

Decoy Farm Contaminated Land Survey

Report by the Director for the Economy

1.0 Summary

- 1.1 This report updates Members on a recently completed Contaminated Land Survey undertaken on the Decoy Farm site. The report identifies that the extent of contamination is not significant and it is considered that the site has development potential. As a result of this recent survey, this report requests that further funding is released to undertake additional survey work required to help to bring the site forward for employment uses. The report also updates Members on the recent bid for funding via the Strategic Economic Plan produced by the Local Enterprise Partnership (LEP) in partnership with Local Authorities which sought up to £2.3 million to help pay for the remediation work necessary on the Decoy Farm site.

2.0 Background

- 2.1 As Members are aware, one of the key objectives for bringing Decoy Farm back into use is to create much needed new employment floorspace for Worthing. Members will be aware that Decoy Farm is a site identified in the Core Strategy as an Area of Change (Policy 12). It is a large site extending to 7.7 hectares and includes the former Household Waste Recycling facility. The land was formerly a landfill site and there is evidence of existing contamination. The Core Strategy policy for the site indicates that the site could provide an opportunity to develop a range of uses that could contribute to Worthing's economic growth. In particular the Core Strategy envisages that the site could add to the overall supply of small industrial units as well as provide space for open storage uses that could complement the new County Council household waste facility. One such storage use referred to is the possible relocation of the existing bus depot (Stagecoach) at Marine Parade to help facilitate the redevelopment of this town centre site.
- 2.2 Decoy Farm has also been identified as a possible site to relocate some of the commercial uses at Shoreham Harbour that do not require a waterfront location. The relocation of these commercial uses would help to facilitate the regeneration of the Harbour and help meet future housing requirements for Adur District in its emerging Local Plan.
- 2.3 The Shoreham Harbour Partnership has been actively engaging with businesses located on the Western Harbour Arm to help facilitate relocation and encourage private sector investment into the area. The opportunity for relocation for some of these businesses is limited due to the nature of the uses, the need to remain local and because of the significant costs of redeveloping their existing sites (constraints

such as land contamination and flood defence measures). As a result the Partnership has accepted that the regeneration of the Western Harbour Arm is unlikely to happen without some form of public sector funding or intervention.

- 2.4 There is a shortage of employment land within Worthing and Adur, with limited opportunities to bring forward new employment sites. A number of local businesses have expressed an interest in relocating to the Decoy Farm site. The Councils recently adopted Corporate Priorities stress the importance of promoting and supporting projects that attract new businesses and Decoy Farm, despite its constraints, represents one of the few new employment sites in the Borough. However before detailed discussions can be entered into with prospective businesses wishing to relocate to the site, or to expand existing premises from the west, it is essential that the Council assesses the development potential of the site for employment uses.
- 2.5 In May 2013 two proposals were submitted to the Coastal Communities Fund (CCF), one to help bring forward the regeneration of Shoreham Harbour and the second bid related to the refurbishment of the upper floor of the Guildbourne Centre. The bid submitted by Adur focused on the Western Harbour Arm and sought funding up to £2 million to provide flood defence provision, land remediation at local receptor sites and business relocation to enable the regeneration of the Harbour. Decoy Farm was identified as a potential site to assist with the relocation of certain businesses. The bid was initially successful but Adur did not progress to Stage 2 of the process as that required detailed survey information to have been carried out on the Western Harbour including detailed plans for flood defence, Contaminated Land Surveys and planning permission for a comprehensive flood defence solution.
- 2.6 At its meeting on 7th November 2013, Members considered a report in connection with the Coastal Communities Fund and the potential for pursuing bids for Decoy Farm and the Guildbourne Centre. In connection with Decoy Farm, the report requested funding up to £150,000 to undertake survey work including a Transport Assessment, ecological survey and noise assessments as well as valuation/marketing costs. At the meeting concern was expressed about the overall costs of the additional surveys at a time when the costs of remediation were unknown. It was agreed to re-consider the matter once the results of the further contaminated land survey were known and there was a clearer idea of remediation costs. The contaminated land survey was not completed in time to submit a bid for the last round of CCF for 2014/15. A bid was submitted for Worthing to assist bringing forward Colonnade House as incubator space for creative industries.

3.0 Strategic Economic Plan

- 3.1 In April of this year, the Coast to Capital LEP submitted its Strategic Economic Plan (SEP) which set out the ambition for economic growth across the LEP area along with a range of investment proposals for realising these ambitions. The SEP set out proposals for a 6 year programme of private and public sector investment at around £5 billion which would create 42,000 new jobs, 28,000 homes and 445,000 square metres of employment floorspace. The SEP ask to Government was to invest £559 million of Local Growth Fund to support the investment programme.

- 3.2 Adur and Worthing Councils submitted various bids for funding, in particular £13.5 million to deal with the funding shortfall for flood defence works in Shoreham Harbour (£6 million to cover the shortfall for the Adur Tidal Walls Scheme and £7.5 million to deliver the comprehensive flood defence for Shoreham Harbour). In addition, a bid of £2.3 million was submitted to cover the costs of dealing with contaminated land remediation and transport infrastructure works necessary to facilitate the development of the Decoy Farm site.
- 3.3 The Government has recently announced that the LEP has secured £202 million initially for a six year period of which £38 million is for year one (2015/16). The Shoreham Flood Defence Scheme has secured £9.5 million and sustainable transport funding of £37 million has also been secured. Whilst, the bid for Decoy Farm was unsuccessful, the LEP has a Public Works Loan Board funding facility of £88 million which could be used to help pay for the infrastructure works necessary to bring forward the Decoy Farm site.

4.0 Contaminated Land Survey Update

- 4.1 The detailed Contaminated Land Survey has now been undertaken and the report highlights that the level of contamination is not significant. The report also highlights that the top 3 metres of the site is relatively free of significant levels of contamination although there would be a need to deal with ground gas and provide appropriate mitigation and provide for ongoing monitoring.
- 4.2 The report provides some reassurance that the site can be developed. The cheapest solution would be to cap the site with a protective membrane and provide a hardstanding area suitable for open storage uses. The cost of constructing industrial units would be higher because of the need to provide a clean air system require gas venting and a fan system within the buildings. The report indicates that levelling of the site could provide bunding around the site using surplus soil to provide a landscaped buffer.
- 4.3 Without further survey work and investigation the Consultants have not been able to provide any indicative costs for developing the site for employment uses. However, from their experience the site does have development potential for employment uses.

5.0 Proposals

- 5.1 Whilst, the CCF funding has now ceased the funding that maybe available from the Government's Local Growth Fund could help to bring the site forward for employment uses. This could either be through a loan from the Public Works Board and/or to seek funding through Round 2 of the Growth Deal funding. However, it is clear that additional work is necessary to fully understand the costs of bringing forward the site for development and the extent, if any, of any funding shortfall.
- 5.2 The next step would be to seek some indicative costings for remediating the site to ensure that the site is viable before undertaking further studies necessary to submit a planning application. Hopefully this work would demonstrate that the site would generate sufficient value to cover remediation and development costs. If there is a funding shortfall clear evidence of the extent of any shortfall would be necessary to secure funding from Round 2 of the Local Growth Fund. It is likely that a detailed

land survey and indicative costs for undertaken remediation works would cost up to £25,000. As Round 2 has already opened it is important that this initial survey work is undertaken as a matter of priority.

- 5.3 On the basis that the site is viable to develop it would be preferable to market the site with outline planning permission. If it is demonstrated that there is a funding gap it may be necessary to secure public funding to undertake the land remediation and potentially install an access road prior to marketing the site. Either way there is a need to carry out further investigations into the development costs associated with bringing the site forward for employment use.
- 5.4 Members should be reassured that there continues to be considerable development interest in the site from various local companies and your Officers remain confident that the site would be viable to bring forward for development.
- 5.5 A number of studies would need to be undertaken to enable an outline planning application to be submitted. These would include:
- Transport Assessment
 - Ecological Survey
 - Flood Risk Assessment
 - Noise Assessment
 - Air Quality Assessment
- 5.6 The existing junction onto Dominion Way may require improvements and the recent development at GSK indicated that the signalised junction with Dominion Road is close to capacity. It is inevitable therefore that the application will require some off site highway works and an initial highway study into the potential development costs would be beneficial. An outline planning application would require a Transport Assessment in any event to analyse the impact on the existing highway network.
- 5.7 As the site has not been occupied for a number of years it is likely that the site supports a large colony of reptiles that would need to be translocated to a receptor site in the vicinity. This could be a costly exercise in itself and may limit the development potential of the site particularly if part of the site has to be kept clear for ecological reasons and/or a balancing facility as part of a Sustainable Urban Drainage system (SUD's) for the site.
- 5.8 Added to the above studies there would be a need for funding for the planning application fee, valuation report and marketing costs. It is estimated that the cost of all the survey work and studies required for Decoy Farm, including marketing and the submission of a planning application, would be up to £150,000. However, any spending would be undertaken on an incremental basis and at each stage only on the basis that the overall development value justified the expense.
- 5.9 At its meeting in November 2013 Members agreed to set up a Corporate Project Board, with the Cabinet Member for Regeneration being on the Board. An officer steering group would also be set up, reporting directly to the Board. If Members agree to the above funding request to help bring the Decoy Farm site forward for development the Project Board/Steering Group would be set up and would authorise spending at each stage of the project.

6.0 Legal

- 6.1 Section 1 Localism Act 2011 and Section 111 Local Government Act 1972 provide that the Council shall have the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of their functions which includes Regeneration.
- 6.2 In addition, Section 1 Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions. When applying for grant funding applicants are required to self-evaluate whether their projects are compliant with European State Aid rules which regulate financial aid to organisations carrying out economic activity (whether or not for profit) and this advice should be sought at an early stage.
- 6.3 Ultimately, if successful in connection with any grant funding application, the Council would have to enter into a grant agreement to comply with the terms and conditions of any grant award.

7.0 Financial Implications

- 7.1 There are no existing budgets to cover the cost of the survey work needed.
- 7.2 The cost of survey works necessary to secure outline planning permission for the Decoy Farm site are relatively high at £150,000. However if the Council is to secure funding from the Public Works Loan Board or Round 2 of the Growth Deal funding, it is essential that the full costs of bringing forward the site for development are understood. By setting up a Project Board the Cabinet Member for Regeneration would be able to exercise control over spending at different stages of the Project.
- 7.3 Whilst the Council's Consultants have not been able to provide a rough estimate for remediating the site, having reviewed the recent disposal of open storage sites in the area, it is likely that a serviced site could be valued at around £500,000 per acre (£1.2 million per hectare). Even at a conservative estimate the costs of remediating the land (including mitigating ground gas), providing access and services and addressing ecological requirements are unlikely to exceed £4 million. If it is assumed that about 5 hectares of land could be brought forward for employment use, even just for open storage uses, this would be viable and provide a capital receipt for the Council.
- 7.4 These figures are only rough estimates and the cost of developing the site may be higher, however, as stated previously without undertaking the further surveys and reports it will not be possible to understand the full development costs and whether there would be any funding shortfall. This information would be essential if Worthing were to submit a bid for Growth Deal funding in Round 2.
- 7.5 It is also worth mentioning that the site even for open storage uses would help to provide significant business rates income to the Council. One of the identified uses for the site is to relocate Stagecoach and as an example the Company's existing site of only 1.6 acres (0.66 ha) has a rateable value of £66,000.

8.0 Recommendation

8.1 It is recommended that the Committee:

- (i) Agrees that bringing forward Decoy Farm as an employment site is a priority project for Worthing Borough Council.
- (ii) Recommends to Worthing Borough Council to fund survey work costing up to £150,000 from the Capacity Issues Reserves.
- (iii) Support the establishment of a Corporate Project Board and agree that the Cabinet Member for Regeneration be part of the Board.
- (iv) Agree to the submission of an outline planning application for the Decoy Farm site.
- (v) Agree to the marketing of the site on the basis that planning permission is granted.

Local Government Act 1972 Background Papers:

Coastal Communities Fund Bids 2013
Coastal Communities Fund Application Guidance
Shoreham Harbour Development Briefs
Decoy Farm Contaminated Land Survey 2014
Adopted Worthing Core Strategy 2011

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Schedule of Other Matters

1.0 Council Priority

1.1 Supporting and Improving the Local Economy

- 1) Promote and support projects and ideas that attract new and retain existing businesses and generate investment in the area
- 2) Enable new homes to be built to help meet the housing needs of our communities

2.0 Specific Action Plans

2.1 Shoreham Harbour Development Briefs Worthing Core Strategy

3.0 Sustainability Issues

3.1 Matter considered and no issues identified

4.0 Equality Issues

4.1 Matter considered and no issues identified

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified

6.0 Human Rights Issues

6.1 Matter considered and no issues identified

7.0 Reputation

7.1 Matter considered and no issues identified

8.0 Consultations

8.1 Consultation undertaken with Officers and Senior Members

9.0 Risk Assessment

9.1 Matter considered and no issues identified

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Not applicable

12.0 Partnership Working

12.1 Matter considered and no issues identified