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Dear Cllr Clokie

1st December 2026

ASHFORD'S FUTURE

Thank you for your letter of 29th September and my apologies that you have not had an earlier reply. I was pleased to visit Ashford in the summer and to see the progress in your plans for the development of Ashford as a truly sustainable community and I am pleased that you were able to contribute your experience as a case study in the Treasury Review on Supporting Housing Growth.

You asked for my comments on the specific points raised in the paper "Ashford's Future: Tackling Obstacles to Delivery" that was attached to your letter. I know that David Hill, Martin Bacon and representatives of the Ashford Landowners Group met recently with my officials to discuss these issues and the current position on these is out in the annex to this letter.

I do appreciate the importance for delivering housing growth of sufficient funding for strategic infrastructure. The fact that, albeit after lengthy negotiations, developers have agreed to pre-fund the interim improvements to junction 10 on the M20 clearly demonstrates the confidence private sector developers have in the future of Ashford and this is something we should not lose sight of. But I know that this not just an issue that Ashford faces, and it is an issue that the Treasury's Housing Growth Review has been looking at.

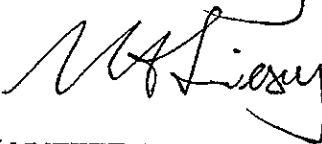
Looking forward to future delivery of infrastructure at Ashford and securing the best results from partnerships with the private sector, we need to look at delivery arrangements and it was for that reason that we commissioned Graeme Bell of the TCPA to carry out an independent review of this area. As you know he has spoken to a range of stakeholders and your board members. You have discussed his report with him, and it is now being circulated so that it can help inform the process by which your new organisation is established.

In this context I am pleased to learn that the Ashford's Future Delivery Board has endorsed the need for a further development of the structure and very much welcome your own commitment to a much stronger role for the private sector. I understand that your Board is now committed to:

- agreement of an Implementation Plan with the Ashford Landowners Group;
- establishment of a strategic infrastructure tariff, alongside existing and mainstream public sector funding; and
- the establishment of a separate, freestanding company to utilise the tariff and other funding to commission key elements of strategic infrastructure.

I strongly welcome these moves and it would be helpful if Ashford's Future partners, the Landowners Group and my officials could develop an action plan for the establishment of the freestanding infrastructure company and the restructuring of the local delivery arrangements, including the revenue funding that we are able to provide. It would be helpful to have an outline of this plan by early January.

I fully agree that, with the right mechanisms in place, the successful completion of the major private and public sector projects currently underway in Ashford, the exciting prospect of a state of the art fast train service to London and the links to the 2012 Olympics sites, Ashford has tremendous potential. I can confirm that the Government continues to fully support Ashford as a Growth Area and that we will fulfil our role in helping you to achieve that potential.

Yours sincerely


† YVETTE COOPER
(APPROVED BY THE MINISTER
AND SIGNED IN HER ABSENCE)

RESPONSE TO THE PAPER "ASHFORD'S FUTURE: TACKLING OBSTACLES TO DELIVERY

The following comments reflect the recent discussions between DCLG officials, Ashford Borough Council, Ashford's Future and the Landowners Group.

Education funding and the operation of the Revenue Support Grant system for Authorities, such as KCC.

We recognise that this is perceived to be a major issue with the potential to jeopardise the use of a Strategic Infrastructure tariff in Ashford. Officials are currently seeking greater clarity on funding streams from DfES for primary and secondary education and how they are handled in Kent. Officials also agreed to look at the issue of converting supported borrowing for capital for education to capital grants, although this may require a change in national policy. The other dimension to this issue is the current approach of Kent County Council, as local education authority for Ashford, to its section 106 policies for education and their application to the capital requirement for new schools in Ashford. We understand that there are currently surplus spaces in Ashford schools, and that most new schools are not required until phase 2 of GADF (ie. after 2012), so there should still be time to seek an acceptable way forward on this issue.

Greater certainty about the availability of Housing Corporation grant funding to support the delivery of affordable housing.

It is difficult to give certainty about funding for the Housing Corporation beyond the current spending review horizon. The issue also appears to be about the % of affordable housing that the Borough Council requires to be provided by developers. We would commend a wider context, recognising that s.106 needs to optimise different infrastructure needs and to start from existing levels of provision for affordable housing compared with those set out in GADF and the Core Strategy. To this end a phased approach may be required, whereby developers move over time to the 35% provision. It is important to be realistic about what levels of public and private funding are likely to be available and to optimise these with the overall infrastructure needs of the development.

The removal of any threat of "double taxation" for developers arising from the current consideration of a Planning Gain Supplement.

As you will be aware, Treasury work on proposals for a Planning-Gain Supplement (PGS) continues and there is likely to be an update before the end of the year. It needs to be borne in mind that primary legislation will be required before it can be introduced and Her Majesty's Customs and Revenue will need to ensure that it is ready to administer it. Ashford (and other locations in the three Growth Areas) should continue with their work on introduction of a Strategic Infrastructure tariff to achieve progress on early schemes and this need to continue with existing mechanisms was recognised in the Government's response on Barker last year.

A simpler method of accessing/harnessing the "mainstream" funding that should flow through to Ashford in the normal course of events from a range of Government spending departments on various "capitation" or needs-based formulae.

This is an issue being covered by the Treasury Review of support for housing growth and is related to discussions here on simplifying funding streams to local authorities. It is good

to see Ashford's Future (and LDVs in the other Growth Areas) actively engaged in the Review.

Removal of the current financial disincentives to facilitate growth that are being experienced by the local authorities (Ashford Borough Council and Kent County Council) and other local partners, especially the NHS.

Again, this issue has been raised in the Treasury's Cross-Cutting Review. On the issue of LAGBI, officials here will liaise with colleagues to see what, if anything, can be done to mitigate this.

Increased "revenue" funding for the LDV.

There is unlikely to be any additional revenue funding available for the next financial year (2007/08). The Local Government White Paper will mean (a move from project to block funding informed by a bidding round) changes to the way GAF is allocated from 2008/09, although the current tight position on revenue funding is likely to continue.

A low cost "forward funding" mechanism.

Whilst it is unlikely that access to public sector loans will be made available, this point was made at each of the Treasury Cross-Cutting Review site visits. As officials pointed out, we are exploring with English Partnerships the appetite of the private financial markets for forward-funding the provision of key infrastructure. Indications so far are positive, although not surprisingly, Planning is seen as a major risk (i.e. funding schemes after planning approval is granted is more likely to be viable). We are pleased that you are looking at the possibility of using a vehicle similar to the East Kent Spatial Development Company to address this issue in Ashford.