



## **Fulbeck Avenue Development Site**

### **Report by the Director for the Economy**

#### **1.0 Summary**

- 1.1 This report sets out a proposed approach to develop new homes on Worthing Borough Council owned land at Fulbeck Avenue, Northbrook for market sale and affordable housing.
- 1.2 The report requests the necessary authority and funding to prepare and submit an outline planning application for the proposed housing.

#### **2.0 Background**

- 2.1 The Worthing Housing Study published in June 2015 provides an assessment of the objectively assessed housing needs (OAN) in the Borough. Using demographic projections and population forecasting the study concluded that the full OAN for housing in Worthing in the Plan period up to 2033 is 12,720 dwellings which equates to 636 dwellings per annum. If it were possible to deliver in full, this would represent more than a 20% increase in the number of dwellings in the Borough within a 20 year period. Provision for housing needs in the Plan can be less than the OAN but this is only possible if the Council is able to provide evidence to show how the adverse effects would significantly outweigh the benefits.
- 2.2 In acknowledgement of these housing pressures, the Joint Strategic Committee agreed at its meeting on 4th of April 2017 to support the principle of development coming forward on the two edge of town sites that lie within the existing built up area in advance of the Local Plan. Land at Fulbeck Avenue is one of these sites.
- 2.3 The Council own the freehold of the Fulbeck Avenue site which occupies a prime development location in the western part of the town. The Council is continuously looking to identify opportunities to develop its own sites and assets to maximise revenue benefit and or/capital receipts. Initial analysis of the site indicates that it may be able to accommodate approximately 45 homes with associated public open space, parking and roadways (however this would be subject to a full site appraisal). 2.4 As such, bringing forward the site for a housing development would meet the Council's financial objectives and contribute towards bringing forward much needed new homes within the town.

### 3.0 Proposals & Next Steps

- 3.1 The proposed development project will have three phases.
- 3.2 Stage 1 comprises proof of viability. Comprehensive investigations will be undertaken into the viability of the development including 1) Valuation advice from residential agents 2) Quantity Surveying advice on the construction cost for the scheme and 3) Intrusive investigations into the ground conditions on the site. Results of these investigations will inform us as to whether our assumptions on the suitability of the site are robust.
- 3.3 Stage 2 - Based on the initial investigations the appointment of necessary consultants to prepare and support an outline planning application for a residential development of the site. This phase will culminate in the submission and determination of a planning application. The initial estimated costs for this phase of the project are set out in the Part 2 report of this agenda.
- 3.4 Stage 3 - Should the proposed development receive outline planning permission, then the Council would look to appoint suitable professionals to dispose of the site for best consideration.
- 3.5 The development risk for this site is considered small and outweighed by the additional capital receipt and/or revenue benefits anticipated.

### 4.0 Alternative Options

- 4.1 There are 2 options for the development of this site within the scope of this project.
- 4.2 Option 1 - The Council design a scheme to achieve full planning permission, secure fixed and tendered construction costs, and develop out the scheme itself. This is the most financially attractive development option creating a larger capital receipt but will have a significant capital costs. The Council would have to bear all of the planning and construction risks of the project. **This is not the recommended option.**
- 4.4 Option 2 - The Council secures outline planning permission. The site is marketed for disposal with the benefit of outline planning permission and site surveys. This option would create a lesser capital receipt for the Council but at a significantly reduced cost. The Council could at the end of the development purchase back the affordable units or work with a Registered Provider (RP) to deliver specific affordable housing that meets the greatest need. **This is the recommended option.**

### 5.0 Legal

- 5.1 The Council has general powers of competence under Section 1 Localism Act 2011 to undertake any activity which an individual with full capacity may undertake. This includes improving service provision and the quality of life in identified regeneration areas by developing the Council's own land.

- 5.2 However, the Council must show that its commercial activity would benefit its area and the residents, and that the profit generated by such an activity is only ancillary to the general benefit to the residents. If profit is the main driver, then a special purpose company must be created for that purpose.
- 5.3 The scheme in this case would clearly generate direct economic and social benefits to the Borough by providing additional housing for residents to buy (or rent) and creating local jobs. The profit the Council would generate is therefore ancillary, which means that the Council has the capacity to develop the land itself.
- 5.4 S123 of the Local Government Act 1972 requires Local Authorities to seek best consideration when disposing of land. The Council will demonstrate how it meets the requirements of S123 ensuring best value is achieved through a marketing process and detailed research into sales values and construction costs.

## **6.0 Financial implications**

- 6.1 The cost of undertaking the feasibility work and initial planning application is estimated to be £167,000. It is proposed that this be funded from the Worthing Borough Council Affordable Housing capital budget which currently has an unallocated balance of £568,900 as the intention will be to facilitate the delivery of increased Affordable Housing for the benefit of Worthing residents..

## **7.0 Recommendations**

- 7.1 The Joint Strategic Committee is asked to recommend to Worthing Borough Council that a budget virement of £167,000 be approved as set out in paragraph 6.1.
- 7.2 The Joint Strategic Committee approves that:
- (i) The Head of Planning and Development, in consultation with the Leader of Worthing Borough Council (with responsibility for Property and Asset Management), be authorised to make the necessary professional consultancy appointments (in accordance with procurement regulations and contract standing orders) to prepare and complete a residential development project, comprising approximately 45 residential units and all costs associated with the project not exceeding the budget set out in the exempt information at Part 2 of this Agenda;
  - (ii) The Head of Planning and Development, in consultation with the Worthing Borough Council Leader (with responsibility for Property and Asset Management), be authorised to make an outline planning application for housing on the site and to enter into any required planning obligations pursuant to any planning permission granted;
  - (iii) Following a suitable marketing exercise, the Head of Planning and Development, in consultation with the Leader of Worthing Borough Council (with responsibility for Property and Asset Management), be authorised to agree the sale and transfer terms of the development site.

- (vi) Worthing Borough Council to make an allocation in the Capital Programme to fund this development project based upon the costs set out in in the exempt information at Part 2 of this Agenda.

## **Local Government Act 1972**

### **Background Papers:**

- Joint Strategic Committee 4 April 2017 Agenda Item 7 “Worthing Local Plan - Update and Proposed Spatial Strategy”
- Worthing Borough Council - Strategic Housing Land Availability Assessment (SHLAA) Update, December 2016

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## **Schedule of Other Matters**

### **1.0 Council Priority**

- 1.1 Commitment 1.4- Use the Council's land and buildings to support our financial and social economies
- 1.2 Commitment - 1.7.2 W Prepare a new Worthing Local Plan, setting out the key locations for growth and development

### **2.0 Specific Action Plans**

- 2.1 Matter considered – no specific issues identified.

### **3.0 Sustainability Issues**

- 3.1 Matter considered – no specific issues identified. The proposed development will have to meet all national and local planning policy and building regulations regarding sustainability.

### **4.0 Equality Issues**

- 4.1 Matter considered – no specific issues identified.

### **5.0 Community Safety Issues (Section 17)**

- 5.1 Community safety will be considered as part of the Design and Access Statement to support the proposal and Sussex Police will be consulted through the applicaiton process.

### **6.0 Human Rights Issues**

- 6.1 Matter considered – no specific issues identified.

### **7.0 Reputation**

- 7.1 The development of new good quality housing will meet the spatial needs of the borough and will have a positive impact on the reputation of the Council.

### **8.0 Consultations**

- 8.1 Development management colleagues have been consulted on the proposals informally. Significant public consultation took place to support the preparation of the Worthing Local Plan which was in favour of bringing this site forward for housing.

(B) The Head of Legal Services and Monitoring Officer, and Chief Finance Officer have been consulted on the contents of this report.

## **9.0 Risk Assessment**

- 9.1 The development risk for achieving an outline consent and then disposing of the site is considered small and outweighed by the additional capital receipt anticipated.

## **10.0 Health & Safety Issues**

- 10.1 Matter considered and no issues identified.

## **11.0 Procurement Strategy**

- 11.1 No immediate issues as a result of this report. The project will involve a number of professional appointments which will need to comply with the Council's procurement standing orders.

## **12.0 Partnership Working**

- 12.1 The Government's Duty to Co-operate places a requirement on Local Planning Authorities to work with neighbouring authorities to address strategic issues. Work to address this need is on-going and will continue as the Plan is advanced. The proposed development will contribute to this Partnership Working by demonstrating that the Council is doing everything it can to bring forward development in Worthing.