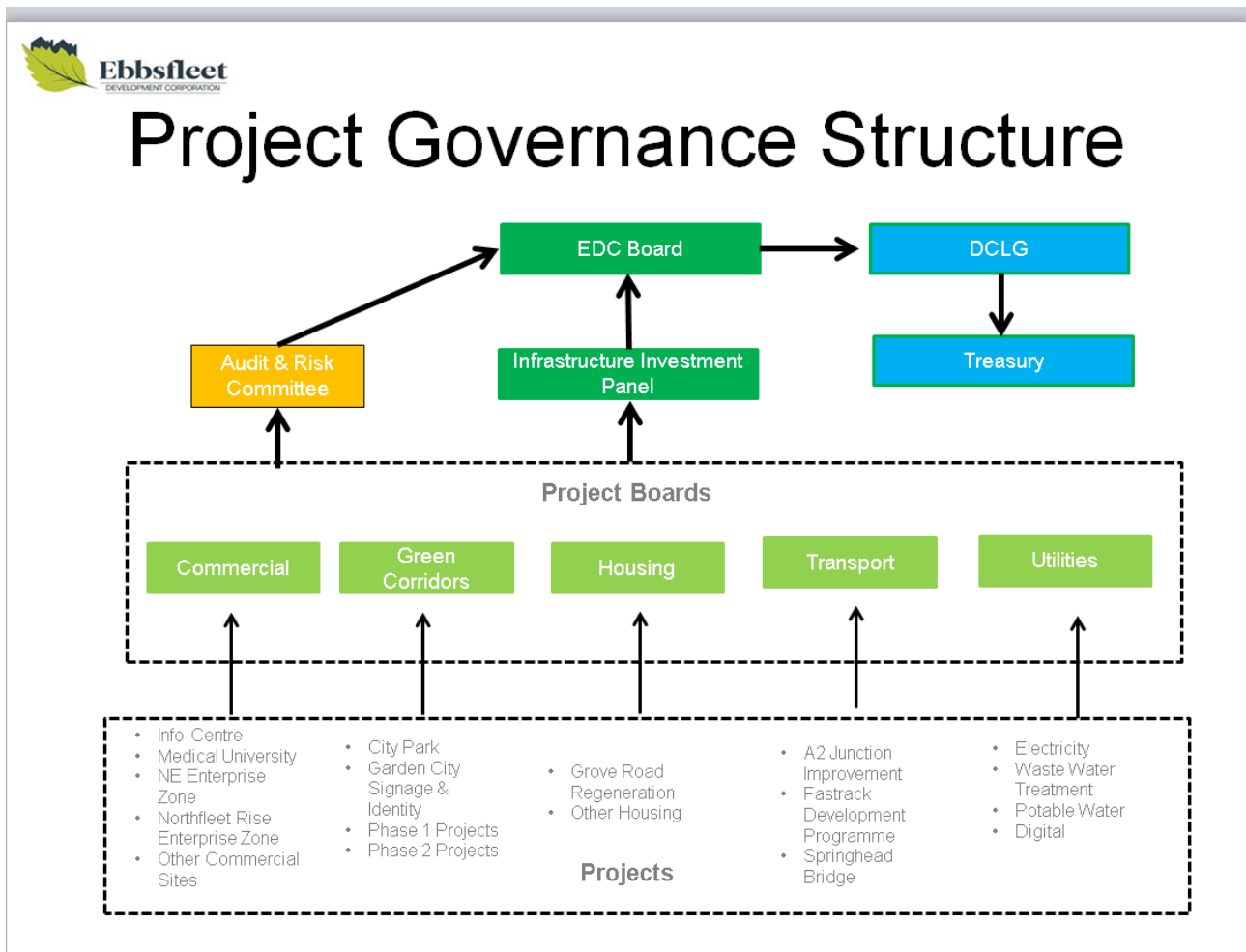
Indicator 8: Improved rates of resident satisfaction with living and working in the Garden City (from a 2016 base)

Sustainable City

Indicator 9 Number of homes completed which meet enhanced standards for environmental performance, space and accessibility above the statutory minimum.

Indicator 10: Net improvements to air quality and sustainable urban drainage (from a 2016 base)

Annex F – Project governance structure



Annex G – Risk governance structure

