

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF CABINET ON 17 MAY 2021

**SUBJECT: DELIVERY OF WEST BANK STRATEGIC ALLOCATION**

**REPORT AUTHOR:** Karl Roberts – Director of Place

**DATE:** 27 April 2021

**EXTN:** 37760

**PORTFOLIO AREA:** Planning & Technical Services

### **EXECUTIVE SUMMARY:**

The successful delivery of the West Bank strategic allocation in the Local Plan requires a complex set of interactions in order to deliver the required homes, other uses and infrastructure. The ability to achieve this is also governed by viability considerations. The landowners have sought to take this project forward as a single entity through the use of development promoters. However, this has not been possible, largely on viability grounds. Therefore, this report seeks to promote an alternative approach where the Council will take the lead for preparing a Supplementary Planning Document to agree a comprehensive masterplan for a development to be delivered in phases where each phase works both in its own right but also contributes to the delivery of the overall masterplan. To improve the chances of a successful delivery of this development this work will also consider whether further development along the western bank of the river to the south of the allocation should be supported along with works between the allocation site and Clymping Beach to aid coastal defence.

### **RECOMMENDATIONS:**

That Cabinet recommends to Full Council the following:

- 1) The Council commissions a detailed masterplan for the West Bank strategic allocation including indicative phasing and a comprehensive viability appraisal;
- 2) The Council commissions as complementary guidance a detailed policy statement for areas adjoining the allocation to the south including along the riverside and towards Clymping Beach;
- 3) Should any application for funding for this project submitted to the UK Community Renewal Fund be unsuccessful, then a supplementary budget of up to £100,000 to fund the cost of (1) & (2) above be agreed as the Council's contribution to the cost of the project;

This equates to a Council tax equivalent of £1.60 for a typical Band D property.

- 4) The Council accept financial contributions from third parties to support the delivery of (1) and (2) above; and

5) The Council establishes an Officer Working Group with representatives of key landowners and the relevant parish councils to take forward the project and hold wider consultative discussions with the wider community and stakeholders.

Cabinet is also asked to resolve:

That in order to aid transition to the new Committee system, this report is referred to the Economic Committee for inclusion in the Economic Committee's Work Programme.

## **1. BACKGROUND:**

- 1.1 The progression of delivering the West Bank Strategic Allocation as a single development opportunity has currently stalled. Two major site promoters were invited by the landowners to bid for the opportunity to promote the site for development. These site promoters undertook detailed due diligence, but this established that ground conditions were poor which consequently increased the likely construction costs. This coupled with the extent of the infrastructure required to deliver a satisfactory scheme impacted on the overall financial viability of the proposal. The site promoters decided not to enter into any formal agreement and withdrew because the financial risks were considered substantial. It is also worth noting at this juncture that external funding has also been sought in the past to assist with the delivery of the infrastructure, but these bids were unsuccessful.
- 1.2 As a consequence, a new approach is required if this Strategic Allocation is to be delivered. If it continues to be shown that the allocation is not deliverable then serious consideration should be given to de-allocating the site from the Local Plan, although this would also mean seeking an alternative location for the current proposal to deliver 1000 homes here. However, every opportunity should be taken to facilitate the delivery of the allocation before such an action is considered further.
- 1.3 It is also important to remember that the allocation is intended to be for a mixed use development with other uses associated with a riverside location also proposed including business and hospitality as well as an attractive riverside public realm including linkages with the proposed River Arun cycleway.

## **2. PROPOSAL(S):**

- 2.1 The previous approach sought the delivery of the allocation as a single development constructed in essence, in one go. The new approach being advocated is to seek to deliver the development as a series of discrete phases which can work both independently but also contribute to the delivery of a detailed masterplan.
- 2.2 To achieve this, a very detailed piece of work would need to be undertaken to update the current masterplan and set out the proposals in much greater detail. This would include showing how each individual phase would contribute to the required infrastructure either directly through on-site provision or through financial contributions, and how the issue of 'equalisation' is addressed so that each phase is subject to a similar financial burden. It would also need to be established whether there was a requirement for there to be an order in terms of the delivery of individual phases. For example, those phases which were intended to address flood defence measures first.
- 2.3 The image below shows the current extent of the West Bank Development.



Source: *Littlehampton Economic Growth Area - Development Delivery Study - Arun District Council -Final Report - June 2016*

- 2.4 In order for the Council to be able to be able to rigorously pursue the guidance produced as part of any decision making through the planning system the guidance will need to enjoy the status of a Supplementary Planning Document.
- 2.5 Whilst, the intention is not to expand the physical extent of the strategic allocation as set out in the Local Plan there are good reasons why it would be appropriate to consider other development opportunities both along the western side of the river and between the strategic allocation and the sea at Clymping Beach.
- 2.6 Firstly, the potential extent of the required flood defences along the river extends further south than the allocated area and therefore the opportunity should be taken to look to extend the extent of the potential development area further south.
- 2.7 Secondly, the recent breach of sea defences at Clymping Beach (2020) requires a strategic solution. The landowners and others have promoted some interesting solutions which warrant further considerations alongside the West Bank work as the allocation will need to be protected from any threat from the sea.
- 2.8 Since this would be outside the Local Plan allocation the Council would need to create and consult upon a positive policy narrative for these additional areas to sit alongside the supplementary planning guidance proposed for the strategic allocation.
- 2.9 The cost of producing the required SPD and parallel policy work and narrative will be significant because it requires the development of a comprehensive masterplan and detailed viability work for the allocation as a whole and the individual phases.

- 2.10 Some soft market testing that has been undertaken suggests that a minimum budget provision should be made for at least £100,000. This is a significant sum of money and therefore the principal landowners have been contacted about the possibility of them making financial contributions to the cost of the required SPD work. Homes England have also been contacted to determine whether they would financially support the development of the SPD. Finally, West Sussex County Council has been invited on behalf of this Council to include the cost of this work in any bid to the UK Community Renewal Fund which was launched alongside The UK Levelling Up Fund by the Government in the budget. The outcome of these approached is awaited. Equally, third party contributions will be particularly helpful if the work reveals the need to address issues which could not have been reasonably foreseen and therefore increases the cost of the project.
- 2.11 Progress on the project and future reports will be presented to the Planning Policy Committee at regular intervals.
- 2.12 If Cabinet or Full Council decide to reject the principle of this project then the outcome in the short term will be even further pressure to allow development on unallocated sites to deliver the proposed 1000 homes. In the medium to long term the outcome is likely to require the de-allocation of the strategic allocation in either this plan or any updated Local Plan.

### 3. OPTIONS:

- 1) To proceed as suggested.
- 2) Vary the terms of the project.
- 3) To reject the project.

### 4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify) – Key Landowners	x	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	x	
Legal	x	
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability	x	
Asset Management/Property/Land	x	
Technology		x

Other (please explain)		
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**6. IMPLICATIONS:**

To undertake this project will require a significant investment which is not currently budgeted for. The guidance produced will be a material consideration in future planning decisions.

**7. REASON FOR THE DECISION:**

To facilitate the delivery of the West Bank strategic allocation in the Local Plan.

**8. EFFECTIVE DATE OF THE DECISION: 14 July 2021**

**9. BACKGROUND PAPERS:**

None