



ADUR & WORTHING
COUNCILS

31 January 2022

Joint Strategic Committee	
Date:	8 February 2022
Time:	6.30 pm
Venue:	QEII Room, Shoreham Centre

Committee Membership:

Adur District Council: Councillors; Neil Parkin (Adur Chairman), Angus Dunn (Adur Vice-Chairman), Carson Albury, Brian Boggis, Kevin Boram and Emma Evans

Worthing Borough Council: Councillors; Kevin Jenkins (Worthing Chairman), Edward Crouch (Worthing Vice-Chairman), Sean McDonald, Heather Mercer, Elizabeth Sparkes and Nicola Waight

Agenda

Part A

1. Declarations of Interests

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 11th January 2022, copies of which have been previously circulated.

3. Public Question Time

To receive any questions from members of the public.

Questions should be submitted by noon on Friday 4th February 2022 to Democratic Services, democratic.services@adur-worthing.gov.uk

(Note: Public Question Time will operate for a maximum of 30 minutes)

4. Items Raised under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

5. Chief Executive's use of Urgency Powers during the Covid-19 Pandemic (Pages 1 - 6)

To consider a report from the Chief Executive, a copy is attached as item 5.

6. Final Revenue Budget Estimates for 2022/23 (Pages 7 - 22)

To consider a report from the Director for Digital, Sustainability & Resources, a copy is attached as item 6.

7. Joint Treasury Management Strategy Statement and Annual Investment Strategy 2022/23 to 2024/25, Adur District Council and Worthing Borough Council (Pages 23 - 74)

To consider a report from the Director for Digital, Sustainability & Resources, a copy is attached as item 7.

8. Celebrating the Queen's Platinum Jubilee (Pages 75 - 84)

To consider a report from the Chief Executive, a copy is attached as item 8.

9. Union Place - Selection of Preferred Developer (Pages 85 - 128)

To consider a report from the Director for the Economy, a copy is attached as item 9.

10. Worthing Local Plan (Pages 129 - 222)

To consider a report from the Director for the Economy, a copy is attached as item 10.

11. Exclusion of Press and Public

In the opinion of the Proper Officer the press and public should be excluded from the meeting for consideration of item 12. Therefore the meeting is asked to consider passing the following resolution:

'that under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting from the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph of Parts 3 of Schedule 12A to the Act indicated against the item'

Part B - Not for Publication – Exempt Information Reports

12. Union Place - selection of preferred developer - Exempt Appendix (Pages 223 - 228)

To consider exempt appendices relating to Item 9.

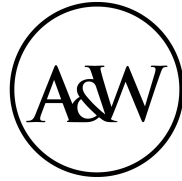
Recording of this meeting

The Council will be live streaming the meeting, including public question time. A recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

For Democratic Services enquiries relating to this meeting please contact:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk	Andrew Mathias Senior Solicitor 01903 221032 andrew.mathias@adur-worthing.gov.uk

Duration of the Meeting: Four hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
8 February 2022

Key Decision: No

Ward(s) Affected: N/A

Chief Executive's use of Urgency Powers during the Covid-19 Pandemic

Report by the Chief Executive

Executive Summary

1. Purpose

- 1.1 The latest wave of Coronavirus (Omicron) necessitated the Government taking urgent action in the pre-christmas period. In late December, the Council was informed of a new business grant scheme targeted at those businesses who were most severely affected by this new variant.
- 1.2 To ensure the swift distribution of funds, the Chief Executive has been called upon to use her urgency powers to approve a budget virement and this report advises Members of the Executive of the executive decision made, and asks for their endorsement to those decisions.

2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to note the content of the report and endorse the decision made by the Chief Executive.
- 2.2 The Joint Strategic Committee is asked to delegate to the Chief Financial Officer the ability to adjust the budget for any future fully funded government covid relief schemes.

3.0 Context

- 3.1 In March 2020 a global pandemic was declared as a result of Covid-19. The Councils were faced with unprecedented times and have been required to swiftly respond to the emergency for the health, safety and wellbeing of their communities and economies. Over the couple of years the Councils have administered a number of initiatives targeted to support the business community.
- 3.2 On 21 December 2021, the Chancellor of the Exchequer, the Rt Hon Rishi Sunak MP, announced a further £1 billion in support for businesses most impacted by Omicron across the UK.
- 3.3 The details of the new business grant scheme was released in early January and the Council was informed of the funding allocations on the 12th January 2022, too late for consideration at the January meeting of the Committee.
- 3.4 The Council has approved a Scheme of Delegations to Officers and within it have included the authority to the Chief Executive to make decisions on behalf of the Executives and the Councils in an emergency situation such as this one.
- 3.5 Given the need to act swiftly, the Chief Executive has made an Executive decision in recent weeks relying on these urgency provisions consulting with the Leaders of the Councils as required by the constitution. The Scheme of Delegations provides that the use of these powers should be reported to the Council, or the Executive, as appropriate, as soon as practicable.

4.0 Issues for consideration

4.1 Government Funding for Business Grants

- 4.1.1 The Councils have been notified of funding for the new Omicron business grant scheme:

	Adur £	Worthing £
Additional restrictions grant	99,414	163,641
Omicron grants	366,021	696,033
Total	<u>465,435</u>	<u>859,674</u>

4.1.2 Under our financial regulations, a budget virement should be approved prior to any expenditure being incurred. The level of spend is such that normally the Joint Strategic Committee would have approved the budget virement. However, given the need to distribute the funds as quickly as possible, the Chief Executive was asked to approve the virement using her urgency powers.

4.1.4 The Councils have been successful in quickly distributing the Omicron grants highlighted in 4.1.1 with the first payments being issued on 24th January 2022. As of 28th January 2022, 157 local businesses have been issued a grant, a total of £540,027 has been distributed thus far:

	No of business paid	Amount £
Adur	40	£140,006
Worthing	117	£400,021

4.1.5 As of 17th January, the Councils also opened the application process for the Additional Restrictions Grant, meaning both grants were 'live' in under 4 weeks of the announcements from Government. The deadline for both grants is 28th February 2022.

5.0 Engagement and Communication

In making executive decisions under urgency powers delegated to her by the Council, the Chief Executive consulted with the Leader of each Council, as well as the Council's Statutory Officers.

6.0 Financial Implications

6.1 The grants awarded to the business community are fully funded by the resources provided by BEIS.

6.2 Under our financial regulations, a budget virement should be approved prior to any expenditure being incurred. The level of spend is such that normally the Joint Strategic Committee would approve the budget virement.

7.0 Legal Implications

7.1 Paragraph 2.1.2 of the Officer Scheme of Delegations provides the Chief Executive with the authority to "take urgent action on behalf of the Councils".

Urgent means a "matter of pressing importance requiring swift action given the gravity of the situation, to prevent damage (or further damage) to life, limb, infrastructure or the financial integrity of the Councils".

7.2 In taking such urgent action the Chief Executive is obliged to consult with the relevant Leader.

Background Papers

- Adur District Council and Worthing Borough Council Scheme of Delegations to Officers
- Adur District Council and Worthing Borough Council Financial Regulations

Officer Contact Details:-

Sarah Gobey

Chief Financial Officer

01903 221221

sarah.gobey@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

- The grant programme will support our local businesses and have a positive impact on the local economy.

2. Social

2.1 Social Value

- Supporting our local businesses will protect local employment opportunities and have a positive impact on our communities.

2.2 Equality Issues

- Issue considered, no specific matters to report

2.3 Community Safety Issues (Section 17)

- Issue considered, no specific matters to report

2.4 Human Rights Issues

- Issue considered, no specific matters to report

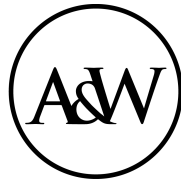
3. Environmental

- Issue considered, no specific matters to report

4. Governance

- The report outlines our compliance with the Council's governance arrangements.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
8 February 2022

Key Decision [Yes/No]

Ward(s) Affected: All

Final Revenue Budget Estimates for 2022/23

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

1.1 This report is the final budget report of the year, the culmination of the annual budgeting exercise, and asks members to consider:

- The final revenue estimates for 2022/23 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and

These budgets reflect the decisions taken by members to date in relation to agreed savings proposals and any committed growth. The budgets are still to be adjusted for the proposals to invest in services detailed in Appendix 2 which were considered by the Executives last week.

1.3 The budget is analysed by Executive member portfolio. In addition, the draft estimates for 2022/23 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension cost adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.4 The respective Adur and Worthing 2022/23 Estimates and Council Tax setting reports have already been considered by the Worthing Executive on 31st January 2022 and the Adur Executive on 1st February 2022. Both the estimates for Adur District Council and

Worthing Borough Council include their respective share of the cost of the Joint Strategic Committee.

- 1.5 The following appendices have been attached to the report:
- (i) **Appendix 1** 5 year forecasts for the Joint Strategic Committee
 - (ii) **Appendix 2** Proposals for investment in services
 - (iii) **Appendix 3** Summary of Executive Member Portfolio budgets for 2022/23

2. Recommendations

2.1 The Joint Strategic Committee is recommended to:

- (a) Note the proposals to invest in services outlined in Appendix 2 which were considered at the Executive meetings in early February;
- (b) Note the proposed 2022/23 budget detailed in Appendix 3. The respective Council shares having been approved by the Adur and Worthing Executives. The budget will be adjusted for any changes to the Investment in Services proposals.

3. Summary

- 3.1 The Joint Strategic Committee considered the report 'Impact of Covid 19 on the Council's finances - Update on the current financial performance and developing a revenue budget for 2022/23' on 13th July 2021. This report outlined the current financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.
- 3.2 On 7th December the '*Towards a sustainable financial position - Budget update*' was approved by the Joint Strategic Committee, this report updated the members on the latest budget forecast, the options for addressing the budget shortfalls and considered any unavoidable growth.
- 3.3 To address the known pressures and to realise its ambitions set out in *Platforms for our Places*, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:

- The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;
- The Service Redesign programme leads on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work;
- The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Investment Fund;
- The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience; and
- The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.
- The Corporate Landlord programme which seeks to rationalise accommodation use and generate capital receipts from the sale of surplus assets and thereby reducing the costs associated with funding priority projects identified in Platforms for our Place: Going Further.

3.4 Since the meeting on the 7th December, the Joint Strategic Committee budget has been finalised and the last adjustments have been included. Overall, therefore, the current financial position of the Joint Strategic Committee for 2022/23 can be summarised as :

	£'000
Original 2022/23 budget shortfall	119
<i>Changes to Pay and inflation</i>	
(a) Impact of latest assessment of 20/21 pay award	-6
(b) Change in inflation estimate	-60
(c) Impact of 1.25% national insurance increase	172
(d) Net change to pension costs	11
Shortfall carried forward	236

	£'000
Shortfall bought forward	236
<i>Adjustment for final items</i>	
Committed growth items approved on 7th December 2021	280
Removal of contingency for growth items	-100
Increase in funding from constituent authorities	-348
Net impact of transferred budgets - Growth approved for 2021/22	195
Increase in recharges to the capital programme an HRA	-80
Revised Budget shortfall	183
Less: Net savings agreed in December	-183
Balanced budget	-

- 3.5 The government published the provisional local government finance settlement for 2022-23 on 16th December 2021 via a written statement. Consultation on the provisional settlement closed on the 16th January 2022. This is a one year settlement and in many ways is similar to the 2021/22 settlement.
- 3.6 A full update on both the one-year spending review and settlement is included in the Budget Estimate reports for both Councils. However, the key issues which will affect the future funding for the Joint Strategic Committee include:
- i) The Council Tax referendum thresholds confirmed as the higher of 2% or £5.00 for a Band D property.
 - ii) The Government will be re-starting the local government funding reforms in the spring. This means that the Fair Funding Review and baseline reset are both going to be under consideration again, for possible implementation in 2023/24. This is likely to reduce the Councils' share of Business Rate income in future.

The implications of this change for 2022/23 are twofold:

1. Existing homelessness grants will continue until absorbed into the business rate retention scheme; and
2. The councils will retain all surplus business rate income for one more year.

In addition to the above, both constituent Councils received a one-off 'Service Grant' to fund core services which has been distributed to local government using the 2013/14 Settlement Funding Assessment methodology. The amounts allocated are as follows:

- Adur District Council £121,820
- Worthing Borough Council £185,618

3.7 This will have inevitable consequences for the services of the Joint Strategic Committee which will need to continue to reduce its budget in line with the challenges faced by the constituent Councils.

4.0 DRAFT REVENUE ESTIMATES 2022/23

4.1 Detailed budgetary work for the Joint Strategic Committee is now complete (subject to any decisions arising from the Adur and Worthing Executives in February) and the estimate of the budget requirement is £24,477,650. This includes the savings agreed by the Joint Strategic Committee in December. Attached at Appendix 2 are the additional proposals for investment into services recently considered by the Executives.

4.2 A breakdown of each Executive Member's summary budget is attached in Appendix 3. The changes can be summarised briefly as follows:

	£'000	£'000
2021/22 Original Estimate		23,609
Add: Growth approved 2021/22		195
2021/22 Revised Estimate		23,804
Add: General Pay and Price Increases		679
Add: Increase in employer NI contributions		172
Add: Committed and Unavoidable Growth:		
Increased net expenditure as per 5 year forecast (net of any proposed use of reserves)		280
Less: Compensatory savings and additional Income:		
Reduction in pension contributions	-194	
Increase in charges to the capital programme and HRA	-80	
		-274
2022/23 budget prior to agreed savings		24,661
Less: Savings agreed by members		
Approved in December		-183
Net cost to be funded by the Councils		24,478

Net cost to be funded by the Councils Net cost allocated as follows: - Adur District Council - Worthing Borough Council Cost reallocated to both Councils	£'000	£'000 24,478
		9,874
		14,604
		24,478

- 4.3 The Joint Strategic Committee budget has been reflected in both the Adur and Worthing Estimates, which will be approved by their respective Executives on 31st January and 1st February 2022. The allocation of the costs of joint services under the remit of the JSC has again been reviewed this year. There is no significant swing of costs between the two Councils this year.

Further details can be provided by request from Emma Thomas (Chief Accountant) or Sarah Gobey (Chief Financial Officer).

5.0 IMPACT ON FUTURE YEARS

- 5.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1. However, following settlement, it is clear that the Councils will continue to have budget shortfalls for at least the next 2 - 5 years. Consequently, the Joint Strategic Committee is likely to show the following shortfalls in line with that experienced by the Constituent Councils:

	Expected shortfall (Cumulative)				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix 1	183	1,282	1,604	2,153	2,714
Less: Net savings identified in 2022/23 budget round	-183	-183	-183	-183	-183
Adjusted cumulative budget shortfall	183	1,099	1,421	1,970	2,531
Savings required each year		1,099	322	549	561

- 5.2 To ensure that the Joint Strategic Committee continues to balance the budget there will need to be a continuing emphasis on efficiency and value for money in the annual savings exercise.

6.0 SIGNIFICANT RISKS

6.1 Members will be aware that there are several risks to the Joint Strategic Committee's overall budget. These can be summarised as follows:-

(i) **Income**

The Committee receives income from a number of services which will be affected by demand. Whilst known reductions in income have been built into the proposed budgets for 2022/23, income may fall further than expected.

(ii) **Withdrawal of funding by partners**

All budgets within the public sector continue to come under intense scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, either council might lose funding for key priorities, which would leave the Joint Committee with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

(iii) **Inflation**

A provision for 2% inflation has been built into non-pay budgets. Pay budgets include an average inflationary allowance of 2.0%. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	257
Non-pay	41

6.2 To help manage these risks, both councils have put in place contingency budgets, and have both working balances and other earmarked reserves.

7.0 CONSULTATION

7.1 The Council ran a consultation exercise which supported the Council's five year budget strategy. In light of this, no consultation exercise was undertaken this year.

7.2 Officers and members have been consulted on the development of the budget.

8.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

8.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report when making their decisions.

8.2 As Members are aware, the Joint Strategic Committee must set its estimates in advance of the start of the financial year. This is because both Councils must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. This includes a share of the cost of the Joint Strategic Committee. Because they decide on the council tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, and income from grants.
 - External competition and declining markets, particularly during a recession.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

8.3 Overall view on the robustness of the estimates:

It will therefore be important for members to maintain a diligent budget monitoring regime during 2022/23.

8.4 The Chief Financial Officer and Section 151 Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Joint Strategic Committee has also demonstrated that it has a sound system of financial management in place.

9.0 LEGAL IMPLICATIONS

9.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Council will meet this requirement for 2022/23.

10.0 CONCLUSION

10.1 The Councils have implemented a budget strategy which plans for the reduction in the resources provided via Government. The strategy outlines a series of proactive steps which would contribute significantly to meeting the financial challenge by increasing income or by promoting business efficiency through the use of digital technology. Overall the Committee has successfully contributed to this strategy by identifying savings of £183k to meet the current year's shortfall against a backdrop of the pandemic.

10.2 Looking further ahead, 2023/24 will again be challenging as the Council grapples with the impact of the fairer funding review. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda continues to play a vital role in balancing the budget.

10.3 However, provided we continue to deliver on this strategy, the Councils will become increasingly financially resilient over the next 5-10 years as government funding reduces, New Homes Bonus disappears and we become largely funded by our community through Council Tax and income from our commercial services.

Background Papers

Report to the Joint Strategic Committee 7th December 2021 'Towards a sustainable financial position - Budget update '

Report to the Joint Strategic Committee 7th December 2021 'Investing in our Places : Capital Programme 2021/22 to 2023/24'

Local Authority Finance (England) Settlement Revenue Support Grant for 2022/23 and Related Matters: MHCLG Letters and associated papers of 16th December 2021.

2021 Spending Review – On-the-day briefing

Local Government Act 2003 and Explanatory Note

“Guidance Note on Local Authority Reserves and Balances” – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2020/21

Report to Joint Strategic Committee 7th December 2021 – 2nd Revenue Budget Monitoring Report (Q2)

Officer Contact Details:-

Emma Thomas

Chief Accountant

01903 221232

emma.thomas@adur-worthing.gov.uk

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

JOINT STRATEGIC COMMITTEE						
Revenue Budget Summary Statement 2021/22						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	23,609	23,609	23,609	23,609	23,609	23,609
Growth approved as part of the 2021/22 budget cycle		195	195	195	195	195
(a) Annual Inflation						
Estimated inflation		660	1,391	2,103	2,798	3,507
Impact of 2021/22 pay rise		19	19	19	19	19
Impact of national insurance contributions		172	175	179	183	187
(b) Impact of funding 'Platforms'						
Measures to reduce waste		-	200	200	200	200
(c) Other items						
Reduction in pension contributions		-194	-209	-214	-214	-214
Allowance for committed growth items approved in December		280	380	480	580	680
Increase in recharges to the capital programme and HRA for approved items		-80				
Net cost to be reallocated to the Councils	23,609	24,661	25,760	26,571	27,370	28,183
Adur District Council	9,545	9,874	9,874	10,071	10,172	10,274
Worthing Borough Council	14,064	14,604	14,604	14,896	15,045	15,195
Total income for services provided to the constituent councils	23,609	24,478	24,478	24,967	25,217	25,469
(Surplus) / Shortfall in Resources	-	183	1,282	1,604	2,153	2,714
Savings identified to date:						
Efficiency Measures						
Service and Digital redesign		183	183	183	183	183
Service plan savings not included above						
Total savings identified		183	183	183	183	183
Savings still to be found/ (surplus)		-	1,099	1,421	1,970	2,531
Savings required in each year		183	1,099	322	549	561

Appendix 2

		<i>Expected cost (cumulative)</i>								
		<i>2022/23</i>			<i>2023/24</i>			<i>2024/25</i>		
Service reinvestment proposal	Grade	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Democratic Services Officer Additional capacity to support new the Committee and additional meetings required due to changing political climate.	7	39,970	15,990	23,980	47,960	19,180	28,780	47,960	19,180	28,780
Assistant Waste Manager Additional capacity within the waste team to support the introduction of the requirements of the Environment Act	8	54,830	19,740	35,090	54,830	19,740	35,090	54,830	19,740	35,090
Transformation / delivery programme manager Additional capacity to support the redesign of the organisation and subsequent transformation programme.	12	96,690	48,350	48,340	96,690	48,350	48,340	96,690	48,350	48,340
Less: Contribution from the HRA (50% in 2022/23 and 2023/24)		-48,345	-24,175	-24,170	-48,345	-24,175	-24,170			
Plant Heritage Officer Part of the HLF commitment to ongoing maintenance of Highdown Gardens. The post is to be funded from fundraising via the Trust.	5	44,050	0	44,050	44,050	0	44,050	44,050	0	44,050
Less: Contribution from the Trust		-44,050	0	-44,050	-44,050	0	-44,050	-44,050	0	-44,050
Overall cost of new proposals		143,145	59,905	83,240	151,135	63,095	88,040	199,480	87,270	112,210

**JOINT SERVICE BLOCK ACTIVITY RECHARGED
TO ADUR AND WORTHING COUNCILS**

SERVICE BLOCKS	ESTIMATE 2021/2022	ESTIMATE 2022/2023
	£	£
Chief Executive & Communications	454,280	597,130
Director for Communities	8,366,680	8,919,230
Director for Digital & Resources	12,422,800	12,227,570
Director for the Economy	3,655,040	3,903,400
TOTAL SERVICES	24,898,800	25,647,330
ALLOCATION OF COSTS		
Less: Allocation to HRA and Capital Programme charged direct to Adur and Worthing	(1,094,590)	(1,169,680)
	23,804,210	24,477,650
Adur District Council	(9,623,150)	(9,873,390)
Worthing Borough Council	(14,181,060)	(14,604,260)
TOTAL SERVICE BLOCK ALLOCATIONS	(23,804,210)	(24,477,650)

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ADUR & WORTHING
COUNCILS

Joint Governance Committee
25 January 2022
Agenda Item 9

Joint Strategic Committee
8 February 2022
Agenda Item 7

Key Decision : No
Ward(s) Affected: All

JOINT TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2022/23 to 2024/25, ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL

REPORT BY THE DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report asks Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23 to 2024/25 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

2. RECOMMENDATIONS

- 2.1 The Joint Governance Committee is recommended to:

- i) Note the report (including the Prudential Indicators and Limits, and MRP Statements) for 2022/23 to 2024/25
- ii) Refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 8 February 2022.

- 2.2 The Joint Strategic Committee is recommended to:

- i) Approve and adopt the TMSS and AIS for 2022/23 to 2024/25, incorporating the Prudential Indicators and Limits, and MRP Statements
- ii) Forward the Prudential Indicators and Limits, and MRP Statements of the report for approval by Worthing Council at its meeting on 22 February 2022, and by Adur Council at its meeting on 24 February 2022.

3. INTRODUCTION

3.1 Background

The Councils are required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in high quality counterparties or instruments commensurate with the Councils' low risk appetite, providing adequate liquidity initially, before considering investment return. This is consistent with national guidance which promotes security and liquidity above yield.

The second main function of the treasury management service is the funding of the Councils' capital plans. These capital plans provide a guide to the borrowing needs of the Councils, essentially the longer term cash flow planning, to ensure that the Councils can meet their capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet the Councils' risk or cost objectives.

The contribution the treasury management function makes to the authority is critical as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day to day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

3.2 Reporting requirements

3.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Councils fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.2.2 Treasury Management Reporting

The Councils are required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report), the first, and most important report is forward looking and covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and noting whether any policies require revision.

An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny - The above reports are required to be scrutinised by the Joint Governance Committee (JGC) which may make recommendations to the Joint Strategic Committee (JSC) regarding any aspects of Treasury Management policy and practices it considers appropriate in fulfilment of its scrutiny role. Such recommendations as may be made shall be incorporated within the above named reports and submitted to meetings of the JSC for consideration as soon after the meetings of the JGC as practically possible. The reports are approved by the JSC and recommended to the Councils for approval.

3.3 Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Councils;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

3.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Following the Covid-19 pandemic, member training will be provided as soon as possible.

The training needs of treasury management officers are periodically reviewed and officers attend courses provided by appropriate trainers such as Link and CIPFA.

3.5 Treasury management consultants

The Councils use Link Group, Treasury Solutions as the external treasury management advisors.

The Councils recognise that responsibility for treasury management decisions remains with the organisations at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

They also recognise that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Councils will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

4. THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

The Councils' capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

4.1 Capital expenditure and financing

This prudential indicator is a summary of the Councils' capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts.

The tables below summarise the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing or borrowing need.

ADUR DISTRICT COUNCIL

Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
Non-HRA	12.512	10.270	52.997	2.473	1.862
HRA	5.186	25.666	19.513	5.600	5.600
TOTAL	17.698	35.936	72.510	8.073	7.462
Financed by:					
Capital receipts	1.282	1.519	0.200	0.100	0.121
Capital grants and contributions	10.722	4.363	1.546	0.471	0.462
Revenue Reserves & contributions	4.216	6.474	5.976	6.709	6.739
Net financing need for the year	1.478	23.580	64.788	0.793	0.140

WORTHING BOROUGH COUNCIL

Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
Non-HRA	17.744	52.068	74.896	3.811	3.332
TOTAL	17.744	52.068	74.896	3.811	3.332
Financed by:					
Capital receipts	1.211	0.184	0.918	0.000	0.089
Capital grants and contributions	7.328	6.541	6.385	0.888	0.856
Revenue Reserves & contributions	2.361	1.979	2.398	3.761	3.997
Net financing need for the year	6.844	43.364	65.195	(0.838)	(1.610)

4.2 The Councils' borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Councils' Capital Financing Requirement (CFR). The CFR is simply the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Councils' indebtedness and so their underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Councils' borrowing requirement, these types of schemes include a borrowing facility and so the Councils are not required to separately borrow for these schemes. The Councils currently do not have any such schemes within the CFR. The Councils are asked to approve the CFR projections below:

ADUR DISTRICT COUNCIL

Capital Financing Requirement (£m)	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
CFR – non-HRA	27.278	33.958	84.082	84.146	83.581
CFR - HRA	61.591	79.713	95.226	96.826	98.426
CFR – strategic	79.627	78.405	77.556	76.685	75.790
Total CFR	168.496	192.076	256.864	257.657	257.797
Movement in CFR	1.478	23.580	64.788	0.793	0.140
Movement in CFR represented by					
Financing need for the year	3.700	25.894	66.785	3.532	2.930
Less: MRP/VRP and other financing movements	(2.222)	(2.314)	(1.997)	(2.739)	(2.790)
Movement in CFR	1.478	23.580	64.788	0.793	0.140

WORTHING BOROUGH COUNCIL

Capital Financing Requirement (£m)	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
CFR – non-HRA	65.338	109.444	175.400	175.344	174.534
CFR - strategic	70.294	69.552	68.791	68.010	67.210
Total CFR	135.632	178.996	244.191	243.354	241.744
Movement in CFR	6.844	43.364	65.195	(0.837)	(1.610)
Movement in CFR represented by					
Financing need for the year	9.054	44.900	67.364	2.757	2.221
Less: MRP/VRP and other financing movements	(2.210)	(1.536)	(2.169)	(3.594)	(3.831)
Movement in CFR	6.844	43.364	65.195	(0.837)	(1.610)

4.3 Minimum revenue provision (MRP) policy statement

The Councils are required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although they are also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Councils to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For both Councils, the MRP relating to built assets under construction will be set aside once the asset is completed. If any finance leases are entered into, the repayments are applied as MRP.

The Councils are recommended to approve the following MRP Statements:

ADUR DISTRICT COUNCIL

For Adur District Council it was approved by the Joint Strategic Committee on 2nd June 2016 that for borrowing incurred before 1st April 2008, the MRP will be set aside in equal instalments over the life of the associated debt.

4.3.1 General Fund

For non-HRA capital expenditure after 1st April 2008 the MRP will be calculated as the annual amount required to repay borrowing based on the annuity method: equal annual payments of principal and interest are calculated, with the interest element reducing and the principal element

increasing over the life of the asset as the principal is repaid. The interest is based on the rate available to the Council at the beginning of the year in which payments start and the MRP is calculated as the amount of principal, so that by the end of the asset's estimated life the principal is fully repaid (the Asset Life Method). The option remains to use additional revenue contributions or capital receipts to repay debt earlier.

An exception was agreed in the 2015/16 Treasury Management Strategy Statement: the Chief Financial Officer has discretion to defer MRP relating to debt arising from loans to Registered Social Landlords (RSLs) to match the profile of debt repayments from the RSL and other public bodies. RSLs normally prefer a maturity type loan as it matches the onset of income streams emanating from capital investment with the timing of the principal debt repayment. The deferral of MRP to the maturity date would therefore mean that MRP is matched at the same point as the debt is repaid, and is therefore cash (and revenue cost) neutral to the Council.

If concerns arise about the ability of the borrower to repay the loan, the Chief Financial Officer will use the approved discretion to make MRP as a "prudent provision" from the earliest point to ensure that sufficient funds are set aside from revenue to repay the debt at maturity if the RSL defaults.

It is proposed to use the same policy for 2022/23.

4.3.2 **Housing Revenue Account**

Unlike the General Fund, the HRA is not required to set aside funds to repay debt. There is a requirement for a charge for depreciation to be made but there are transitional arrangements in place. The Council's MRP policy previously applied the financially prudent option of voluntary MRP for the repayment of HRA debt, to facilitate new borrowing in future for capital investment. However in order to provide additional capital funding to address the maintenance backlog identified by the condition survey, the payment of voluntary MRP was suspended for a period of 9 years from 2017/18 whilst the Council invests in its current housing stock and manages the impact of rent limitation.

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4.3.3 Worthing had no debt prior to 1 April 2008. Worthing applies the same MRP policy as Adur for capital expenditure funded from borrowing from 1 April 2008. Worthing also has discretion in the application of MRP in respect of capital loans to approved Counterparties (currently Worthing Homes and GB Met College).

4.3.4 In addition to the above policy, it is also recommended that where the Council purchases a property to facilitate a development whether via a Compulsory Purchase Order or via a negotiated arrangement with the intention of disposing of the property to a development partner, no MRP shall be provided for the first three years. Any capital receipt received for the land shall be used to repay the associated debt. This change to the policy was initially approved

by Council in July 2021.

4.3.5 It is proposed to retain this policy for 2022/23.

ADUR and WORTHING COUNCILS - VOLUNTARY REVENUE PROVISION

4.3.4 **MRP Overpayments** – A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory MRP, which are designated as voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayments made each year. Up until the 31st March 2022 Adur has a net VRP overpayment of £30k and Worthing has a cumulative net £470k VRP overpayment which will be reclaimed over the five years following each voluntary overpayment.

5. BORROWING

The capital expenditure plans set out above provide details of the service activity of the Councils. The treasury management function ensures that the Councils' cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Councils' capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

5.1 Current portfolio position

The Councils' treasury portfolio positions at 31st March 2021 and at 31st December 2021 are shown below.

Adur District Council

	Principal at 31.03.21 £m	Actual 31.03.2021 %	Principal at 31.12.21 £m	Actual 31.12.2021 %
External Borrowing				
PWLB	(136.052)	86%	(135.018)	85%
Other Borrowing	(22.884)	14%	(23.066)	15%
Finance lease	(0.000)		(0.000)	
TOTAL BORROWING	(158.936)	100%	(158.084)	100%
Treasury Investments:				
Local Authority Property Fund	2.708	23%	3.043	13%
In-house:				
Banks	6.000	51%	15.810	66%
Building societies	0.000	0%	2.000	8%
Bonds	0.030	1%	0.025	0%
Local authorities	0.000	0%	0.000	0%
Money market funds	3.000	25%	3.010	13%
TOTAL INVESTMENTS	11.738	100%	23.888	100%
NET DEBT	(147.198)		(134.196)	

Worthing Borough Council

	Principal at 31.03.21 £m	Actual 31.03.2021 %	Principal at 31.12.21 £m	Actual 31.12.2021 %
External Borrowing				
PWLB	(108.725)	79%	(111.439)	85%
Other Borrowing	(29.000)	21%	(37.000)	15%
Finance lease	(0.000)		(0.000)	
TOTAL BORROWING	(137.725)	100%	(148.439)	100%
Treasury Investments:				
Local Authority Property Fund	1.354	14%	1.522	4%
In-house:				
Banks	3.010	30%	17.160	44%
Government DMO	0.000	0%	4.000	10%
Building societies	0.000	0%	2.000	5%
Bonds	0.050	1%	0.050	0%
Local authorities	2.500	25%	2.500	6%
Money market funds	3.000	30%	12.000	31%
TOTAL INVESTMENTS	9.914	100%	39.232	100%
NET DEBT	(127.811)		(109.207)	

capital rather than treasury investments:

- a £10m loan to Worthing Homes
- a £5m repayment loan to GBMet College, with £4.737m remaining

The Councils' forward projections for borrowing are summarised below. The tables show the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

ADUR DISTRICT COUNCIL

Adur District Council External Debt £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 April	(161.802)	(158.936)	(182.516)	(247.304)	(248.097)
Expected change in Debt	2.866	(23.580)	(64.788)	(0.793)	(0.140)
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	(158.936)	(182.516)	(247.304)	(248.097)	(248.237)
The Capital Financing Requirement	168.496	192.076	256.864	257.657	257.797
Under/(over) borrowing	9.560	9.560	9.560	9.560	9.560

Within the above figures the level of debt relating to commercial property is:

Adur District Council	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £m	(79.627)	(78.405)	(77.556)	(76.685)	(75.790)
Percentage of total external debt %	50%	43%	31%	31%	31%

Worthing Borough Council

Worthing BC External Debt £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 April	(128.071)	(137.725)	(177.077)	(242.272)	(241.435)
Expected change in Debt	(9.654)	(39.352)	(65.195)	0.837	1.610
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	(137.725)	(177.077)	(242.272)	(241.435)	(239.825)
The Capital Financing Requirement	135.632	178.996	244.191	243.354	241.744
Under/(over) borrowing	(2.093)	1.919	1.919	1.919	1.919

Within the above figures the level of debt relating to commercial property is:

Worthing B C	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £m	(70.294)	(69.552)	(68.791)	(68.010)	(67.210)
Percentage of total external debt %	51%	39%	28%	28%	28%

Within the range of prudential indicators there are a number of key indicators to ensure that the Councils operate their activities within well-defined limits. One of these is that the Councils need to ensure that their gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Financial Officer reports that the Councils complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

5.2 Treasury Indicators: limits to borrowing activity

The operational boundary - This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

ADUR DISTRICT COUNCIL

Operational boundary £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	185.0	248.0	249.0	249.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	186.0	249.0	250.0	250.0

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Operational boundary £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	4.5	4.3	4.0
Other Debt	167.0	229.5	229.5	227.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	183.0	245.0	244.8	242.0

The authorised limit for external debt - This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Councils. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Councils are asked to approve the following authorised limits:

ADUR DISTRICT COUNCIL

Authorised limit £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	190.0	252.0	253.0	253.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	191.0	253.0	254.0	254.0

WORTHING BOROUGH COUNCIL

Authorised limit £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	4.5	4.3	4.0
Other Debt	172.0	233.0	233.0	230.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	188.0	248.5	248.3	245.0

5.3 Prospects for interest rates

The Councils have appointed Link Group as their treasury advisor and part of their service is to assist the Councils to formulate a view on interest rates. Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to other economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Additional information about interest rates and the risks to the forecasts are contained in Appendix E.

Borrowing for capital expenditure Link's long-term forecast (beyond 10 years) for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition there are some cheap alternative sources of long-term borrowing.

While the Councils will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

5.4 **Borrowing Strategy**

The Councils are both currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Councils' reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are currently low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

- 5.5 Both Councils will refer in the first instance to the Public Works Loan Board (PWLB) for sourcing their borrowing needs, given that they are eligible to access the PWLB “Certainty” rate of interest, being 20 basis points below the normal prevailing PWLB rates. However, borrowing from other sources, including other Local Authorities and the Local Government Association Municipal Bonds Agency, may from time to time offer options to borrow more cheaply than from the PWLB, and therefore will be considered.

Where appropriate, the Councils will investigate the possibility of using “ethical” or “green” borrowing options eg “green bonds.” Such borrowing is usually only available for significant amounts e.g. over £20m and takes time to arrange because the lender and the Council needs to undertake due diligence. PWLB rates have now been reduced meaning that other options are less likely to be economically viable. Local Climate Bonds may offer another alternative for funding carbon reduction projects.

Given the expected under borrowing position of the Councils, the borrowing strategy will give consideration to the most appropriate sources of funding from the following list:

- i) Internal borrowing, by running down cash balances and foregoing interest earned at historically low rates, as this is the cheapest form of borrowing;
 - ii) Weighing the short term advantage of internal borrowing against potential long term borrowing costs, in view of the overall forecast for long term borrowing rates to increase over the next few years;
 - iii) PWLB fixed rate loans for up to 50 years;
 - iv) Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB, market debt and loans from other councils in the debt portfolio;
 - v) PWLB borrowing for periods under 5 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.
 - vi) Short term loans from other Councils where appropriate;
 - vii) Other forms of borrowing where appropriate eg green bonds or the Municipal Bonds Agency where these offer better value than the PWLB.
- 5.6 Preference may be given to PWLB borrowing by annuity and EIP loans instead of maturity loans, as this may result in lower interest payments over the life of the loans. However debt maturity must be spread appropriately in order to reduce refinancing risk.

5.7 Policy on borrowing in advance of need

The Councils will not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Councils can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5.8 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

If rescheduling is done, it will be reported to the Councils at the earliest meeting following its action.

5.9 New financial institutions as a source of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities (primarily shorter dated maturities out to 3 years or so - still cheaper than the Certainty Rate)
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years)
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time)
- “Green Bonds” or “Local Climate Bonds” or the local Credit Union, Boom

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

6. ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy – Management of risk

6.1.1 The Department of Levelling Up, Housing and Communities (DLUHC - this

was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, a separate report.

6.1.2 The Councils' investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Councils' investment priorities will be security first, portfolio liquidity second and then yield, (return). The Councils will aim to achieve the maximum yield on investments commensurate with proper levels of security and liquidity and with the Councils' risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Councils will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

6.1.3 The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements, and Prudential Indicators. As conditions in the financial markets remain uncertain, the proposed maximum limits for specified and unspecified investments for 2022/23 are the same as for 2021/22, as amended by the Mid Year Review. The Mid Year Review added the UK bank Standard Chartered (currently A+ rated) to the specified investments and increased the limit for investment with the Local Authorities' Property Fund from £3m to £5m per Council for the purpose of setting aside long term funds for the repayment of debt. Counterparties' "sustainability", "ethical" or "climate change" policies will be reviewed to ensure that the Council invests funds appropriately.

6.1.4 Investment instruments identified for use in the financial year are listed in Appendix B under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Councils' treasury management practices.

6.1.5 The guidance from the DLUHC and CIPFA places a high priority on the management of risk. The Councils have adopted a prudent approach to managing risk and define risk appetite by the following means: -

- a) Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- b) **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Councils will engage with the advisors to maintain a monitor on market pricing such as “credit default swaps” (a financial derivative or contract that allows an investor to “swap” or offset his or her credit risk with that of another investor) and overlay that information on top of the credit ratings.
- c) **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) The Councils have defined the list of **types of investment instruments** that the treasury management team is authorised to use. There are two lists in Appendix B under the categories of ‘specified’ and ‘non-specified’ investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- e) **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix B.
- f) The Councils will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 6.8).
- g) Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 6.4). The UK is excluded from this limit because it will be necessary to invest in UK banks and other institutions even if the sovereign rating is cut.
- h) The Councils have engaged **external consultants**, (see paragraph 3.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Councils in the context of the expected level of cash balances and need for liquidity throughout the year.
- i) All investments will be denominated in **sterling**.
- j) As a result of the change in accounting standards for 2022/23 under IFRS 9, the Councils will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the

General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023. Consequently any fluctuations in the value of the Councils' investments in the Local Authorities' Property Fund will not be taken through the General Fund for the period of the override).

6.1.6 However, the Councils will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 6.15). Regular monitoring of investment performance will be carried out during the year.

6.2 Creditworthiness Policy

6.2.1 The primary principle governing the Councils' joint treasury management service investment criteria is the security of investments, although the yield or return on the investment is also a key consideration. After this main principle, the service will ensure that:

- It maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Councils' prudential indicators covering the maximum principal sums invested.

6.2.2 The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Councils for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the service may use, rather than defining what types of investment instruments are to be used.

6.2.3 Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with our criteria. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

6.2.4 In accordance with the Code, Link Group's creditworthiness service uses a

wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

6.2.5 The result is a series of colour coded bands for counterparties indicating the relative creditworthiness of each as they are categorised by durational bands. These bands are used by the Councils to form a view of the duration for investments by each counterparty. The Councils are satisfied that this service gives a robust level of analysis for determining the security of its investments. It is also a service which the Councils would not be able to replicate using its own in-house resources.

6.2.6 Using Link's ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications. The effect of a change in ratings may prompt the following responses:

- If a downgrade results in the counterparty/investment scheme no longer meeting the Councils' minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Councils will be advised by Link of movements in Credit Default Swaps and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils' lending lists.

6.2.7 The Councils' officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, the government support for banks, and the credit ratings of that government support.

6.2.8 Accordingly, the Councils may exercise discretion to deviate from Link's suggested durational bands for counterparties where circumstances warrant a more flexible approach being taken.

The Councils' Minimum Investment Creditworthiness Criteria

6.3 The minimum credit ratings criteria used by the Councils generally will be a short term rating (Fitch or equivalents) of F1, and long term rating A-. There may be occasions when the counterparty ratings from one or more of the three Ratings Agencies are marginally lower than the minimum requirements of F1 Short term, A- Long term (or equivalent). Where this arises, the counterparties to which the ratings apply may still be used with discretion, but in these instances consideration will be given to the whole range of topical market information available, not just ratings.

The Councils include the top five **building society** names in the specified investments. It is recognised that they may carry a lower credit rating than the Councils' other counterparties, therefore the lending limits for the building

societies shall be £2m each, excepting that for Nationwide (the top building society) the lending limit shall be £4m.

6.4 Country Limits and Proposed Monitoring Arrangements

Due care will be taken to consider the country, group and sector exposure of the Councils' investments.

The Councils have determined that they will only use approved counterparties from countries (other than the UK) with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide one). The list of countries that qualify using these credit criteria as at the date of this report is reflected in the counterparty approved lending list shown at Appendix B. This list will be added to, or deducted from, by officers should ratings change, in accordance with this policy. No more than 25% of investments shall be placed in non-UK financial institutions for more than 7 days.

6.5 Creditworthiness

Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS prices - Credit Default Swaps

Although bank CDS prices (these are credit derivative contracts that enable investors to swap credit risk and are therefore indicators of market risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Councils have access to this information via the Link-provided Passport portal.

Investment Strategy

6.6 In-house funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. For cash flow balances, the Councils will seek to use notice accounts, money market funds, call accounts

and short-dated deposits to benefit from the compounding of interest.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the meetings of the JGC and JSC in accordance with the reporting arrangements contained in the Treasury Management Practices Statement.

6.7 Investment returns expectations

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.25%
Later years	2.00%

- 6.8 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Councils' liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Councils are asked to approve the following treasury indicators and limits:

ADUR DISTRICT COUNCIL

MAXIMUM PROPORTION OF PRINCIPAL SUMS INVESTED > 365 DAYS			
	2022/23	2023/24	2024/25
Principal sums invested > 365 days	50%	50%	50%

WORTHING BOROUGH COUNCIL

MAXIMUM PROPORTION OF PRINCIPAL SUMS INVESTED > 365 DAYS			
	2022/23	2023/24	2024/25
Principal sums invested > 365 days	50%	50%	50%

Both Councils are currently holding investments in the Local Authorities' Property Fund (£3m for Adur and £1.5m for Worthing) and other small bonds in the local credit union (£50k for Worthing and £25k for Adur) which are expected to be invested for more than 365 days. Worthing holds long term investments with Worthing Homes and GB Met College.

6.9 In any sustained period of significant stress in the financial markets, the default position is for investments to be placed with the Debt Management Account Deposit Facility of the UK central government. The rates of interest may be below equivalent money market rates, however, if necessary, the returns are an acceptable trade-off for the guarantee that the Councils' capital is secure.

6.10 The Councils' proposed investment activity for placing cash deposits in 2022/23 will be to use:

- AAA rated Money Market Funds with a Constant Net Asset Value (CNAV) or a Low Volatility Net Asset Value (LVNAV) under the new money market fund regulations
- other local authorities, parish councils etc.
- business reserve accounts and term deposits, primarily restricted to UK institutions that are rated at least A- long term.
- the top five building societies by asset size

Other Options for Longer Term Investments

6.12 To provide the Councils with options to enhance returns above those available for short term durations, it is proposed to retain the option to use the following for longer term investments, as an alternative to cash deposits:

- a) **Supranational bonds greater than 1 year to maturity**
- b) **Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
- c) **The Councils' own banker** (currently Lloyds) if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.
- d) **Building societies not meeting the basic security requirements under the specified investments.** The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use the top five building societies by asset size up to £2m, (£4m Nationwide).
- e) Any **bank or building society** that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year

(including forward deals in excess of one year from inception to repayment).

- f) Any **non-rated subsidiary** of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from the parent company, and total exposure up to the limit applicable to the parent.
- g) **Registered Social Landlords** (Housing Associations) **and other public sector bodies** - subject to confirming that the Councils have appropriate powers, consideration will be given to lending to Registered Social Landlords and other public sector bodies. Such lending may either be as an investment for treasury management purposes, or for the provision of “social policy or service investment”, that would not normally feature within the Treasury Management Strategy.
- h) **Property Investment Funds** for example the Local Authorities’ Property Fund. The Councils will consult the Treasury Management Advisors and undertake appropriate due diligence before investment of this type is undertaken. Some of these funds are deemed capital expenditure – the Councils will seek guidance on the status of any fund considered for investment. The Councils may invest up to £5m in Property Investment Funds - this reflects the request from Adur members to invest more in the CCLA Local Authorities’ Property Fund.
- i) **Other local authorities**, parish councils etc.
- j) **Loan capital** in a body corporate.
- k) **Share capital in a body corporate** – *The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.*

(Note: For (j) and (k) above the Councils will seek further advice on the appropriateness and associated risks with investments in these categories as and when an opportunity presents itself).

6.13 **The accounting treatment** may differ from the underlying cash transactions arising from investment decisions made by the Councils. To ensure that the Councils are protected from any adverse revenue impact, which may arise from these differences, the accounting implications of new transactions will be reviewed before they are undertaken.

6.14 The Councils will not transact in any investment that may be deemed to constitute **capital expenditure** (e.g. Share Capital, or pooled investment funds other than Money Market Funds), without the resource implications being approved as part of the consideration of the Capital Programme or other appropriate Committee report.

6.15 **Investment risk benchmarking** – the Councils will subscribe to Link’s Investment Benchmarking Club to review the investment performance and risk

of the portfolios.

6.16 **End of year investment report** – at the end of the financial year the Councils will report on investment activity as part of the Annual Treasury Report.

6.17 **Local Authorities' Property Fund** – both Councils hold investments in the Fund (Adur DC - £3m and Worthing BC £1.5m). The treasury service receives regular reports and quarterly dividends. Representatives of the Fund gave a presentation on current and forecast performance to the Councils in October 2021.

7. OTHER MATTERS

7.1 **2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework**

CIPFA published the revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Councils have to have regard to these codes of practice when they prepare the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to the Full Councils for approval.

The revised codes will have the following implications:

- a requirement for the Councils to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address Environmental Social and Governance issues within the Capital Strategy;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
- ensure that any long term treasury investment is supported by a business model;
- a requirement to effectively manage liquidity and longer term cash flow requirements;
- amendment to the Treasury Management Practices to address Environmental, Social and Governance policy within the treasury management

risk framework;

- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;

- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

7.2 **Balanced budget requirement** - the Councils comply with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

7.3 For social policy purposes, the Councils both hold deferred shares in the local Credit Union, Boom. Boom approached the Councils with a request to hold and invest some of Boom's funds in order to mitigate their treasury management investment risk. The Councils approved this through the Mid Year Review of Treasury Management. Boom's management has indicated that there is likely to be a request to lend around £2m to Worthing Borough Council, on mutually beneficial terms.

8. ENGAGEMENT AND COMMUNICATION

- 8.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2019, and which defines the respective roles of the client and provider authorities for a period of three years.
- 8.2 The treasury management team also entered into a Service Level Agreement with Arun District Council to provide treasury services for three years from 1st March 2021
- 8.3 Information and advice is supplied throughout the year by Link Group, the professional consultants for the Councils' shared treasury management service.

9. FINANCIAL IMPLICATIONS

- 9.1 This report has no quantifiable additional financial implications to those outlined above. Interest payable and interest receivable arising from treasury management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget.

10. LEGAL IMPLICATIONS

- 10.1 The approval and adoption of the Treasury Management Strategy Statement, Annual Investment Strategy, Minimum Revenue Provision Policy and Prudential Indicators is required by regulations issued under the Local Government Act 2003.

Background Papers

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2021/22 to 23/24 – Adur Council 18 February 2021 and Worthing Council 23 February 2021

Annual Joint In-House Treasury Management Operations Report 1 April 2020 – 31 March 2021 for Adur District Council and Worthing Borough Council – Joint Governance Committee, 29 July 2021 and Joint Strategic Committee, 7 September 2021

Overall Budget Estimates 2022/23 and Setting of 2022/23 Council Tax Report

Link Asset Services Ltd TMSS Template 2022/23

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA, December 2017) and CIPFA Treasury Management Guidance Notes 2018

The Prudential Code for Capital Finance in Local Authorities (CIPFA, December 2017)

MHCLG Investment Guidance

Officer Contact Details:-

Pamela Coppelman

Group Accountant (Strategic Finance)

Telephone: 01903 221236

Email: pamela.coppelman@adur-worthing.gov.uk

SUSTAINABILITY & RISK ASSESSMENT

1. ECONOMIC

The treasury management function ensures that the Councils have sufficient liquidity to finance their day to day operations. Borrowing is arranged as required to fund the capital programmes. Available funds are invested according to the specified criteria to ensure security of the funds, liquidity and, after these considerations, to maximise the rate of return.

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. ENVIRONMENTAL

Matter considered and no issues identified.

4. GOVERNANCE

4.1 The Councils' Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities contained in Platforms for our Places.

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2022/23 - 2024/25, submitted and approved before the commencement of the 2022/23 financial year.

4.3 In the current economic climate the security of investments is paramount, the management of which includes regular monitoring of the credit ratings and other incidental information relating to credit worthiness of the Councils' investment counterparties.

Appendix A

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2024/25

- 1.1 The Councils' capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Adur District Council

Adur Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
Non-HRA	12.512	10.270	52.997	2.473	1.862
HRA	5.186	25.666	19.513	5.600	5.600
Commercial property	0.000	0.000	0.000	0.000	0.000
TOTAL	17.698	35.936	72.510	8.073	7.462

Worthing Borough Council

Worthing Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m	£m
Non-HRA	17.744	52.068	74.896	3.811	3.332
Strategic property	0.000	0.000	0.000	0.000	0.000
TOTAL	17.744	52.068	74.896	3.811	3.332

1.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Councils' overall finances. The Councils are asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Adur District Council

Adur	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	%	%	%	%	%
Non-HRA	10.03	14.43	15.83	24.14	22.51
HRA	16.03	23.51	24.89	26.36	26.03
Strategic purchases	(9.93)	(19.10)	(21.91)	(24.07)	(23.56)
TOTAL	16.13	18.84	18.81	26.43	24.98

WORTHING BOROUGH COUNCIL

Worthing	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	%	%	%	%	%
Non-HRA	4.95	5.50	8.40	8.33	8.36
Commercial activities	(7.82)	(11.87)	(15.39)	(15.78)	(15.09)
TOTAL	(2.87)	(6.37)	(6.99)	(7.45)	(6.73)

The estimates of financing costs include current commitments and the proposals in this budget report.

HRA Ratio

Adur	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
HRA debt £m	(60.476)	(78.598)	(94.111)	(95.711)	(97.311)
Number of HRA dwellings	2537	2537	2583	2630	2622
Debt per dwelling	£23.8k	£31.0k	£36.4k	£36.4k	£37.1k

1.3 Maturity structure of borrowing

These gross limits are set to reduce the Councils' exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. Neither Council has any variable rate borrowing.

The Councils are asked to approve the following treasury indicators and limits:

Adur District Council

Limits to maturity structure of fixed interest rate borrowing 2022/23		
	Lower Limit	Upper Limit
Under 12 months	0%	25%
12 months to 2 years	0%	30%
2 years to 5 years	0%	50%
5 years to 10 years	0%	70%
10 years to 20 years	0%	80%
20 years to 30 years	0%	60%
30 years to 40 years	0%	60%
40 years to 50 years	0%	45%

WORTHING BOROUGH COUNCIL

Limits to maturity structure of fixed interest rate borrowing 2022/23		
	Lower Limit	Upper Limit
Under 12 months	0%	35%
12 months to 2 years	0%	40%
2 years to 5 years	0%	75%
5 years to 10 years	0%	75%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG (now DLUHC) issued Investment Guidance in 2018, and this forms the structure of the Councils' policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires the Councils to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, which will apply to all investment activity. In accordance with the Code, the Chief Financial Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of the annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Councils will use. These are high security (i.e. high credit rating, although this is defined by the Councils, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Councils is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

SPECIFIED AND NON SPECIFIED INVESTMENTS

Specified Investments identified for use by the Councils

These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Councils have the right to be repaid within 12 months if they wish. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment

income is small. These would include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt* with less than one year to maturity)
- Supranational bonds of less than one year's duration*
- A local authority, housing association, parish council or community council
- Pooled investment vehicles (such as money market funds) that have been awarded a AAA rating by Standard and Poor's, Moody's and/or Fitch rating agencies
- A body that is considered of a high credit quality (such as a bank or building society). This covers bodies with a minimum Short Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and/or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Councils have set additional criteria to set the time and amount of monies which will be invested in these bodies - see Annexes 1 and 2.

Non-Specified Investments identified for use by the Councils

These are any other type of investment (ie not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in Annexes 1 and 2.

Where appropriate, the Councils will seek further advice on the associated risks with non-specified investments.

For credit rated counterparties, the minimum criteria, excepting for the Councils' own banker and the specified building societies, (see below) will be the short-term / long-term ratings assigned by various agencies which may include Moody's Investors Services, Standard and Poor's, Fitch Ratings, being:

Long-term investments (over 365 days): minimum: A- (Fitch) or equivalent

Or

Short-term investments (365 days or less): minimum: F1 (Fitch) or equivalent

For all investments the Councils will also take into account information on corporate developments of, and market sentiment towards, investment counterparties.

Where appropriate the Ring Fenced entities of banks will be used.

ADUR DISTRICT COUNCIL - SPECIFIED AND NON SPECIFIED INVESTMENTS**Specified Investments identified for use by the Council**

New specified investments will be made within the following limits:

Instrument	Country and sovereign rating	Counterparty and current rating	Max'm exposure limit £m and/or %
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£5m
Term Deposits/ Call Accounts	UK	Santander UK A+	£4m
Term Deposits/ Call Accounts	UK	Bank of Scotland/ Lloyds (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Barclays (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Clydesdale A-	£4m
Term Deposits/ Call Accounts	UK	HSBC (RFB) AA-	£4m
Term Deposits/ Call Accounts	UK	Close Brothers Ltd A-	£4m
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland/Nat West Group (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Standard Chartered Bank A+	£3m
Term Deposits/ Call Accounts	Australia - AAA	National Australia Bank Ltd A+	£3m
Term Deposits/ Call Accounts	US - AAA	JP Morgan Chase Bank NA AA	£3m
Term Deposits/ Call Accounts	UK	Handelsbanken plc AA	£4m
Term Deposits/ Call Accounts	UK	Goldman Sachs Int Bank A+	£3m
Gilts	UK	Debt Management Office (DMO)	£3m or 25% of funds

Instrument	Country and sovereign rating	Counterparty and current rating	Max'm exposure limit £m and/or %
Bonds	EU	European Investment Bank/ Council of Europe	£3m or 25% of funds
AAA rated Money Market Funds		Constant Net Asset Value or LVNAV MMFs	to manage liquidity, maximum £3m per fund
Other MMFs and CIS	UK	Collective Investment Schemes	25%
Term Deposits	UK	Nationwide BS A	£4m
Term Deposits	UK	Yorkshire BS A-	£2m
Term Deposits	UK	Coventry BS A-	£2m
Term Deposits	UK	Skipton BS A-	£2m
Term Deposits	UK	Leeds BS A-	£2m
Share Capital	n/a	West Sussex Credit Union	£0.025m deferred shares
Share Capital	n/a	Local Capital Finance Co (Municipal Bonds Agency)	£0.05m

NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.

NB No more than 25% of funds shall be invested in Non-UK financial institutions whether by term deposits, call accounts or Money Market Funds, or any combination thereof, except that this limit may be breached for liquidity purposes for up to 1 week at any time.

NB Investments in AAA rated Money Market Funds are to be used for liquidity purposes - funds should be invested to achieve higher returns wherever possible.

Institution ratings shown are as at 20 December 2021 and are subject to change.

APPENDIX B - ANNEX 1

ADUR DISTRICT COUNCIL NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure ?
<ul style="list-style-type: none"> ☒ Deposits with banks and building societies ☒ Certificates of deposit with banks and building societies ☒ Deposits with Local Authorities ☒ The UK Government 	√	√	5 years	The higher of £8m or 50% of funds, maximum of £2m per institution	No
<p>Gilts and Bonds:</p> <ul style="list-style-type: none"> ☒ Gilts ☒ Bonds issued by multilateral development banks ☒ Bonds issued by financial institutions guaranteed by the UK government ☒ Sterling denominated bonds by non-UK sovereign governments 	√	√	5 years	The higher of £3m or 25% of funds	No
<p>Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No. 534 and SI 2007, No. 573), but which are not credit rated.</p>	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date.	The higher of £5m or 30% of funds, maximum of £3m per fund	No
<p>Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p>	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes

**ADUR DISTRICT COUNCIL
NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:**

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure?
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes
Property Funds approved by HM Treasury and operated by managers regulated by the Financial Conduct Authority, such as the Local Authorities' Property Fund	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	£5m	To be confirmed
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No. 534 or SI 2007, No. 573.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	The higher of £2m or 20% of funds	Yes

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.
3. The Council's own banker may also be used if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as possible.

WORTHING BOROUGH COUNCIL SPECIFIED AND NON SPECIFIED INVESTMENTS

Specified Investments identified for use by the Council

New specified investments will be made within the following limits:

Instrument	Country and sovereign rating	Counterparty	Max'm exposure limit £m and/or %
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£5m
Term Deposits/ Call Accounts	UK	Santander UK A+	£4m
Term Deposits/ Call Accounts	UK	Bank of Scotland/ Lloyds (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Barclays (RFB) A+	£4m
Term Deposits/ Call Accounts	UK	Clydesdale A-	£4m
Term Deposits/ Call Accounts	UK	HSBC (RFB) AA-	£4m
Term Deposits/ Call Accounts	UK	Standard Chartered Bank A+	£3m
Term Deposits/ Call Accounts	UK	Close Brothers Ltd A-	£4m
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland/Nat West Group (RFB) A+	£4m
Term Deposits/ Call Accounts	Australia - AAA	National Australia Bank Ltd A+	£3m
Term Deposits/ Call Accounts	US - AAA	JP Morgan Chase Bank NA AA	£3m
Term Deposits/ Call Accounts	UK	Handelsbanken plc AA	£4m
Term Deposits/ Call Accounts	UK	Goldman Sachs Int Bank A+	£3m
Gilts	UK	Debt Management Office (DMO)	£3m or 25% of funds

Instrument	Country and sovereign rating	Counterparty	Max'm exposure limit £m and/or %
Bonds	EU	European Investment Bank/ Council of Europe	£3m or 25% of funds
AAA rated Money Market Funds		Constant Net Asset Value or LVNAV MMFs	£9m or 25% of funds (the limit may be exceeded for up to 7 days), max £3m per fund
Other MMFs and CIS	UK	Collective Investment Schemes	25%
Term Deposits	UK	Nationwide BS A	£4m
Term Deposits	UK	Yorkshire BS A-	£2m
Term Deposits	UK	Coventry BS A-	£2m
Term Deposits	UK	Skipton BS A-	£2m
Term Deposits	UK	Leeds BS A-	£2m
*Term Deposits	UK	Worthing Homes (10 year loan)	£10m
*Term Deposits	UK	GB Met (20 year loan)	£5m
Share Capital	n/a	West Sussex Credit Union	£0.05m deferred shares
Share Capital	n/a	Local Capital Finance Co (Municipal Bonds Agency)	£0.05m
Temporary Loans	n/a	Worthing Leisure Trust	£0.5m

NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.

NB No more than 25% of funds shall be invested in Non-UK financial institutions whether by term deposits, call accounts or Money Market Funds, or any combination thereof, except that this limit may be breached for liquidity purposes for up to 1 week at any time.

* These loans are for more than 1 year, therefore are “unspecified”, but are included here as they have been approved by Council.

Institution ratings shown are as at 20 December 2021 and are subject to change.

APPENDIX B - ANNEX 2

**WORTHING BOROUGH COUNCIL
NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:**

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure ?
<ul style="list-style-type: none"> ☒ Deposits with banks and building societies ☒ Certificates of deposit with banks and building societies ☒ Deposits with Local Authorities ☒ The UK Government 	√	√	5 years	The higher of £8m or 50% of funds, maximum of £2m per institution	No
<p>Gilts and Bonds:</p> <ul style="list-style-type: none"> ☒ Gilts ☒ Bonds issued by multilateral development banks ☒ Bonds issued by financial institutions guaranteed by the UK government ☒ Sterling denominated bonds by non-UK sovereign governments 	√	√	5 years	The higher of £3m or 25% of funds	No
<p>Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No. 534 and SI 2007, No. 573), but which are not credit rated.</p>	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date.	The higher of £5m or 30% of funds, maximum of £3m per fund	No
<p>Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p>	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes

**WORTHING BOROUGH COUNCIL
NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL:**

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure?
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Yes
Property Funds approved by HM Treasury and operated by managers regulated by the Financial Conduct Authority, such as the Local Authorities' Property Fund	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	£5m	To be confirmed
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No. 534 or SI 2007, No. 573.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	The higher of £2m or 20% of funds	Yes

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.
3. The Council's own banker may also be used if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as possible.

COUNTERPARTIES WHERE THE COUNCILS HAVE OPTED UP TO PROFESSIONAL INVESTOR STATUS

(i) Money Market Funds

Invesco
Federated Investors
CCLA
Black Rock
HSBC ESG Fund

(ii) Building Societies

Skipton Building Society
Coventry Building Society
Leeds Building Society
Nationwide Building Society
Yorkshire Building Society

(iii) Brokers

BGC (Sterling)
Tradition
ICAP
Imperial

(iv) Other

ICD (Portal used for money market fund investments)
Link Group

These arrangements will be regularly reviewed as appropriate.

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) **Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual Treasury Management Strategy Statement and Annual Investment Strategy
- approval of MRP Statement

(ii) **Joint Strategic Committee**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) **Joint Governance Committee**

Receiving and reviewing the following, and making recommendations to the Joint Strategic Committee

- the Treasury Management Strategy Statement and regular monitoring reports on compliance with the Treasury Management Strategy, practices and procedures.

(iv) **The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

TREASURY MANAGEMENT SCHEME OF DELEGATION

The revised CIPFA Treasury Management and Prudential Codes have extended the functions of the S151 role in respect of non-financial investments

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management
- ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authorities
- ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed

Prospects for interest rates

The Councils have appointed Link Group as their treasury advisor and part of their service is to assist the Councils to formulate a view on interest rates.

Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table above, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Significant risks to the forecasts

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?

- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, (which was eventually passed by both houses later in 2021), and an even larger sum on an American families plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme had enabled a rapid opening up of the economy during 2021.
2. The economy was growing strongly during the first half of 2021 although it has weakened overall during the second half.

3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its December meeting with an aggressive response to damp inflation down during 2022 and 2023.

At its 3rd November Fed meeting, the Fed decided to make a start on tapering its \$120bn per month of QE purchases so that they ended next June. However, at its **15th December meeting** it doubled the pace of tapering so that they will end all purchases in February. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields will rise over the taper period and after the taper ends, all other things being equal. The Fed also forecast that it expected there would be three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PwLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and Russia, China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US, before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ before starting on raising Bank Rate and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.

§ **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)

§ **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)

§ **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)

§ **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)

§ **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
8 February 2022

Key Decision [Yes/No]

Ward(s) Affected: All

Celebrating the Queen's Platinum Jubilee

Report by the Chief Executive

Officer Contact Details

Richard Tuset

Chief Executive's Policy Officer

richard.tuset@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 The purpose of this report is to update members on the proposed programme of activities to celebrate the Queen's Platinum Jubilee and to release funding to support the proposed programme of events.

2. Recommendations

- 2.1 The Joint Strategic Committee is asked to endorse the proposed programme of celebrations and release the following funding to allow for the delivery of the programme from the Capacity Issues Reserve of each Council as follows:

- Adur District Council £20,000
- Worthing Borough Council £28,500

3. Context

- 3.1 Her Majesty The Queen will become the first British Monarch to celebrate a Platinum Jubilee marking seventy years of service, having acceded to the throne on 6th February 1952.
- 3.2 An extended bank holiday, from Thursday 2nd to Sunday 5th June, will provide an opportunity for communities and people throughout the United Kingdom to come together and celebrate this historic milestone. The four days of celebrations will include public events and community activities, as well as national moments of reflection on The Queen's 70 years of service.
- 3.3 A programme of national celebrations has already been developed which include:

October 2021 to March 2022

- **The Queen's Green Canopy:** The Queen is inviting people to recognise the Jubilee by planting trees and establishing new woodland areas.

Thursday 2nd June

- **The Queen's Birthday Parade (Trooping the Colour):** The Queen's official birthday, usually held on the second Saturday in June.
- **Platinum Jubilee Beacons:** The United Kingdom's long tradition of celebrating Royal Jubilees, Weddings and Coronations with the lighting of beacons will be continued to mark the Platinum Jubilee.

Friday 3rd June

- **Service of Thanksgiving:** A Service of Thanksgiving for The Queen's reign will be held at St Paul's Cathedral.

Saturday 4th June

- **The Derby at Epsom Downs:** Her Majesty The Queen, accompanied by Members of the Royal Family, will attend the Derby at Epsom Downs.
- **Platinum Party at the Palace:** The BBC will stage and broadcast a special live concert from Buckingham Palace. Members of the public will be invited to apply to attend this special event and details of the ballot for UK residents to secure audience tickets will be released in due course.

Sunday 5th June

- **The Big Jubilee Lunch:** The Big Lunch has encouraged communities to celebrate their connections and get to know each other a little bit better, coming together in a spirit of fun and friendship and bringing the Jubilee celebrations into the heart of every community.

4. Issues for consideration

- 4.1 An officer working group has been convened to consider how to support the Jubilee celebrations and a programme of local events are being developed.
- 4.2 Local celebrations led by the Councils and supported in the community will reflect the national programme of celebrations and include:

Green Canopy Projects

- An English Oak Tree will be planted by each civic head in Adur & Worthing in a high profile park location. Beach House Park in Worthing and Buckingham Park in Adur have been identified as potential locations as they have a high foot fall and existing civic significance.
- Platinum Jubilee Memorial Woodland areas in both Adur and Worthing will be planted and established in 2022. These woodland areas will be a lasting memorial and celebration enhancing our greenspaces for recreation and wellbeing plus assisting the Councils in their work to enhance local biodiversity and achieve carbon net zero. The potential woodland areas identified are Buckingham Park in Adur and Brooklands Park in Worthing.
- In partnership with the Woodland Trust, local schools are being contacted to take part in the canopy project, planting trees and hedges.
- Support for Communities, groups and charitable organisations is also available for tree planting through the Woodland Trust and information on how to get involved will be made available to the local community through our online tool kit.

Jubilee Seafront Gallery

- This project involves the commissioning of a series of Platinum Jubilee themed displays on the Seafront Gallery in Worthing over the summer season. The commission will include community participation and we are encouraging artists to consider how the images selected will engage passers-by in a multi-dimensional way and this could include linking to media online.

Thursday 2nd June

- **Highdown Gardens:** The Queen has connections with Highdown Gardens, and following the programme of extensive development during 2021 we are exploring the possibility of hosting a dawn torch lighting event that could be linked to the Beacon lighting later in the day.
- **Town Criers** have been invited to announce a Proclamation on the 2nd of June in the afternoon. Worthing has a designated Town Crier who can fulfil this role in both Adur & Worthing
- **Platinum Jubilee Beacons:** Beacons are to be lit at 21:45 hrs with a service of celebration:
 - **Worthing** – Civic Heads, all Councillors and VIP guests will be invited to a ceremony at the Beacon on the promenade.
 - **Adur** - Civic Heads, all Councillors and VIP guests to be invited to a ceremony at a location to be confirmed.

Friday 3 June and Saturday 4 June

On Friday the 3rd of June in Worthing's Steyne Gardens, a Jubilee concert will be held with an accompanying light show, celebrating popular music during the 70 years of The Queen's reign. This will be followed on the 4th of June by a second evening of film and music, including a Jubilee finale (ticketed commercial event).

Sunday 5th June

The Big Lunch campaign will see many communities taking the opportunity to come together to host a street party and celebration.

- The Community Street Party application process is already in place and road closure fees have been waived for the period 2nd to 5th June. Information, guidance and support is available through the tool kit provided on our Jubilee web page. The closing date for applications is the 15th of April.
- Street Party on the Prom: Previously held in 2012; there are plans to host a street party on Worthing promenade inviting local residents to come together to celebrate.
- Shoreham Vintage Fair: A new four day event will take place over the Jubilee weekend offering Adur residents an opportunity to celebrate together on Adur Recreation Ground with entertainment, a jubilee afternoon tea, stalls and outdoor cinema.

Jubilee Emblem, Town Dressing and Road Naming

A national emblem specifically designed for the Platinum Jubilee has been created. The emblem will be used for all official merchandise and events commemorating The Queen's Platinum Jubilee, and across digital and social media.

- **In both Adur and Worthing** flag poles will fly with either the Union Flag or the national Jubilee Emblem flag.
- **In Worthing** town centre we will work in partnership with the TCI to place jubilee bunting in Warwick Street & Montague Street
- **In Adur** we will use existing lamp post banner sites, adding Jubilee emblems to the existing banners. In addition we will seek to hang bunting in East Street in Shoreham, Southwick Square, Brunswick Road and Coronation Green.
- **In both Adur and Worthing** we will also explore the possibilities of naming new streets and buildings as part of our commemoration celebrations.

Celebrating Local Community “heroes”

The Jubilee provides an opportunity to recognise local individuals and organisations whose contributions and endeavours to the local community could be acknowledged and celebrated. Following public nominations, winners could for example be invited to the Civic offices to receive a framed certificate and a commemorative gift e.g. a Platinum Jubilee coin for example.

5. Engagement and Communication

- 5.1. The national programme has provided the Councils with a steer to enable us to collaborate with other local authorities and the Palace to ensure our programme of celebrations reflects the country's recognition of the Queen's achievements.
- 5.2. The national programme also provides a platform to enable us to raise awareness, engage and involve our local communities.
- 5.3. A web page has been created to raise awareness and provide information to the public about the national programme of celebrations. As the detail of the local programme of activity comes together the information will be updated to reflect the local celebrations taking place.

- 5.4. An online toolkit will be developed to allow for community engagement to capture the activities taking place within our towns and provide support for local groups and organisations to host their own celebrations and tell us their stories.
- 5.5. Engagement with local schools will take place to particularly encourage them to get involved with the Green Canopy project.

6. Financial Implications

- 6.1. The overall programme of works is expected to cost £48,500 across the two Councils which can be broken down as follows:

	Adur £	Worthing £
Civic tree planting	750	750
Public Green Glade memorial	5,000	5,000
Highdown Gardens		3,000
Beacon Lighting Worthing		3,000
Beacon Lighting Adur	3,000	
Street Party on the Prom		6,000
Adur Events	6,000	
Bunting (Worthing)		1,500
Lamppost Banners/Bunting Adur	2,000	
Community Recognition Awards	1,000	1,000
Public Art		6,000
Contingency	2,250	2,250
TOTAL BUDGET	20,000	28,500

- 6.2. There are no budgets in place currently to fund the programme of events and it is recommended to use the reserves to fund these one-off costs.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Councils have the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

7.3 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation

Background Papers

- Details of the Platinum Jubilee: <https://www.royal.uk/platinumjubilee>
- Adur & Worthing's Platinum Jubilee Webpage: <https://www.adur-worthing.gov.uk/queens-platinum-jubilee/>

Sustainability & Risk Assessment

1. Economic

- The events planned will stimulate and support the visitor economy in both Adur and Worthing. As we get closer to June we anticipate more and more businesses will be engaging with the opportunities afforded by this historic occasion and the extended Bank Holiday. The Councils will continue to actively promote and support these opportunities through the TCI and other business groups and forums.

2. Social

2.1 Social Value

- The Jubilee will provide many opportunities for communities to come together, deepening relationships and affirming shared bonds. After much sorrow and difficulty through the pandemic it is hoped these celebrations will be part of the recovery and healing process. The street parties for example will provide neighbours with the opportunities to both recognise and build on the bonds of friendship developed over the past 2 years.

2.2 Equality Issues

- Equality issues are being considered carefully throughout the programme, for example, for the commissioning of artwork on Worthing seafront we will require the project to both engage local people and reflect the diverse makeup of our communities.

2.3 Community Safety Issues (Section 17)

- It is hoped that in undertaking activities that support community cohesion and the development of shared bonds that the broader objectives of our community safety work will be supported.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- The canopy projects will actively contribute to the Councils' commitments to enhance recreation opportunities and develop green spaces, thereby improving health and wellbeing outcomes, enhancing biodiversity and

increasing opportunities for carbon sequestration. Through the engagement of communities and school groups in these projects, understanding, awareness and appreciation of the natural world will be enhanced.

4. Governance

- Matter considered and no issues identified.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
8 February 2022

Key Decision Yes

Ward(s) Affected: Central Ward, Worthing

Union Place - selection of preferred developer

Report by the Director for the Economy

Officer Contact Details

Cian Cronin
Head of Major Projects & Investment
07824 343896
cian.cronin@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 The purpose of this report is to advise members of the Committee on the outcome of a successful marketing exercise for the Union Place site and to seek the Committee's approval to progress negotiations with Roffey Homes for the development of the site for the purpose of delivering new homes, cinema, parking and employment space.
- 1.2 The report recommends that members approve Roffey Homes Ltd as the preferred development partner and that the scheme should be progressed by way of a Joint Venture Partnership between the organisations.
- 1.3 The report outlines the key areas of negotiation, business case development and financial implications of the proposal that need to be resolved in a further report to the Committee.

2. Recommendations

- 2.1 To note the progress made in developing and enabling the site since the most recent update to the Joint Strategic Committee in November 2018 including the successful grant of planning permission and marketing of the

site for a delivery partner.

- 2.2 To agree that Roffey Homes is the Council's preferred development partner for Union Place.
- 2.3 To delegate to the Head of Major Projects & Investment the authority to negotiate with Roffey the most appropriate way to bring forward any potential development, noting that the current preferred option by Roffey is for a Joint Venture.
- 2.4 To note that a report will be brought back to the Joint Strategic Committee for consideration detailing the final proposed documents, and to seek any required authorisations to continue with the proposed Joint Venture arrangement.

3.0 Background

- 3.1 The Draft Worthing Local Plan that is considered elsewhere on this Joint Strategic Committee agenda sets out a number of sites that will be brought forward to deliver market and affordable housing in Worthing over the 2020 - 2036 plan period. Of the fifteen sites identified, seven of these are to be delivered by Worthing Borough Council either directly (such as Decoy Farm or the Integrated Care Centre on the Civic Centre site), or in conjunction with partners including Northbrook Camping and Caravanning Club, the Fulbeck Avenue Site, Teville Gate, Union Place and in due course Grafton Car Park.
- 3.2 Collectively these sites have the capacity to deliver approximately 900 homes and are a key workstream in the Pathways to the Affordable Homes strategy approved by the Committee in March 2021 to deliver the homes needed within the town. The housing-led sites included in the local plan are:
 - Union Place (150 homes)
 - Teville Gate (350 homes)
 - Camping & Caravanning Club (100 homes)
 - Fulbeck Avenue (152 homes)
 - Grafton Car Park (150 homes)
- 3.3 A key focus, over and above regeneration, is coordinating these opportunity sites to:
 - Maximise the number of homes delivered, especially affordable homes

- Maintain a focused approach to attract government funding and support to aid viability;
- Bring forward other uses that will enhance the town's centre and promote economic recovery;
- Deliver high quality design and architecture;
- Deliver capital receipts that can be used to support the delivery and maintenance of new infrastructure;

3.4 This previously developed site lies east of the Connaught Theatre and west of the High Street. It comprises a surface car park adjacent to the theatre acquired by the Council in 2017; a cleared site of unmade ground and footings to the former Police Station acquired by the Council in 2018, and an adjoining small area of car park along the High Street. It is close to Chapel Road (secondary shopping area) and links to the central shopping area via the Guildbourne Centre.

3.5 Large parts of this sustainably located site have stood vacant for many years and its comprehensive redevelopment has been supported within planning policy. Its redevelopment will act as a catalyst for change, helping to revitalise the High Street and deliver new housing, amenities and jobs. As such, the site is identified as being strategically important in a number of key documents including the Worthing Investment Prospectus and the Worthing Town Centre Investment Strategy. Redevelopment also has the support of the Coast to Capital Local Growth Fund Local Economic Partnership.

3.6 To help accelerate the comprehensive redevelopment of the site, and to de-risk the development, Worthing Borough Council undertook the land assembly before entering into a land-pool agreement with government owned regeneration specialist LCR Property in 2018. A Development Strategy has been prepared to deliver a mixed use scheme of housing, commercial space, new public realm, a hotel and a cinema extension to the Connaught Theatre and planning permission approved by the planning committee in November 2020. The key objective of working with LCR property was to bring clarity as to what could be delivered on the site in terms of uses, density, scale and height. Then with the risk element of planning reduced to bring in a delivery partner who would see out this agreed plan.

4.0 Marketing Approach following Planning Consent

4.1 With outline planning consent secured, attention has turned towards securing a delivery partner to work with on building out the development. From a financial perspective, it was considered that a scheme on this scale would be

beyond the Council's ability to deliver directly. Accordingly, LCR Property and the Council appointed agents Knight Frank to proactively market the site using a national advertising campaign.

- 4.2 The marketing brief highlighted the opportunity to deliver the regeneration of this important site for the benefit of local communities. It was anticipated that a residential led scheme would deliver affordable accommodation alongside other activities that together with cinema facilities and other commercial uses, would contribute directly to the local economy in line with the approved outline planning application. To underpin the Council's commitment, the marketing brief also outlined the opportunity to partner with the Council to help secure the best mix of activity on the site.
- 4.3 Despite the marketing campaign taking place during the height of the pandemic the marketing campaign was successful in attracting strong interest: four bids were received with a variety of offers and forms of sale and varying levels of conditionality. The number of bids received reflected the proactive steps that the Council has taken to de-risk the site; and the similarly positive approach that has been taken to support nearby developments within the town.
- 4.4 A detailed description of the marketing of the property and selection of a preferred bidder, including a comprehensive analysis of all the bids was prepared by Knight Frank and submitted to officers prior to the completion of this report.

5.0 Assessment of Bids and Proposed Offers

- 5.1 An initial review of the bids was undertaken based on financial and deliverability criteria. These included:

- Financial offer;
- Funding strength;
- Strength of covenant;
- Track record of delivery;
- Due Diligence;

This approach ensured that the assessment balanced the price offered with an ability to deliver the development at pace.

- 5.2 This process narrowed the proposals down to two shortlisted applicants which were then interviewed on their proposals with a view to assessing:
- the ability to deliver a high quality development that contributes to the regeneration of Worthing;
 - capacity to build out the proposals at pace; and
 - to understand further their proposed offer in terms of proposed uses, mix, and tenure.
- 5.3 Of particular note was the ability of bidders to commit to a high quality design and to ensure that the resultant development maximises the opportunity to form strong connections with Worthing town centre, and delivers on the Council's aspirations for new cinema facilities and affordable homes.
- 5.4 The bids received had a variety of proposals and models for working ranging from straight disposal of the site, to "subject to planning" offers and offers proposing joint ventures with the Council.
- 5.5 Of particular note has been the responsiveness of bidders to the aspiration of the council to deliver affordable accommodation and generate new employment opportunities. The marketing process also sought a bidder with a strong and unambiguous commitment to deliver in a timely manner and these commitments are reflected in the choice of recommended preferred bidder.

6.0 Preferred Bidder

- 6.1 After careful consideration of the bids it is considered by Knight Frank, LCR Property, and officers of the Council that Roffey Homes offer to work with the Council on a joint venture proposal is the best offer.
- 6.2 Knight Frank Marketing & Bid Evaluation Report concludes:

Roffey Homes' JV partnership offer enables the council to build a policy compliant scheme with a reputable regional developer that is well known to the local council. Roffey Homes appear to have a strong appetite for the scheme and know Worthing very well. They are proposing a JV agreement that would tie the council into the site long term and require significant personnel and capital resources but which would ensure that the Council's key outcomes as expressed in the outline planning consent approved in November 2020 are delivered.

6.3 Roffey Homes are an experienced and very knowledgeable development partner and have emerged as the preferred bidder to a large extent due to their proven track record at delivering high quality schemes within Worthing. The bid was the only one received which incorporated a cinema which is seen as an important contribution to the town centre.

6.4 Proposed Scheme

The proposed development is a housing led mixed use development including cinema, parking, and commercial space and is set out in full in the bid document attached as Appendix 1. The proposal incorporates a ground floor car park with residential housing blocks which face inwards to create residential courtyards, and outwards to form an attractive street frontage facing Union Place and the High Street. Taller elements would lie on the High Street frontage and towards the rear of the site, with lower four and five storey frontages facing onto Union Place.

- Parking can occupy the majority of the ground floor area, delivering in excess of 250 spaces while retaining existing access rights.
- Vehicular access is to move to Chatsworth Road to allow for a better urban treatment to Union Place.
- Space is to be allocated for a cinema of 10,500 sq ft alongside the Connaught Theatre. The space has also been designed to be converted easily into additional residential accommodation should the current reduced cinema demand persist following the pandemic.
- A further 12,500 sq ft of commercial space is to be integrated at ground floor level.
- Current plans show a scheme of 186 units, 63 of which are 1 bed units and 123 are 2 bed units.
- The proposal is for the scheme to be policy compliant in terms of affordable housing delivering 37 affordable homes. Nominations would be reserved to those on the Worthing Borough Council housing register.
- The development would be required to comply with the Worthing Local Plan's requirement to connect to the proposed Worthing Heat Network contributing to the scheme's viability.

7.0 Proposed Joint Venture Structure and Financial Return

7.1 The bid received from Roffey Homes proposes to proceed by way of a joint venture contract between the Council and Roffey Homes. The bid proposes that Worthing Borough Council would establish a wholly owned company into which it would invest the former police station site, and High Street car park

land. Roffey Homes would then enter into a joint venture arrangement under contract with the wholly owned company to redevelop the site. A proposed structure document/ heads of terms is set out as Appendix 2 to this report. A key consideration will be that revised guidance on the Public Works Loan Board and the Prudential code that further detailed legal and treasury advice will be required to advise on this structure. A key workstream will therefore be further due diligence on this approach.

- 7.2 Under this arrangement, the freehold land remains in the ownership of Worthing Borough Council and Roffey Homes are required to pay for all project costs up until parity level, which would match the agreed value of the land, less any abnormal costs associated with the title or land. Roffey Homes are also contracted to carry out the project management role in return for an agreed fee. Monthly management meetings are held to oversee the project and ensure accountability.
- 7.3 While setting up a special purpose vehicle will have some implications in terms of costs and tax implications (principally Stamp Duty Land Tax),
- Transferring the asset into an SPV ring-fences the deal from the Council, in the (unlikely) scenario that the deal does not go to plan and liabilities arise.
 - The Council cannot charge land it owns to a third party. Given that security will be required by both Roffey and, in due course, a provider of development finance, the most effective way to do the deal is to transfer the land into an SPV.
 - The day to day operational decisions will be taken by the JV steering committee pursuant to the terms of the JV agreement, holding it within an SPV enables the Council's governance to match that of Roffey Homes and ensure efficient decision making and appropriate accountability
 - The approach will ensure that WBC is able to secure its long term interests of securing homes and town centre facilities.
- 7.4 Subject to further necessary due diligence. this arrangement is considered a suitable approach and enables us to retain the freehold for long term strategic and investment purposes. Upon entering into a joint venture partnership, it is expected that either third party bank funding, or other appropriate funding is utilised (an option might be for WBC to borrow from the Public Works Loan Board or other available capital markets and to loan this to the development company), and any shortfall in funding would be covered by additional equity input by the joint venture partners. As freeholder, Worthing Borough Council would retain full control of the finances. Once all bank funding is paid off,

equity distributions can be made to the joint venture partners although WBC can retain assets as well, such as the parking for example.

- 7.5 In terms of the financial offer, it is important to emphasise that there is a greater degree of risk being undertaken through the joint venture approach over a straight disposal of the site as the Council would be party to the development. However, the initial proposals are modeled on a land value of £9m being achieved (significantly in excess of any debt that we have incurred during land assembly), and a 50% share of the project's profit would return to the Council.
- 7.6 Of some importance is to note that the scheme proposes development of the surface car park land adjacent to the Connaught Theatre. This is currently leased to NCP with 15 years remaining on their lease with a right to renew for a further 25 year period. It delivers a net income of approximately £118,000 to the Council annually. Should the joint venture proposals be agreed, the terms of the structure document require the Council to exercise "all reasonable endeavours" to make this site available. While we have already commenced the process to try and negotiate with NCP to move them to the new car park under a "lift and shift" arrangement, all reasonable endeavours include the Compulsory Purchase of the Site. Under the terms of the draft agreement the cost of the compulsory purchase would become a development cost incurred by the joint venture and could be paid for through that route, and the costs of the land would be part of the land value mentioned in the paragraph above.

8.0 Proposed Milestones

8.1 Bringing the site forward in a timely fashion is a key factor and was an important consideration when assessing the various bids. Continued involvement through the joint venture will ensure that the land is not land-banked by a development partner.

8.2 The following timescale is proposed:

- By end of March 2022 - Conclude detailed due diligence and finalise agreement with Roffey Homes
- Summer 2022 - detailed design and planning pre-application including Design Review Panel.
- Autumn 2022 - planning application submitted
- Winter 2022 - planning application determined
- Spring 2023 - commence on site for Phase 1

8.3 The timing for phase 2 will be subject to detailed terms in the agreement but will largely be dependent on the negotiation with NCP Car Parks and any action required to secure vacant possession of the land.

9.0 LCR Property Landpool and Promotion Agreement Arrangements

9.1 Worthing Borough Council and LCR Property have developed a strong working relationship between the organisations in the development and enabling of this site. The partnership has been successful in addressing a number of the challenges that impeded the site coming forward previously.

9.2 Through various site acquisitions the partners have enabled a “comprehensive” redevelopment of the site to be planning in line with the expectations of the Worthing Core Strategy 2010. The promotion of the site through an outline planning consent resolved a large number of the key risks associated with the site in relation to the quantum of development, commercial and retail provision, height and massing, and the relationship with a number of important listed buildings. This planning consent has significantly de-risked the site and this was reflected in the large number of parties that were interested when it was marketed.

9.3 In this regard the key outcomes of the partnership that were agreed at the various JSC reports in 2018 have been realised. With the marketing exercise identifying a strong delivery partner, the focus of the collaboration arrangements between Worthing Borough Council and LCR Property now shifts towards Teville Gate as set out in the December 2020 JSC report.

9.4 As such the formal Landpool and Promotion Agreement for the Union Place site between the parties needs to be brought to an orderly completion for this site. This will include bringing the freehold of the High Street surface car park back into WBC’s ownership and the cost of promotion in accordance with the agreement.

10.0 Financial Implications

10.1 The proposed development encompasses two assets owned by the Council which the Council has incurred significant capital expenditure to acquire and one by our development partner LCR. Overall the value of the site proposed to be developed is:

Purchase Price	Borrowing	Borrowing outstanding as at 31/3/2021
----------------	-----------	---------------------------------------

	£	£	£
NCP car park	5,988,410	5,988,410	5,721,470
Former Police Station Site	3,702,370	988,260	944,210
Value of assets owned by the Council	9,690,780	6,976,670	6,665,680
High Street car park - Currently owned by LCR	456,820	0	0
Total cost of site	10,147,600	6,976,670	6,665,680

The Council sold the car park in High Street in 2018 as part of creating the land pooling agreement for £456,820. The capital receipt was used to support the delivery of the capital programme.

10.2 The NCP car park in Union Place:

10.2.1 The current rent per year for the NCP site is £334,740. Whilst the Council funds associated debt charges of £216,610 (MRP and interest), giving the Council a net return of £118,130.

10.2.2 The initial lease was for 25 years and allows for an annual RPI uplift in the rental payment. The lease also has a clause which allows for a 25 year extension when the current lease comes to an end on 28th May 2037. Consequently a substantial lease premium would have to be paid to end the current lease and use the site for another purpose.

10.2.3 The NCP car park is a potential barrier to the development of the site unless an alternative offer can be made to NCP, for example by providing a car park of equal size within the development. Even so, NCP may require a substantial compensation payment for disruption to their business and the Council may lose rental payments of circa £330,000 per year.

10.2.4 Prior to committing to any development involving the car park, due diligence needs to be undertaken to establish whether NCP would be willing to participate in such a development proposal and at what cost.

10.3 Completion of the current LCR arrangement:

10.3.1 As mentioned in section 7 of the report the Council currently has an agreement of the development of the site with LCR property (Landpool and

Promotion Agreement) for the development of Union Place. Under the terms of this agreement LCR would be entitled to a share of the receipt arising from any development or sale of the land.

10.3.2 The value of the payment due to LCR would be based on the value of the land that each party contributes to the development and any costs incurred by the parties in supporting the redevelopment of the site.

10.3.3 LCR have agreed that the Council can end the current agreement provided that:

- i) The Council compensates the LCR for any costs incurred in bringing the site forward for development.
- ii) The Council repurchase the car park land sold to LCR in 2018. The value to be paid is still to be determined.

In addition, under the terms of the agreement LCR would be entitled to a share of any potential proceeds from the development based on the formula set out in the legal agreement. The extent of this share has yet to be determined. This will depend on the final nature of the proposal from Roffey Homes.

The full financial implications of the completion of the current land pooling arrangement with LCR will be addressed in the final report, however it is expected that the cost will be funded from the receipts generated from the eventual sale of the site to the development SPV, although the council will inevitably need to fund the cost of the purchase of the land in the interim.

10.3.4 *Purchase of land:*

At present no capital budget exists for the purchase of the High Street Car Parking site, if this deal is finalised, then the Council will need to reacquire the site at a cost of at least £456,820. The final figure is not known at this stage as the land needs to be revalued, however the Council will need to amend the capital programme to allow for the purchase of the site funded from borrowing. There will be a borrowing cost associated with the repurchase of at least £17,750.

10.3.5 High Street car park:

Currently the car park levers in around £33,000 net income per year (excluding overheads). With the development of the site, the town will lose this facility. That said, provided that the Council retains at least 50% of customers in alternative, nearby parking facilities, then there will be little to no impact on the budget.

High Street Surface Car Park

	Estimates 2021/22	Impact of closure
	£	£
Rates	11,600	
Rental	25,000	
Maintenance	7,070	
Other costs	4,600	2,300
Total direct costs	48,270	2,300
Less: Income	-81,040	-40,520
Net income	-32,770	-38,220

10.4 Costs associated with a JV

Prior to committing to the Joint Venture we will need to obtain specialist advice on a range of matters affecting the proposed legal agreement including procurement, legal, and specialist financial advice. It is expected that we will incur costs of up to £150,000 which will effectively commit the majority of the major projects revenue budget for 2022/23.

At the moment, it is intended that the Joint Venture will involve the use of Council land with the Council receiving a capital receipt and share of the development profit once the development has been completed. However, the proposal may require further financial support from the Council which will be addressed in the later report.

10.5 Summary of financial implications

10.5.1 *Capital and borrowing implications*

The Council will need to amend the Capital Programme to allow for the repurchase of the High Street car park once the value has been established. As a result of the proposal, the Council will receive a capital receipt estimated at £9m for the land once the land is developed. This should be sufficient to repay any outstanding debt associated with the purchase of both the car park and the police station site. In addition, there should be sufficient to repay any debt associated with the purchase of High Street surface car park from LCR.

10.5.2 *Interim revenue implications*

The costs to be incurred by the Council will depend on the phasing of the project and the associated cash flows. It is assumed that the site will be developed in two phases, with the Union Place car park development being completed as part of phase 2. Consequently in phase 1, the Council will need to incur, as a minimum, the following costs:

	2022/23	2023/24	2024/25
	£	£	£
Professional and consultants fees	150,000		
Debt charges on purchase of High Street Car Park	17,750	17,750	17,750
Company administration costs	40,000	40,800	41,620
Impact of closure of High Street car park	-5,450	-5,450	-5,450
Total costs	202,300	53,100	53,920

These costs will be further refined as part of the next phase of developing the proposal.

10.5.3 Long term revenue consequences

Once the Union Place car park is closed for the development, the Council will lose the net income associated with this site which is currently £118k per year. However it may be possible to secure the car park within the new development, and consequently obtain an income stream in lieu of part of the share of development profit.

Again, this will be addressed in more detail once the full costs associated with the proposals have been established.

10.5.4 Overall there are a number of important financial considerations which need to be resolved prior to the Council committing to the final legal agreements. The most substantial of which will inevitably be the consequences associated with the lease for the NCP car park. The next report will include greater financial detail on the consequences of the deal and an indication of how this may be funded.

10.6 Other accounting issues

10.6.1 Company accounting requirements:

As part of the proposal, it is suggested that the Council sets up a company. Any such vehicle will require financial support as accounts will need to be prepared, tax returns made, and an annual audit undertaken. As there is insufficient internal capacity to administer any such accounts, a budget will need to be provided to fund the administration costs.

During the next phase of work, the governance arrangements for the new company will need to be developed. Consideration will need to be given to the legal structure of the company and any legal agreements between the company and the Council.

10.6.2 Group Accounts:

The Council will need to prepare group accounts which will have an inevitable impact on the Council's statement of account process. It should be appreciated that if the venture for any reason fails, then a significant proportion of these costs will have to be funded by the Council.

11.0 Legal Considerations

- 11.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 11.2 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 11.3 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 11.4 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 11.5 In progressing its negotiations with Roffey Homes Ltd the Council must ensure that it continues to take detailed procurement advice on the structure of the

arrangements to be made and terms of the proposed Joint Venture. The property was marketed as a land transaction, and therefore the Council is to ensure that the agreed terms do not create a public works (or services) contract, defined by the Public Contract Regulations 2015 as ‘a contract for pecuniary interest, having as its object the execution of works, the supply of products or the provision of services’. A public works contract will be created if the proposed Joint Venture arrangement imposes legally binding obligations on Roffey or enables the Council to have a decisive influence or control over the works (other than through its planning function). A public services contract will exist if the services are the main object of the arrangement, and this will be assessed against the finally agreed terms.

- 11.6 The end arrangement is to be compliant with the rules applicable to the UK’s subsidy control regime, as set out in the UK-EU Trade and Co-operation Agreement and supporting legislation.
- 11.7 Legal advice needs to be given on the merits of the proposed Compulsory Purchase Order and level of compensation payments payable.
- 11.8 By s123 Local Government Act 1972, the Council is under a duty when disposing of land to ensure it receives the best consideration reasonably obtainable.

Background Papers

- 2018.11.06 - JSC - Union Place Update
- 2018.04.10 - JSC - Union Place Redevelopment

Sustainability & Risk Assessment

1. Economic

The proposal to market the site for a mixed use scheme accords with the Adur and Worthing Economic Plan 2013 - 2023 where the Economic Priorities are named as Support Business, Develop Growth, Enhance Business Environment, Advance Local Skills, Encourage Sustainability and Promote Health and Wellbeing. The Economic Plan also states “It is vital that Adur and Worthing provides foundations for business to operate effectively” and promotes the following aims:

- Support Business
- Develop Growth
- Enhance Business Environment
- Advance Local Skills
- Encourage Sustainability
- Promote Health and Wellbeing

2. Social

2.1 Social Value the proposed approach to development of the site with mixed use will enhance the town and help to support the economic prosperity of the District.

2.2 Equality Issues Matter considered and no issues identified.

2.3 Community Safety Issues Matter considered and no issues identified.

2.4 Human Rights Issues Matter considered and no issues identified.

3. Environmental

It is considered that the existing undeveloped site contributes little in terms of biodiversity or ecology and that the sensitive redevelopment of the site provides opportunities to enhance these aspects. Buildings will be built to high standards of sustainability.

4. Governance

An internal officer board consisting of representatives from key departments essential to successful delivery has met and reviewed the programme at key stages of the marketing exercise.



UNION PLACE WORTHING

Proposal for Redevelopment and Joint Venture Partnership
with Worthing Borough Council





OUR VISION



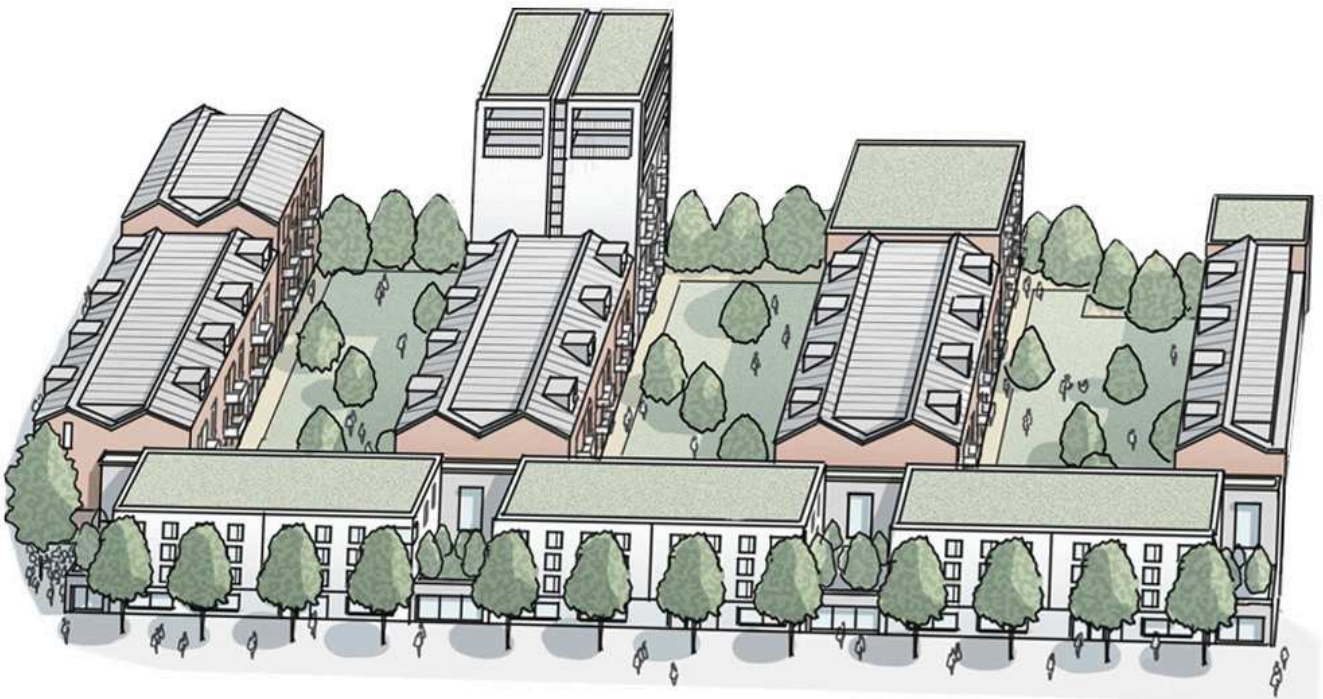
Roffey Homes are pleased to confirm our interest in working with Worthing Borough Council to redevelop Union Place. Our vision is to develop the whole site, including the current NCP car park, in a planned and co-ordinated manner, which is clearly communicated to the inhabitants of Worthing. Our proposal is outlined over the coming pages and we strongly believe that it will deliver the best value.

OVERVIEW

Our proposal aims to provide evidence of Roffey Homes' experience and expertise in the design, construction and delivery of large scale, mixed-use developments across Worthing and the surrounding region; highlighting skills which have been honed over the last 60 years. We place great emphasis on being locally focussed and believe our approach will mitigate risk, generate value and establish excellence across the scheme.

To demonstrate the benefits and feasibility of our joint venture proposal, this document provides details for the following areas:

- Design & layout
- Parking provision
- Residential provision
- Commercial provision
- Construction, programme & phasing
- Financial feasibility review
- Joint venture proposed arrangements



KEY CONTRIBUTING FACTORS TO SUCCESS

Our joint venture plan utilises know-how from our similar and successful previous arrangement with Sussex Cricket Ltd



Our proposed scheme incorporates the delivery of both short-term and long-term investment value



Our robust infrastructure means we can be ready to commence work as soon as planning is achieved



We have a proven track record of successfully acquiring planning permission and delivering numerous developments across Sussex



We are a Worthing based company with a portfolio of over 50 developments in the town



We have a highly experienced and hand-picked team, with extensive knowledge of Worthing



Our in-house principal contractor, Westbrooke Developments, has previously constructed similar sized mixed-use schemes



Exceptional design is at the heart of everything we do and is intrinsic to every one of our schemes



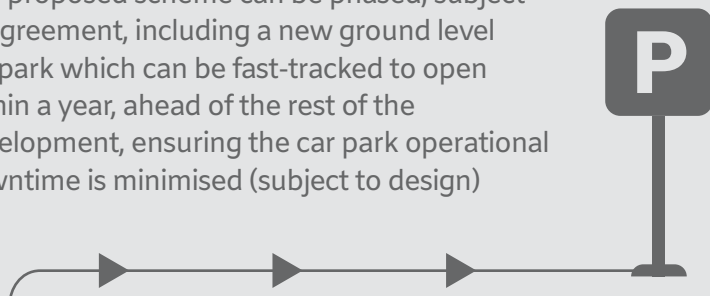
Our vast experience allows us to reduce and minimise risk, giving the development the best possible chance to succeed



We employ local companies and local labour, ensuring wider additional benefit and value to the town



Our proposed scheme can be phased, subject to agreement, including a new ground level car park which can be fast-tracked to open within a year, ahead of the rest of the development, ensuring the car park operational downtime is minimised (subject to design)



DESIGN & LAYOUT

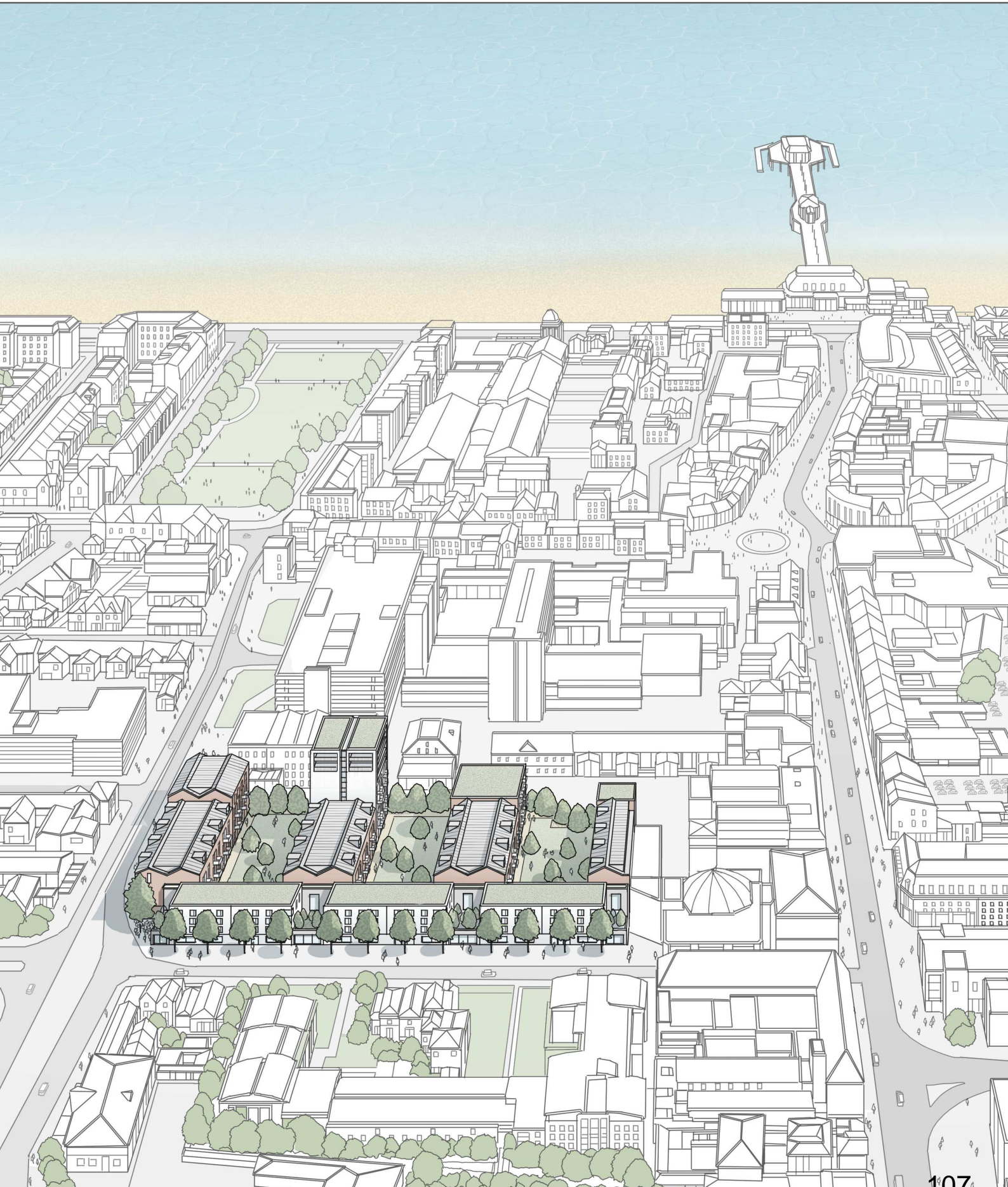
Roffey Homes appointed Allies & Morrison Architects to carry out a feasibility design review of the Union Place site.

Allies & Morrison have previously worked with Roffey Homes on the successful Bayside development on Worthing seafront, consisting of 141 apartments, commercial space and a new public car park. They have also previously worked with Worthing Borough Council.

Allies & Morrison's review of the urban context and history of the Union Place site concludes that the scheme should be designed to address the various existing streets, rather than creating new routes through the site, with their key points being:

- Union Place is to be a street framed with trees, establishing a view to St Paul's church in Chapel Road, and thus repairing this historic street.
- Similarly, any proposed development on High Street needs to be designed to integrate with this street, with a differing architectural treatment.
- Within the site, there is opportunity to have greater height but this should be designed around internal garden amenity spaces.
- Ground floor frontages to the street should be active with commercial uses and feature residential entrances.

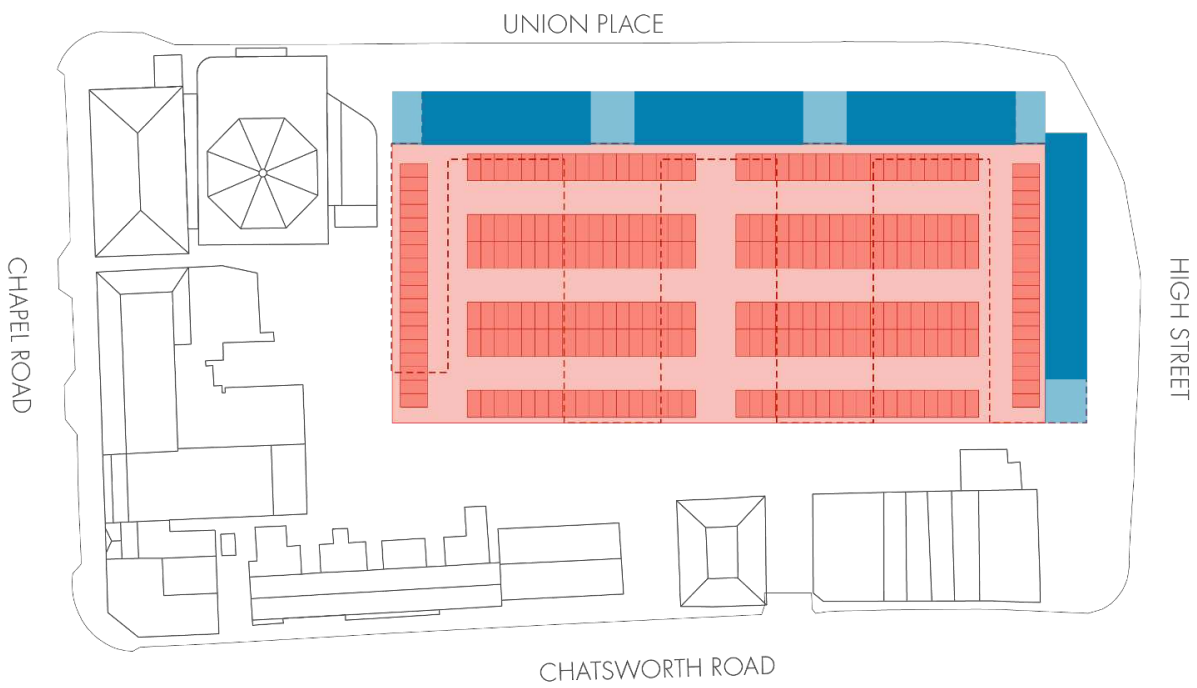
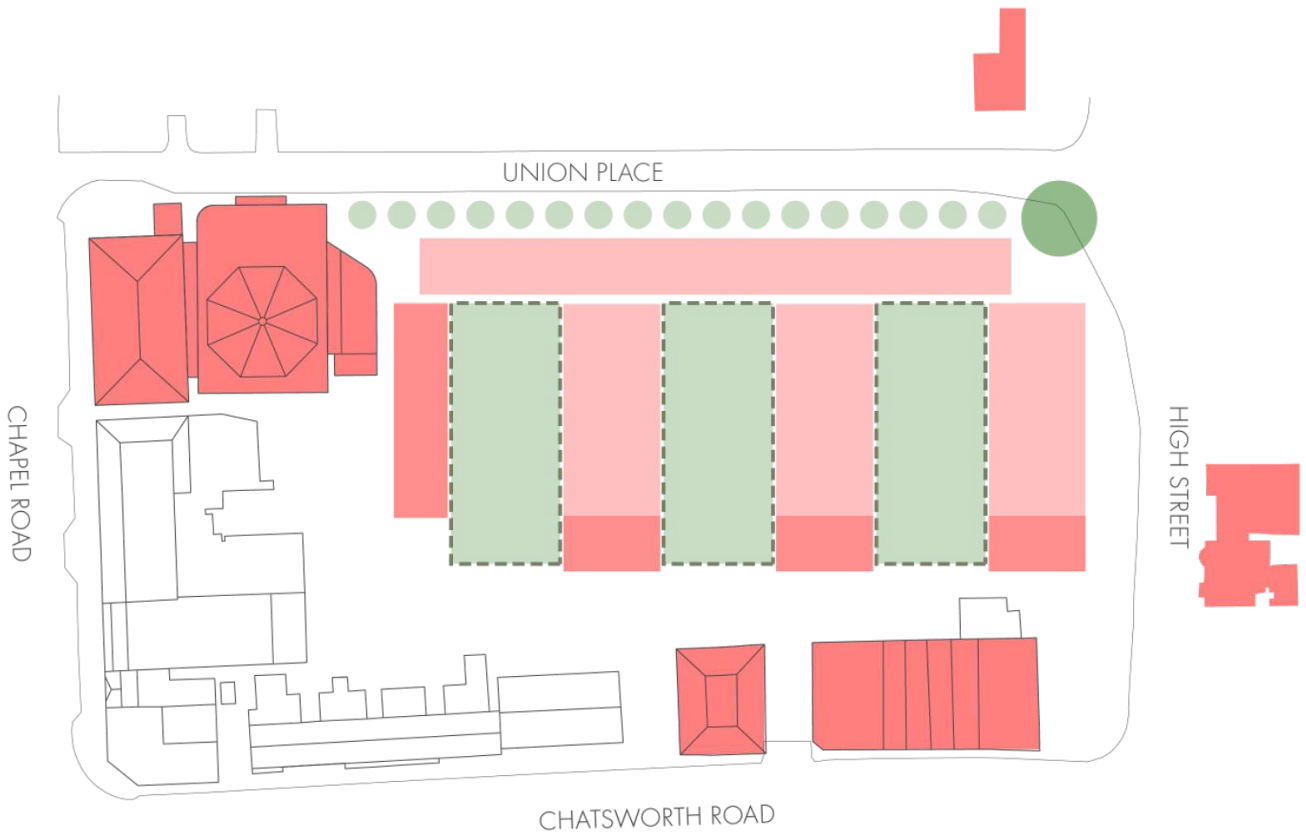




DESIGN & LAYOUT

Other design and layout considerations for the Union Place site are as follows:

- Parking can occupy the majority of the ground floor area, delivering in excess of 250 spaces while retaining existing access rights. (See parking provision section for more details.)
- Vehicular access is to move to Chatsworth Road to allow for a better urban treatment to Union Place.
- Space is to be allocated for a cinema of 10,500 sq ft alongside the Connaught Theatre. This has been developed after discussions with Everyman Cinema but the space has also been designed to be converted easily into additional residential accommodation.
- A further 12,500 sq ft of commercial space is to be integrated at ground floor level.
- Current plans show a scheme of 186 units, 63 of which are 1 bed units and 123 are 2 bed units. This unit mix will be reviewed in detail if we are successful.



PARKING PROVISION

The current NCP car park at Union Place has 178 spaces and, we understand, is on a 12 year remaining lease with Worthing Borough Council, earning a rent of £315,000 per annum.

We believe the existing NCP car parking provision must be incorporated into the new overall scheme due to the risk it poses to GDV, marketability and masterplan vision if only developing the eastern part of the site. Whilst we understand that buying out NCP will add greater cost, we believe our proposal shows this is easily offset by the benefits, both financially and indirectly, to the town.

There is strong demand for public parking in this location, particularly because it is all at ground level. However, the existing car park is also visually unappealing, so investment would increase turnover. Overhead costs of ground floor parking are lower than that of a multi-storey car parks and we have therefore designed public car parking into the scheme, at ground floor level.

The residential scheme will also require good levels of parking, even though the site is very conveniently located close to the town centre, the train station and the main bus routes. Our experience has shown that public and residential car parking can dovetail nicely in

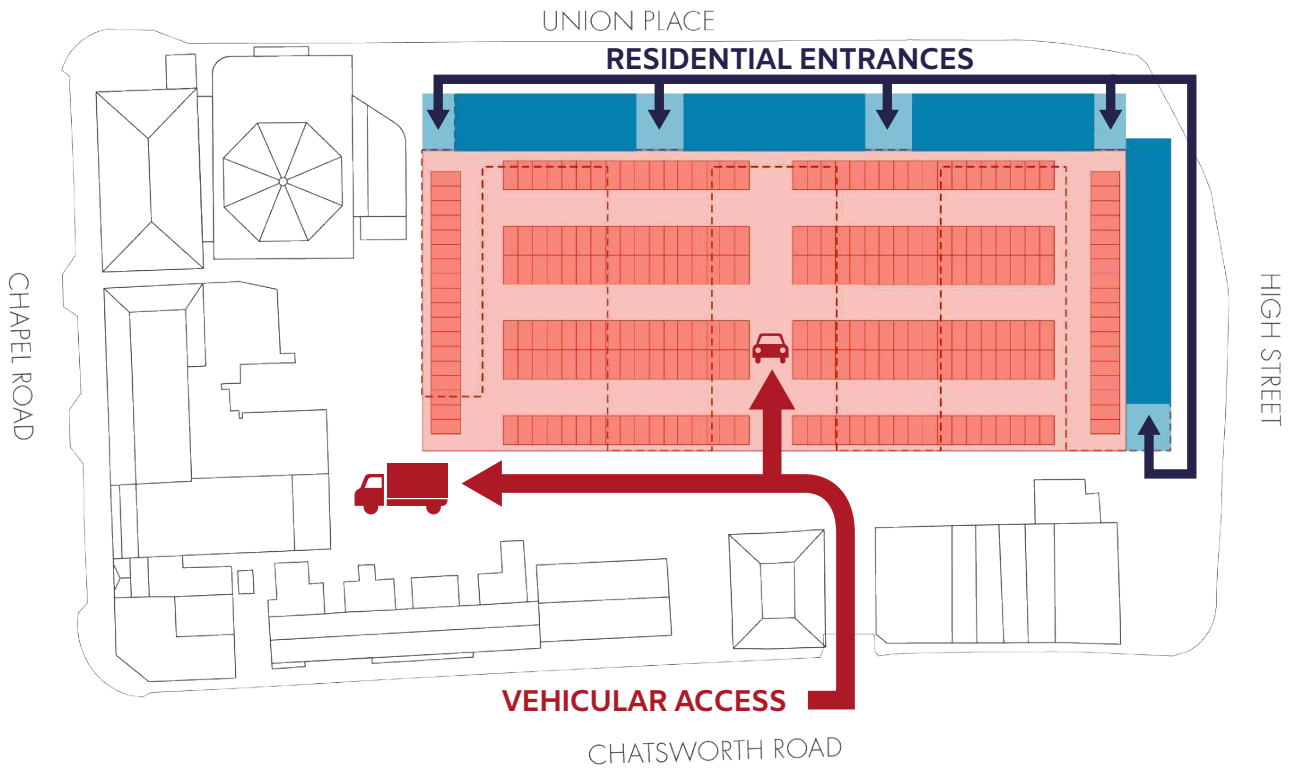
terms of demand, particularly because public car parking has stronger demand during the day and residential at night.

Our proposal is to aim for over 250 car parking spaces on the site, with in excess of 175 allocated for public use and the remaining 75+ allocated for residents' use. These residents' spaces would be designated through the purchase of annual permits, meaning only those residents who require a parking space will be allocated one, on a renewable annual rolling basis, as needed. For those rare times when parking is full, we would recommend annual permit holders be able to use the High Street MSCP instead.

The additional benefit of the annual permit system is that the freeholder can earn more out of the residential parking spaces long-term than if they were sold with the units.

Finally, we would propose that the new car park could become operational within a year, as the concrete podium slab above it would protect the ground floor level from construction work above. This would significantly reduce losses from car park operational downtime.

Overall we believe our parking provision delivers an asset value of £10 million or more.



RESIDENTIAL PROVISION

Roffey Homes have been specialising in providing new build apartment schemes, in and around Worthing, for over 60 years. We believe we have an excellent reputation locally, as demonstrated by many of our recent developments which can be called upon to showcase the quality of our product.

Whilst some of our higher-end sites, such as Bayside (formerly the Aquarena) and the Beach Residences (formerly the Beach Hotel), may be more well known, we have also developed many other entry level schemes, in locations such as Lancing and West Worthing. The key to developing these lower value sites is not only to fully comprehend the build costs involved, but also to be able to offer a little more than our competitors.

A site the size of Union Place needs to be designed to accommodate a number of sectors, including the affordable housing, first-time buyer and retirement markets. Each market creates its own nuance, and our recent schemes in Lancing and Worthing have both been successfully developed to be attractive to a blend of these sectors. This blend is absolutely key for the Union Place site, in order to widen the marketplace and so reduce risk.

Additionally, as there are other large apartment schemes proposed nearby in the town, this scheme needs to have its own unique selling points, to differentiate and enhance its desirability. Success will involve developing and paying attention to key factors such as creating homes which: are good places to live, provide blended living opportunities, have a sense of community, provide outside space and generous amenities and have positive impact right from the entrance.





GOOD PLACES
TO LIVE



BLENDED
LIVING



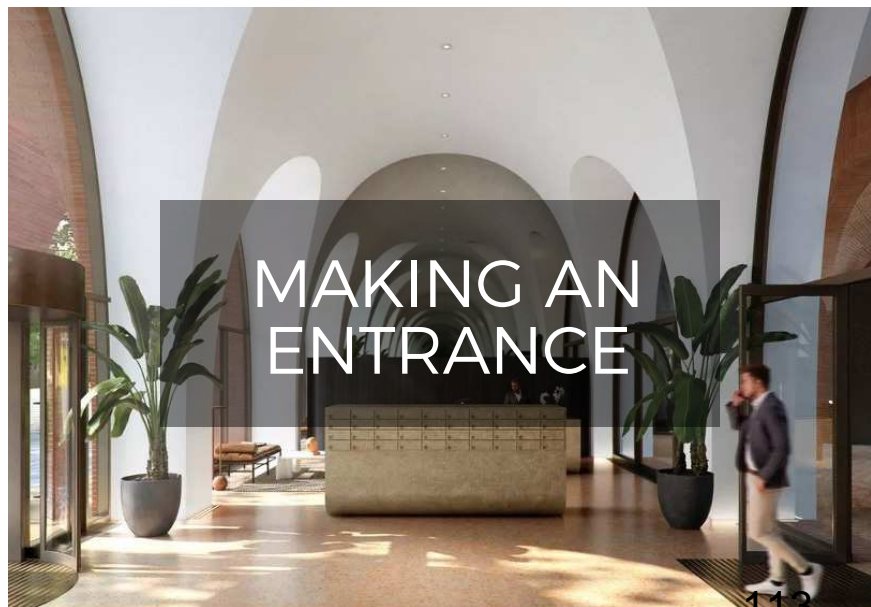
COMMUNITY



OUTSIDE
SPACE



GENEROUS
AMENITY



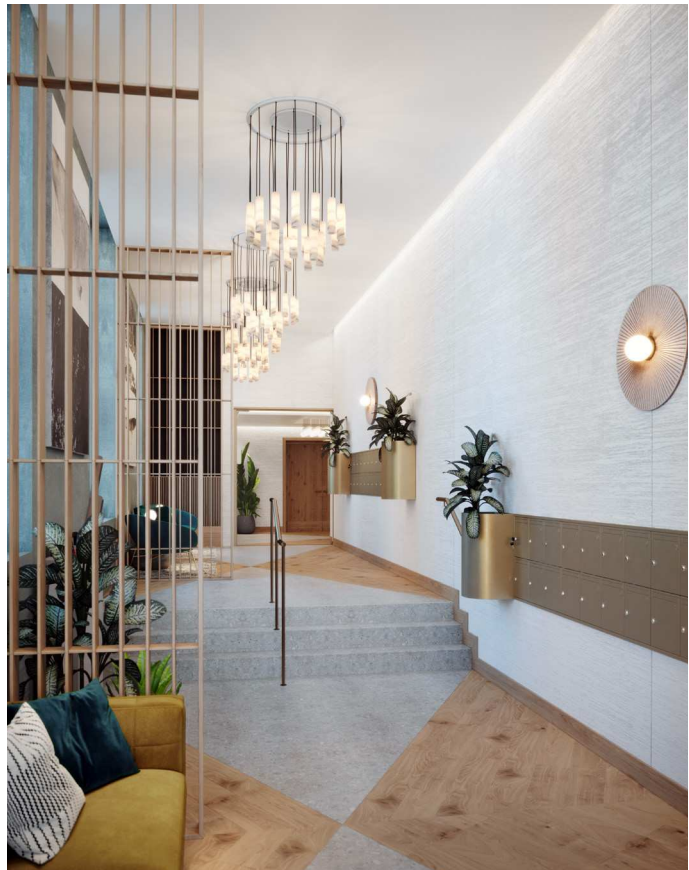
MAKING AN
ENTRANCE

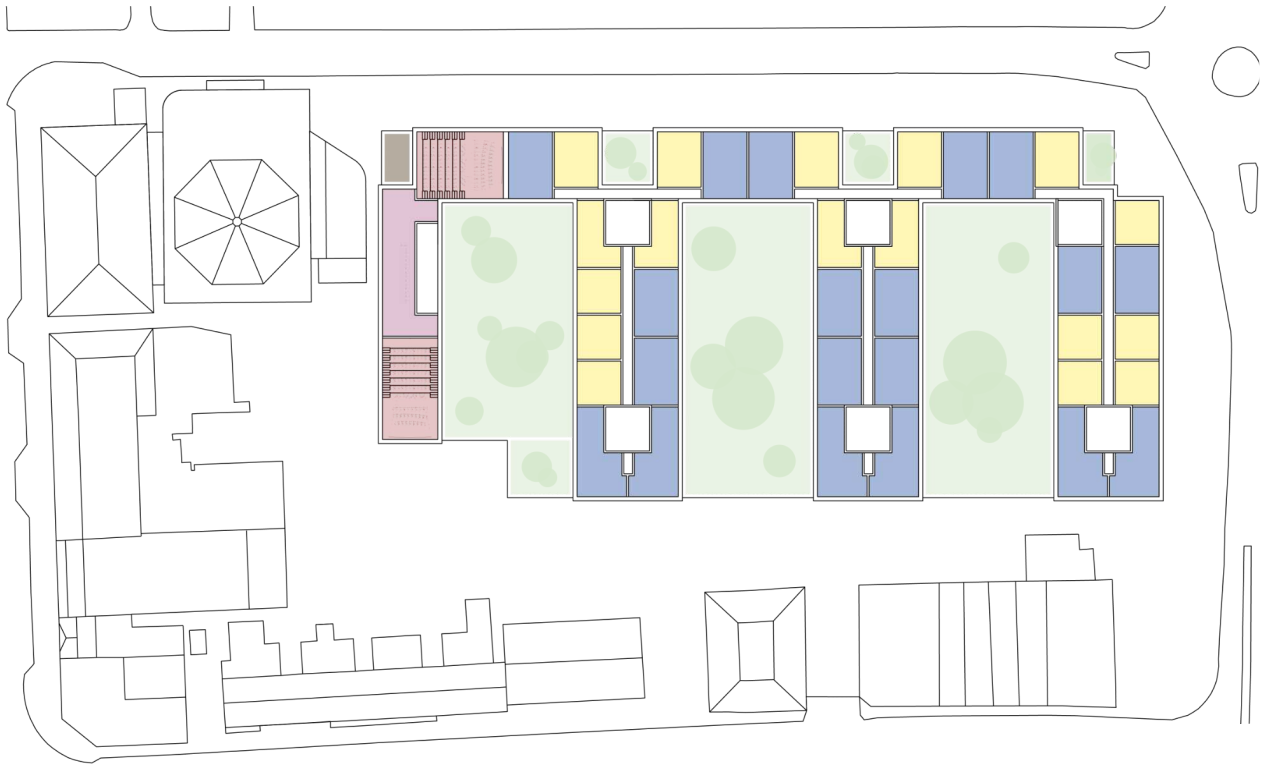
RESIDENTIAL PROVISION

The residential element of the Union Place scheme will deliver the greatest value and so it is essential that it is given the best chance to succeed. Leaving the west side of the site empty while the east side is developed, creates future risk for this portion of the land and will put off purchasers, leading to reduced value. We therefore very strongly believe that the whole site must be developed at once, including the NCP car park as well.

Having reviewed the site in collaboration with Allies & Morrison, we have determined that the residential element must be designed to separate itself from the ground floor parking and commercial elements. By introducing a podium slab and starting the residential provision at first floor level, we are able to create open ended garden spaces facing south. These garden spaces could potentially be designed with individual themes, such as active, play and quiet, to create variety.

It is important that the main entrances to the residences have impact at street level, to draw people into the development and also to showcase the quality. The entrance lobbies can be designed to have greater height to achieve this.





RESIDENTIAL PROVISION

We have worked carefully alongside the leading sales agents in the town, Michael Jones & Company, to ensure that the apartment types and internal layouts for our proposed Union Place scheme meet current demands and will achieve best values for the location.

Our feasibility scheme currently only shows one and two bedroom units indicatively, but the possibility also exists to add some studio units. We do not currently consider there is a market for three bedroom units.

At present, we are proposing a slightly more generous footprint to most units: 50 to 60m² for one beds and 80 to 90m² for two beds. Internal layouts will be efficient and spacious and include lots of storage. Only one bathroom will be included per unit, but this will incorporate both a shower and bath for the two bed units.

Values for one bed units should be between £230,000 and £260,000 and two bed units between £395,000 and £525,000. Marketing would commence early, with off-plan sales being a highly effective, tried and tested, key component of our sales and marketing plan.

We also propose incorporating communal facilities, such as a residents' gym and a Sky Lounge on the top floor, so all residents will be able to enjoy the best views.



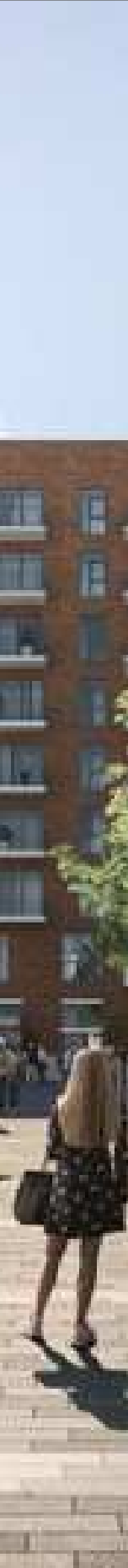


COMMERCIAL PROVISION

The proposed commercial units at ground floor level at Union Place are integral to our scheme, and will ultimately help to make sure this development succeeds. Having empty commercial space after a development is completed, however, can obviously have a negative effect overall, so a realistic approach is required to addressing the size and type of the commercial spaces on offer.

We have discussed the location with the Michael Jones Commercial team and they believe the key is to provide flexible space, allowing for many and various uses, that can complement the development and/or suit being adjacent to excellent parking facilities.

We are currently seeing greater demand from commercial occupiers wishing to invest in very long leases, so we believe these should be offered in addition to standard commercial leases.





CONSTRUCTION, PROGRAMME & PHASING

We use our sister company, Westbrooke Developments, as our principal contractor for all our projects. They are appointed on a JCT Management contract, with design and build responsibilities, on a cost plus basis. This arrangement allows the joint venture to benefit from their expertise and value add engineering. It also allows the construction programme to have greater flexibility, if the market conditions indicate that the development would benefit from slowing down the fit-out of some units, for cash flow reasons.

Westbrooke employ a local team so the majority of our contractors are either Worthing or Sussex based, and are repeat contractors, so there are wider benefits to the local economy.

In terms of programme, Roffey Homes have the ability and capacity to immediately commence the design and planning application work for this scheme. We would expect a full planning application to be submitted by summer 2022 at the latest and, if approved, the detailed technical design would start soon after. We would anticipate starting work on-site in early 2023, as soon as technical design allows.

We appreciate that serving a compulsory purchase order on NCP may take some time, though this could occur immediately after planning permission is issued. The technical design work and site preparation works can begin at the east end of the site first however, piling, groundworks and structure would ideally occur across the whole site all at once for greatest efficiency.





CONSIDERATE
CONTRACTING



FLEXIBLE
DEVELOPMENT



VALUE ADD
ENGINEERING



EFFICIENT
CONSTRUCTION



FIT-OUT TO
SUIT DEMAND



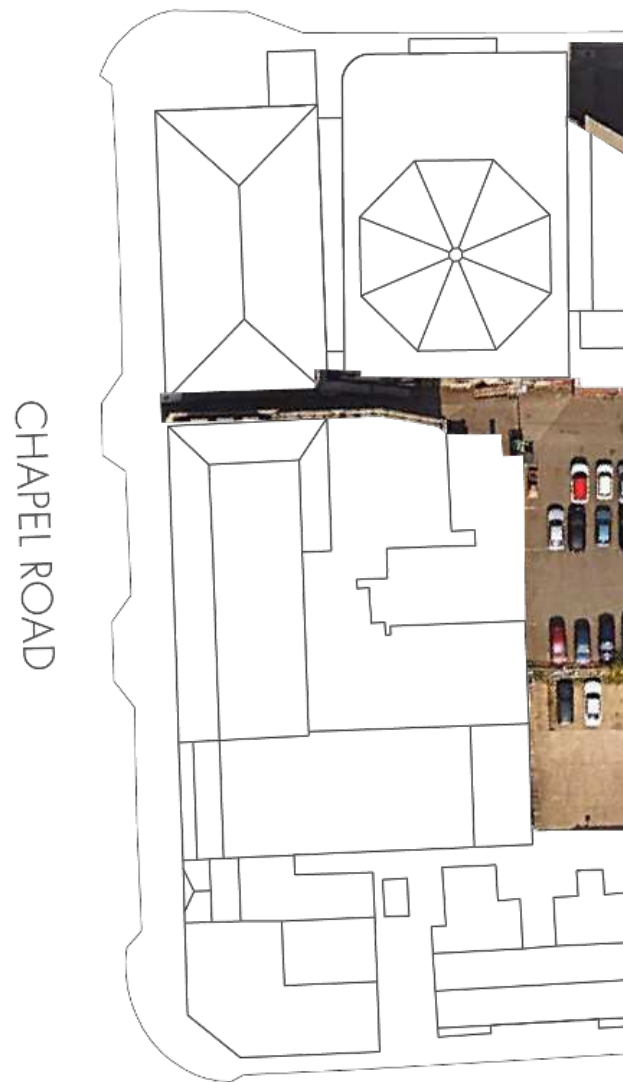
A LOCAL TEAM

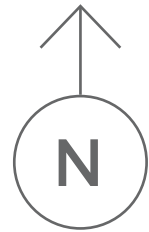
CONSTRUCTION, PROGRAMME & PHASING

As previously indicated, initially, we would ideally build the ground floor and podium slab to allow the completion of the ground floor parking beneath, so that the car park can resume operation as soon as possible. The podium slab would be designed to project out from the façade above and support the scaffolding or access platform requirements on the south and west sides, thus providing clear and safe access.

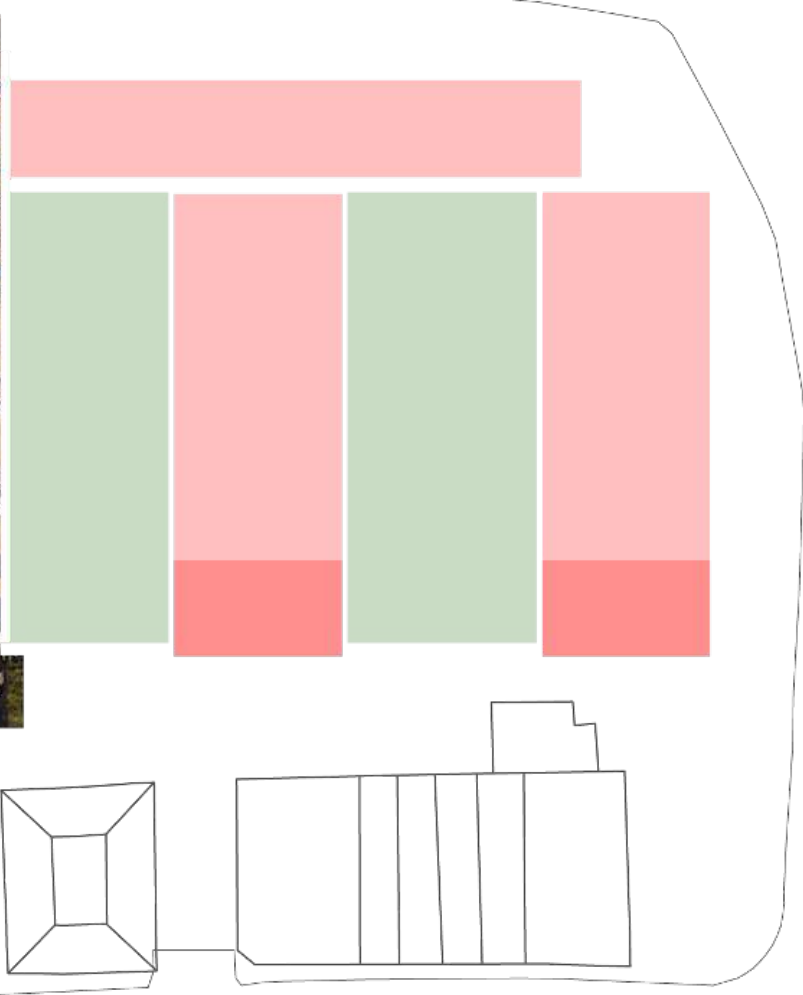
Our preference would be to complete the shell and core outright, and then fit-out to suit demand. As we would be using our own in-house contractor, we would retain full flexibility to amend the construction programme without any damages or costs. Overall we would expect the programme to take between two and three years.

Alternatively, although not our recommendation, the development could be designed to be constructed in two halves, as shown in the diagram on the right. In this circumstance, the structure to the east would be built first, after which the section to the west would commence at an agreed time. We would welcome further discussion on this point with Worthing Borough Council.





UNION PLACE



HIGH STREET

CHATSWORTH ROAD

JOINT VENTURE PROPOSED ARRANGEMENTS

In 2019, Roffey Homes entered into a joint venture arrangement under contract with Sussex Cricket Ltd to redevelop the main entrance at the Sussex Cricket Ground in Hove. Under this arrangement, the freehold land remains in the ownership of Sussex Cricket and Roffey Homes are required to pay for all project costs up until parity level, which would match the agreed value of the land, less any abnormal costs associated with the title or land. Roffey Homes are also contracted to carry out the project management role in return for an agreed fee. Monthly management meetings are held.

We would propose entering into an identical arrangement on the Union Place site with Worthing Borough Council (WBC), as we expect there is the desire to retain the freehold for long-term strategic and investment purposes, as was our experience with Sussex Cricket. An additional benefit to this would be that using an already prepared agreement document will save a lot of time and legal expense.

Upon entering into a joint venture partnership, it is expected that either third party bank funding, or other cheap funding is utilised, and any shortfall in funding would be covered by additional equity input by the joint venture partners. As freeholder, Worthing Borough Council would retain full control of the finances. Once all bank funding is paid off, equity distributions can be made to the joint venture partners although WBC can retain assets as well, such as the parking for example.

If required, Roffey Homes would be happy to ask a representative of Sussex Cricket Ltd to speak with Worthing Borough Council about our their experiences of our existing arrangement and how we have conducted ourselves as a joint venture partner to date.

ABOUT ROFFEY HOMES

Since forming in 1960, Roffey Homes has built over fifty exclusive developments between Bognor Regis and Brighton. We have won many prestigious awards along the way, including, most recently, a recognised national award for Best Apartment in West Sussex for our prestigious duplex penthouse at The Beach Residences.

Our aim is simple: to build homes people can be proud of that not only reflect, but also enhance the surrounding environment. The locations we select are the best the area has to offer, whether by the sea, in a rural village, or on quiet urban streets close to amenities.

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ADUR & WORTHING
COUNCILS

Joint Strategic Committee
8 February 2022

Key Decision [Yes/No]

Ward(s) Affected: All Worthing

Worthing Local Plan

Report by the Director for the Economy

Officer Contact Details

Ian Moody - Worthing Planning Policy Manager
01273 263009 ian.moody@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1 Worthing Borough Council must prepare a Local Plan to establish local planning policies for the Borough. After a number of years of preparation the Worthing Local Plan is entering the final stages towards adoption. The Local Plan was Submitted for Examination in June 2021 and the Hearing Sessions were held in November 2021.
- 1.2 This report informs the Joint Strategic Committee of the stage reached, the receipt of the Inspector's Post Hearing Advice Letter and the Schedule of Modifications proposed to be published for public consultation.

2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to:
 - i) note the Inspector's Post Hearing Advice Letter (Appendix 1);
 - ii) Consider the Schedule of Main Modifications (Appendix 2) and Schedule of Additional Modifications (Appendix 3) including any additional recommendations from the Local Plan Inspector;
 - iii) recommend to Full Council the approval of the Schedule of Modifications for consultation; and

- iv) Approve the release of £70,000 from the Capacity Issues Reserve in 2022/23 for the examination costs.

3. Background and Stage Reached

- 3.1 Worthing Borough Council must prepare a Local Plan to establish local planning policies for the Borough. After a number of years of preparation and engagement the Worthing Local Plan is entering the final stages towards adoption.
- 3.2 The Worthing Local Plan was formally submitted for independent examination on Friday 11th June 2021. Steven Lee BA (Hons) MA MRTPI was appointed on behalf of the Secretary of State to hold the examination to consider the soundness of the submitted plan and whether it is legally compliant. The Hearing Sessions, held over 3 weeks, concluded on Wednesday 17th November.
- 3.3 Following the close of the Local Plan Hearing Session the Council received the Inspector's Post Hearing Advice Letter on the 9th December (Appendix 1). The Inspector makes it clear that his final conclusions regarding soundness and legal compliance will be given in a report to be produced following consultation on the proposed Main Modifications. Despite this, the letter is of significance as it sets out the additional work and modifications which the Inspector considers are required to make the Worthing Local Plan sound and legally compliant.
- 3.4 The letter provides strong inference as to the areas of the Plan that the Inspector is very likely to support without the need for significant modification. In providing a very strong steer as to the amendments that need to be made in order to make the Plan sound, the letter's silence on other matters provides a clear indication on those areas of the emerging Local Plan with which the Inspector does not have concerns on soundness. Those parts of the emerging Plan are very likely to be found sound.
- 3.5 With this in mind it is very noteworthy that no significant issues have been raised with regards to the: overarching development strategy; the strategic policy on climate change; the use of the United Nations Sustainable Development Goals; the local gap policy; and the countryside and undeveloped coast policy. Furthermore, it can be surmised that the Inspector has concluded that the Council has taken a positive / 'no stone unturned'

approach to trying to meet housing needs as there is no instruction or indication that the Council needs to now do further work to bring alternative sites forward.

- 3.6 Overall, Officers are of the view that the Post Hearing Advice letter from the Inspector can be viewed positively. As summarised below (section 3), it sets out clear advice as to how issues of soundness can be addressed and there is no indication that the Council is unlikely to be in a position to progress the Plan to adoption. This work identified is either on-going or has been incorporated within the schedules of proposed modifications (section 4) and officers are confident that all matters can be addressed.

4. Inspector's Post Hearing Advice Letter - Key Issues

Sustainability Appraisal

- 4.1 The Inspector has confirmed that he is generally satisfied that the evidence base as a whole provides a clear, proportionate and robust basis for development strategy and that the justification for the Plan is reasonably clear. However, in terms of legal compliance, the Inspector is of the view that the Sustainability Appraisal is not as clear as it might be in identifying why certain options were selected and others rejected. The Inspector has recommended that the Sustainability Appraisal would benefit from clearer cross referencing to specific elements of the Draft Integrated Impact Assessment and/or other parts of the evidence base to assist readers. A Sustainability Appraisal of the proposed Main Modifications is also needed to inform the Inspector's deliberations.
- 4.2 Work is currently being progressed to address the Inspector's comments on the Sustainability Appraisal and improve the 'narrative' which will help the reader to understand how conclusions have been reached. This work will be published as a background document for consultation alongside the schedule of modifications. In this regard, it is important to note that the Inspector in his Post Hearing Advice Letter (paragraph 8) states that this *'should not however result in the need to prepare new evidence or alter any of the justifications that already exist in the evidence base.'* Officers agree with this view.

Protected Areas (Policies SS4 / SS5 / SS6)

- 4.3 Policies SS4, SS5 and SS6 cover the 'countryside and undeveloped coast', Local Green Gaps (LGG) and Local Green Space (LGS) respectively. As

explained below, it is proposed that the LGS designation will be removed at Chatsmore Farm and the Goring-Ferring Gap. However, it is important to note that the Inspector's letter does not raise any concern with the principles established in policies SS4 and SS5 and the areas covered (which include both Chatsmore Farm and the Goring-Ferring Gap). As a consequence, it can be inferred that the Inspector supports the inclusion of these policies which will provide a strong level of protection for these areas.

- 4.4 During the hearing sessions, the Inspector has requested that the Council examines the relationship between Policies SS4, SS5 and SS6. It was agreed that Main Modifications would be needed to ensure a clear and internally consistent approach to the three different, but overlapping, designations. The Inspector has also asked the Council to make modifications to Policy SS6 to better reflect national policy in terms of LGS and their relationship to Green Belt policy. The Council produced a note relating to these issues during the Hearing Sessions and these proposed changes have been incorporated within the modifications.

Local Green Space Designations

- 4.5 The Submission Draft Local Plan included three areas designated as Local Green Space (LGS) - Chatsmore Farm, the Goring-Ferring Gap and Brooklands. The Inspector has confirmed that he is satisfied that the sites all meet two of the three criteria for designation as Local Green Space in that they are in reasonably close proximity to the community it serves; exhibits characteristics that makes it demonstrably special to local communities and has particular local significance. However, for Chatsmore Farm and the Goring-Ferring Gap, the Inspector has raised a compliance concern with the final criterion relating to the scale of the sites and their 'countryside' characteristics.
- 4.6 When raising concerns about the proposed designation of these two areas the Inspector invited the Council to consider whether an alternative, reduced boundary would be appropriate. The view of Officers was that there was no logical or robust reasoning for an alternative boundary to the proposed Local Green Space. However, to provide a more robust assessment, the Council engaged its landscape consultants (Hankinson Duckett Associates) to undertake an independent review. Their response, which is published on the Council's website, supports this view and as a consequence the schedule of modifications includes the proposed deletion of this designation from these two areas. In this regard, as explained below, despite this amendment a strong level of protection for these sensitive and valued areas remains.

- 4.7 The Inspectors advice letter has been particularly helpful in relation to the s78 appeal by Persimmon Homes against the decision of the Council to refuse permission for 475 dwellings at Chatsmore Farm. Whilst, the Local Green Space policy for this site has been recommended to be deleted the Local Plan Inspector raised no issue regarding local green gap policy and helpfully commented that the Chatsmore Farm site *'represents a gap in the built form between the railway line, A259 to the north and east and the built form of Arun to the west. Notwithstanding the presence of the road, the site is well related visually to the South Downs National Park (SDNP) and thus provides an opportunity for the open countryside to penetrate the built-up area.'*
- 4.8 The Public Inquiry finished on the 28th January and your Officers presented a robust case that the development would have an unacceptable impact on the Gap, affect the local highway and be premature given the advanced nature of the emerging Local Plan. A decision is expected in the next two months on this Inquiry.

Titnore Lane (Proposed Allocations A13)

- 4.9 The SDWLP sets out 15 different allocations that will help to contribute towards meeting development needs in the Borough. Although some minor Modifications are proposed to a number of these the Inspector has not raised any significant (or in principle) concerns with 14 of the allocations.
- 4.10 Notwithstanding the level of housing need, the Inspector has however recommended the removal of one of the six edge of town proposed allocations. He has concluded that due to potential environmental impacts a satisfactory form of development could not be achieved on the Titnore Lane site in the north west of the Borough. In his summing up on this issue he states: *'I am clearly very conscious of the Council's housing delivery issues and the difficulties that exist in meeting needs. Nonetheless, as the Council have also argued, this does not mean that all forms of development are acceptable in principle. In this instance, I consider that the risk of adverse impacts from developing the site would significantly and demonstrably outweigh the benefits. Consequently, the allocation is not justified or consistent with national policy. It should therefore be deleted with necessary changes made to the housing requirement, housing trajectory and Policies Map'*.

- 4.11 The deletion of the Titnore Lane allocation will reduce the level of housing that the Plan will provide (60 dwellings). However, it should be noted that there has been a slight uplift in capacity assumptions for 2 of the other allocations which equate to 60 dwellings so there is no overall change in the level of supply to be delivered through the allocations.
- 4.12 The Inspector's conclusion on this sensitive site does help to demonstrate how the provisions of the NPPF help to ensure that environmental considerations are given full regard despite very significant levels of unmet housing need. Essentially, the Inspector did not think that the need for housing was sufficient to outweigh the environmental concerns associated with the development of this site.

5.0 Proposed Modifications

- 5.1 In order to address the issues outlined above the Submission Draft version of the Local Plan will need to be modified. Further modifications are also required to respond to: the revised NPPF (published July 2021); representations submitted at Regulation 19; and address points that were raised by the Inspector before and during the Hearing Sessions. Although the modifications relate to a number of policy areas it should be noted that these, in general, help to strengthen the policy approach and improve their 'efficiency' - they do not change the trust / fundamental principles already established.
- 5.2 During the Examination process the Council published a schedule of proposed modifications. This helped the Inspector and other interested parties understand the amendments to the Plan that the Council thought were necessary to address soundness issues that had been identified and to improve the effectiveness of the Plan. It should be noted that the previous modifications put forward by the Council have now been incorporated and/or updated within the more attached schedules. As a consequence all previous schedules and reference numbers have been superseded by Appendices 2 and 3.
- 5.3. It is certainly not unusual for Local Planning Authorities to publish a long list of proposed modifications at this stage of the Local Plan making process. In this regard, it is acknowledged that there are a significant number of modifications proposed to the Worthing Local Plan but, in part, this is a consequence of national planning guidance being updated after the Submission Draft version of the Plan had been published. As explained

below, the modifications are split into two groups - Main Modifications (MM) and Additional Modifications (AM).

Main Modifications

- 5.4 Main Modifications (MM) are amendments to the Submission Draft version of the Local Plan which are required to ensure that it can be found 'sound' and legally compliant. The Inspector is only concerned with those changes to the Plan's policies and supporting text. It is not the Inspector's role to recommend other changes which would make the Plan 'more sound' or generally improve it in other ways.
- 5.5 The Inspector will need to understand interested parties' views on the proposed Main Modifications before he reaches his final conclusions on the Plan and the changes which are required to it. As explained below (section 4), these conclusions and recommendations will be set out in his final report to the Council.
- 5.6 It must be noted that the Council can only publish the proposed Main Modifications once the Inspector has agreed that they address his concerns and that he is happy for them to be the subject to public consultation. In this regard, officers shared an initial version of the Main Modifications with the Inspector in mid January. He subsequently provided a number of comments and these have been addressed within the revised schedules attached to this report. Importantly, at the time that this report has been drafted the Inspector has yet to comment on this version. As a consequence, if any comments are received that would result in the amendment of the current version this will be reported verbally to the Committee. Furthermore, whilst it is considered to be unlikely, if the Inspector raises any significant concerns it may be that consideration will need to be given to a revised timeline.

Additional Modifications

- 5.7 In addition to the Main Modifications required for soundness, there are other, minor changes required to the Plan - these are referred to as Additional Modifications ('AMs'). These minor changes comprise: factual updates; corrections; clarifications and consequential changes arising from the Main Modifications (particularly referencing).
- 5.8 'Other' modifications also include changes to the policies map. The Inspector has made it clear that changes to the policies map are not Main Modifications. They will be consulted on, but as a separate document to the

'MM' schedule. The proposed changes to the proposals map are listed at the end of the AM schedule and will be illustrated within a 'Mapping Extracts' document to be published alongside the Main Modifications consultation.

- 5.9 The schedule of Additional Modifications is included in Appendix 3. It is recommended that these be published for consultation at the same time as the proposed Main Modifications to give an overall picture of the changes that are proposed to the Plan. However, it should be noted that the Inspector is only concerned with the Main Modifications. He does not wish to consider the consultation responses to the Minor Changes; that will be a matter for the Council. If there are matters of significance raised on the AMs during the consultation, it may nonetheless be prudent to bring these to the Inspector's attention.

6.0 Next Steps

- 6.1 If approved by Full Council the public consultation on the proposed modifications is programmed to commence in early March and will last for six weeks. The consultation arrangements will comply with the adopted Statement of Community Involvement. The consultation will focus solely on the changed aspects of the Plan. It is important to note that this is not the opportunity for interested parties to raise matters on other, unchanged aspects of the Plan with which they disagree.
- 6.2 All the 'duly made' responses to the Main Modifications will be forwarded to the Inspector along with the Council's observations (if necessary) for his consideration. Having read the consultation responses, the Inspector may decide to hold additional hearings to discuss specific matters raised or he may ask for additional written submissions from the Council or other participants.
- 6.3 Given the nature of the issues that have been raised by the Inspector and the work that has been undertaken to address these, Officers are of the view that the need for additional hearings is unlikely. Assuming that is the case, it is expected that the Inspector's Final Report should be issued by late spring / early summer.
- 6.4 If, at that point, the Inspector has found the Plan to be 'sound' his Final Report, together with a finalised version of the Plan, will then be presented to the Council with a recommendation to adopt the Local Plan.

7.0 Engagement and Communication

- 7.1 A number of stages of consultation have been undertaken throughout the preparation of the Local Plan and the representations received have helped to inform the preparation of the development strategy and related policies.
- 7.2 Consultation on the proposed modifications will be undertaken in line with the Council's Statement of Community Involvement. However, it should again be stressed that, at this stage, comments are only invited on the proposed modifications and this is not an opportunity to comment or object to other areas of the Plan.

8.0 Financial Implications

- 8.1 The Local Plan is supported by an extensive evidence base and other supporting documentation that has been a considerable draw on the planning budget over the last few years.
- 8.2 Public consultation on the Proposed Modifications will be delivered within previously approved budget allocations and existing resources.
- 8.3 The Examination of the Local Plan represents another significant cost (estimated to be circa £70,000). The exact amount will not be known until the Examination has completed. There is no budget in place for these additional one-off costs, consequently members are asked to approve the release of funding from the Capacity Issues Reserve. If further funding is required, members will be briefed via the regular monitoring reports.

7.0 Legal Implications

- 7.1 The Planning and Compulsory Purchase Act 2004, The Localism Act 2011, The Housing and Planning Act 2016 and associated regulations (including the Town and Country (Local Planning) (England) Regulations 2012 (the 2012 Regulations)), set out the statutory framework for the production of local plan documents by the Local Planning Authority and the requirements for a Local Development Scheme. National policy in relation to the production of local plan documents is provided through the National Planning

Policy Framework (NPPF), supported by National Planning Practice Guidance.

- 7.2 Once adopted by the Council, the Local Plan will become the starting point for determining any planning applications that are submitted to the Council for consideration. Planning decisions must be taken in accordance with the development plan (which includes a Local Plan) unless material considerations indicate otherwise (section 38(6) of the Planning and Compulsory Purchase Act 2004).

Background Papers

- Appendix 1 - Local Plan Inspector's Post Hearing Advice Letter
- Appendix 2 - Schedule of Proposed Main Modifications (MM)
- Appendix 3 - Schedule of Additional Modifications (AM)
- Submission Draft Worthing Local Plan (Jan 2021)
- Report to Joint Strategic Committee (JSC) (1st December 2020)
- Various reports to Planning Committee & JSC (2016-20)
- National Planning Policy Framework (2021)
- Planning Policy Guidance

Sustainability & Risk Assessment

1. Economic

- When adopted, the Local Plan will be a key tool for protecting employment sites and meeting the ambition for sustainable economic growth.

2. Social Matter

2.1 Social Value

- When adopted, the Local Plan will be a key tool for meeting the ambition for our communities' prosperity and wellbeing.

2.2 Equality Issues

- The Local Plan was subject to an equalities impact assessment, which confirms that there are no inequalities identified that cannot be easily addressed or legally justified.

2.3 Community Safety Issues (Section 17)

- The Submission Draft Local Plan considers community safety issues and requires development to incorporate the principles of securing safety and reducing crime through design in order to create a safe and secure environment.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- The Government requires that all Development Plan Documents (including Local Plans) be subject to a formal Sustainability Appraisal. The Local Plan aims to promote sustainable development. The United Nations Sustainable Development Goals are embedded in the Plan and will be used to monitor its effectiveness.

4. Governance

- The new Local Plan aligns with many of the Councils' priorities, specific action plans, strategies and policies.

- The delivery of a new Local Plan will help to meet the spatial needs of the Borough and therefore have a positive impact on the reputation of the Council.
- Failure to adopt a new Plan could impact on a number of this Council's priorities. In addition, failure to get a new Development Plan in place in a timely manner may impact on local control when determining applications and increase the risk of speculative development proposals.

Examination of the Worthing Local Plan 2020 - 2036

Inspector: Steven Lee BA(Hons) MA MRTPI

Programme Officer: Chris Banks

Email: bankssolutionsuk@gmail.com Telephone: 01903 783722

Ian Moody
Planning Policy Manager
Worthing Borough Council
Portland House
44 Richmond Road
Worthing
West Sussex
BN11 1HS

9 December 2021

Dear Mr Moody,

Inspector's Initial Advice

1. I write further to the examination hearing sessions, which concluded on 17 November 2021. At the close of the hearing, I committed to writing to the Council regarding any further Main Modifications or steps needed to make the Worthing Local Plan 2020-2036 (WLP) sound and legally compliant. These are in addition to potential Main Modifications discussed at the hearing sessions, which are not repeated here.
2. I have considered all the representations made to the WLP including the oral contributions at the hearing sessions. My final conclusions regarding soundness and legal compliance will be given in my report to be produced following consultation on the proposed Main Modifications. Nevertheless, having regard to the criteria for soundness and to assist for now, I shall give brief explanations for my initial advice below.

Sustainability Appraisal / Strategic Environmental Assessment (SA/SEA)

3. The Environmental Assessment of Plans and Programmes Regulations (2004) require sustainability appraisals to identify, describe and evaluate the likely significant effects on the environment of reasonable alternatives. I am generally satisfied that the evidence base as a whole provides a clear, proportionate and robust basis for the preparation of the WLP. Overall, the justification for the Plan is reasonably clear. However, in terms of legal compliance, I am concerned that the Submission version of the

SA [document CD/H/14] is not as clear as it might be in identifying why certain options were selected and others rejected.

4. In addition, in places there is also arguably a 'missing link' between the Draft Integrated Impact Assessment (DIIA) [CD/F/8] and the Submission version of the SA. The Submission SA does not always fully explain how alternatives or policies evolved or had been refined between the two documents. Table 6 in the SA sets out how changes between the Draft and Submission plans might have affected the DIIA assessment. However, the SA is not always clear about what changes have taken place or the reasons for them, why the resulting options have been selected or why there has been no change in the likely significant effects. While there are some cross-references to the DIIA, it can be difficult to follow the 'story' of how the policies have been appraised.
5. One example is the evolution of the housing requirement. The DIIA assessed three potential options, the lowest of which was for 4,232 dwellings. The WLP proposes a requirement of 3,672. The SA assesses the effects of this figure in its own right. However, the document does not explain in any detail why none of the DIIA options have been taken forward, what has precipitated the change or why this has become the 'preferred' option. While the Council did not consider this would make any material difference to the conclusions of the DIIA, the reasoning for this assertion is quite brief and may benefit from further explanation.
6. The SA would therefore benefit from clearer cross referencing to specific elements of the DIIA and/or other parts of the evidence base to assist readers. The Council may also consider whether it would be beneficial for the DIIA to form an appendix to the SA. In addition, the Council should ensure that the final SA document clearly sets out the reasons for selecting and rejecting options, as required by the relevant regulations.
7. I therefore recommend that the Main Modifications consultation is accompanied by an updated SA which draws together existing evidence on the identification and selection of preferred options and why some alternatives were rejected or not considered 'reasonable' for assessment. This should also include any updates that are necessary to reflect Main Modifications or other issues discussed, such as the assessment of the Worthing Leisure Centre site.
8. This will help to ensure the SA meets the regulations. It should not however result in the need to prepare new evidence or alter any of the justifications that already exist in the evidence base. Nevertheless, if this work highlights the potential for further changes to the Plan, then the Council should let me know as a matter of urgency.

Local Green Space Designations

9. The Plan identifies three areas as Local Green Spaces (LGS); Chatsmore Farm, the Goring-Ferring Gap and Brooklands Recreation Area. Paragraph 102 of the Framework establishes three criteria for designating LGS. I am satisfied they are all in reasonably close proximity to the communities they serve, exhibit characteristics that make them demonstrably special to local communities and have particular local significance. Accordingly, they meet the requirements of criteria a) and b) of paragraph 102.
10. I do however have concerns about the extent to which the Chatsmore Farm and Goring-Ferring Gap relate to criterion c). This states that LGS must be local in character and must not be an extensive tract of land. There is no definition of what constitutes an 'extensive tract of land' in national policy. The Planning Practice Guidance (PPG) provides some assistance by stating that a "*blanket designation of open countryside adjacent to settlements will not be appropriate. In particular, designations should not be proposed as a 'back door' way to try to achieve what would amount to a new area of Green Belt by another name*"¹.
11. The Chatsmore Farm designation is around 30 hectares (ha) and is primarily made up of open agricultural fields. It represents a gap in the built form between the railway line, A259 to the north and east and the built form of Arun to the west. Notwithstanding the presence of the road, the site is well related visually to the South Downs National Park (SDNP) and thus provides an opportunity for the open countryside to penetrate the built-up area. The LGS designation therefore covers a large area of land and has the appearance of an unbroken area of open agricultural countryside. The area also coincides with the proposed Local Green Gap (LGG) designation. The main purpose of this designation is to retain the separate identities and character of settlements.
12. In the context of national policy on LGS, the scale and character of the area is that of a 'blanket designation of open countryside'. Moreover, given the relationship with the LGG, the designation would effectively function as a new area of Green Belt. On this basis, the LGS conflicts with the guidance in the PPG and is thus not appropriate.
13. The Goring-Ferring Gap covers around 33ha in Worthing and extends into Arun. Although again predominantly agricultural, the character of this area is more varied than Chatsmore Farm, with some areas of formal recreation and woodland. The area is also a

¹ Paragraph: 015 Reference ID: 37-015-20140306

designated wildlife site. These factors all add to its local significance.

14. Nevertheless, apart from the land to the south of Marine Drive, the LGS again covers much the same area as the proposed LGG. This constitutes a sizeable gap between the built form of Worthing and the boundary of the borough. Given its scale and *predominantly* agricultural character, I consider that the majority of the proposed LGS would also fall into the category of a blanket designation of open countryside adjacent to a settlement. Notwithstanding the continuation of the 'gap' into Arun, it would also function largely as *de facto* Green Belt. As such, it would also conflict with the PPG.
15. In coming to these conclusions, I have had regard to the detailed evidence and discussions regarding the landscape, biodiversity and recreation value of the areas, as well as the support of the local population for their designation. My decision does not diminish these characteristics. However, it is necessary for all three criteria in national policy to be met. Owing to their scale, nature and function, both areas would constitute extensive tracts of land in the context of paragraph 102c) of the Framework. Accordingly, they conflict with national policy and do not qualify as Local Green Space. They are therefore unsound and should be removed from the Plan in their current form.
16. The Council argued at the hearings that it would not be possible to sub-divide the designations into smaller or distinct areas. Nevertheless, I would be happy to receive representations from the Council about whether there are amendments to the boundaries that could be considered. This might be particularly the case in relation to the Goring-Ferring Gap which includes several different land uses. If the Council were to take this opportunity then, to assist me, it may be necessary to carry out a focussed consultation with those who previously made representations on the LGS sites. This would be needed prior to any consultation on Main Modifications.
17. While the size of the areas has obviously had a bearing on my decision, it has not been the decisive factor. The Brooklands Recreation Area designation also covers a large area of land, but clearly has a predominantly recreational function and character which sets it apart. Therefore, other than the changes to the boundary already put forward by the Council, I do not consider any further modifications are needed to this designation.

Policies SS4, SS5 and SS6

18. I suggested at the hearing sessions that the Council would need to look again at the relationship between Policies SS4, SS5 and SS6. These policies cover the 'countryside and undeveloped coast', LGG

and LGS respectively. It was agreed that Main Modifications would be needed to ensure a clear and internally consistent approach to the three different, but overlapping, designations. I also asked the Council to make modifications to Policy SS6 to better reflect national policy in terms of LGS and their relationship to Green Belt policy².

19. The Council produced a note relating to these issues [WBC-E-17]. I have now had the opportunity to reflect on this and the discussions at the hearing sessions. The comments provided here are intended to assist in the production of the Main Modifications schedule.
20. I note under Policy SS4 that the Council has sought to reflect the potential for entry-level exception sites. The submitted plan makes no reference to this and thus would be inconsistent with paragraph 72 of the Framework. A modification rectifying this omission is therefore necessary. I also note that the suggested policy would alter the designation of 'open countryside and undeveloped coast' to exclude LGS. The policies as submitted would have added additional tiers of control on LGS areas which would not be justified given that LGS policy should reflect that for Green Belt. A modification differentiating between these and other areas of open countryside is therefore necessary in terms of effectiveness.
21. The requirement in Policy SS5 to demonstrate 'exceptional circumstances' within LGGs is unnecessary given the criteria set out the circumstances in which development would be acceptable. The Plan is also unclear as to what would constitute an exceptional circumstance and is thus ambiguous. This requirement is unjustified and ineffective and thus should be removed. The suggested changes to criteria i) and ii) also better reflect the perceived purpose of the LGG designation and are more consistent with similar policies in neighbouring areas. They also remove reference to coalescence and openness, which are akin to Green Belt policy. I agree that modifications are necessary to these criteria to be justified and ensure effectiveness.
22. Policy SS6 does not properly reflect paragraph 103 of the Framework insofar as it is not consistent with Green Belt policy. The suggested modifications to Policy SS6 seek to address this deficiency. In particular, reference is now made to 'very special circumstances'.
23. The suggested modification does not however resolve the soundness issue. As set out in paragraphs 147 to 151 of the Framework, 'very special circumstances' are not necessary in all cases. In addition, what constitutes a 'very special circumstance' is not defined in national policy and is not necessarily limited to the

² As set out in paragraph 103 of the Framework.

public benefits of development outweighing any harm caused. Indeed, this balance may not necessarily reach the high bar of a 'very special circumstance' in all cases. There are therefore aspects of Green Belt policy that are not reflected in the suggested modifications. I do agree however that criteria i.-iv. should be deleted as they are inconsistent with national policy.

24. I therefore invite the Council to revisit this policy and provide alternative wording for me to consider in the forthcoming modifications schedule.

Allocations

Site A13 –Titnore Lane

25. This site is bordered on three sides by Ancient Woodland which is also designated as the Titnore and Goring Woods Complex Local Wildlife Site (LWS). An element of this also runs roughly through the middle of the site. The site is also subject to other constraints, including surface water flooding and the setting of the SDNP. It also has an attractive countryside character, which is enhanced significantly by the woodland.
26. These constraints are not entirely unusual for sites allocated in the Plan. However, the extent of the cumulative issues facing this site are substantial. Moreover, the specific relationship between the LWS and developable area gives rise to significant concerns about direct and indirect harm to this feature. This is particularly the case as any internal distributor road would need to cut through the LWS. While this would be in the gap created by existing pylons, it is nevertheless still part of the designated wildlife site. Notwithstanding any potential issues relating to construction, a distributor road would have a very different and potentially harmful character and impact to the pylons.
27. Although the site is within the defined built-up area, any development would also be visually and physically separate from the existing built form and settlement pattern. Even with the policy's requirements for improvements to public rights of way, it remains likely that any development would appear and function as a disjointed adjunct to the settlement. This sense of separation would be exacerbated by accessing the site from Titnore Lane, which is not associated with existing residential development in this location. Several allocated sites would result in encroachment into the countryside. Nevertheless, the distinct characteristics of this site give rise to concerns that the impacts on character and appearance would be particularly significant and harmful.
28. Development of this site therefore raises significant risks and concerns about the impact on ancient woodland, the integrity of the LWS and the character of the area. I acknowledge that the proposed

policy sets out many requirements that seek to mitigate the impacts. However, I am not persuaded that these would be sufficient to ensure a satisfactory form of development. Indeed, these tend to highlight the difficulty in which a suitable form of development could be achieved. Moreover, there are no modifications that could be made that would make the site acceptable. In my view, development here would therefore conflict with the Framework's policies on conserving and enhancing the natural environment.

29. I am clearly very conscious of the Council's housing delivery issues and the difficulties that exist in meeting needs. Nonetheless, as the Council have also argued, this does not mean that all forms of development are acceptable in principle. In this instance, I consider that the risk of adverse impacts from developing the site would significantly and demonstrably outweigh the benefits. Consequently, the allocation is not justified or consistent with national policy. It should therefore be deleted with necessary changes made to the housing requirement, housing trajectory and Policies Map.

Site A9 – Lyndhurst Road

30. The issue of internal consistency for site specific policies was discussed at the hearing sessions. The Council may already be considering alterations to the development requirements for site A9 in this context.
31. For the avoidance of any doubt, I will expect the policy for site A9 to include specific reference to the need to carry out mitigation of any contamination issues and highlight areas of particular sensitivity, in terms of local character, heritage and the living conditions of nearby residents. Given the nature of the site's surroundings, I consider such detail to be necessary. It would also be appropriate to ensure references to parking and sustainable travel are incorporated into the site requirements. This would provide local residents with a degree of comfort while also ensuring prospective developers are clear about expectations.

Development Management Policies

32. The comments below are to be considered alongside any modifications suggested during the hearing sessions or in the evidence base.

Policy DM2: Density

33. Although this was discussed at the hearing sessions, for the avoidance of any doubt, the reference to the Council's external space standards in criterion d) is not justified or effective. This should be addressed either through reference to a Supplementary

Planning Document or through inclusion of standards as an Appendix.

Policy DM3: Affordable Housing

34. In relation to criterion c) the Council agreed to consider the policy in the context of paragraph 65 of the Framework and the requirement for at least 10% of homes to be available for affordable home ownership. In discussions on this, the Council indicated they would provide me with evidence of the effects on viability (albeit in the form of discussions with the relevant consultants). While no concerns were expressed, it would be preferable if this information were placed in the evidence base for completeness. Assuming I have no additional concerns, this should be made available alongside the Main Modifications consultation material.

Policy DM13 – Retail and Town Centre Uses

35. Criterion e) of Policy DM13 states that Town Centre Character Areas (TCCA) will help guide development in the town centre by assessing applications against the specific role and function of the character area. The supporting text provides a broad overview of the character and function of each area. However, it is not clear how this information and criterion e) would be used to determine an application, particularly where a proposal might already be consistent with criteria d)i.-iii. The descriptions of TCCAs are also not always necessarily consistent with the 'frontage' policies. This could give rise to a degree of confusion.
36. In my view, criterion e) is unclear and ambiguous and thus inconsistent with paragraph 16d of the Framework. I acknowledge however that the descriptions of TCCAs might be helpful in establishing a broad 'vision' for the town centre. For this reason, the reference to TCCAs should be amended to allow consideration to be given to the 'harm' to the character or vision for each area. This would be a more clear and effective expression of intent and would relate well to criterion b)i. which considers issues of vitality, viability and diversity of a centre. For Policy DM13 to be effective, the TCCAs should also be identified on the Policies Map.

Policy DM14 – Digital Infrastructure

37. Criteria b) to d) require development to enable Fibre-to-the-Premises (FTTP) at first occupation, meet or exceed Building Regulations regarding FTTP or, where this is not practical, provide alternative technological options and necessary infrastructure for FTTP in the future. It is not necessary for development plan policies to refer to the Building Regulations. Moreover, there is no clear justification for development to be required to exceed existing Building Regulations in terms of FTTP.

38. I acknowledge that paragraph 114 of the Framework states that planning policies should support and prioritise the expansion of full fibre broadband connections. I therefore invite the Council to suggest alternative wording which achieves this without the superfluous references to the Building Regulations. I note the '*West Sussex Digital Infrastructure - background information for Local Plan Policies*' document includes examples of policies which, albeit not yet adopted, do not refer to the Building Regulations. These may provide a useful starting point for consideration.

Next Steps

39. The Council are now invited to complete a schedule of Main Modifications for my consideration to ensure it reflects my understanding of the discussions and to avoid any soundness issues. As mentioned at the hearing sessions, this should only contain modifications necessary to make the Plan sound or legally compliant.
40. Once the schedule is agreed, it will be subject to consultation. This should take place for a minimum of 6 weeks. All evidence produced during the hearing sessions and the updated SA should be published alongside the modifications and made available for comment. The Council should also consider whether updates to the Habitats Regulation Assessment (HRA) would be necessary. If so, this should also be made available at the same time. A copy of the updated SA and HRA should be sent to me for my consideration prior to the start of the consultation exercise.
41. I have asked the Programme Officer to upload a copy of this letter to the examination website, but I am not seeking any comments from participants at this stage. In the meantime, should the Council have any queries about the content of this letter, or anything discussed at the hearing sessions, then please do not hesitate to contact me through the Programme Officer.

Yours sincerely,

Steven Lee

INSPECTOR

Combined Modifications January 2022

Chapter 1 - Introduction

PROPOSED MODIFICATIONS			
Mod Ref	Policy / Para No.	Issue to Address	Note
MM1	Para 1.27	<p>Add text to paragraph 1.27 as follows:</p> <p style="padding-left: 40px;">1.27.....read as a whole. <u>Strategic level policies are set out in Chapters 2 and 3 and these are followed by site allocations (Chapter 4) and Development Management policies (Chapter 5). Taken together, the policies,.....</u></p>	<p>To ensure that the WLP is effective and consistent with national policy and in response to MIQ-11.</p>

Chapter 2 - Vision & Strategic Objectives

PROPOSED MODIFICATIONS			
Mod Ref	Policy / Para No.	Issue to Address	Note
MM2	SP1 (& Para 2.7 & 2.9)	<p>Add the following to the end of paragraphs 2.7 and 2.9:</p> <p style="padding-left: 40px;">2.7land in its area. <u>The Plan should promote a sustainable pattern of development that seeks to: meet the development needs of Worthing; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects.</u></p>	<p>In response to revised NPPF (July 2021).</p> <p>As discussed during the Hearing Session. To avoid</p>

		<p>2.9 on planning applications. <u>When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. The Council will always work proactively with applicants to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.</u></p> <p>Delete criterion a) (note that this will require a renumbering of the criterion that follow):</p> <p>a) When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. The Council will always work proactively with applicants to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.</p> <p>Delete last 5 words of criterion b) (now requirement a)</p> <p>b) a) ...will be approved without delay, unless material considerations indicate otherwise.</p> <p>Replace the existing wording of criterion c) (now requirement b) to state:</p> <p>c) b) Where there are no relevant development plan policies, relevant to the application or relevant to the application or relevant the policies which are most important for determining the application are out of date, at the time of making the decision then the Council will grant permission unless: material considerations indicate otherwise - taking into account whether:</p> <p>i. the application of policies in the National Planning Policy Framework that protect areas or assets of particular importance provide a <u>strong clear reason for refusing the development proposed; restricting the overall scale, type or distribution of development in the plan area; or</u></p> <p>ii. any adverse impacts of <u>doing so granting permission</u> would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole.</p>	<p>unnecessary duplication and to ensure consistency with national policy.</p> <p>For consistency with NPPF.</p> <p>In response to SDWLP-66 (Pegasus Group on behalf of Persimmon Homes).</p>
MM3	SP2 (& Para 2.20)	<p>Para 2.20 - add new bullet point:</p> <ul style="list-style-type: none"> • <u>'demonstrate that the development will protect and enhance the borough's natural capital and biodiversity assets'</u> 	<p>In response to SDWLP-57 (Sussex Wildlife Trust).</p>

		<p>SP2 - insert new policy criterion -</p> <p><u>k) Development must not compromise land that is required to deliver towards a nature recovery network.'</u></p>	
<p>MM4</p>	<p>SP3 (& Para 2.26 & 2.36 & 2.37)</p>	<p>Amend paragraph 2.26:</p> <p>2.26 The Public Health Strategy identifies five priorities for action which also contribute to the ambitions shared by the West Sussex Joint Health & Well-being Strategy (2019-2024) and the Well-being and Resilience Framework-specific health challenges present in Worthing. Five priorities for action have been devised where the Councils are likely to make significant impact creating the conditions to change lives of individuals and communities. These priorities are informed by the evidence set out within the West Sussex Joint Strategic Needs Assessment <u>and thus have been cascaded into Policy SP3.</u></p> <p>Amend paragraph 2.36:</p> <p>2.36 ...Health Impact Assessment (HIA) is a method of considering the positive and negative impacts of major development <u>proposals</u> on the health of different groups in the population and identify and mitigation measures <u>(that need to be incorporated into major development proposals)</u> for any potential</p> <p>Add sentence on to the end of paragraph 2.37 as follows:</p> <p>2.37.....within a Supplementary Planning Document. <u>This will follow best practice guidance on how to undertake a HIA contained within WSCC Healthy & Sustainable Places - A Public Health and Sustainability Framework (2020) and Public Health England Health Impact Assessment in Spatial Planning (2020).</u></p> <p>SP3 - Amend criterion a) and merge with criterion b):</p> <p>a) <u>New development must be designed to achieve healthy, inclusive and safe places, which enable and support healthy lifestyles and address health and well-being needs in Worthing, as identified in the Adur & Worthing Council's Public Health Strategy. In order to maximise opportunities to promote healthy lifestyles, where appropriate, new development must:</u></p> <p>b) In order to maximise opportunities to promote healthy lifestyles, where appropriate, new development must:</p>	<p>As discussed during the Hearing Session. It is considered that criterion a) doesn't aid implementation of the policy and thus reference to the Public Health Strategy is strengthened within supporting text 2.26.</p> <p>Supporting text 2.36 has been strengthened to provide clarity on how the Health Impact Assessment will be applied.</p> <p>To ensure that the policy is effective and in response to MIQ-24</p>

Chapter 3 - Spatial Strategy

PROPOSED MODIFICATIONS			
Mod Ref	Policy / Para No.	Issue to Address	Note
MM5	SS1	<p>SS1 - revise criterion a) as follows:</p> <p>a) will seek to <u>deliver high quality development and provide for the needs of</u>.....</p>	In response to revised NPPF (July 2021) - Paragraph 20.
MM6	SS2 (& Para 3.21)	<p>Add the following text to after the third sentence of paragraph 3.21:</p> <p>3.21 ...but not yet completed). <u>The housing trajectory in Appendix 1 sets out how each of these sources make up the housing supply position over the Plan period and when delivery is expected.</u> These are <u>also summarised and incorporated within the table below.</u></p> <p>SS2 - revise criterion b) as follows:</p> <p>b) a minimum of 28,000 <u>24,000</u> sqm of employment floorspace (industrial and warehousing) and 10,000 <u>9,200</u> sqm of commercial (retail and leisure) floorspace will be provided.</p> <p>Amend the Site Allocations table as follows:</p> <ul style="list-style-type: none"> • Amend the heading so that it reads: Dwellings (Indicative) • A3 - Centenary House - 250 - 10,000 sqm <u>Employment</u> office space (part re-provided) • A5 - Decoy Farm - 0 - <u>14,000 sqm</u> 18,000 sqm industrial / warehousing <u>Employment</u> • A6 - Fulbeck Avenue - 420 to <u>152</u> - N/A 	<p>To set out the latest position / and in response to SDWLP-55 (WSP on behalf of Worthing Borough Council).</p> <p>To provide consistency and in response to Inspector's Initial Question 17 (Ref-IL01).</p> <p>To ensure that the WLP is consistent with national policy and in response to MIQ-43</p> <p>As discussed at</p>

		<ul style="list-style-type: none"> ● A7 - Grafton - 150 - 2,500 sqm Commercial / Leisure / Retail ● A10 - Martlets Way - 0 <u>28</u> - 10,000 sqm <u>Employment Industrial / Warehousing</u> ● A12 - Teville Gate - 250 - 4,000 sqm Commercial / Leisure / Retail and 80 bed hotel ● A13 - Titnore Lane - 60 - N/A ● A14 - Union Place - 150 - 700 sqm Commercial / 90 room hotel / cinema extension 	Hearing Sessions to respond to changes being made to site allocations and to make policy effective.
MM7	SS3 (& Para 3.35 & 3.36)	<p>Amend paragraph 3.35 after first sentence add:</p> <p>3.35range of uses. <u>In addition, there has been a change in the type of retailer that shoppers are choosing. There is now a stronger demand for smaller, local independent businesses and particularly those that offer environmentally friendly and ethical products.</u> The town centre.....</p> <p>Amend first bullet point just below para 3.36 to add the following text:</p> <p>3.36mix of uses. <u>Encourage and support new forms of retail, particularly small local independent retailers.</u></p> <p>Policy SS3 - Revise criteria a) so that the first part becomes the starting point for the policy. The rest then become the criteria to make that assessment.</p> <p><u>SS3 To ensure that Worthing Town Centre continues to fulfil its sub-regional role, it is important to provide development that meets both quantitative and qualitative needs. To achieve this the approach will:</u></p> <p>a) To ensure that Worthing Town Centre continues to fulfil its sub-regional role, it is important to provide development that meets both quantitative and qualitative needs. Ensure that New retail, leisure and other town centre use development is will therefore, usually be directed to the Town Centre.</p> <p>Revise the tense of the first word of the criteria that follow:</p> <p>b) Improving <u>Improve and increase....</u></p> <p>c) Making <u>Make.....</u></p>	<p>As discussed at Hearing Sessions and to make policy effective.</p> <p>In response to SDWLP-18 (Transition Town Worthing CIC).</p> <p>In response to SDWLP-57 (Sussex Wildlife Trust).</p>

		<p>d) Establishing <u>Establish</u>.....</p> <p>e) Ensuring <u>Ensure</u>.....</p> <p>f) Delivering <u>Deliver</u>.....</p> <p>Add new criterion g) as follows:</p> <p><u>g) As part of the development of the Green Infrastructure Strategy the Council will consider opportunities to integrate biodiversity within the town centre to address climate adaptation and ecological connectivity.</u></p>	
MM8	SS4	<p>Amend criterion a) and b) of Policy SS4:</p> <p><u>a) Outside of the Built Up Area Boundary land (excluding sites designated as Local Green Space under SS6) will be defined as ‘countryside and undeveloped coast’.</u></p> <p><u>b) Development in the countryside will be permitted, where a countryside location is essential to the proposed use, it cannot be located within the Built Up Area Boundary, and it maintains its character and function for natural resources. Applications for the development of entry-level exception sites, suitable for first time buyers or those looking to rent their first home will be supported where these:</u></p> <ul style="list-style-type: none"> - <u>comprise of entry-level homes that offer one or more types of affordable housing;</u> - <u>be adjacent to existing settlements, and proportionate in size to them; and</u> - <u>comply with any local design policies and standards.</u> <p>Add the following text to the end of criterion f):</p> <p><u>f)through joint working with other organisations including the Park Authority, West Sussex County Council, National Highways Highways England and landowners. Any development within the setting of the National Park should be sensitively located and designed to avoid or minimise adverse impacts on the designated areas.</u></p>	<p>To reflect para 176 of NPPF and to ensure consistency with National Policy.</p> <p>In response to SDWLP-73 (SDNPA) Conformity with proposed NPPF Revisions</p>
MM9	SS5	<p>Amend second part of Policy SS5 as follows:</p> <p><u>Outside of those areas designated as Local Green Space, all applications for development (including entry level exception sites) within Local Green Gaps must demonstrate that individually or cumulatively: Development within these Gaps will be carefully controlled and will only be permitted in exceptional circumstances. Any development must be consistent with other policies in the Plan and</u></p>	<p>As discussed during the Hearing Session. To clarify policy position and to ensure consistency with</p>

		<p>ensure (individually or cumulatively):</p> <p>i) it does not lead to the coalescence of settlements; it would not undermine the physical and/or visual separation of settlements;</p> <p>ii) it is unobtrusive and does not detract from the openness of the area; it would not compromise the integrity of the gap;</p> <p>iii) it conserves and enhances the benefits and services derived from the area's Natural Capital; and iv) it conserves and enhances the area as part of a cohesive green infrastructure network.</p>	<p>national policy.</p> <p>In response to SDWLP-43 (Southern Water).</p>
MM10	SS6 (& Para 3.54-3.57)	<p>Local Green Space</p> <p>3.54 The NPPF introduced Local Green Space designation as a mechanism for local communities to identify and protect green spaces which are of particular importance to them. It provides special protection equivalent to that afforded by the Green Belt. The designation should only be used where the land is not extensive, is local in character and reasonably close to the community it serves, it must also be demonstrably special, for example because of its beauty, historic significance, recreational value, tranquility or wildlife.</p> <p>3.55 There are three areas that the Council has designated as Local Green Spaces: Goring-Ferring Gap; Chatsmore Farm; and the Brooklands Recreation Area. Policies for managing development within a Local Green Space should be consistent with those for Green Belts. <u>The fundamental aim of green belt policy is to keep the land permanently open. Inappropriate development is, by definition, harmful to the Green Belt and should not be approved except in very special circumstances. A local planning authority should regard the construction of new buildings as inappropriate in the Green Belt. Exceptions to this are set out in the NPPF.</u></p> <p>3.56 The first two areas have been proposed for designation by the local community. Brooklands Recreation Area has been added as the area has recently attracted a growing and active 'friends of Brooklands' community group and there is considerable interest in the development of a long-term management plan for the park. All three areas were assessed by a landscape consultant on behalf of the Council to determine their potential for designation as Local Green Space (June 2018) and were found to fully meet the NPPF criteria for designation. A brief summary of each Gap is set out below – further detailed information on all aspects can be found within the associated Topic Paper.</p>	<p>As discussed during the Hearing Session. To clarify policy position and to ensure consistency with national policy.</p>

		<p>Goring-Ferring Gap</p> <p>3.57 The Goring-Ferring Gap, that comprises flat arable fields, provides a valued break in the coastal conurbation and a visual connection between the undeveloped coastline and the South Downs National Park to the north. The Goring Residents' Association and the Ilex Conservation Group (with the support of the Ferring Conservation Group, Ferring Parish Council and Ward Councillors) presented information in support of its request to designate this gap as Local Green Space. It is valued for its historic associations, views, wildlife, (it is a designated Local 62 Wildlife Site), and opportunities to bird-watch, stargaze and enjoy quiet recreation. It is also recognised for the relative tranquillity it affords in an otherwise heavily built up area. On the matter of landscape sensitivity, in the wider context it should be noted that this Gap covers 33 hectares in Worthing Borough and adjoins 29 hectares in Arun District. Of the sites assessed within Arun to support the development of their Local Plan this gap was shown as being the most sensitive in nature.</p> <p>Chatsmore Farm</p> <p>3.58 Chatsmore Farm, that covers 28 hectares in Worthing and 2 hectares in Arun, comprises arable fields with the Ferring Rife flowing east to west crossing the middle of the site. The Goring Residents' Association's request to designate the green space between Goring and Ferring included this area. The request highlighted its historic associations, wildlife and recreational value, and its offer as a haven of relative calm within the urban area. In addition, the land is in the setting of the South Downs National Park and the Grade II* Registered Park and Garden 'Highdown Garden' which lie to the north.</p> <p>Brooklands Recreation Area</p> <p>3.59 The 30 hectare Brooklands Recreation Area, located on the eastern edge of Worthing, is a well-loved local amenity that comprises a lake, play areas, recreation facilities and extensive areas of semi-natural open space. It is designated as Local Green Space for its local significance to recreation, wildlife and beauty. The site also provides the wider ecosystem service benefits of drainage and flood protection relief. <u>Brooklands Recreation Area provides a mix of semi-natural open space and recreation/leisure facilities on a scale that is suitable to this area of open and managed landscape. The lake itself has three main functions providing drainage and flood prevention relief; leisure and amenity; and wildlife value.</u></p>	
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		<p>3.60 Brooklands has attracted significant levels of public support for the environmental improvements already made and those that are being planned. In 2017 a 'Friends of Brooklands' community group was established and, in early 2018 local residents were consulted about plans to create a management plan for the park. More recently, the Brooklands Park Masterplan has been prepared which has taken account of feedback from the local community and the results of an ecological study. Forthcoming enhancements, a limited amount of <u>appropriate</u> built development and the implementation of the Masterplan proposals for a science adventure park will increase Brooklands' recreation and wildlife value and enhance its scenic beauty.</p> <p>POLICY SS6 - LOCAL GREEN SPACE</p> <p>Delete ALL of existing policy and replace with the following:</p> <p><u>Brooklands Recreation Area is designated as Local Green Space. Any proposals for development will be considered in accordance with national planning policy for Green Belt.</u></p> <p>Note - To reflect the removal of two of the proposed Local Green Space (LGS) designations from the WLP the map currently shown on page 63 will be amended to remove the two parcels of land shown as LGS in the west of the Borough.</p>	
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Chapter 4 - Site Allocations

PROPOSED MODIFICATIONS			
Mod Ref	Policy / Para No.	Issue to Address	Note

MM11	Para 4.1	<p>Amend paragraph 4.1 as follows:</p> <p>4.1 All sites included in this section have been assessed in detail through the Council's Strategic Housing Land Availability Assessment (SHLAA) and the Local Plan Sustainability Appraisal, <u>and the SDWLP Flood Risk Sequential and Exception Test</u>. Supported by these documents and other evidence, a conclusion has been reached that they should be allocated for development. <u>The sequential test concluded that the majority of sites are located in Flood Zone 1 and these are the most sequentially preferable. However due to the limited number of sites available, to ensure that every effort has been made to meet Worthing's full local housing need as far as is practicable and reasonable, all suitably available sites are required including those at risk of flooding. Even with these there is still insufficient capacity to meet Worthing's full local housing need. Therefore it is considered that all the above sites pass the sequential test, as required by the NPPF.</u></p>	In response to SDWLP-59 (Environment Agency).
MM12	Para 4.8	<p>Amend existing 3rd sentence of paragraph 4.8 and replace as follows:</p> <p>4.8in this Local Plan. In addition, proposals <u>each allocation highlights specific considerations relating to the development of each site and applicants will need to meet (as a minimum) any site specific the development requirements that are set out in the following policies.</u> The use of...</p>	As discussed during the Hearing Session. To clarify policy position and to ensure effectiveness.
MM13	A1 - Beeches Avenue	<p>Insert a new development requirement a) and re-number criteria that follow:</p> <p><u>a) deliver a residential scheme comprising of a minimum 90 dwellings;</u></p> <p>Revise development requirement a) (now requirement b) as follows:</p> <p><u>a)-b) Provide safe and suitable primary vehicular access from Lyons Farm that does not compromise or negatively impact operations of the Football Club;</u></p> <p>Revise development requirement c) (now requirement d) as follows:</p> <p><u>e)-d) ...mitigate the impacts of development. This should include a commitment to promote a travel plan to improve the accessibility and sustainability of the site deliver a car club and enhancements to walking & cycling facilities. EV charge points...</u></p> <p>Revise development requirement d) (now requirement e) as follows:</p>	As discussed during the Hearing Session. To clarify policy position and to ensure consistency with national policy.

		<p>d) e) conserve and enhance the setting of the SDNP and mitigate the visual impact of development (including the effects of artificial lighting) with consideration given to the transition into the Park and views to/from the Park having regard to the recommendations in the Worthing Landscape and Ecology Study; be of a high quality that conserves and enhances the setting of the SDNP, ensuring a transition from the site to the SNDP, with lower density development closer to the SDNP boundary;</p> <p>Revise development requirement f) (now requirement g) as follows :</p> <p>-f) g) provide a Sustainable Urban Drainage System (SuDS) that includes measures to protect has been informed by a hydrogeological risk assessment to ensure and demonstrate the system does not pose an unacceptable risk to groundwater quality for drinking water.</p> <p>Delete development requirement g) as follows:</p> <p>g) give consideration to the suitable relocation of the car repairers;</p> <p>Revise development requirement h) as follows:</p> <p>h) retain features of local value and where appropriate enhance these features and the wider site through management and complimentary habitat creation. deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees;</p> <p>Add additional development requirement i) as follows:</p> <p>i) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain;</p> <p>Add additional development requirement j) as follows:</p> <p>j) provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed.</p>	
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<p>MM14</p>	<p>A2 - Caravan Club</p>	<p>Amend paragraph 4.14 as follows:</p> <p>4.14 The site is owned by Worthing Borough Council <u>and was previously leased to the Caravan Club. As reflected in this allocation, the Council and the Caravan Club had been</u> are working towards the grant of a new long term lease to the Club for approximately 3 hectares of the northern part of the site. This <u>would have allowed</u>s for the remainder of the site (the southern portion – 2.7 ha) to be allocated for residential development whilst at the same time ensuring that the existing use is retained and improved. <u>Circumstances have since changed and the Caravan Club has surrendered their lease and intend to vacate the site by the end of 2022. As a consequence, the Council is now considering options for the northern part of this site including the potential for additional housing and further evidence will be gathered to help inform future decisions.</u></p> <p>Insert an additional bullet point under the site constraints list:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the eastern section of the site as being at a high risk of groundwater flooding. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020).</u> <p>Insert a new development requirement a) and re-number criteria that follow (note - this should include corrections to existing referencing):</p> <p>a) <u>deliver a residential scheme comprising of a minimum 100 dwellings;</u></p> <p>Revise development requirement a) (now requirement b) as follows:</p> <p>a) <u>b) conserve and enhance the setting of the SDNP and mitigate the visual impact of development (including the effects of artificial lighting) with consideration given to the transition into the Park and views to/from the Park having regard to the recommendations in the Worthing Landscape and Ecology Study; retain and enhance boundary vegetation to maintain self-containment and limit views of the site locally and from the National Park;</u></p> <p>Revise development requirement b) (now requirement c), and replace development requirement c) (now requirement d) as follows:</p> <p>b) <u>c) adopt the sequential approach so seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding and maintain a suitable buffer to the lake;</u></p>	<p>Update to highlight recent changes and in response to MIQ-96.</p> <p>In response to SDWLP-59 (Environment Agency).</p> <p>As discussed during the Hearing Session. To clarify policy position and to ensure effectiveness.</p>
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		<p>e) d) a site specific Flood Risk Assessment should demonstrate that the development will be safe for its lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk; maintain a suitable buffer to the lake and demonstrate how flood risk will be safely managed across the lifetime of the development, taking climate change into account, and not increased elsewhere;</p> <p>Revise development requirement d) (now requirement e) as follows:</p> <p>e) e) ensure that the design and layout of this site (along with the neighbouring site at Fulbeck Avenue) should safeguard and have regard to opportunities for the enhancement of avoid and potential impacts on the Local Wildlife Site;</p> <p>Revise development requirement e) (now requirement f) as follows:</p> <p>e) f) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure (to include the internal tree groups) that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees; net gain in biodiversity and high quality green infrastructure to include the internal tree groups which should be incorporated into the design of new development;</p> <p>Delete development requirement g) as follows:</p> <p>g) - help to protect, and where possible, support the continued use of the land to the north as a caravan site;</p> <p>Revise development requirement i) (now requirement h) as follows:</p> <p>i) h) in line with the West Sussex Waste Local Plan (Policy W2) proposals should not prejudice give consideration to the continued safeguarding or affect the operation of the composting site located to the west;</p> <p>Revise development requirement k) (now requirement j) as follows:</p> <p>k) j) deliver a package of sustainable travel measures which should include a commitment to promote a travel plan to improve the accessibility and sustainability of the site including enhancements to walking & cycling facilities. EV charge points...</p>	
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		<p>Add additional development requirement l) as follows:</p> <p><u>l) provide an appropriate level of contribution towards highway capacity improvements at the A259/A2032 Goring Crossways junction and safety and speed reduction measures at the Yeoman Road / Palatine Rd junction;</u></p> <p>Add additional development requirement m) as follows:</p> <p><u>m) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain.</u></p>	
MM15	A3 - Centenary House	<p>Amend 'Indicative Capacity' as follows:</p> <ul style="list-style-type: none"> 250 residential units & 10,000 sqm employment floorspace (<u>part re-provided</u>) <p>Amend paragraph 4.15 as follows:</p> <p>4.15 Redevelopment provides an opportunity to make more efficient use of land, and <u>potential to re-provide and enhance facilities for the existing occupiers Sussex Police. West Sussex County Council has recently announced its intention to relocate their services from this site to Durrington Bridge House and elsewhere in the Worthing area, and WSCC (approx. 5,000 sqm) alongside the delivery of a multi-agency hub offering integrated and co-located public services.</u> Redevelopment would also make use of surplus land for <u>additional employment space (approx. 5,000 sqm) and new homes and additional employment space appropriate to the character of this residential area.</u></p> <p>Amend the first bullet point under site constraints:</p> <ul style="list-style-type: none"> <u>Within an area considered to be at a high risk of groundwater flooding and likely to be at a higher risk from surface water flooding in the future. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020).</u> <p>Revise development requirement a) as follows:</p> <p><u>a) deliver a residential and employment scheme comprising of a minimum 250 dwellings and approximately 10,000 sqm employment floorspace; deliver a mixed-use community-led scheme with facilitating residential development;</u></p>	<p>For consistency and in response to Inspector's Initial Question 17 (Ref-IL01).</p> <p>To ensure the policy is up to date and effective and in response to MIQ-98.</p> <p>To ensure the policy is effective and consistent with national policy and in response to MIQ-99.</p>

		<p>Revise development requirement b) as follows:</p> <p><u>b) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees; enhance boundary vegetation and incorporate the protected trees;</u></p> <p>Add additional development requirement e) as follows:</p> <p><u>e) A site specific Flood Risk Assessment should demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk;</u></p> <p>Add additional development requirement f) as follows:</p> <p><u>f) undertake an assessment of the archaeological remains and ensure that any archaeological assessment requirements are met;</u></p> <p>Add additional development requirement g) as follows:</p> <p><u>g) provide an appropriate level of contribution towards safety and highway capacity improvements at the A2032 / Durrington Lane junction, highway capacity improvements at the A259/A2032 Goring Crossways junction and safety and speed reduction measures at the Yeoman Road / Palatine Rd junction;</u></p> <p>Add additional development requirement h) as follows:</p> <p><u>h) ensure that contaminated land is appropriately assessed and where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Add additional development requirement i) as follows:</p>	
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		<p><u>i) ensure layout is planned to ensure future access to existing water and/or wastewater infrastructure for maintenance and upsizing purposes. Phase occupation of development to align with the delivery of sewerage infrastructure, in collaboration with the service provider:</u></p> <p>Add additional development requirement j) as follows:</p> <p><u>j) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p>	
MM16	A4 - Civic Centre	<p>Amend 'Indicative Capacity' as follows:</p> <ul style="list-style-type: none"> • <u>7,000sqm</u> Integrated Health Hub <p>Amend Site Constraints and add additional bullet point as follows:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the site as being at a medium risk of flooding.</u> <p>Revise development requirement a) as follows :</p> <p><u>a) deliver an Integrated Health Hub comprising of approximately 7,000 sqm; provide a modern purpose-built healthcare facility to deliver new models of care;</u></p> <p>Revise development requirement b) as follows:</p> <p><u>b) enhance permeability and provide an attractive and accessible pedestrian link from the site <u>that incorporates green infrastructure;</u></u></p> <p>Revise development requirement d) as follows:</p> <p><u>d) provide a high quality design with particular attention to the height and massing. <u>Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties.</u> Due regard should be given to the established building line to the north of the site along the frontage of Christchurch Road. <u>Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></u></p> <p>Revise development requirement e) as follows:</p>	<p>For consistency and in response to Inspector's Initial Question 17 (Ref-IL01).</p> <p>As discussed during the Hearing Session. To clarify policy position and to ensure effectiveness.</p>

		<p><u>e) be sensitive to the surrounding Conservation Areas and ensure that careful consideration is given to the protection of the neighbouring listed buildings and other heritage assets; protect and enhance nearby heritage assets and ensure no unacceptable harm is caused to them or their settings;</u></p> <p>Revise development requirement f) as follows:</p> <p><u>f) provide sufficient parking to meet the needs of the new health facility and amenity space;</u></p> <p>Revise development requirement h) as follows:</p> <p><u>h) ensure that any contaminated land issues are appropriately assessed and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided.</u></p> <p>Add additional development requirement i) as follows:</p> <p><u>i) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add additional development requirement j) as follows:</p> <p><u>j) a site specific Flood Risk Assessment should consider all sources of flooding and the impacts of climate change over the lifetime of the development. It must demonstrate that any residual risk can be safely managed, development will not increase flood risk elsewhere and where possible will reduce the overall level of flood risk;</u></p> <p>Add additional development requirement k) as follows:</p> <p><u>k) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees.</u></p>	
MM17	A5 - Decoy Farm	<p>Amend 'Indicative Capacity' to:</p> <p>Minimum of 18,000 <u>14,000</u> sqm employment land</p> <p>Amend third sentence of paragraph 4.20 as follows:</p>	Updated to provide clarity and set out the latest position / In response to SDWLP-55

		<p>4.20..... Remediation of the site is due to commence at the end of 2020 including <u>was completed at the end of March 2021 and this included the removal.....</u></p> <p>Amend third sentence of paragraph 4.21 as follows:</p> <p>4.21Current access for the site is from Decon Way <u>Dominion Way, which is accessed via Dominion Way.</u></p> <p>Amend paragraph 4.22 to strengthen opportunities for Biodiversity net Gain:</p> <p>4.22in the vicinity of this site. <u>Opportunities should be taken to deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in Policy DM18.</u></p> <p>Amend 4th bullet point of 'Site Constraints' as follows:</p> <ul style="list-style-type: none"> • The Teville Stream (partially culverted) and a number of watercourses run along the site boundaries. There <u>The SFRA identifies areas of Flood Zone 3 associated with these and that small parts of the site are at a high risk of surface and groundwater flood risk. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020).</u> <p>Amend 5th bullet point of 'Site Constraints' as follows:</p> <ul style="list-style-type: none"> • Directly adjoins the boundary of the Household Waste Recycling Site which is safeguarded through the West Sussex Local Plan. <u>The West Sussex Waste Local Plan requires the safeguarding of existing waste sites from other non-waste development which may prevent or prejudice their continued operation for such purposes.</u> <p>Insert a new development requirement a) and re-number criteria that follow:</p> <p><u>a) deliver an employment scheme comprising of approximately a minimum of 14,000 sqm employment land;</u></p> <p>Revise development requirement c) (now requirement d) as follows:</p> <p>e) d) adopt the sequential approach so seek to ensure <u>the most vulnerable uses are located in the areas at lowest risk of flooding and no built development is located in Flood Zone 3;</u></p>	<p>(WSP on behalf of Worthing Borough Council).</p> <p>In response to SDWLP-59 (Environment Agency).</p> <p>In response to SDWLP-61 (WSCC).</p> <p>In response to SDWLP-42 (Lichfields on behalf of GlaxoSmithKline Plc).</p> <p>As discussed during the Hearing Session. To clarify policy position and to ensure effectiveness.</p>
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		<p>Revise development requirement d) (now requirement e) as follows:</p> <p>e) e) demonstrate how flood risk will be safely managed across the lifetime of the development, taking climate change into account, and not increased elsewhere; A site specific Flood Risk Assessment should demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk;</p> <p>Revise development requirement f) (now requirement g) as follows:</p> <p>f) g) minimise impacts on nearby residential properties; protect the continued operation of the adjacent household waste recycling site; in line with the West Sussex Waste Local Plan proposals should not prejudice the continued safeguarding or affect the operation (and possible future reconfiguration / intensification) of the adjacent household waste recycling site;</p> <p>Revise development requirement g) (now requirement h) to add reference to specific transport mitigation measures:</p> <p>g) h) consultation with West Sussex County Council, and Worthing Borough Council and National Highways to agree any mitigation for off site traffic impacts on the local and strategic road networks in particular, traffic calming and safety measures at the B223 between Sompting Road and Dominion Way;</p> <p>Revise development requirement h) (now requirement i) as follows:</p> <p>h) i) retain, protect and enhance existing waterbodies the Teville Stream providing an adequate buffer between the watercourse and any potential development, and seek opportunities to create new wetland habitats; enhance and restore the watercourse including removing culverts;</p> <p>Revise development requirement j) (now requirement k) as follows:</p> <p>j) k) ensure layout is planned to ensure future access to existing water and/or wastewater infrastructure for maintenance and upsizing purposes (this includes the two effluent pipelines which run along the northern boundary). Phase occupation to.....”</p>	
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		<p>Revise development requirement k) (now requirement l) to refer to Biodiversity Net Gain and clarify that the mitigation hierarchy is in addition to this:</p> <p><u>k) l) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees; maximise biodiversity value on site. through wildlife friendly landscape planting and design (SUDs etc) and compensate for residual habitat loss through off site contributions.</u></p> <p>Add additional development requirement m) as follows:</p> <p><u>m) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain.</u></p>	
<p>MM18</p>	<p>A6 - Fulbeck Avenue</p>	<p>Amend indicative capacity:</p> <p>420 152 residential units</p> <p>Amend the third bullet point under the site constraints list and insert an additional bullet point:</p> <ul style="list-style-type: none"> Partly within an area with a high chance of flooding from surface water and at medium risk of groundwater flooding. The site would be at risk from a breach scenario at Somerset Lake and failure of the flood storage facility to the north. These have previously caused flooding in the local area. <u>The SFRA shows a small section of the site in the north and centre is located within Flood Zone 3b. A further northern section of the site is also located within Flood Zone 3a and parts of the site are at a high risk of surface water flooding and groundwater flooding. The SFRA also found that Somerset Lake posed a risk to the site in event of breach resulting in 38% of the site being affected on a dry day with depths up to 1.4m and on a wet day over half the site affected with depths up to 1.6m. Therefore development in this location would place additional people at risk of flooding.</u> <u>This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020). This concluded that both parts of the Exception Test had been satisfied for the site to be allocated. At the planning application stage Part b) of the Exception Test will need to be reapplied to take into account more detailed information about the proposed development and the specific mitigation proposed through a site specific Flood Risk Assessment.</u> 	<p>In response to SDWLP-59 (Environment Agency).</p> <p>To clarify error relating to the extent of the 'buffer'. This will ensure the policy is effective and consistent with national policy and in response to MIQ-110.</p> <p>As discussed during the Hearing Session. To clarify policy position and to ensure effectiveness.</p>

		<p>Insert a new development requirement a) and re-number criteria that follow:</p> <p><u>a) deliver a residential scheme comprising of a minimum 152 dwellings;</u></p> <p>Revise development requirement a) (now requirement b) as follows:</p> <p><u>a) b) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure (to include the retention of mature trees, in particular some of the deciduous woodland in the northern part of the site and the West Durrington development and to limit views to the site from the National Park to the north) that provides creative and connected opportunities to join the Borough wide green infrastructure network; deliver net gain in biodiversity and high quality green infrastructure to include the retention of mature trees, in particular some of the deciduous woodland in the northern part of the site and the West Durrington development and to limit views to the site from the National Park to the north;</u></p> <p>Revised development requirement c) (now development requirement d) as follows:</p> <p><u>e) d) adopt the sequential approach so seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding. A site specific Flood Risk Assessment should consider all sources of flooding and demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk;</u></p> <p>Delete development requirement d) as it has been incorporated into criteria c):</p> <p><u>d) maintain a suitable buffer to the lake and demonstrate how flood risk from all sources (including a breach scenario) will be safely managed across the lifetime of the development, taking climate change into account, and not increased elsewhere;</u></p> <p>Revise development requirement f) as follows:</p> <p><u>f) retain, protect and enhance existing waterbodies and seek opportunities to create new wetland habitats. protect the stream / watercourse and incorporate within the design of the open space to be provided as part of the development and maintain a suitable buffer to the lake;</u></p> <p>Revise development requirement g) as follows:</p>	
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		<p>g) ensure that the design and layout of this site (along with neighbouring site - the Caravan Club) should <u>safeguard and have regard to opportunities for enhancement of avoids any potential impacts on the Local Wildlife Site;</u></p> <p>Delete development requirement i):</p> <p>i) give consideration to the continued safeguarding of the composting site located to the wes, in line with the Waste Local Plan (Policy W2);</p> <p>Add new development requirement j) as follows:</p> <p><u>j) provide an appropriate level of contribution towards highway capacity improvements at the A259 / A2032 Goring Crossways junction;</u></p> <p>Add new development requirement k) as follows:</p> <p><u>k) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain.</u></p>	
<p>MM19</p>	<p>A7 - Grafton</p>	<p>Amend the first bullet point of the site constraints list:</p> <ul style="list-style-type: none"> • <u>The majority of the site is in Flood Zone 3. The site is therefore at a high risk of coastal flooding and the SFRA states that climate change will have a significant impact on this site with Flood Zone 3 covering the whole site in the future. Therefore development in this location would place additional people at risk of flooding. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020). This concluded that both parts of the Exception Test had been satisfied for the site to be allocated. At the planning application stage Part b) of the Exception Test will need to be reapplied to take into account more detailed information about the proposed development and the specific mitigation proposed through a site specific Flood Risk Assessment.</u> <p>Site Constraints - delete fourth bullet point:</p> <ul style="list-style-type: none"> • The multi-storey car park currently provides space for 430 cars <p>Revise development requirement a) as follows:</p>	<p>In response to SDWLP-59 (Environment Agency).</p> <p>As discussed during the Hearing Session. To avoid duplication and to ensure effectiveness.</p>

		<p><u>a) deliver a residential and employment scheme comprising of a minimum of 150 residential units and approximately 2,500 sqm commercial; provide a mix of high quality residential, retail and leisure uses and amenity space;</u></p> <p>Revise development requirement b) as follows:</p> <p>b) adopt the sequential approach so <u>seek to ensure</u> the most vulnerable uses are located in the areas at lowest risk of flooding;</p> <p>Replace development requirement c) as follows:</p> <p>e) demonstrate how flood risk will be safely managed across the lifetime of the development, taking climate change into account, and not increased elsewhere;</p> <p><u>c) A site specific Flood Risk Assessment should consider all sources of flooding and demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk;</u></p> <p>Revise development requirement f) as follows:</p> <p>f) <u>provide a high quality public realm that enhances the town centre and protect and enhance nearby heritage assets and ensure no unacceptable harm is caused to them or their settings; provides an attractive setting to the historic environment,</u> including the Grade II Listed Lido and surrounding Conservation Areas;</p> <p>Revise development requirement h) as follows:</p> <p>h) <u>enhance permeability and provide an attractive and accessible pedestrian link</u> create a new route that incorporates green infrastructure linking the seafront and primary shopping area in a coherent and attractive way;</p> <p>Revise development requirement i) as follows:</p> <p>i) <u>provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not</u></p>	
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		<p><u>have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and ensure that daylight and sunlight implications are appropriately managed;</u></p> <p>Add new development requirement j) as follows:</p> <p><u>j) ensure that contaminated land is appropriately assessed and where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Add new development requirement k) as follows:</p> <p><u>k) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees.</u></p>	
MM20	A8 - HMRC Offices	<p>Amend Site Constraints and add additional bullet point as follows:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the site as being at a medium risk of flooding.</u> <p>Revise development requirement as follows:</p> <p>a) <u>deliver a residential scheme comprising of a minimum of 250 residential units, provision of care home / sheltered accommodation deliver of mix of residential and employment uses with emphasis on encouraging the retention of Durrington Bridge House (to the east) and the delivery of employment uses on the western section of the site;</u></p> <p>Revise development requirement b) as follows:</p> <p>b) <u>ensure that any contaminated land issues are appropriately assessed and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Revise development requirement c) as follows:</p> <p>c) <u>deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected</u></p>	<p>As discussed during the Hearing Session and to ensure effectiveness.</p>

		<p><u>opportunities to join the Borough wide green infrastructure network and retains high quality trees in and around the site;</u></p> <p>Revise development requirement e) as follows:</p> <p><u>e) ensure that the development does not have an unacceptable impact on the amenity of neighbouring residents; provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that the development has a suitable relationship with and does not have an unacceptable impact on the amenity of neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></p> <p>Revise development requirement g) as follows:</p> <p><u>g) enhance permeability and provide an attractive and accessible pedestrian link that incorporates green infrastructure from the site as well as seeking seek to improve access to and from Durrington Station;</u></p> <p>Add additional development requirement i) as follows:</p> <p><u>i) provide an appropriate level of contribution towards highway capacity improvements at the A259 / A2032 Goring Crossways junction;</u></p> <p>Add additional development requirement j) as follows:</p> <p><u>j) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add new development requirement k) as follows:</p> <p><u>k) site specific Flood Risk Assessment should consider all sources of flooding and the impacts of climate change over the lifetime of the development. It must demonstrate that any residual risk can be safely managed, development will not increase flood risk elsewhere and where possible will reduce the overall level of flood risk.</u></p>	
MM21	A9 - Lyndhurst	Revised Expected Delivery dates from 6+ years to <u>0-5 years</u>	To reflect progress made on the site

	<p>Road</p>	<p>Amend Site Constraints and add additional constraints as follows:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the site as being at a medium risk of flooding.</u> • <u>Conservation Areas lie in close proximity to the site.</u> <p>Revise development requirement a) as follows:</p> <p>a) deliver a residential scheme comprising of a minimum 150 dwellings; provide a high quality residential development;</p> <p>Revise development requirement b) as follows:</p> <p>b) undertake detailed investigations of the contamination to assess the level of remediation required; ensure that contaminated land is appropriately assessed and where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</p> <p>Revise development requirement d) as follows:</p> <p>d) <u>undertake an assessment of the archaeological remains and ensure that any archaeological assessment requirements are met;</u></p> <p>Delete existing criterion e) and replace as follows:</p> <p>e) undertake an extensive phase 1 habitat survey and desktop study and provide mitigation as appropriate;</p> <p><u>e) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain;</u></p> <p>Add additional development requirement h)' as follows:</p>	<p>and to ensure that the allocation is clear and effective.</p> <p>As discussed during the Hearing Session and to ensure effectiveness.</p> <p>UK Habitats Classification Survey reflects the Environment Act and better provides the evidence needed for feeding into net gain calculations.</p>
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		<p><u>h) protect and enhance nearby heritage assets and ensure no unacceptable harm is caused to them or their settings;</u></p> <p>Add additional development requirement i) as follows:</p> <p><u>i) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add additional development requirement j) as follows:</p> <p><u>j) a site specific Flood Risk Assessment should consider all sources of flooding and the impacts of climate change over the lifetime of the development. It must demonstrate that any residual risk can be safely managed, development will not increase flood risk elsewhere and where possible will reduce the overall level of flood risk;</u></p> <p>Add additional development requirement k) as follows:</p> <p><u>k) provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></p> <p>Add additional development requirement l) as follows:</p> <p><u>l) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees.</u></p>	
MM22	A10 - Martlets Way	<p>Amend Site Constraints and add additional constraint as follows:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the site as being at a medium risk of flooding.</u> <p>Amend Indicative Capacity as follows:</p> <ul style="list-style-type: none"> • <u>10,000 sqm employment & 28 residential units</u> 	As discussed during the Hearing Session and to ensure effectiveness.

		<p>Insert a new development requirement a) and re-number criteria that follow:</p> <p><u>a) deliver a residential and employment scheme comprising of a minimum of 28 residential units and approximately 10,000 sqm employment;</u></p> <p>Revise development requirement b) (now development requirement c) as follows:</p> <p><u>b) c) ensure the development does not have an unacceptable impact on the amenity of neighbouring residents; provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></p> <p>Revise development requirement d) (now development requirement e) as follows:</p> <p><u>d) e) ensure that any contaminated land issues are is appropriately assessed and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Revise development requirement e) (now development f) as follows:</p> <p><u>e) f) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees; protect mature haw oak trees that separate the former gas holder site from the former sewage treatment works (subject to appropriate assessment work);</u></p> <p>Add new development requirement i) as follows:</p> <p><u>i) a site specific Flood Risk Assessment should consider all sources of flooding and the impacts of climate change over the lifetime of the development. It must demonstrate that any residual risk can be safely managed, development will not increase flood risk elsewhere and where possible will reduce the overall level of flood risk;</u></p> <p>Add additional development requirement j) as follows:</p>	
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		<p><u>i) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add new development requirement k) as follows:</p> <p><u>k) provide an appropriate level of contribution towards highway safety improvements at the A259 Goring Way / Goring Street junction and highway capacity improvements at the A259 / A2032 Goring Crossways junction.</u></p>	
MM23	A11 - Stagecoach	<p>Amend 'Indicative Capacity' as follows:</p> <ul style="list-style-type: none"> 60 residential units & 2,000sqm Commercial / Leisure <p>Amend the first bullet point of the site constraints list:</p> <ul style="list-style-type: none"> Part of the site is within Flood Zone 2 and parts lie in Flood Zone 3. Parts of the site lie within Flood Zone 3 the site is therefore at a high risk of coastal flooding and the SFRA states that climate change will have a significant impact on this site with Flood Zone 3 covering the whole site in the future. Therefore development in this location would place additional people at risk of flooding. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020). This concluded that both parts of the Exception Test had been satisfied for the site to be allocated. At the planning application stage Part b) of the Exception Test will need to be reapplied to take into account more detailed information about the proposed development and the specific mitigation proposed through a site specific Flood Risk Assessment. <p>Revise development requirement a) as follows:</p> <p><u>a) deliver a residential and employment scheme comprising of a minimum of 60 residential units and approximately 2,000 sqm commercial; provide for mixed development of residential and commercial uses (e.g. retail (comparison goods), cultural, leisure) that provides vibrancy and helps to integrate the town centre and seafront;</u></p> <p>Revise development requirement b) as follows:</p> <p><u>b) use sequential approach to site layout- seek to ensure the most vulnerable types of development uses are located in the areas at of lowest risk of flooding;</u></p> <p>Replace development requirement c) of the development requirements with the following:</p>	<p>For consistency and in response to Inspector's Initial Question 17 (Ref-IL01).</p> <p>In response to SDWLP-59 (Environment Agency). As discussed during the Hearing Session and to ensure effectiveness.</p>

		<p>c) <u>A site specific Flood Risk Assessment should consider all sources of flooding and demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk.</u></p> <p>Revise development requirement e) as follows:</p> <p>e) <u>ensure that any contaminated land issues are is appropriately assessed and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Revise development requirement h) as follows:</p> <p>h) <u>enhance permeability and provide an attractive and accessible pedestrian link (that incorporates green infrastructure) from Marine Parade to Warwick Street;</u></p> <p>Revise development requirement j) as follows:</p> <p>j) <u>undertake an assessment of the archaeological remains and ensure that any archaeological assessment requirements are met;</u></p> <p>Revise development requirement k) as follows:</p> <p>k) <u>deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees; incorporate the existing protected trees into any proposed design;</u></p> <p>Add additional development requirement l):</p> <p>l) <u>provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed.</u></p>	
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MM24	A12 - Teville Gate	<p>Replace the second bullet point under the site constraints list:</p> <ul style="list-style-type: none"> The site is in an area with a high chance of surface water flooding and is at high risk of groundwater flooding. <u>The SFRA shows one third of the site is at a high risk of surface water flooding. This site was included in the SDWLP Flood Risk Sequential and Exception Test which was informed by the Level 2 SFRA (2020).</u> <p>Revise development requirement a) as follows:</p> <p><u>a) deliver a mixed use scheme comprising of a minimum of 250 residential units and approximately 4,000 sqm commercial; deliver a mixed use scheme with a minimum of 250 homes, retail and leisure uses, commercial uses and replacement public car parking spaces;</u></p> <p>Revise development requirement b) as follows:</p> <p><u>b) ensure that any contaminated land issues are is appropriately assessed, remediated and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Replace existing text and revise development requirement c) as follows:</p> <p>c) ensure the development is made safe from surface and groundwater flooding taking climate change into account; and incorporate appropriate Sustainable Urban Drainage Systems to ensure flood risk is not increased elsewhere and where possible reduce flooding locally whilst protecting water quality including during flood events;</p> <p><u>c) a site specific Flood Risk Assessment should demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk and protect water quality;</u></p> <p>Revise development requirement e) as follows:</p> <p><u>e) enhance permeability and provide a high quality public realm with cycle and pedestrian links (that incorporates green infrastructure) from the station to the town centre...</u></p>	<p>In response to SDWLP-59 (Environment Agency).</p> <p>As discussed during the Hearing Session and to ensure effectiveness.</p>
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		<p>Add additional development requirement g) as follows:</p> <p><u>g) any development around the station area should take into account the culverted watercourse that runs through the site and has historically resulted in flooding. The course and capacity of this should be taken into account. Opportunities where appropriate to de-culvert and create a biodiversity net gain should be sought;</u></p> <p>Add additional development requirement h) as follows:</p> <p><u>h) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add additional development requirement i) as follows:</p> <p><u>i) provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></p> <p>Add additional development requirement j) as follows:</p> <p><u>j) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees.</u></p>	
MM25	A13 - Titnore Lane	DELETE ALL OF ALLOCATION A13	The Inspectors Post Hearing Advice Letter (IL07) concluded that the risk of adverse impacts from developing the site would significantly and demonstrably outweigh the

			<p>benefits. Consequently, the allocation should be deleted with the necessary changes made to the housing requirement, housing trajectory and Policies Map.</p> <p>The allocation is not justified or consistent with national policy.</p>
MM26	A14 - Union Place	<p>Amend 'Indicative Capacity' as follows:</p> <ul style="list-style-type: none"> 150 residential units and <u>&</u> 700 sqm leisure / commercial <p>Amend Site Constraints and add additional constraint as follows:</p> <ul style="list-style-type: none"> <u>The SFRA identifies the site as being at a medium risk of flooding.</u> <p>Insert a new development requirement a) and re-number criteria that follow:</p> <p>a) <u>deliver a residential and employment scheme comprising of a minimum of 150 residential units and approximately 700 sqm leisure / commercial;</u></p> <p>Revise development requirement b) (now development requirement c) as follows:</p> <p><u>b) c) ensure that careful consideration is given to the protection of the listed buildings and other heritage assets that are in close proximity to this site; protect and enhance nearby heritage assets and ensure no unacceptable harm is caused to them or their settings;</u></p> <p>Revise development requirement d) (now development requirement e) as follows:</p>	<p>For consistency and in response to Inspector's Initial Question 17 (Ref-IL01).</p> <p>As discussed during the Hearing Session and to ensure effectiveness.</p>

		<p><u>d) e) enhance permeability and provide a high quality public realm (that incorporates green infrastructure) and generate new retail / leisure circuits connecting to Chapel Road, High Street and South Street;</u></p> <p>Revise development requirement f) (now development requirement g) as follows:</p> <p><u>f) g) ensure that any contaminated land issues are is appropriately assessed and managed where necessary appropriate remediation takes place. Consider the implications of this to ensure appropriate sustainable drainage systems are provided;</u></p> <p>Revise development requirement g) (now development requirement h) as follows:</p> <p><u>g) h) provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that manage daylight and sunlight implications are appropriately managed;</u></p> <p>Revise development requirement i) (now development requirement j) as follows:</p> <p><u>i) j) undertake an assessment of the archaeological remains and ensure that any archaeological assessment requirements are met;</u></p> <p>Add additional development requirement l) as follows:</p> <p><u>l) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p>Add additional development requirement m) as follows:</p> <p><u>m) a site specific Flood Risk Assessment should consider all sources of flooding and the impacts of climate change over the lifetime of the development. It must demonstrate that any residual risk can be safely managed, development will not increase flood risk elsewhere and where possible will reduce the overall level of flood risk;</u></p> <p>Add additional development requirement n) as follows:</p>	
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		<p><u>n) deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees.</u></p>	
MM27	A15 - Upper Brighton Road	<p>Maps (Page 100): Amend the red line boundary for the site to exclude the playing field (amend legend accordingly).</p> <p>Amend paragraph 4.43 as follows:</p> <p style="padding-left: 40px;">4.43 Bramber Primary School (and playing field) is located adjacent to the south west and an area of land within the site is reserved for for an expansion of the school to provide a playing field.</p> <p>Amend Site Constraints and add additional bullet point as follows:</p> <ul style="list-style-type: none"> • <u>The SFRA identifies the site as being at a high risk of flooding.</u> <p>Insert a new development requirement a) and re-number criteria that follow:</p> <p style="padding-left: 40px;">a) <u>deliver a residential scheme comprising of a minimum of 123 residential units with Parcel A providing 105 residential units and Parcel B providing 18 residential units;</u></p> <p>Revise development requirement a) (now development requirement b) as follows:</p> <p style="padding-left: 40px;">a) <u>b) avoid coalescence with development to the east and ensure that development is located to the west of the easement strip for the windfarm cable (a small parcel of land to the east of the easement strip is designated as part of the Local Green Gap). Protect and enhance the distinctive character of the Local Green Gap;</u></p> <p>Revise development requirement b) (now development requirement c) as follows:</p> <p style="padding-left: 40px;">b) <u>c) deliver biodiversity net gains, provide high quality green infrastructure and enhance & strengthen hedgerows / linear scrub habitats along existing boundaries; deliver Biodiversity Net Gains in keeping with the location, size and scale of development as stipulated in policy DM18. Deliver Green Infrastructure that provides creative and connected opportunities to join the Borough wide green infrastructure network and retains high quality trees. Enhance & strengthen hedgerows / linear scrub habitats along existing boundaries;</u></p>	<p>For clarity, to ensure that the policy is effective and up-to-date and in response to MIQ-133.</p> <p>As discussed at the Hearing Sessions and to ensure Plan is effective.</p>

		<p>Revise development requirement d) (now development requirement e) as follows:</p> <p><u>e) e) conserve and enhance the setting of the SDNP and mitigate the visual impact of development (including the effects of artificial lighting) with consideration given to the transition into the Park and views to/from the Park having regard to the recommendations in the Worthing Landscape and Ecology Study; integrate trees reflecting the landscape character of the site to mitigate visual impact from the South Downs National Park;</u></p> <p>Revise development requirement e) (now development requirement f) as follows:</p> <p><u>e) f) retain, protect and enhance existing waterbodies including the winterbourne chalk stream and seek opportunities to /or create new wetland habitats;</u></p> <p>Revise development requirement g) (now requirement h) as follows:</p> <p><u>g) h) protect the setting of both the listed building and the Sompting Village Conservation Area; and enhance nearby heritage assets (including Sompting Village Conservation Area) and ensure no unacceptable harm is caused to them or their settings;</u></p> <p>Revise development requirement l) (now requirement m) as follows:</p> <p><u>l) m) ...mitigate the impacts of development. This should include a commitment to promote a travel plan to improve the accessibility and sustainability of the site. EV charge points...</u></p> <p>Delete existing development requirement n):</p> <p>n) provide playing field for Bramber First School</p> <p>Add additional development requirements following l) (now requirement m) (Prior to Parcel A) and renumber criteria:</p> <p><u>n) seek to ensure the most vulnerable uses are located in the areas at lowest risk of flooding;</u></p> <p><u>o) a site specific Flood Risk Assessment should consider all sources of flooding and demonstrate that the development will be safe for it's lifetime taking account of the vulnerability of its uses, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall. This should have</u></p>	
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		<p><u>regard to the measures identified in the Level 2 SFRA (2020) and a SuDS scheme to provide mitigation and opportunities to achieve a reduction in overall flood risk;</u></p> <p><u>p) provide a high quality design with particular attention to height and massing. Ensure the scale of development, particularly on the boundaries of the site, respects the scale and established building line of adjoining properties. Ensure that development has a suitable relationship with and does not have an unacceptable impact on neighbouring residents in terms of private amenity, overlooking and that daylight and sunlight implications are appropriately managed;</u></p> <p><u>g) development proposals should be informed by up to date ecological information including a habitats classification survey to ensure development does not have unacceptable impacts on habitats and to inform biodiversity net gain.</u></p>	
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Chapter 5 - Development Management Policies

PROPOSED MODIFICATIONS			
Mod Ref	Policy / Para No.	Issue to Address	Note
MM28	DM1 - Housing Mix (& Para 5.4, 5.8, 5.14, 5.15 & 5.25)	<p>Amend the end of paragraph 5.4 as follows:</p> <p style="padding-left: 40px;">5.4:with disabilities —it is not specialist housing for one group of people but housing for all</p> <p>Amend paragraph 5.8 as follows::</p> <p style="padding-left: 40px;">5.8 How this mix is applied to individual development sites should take account of the nature and location of the site but family homes with 3 or more bedrooms should be prioritised especially on. For example, larger sites and greenfield land are more likely to deliver where a greater proportion of family homes would be expected, whereas high High density flatted schemes are more likely to be focused towards the delivery of smaller properties, but these should also include a proportion of larger units with 3 or more bedrooms.</p> <p>Amend the last sentence of paragraph 5.14 as follows:</p>	<p>In response to SDWLP-62 (The Planning Bureau on behalf of McCarthy & Stone).</p> <p>In response to SDWLP-49 (ECE on behalf of St Williams) and SDWLP-54 (WSP on behalf of NewRiver) and</p>

		<p>5.14 Options include retirement living or sheltered housing (housing with support), and extra care housing or housing with care (both classed as C3 dwellings) and residential care homes and nursing homes (care bed spaces <u>classed as C2 provision</u>).</p> <p>Amend the first sentence of paragraph 5.15 as follows:</p> <p>5.15 Provision of housing with care (C3 use class) Sheltered and extra care housing are alternatives is an alternative to care/nursing home bed spaces and can help...</p> <p>Delete paragraph 5.25 (as this is now included in criterion g) of the policy):</p> <p>5.25 Live/work units will be required to comply with the space standard requirement under Policy DM2: Density and affordable housing provision under Policy DM3: Affordable Housing DM1 - Amend criterion a) as follows:</p> <p>a) In order to deliver sustainable mixed and balanced communities, the Council will expect all applications for new housing to consider the most up to date evidence of housing needs and demands <u>to help determine the most appropriate housing mix based on the character and location of the individual site.</u></p> <p>Add wording to the end of criterion c) as follows:</p> <p>c) Housing developments should provide flexible, socially inclusive and adaptable accommodation to help meet the diverse needs of occupants over time. The Council will expect all new build dwellings to meet the optional higher Building Regulations Standard M4(2) for Accessible and Adaptable dwellings <u>unless it can be demonstrated that this would be impractical, unachievable or unviable.</u></p> <p>Insert new criterion g) as follows:</p> <p><u>g) When considering proposals for individual live/work units, the workspace should be designed to be functionally separate from the dwelling(s) to which it relates. The proposal will need to comply with criterion d) of Policy DM2 and affordable housing provision under Policy DM3: Affordable Housing.</u></p>	<p>SDWLP-60 Rapleys (On behalf of EM Goring Ltd).</p> <p>To ensure the Plan is effective and justified and in response to MIQ-54.</p> <p>As discussed during the Hearing Session. To ensure the policy is effective and consistent with national policy.</p>
MM29	DM2 -	Revise the format and text of criteria a), b) and c) so that they read as follows:	As discussed

	Density	<p>a) Development proposals must make the most efficient use of land, which will usually mean developing at densities above those of the surrounding area. The optimum density of a development should result from a design-led approach to determine the capacity of the site. Particular consideration must be given to:</p> <p>i) the site context and character of the surrounding area in which it is located, and including consideration of any nearby heritage assets or important landscape; residential development of family housing should achieve a net density of a minimum of 35 dwellings per hectare;</p> <p>ii) its current and future level of accessibility by walking, cycling and public transport; higher densities, in excess of 100 dwellings per hectare should be achieved in most mixed use developments, flatted developments and developments located in the town centre and in areas close to public transport interchanges and services.</p> <p>iii) the need to achieve high quality design;</p> <p>iv) the need to minimise environmental impacts, including detrimental impacts on the amenities of adjoining occupiers;</p> <p>v) the capacity of surrounding infrastructure.</p> <p>b) Residential development of family housing should achieve a net density of a minimum of 35 dwellings per hectare. In exceptional cases, lower densities <u>to those set out above may will only be</u> acceptable if it is demonstrated that this is necessary to ensure the development is compatible with its surroundings, development viability would be compromised, or to secure particular house types to meet local housing needs;</p> <p>c) Higher densities, in excess of 100 dwellings per hectare should be achieved in most mixed-use developments, flatted developments and developments located in the town centre and in areas close to public transport interchanges and local services. The optimum density of a development should result from a design led-approach to determine the capacity of the site. Particular consideration must be given to:</p> <p>i) the site context and character of the surrounding area in which it is located, and including consideration of any nearby heritage assets or important landscapes;</p> <p>ii) its current and future level of accessibility by walking, cycling and public transport;</p>	<p>during the Hearing Session. To ensure the policy is effective.</p>
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		<p><u>iii) the need to achieve high quality design;</u></p> <p><u>iv) the need to minimise environmental impacts, including detrimental impacts on the amenities of adjoining occupiers;</u></p> <p><u>v) the capacity of surrounding infrastructure.</u></p> <p>Amend the last sentence of criterion d) as follows:</p> <p>d) New dwellings across all tenures will be expected to meet as a minimum, the nationally described space standards (or any subsequent Government update) for internal floor areas and storage space. These standards will apply to all open market dwellings and affordable housing, including those created through subdivision and conversion. The Council's local standards will continue to apply Applicants will be expected to have regard to the Council's local guidance for external space.</p> <p>e) The Council will only any consider variation to the requirements set out above in exceptional circumstances, for example when a social or charitable housing provider is able to demonstrate that the homes it is seeking to deliver meets an identified need for supported housing and temporary emergency accommodation and that there is a clear and robust 'move on' strategy and site management in place.</p>	
MM30	DM3 - Affordable Housing	<p>Rejig the existing text (switching 2nd and 3rd sentences) of criterion c) so that it reads as follows.</p> <p>c) Affordable housing should incorporate a mix of tenures and sizes prioritising rented affordable homes at social rent levels. The exact tenure split and size of units on each site will be a matter for negotiation, taking account of up-to-date assessments and the characteristics of the area. However To most effectively meet the borough's housing needs the Council will require the following mix of tenure as a minimum: <u>the first 10% of homes to be available for affordable home ownership (as defined in the NPPF) with the remaining split as 75% social / affordable rented housing and 25% intermediate housing. The exact tenure split and size of units on each site will be a matter for negotiation, taking account of up-to-date assessments and the characteristics of the area.</u></p> <p>d) <u>For schemes incorporating affordable rent 3% of the dwellings provided should be</u> Where there is an identified need for a wheelchair accessible dwelling, the provision of affordable homes constructed to Building Regulation Standard M4(3) Category 3: Wheelchair Accessible Standards,</p>	As discussed during the Hearing Session. To ensure the policy is effective.

		<p>unless it can be demonstrated that this would not be suitable or that it would make the development unviable will be a matter for negotiation taking account of suitability and viability of the site.</p>	
MM31	DM4 - Gypsies, Travellers and Travelling Showpeople	<p>Delete criterion b) as follows:</p> <p>b) In assessing applications for Gypsy and Traveller or Travelling Showpeople sites, best practice guidance published by the Government and other relevant bodies will be used.</p> <p>Amend criterion c) so that it becomes criterion b) and add wording as follows:</p> <p>e) <u>b) Any new site/s that may come forward during the Local Plan period will be safeguarded unless it can be demonstrated that the permitted use is no longer required.</u></p>	As discussed during the Hearing Session. To avoid unnecessary wording and to ensure that the policy is effective.
MM32	DM5 - Quality of the Built Environment (& Para 5.59, 5.64, 5.72 & 5.73)	<p>Add new sentence to the end of paragraph 5.59 as follows:</p> <ul style="list-style-type: none"> 5.59or community cohesion. <u>To provide maximum clarity about design expectations at an early stage the Council must prepare design guides or codes consistent with the principles set out in the National Design Guide and National Model Design Code, and which reflect local character and design preferences.</u> <p>Add sentence to paragraph 5.64 as follows:</p> <p>5.64.....likely to continue. <u>To ensure that efficient use is made of available land the Council will positively consider applications for tall buildings on sites that can appropriately accommodate buildings of height. Whilst this form....</u></p> <p>Add the following text to the end of paragraph 5.72 as follows:</p> <p>5.72should be used. <u>Furthermore, the Council will progress a Supplementary Planning Document that establishes a design guide and code for Worthing that takes into account the guidance contained in the National Design Guide and the National Model Design Code. This will help to provide a local framework for creating beautiful and distinctive places that deliver a consistent and high quality standard of design. The codes that will reflect local aspirations will be informed by effective community engagement.</u></p> <p>Para 5.73 - Add the following to the list of documents:</p> <ul style="list-style-type: none"> <u>National Model Design Code (June 2021)</u> 	<p>In response to revised NPPF (July 2021) - Paragraphs 127 / 128 / 129 / 134.</p> <p>In response to SDWLP-54 (WSP on behalf of NewRiver).</p> <p>To strengthen policy and in response to SDWLP-58 (Woodland Trust) (ii and ix) and SDWLP-60 (Rapeys on behalf of EM Goring Ltd) (viii).</p> <p>As discussed</p>

		<p>DM5 a) - amend policy criteria as follows:</p> <p>ii) enhance the local environment by way of its appearance and character, with particular attention being paid to the architectural form, height, materials, density, scale, orientation, landscaping, <u>tree canopy</u>, impact on street scene and layout of the development;</p> <p>iv) respect, preserve, and <u>where appropriate</u> enhance, heritage assets and settings;</p> <p>viii) not have an unacceptable impact on the occupiers of adjacent properties, particularly of residential dwellings, including unacceptable loss of privacy, daylight/sunlight, outlook, an unacceptable increase in noise <u>giving rise in significant adverse impacts</u>, or vehicular movements <u>resulting in severe cumulative impacts on the road network</u>, or loss of important open space <u>of public value (unless it satisfies any of the exceptions set out under Policy DM7 – Open Space, Recreation and Leisure)</u>;</p> <p>ix) respect the existing natural features of the site, including landform, trees and biodiversity and contribute positively to biodiversity net gain. <u>Where appropriate, this will include the protection and integration of existing trees and green infrastructure into new developments</u>;</p> <p>Revise criterion c) as follows:</p> <p>c) To ensure that the quality of approved development is not materially diminished between permission and completion, where appropriate, the Council will use Planning Conditions to prevent incremental changes being made to approved plans resist subsequent planning applications that would impact negatively on the design and quality of the <u>approved</u> scheme proposed.</p> <p>Add new subheading and criterion at the end of Policy DM5 as follows:</p> <p><u>Ensuring Good Design</u></p> <p><u>d) Development must reflect government guidance on design and take into account any local design guidance and supplementary planning documents such as design guides and codes. Weight will be given to outstanding or innovative designs which promote high levels of sustainability, or help raise the standard of design more generally, so long as they fit in with the overall form and layout of their surroundings.</u></p>	<p>during the hearing session to improve the effectiveness of the policy.</p> <p>Corrected - the use of conditions (as previously worded) would be ultra vires in that they cannot pre-judge how the Council deals with subsequent planning applications.</p>
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<p>MM33</p>	<p>DM6 - Public Realm</p>	<p>Revise criterion a) as follows:</p> <p>a) The enhancement of the public realm in Worthing, particularly in the town centre and seafront, is an integral part of the strategic objectives for the town. Opportunities should be taken to improve the public realm through nNew development <u>in appropriate locations</u>, integrated transport initiatives or regeneration schemes <u>will be expected to improve the public realm.</u></p> <p>Revise criterion c) as follows:</p> <p>c) Proposals for improvements to the public realm that are in line with <u>have regard to</u> the Council's Public Realm Strategy and Seafront Investment Plan will be supported.</p> <p>Revise criterion e) as follows:</p> <p>e) Express consent will only be granted for advertisements which respect the character and appearance of the surrounding area, and do not create a danger or hazard to public safety. Where an illuminated advertisement is acceptable in principle, such advertisements should be either externally illuminated or have internally illuminated individual lettering with a solid or opaque background.</p> <p>Revise criterion f) as follows:</p> <p>f) The Council will support the delivery of public art that helps to enhance public realm. <u>Where appropriate</u>, Ppublic art should be incorporated as part of any major development proposal.</p>	<p>As discussed during the hearing session to improve the clarity and effectiveness of the policy.</p> <p>In response to SDWLP-20 (British Sign & Graphics Association).</p>					
<p>MM34</p>	<p>DM7 - Open Space, Recreation & Leisure (& Para 5.100 & 5.101)</p>	<p>Para 5.100 - Table 1 - add in a new row. Insert:</p> <p><u>Accessible Natural Green Space (ANGS)</u> - under Typology heading <u>1.0 (for new provision only)</u> - under Quantity Standards Heading. <u>960 metres / 20 minutes & ANGS Standards for ANGS above 20ha</u> - under Access Standard heading</p> <p>Supporting text paragraph 5.100 - insert two additional tables:</p> <p><u>Table 2: Eligible types of residential development</u></p> <table border="1" data-bbox="504 1316 1888 1380"> <tr> <td><u>Category</u></td> <td><u>Open Market</u></td> <td><u>Affordable Housing</u></td> <td><u>Older People's</u></td> <td><u>Permanent Mobile</u></td> </tr> </table>	<u>Category</u>	<u>Open Market</u>	<u>Affordable Housing</u>	<u>Older People's</u>	<u>Permanent Mobile</u>	<p>The standard for ANGS was inadvertently omitted.</p> <p>In response to SDWLP-58 (Woodland Trust).</p> <p>As discussed during the hearing session to improve the effectiveness of</p>
<u>Category</u>	<u>Open Market</u>	<u>Affordable Housing</u>	<u>Older People's</u>	<u>Permanent Mobile</u>				

	<u>Housing / Flats</u>		<u>Accommodation</u>	<u>Homes</u>
<u>Play Space (Children and Youth)</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>
<u>Parks and Recreation Grounds</u>	<u>Yes</u>	<u>Yes</u>	<u>On a case by case basis</u>	<u>Yes</u>
<u>Amenity Open Space</u>	<u>Yes</u>	<u>Yes</u>	<u>On a case by case basis</u>	<u>Yes</u>
<u>Accessible Natural Green Space</u>	<u>Yes</u>	<u>Yes</u>	<u>On a case by case basis</u>	<u>Yes</u>
<u>Allotments</u>	<u>Yes</u>	<u>Yes</u>	<u>On a case by case basis</u>	<u>Yes</u>

Table 3: Potential open space requirements based on scheme size

<u>Type of Provision</u>	<u>10 - 19 dwellings</u>	<u>20 - 49 dwellings</u>	<u>50 - 99 dwellings</u>	<u>100 - 199 dwellings</u>	<u>200+ dwellings</u>
<u>Allotments</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>On-site</u>	<u>On-site</u>
<u>Amenity Green Space</u>	<u>Off-site</u>	<u>On-site</u>	<u>On-site</u>	<u>On-site</u>	<u>On-site</u>
<u>Parks & Recreation</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>On-site</u>
<u>Play Space (Children)</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>On-site</u>	<u>On-site</u>
<u>Play Space (Youth)</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>Off-site</u>	<u>On-site</u>

the policy..

To ensure the policy is effective and in response to MIQ-188.

To provide clarity and in response to SDWLP-49 (ECE on behalf of St Williams).

To provide clarity and in response to SDWLP-60 (Rapleys on behalf of EM Goring Ltd)

		Accessible Natural Green Space	Off-site	Off-site	Off-site	On-site	On-site	
		<p>Add text to the end of paragraph 5.101 as follows:</p> <p>5.101 - ...The potential to make off-site contributions will be considered on a case by case basis. <u>Until the new Developer Contributions SPD is adopted, further guidance on the application of open space quantity and access standards can be found within the Open Space, Recreation & Leisure Guidance Note (2021).</u></p> <p>Amend criterion a) as follows:</p> <p>a) Schemes of 10+ dwellings will be required to provide open space on site in accordance with the Council’s adopted standards set out in Tables 1, 2 and 3 (applying occupancy levels based on the size of dwellings proposed). Where provision is off-site Where it is not possible to provide open space on site, contributions will be sought to provide or improve open space off-site within the ward or nearby ward to which the development is located unless surplus provision exists locally.</p> <p>Amend criterion b) as follows:</p> <p>b) Proposals incorporating leisure/recreation facilities should use <u>have regard to</u> the findings of the Sport, Leisure and Open Space Study (or any future updated study) to inform the types required.</p> <p>Amend criterion c) iii) as follows:</p> <p>c) iii) the loss resulting from the proposed development would be replaced by equivalent or improved provision in terms of quantity and quality in a suitable location. For open space, there should be a net gain in provision.</p> <p>Delete criterion e) as follows:</p> <p>e) Sites which have significant nature conservation, historical or cultural value (such as Registered Town and Village Greens) should be afforded protection, even if there is an identified surplus in quality, quantity or accessibility in that local area.</p>						
MM35	DM8 -	Amend supporting text paragraph 5.108 as follows:						For clarity, to

	<p>Planning for sustainable communities / community facilities & Para 5.108</p>	<p>5.108 - ...to help fund and support the delivery of essential community facilities. <u>Information on these mechanisms and an explanation of the relationship between them is set out within the Developer Contributions SPD.</u></p> <p>Amend criterion e) i) as follows:</p> <p>i) an accessible replacement facility of a similar nature is provided that meets the needs of its current and intenders users, as well as the local community; <u>or</u></p>	<p>ensure that the policy is effective and in response to MIQ-153.</p> <p>As discussed during the hearing session to provide clarity on the Developer Contributions SPD.</p>
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MM36	DM9 - Delivering infrastructure (& Para 5.115 & 5.123)	<p>Amend supporting text paragraph 5.115 as follows:</p> <p>5.115 - The Council will work with infrastructure providers to facilitate the timely provision of infrastructure needed to support development. <u>Infrastructure should be provided at the appropriate time, usually this will be prior to the development becoming operational or being occupied.</u> This may involve suitable phasing of development in order to ensure that essential infrastructure is in place when needed.</p> <p>Amend supporting text paragraph 5.123 as follows (criteria now moved into policy):</p> <p>Para 5.123...The developer will need to demonstrate how this would threaten delivery of the development. Criterion f) of Policy DM9 sets out that where appropriate, a clawback mechanism will need to be <u>incorporated into a legal agreement. If full mitigation measures and contributions are not able to be delivered the development will only be permitted where:</u></p> <p>a) the applicant has submitted a viability appraisal that has been produced in accordance with national guidance, and has been assessed by the borough council as appropriate and based on reasonable assumptions;</p> <p>b) the value of the planning obligations has been maximised having regard to likely viability;</p> <p>c) where appropriate, a clawback mechanism has been incorporated into a legal agreement to ensure that additional mitigation is provided if final development viability is better than anticipated in the viability assessment; and</p> <p>d) if following a viability assessment process the benefits of the development outweigh the lack of full mitigation for its impacts, having regard to other material considerations.</p> <p>Amend criterion c) as follows:</p> <p>c) Infrastructure should be provided at the appropriate time, <u>usually this will be prior to the....</u></p> <p>Add additional criteria as follows:</p> <p><u>f) If full mitigation measures and contributions are not able to be delivered the development will only be permitted where:</u></p> <p><u>i) the applicant has submitted a viability appraisal that has been produced in accordance with national guidance, and has been assessed by the Borough Council as appropriate and based</u></p>	<p>As discussed during the hearing session to improve the effectiveness of the policy.</p> <p>For clarity, to ensure that the policy is effective and in response to MIQ-155.</p> <p>For clarity, to ensure that the policy is effective and in response to MIQ-156.</p>
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		<p><u>on reasonable assumptions;</u></p> <p><u>ii) the value of the planning obligations has been maximised having regard to likely viability;</u></p> <p><u>iii) where appropriate, a clawback mechanism has been incorporated into a legal agreement to ensure that additional mitigation is provided if final development viability is better than anticipated in the viability assessment; and</u></p> <p><u>iv) if following a viability assessment process the benefits of the development outweigh the lack of full mitigation for its impacts, having regard to other material considerations.</u></p>	
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<p>MM37</p>	<p>Para 5.142 & 5.143</p>	<p>Revise paragraphs 5.142 and 5.143 as follows:</p> <p>5.142 demand (job growth) based requirement, <u>a minimum of 32,560 sqm (6.8 ha) employment floorspace over the Local Plan period</u>, to ensure that business growth potential is not constrained by lack of spatial capacity in future. <u>This includes approximately 9,800 sqm for office space, and approximately 24,000 sqm of warehousing/distribution space.</u> These requirements reflect recent trends in both economic and property market terms and provide the most appropriate balance between positive planning and significant capacity constraints. Therefore, this plan seeks to accommodate, as a minimum, 32,560 sqm (6.8 ha) employment floorspace over the Local Plan period. This includes approximately 9,800 sqm for office space, and approximately 24,000 sqm of warehousing/distribution space.</p> <p>5.143 are available. As a consequence, there are only a limited number of new sites specifically for identified employment use and this Plan seeks to accommodate, as a minimum, 24,000 sqm of employment floorspace to help to meet some of the identified need. The primary focus is therefore to protect and enhance placed on the protection and enhancement of existing employment land and buildings through reinvestment, intensification and redevelopment <u>will help to meet the remaining need.</u></p>	<p>Factual update highlighted in hearing sessions.</p>
<p>MM38</p>	<p>DM11 - Protecting and enhancing employment sites</p>	<p>Revise criteria a), b) as follows and delete criterion c):</p> <p>a) Existing premises, sites or floorspace which are used for, or last used for employment uses, <u>located within the following Key Employment Areas which is suitable for continued business use and that provides local employment opportunities will in general be protected against loss to other uses.</u></p> <p>b) Protected <u>Key Employment Areas</u></p> <p>c) The primary focus in these ‘protected’ employment areas will be for employment uses appropriate to their location. Only in exceptional circumstances (using the principles of the Sustainable Economy Supplementary Planning Document) will a site protected under this Policy (above) be considered for alternative uses.</p> <p>d) c) Outside the <u>identified Key Employment Areas</u> protected employment areas listed above, existing premises and land or floorspace which is used, or was last used, for use employment uses will in general be protected unless it can be satisfactorily demonstrated that the site (or part of the site) or premises is genuinely redundant and is unlikely to be re-used for employment uses within the Plan period, having regard to the following factors:</p>	<p>As discussed at hearing session - to improve the effectiveness of the policy and not to defer matters to an SPD.</p>

MM39	DM12 - The visitor economy	<p>Revise criterion b) as follows:</p> <p>b) Existing visitor attractions, facilities and accommodation should be retained unless it is demonstrated that the use is no longer required and the site is unlikely to be reused or redeveloped for visitor purposes. To demonstrate these requirements, the Council will apply the following tests set out below: included in its Sustainable Economy Supplementary Planning Document: including the following</p>	<p>As discussed at hearing session - to improve the effectiveness of the policy and not to defer matters to an SPD.</p>
MM40	DM13 - Retail and town centre uses & Para 5.175 and Para 5.194	<p>Amend the start of paragraph 5.175 as follows:</p> <p>5.175 'As mentioned above, changes made at the national level have, in effect, increased the ability for changes to be made between use classes <u>land uses</u> within the town centre.'</p> <p>Amend subheading and paragraph 5.194 as follows:</p> <p>Applicable to all Centres Drinking establishments (A4) and takeaway establishments (A5)</p> <p>5.194 Applications for uses such as drinking establishments, <u>and or</u> takeaway establishments <u>and other uses with closed and inactive street frontages</u> in any District or Local level of centre will need to be carefully considered on their merits, <u>taking into account the specific frontage policy and</u> taking into consideration: any negative cumulative impact of such uses; whether such uses add to the vitality and viability of the centre; and the impact on residential amenity. <u>Where appropriate, advice and evidence will be sought from Environmental Health, Licensing, Planning Enforcement and the Police.</u></p> <p>Amend Policy DM13 as follows:</p> <p><u>The Hierarchy</u></p> <p>The Council will work with organisations and the local community to identify, protect and enhance the following hierarchy of vital and viable town, district and local centres:</p> <ul style="list-style-type: none"> • <u>Worthing Town Centre Primary Shopping Area (comprising the Primary Shopping Frontage, Secondary Shopping Frontages and the Town Centre Seafront Area)</u> • <u>District Centres (Broadwater, Goring and West Durrington)</u> 	<p>To ensure the policy is effective and consistent with national policy and in response to MIQ-139.</p> <p>To ensure that the policy is consistent and effective and in response to MIQ-144</p> <p>As discussed at Hearing Session and to ensure policy is justified and to improve effectiveness.</p>

- Medium Scale Local Centres (Findon Valley / Tarring Road / South Farm Road / The Strand / Thomas A. Beckett / Ham Road / Rowlands Road / The Mulberry)
- Small Scale Local Centres: (Aldsworth Parade / Boxgrove / Broadwater Street East / Limbrick Corner / Lyndhurst Road / Manor Parade / Selden Parade / Alinora Crescent / Broadwater Road / Salvington Road / South Farm Road (North) / South Street Tarring / Brighton Road / Dominion Road / Downlands Parade)

Add this heading before criteria b) - Applicable to all Centres

b) Changes of use and redevelopments within town, district and local centres will be carefully controlled to ensure that they support, rather than detract from, the successful functioning of the centres and their ability to meet local needs according to their function in the hierarchy . When considering all ~~All such proposals regard will be had as to whether they would will be required to:~~

v) Maintain the continuity if active frontages; ~~and~~

x) Result in an over concentration of uses such as takeaways and other uses with closed and inactive street frontages. The Council will consider the role of the centre within which the proposal is located and other matters such as the numbers of existing similar uses within the frontage and any existing or potential issues. Permission will not be granted where harm to the vitality and viability of the centre, or the amenity of local residents and businesses, cannot be adequately mitigated.

xi) Require conditions to be applied to any new development where it is relevant and appropriate to do so, in order to control the proposed uses and allow for a managed approach to future proposals for change of use, in line with the Council's aspirations and strategies for the area.

Worthing Town Centre

~~e) Proposals for development in the Town Centre will be assessed against policy SS3—Town Centre.~~ Spatial Policy SS3 (Town Centre) sets out the overarching development principles for the Town Centre and associated seafront and it is the starting point against which all proposed development in these areas will be assessed. The more detailed approach to frontages is set out below:

~~d) c) Primary Shopping Area (PSA) - a wider range of main town centre uses will be encouraged to bring people into the town and generate footfall throughout the day. In considering the most appropriate locations for proposed uses, the Council will use the identified Town Centre Character Areas as a guide in assessing whether the proposal is located in the most appropriate locations in terms of the specific role and function of the character area in which the development is proposed. as a tool to help assess whether a specific proposal would give rise to harm to the individual character or vision for each character area. the The following sets out the approach to ground floor frontages within the 'Primary Shopping Area' will apply:~~

i) Primary Shopping Frontage (PSF) - will be the focus for retail uses within the centre. The Council will seek to retain 65% of units in retail use and the loss of retail uses will be resisted to ensure that the centre retains its role as a sub-regional shopping centre and meets the shopping needs of the town's population. Uses such as Drinking Establishments (A4) and takeaways (A5) together with other uses that would detract from the overall shopping function of the frontage will be resisted;

iii) Town Centre Seafront Area - proposals that help to maintain and enhance an active and vibrant seafront will be supported. Eating, drinking and shopping together with appropriate cultural and leisure uses will be retained and encouraged. However, uses such as takeaways (A5) and uses with closed and inactive street frontages will be resisted, particularly where they cause or contribute to an over-concentration of such uses.

~~e) The identified Town Centre Character Areas will help guide development in the town centre to the most appropriate locations by assessing applications against the specific role and function of the character area in which development is proposed.~~

~~f) d) Proposals that help develop and enhance the evening and night-time economy will be supported in the town centre where the operation of such activities can be controlled to address residential amenity implications and can demonstrate that such uses will add to the vitality and viability of the centre.~~

District Centres and Local Centres

~~g) e) The policy approach seeks to encourage convenient and accessible local shopping facilities that are of a scale appropriate to the role and function of the centre to meet day to day needs of residents, and contribute to social inclusion. When considering relevant proposals within these centres regard will be had to the following: The following approach will be applied:~~

		<p>i) District and Medium Scale Local Centres - seek to retain a core of retail uses of at least 50% of the units in the whole centre, to ensure the role and function of the level of centre is maintained. Allow for uses such as financial and service and restaurant and cafes of an appropriate scale for the role and function of the centre. Other uses will be supported where it can be demonstrated that the use will enhance the vitality and viability of the centre in which it is proposed, generates footfall and retains an active shopfront with a shopfront display. Consideration will be given to applications for other 'main town centre uses' of an appropriate scale within the defined centres on their individual merits;</p> <p>iii) in all District and Local Centres drinking establishments (A4) and takeaways (A5) uses will be considered on their merit, taking into consideration any negative cumulative impact of such uses on the centre, whether such uses add to the vitality and viability of the centre and the impact on residential amenity.</p> <p>Applicable to all Centres</p> <p>h) Conditions will be applied to any new development where it is relevant and appropriate to do so, in order to control the proposed uses and allow for a managed approach to future proposals for change of use, in line with the Council's aspirations and strategies for the area.</p> <p>Sequential and Impacts Tests</p> <p>l) Where necessary conditions and / or legal agreements will be applied to any permission accepted out <u>outside</u> of defined centres, including defining the nature and extent of the proposed use to ensure no significant adverse impact on existing designated centres.</p>	
MM41	DM14 - Digital infrastructure & Para 5.203 & 5.206	<p>Add text to the end of paragraph 5.203:</p> <p><u>5.203 - ...cost implications. With this in mind, West Sussex County Council and Worthing Borough Council have a strategic aim to densify full fibre infrastructure to serve premises and support future technologies such as 5G. West Sussex County Council has prepared guidance on Digital Infrastructure which should be used to inform future proposals. The Council will also prepare a revised Guide to Residential Development SPD which will provide further details on relevant issues to be considered by applicants.</u></p> <p>Add the following text to the end of Paragraph 5.206:</p>	<p>To ensure that the policy is effective and up-to-date and in response to MIQ-159.</p> <p>As discussed at hearing session - to improve the clarity</p>

		<p>5.206 ...and conditions specified. <u>In assessing applications the Council will refer to the countywide guidance which has been developed by West Sussex County Council (WSSC) to ensure that the respective Local Plans prioritise gigabit-capable broadband connections in new developments. In addition, the Council will, where appropriate, consult with the WSSC Digital Infrastructure Team. That team holds maps indicating connectivity provision, including 'not spots' and they work closely with the providers of fibre and mobile infrastructure so will be able to advise on opportunities to coordinate delivery of connectivity infrastructure.</u></p> <p>Amend Policy DM14 as follows:</p> <p>a)-The Council supports the expansion and improvement of digital infrastructure. Applicants will be required to meet the following requirements. actively demonstrate that they have considered broadband and mobile connectivity within their proposals for new housing, employment and retail developments.</p> <p>Fibre to Premises</p> <p>Delete all of existing text in criteria b), c) & d) and replace with the following:</p> <p>a) <u>Development proposals will be expected to provide access to superfast broadband, as a minimum, and full fibre connections where available. This will include provision for multiple infrastructure providers to access the site.</u></p> <p>b) <u>In locations where superfast broadband or full fibre connectivity is already available, the development will be expected to include the infrastructure to connect to these services and make them available to occupiers.</u></p> <p>c) <u>In locations where superfast broadband and full fibre connectivity are not currently available:</u></p> <p><u>i. Applicants will be expected to demonstrate that they have held discussions with a range of providers to upgrade infrastructure to deliver superfast broadband or, where possible, full fibre connections.</u></p> <p><u>ii. Where one or more providers have agreed to provide superfast broadband connectivity or full fibre, the development should be designed to connect to this service and make it available to occupiers.</u></p> <p><u>iii. Where no agreement can be reached to provide superfast broadband or full fibre</u></p>	<p>and effectiveness of the policy.</p>
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		<p><u>connectivity at the present time, the development will be expected to incorporate additional dedicated telecommunications ducting to enable the provision of superfast broadband or full fibre connectivity in future.</u></p> <p>Delete sub-heading and criterion e) as follows:</p> <p><u>Telecommunications Infrastructure:</u></p> <p><u>e) All residential developments and all new employment generating development should consider mobile telecommunications requirements of the development proposals to ensure and demonstrate that there is sufficient coverage.</u></p> <p>Amend criterion g) as follows:</p> <p>g) e) All relevant applications for planning permission shall submit proposals (including prior approvals) will need to submit</p>	
MM42	DM15 - Sustainable transport & active travel & Para 5.223	<p>Amend paragraph 5.223 as follows:</p> <p>5.223 ...When considering applications, proposals must comply with the have regard to criteria contained in Worthing Borough Council's and West Sussex County Council's planning guidance document relevant to design, residential amenity, highway safety, car cycle parking and electric vehicle charging points, or any other appropriate national standards...</p> <p>Revise criterion a) as follows:</p> <p>a) Worthing Borough Council will promote and support have regard to development that prioritises active travel by walking, cycling, Non-Motorised User routes and public transport, and reduces the proportion of journeys made by car. This will help to achieve a rebalancing of transport in favour of sustainable modes by:</p> <p>Revise criterion a) iv) as follows:</p> <p>a) iv) requiring new to provide for an appropriate level of cycle parking, car parking and electric vehicle space allocations that take into consideration the impact of development upon on-street parking, residential amenity, highway safety and accords with has regard to West Sussex County Council standards / guidance;</p>	<p>In response to Inspector's Initial Questions 27 & 28 (Ref-IL01) and to help clarify how the WSCC parking standards will be applied.</p> <p>In response to revised NPPF (July 2021) - Paragraph 110.</p> <p>As discussed at hearing session - to improve the effectiveness of the policy.</p>

		<p>Add new (relocated) criterion a) vii) as follows:</p> <p><u>a) vii) ensure new development contributes to the mitigation of air pollution, particularly in Air Quality Management Areas. New development should be located and designed to incorporate facilities for electric vehicle charging points, thereby extending the current network;</u></p> <p>Add additional criterion a) viii) as follows:</p> <p><u>a) viii) ensuring that new development does not unacceptably prejudice planned highway improvement schemes.</u></p> <p>Delete criterion b) v) as follows:</p> <p>a) v) ensure new development contributes to the mitigation of air pollution, particularly in Air Quality Management Areas. New development should be located and designed to incorporate facilities for electric vehicle charging points, thereby extending the current network;</p> <p>Add new criterion b) viii) as follows:</p> <p><u>b) viii) ensure the design of streets, parking areas, other transport elements and the content of associated standards reflects current national guidance, including the National Design Guide and the National Model Design Code.</u></p>	
MM43	DM16 - Sustainable Design	<p>Revise criterion a) as follows:</p> <p><u>a) All development (excluding householder applications) will be required to achieve the relevant minimum standards below unless superseded by national planning policy, or Building Regulations, or it can be demonstrated that it is not practicable, feasible or viable (in which case the minimum standard should be met as far as is possible) Applications for major.....</u></p> <p>Revise criterion b) (relating to housing) as follows:</p> <p><u>b) All new build housing will achieve a minimum 20% CO2 Ce2 reduction compared to the Building Regulations Part L 2013 standard, through energy efficiency measures, and where achievable a 31% reduction in CO2 based on the 2013 Edition of the 2010 Building Regulations (Part L), until superseded by national policy or Building Regulations. Developers will be expected....</u></p>	<p>To ensure the policy is effective and in response to MIQ-174.</p> <p>To ensure residential policy requirements are consistent with the 2015 Written Ministerial Statement and non-residential</p>

		<p>Revise criterion c) as follows:</p> <p>c) All major <u>New non-domestic buildings</u> developments will need to achieve a 31% 27% reduction in CO2 on average per building compared to the current Building Regulations Part L 2013 standard. <u>Applications for major development should (see above) and demonstrate how the design and layout of the development has sought to maximise <u>reductions in</u> carbon emissions in line with the energy hierarchy.</u></p> <p>Revise criterion f) as follows:</p> <p>f) Non residential development of at least 1,000 sqm floorspace and residential or mixed use development consisting of more than 200 residential units should achieve BREEAM New Construction or BREEAM Communities 'Very Good' as a minimum rating....</p>	<p>requirement are consistent with the emerging future buildings standard.</p>
MM44	DM17 - Energy	<p>Delete all of criterion c) and replace with the following:</p> <p>c) Major development within areas identified as heat network opportunity clusters, will be required to connect to district heating networks where they exist, or will be expected to maximise opportunities for the development of a future district heating network. Where this is not possible, a viability assessment should be submitted to justify departure from the heating hierarchy.</p> <p>c) <u>Applicants for major development within areas identified as heat network opportunity clusters should demonstrate how they have considered connecting to district heating networks where:</u></p> <p><u>i) they exist at the time of permission being granted</u> <u>ii) the heat network route lies adjacent to the site</u> <u>iii) otherwise it is feasible and viable to do so. Alternatively, where a heat network route is planned but has not been delivered, sites adjacent to the planned heat network routes should consider being heat network ready to enable a future connection.</u></p>	<p>In response to changes made to Policy DM16.</p> <p>To improve effectiveness by ensuring policy is not overly prescriptive.</p>
MM45	DM18 - Biodiversity (& Para 5.259)	<p>Amend supporting text paragraph 5.259:</p> <p>5.259 Biodiversity net gain delivers measurable improvements for biodiversity by creating or enhancing habitats after avoiding or mitigating harm as far as possible <u>and is in addition to any compensation identified.</u> The Environment Act (2021) Bill (2019) includes a new requirement for 'Net Gain' to biodiversity in</p>	<p>To reflect the Royal Assent of the Environment Act and reference to Local Nature</p>

		<p>development projects. This requires developers to demonstrate that at least 10% gain has been achieved using DEFRA's Biodiversity 2.0 3.0. It expects developers to maintain any habitat creation or enhancement for a minimum of 30 years. <u>In addition, the Act requires Local Nature Recovery Strategies (LNRS) to be prepared to support a Nature Recovery Network. LNRSs will guide delivery of biodiversity net gain and other nature recovery measures by helping developers and planning authorities avoid the most valuable existing habitat and focus habitat creation or improvement where it will achieve the best outcomes.</u></p> <p>Amend first sentence of criterion f) as follows:</p> <p>f) Development that is likely to have an adverse effect on <u>notable</u> priority habitat or species will not be permitted....</p> <p>Amend criterion h) as follows:</p> <p>h) New developments (excluding change of use and householder) should provide a minimum of 10% net gain for biodiversity - where possible this should be onsite. <u>Where it is required/necessary to deliver biodiversity net gain offsite this should be part of a strategic ecological network having regard to Green Infrastructure and Local Nature Recovery strategies.</u> Where it is achievable, a 20%+ onsite net gain is encouraged and is required for development on previously developed sites. Major developments will be expected to demonstrate this at the planning application stage using biodiversity metrics. This should be accompanied by a long term management plan.</p>	<p>Strategies.</p> <p>In response to SDWLP-57 (Sussex Wildlife Trust).</p> <p>To ensure the policy is consistent with national policy and in response to MIQ-192.</p> <p>As discussed at hearing session - to provide an update and improve the effectiveness of the policy.</p>
MM46	DM19 - Green Infrastructure (& Para 5.271 & 5.277)	<p>Amend the second sentence of paragraph 5.271 as follows:</p> <p>5.271 - The National Design Guide and National Model Design Code recognises the importance of trees and <u>landscaping</u> in new development; and sets out how landscaping, including streets should be being tree-lined wherever possible., will be considered as part of the forthcoming National Model Design Code.</p> <p>Amend supporting text paragraph 5.277 as follows:</p> <p>5.277 - New developments should include high quality, well designed GI as an integral part of their proposals. <u>A Green Infrastructure Strategy is being produced by the Council (which will comprise of a strategy, action plan and a supplementary planning document) and when in place, developments will be expected to comply with it. All developments (excluding householder applications) will need to demonstrate how they will contribute to the implementation of the Green Infrastructure Strategy both at site level and with regard to the wider green infrastructure network. Until such time that the Strategy is in place, applicants are encouraged to refer to existing information and records on green infrastructure assets to inform how their</u></p>	<p>As discussed at hearing session - to improve the effectiveness of the policy.</p>

		<p><u>development should protect, conserve, enhance and deliver green infrastructure across Worthing. This</u> These currently includes:.....</p> <p>Amend DM19 criteria a), b) and c) as follows:</p> <p>a) The Council will work with relevant partners and developers to facilitate the creation of an integrated network of green infrastructure within and beyond Worthing. A Green Infrastructure Strategy will be produced by the Council and when in place, developments will be expected to comply with it. Until such time, applicants are encouraged to refer to existing information and records on green infrastructure assets to inform how their dDevelopment can <u>should</u> protect, conserve, enhance and deliver green infrastructure across Worthing.</p> <p>b) All developments (excluding householder) will need to demonstrate how they will contribute to the implementation of the Green Infrastructure Strategy both at site level and with regard to the wider green infrastructure network. Creative and connected Opportunities should be taken to incorporate elements of green infrastructure...</p> <p>c) In all new developments there should be no net loss of trees and any trees removed should usually be replaced on a <u>greater than</u> 1:1 basis to <u>support maintain current levels of canopy cover and contribute to biodiversity net gain. Where practical and appropriate a</u>Additional tree planting is encouraged where appropriate to improve the quality of the local environment and increase appropriate species canopy cover. <u>Where this is not possible, an off-site contribution will be sought. Where possible, tree stock should be UK sourced and grown.</u></p>	
<p>MM47</p>	<p>DM20 - Flood Risk and Sustainable Drainage (& Para 5.280 & 5.282)</p>	<p>Amend supporting text 5.280 to avoid duplication:</p> <p>5.280..... For the exception test to be passed <u>both elements should be satisfied. It should be demonstrated that:</u></p> <p>a) The development would provide wider sustainability benefits to the community that outweigh flood risk; and</p> <p>b) The development will be safe for its lifetime taking account of the vulnerability of its users, without increasing flood risk elsewhere and where possible, will reduce flood risk overall.</p> <p>First sentence of Para 5.282 to be amended as follows:</p> <p>Opportunities should be sought to reduce the causes and impacts of flooding where appropriate through the use of <u>appropriate flood resilience and resistance measures, and</u> natural flood management techniques....</p>	<p>To add clarity and in response to SDWLP-13 (Steve Limbrey).</p> <p>In response to revised NPPF (July 2021) - Paragraph 162 / 167 and new footnote 55.</p> <p>To ensure the policy is effective,</p>

		<p>Policy DM20 - amend criteria a) / b) iii) / c) i):</p> <p>a)Development should be directed away from areas of highest risk of flooding <u>from any source</u> and opportunities...</p> <p>b) iii) all new development (including change of use to <u>that would introduce a more vulnerable class</u> on land at increased flood risk in future or subject to other sources of flooding identified by the Strategic Flood Risk Assessment</p> <p>c) i) the site has passed the sequential test and within the site the most vulnerable development is located in areas of at lowest flood risk <u>from any source</u> unless there are overriding...</p> <p>Insert an additional criteria between c) i) and c) ii) with c) ii) being renumbered to c) iii): Insert new c) ii) as below:</p> <p><u>c) ii) Where required by national policy, demonstrate both parts of the exception test have been passed:</u></p> <ul style="list-style-type: none"> • <u>the development would provide wider sustainability benefits to the community that outweigh the flood risk; and</u> • <u>the development will be safe for its lifetime taking account of the vulnerability of its users, without increasing flood risk elsewhere, and, where possible, will reduce flood risk overall.</u> <p>e)ii) ciii) development will be safe for its lifetime taking into account the vulnerability of users, considering current and future flooding from all sources, including in-combination and cumulative effects, and any residual risk can be safely managed.</p> <p>Add new criterion c) vi):</p> <p><u>c) vi) development should be appropriately flood resistant and resilient so in the event of a flood it can be quickly brought back into use without significant refurbishment.</u></p> <p>Amend the first part of criterion d):</p> <p>d) The Surface water drainage scheme should use Sustainable Drainage Systems, <u>unless there is clear evidence that this would be inappropriate,</u> and be designed to:</p>	<p>consistent with national policy (responding to 2021 NPPF update) and in response to MIQ-181.</p> <p>To ensure the policy is effective and in response to MIQ-182.</p>
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<p>MM48</p>	<p>DM21 - Water Quality and Sustainable Water Use</p>	<p>Change policy text box as follows: 'Water Quality and Protection' – <u>'Water Quality and Sustainable Water Use'</u></p> <p>Amend criterion b):</p> <p>b) <u>The Council will support proposals Opportunities should be taken, where appropriate, to replace existing traditional drainage systems with suitable sustainable drainage systems to further reduce water pollution and improve water quality.</u></p> <p>Replace criterion e) with the following:</p> <p>e) As a minimum, new housing should incorporate water efficiency measures to limit water use to 110 litres/person/day (lpd), and where possible to 100 litres/person/day</p> <p>e) <u>All new residential development must achieve as a minimum the optional requirement set through Building Regulations for water efficiency that requires an estimated water use of no more than 110 litres per person per day.</u></p>	<p>For consistency - to ensure the name for policy DM21 is the same as the start of the section and contents etc.</p> <p>In response to MIQ-184.</p> <p>To improve effectiveness of the policy and ensure it is consistent with national policy.</p>
<p>MM49</p>	<p>DM22 - Pollution & Para 5.313</p>	<p>Para 5.313 - Insert additional document</p> <ul style="list-style-type: none"> • <u>Planning Noise Advice Document: Sussex (March 2021).</u> <p>Amend criterion a) as follows:</p> <p>a) <u>Development should not contribute to, be put at risk from, or be adversely affected by unacceptable levels of soil, air, water, artificial light or noise pollution or land instability, result in pollution or hazards which prejudice the health and safety of the local community and the environment, including nature conservation interests and the water environment. Where possible development should help to improve local environmental conditions.</u></p> <p>Amend criterion b) as follows:</p> <p>b) <u>New development in Worthing will be located in areas most suitable to the use of that development to avoid unacceptable risks from all sources of pollution.</u></p> <p>Amend criterion d) as follows:</p>	<p>To recognise new guidance.</p> <p>To address amendments suggested by SDWLP-60 (Rapleys on behalf of EM Goring Ltd).</p> <p>As a result of hearing sessions to ensure consistency with the NPPF.</p>

		<p>d) Where appropriate, air quality and/noise assessments will be required to support planning applications. These should be undertaken in accordance with the most up to date guidance and have regard to any relevant action plans. <u>Any new development in the Worthing Air Quality Management Area must be consistent with the Air Quality Action Plan.</u></p> <p>Amend criterion d) as follows:</p> <p>d) Where appropriate, air quality, and/or noise <u>and lighting assessments</u> will be required to support planning applications. These should be undertaken in accordance with the most up to date guidance and have regard to any relevant action plans.</p> <p>Reword end of criterion e) as follows:</p> <p>e) <u>Where there is potential risk of contaminated land, proportionate investigations and assessments will be required in relation to relevant development proposals. Investigations and assessments of all sites situated in or in close proximity to potentially contaminated land will be required in relation to relevant development proposals.</u> These should assess the nature and extent of contamination and the potential risks to human health, adjacent land uses and the local environment. <u>Where identified risks of contamination cannot be adequately mitigated, planning permission will be refused.</u></p>	
MM50	DM23 - Strategic approach to the historic environment	<p>Revise criterion b ii) as follows:</p> <p>ii) review Worthing’s heritage assets <u>including the lists of Local Interest Buildings</u></p>	As discussed at the Hearing Sessions and to ensure the policy is effective
MM51	DM24 - The historic environment	<p>Replace paragraph 5.328 with following:</p> <p>5.328 The Council will work with community and partner organisations to identify and protect important views between settlements, across character areas, and capturing transitions between landscape, townscape and seascape. This will include considering the relationship between ‘views’ and the ‘function’ such views serve.</p> <p><u>5.328 In addition to views to and from designated heritage assets, the setting of the South Downs National Park and the coast are also important parts of Worthing’s historic environment. The historic environment therefore also includes important views that cross landscape character areas and capture our changing relationship with the land, sea and other settlements. Where views are demonstrably important to local</u></p>	<p>For clarity, to ensure that the policy is effective, consistent with national policy and in response to MIQ-171 (ii).</p> <p>For clarity, to ensure that the</p>

		<p><u>character, development proposals should respect and protect what makes the view special. West Sussex County Council's Landscape and Environment Information will be relevant to this analysis as well as local evidence and site specific documentation.</u></p> <p>Revise criterion c) as follows:</p> <p><u>c) Development should not adversely affect the setting of a heritage assets or its setting (including important views that contribute to its setting). Where a proposed development will lead to substantial harm to (or total loss of significance of) a designated heritage asset, the Council will refuse consent, unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss. Where a proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm will be weighed against the public benefits of the proposal including, where appropriate, securing its optimum viable use. Where proposals may result in harm to a designated asset Where a proposed development would lead to substantial harm to, or total loss of a designated heritage asset, a Heritage Impact Assessment must be submitted describing the significance of any heritage assets affected, including any contribution made by their setting</u></p> <p>Add the following sentence to the end of criterion g) as follows:</p> <p><u>g)be subject to these requirements. Where a development would result in harm to an undesignated asset, a balanced judgement will be made, having regard to the scale of any harm or loss and the significance of the asset. A Heritage Impact Assessment (HIA) will be necessary to inform the decision..</u></p> <p>Delete criterion i) as follows:</p> <p>i) The Council intends to work with others to identify important views in order to protect them. Guidance on this will be incorporated into Worthing's Conservation and Heritage Guide when it is updated. Significant changes should be identified in planning proposals. The relationship between 'views' and the 'function' they serve must be considered. Where views are demonstrably important to local character, development proposals should respect and protect what makes the view special. West Sussex County Council's Landscape and Environment Information will be relevant to this analysis as well as local evidence and site specific documentation. Development is likely to affect important views:</p> <ul style="list-style-type: none"> i) between settlements; ii) across character areas; iii) areas capturing transitions between landscape, townscape and seascape; iv) to and from designated heritage assets. 	<p>policy is effective, consistent with national policy and in response to MIQ-171 (i).</p> <p>As discussed at the Hearing Sessions and to ensure the policy is effective.</p>
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Proposed Additional Modifications - January 2022

Additional modifications are generally regarded as fairly minor textual and grammar corrections, rephrasing or limited new text to add clarity, or updates to figures or references which are necessary due to alterations which have been made elsewhere. The Additional Modifications have been published for information purposes. It should be noted that where there has been a change to the referencing (e.g. a list of criterion) within either this schedule or the Main Modifications the subsequent changes required to the remaining criteria have not always been listed. The final version of the Local Plan will correct all referencing.

Ref	Section	Front Page	Note
AM1	Front page	<ul style="list-style-type: none"> ● Insert adoption date ● Delete 'Submission Draft' 	To reflect up-to-date position
		Preliminary & Index	
AM2	Prelims and Index	<ul style="list-style-type: none"> ● Remove section on 'How To Have Your Say' ● Remove section on 'Data collection' ● Update 'Foreword' 	To reflect up-to-date position
AM3	Contents	<ul style="list-style-type: none"> ● SS6 - amend to read 'Local Green Space' (not Spaces) ● Site allocations - Delete Allocation A13 (Titmore Lane) and renumber 'A14 & A15' as 'A13 & A14' ● Add new section at bottom of the page after Glossary and Acronyms. - 'Appendices' ● Then list 'Appendix 1 - Housing Trajectory' and Appendix 2 - Monitoring Framework 	<p>To ensure that the WLP is consistent with national policy and in response to MIQ-43.</p> <p>As discussed during the Hearing Session and IL07.</p>

Chapter 1 - Introduction			
AM4	Para 1.1	Amend paragraph 1.1 as follows: This is the Submission Draft Worthing Local Plan which, when adopted, will provides a strategy for sustainable development and change in Worthing up to 2036.	To reflect up-to-date position
AM5	Para 1.2	<ul style="list-style-type: none"> • Delete paragraph • Re-number following paragraphs 	For formatting purposes
AM6	Para 1.5	Amend paragraph 1.5 as follows: Once adopted, the new Plan will replaces the Council's local planning policies set out in the Core Strategy (2011) and the saved policies from the Worthing Local Plan (2003).	To reflect up-to-date position
AM7	Para 1.7	Amend paragraph 1.7 as follows: ...(A24 / A27/ A264) which are the responsibility of Highways England <u>National Highways</u> .	To reflect change in department name
AM8	Para 1.8	Amend paragraph 1.8 as follows: The new Local Plan will covers most of Worthing borough. However, unlike the existing Core Strategy, it will <u>does</u> not cover the land in the north of the borough that lies within the South Downs National Park...	To reflect up-to-date position
AM9	Para 1.9	Amend paragraph 1.9 as follows: The Local Plan has also been influenced by local strategies, evidence documents and consultation responses. The following section provides a brief explanation of the key documents /stages.	To reflect up-to-date position
AM10	Para 1.10 & 1.11	<ul style="list-style-type: none"> • Delete paragraphs • Re-number paragraphs 	For formatting purposes
Chapter 2 - Vision & Strategic Objectives			
AM11	Para 2.24	Amend paragraph 2.24 as follows:	To reflect up-to-

		...for Black, Asian & Minority Ethnic (BAME) <u>Black & Minoritised</u> population groups...	date terminology
Chapter 3 - Spatial Strategy			
AM12	Para 3.19	Amend the end of paragraph 3.19 as follows: ...and SS6 (Local Green Spaces) below.	To address typo
AM13	Para 3.53	Amend paragraph 3.53 as follows: ...of the Arun Local Plan (2018). <u>It is relevant to note that, of the sites assessed within Arun to support the development of their Local Plan the Goring-Ferring gap was shown as being the most sensitive in nature.</u> The eastern gaps are.....	For clarity
Chapter 4 - Site Allocations			
Where a development requirement has been deleted, successive development requirements will be renumbered			
AM14	A12 - Teville Gate	Amend paragraph 4.36 as follows: There has been an aspiration to redevelop this prime site for a number of years and various schemes have been proposed. The latest application seeks sought to deliver a mixed use scheme comprising three blocks of 378 residential units, and a range of other uses such as an 80-bedroom a hotel, a foodstore, a cafe and a gym. In addition, the proposal would provide retail, restaurant and cafe uses, service areas, 300+ parking spaces, public realm with associated hard and soft landscaping and private amenity spaces. More recently, it has become apparent that this scheme was unlikely to be implemented. Therefore, to control the destiny of this key development opportunity and ensure it is developed Worthing Borough Council has now completed the purchase of the site. Detailed feasibility and viability assessments are being undertaken to ensure that the site delivers the most appropriate mix and capacity of uses.	To reflect progress made on the site, ensure the wording is effective, and in response to MIQ-123.

AM15	A14 - Union Place	Amend all A14 references to read A13	To address renumbering
AM16	A15	Amend all A15 references to read A14	To address renumbering
Chapter 5			
Where a policy criterion has been deleted, successive criteria will be renumbered			
AM17	DM7: Open Space, Recreation & Leisure	Amend paragraph 5.94 as follows: <ul style="list-style-type: none"> • Open Space Study (2020) <u>(2019)</u> • Indoor / Built Sports Facility Needs Assessment Report (2020) <u>(2019)</u> Amend paragraph 5.99 as follows: The Open Space Study (2020) <u>(2019)</u> sets minimum...	To provide correct date
AM18	Para 5.216	Amend paragraph 5.216 as follows: <ul style="list-style-type: none"> • to work with Highways England <u>National Highways</u> and other partners... 	To reflect change in department name
AM19	DM13 - Retail and town centre uses	Address typo ix) Retain or re-provides ancillary facilities within individual premises, (such as loading, storage, staff or administrative facilities), unless it is demonstrated that these are no longer necessary for appropriate suture <u>future</u> use of the premises.	To address typo
AM20	DM18 - Biodiversity (Para 5.262)	Insert the following wording to the end of paragraph 5.262and, where possible, enhance. <u>One example is the installation of Swift nest boxes or nest bricks</u>	As discussed during the hearing sessions

		<u>which will be supported where the conditions are appropriate and where Swifts are already known to nest.</u>	
		Glossary	
AM21	Green Infrastructure	<p>Replace existing definition with the following:</p> <p>Network of multi-functional green space (urban & rural) which is capable of delivering a range of environmental and quality of life benefits. Can include green areas & water bodies, providing a network of interconnected habitats to enable dispersal of species across the wider environment.</p> <p><u>A network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity.</u></p>	In response to revised definition set out in the NPPF (July 2021).
AM22	Local Nature Recovery Strategy	<p>Insert additional definition:</p> <p><u>Local Nature Recovery Strategy - A strategy that sets out priorities and map proposals for specific actions to drive nature's recovery and provide wider environmental benefits.</u></p>	To support Policy DM18
		Acronyms	
AM23	BAME	<p>Delete BAME</p> <p>BAME - Black, Asian & Minority Ethnic</p>	Term is no longer being used
AM24	LNRS	<p>Insert additional acronym:</p> <p><u>LNRS (Local Nature Recovery Strategy)</u></p>	To support Policy DM18
		Appendices	
AM25		<ul style="list-style-type: none"> • Add housing trajectory as <u>Appendix 1</u> • Add monitoring framework as <u>Appendix 2</u> 	To ensure that the WLP is consistent with national policy

			and in response to MIQ-43 As discussed during the Hearing Session and to ensure that the WLP is effective.

Maps

PROPOSED MODIFICATIONS		
NOTE – the table below describes the changes required to various maps. These will all be illustrated within a Mapping Extracts document to be prepared in advance of the consultation.		
Mod Ref	Issue to Address	Note
AM26	Local Green Gap Map - Page 61 <ul style="list-style-type: none"> Amend the boundary of the Local Green Gap designations so that they do not extend onto the beach / coastline / sea (previously illustrated as M46 within Mapping Extract document and now illustrated on Proposals Map). 	To correct previous mapping error.
AM27	Local Green Space Map - Page 63 <ul style="list-style-type: none"> Remove the two parcels of land shown as Local Green Space to the west of the borough. 	As discussed during the Hearing Session and to ensure that the WLP is effective.

	<ul style="list-style-type: none"> • Amend the boundary to Brooklands Recreation Area to exclude land within Southern Water's ownership • Amend the boundary of the Local Green Space designation so that they do not extend onto the beach / coastline / sea (previously illustrated as M43 within Mapping Extract document and now illustrated on Proposals Map). • Amend heading of map as follows: Location of areas designated as Local Green Space in Worthing Borough. 	To correct previous mapping error.
AM28	<p>Sites Map and Legend - Page 70 and 71</p> <ul style="list-style-type: none"> • Delete Allocation A13 and renumber 'A14' and 'A15' as 'A13' and 'A14'. 	As discussed during the Hearing Session and to ensure that the WLP is effective.
AM29	<p>Upper Brighton Road map - Page 100</p> <ul style="list-style-type: none"> • Amend the red line boundary for the site to exclude the playing field (amend legend accordingly). 	To update current position
AM30	<p>Proposals Map</p> <ul style="list-style-type: none"> • Add Town Centre Character Areas • Amend built up area boundary so that is now excludes land that was previously shown as the proposed allocation at Titnore Lane (A13) • Remove the two parcels of land shown as Local Green Space to the west of the borough. • Add Easement Strip for Rampion Windfarm (to reflect the map on p.100 - Upper Brighton Rd A15) • Amend the boundary of the Goring Business Park employment designation to include the employment areas identified within allocation A10 (Martlets Way). 	As discussed during the Hearing Session and to ensure that the WLP is effective.

	<ul style="list-style-type: none">● Amend boundary of Meadow Road Industrial Estate to include area to the east that was previously omitted in error.● Amend the boundary to Brooklands Recreation Area to exclude land within Southern Water's ownership (previously illustrated as M43 within Mapping Extract document and now illustrated on Proposals Map).● Amend the Broadwater Business Park Employment Area designation to include the operational area at GSK site (previously illustrated as M44 within Mapping Extract document and now illustrated on Proposals Map).● Amend the Broadwater Business Park Employment Area designation to include the Decoy Farm allocation (A5) (previously illustrated as M45 within Mapping Extract document and now illustrated on Proposals Map).	To correct previous mapping error.
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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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