

Governance for long-term stewardship

A TCPA Stewardship Toolkit Briefing Note
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**The Lady Margaret
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About the TCPA

The TCPA (Town and Country Planning Association) works to challenge, inspire and support people to create healthy, sustainable and resilient places that are fair for everyone. We do this by shaping policy and practice internationally, nationally, locally and through working with communities. Informed by the Garden City Principles, the TCPA's strategic priorities are to:

- Work to secure a good home for everyone in inclusive, resilient and prosperous communities, which support people to live healthier lives.
 - Empower people to have real influence over decisions about their environments and to secure social justice within and between communities.
 - Support new and transform existing places to be adaptable to current and future challenges including the climate crisis.
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1. Introduction

Long-term stewardship is an approach to delivering and managing places that can ensure new communities are places which enable people and the environment to flourish in perpetuity. It is one of the core Garden City Principles, and the right approach provides an opportunity to create places which people will be proud to live in for years to come.¹

Choosing the right approach to stewardship in your development includes consideration of the right stewardship organisation or ‘vehicle’. There are a variety of different legal and financial structures available, each with different remits, responsibilities, and governance structures.

Governance is about who makes decisions, how operations and finances are managed, and who is responsible and accountable for the stewardship vehicle. Putting in place the right governance structure for your stewardship vehicle is essential for successful stewardship and community participation. Successful models can act on behalf of a growing community and engage new residents in shaping local decision-making and community development.

Getting governance right means ensuring that there is representation for local residents, councils, and other stakeholders. It means considering how they are elected, what their roles are, and how governance structures and activities are communicated to residents and other stakeholders. There is no ‘one size fits all’ approach to governance, and the right approach will emerge through the development of the stewardship strategy for the site.

This briefing note is intended to share some key considerations and emerging examples of governance models for stewardship in new communities.

About this briefing note

This briefing note forms part of the TCPA’s online toolkit for long-term stewardship. The toolkit is primarily aimed at local authorities planning for and delivering stewardship on new communities’ sites, but is relevant for anyone working on strategies for long-term stewardship. The majority of evidence and learning is applicable to planning for stewardship at a range of development scales and contexts.

This note seeks to provide readers with an overview of the key considerations in relation to governance of a long-term stewardship organisation. It draws on case study evidence and informal interviews with practitioners and specialists.

This briefing note should be read alongside the other guidance in the TCPA’s long-term stewardship toolkit. It does not include introductory information on long-term stewardship which is available in other TCPA publications.² Advice on good governance for the wider delivery of a new community is available on the Pinsent Masons website.³

¹ “Garden City Principles”. Webpage. TCPA. <https://www.tcpa.org.uk/garden-city-principles/>

² “Relevant Stewardship Resources and Further Information”. Webpage. TCPA, 2022. <https://www.tcpa.org.uk/resources/relevant-stewardship-resources-and-further-information/>

³ “Garden Communities: Governance”. Webpage. Pinsent and Masons. 2021 <https://www.pinsentmasons.com/out-law/guides/garden-communities-governance>

2. Considering governance in stewardship – an overview

Long-term stewardship provides an opportunity to contribute to community development, building a sense of community and social life from the outset. Giving residents (existing and prospective) a voice and influence over the management of the community is an important aspect of creating healthy, thriving places. Making the most of this opportunity means ensuring governance considerations are integrated into the planning and delivery processes from the earliest stages. The ambitions and intended outcomes for stewardship and the roles and responsibilities for each asset on the site or area will inform the approach to stewardship governance. Governance will also inform and be informed by the legal and financial structure of the stewardship vehicle. Alongside benefits for community development, the right governance structure for your stewardship vehicle is essential for a commercially successful and accountable approach.

The focus of this briefing note relates to the governance structures for the stewardship vehicle chosen to manage assets and community development for the project. This is separate to the governance structure for the wider project delivery vehicle, though there may be some overlap in those involved. Stewardship may be undertaken by a single organisation or a hierarchy of organisations (e.g. subsidiary service providers or management companies for a ‘parent’ stewardship vehicle). This section provides an overview of some of the key considerations in relation to the governance of stewardship vehicles and outlines how governance relates to other aspects of a stewardship strategy.

Key resources with further detail for this section:

Making stewardship happen: A process guide for councils (TCPA, 2023):

<https://www.tcpa.org.uk/making-stewardship-happen-a-process-guide-for-councils/>

Built Today, Treasured Tomorrow - a good practice guide to long-term stewardship’ (TCPA, 2014) - Table 2 ‘Comparison of the main types of legal structure for stewardship bodies: <https://www.tcpa.org.uk/resources/built-today-treasured-tomorrow-a-practical-guide-to-long-term-stewardship/>

‘Governance refers to the structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation.’⁴

⁴ “Urban Governance”. Webpage. UN-Habitat. <https://unhabitat.org/topic/urban-governance>. Also quoted in *Otterpool Park: Governance and Stewardship Strategy*. Quod, March 2022. <https://www.folkestone-hythe.gov.uk/downloads/file/2944/appendix-4-13-governance-and-stewardship-strategy>

What does good governance for stewardship look like?

Good governance for stewardship means providing a voice for residents and community development, alongside a clear structure for decision-making, accountability, and commercial activity. This can help to avoid conflict and delay in decision-making, as well as contribute to good placemaking in the long term. Good governance also means taking account of equality and diversity to help ensure good decision-making and inclusive participation in the process.⁵ The optimum governance approach will need to be tailored to individual circumstances and considered as part of the stewardship strategy, but will require:

- **A clear and aligned set of objectives to follow:**
 - *The vision and objectives for stewardship that have been identified through local authority policy or the stewardship strategy should recognise the fact that good stewardship is the way that the overall project vision will be delivered and maintained in perpetuity. This should be reflected in the governing documents for the stewardship vehicle.*
- **Representation of, and/or interface with, the appropriate local stakeholder bodies:**
 - *It is vital that the governance structure includes representation from a variety of stakeholder organisations (see ‘who should be involved in governance.’ below) including, as appropriate, voting rights or other forms of participation and recognises how this may evolve over time as the community grows. The structure should also have consideration of equality, diversity, and inclusion as part of good governance.*
 - *It is important to remember that those involved in the formal governance of a stewardship vehicle (e.g. a board) bring their experience and perspective to the management and decision-making process but are required to make decisions in the interest of the stewardship vehicle not necessarily the group they represent. It is likely that members of the governance structure for the stewardship vehicle will represent more than one organisation (e.g. they may be an elected member and a resident with freehold interest in land or property). A conflicts of interest/duty policy can be included as part of the Articles/policy which deals clearly with this.*
 - *Local authority elected member involvement needs to take account of their wider roles within the relevant authority.*
 - *The community role needs to take account of any wider engagement and consultation that maybe necessary.*
 - *Landowner and developer interests need to be balanced appropriately.*
- **The right skills and knowledge**
 - *It’s essential that the governance structure includes people with the right skills and capacity needed to run the stewardship organisation. This may include legal, accounting, fundraising, communications, and human resources expertise.*
 - *The skills required may change as the project develops, so it is necessary to consider what will be required at start up versus longer term and how to generate resilience and continuity at each stage.*

⁵ Further information is available in the Charity Governance Code: <https://www.charitygovernancecode.org/en/6-diversity>

- *The skills on the board should complement those of the Executive Team of the stewardship vehicle, ensuring complementary skills and experience across the organisation.*

*'For small/start up organisations, having a breadth of skills and experience, especially accountants and lawyers, for example can help with managing costs in the early years. This can be challenging to achieve when nominating organisations generally decide who to put forward, but working in partnership and encouraging the completion of a skills matrix can help.'*⁶

- **A transparent decision-making framework;**
 - *Clarity on who makes decisions, how, and when can help to avoid conflict within the governance itself and with local residents and ensure accountability.*
 - *Information sharing, Freedom of Information and confidentiality protocols should be clearly documented.*
- **Clarity on roles and responsibilities;**
 - *Where there is more than one organisation involved in delivering stewardship activities, it needs to be clear which body will lead with responsibility for day-to-day management of the governance structure. This will differ in each community and at different points in the lifecycle of the community.*
 - *Clear terms of reference for the board (or equivalent) of the stewardship vehicle should be agreed and documented, so that participants are clear on shared objectives, roles, and responsibilities. As a minimum, there should be a clear Memorandum of Understanding between the relevant participants.*
 - *The decisions that are delegated to governance forums or sub-committees, and the processes that should be followed for their decision-making should be clearly defined. This can evolve over time, and it may be the case that some decisions are not made by forums but engagement with forums is so in advance of decision-making for certain topics/themed matters.*
 - *The participants involved need to have the appropriate authority to make the decisions required of them.*
- **Good communication with residents;**
 - *Clear, accessible forms of communication are essential to ensure that all residents have clarity on how decisions are made and understand how to participate if they wish. This is also vital for building trust between residents and the stewardship vehicle and maintaining this over the long-term.*
- **A structure that can evolve as the project progresses:**
 - *A stewardship strategy should outline how the stewardship vehicle will be set up, by whom and at what stage. This should outline how this might evolve as the project progresses. This might include consideration of a start-up board or working group for example. It should be clear who will be in a start-up board or*

⁶ Case study interview

working group, and whether it would be advisory to the master developer/council or have decision making powers.

- *The governance structure should recognise that requirements of participants will change as the project develops. For example, when developers exit the site, they may well no longer want to have influence, ownership, or input. Multi-layered governance structures may be useful to allow this flexibility over time. The approach of developers varies as there are different types of developers with different delivery models. Some developers wish to exit the site with no ongoing responsibilities; some like to have some degree of influence and control over certain matters, such as changes to landscaping maintenance regimes, that impact on the overall design, and changes to the Articles. Some developers may continue to be more closely involved, particularly if they are longer term landowner-master-developers. Think carefully about how such matters will be dealt with and what additional legal structures might be needed to allow for this (side contractual or asset lock agreements, for example).*
- *The operation of governance should be kept under review as the scheme progresses to ensure it is operating effectively and evolves appropriately.*
- *Some flexibility of the stewardship structure is also crucial to enable new income streams and technologies to be integrated into the scheme and leveraged and to also help allow the community to focus in the future on how it wants to improve, enhance, and introduce new facilities, services, and nature-based opportunities.*
- **Well resourced:**
 - *Building the right team and expertise requires up-front resources, in addition to those required to deliver the stewardship services. This should be accounted for in viability assessments and negotiations on developer contributions.*

Who should be involved in governance of the stewardship vehicle?

The governance of the stewardship vehicle/s responsible for stewardship of assets in new communities is distinct from the wider governance structure that is responsible for the project as a whole, though there may be some overlap in the people and organisations involved.

Good governance means taking account of equality, diversity, and inclusion, including the requirements of the Equalities Act 2010.⁷ It is desirable for the governance arrangements to provide for the involvement of:

- the local community, such as via a parish council or neighbourhood forum, or other representatives;
- landowners and developers, including Registered Providers, that would otherwise consider management company arrangements unrelated to the wider stewardship vehicle for the overall community; and;
- the host local authority or authorities, as long-term partners in the project.

Other stakeholders involved might include representatives of related organisations such as the local Wildlife Trust and cultural or faith organisations who can provide skills, people resource,

⁷ *Equalities Act 2010, c. 15.* Available at <https://www.legislation.gov.uk/ukpga/2010/15>

and sometimes funding especially at the outset of projects when the new community is in its infancy. Volunteer networks may be able to help facilitate community building and wellbeing benefits for example. Linked to wider processes of public participation in the project, efforts should be made to reach those groups who may feel less in control of their futures such as young people from disadvantaged backgrounds.⁸

There may well be evolving governance models and involvement of different stakeholders throughout the lifetime of the development. This enables the key stakeholders to have influence throughout the construction period and once the development is complete to have the option to handover to a board which may be made up of different people. Once developers have left the site, it is important that the stewardship body has strong governance and resident representation. Those residents must be trained, empowered, and prepared to take control alongside other nominations such as the council or other professional bodies. Stewardship will not be successful if residents, local businesses, and other groups are not supported to be engaged, have a strong degree of influence, or take over and often do not understand their role and responsibilities.

When should you start thinking about the governance aspect of stewardship?

Long-term stewardship is sometimes an afterthought in the planning and delivery process for local authorities. The TCPA's research and guidance sets out why early consideration of stewardship is essential to secure the right financial viability, buy-in from stakeholders, and most importantly the opportunity to realise your vision and outcomes for people. Governance considerations are a key part of that process.

The TCPA's indicative guide ***Making stewardship happen: a process guide for councils*** outlines how governance might be considered in the process of developing a stewardship strategy (See **Box. 1**). Identifying your core ambitions and intended outcomes for stewardship should take place as early as possible in the planning process. This has implications for governance where your ambitions specify control of decision-making by particular stakeholders (e.g. the local authority, the community, a third party, or combinations of these) and will inform later decisions about the type of stewardship vehicle chosen. For example, a key feature of a 'whole place' stewardship approach is likely to include a body with the ability to hand over or facilitate management and influence of the area to local residents and stakeholders. Other 'third party' models might not transfer management or governance to the community.

While each project is distinct, a strategy for stewardship, including governance should be expected as part of the application for outline consent for a scheme, but should be discussed well in advance of this. The Section 106 agreement for the application should include reference to the stewardship ambitions, intended vehicle, and governance arrangements, setting out a broad framework and specifying the overarching stewardship outcomes that the stewardship

⁸ "Young People from disadvantaged backgrounds feel less in control of their futures". Webpage. Office for National Statistics, 2023.
<https://www.ons.gov.uk/peoplepopulationandcommunity/educationandchildcare/articles/youngpeoplefromdisadvantagedbackgroundsfeellessincontroloftheirfutures/2023-11-06>

organisation should be structured to achieve. This, together with stipulating the submission of relevant areas of the business plan for the stewardship organisation to be approved by the local planning authority, provides certainty for local authorities and stakeholders yet enables flexibility for the near- and long-term evolution of the community responding to changing technical, regulatory, governance, fiscal and community preferences. In some cases, this could also include draft articles of association for the relevant stewardship vehicle where this has been agreed with the local authority and is appropriate. A balance is to be struck here; sufficient detail is required to ensure the vision and objectives are secured and resourced, but with space for the details to evolve over time within this.

At Chilmington Green for example, draft Articles were included in s106 agreements but in the meantime, the Charities Commission changed their approach to how objects were to be drafted. The stewardship body was set up and went live before amendments to the Articles were made, meaning the s106 obligations had been satisfied and therefore it was a decision for the board and Framework Agreement parties to approve.

Alternatively, the articles of association can be required to be submitted post-determination alongside submission of the business plan for approval by the local planning authority prior to commencement or occupation of phases of the development as appropriate.

The initial business plan when submitted should outline in detail the governance structure for the stewardship vehicle. The initial business plan should have a long delivery time, at least as long as the anticipated construction timeframe, and ideally demonstrating the estimated financial viability across an approximation of the whole lifetime of the assets. Although, the whole lifetime assessment will be more of a risk analysis to consider if the proposed income and costs headings are, on balance, likely to be sufficiently robust to assess the risk of financial viability concerns. A rolling five-year business plan then typically provides for updates to the original initial business plan and allows for the evolution of the organisation over time whilst holding on to the strategic vision, principles, and objectives. An implementation plan will set out a process for the long-term consideration of governance on the site. Ongoing monitoring of governance arrangements should take place alongside monitoring of service delivery and outcomes for residents. This should be achieved through a business plan which governs the strategic vision and delivery of the organisation.

At scale, the governance of a stewardship body will deal with the strategic aspects of caring for a place and consider the nuts and bolts of the day-to-day management responsibilities. This work is usefully informed by other local bodies and partners who have a stake. Existing forums are helpful, but it may be helpful to set up a community forum for stewardship in the development which enables those collective conversations to take place. These forums are advisory/consultative only but play a key role in shaping current and future priorities.

Box. 1: Governance considerations when developing a stewardship strategy

Extracts from *Making stewardship happen: a process guide for councils* (TCPA, 2023) are provided below, along with additional detail and suggestions.

Stage 1: Understanding your ambition and project status

- As a local authority, discuss and refine your core ambitions and intended outcomes in relation to stewardship (where this specifies control by the local authority or community, there are implications for governance)

Stage 2: Taking stock of project details and opportunity

- Understanding what existing and proposed governance structures are in place (e.g. town and parish councils)
- Exploring difference governance approaches as part of consultation with local stakeholders

Stage 3: Testing options

Key tests in relation to governance for the models, including:

- Does the model have an appropriate democratic governance structure?
- Will the stewardship body be under local control upon completion?
- Does the model chosen allow local residents and stakeholders to participate in decision making and the direction of the organisation?
- What protective mechanisms would be in place to avoid disproportionate influence from any particular interest group?

Stage 4: Detailed analysis and financial and legal input

- Governance will form part of the considerations of the legal and financial implications of the stewardship approach and structure of the vehicle.

Stage 5: Securing through planning (policy and developer contributions)

- Key principles of a model or governance approach may be specified in Local Plan policy or Supplementary Planning Documents where appropriate. Policy and guidance are one of the strongest tools councils have to encourage high quality and viable stewardship arrangements.
- Section 106 agreements for new communities should outline intended stewardship arrangements, desired outcomes and governance. Where it has been agreed by the local authority, ideally could include draft articles of association or constitutions for the stewardship vehicle, whilst ensuring flexibility for the detail to be decided/amended as the project progresses, as part of a transparent decision-making framework. Alternatively, the articles of association can be required to be submitted post-determination alongside submission of the business plan for approval by the local planning authority prior to commencement or occupation of phases of the development as appropriate.

Stage 6: Implementation

- Creation of Stewardship and Governance Implementation/Business Plan. Build and operate the organisational infrastructure for your stewardship vehicle.

Stage 7: Monitoring and review

- Long-term stewardship is an ongoing and evolving process. Stewardship strategies, including governance arrangements, may be reviewed and updated in line with key phases in the project delivery plan, and through Local Plan review stages.

How does governance relate to your choice of stewardship vehicle?

Different forms of stewardship vehicle have different requirements in terms of governance and choice will depend on a number of factors depending on the site and objectives of the project. Strong approaches will link the management of green and blue infrastructure and community assets with the wider process of community development. The right governance structure is essential for the operation and legitimacy of the organisation.

A comparison of the main types of stewardship vehicle, including their governance and ownership requirements is provided in *Built Today, Treasured Tomorrow - a good practice guide to long-term stewardship* - Table 2 'Comparison of the main types of legal structure for stewardship bodies'.

The key issues to consider when deciding on a legal structure for a stewardship body are personal liability, ownership, funding (short and long-term), stakeholder interest, profit or surplus distribution, tax considerations, and governance.⁹ In terms of ownership, the extent of individual ownership or control of a stewardship body depends on whether ownership is divided through shares, is through membership, is co-operative, and/or uses guarantors. Ownership is primarily about the control of assets, responsibility for liabilities, and decision-making processes (i.e. governance) – all directed at ensuring optimum outcomes. Shareholders or members may have comparatively more or less control, depending on how the board and executive functions of the stewardship body are established.

It is important however not to allow the structure to dictate the outcomes for new communities. Instead, it is advisable to set out the strategic outcomes and objectives for the stewardship organisation alongside other key drivers and content at an early stage. The legal structure can then be selected to match those outcomes. At Langarth Garden Village, it was considered unhelpful to stipulate in planning documents and/or s106 agreements the legal structure that should be adopted as this may adapt over time. Instead, the s106 agreement set out a broad framework and specified the overarching stewardship outcomes that the stewardship vehicle should be structured to achieve. This, together with stipulating the submission of some relevant areas of the business plan for the stewardship organisation to be approved by the local planning authority, provided sufficient certainty for local authorities and stakeholders yet enabled flexibility for the near- and long-term evolution of the community responding to changing technical, regulatory, governance, fiscal and community preferences.

For local authorities, the test is whether the level of detail included in the Section 106 will help or hinder the delivery of your stewardship objectives and intended outcomes. This may vary depending on the project and stakeholders involved. Consideration of the risks of different levels of detail should be undertaken. Positive outcomes should be the key objective.

⁹ Built Today, Treasured Tomorrow: A practical guide to long-term stewardship. (p.17). TCPA. January. 2014.
<https://www.tcpa.org.uk/resources/built-today-treasured-tomorrow-a-practical-guide-to-long-term-stewardship/>

3. Principles for success

This briefing note has sought to draw together some helpful information about governance of stewardship vehicles. In thinking about governance, the following principles should help to guide your process.

Recognise good governance: Governance of stewardship vehicles should be honest, transparent, accountable, and equitable. The right governance structure will also enable successful community development as the project evolves and be integrated with wider public participation processes.

Recognise there is no 'one size fits all' approach: The right governance solution will vary from project to project and dependent on the stewardship vehicle chosen. There is no single ideal formula for governance and the right solution will emerge from careful consideration, negotiation, and the development of your stewardship strategy to achieve the desired outcomes.

Don't make governance and stewardship an afterthought: As with your wider stewardship considerations, start at the earliest stages of planning and include governance considerations in your stewardship strategy to have the best chance of realising your vision.

Start with your stewardship objectives and let your governance structure enable their delivery: Set clear objectives for stewardship outcomes at an early stage, to inform your choice of stewardship vehicle, governance structure, and sustain quality of outcomes in the long-term.

Integrate with wider processes of community participation in the scheme and governance: Be sensitive to existing arrangements such as Parish Councils and remember not everyone wants to take part in decision-making but should be given the opportunity to do so.

Secure stewardship arrangements through planning policy and processes for certainty, but retain flexibility - things change over time: Consider including governance details such as the choice of stewardship vehicle and, potentially, governance articles of association in Section 106 agreements if appropriate, but before doing so, test the extent to which that could constrain the flexibility to change the details as the project evolves, and put in place measures to address this.

Invest in skills and capacity: A variety of skills are required for successful governance and resource should be provided to enable this, and for this to evolve over time. This includes training for those who may take over responsibilities for the stewardship vehicle at a later stage to ensure consistent provision. Outsourced providers can also assist in relation to a number of activities, as appropriate, and require budgeting for in the business plan.

Stewardship is an ongoing process: Good governance in operation means good communication, adaptability, and monitoring.

4. Case Studies

What can we learn from emerging practice?

Case Study One: Chilmington Green

Chilmington Green is a development of 5,750 homes located in the wider South Ashford Garden Community in Kent.

Chilmington Management Organisation (CMO) was set up by Ashford Borough Council and Hodson Developments in 2019¹⁰. The organisation was initially established as a company limited by guarantee but within eighteen months the CMO had received charitable status. A charitable organisation was chosen as it provided the most suitable model to ensure a balance of influence between stakeholders and provided an opportunity for the involvement of the wider community within the body's governance structure.

Prior to the establishment of the CMO, a partnership working group was set up with representatives from the community, local authorities, and the developers. The aim of the working group was to establish the bodies strategic vision, articles, and board. The draft business plan was developed through this group who advised on its contents alongside other supplementary information such as policies and procedures. A Framework Agreement between the CMO, developers and the council was created to ensure that some key decisions, which will remain of particular importance to the developers and council throughout the build out period have input from these parties. These changes which require all parties to agree include changes to operations standards for landscaping maintenance and changes to the Articles.

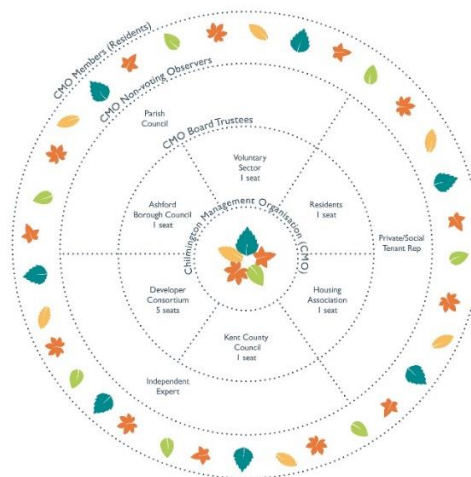


Figure 1: Governance Structure of Chilmington Management Organisation from <https://cmo.org.uk/who-we-are/governance-and-board/>

The strategic direction of the CMO, as well as oversight and scrutiny, is carried out by the board of trustee directors. The board of directors are made up of a variety of stakeholders

¹⁰ "Who We Are". Webpage. Chilmington Management Organisation. <https://cmo.org.uk/who-we-are/>

including developers, local authorities, the voluntary sector, a housing association, and residents¹¹. The parish council, private/social tenant rep, and independent experts are able to attend meetings as independent observers but do not get a vote. The developers can nominate up to five places on the board. The community nominations are the rest. The developers and community director trustees each have a maximum of 50% of the votes regardless of how many director trustees there are.

In Phase 1, one resident director was recruited by the board. A further resident director is recruited in each subsequent phase through a member vote at an AGM until the end of the construction period and developers leave the site when a review of the Articles will be required. Whilst the community nominations on the board grow, the 50% voting ratio at board meetings remains the same throughout.

The membership of the CMO is made up of directors and residents of the development¹². While membership is not automatic, residents are encouraged to join in and around the time they move to Chilmington Green. Members have a number of statutory rights including: voting at AGMs, submitting and voting on recommendations, and participating in the appointment of resident directors.

As the CMO was established, the role of Chief Executive was held by a local authority officer with wider team support also from within the local authority. From a governance perspective this helped to ensure continuity from start up in early operations, facilitate good communication and decision-making between the CMO and local authority and provide resilience in the early years. Clear definition and transparency in the decision-making process has ensured independence between the two.

The section 106 agreement for the project set out details of the governance structure, including draft articles of association. It included provisions that changes to the articles of association for the CMO had to be approved by key relevant parties and not all parties listed in the Section 106 agreement. This flexibility has been helpful in the running of the CMO as it allowed changes to be made in a shorter time while still having scrutiny.

Key Lessons on Stewardship Governance

- Important to involve community stakeholders (e.g. voluntary sector, residents etc.) in the governance structure.
- Community development should not be treated as an add-on but key to the concept of long-term stewardship. Securing this commitment in policy should be strengthened by ensuring it remains a commitment in the running of the stewardship body.
- There needs to be a balance of skills and experiences within the board of directors and the staff of the stewardship body.
- Continuity of people from set up into the delivery stage is helpful and provides a level of resilience.

¹¹ "Governance and Board". Webpage. Chilmington Management Organisation. <https://cmo.org.uk/who-we-are/governance-and-board/>

¹² "Membership". Webpage. Chilmington Management Organisation. <https://cmo.org.uk/who-we-are/the-membership-pack/>

- If time and resources permit, include as much detail as possible on governance in the s106 agreement including draft articles of association. This provides an added layer of security in terms as the project evolves over time.
- Including such detail in the s106 agreement should be balanced with the need for flexibility. For example, once the stewardship body is up and running, ensure that any changes to the bodies articles only need the approval of the relevant parties and not everyone listed in the s106.

Case Study Two: Harlow and Gilston Garden Town

Designated as a Garden Town in 2017, Harlow and Gilston is a new large-scale development around the existing post-war new town of Harlow and across the boundaries of Hertfordshire and Essex of 23,000 homes. The development is spread across five local authorities.¹³ The three Local Planning Authorities involved have all adopted Local Plans which allocate land for development and set out policies requiring the delivery of robust stewardship outcomes. (Policies GA1 of the East Herts District Plan, HGT1 of the Harlow Local Plan and SP2 and SP3 of the Epping Forest Local Plan). Specifically, in relation to the development proposed in East Herts (the Gilston Area), the relevant policy requires that stewardship arrangements are to respect the TCPA Garden City Principles and that the ownership of open space and parklands will be transferred to a community trust or other mechanism that ensures long term stewardship and governance for the benefit of the community¹⁴

10,000 of the new homes will be delivered in the Gilston area. In 2016, East Herts District Council worked with landowners, when the land was in the process of being identified for development in the Local Plan, to produce a Concept Framework for the site¹⁵. Amongst other issues the Concept Framework established early the requirement for robust and inclusive governance arrangements, to ensure the inclusion of the existing and emerging communities.

Existing local community representatives have prepared a Neighbourhood Plan for the Gilston Area. The Neighbourhood Plan sets out policies dealing with the stewardship management and governance arrangements to be implemented; *'The local community is to be involved and the arrangements implemented at the outset of development'* (Neighbourhood Plan policy D2)¹⁶.

After early work considering the potential legal structures for the delivery of stewardship, in 2023, Harlow and Gilston Garden Town (HGGT), the entity created to oversee delivery of the garden town in Essex, published a draft Stewardship Charter which outlines six key principles for stewardship in the Garden Town^{17,18}. It provides a vision of stewardship that seeks to be

¹³ "About the Garden Town". Webpage. Harlow and Gilston Garden Town. <https://hgggt.co.uk/about>

¹⁴ Policy GA1 in *East Herts District Plan*. East Hertfordshire District Council, October 2018.

<https://www.eastherts.gov.uk/planning-building/planning-policy/east-herts-district-plan-2018>

¹⁵ *Gilston Area Concept Framework*. Places for People, City and Provincial Properties PLC, and East Hertfordshire District Council, September 2016.

<https://democracy.eastherts.gov.uk/documents/s45353/Gilston%20Area%20Concept%20Framework%20-%20ERP%20B.compressed.pdf?J=6>

¹⁶ *Gilston Area Neighbourhood Plan*. Hunsdon, Eastwick and Gilston Neighbourhood Plan Group, May 2021.

<https://hegnp.org.uk/neighbourhood-plan>

¹⁷ *Draft Stewardship Charter*. Harlow and Gilston Garden Town, June. 2023. https://hgggt.co.uk/avada_portfolio/draft-stewardship-charter

¹⁸ "About". Webpage. Harlow and Gilston Garden Town. <https://hgggt.co.uk/about>

collaborative, transparent, inclusive, and equitable and works to ensure high quality place-making, in perpetuity. The Charter sets out that governance arrangements must be representative and accountable.

HGGT have already been seeking to implement an inclusive approach by engaging two youth councils and the existing parish councils on their stewardship strategy. It also engaged people across the Garden Town about what they value and need through a quality-of-life consultation in 2022^{19 20}.

In terms of governance, the draft Stewardship Charter sets out the intention that the proposed stewardship vehicle will be a charitable trust. This drew on the earlier work which considered potential legal structures. That work included stakeholder engagement and workshops with members before the preferred options were identified. The work was ratified through the informal Garden Town decision making arrangements in place at the time – the HGGT Board. The landowners/ developers for the Gilston site (Places for People and Taylor Wimpey), submitted their own Stewardship and Governance Strategy in 2022²¹ as part of their planning application proposals. This was endorsed by the LPA as part of the outline planning application through a resolution to grant planning permission in Feb/March 2023.



Figure 2: Stewardship Model taken from Gilston Area Governance and Stewardship Strategy, Places for People and Taylor Wimpey, Nov 2022.

https://www.gilstonparkestate.com/media/4m1bvi2k/gilston_stewardship_governance_strategy.pdf

The trust will be supported by a community forum in the early stages of the development and make use of subsidiary bodies such as Community Interest Companies to manage assets and services and provide activities as part of community development.

The Charter proposes a timeline for the delivery of the stewardship vehicle. By the outline planning application determination, an advisory stewardship body/community forum will be established with representatives from the local authorities, landowners, developers, residents,

¹⁹ “Your Quality of Life”. Harlow and Gilston Garden Town, January 2023. <https://hggg.co.uk/yqol>;

²⁰ “DLUHC’s PropTech Innovation Fund. Department for Levelling Up, Housing and Communities, Nov 2023. <https://media.localdigital.gov.uk/uploads/2023/11/28105757/PropTech-Innovation-Fund-Combined-case-studies.pdf>

²¹ Gilston Area Governance and Stewardship Strategy, Places for People and Taylor Wimpey, Nov 2022. https://www.gilstonparkestate.com/media/4m1bvi2k/gilston_stewardship_governance_strategy.pdf

and the local community. This advisory body would work to inform the development of the stewardship body, with the structure, terms of reference and representation for the final stewardship body expected by the full/reserved matters application stage. The final stewardship body is to be established before the occupation of the first home.

In practice, the LPA has found that the focus of the site owners and developers has been on the elements of strategic infrastructure that typically generate most attention – transport measures and the delivery of schools. They noted that an engaged but challenging local community has sometimes resulted in a lack of progress as significant time is taken to discuss outcomes without the structures to achieve them being in place. As a result, governance arrangements are not as advanced as the LPA would prefer them to be at this stage and they have reflected that a would be preferable to drive forward early clarity on governance structures to be implemented, and implement them, if possible, even if in shadow form, at the earliest stage possible.

The LPA is currently working through the s106 agreement for the site with the Gilston Area site owners. This will establish what steps in relation to the implementation of governance are to be achieved and by when, in relation to housing numbers and occupations. It will also include initial Terms of Reference for the stewardship governance board.

There is an element of parallel working between East Herts Council LPA and the HGGT Team as the LPA works to secure the stewardship governance arrangements for Gilston Park, whilst the HGGT team are finalising guidance in the Stewardship Charter for wider Garden Town developments to ensure that both are aligned.

Key Lessons on Stewardship Governance

- It is important to understand the key aims and objectives of a stewardship strategy before determining governance structures.
- Build in (lots of) time for engagement, to identify shared objectives and differing priorities across all key stakeholder groups early on
- Stewardship governance should be honest, transparent, and equitable.
- It is essential to work with existing communities, while recognising that the community will evolve. A degree of flexibility is needed.
- It is important to recognise that the governance of stewardship bodies is complex and intertwined with political, legal, and financial implications of the model chosen.
- Whilst engagement is crucial, don't allow it to prevent progress being made.
- Define measurable outcomes that you're seeking to achieve through stewardship, including social factors, such as health and wellbeing, and community involvement; and monitor them to support decision-making.
- Make space for young people – they are one of the largest stakeholder group and users of outdoor space; and are also future leaders.
- Ensure social, ecological, and economic factors are considered together when considering changes.

Case Study Three: Chelmsford Garden Community

Chelmsford Garden Community is a new development of around 10,000 homes, located in north-east Chelmsford, Essex.

Chelmsford City Council has made a commitment to develop the project following Garden City Principles, and Chelmsford Garden Community Development Framework Document, which forms part of the Stage 1 Masterplan recognised the importance of incorporating long-term stewardship into the development process at an early stage²². Strategic Growth Site Policy 6 of the Chelmsford Local Plan required the masterplan to be underpinned by Garden City Principles²³.

Two parts of the Garden Community, Beaulieu, and the Channels, have existing stewardship arrangements. Beaulieu is being developed by Countryside and L&Q and the open spaces are managed by the Land Trust (See the [Beaulieu case study](#) in our Long-Term Stewardship Tool-Kit).²⁴ The Channels has one site-wide promoter and four housebuilders which initially led to a patchwork of different management organisations. Early on residents raised issues regarding the landscaping within the development and uncertainty as to who held responsibility for the upkeep of which areas. The Channels Residents Company was formed in response, accessible to all residents living on the Channels development to be able to voice and action concerns across the development.

Separate to the management companies, and in response to some of the issues experienced in the early phases of the development, the site promoter formed the Channels Community Interest Company (CIC) to take on the strategic management of the site and has progressively assumed responsibility for the individual development phases such that by completion there will be a uniform approach to management.

The CIC is ultimately run by, and for, the residents of Channels who have a democratic say in the setting of matters such as service charge budgets and ultimately sign off on how the site

Box 2. Channels Community Interest Company - governance

All resident homeowners are entitled to become a member of the company. Being a member doesn't carry any liabilities but means that as a member you have a voice and can help direct the management of the site wide areas.

- Members will meet at least once a year at a formal annual meeting to review the company's annual report and accounts.
- Other less formal meetings will be held every so often – how often is up to the members probably once a quarter.
- The members will elect directors of the company to represent them, probably one for each developer area.

²² Chelmsford Garden Community Development Framework Document. Chelmsford Garden Community Consortium. Jan. 2023. <https://www.chelmsford.gov.uk/media/vsxh3m1i/chelmsford-garden-community-development-framework-document-january-2023.pdf> and [item-5-chelmsford-garden-community-stage-1-masterplan-chelmsford-policy-board-report-09122022.pdf](#)

²³ Chelmsford Adopted Local Plan. Chelmsford City Council. May 2020. <https://www.chelmsford.gov.uk/media/id1jmniz/chelmsford-local-plan-may-2020-includes-a1-plans.pdf>

²⁴ The Heart of the Matter: Emerging Lessons in Long-Term Stewardship. TCPA. March. 2022. <https://www.tcpa.org.uk/resources/the-heart-of-the-matter-emerging-lessons-in-long-term-stewardship/> and <https://www.tcpa.org.uk/resources/stewardship-case-studies/>

should be managed on a bottom up, rather than top down, approach. The CIC has proven to provide residents with the opportunity to feel genuinely involved in the day to day running of the development around them and to be able to deliver tangible results on the ground through a number of community-led projects, initiatives, and events. The Company website outlines how residents will have a say on the development (See **Box 2**).

In April 2023, following a community Governance Review, Parish Boundaries were revised and a new Parish Council established. The Chelmsford Garden Community Council will play a role in the Garden Community's stewardship arrangements which could include buildings and other assets potentially including the community centres.²⁵

Chelmsford City Council have been exploring options for a unified stewardship approach across the whole Garden Community. This has required consideration of a range of political and financial perspectives from stakeholders – ranging from elected members and the Chelmsford Garden Community Council acting on behalf of their residents to the master developers of the Beaulieu and Channels developments. This work has so far resulted in the ambition for a new 'not-for profit' stewardship body to be established to manage the long-term stewardship of the whole Garden Community, with the potential to include Beaulieu and Channels.

This will include input from the Chelmsford Garden Community Stewardship Steering Group. The Stage 1 Masterplan comprises the Development Framework Document, an Infrastructure Delivery Plan (IDP) and the Planning Framework Agreement (PFA), which is an overarching legal agreement between the Consortium of developers. The IDP will secure financial contributions for the stewardship arrangements and the PFA will set out the obligations in relation to stewardship including the requirement to obtain approval to a Stewardship Statement.

A Garden Community Steering Group, which consists of Chelmsford City Council, Essex County Council, the Chelmsford Garden Community Council and the Developer consortium, is at the forefront of determining the arrangements for community stewardship and has been working with consultants to determine the form of the stewardship vehicle. The precise form of stewardship vehicle has not yet been formalised, but a community benefit society is being considered as the legal stewardship vehicle. In governance terms, within a Community Benefit Society there are no prescribed names for elements of the governance system. Collective ruling bodies can be known as boards or committees and elected members as Directors or committee or board members.²⁶ Chelmsford City Council are currently waiting for the developers to come forward with a proposal on the stewardship body's governance structure. The stewardship steering group will operate to oversee and advise the work of the 'not-for-profit' stewardship body. The steering group also aims to provide a strategic direction and

²⁵ "Welcome to Chelmsford Garden Community Council". Webpage. Chelmsford Garden Community Council. <https://chelmsfordgardencommunitycouncil.gov.uk/>

²⁶ "Community Benefit Society board members -Roles and Responsibilities." Webpage. Carbon Co-op. <https://carbon.coop/community-benefit-society-board-members-roles-and-responsibilities/#:~:text=In%20a%20Community%20Benefit%20Society,or%20Committee%20or%20Board%20members>

ensure collaboration across the Chelmsford Garden Community and the existing management arrangements for Beaulieu and the Channels.

Key Lessons on Stewardship Governance

- A whole place approach to stewardship and an umbrella stewardship body can make things simpler and easier for residents. However, implementing stewardship arrangements across a large site where existing management arrangements exist is complex and requires a strong political and resource commitment to explore options²⁷
- It is important to understand the roles and responsibilities of different parties within the stewardship body. There should be an awareness of what other bodies (e.g. parish councils) are legally allowed to do within their own governance structures.
- Early commitment to standards on stewardship (e.g. Garden City Principles) can provide a useful foundation to help all stakeholders understand what the local authority expects.

Case Study Four: Langarth Garden Village

Langarth Garden Village is a development of approximately 3,550 homes located on the outskirts of Truro.²⁸

In January 2019 Cornwall Council took on a proactive role in planning and delivering the new integrated community at Langarth. This included investing in a stewardship strategy for the site. The strategic outline case (SOC) for stewardship at Langarth established the main types of community assets that would need to be managed by the stewardship body: land, facilities and assets, and services.²⁹ The SOC also contained a list of shortlisted stewardship vehicles that should be considered.

In March 2023, an outline business case (OBC) for the stewardship model was presented to Cornwall Council.³⁰ This articulated an expectation that the anticipated stewardship vehicle for Langarth Garden Village would be a company limited by guarantee to be set up by Langarth Garden Village LLP (which is the Council's delivery company being established for the development). The OBC also anticipated the appointment of a third-party management company. A company limited by guarantee was suggested as the best option as it sufficiently ensures community benefit, provides flexibility, and can meet the stewardship bodies business needs and service requirements.

The governance arrangements will reflect the Langarth Garden Village Vision³¹. The OBC outlines anticipate parties involved in the governance of the stewardship to include: community stakeholder (Kenwyn Parish Council and the adjacent Truro City Council), developers, housing associations, business and residents. As the involvement of different parties will vary over the

²⁷ *From patchwork to tapestry: Overcoming barriers to planning for long-term stewardship in existing communities.* TCPA. January. 2023. <https://www.tcpa.org.uk/resources/from-patchwork-to-tapestry-overcoming-barriers-to-planning-for-long-term-stewardship-in-existing-communities/>

²⁸ "Langarth Garden Village". Webpage. Langarth Garden Village. <https://www.langarth.co.uk/>

²⁹ Cabinet Report – Langarth Stewardship. Cornwall Council. March. 2023. www.langarth.co.uk/wp-content/uploads/March-2023-Cabinet-Report.pdf

³⁰ Ibid

³¹ "Langarth Garden Village". Webpage. Cornwall Council. 2023. <https://www.cornwall.gov.uk/planning-and-building-control/places/langarth-garden-village/>

course of the development, the importance of flexibility in the governance arrangements is emphasised. A model of this flexibility can be seen in **Figure 3** below.

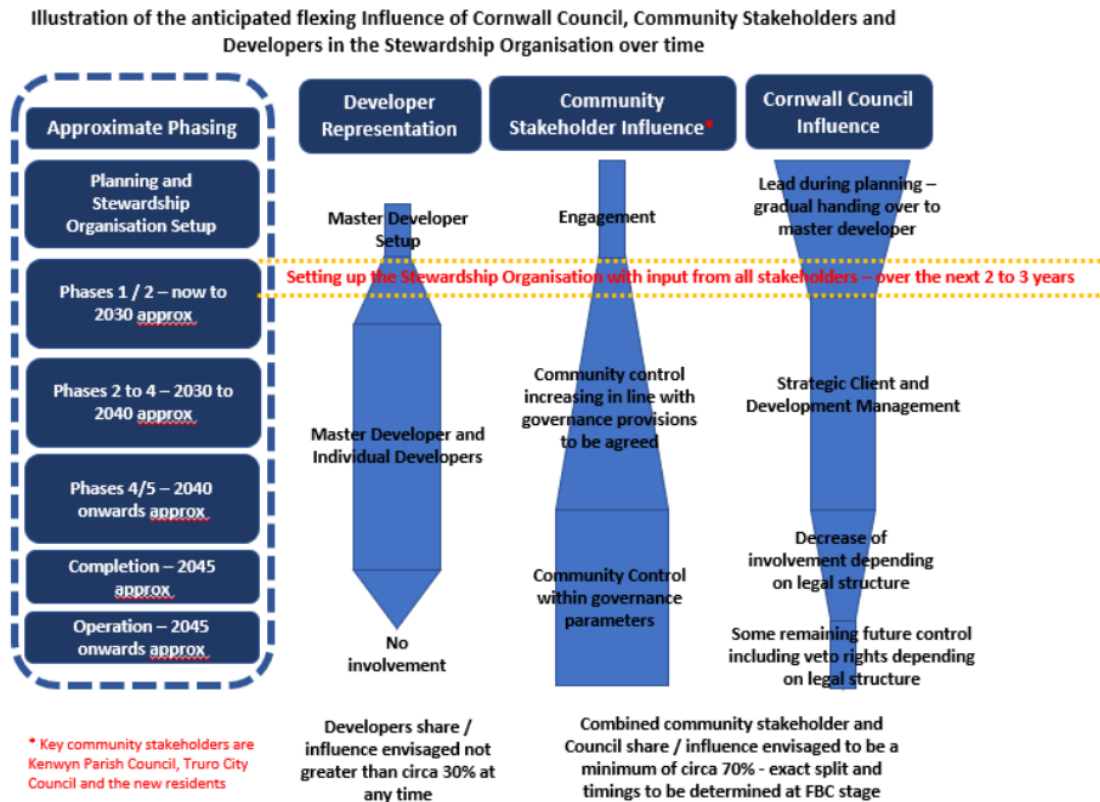


Figure 3: Langarth Garden Village Governance Diagram from Cabinet Report – Langarth Stewardship. Cornwall Council. March. 2023. www.langarth.co.uk/wp-content/uploads/March-2023-Cabinet-Report.pdf

Cornwall Council are keen to have various safeguards in place to protect the vision for the Garden Village, especially in the early stages of the development. It is anticipated that the stewardship organisation’s articles of association will state that the articles cannot be changed without Cornwall Council’s consent. Similar restrictions may also apply to the business plan. Additional controls may be implemented through the S106 agreement, Langarth design codes, and land covenants. However, as the community and stewardship body becomes more established, the influence of Cornwall Council will begin to reduce, while retaining a golden share to continue to protect the overall vision and design principles.

Following approval of the OBC, the project team established the Langarth Stewardship Working Group (LSWG), with nominated representative from Kenwyn Parish Council, Truro City Council and the two Cornwall Council Divisional Members, to act as a consultative group as more details around governance and involvement, roles and responsibilities, scope, funding and finance and implementation are developed.

A full business case is now in the process of being created following which a business plan will also be prepared. The stewardship body will be set up in the next two to three years with input from the stakeholders mentioned above.

Key Lessons on Stewardship Governance

- Meaningful involvement and engagement of Parish and Divisional Councillors is vital to ensure a sense of ownership into the stewardship approach that's being developed.
- Investing time in discussing and understanding what are considered to be the critical success factors for Stewardship before considering what the final legal and governance structure should be.
- Acknowledging that there is a difference between the practical realities of creating a Stewardship vehicle suitable for the initial needs of the development as distinct from more conceptual ideas about long term governance that can lead to a lot of time being focussed on trying to design a structure for hypothesised circumstances that may apply 20+ years away – but which will inevitably be different to what we may predict now.
- Designing in flexibility to ensure the Stewardship vehicle can reshape and refocus as the development progresses and it takes on more responsibilities and a wider Stewardship role. Protecting the vision, design principles and garden city principles should however remain a constant.
- Ensuring that equal consideration is given to the Stewardship vehicle's roles in community development and place shaping, within the redline as well as extending into surrounding communities, as is given to the management and maintenance of community assets.
- Acknowledging the issues of capacity in Parish Councils, who may be being expected to engage with significant and complex concepts well beyond their normal scope of operation, and finding ways to help support them.

5. Further information on governance

TCPA Guidance on Governance

- *Built Today, Treasured Tomorrow: A practical guide to long-term stewardship*. TCPA. January. 2014. <https://www.tcpa.org.uk/resources/built-today-treasured-tomorrow-a-practical-guide-to-long-term-stewardship/>
- *Guide 9: Long-term Stewardship*. TCPA. December. 2017. <https://www.tcpa.org.uk/resources/guide-9-long-term-stewardship/>
- *The Heart of the Matter: Emerging Lessons in Long-Term Stewardship*. TCPA. March. 2022. <https://www.tcpa.org.uk/resources/the-heart-of-the-matter-emerging-lessons-in-long-term-stewardship/>
- *Making Stewardship Happen – A process guide for councils*. TCPA. May. 2023. <https://www.tcpa.org.uk/making-stewardship-happen-a-process-guide-for-councils/>
- *From patchwork to tapestry: Overcoming barriers to planning for long-term stewardship in existing communities*. TCPA. January. 2023. <https://www.tcpa.org.uk/resources/from-patchwork-to-tapestry-overcoming-barriers-to-planning-for-long-term-stewardship-in-existing-communities/>

Other Guidance on Governance

- “Delivery Successful Stewardship Organisations for Garden Communities”, Pinsent Masons. 2024. Available from June 2024 on www.outlaw.com
- “Stewardship vehicles for Garden Communities”. Webpage. Pinsent Masons. 2022. <https://www.pinsentmasons.com/out-law/guides/stewardship-vehicles-garden-communities>
- “Governance and Finance Policy Guidance”. Webpage. Community Led Homes. 2019. <https://www.communityledhomes.org.uk/resource/governance-and-finance-policy-guidance>
- “Good Governance”. Webpage. Supporting Communities. <https://supportingcommunities.org/good-governance>
- “What is Good Governance”. Webpage. Co-operatives UK. <https://www.uk.coop/support-your-co-op/governance/what-good-governance>
- *Community ownership and management of parks and green spaces - An introduction*. Shared Assets. 2016. <https://mycommunity.org.uk/files/downloads/Community-ownership-and-management-of-parks-and-green-spaces.pdf>

Additional examples of governance and stewardship strategies for new communities:

- Otterpool Park: Governance and Stewardship Strategy. Quod, March 2022. <https://www.folkestone-hythe.gov.uk/downloads/file/2944/appendix-4-13-governance-and-stewardship-strategy>
- Gilston Area Governance and Stewardship Strategy, Places for People and Taylor Wimpey, Nov 2022.

https://www.gilstonparkestate.com/media/4m1bvi2k/gilston_stewardship_governance_strategy.pdf