



ADUR & WORTHING
COUNCILS

6 January 2025

Joint Strategic Committee	
Date:	14 January 2025
Time:	6.30 pm
Venue:	QE2 Room, Shoreham Centre

<p>Committee Membership:</p> <p>Adur District Council: Councillors; Jeremy Gardner (Adur Chair), Lee Cowen (Adur Vice-Chair), Becky Allinson, Saffa Jan, Andrew Harvey and Sharon Sluman</p> <p>Worthing Borough Council: Councillors; Sophie Cox (Worthing Chairman), Rita Garner (Worthing Vice-Chair), Ödül Bozkurt, Dom Ford, John Turley, Vicki Wells and Rosey Whorlow</p>

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 10 December 2024, copies of which have previously been circulated.

3. Public Question Time

To receive any questions from members of the public.

Questions should be submitted by noon on Thursday 9 January 2025 to Democratic Services, democratic.services@adur-worthing.gov.uk

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

4. Members Questions

Pre-submitted Members questions are pursuant to rule 12 of the Council & Committee Procedure Rules.

Questions should be submitted by noon on Thursday 9 January 2025 to Democratic Services, democratic.services@adur-worthing.gov.uk

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

5. Items Raised under Urgency Provisions

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

6. Greater Brighton Economic Board - Membership for NHS Sussex Integrated Care Board (ICB) (Pages 5 - 16)

To consider a report by the Assistant Director for Place and Economy, copy attached as item 7

7. Union Place - Entering a Land Transaction Agreement with Roffey Homes Ltd for Union Place (Pages 17 - 32)

To consider a report by the Assistant Director for Regenerative Development copy attached as item 7

8. Exclusion of the press and Public

In the opinion of the Proper Officer the press and public should be excluded from the meeting for consideration of the following items. 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 Part 3 of Schedule 12 A to the Act indicated against the item'.

Part B - Not for Publication – Exempt Information Reports

None.

9. Exempt Appendix - Union Place - Entering a Land Transaction Agreement with Roffey Homes Ltd for Union Place (Pages 33 - 50)

Exempt appendix to item 7

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:
Chris Cadman-Dando Senior Democratic Services Officer 01903 221364 chris.cadman-dando@adur-worthing.gov.uk	Andrew Mathias Senior Solicitor 01903 221032 andrew.mathias@adur-worthing.gov.uk

Duration of the Meeting: Three 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
14 January 2025

Key Decision [No]

Ward(s) Affected: All

Greater Brighton Economic Board - Membership for NHS Sussex Integrated Care Board (ICB)

Report by the Assistant Director for Place & Economy

Officer Contact Details

Andy Willems, Assistant Director for Place & Economy
andy.willems@adur-worthing.gov.uk

Executive Summary

1. Purpose

1.1. This report provides the Joint Strategic Committee with an overview of the benefits Adur and Worthing have gained from the Councils' membership of the Greater Brighton Economic Board, this includes:

- securing funding through the Local Growth Fund;
- advocating for local infrastructure issues at regional and national level;
- promoting economic development as part of the Greater Brighton region.

1.2. To further strengthen the Board's position as a voice for economic development across the Greater Brighton region (advocating at local, regional, national and international level) this report also seeks approval from the Joint Strategic Committee that NHS Sussex Integrated Care Board (ICB) are confirmed as members of the Greater Brighton Economic Board.

2. Recommendations

- 2.1.** The Joint Strategic Committee is requested to note the contents of this report and the ongoing benefits gained from Membership of the Greater Brighton Economic Board.
- 2.2.** To authorise the proposed additional member of the Greater Brighton Economic Board, being NHS Sussex Integrated Care Board (ICB);
- 2.3.** To acknowledge and approve the required consequential amendments to the Greater Brighton Economic Board's Head of Terms (Attachment A) relating to NHS Sussex Integrated Care Board (ICB) becoming a member
- 2.4.** To authorise the Monitoring Officer to make any consequential amendments to the Constitutions to reflect the new membership and changes to the Heads of Terms after they have been formally approved by all the constituent authorities.
- 2.5.** To note that these changes to the membership and Heads of Terms are dependent on the decision of all the local authorities represented on the Joint Committee agreeing that the new member be appointed.

3. Context

- 3.1.** The [Greater Brighton Economic Board](#) was founded in April 2014 as part of the Greater Brighton City Region's City Deal proposal to the Government.
- 3.2.** The Board comprises the Greater Brighton Economic Joint Committee ("GBEJC"), on which the local authorities are represented; and the Greater Brighton Business Partnership ("GBBP"), on which the business, university and further education sectors, and South Downs National Park Authority are represented. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.
- 3.3.** The following bodies are members of the Board:
 - i. Adur District Council
 - ii. Arun District Council

- iii. Brighton & Hove City Council
- iv. Crawley Borough Council
- v. Lewes District Council
- vi. Mid Sussex District Council
- vii. Worthing Borough Council
- viii. Adur & Worthing Business Partnership
- ix. Brighton & Hove Economic Partnership
- x. Chichester College Group
- xi. University of Brighton
- xii. University of Sussex
- xiii. South Downs National Park Authority

3.4. Board membership has been extended twice since the Board's inception; Crawley Borough Council and Arun District Council joined the GBEJC in February 2018 and in October 2019 respectively.

3.5. The functions of the Board are as follows:

- To make long term strategic decisions concerning regional economic development and growth;
- To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
- To work with national, sub-national and local bodies to support a coordinated approach to economic growth across the region;
- To secure funding and investment for the region;
- To ensure delivery of, and provide strategic direction for, major projects and work stream enabled by City Deal funding;
- To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development;

- To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes.
- 3.6.** Benefits of Adur & Worthing Councils being members of the Greater Brighton Economic Board include:
- 3.7.** Working in partnership, the Greater Brighton City Region has brought significant benefits to the partner Local Authorities and agencies. Together the partnership has secured approximately £150 million of Growth Deal funding.
- 3.8.** Of this sum Adur and Worthing secured £27.5 million to support projects such as:
- Adur Tidal Walls (£6 million)
 - Union Place (£2.4 million)
 - Teville Gate (£3.3 million)
 - Decoy Farm (£4.84 million)
 - New Monks Farm and Airport Business Estate (£5.7 million)
 - Western Harbour Arm, Shoreham (£3.5 million)
 - Adur Civic Centre (£1.7 million)
- 3.9.** Working in partnership, Greater Brighton has also provided a platform to highlight local issues at a regional and national level. For example, the Board has taken action to highlight the importance of rail infrastructure to the City Region, in particular upgrades to the Brighton Main Line.
- 3.10.** Providing opportunities to promote the Adur and Worthing economies to a national audience, most recently as part of a regional conference held with senior Government Officials to identify opportunities for increased economic reach and awareness of the region.

4. Introducing NHS Sussex Integrated Care Board (ICB)

- 4.1.** In July NHS Sussex ICB wrote a letter to the GBEB Chair formally requesting to join the Board and attended the Board meeting on 16 July as observers.

- 4.2.** The Integrated Care System that covers Sussex (NHS Sussex) is responsible for healthcare for 1.7 million people across Sussex. It employs 50,000 staff with the largest components being the 20,000 employees at University Hospitals Sussex and 8,000 at East Sussex Healthcare. The NHS in Sussex has an asset base that covers 236 GP Practices, 9 acute sites, and around 14 other sites. The NHS Sussex Integrated Care Board (ICB) has 850 employees, and commissions the services for NHS Sussex health care providers. It currently has contracts with 267 individual providers making the organisation a big driver of economic growth in the area, both with the number of people it employs and the amount it spends on procurement. The ICB has expressed an interest in becoming a formal member of the Board, which would broaden the geographical reach of the Board to all of Sussex.
- 4.3.** When considering the request by Crawley to join the Board in 2018, it was agreed that the Board should adopt a fair and consistent approach to organisations that express an interest in joining, and for proposed new members consideration would need to be given to the following five questions;
- i. Does the organisation buy into the Board's agreed vision and priorities?
 - ii. Do they share economic characteristics and represent the Greater Brighton functional economic area?
 - iii. Do they add capacity to help the Board deliver on its agreed vision and priorities?
 - iv. Will they add to the Board's reputation, in terms of legitimacy, standing and reach?
 - v. Are they going to actively participate and commit resource to supporting the Board and deliver the work programme?

This methodology was also employed with regards Arun District Council's request to join in 2019.

- 4.4.** The Board has agreed to extend its membership, formally inviting the NHS Sussex ICB to become a constituent member of the GBBP. A change in membership triggers a variance in the Board's Heads of Terms that requires the formal ratification of all Joint Committee members. Some points for consideration are summarised below

Does the organisation buy into the Board's agreed vision and priorities?

- 4.5.** Inclusive growth is a priority for the Board. We know that whilst Sussex is a relatively affluent region based on many economic metrics, there

exists pockets of significant deprivation, particularly along the coast. People living in deprived circumstances may experience poor quality housing, low incomes, a lack of access to good food and places to exercise, and a sense of social isolation. These factors often have a negative influence on people's health choices and outcomes, with smoking, alcohol misuse, obesity and poor mental health more likely. This, in turn, increases the risk of them developing long term conditions which reduces their life expectancy, and this can also place demand on health and social care services.

- 4.6.** NHS Sussex has identified that 75% of deaths and disability across Sussex are influenced by health inequalities. The links between inequality, health, productivity and inclusive growth are clear – a healthy population is more productive and able to enjoy the benefits associated with growth. By working closely with NHS Sussex ICB and wider health partners, the GBEB Board can better address the challenge associated with health inequality and create the conditions where more residents can benefit from inclusive growth.
- 4.7.** Air Pollution has been identified as the largest single environmental risk factor in the UK; it is associated with 28,000-36,000 premature deaths annually, and disproportionately affects the most vulnerable in society. Estimates of the costs of air pollution impacts to human health in the UK are in the region of £20 billion per year. With around 4-5% of the country's carbon emissions and an increasing burden on the health of communities from climate change, the NHS has an essential role to play in meeting the Net Zero targets set under the 2008 Climate Change Act.
- 4.8.** Delivering a “Net Zero” National Health Service sets out two targets for the NHS;
 - Net zero by 2040 for directly controlled emissions (NHS Carbon Footprint), with an 80% reduction by 2028-32.
 - Net zero by 2045 for the emissions the NHS can influence but not directly control (NHS Carbon Footprint Plus), with an 80% reduction by 2036-39.
- 4.9.** The Health and Social Care Act 2022 places duties on NHS England (NHSE), and all Trusts, Foundation Trusts, and Integrated Care Boards (ICBs) to contribute towards these emissions reductions, climate adaptation and wider environmental targets. Decarbonising buildings is a key component of the net zero transition, with 10% of the NHS's carbon footprint coming from building energy. Grid decarbonisation has

contributed towards reduced emissions for the NHS, but NHS organisations must urgently take action to improve building fabric, optimise heating and lighting efficiency and replace existing fossil fuel heating systems.

- 4.10. The GBEB Board has recently agreed to use its convening powers and influence to drive transformational change across the region in the form of Sussex Energy, a mission for Sussex to achieve net zero energy status by 2040. This ambitious goal seeks to ensure that our community's energy use equals the zero-carbon energy generated locally, thereby enhancing energy security, driving down energy bills and addressing urgent climate concerns, at the same time as driving economic growth.
- 4.11. The Sussex Energy mission dovetails with the 'Net Zero' National Health Service targets. NHS Sussex has a high energy consuming infrastructure, across the whole region, making them a key anchor partner for scaled energy solutions.

Do they share economic characteristics and represent the Greater Brighton functional economic area?

- 4.12. As outlined above, the Sussex Energy Mission, launched by the GBEB Board in July '24, will require the Board to engage with stakeholders and develop partnerships across the Sussex region, so having NHS Sussex ICB as a Board member with a Sussex wide footprint will help build these relationships. The broadening of the membership to one with a wider geography is relevant and timely.
- 4.13. Furthermore, in line with the new Government's ambitions around devolution, discussions have been taking place around what a sensible devolution geography looks like in this region. One of those possibilities is for devolution at a Sussex wide footprint and if there is agreement to explore this further, credible discussions would need to involve regional stakeholders and influencers such as NHS Sussex ICB.

Will they add to the Board's reputation, in terms of legitimacy, standing and reach?

- 4.14. The inclusion of NHS Sussex ICB would be an asset to the Board. The ICB is a major economic actor in Sussex. It allocates a £3.6bn annual NHS budget, commissions services for the 1.7 million people across Sussex and supports the delivery of the system's five-year health and care strategy: Improving Lives Together. In its capacity as

commissioner of NHS services, the ICB is able to work with wider NHS partners across Sussex e.g. the NHS Trusts, Health & Wellbeing Boards, Primary Care Networks etc.

- 4.15.** NHS Sussex ICB is a statutory member of the Sussex Health and Care System. The Sussex Health and Care Assembly, as a statutory joint committee between the NHS and local government (NHS Sussex, Brighton & Hove City Council, East Sussex County Council and West Sussex County Council), comes together to formally agree the strategic direction for the health and care system. Its core purpose is to agree the strategic direction and facilitate joint action across a broad alliance of organisations to improve the outcomes, equality of access and patient experience of health and care services for all communities across Sussex. The Assembly has specific responsibility to develop the Integrated Care Strategy – Improving Lives Together, for its whole population using the best available evidence and data, covering health and social care, and addressing health inequalities and the wider determinants which drive these inequalities.
- 4.16.** The Sussex wide footprint of an organisation that touches so many people's lives makes NHS Sussex an important influencer with many partnerships which will be instrumental to spread GBEB's ambitions.
- 4.17.** NHS Sussex has identified that 75% of deaths and disability across Sussex are influenced by health inequalities, this is why we are using population health management to address and deliver improvements against six priority areas.

Are they going to actively participate and commit resources to supporting the Board and deliver the work programme?

- 4.18.** The ICB has an established Care Without Carbon team supporting experts by experience across all NHS organisations. The Team is building a good track record of securing high levels of investment and delivering large scale low carbon energy projects. To further advance its net zero objectives, the NHS Sussex ICB is forming active partnerships with wider public sector partners. The Board provides the NHS with a fantastic opportunity to work alongside public sector partners to actively communicate the importance of the energy mission in improving population health; to build resilience in energy supply by leveraging solar, wind, hydro, and other sustainable technologies; and to work together to support a reduction in the overall public sector estate footprint through better support for local communities. Having a

Sussex-wide footprint and a large number of assets provide significant anchor tenant potential and community reach, as in the case of the Worthing Heat Network, where NHS Sussex is a key anchor tenant and is working with Worthing Borough Council and other partners to deliver this transformational work programme.

- 4.19.** The NHS Sussex ICB are also supporting work on the emerging City Food Strategy Action Plan 2025-30, which is being developed by Brighton & Hove City Council and will feed into the wider Greater Brighton Integrated Food Systems Plan.

Do they add capacity to help the Board deliver on its agreed vision and priorities?

- 4.20.** By pulling together the resources of current Board Members, the ICB and wider NHS partners, there will be access to a larger pool of experience and expertise which will extend the range of solutions available. There will be greater leverage of DNOs and other suppliers through stronger collective purchasing power. By working together, across a wider geography, there will be opportunities to optimise the use of a vast public sector estate. There is opportunity to take a joined-up approach in engaging local communities to embrace sustainability and create local wealth.
- 4.21.** Furthermore, NHS Sussex ICB attended the July Board meeting and Sussex Energy Launch as an observer. They have nominated a prospective representative to sit on the Board as well as a deputy and have also nominated a member of the Team to sit on the Programme Board. NHS Sussex ICB have also attended recent Sussex Energy meetings so are already participating in and adding value to the Board's work.

5. Engagement and Communication

- 5.1.** This report has been developed following advice from Greater Brighton Business Partners based in Brighton & Hove City Council as lead authority for the Greater Brighton Economic Joint Committee.
- 5.2.** Any media engagement of the expansion of the Board's membership will be coordinated by the Greater Brighton Communications team.
- 5.3.** The Board was consulted on the request from NHS Sussex ICB to join the Board and took the decision to extend the membership. The

governance committees of constituent Board members are being consulted given the required change to the Heads of Terms.

- 5.4. The Joint Strategic Committee is asked to note the benefits of NHS Sussex ICB joining the Board and accordingly approve the extension in membership by agreeing the change to the Board's Heads of Terms.

6. Financial Implications

- 6.1. Constituent members make annual contributions toward the operational costs of the Greater Brighton Economic Board. These operational costs include running costs such as employees, legal, finance, administrative and democratic services support. The contribution also supports specific work plans which are reported to this board throughout the year. The member's contributions are based upon the organisation's percentage of working population.
- 6.2. Budgets for the contributions from Adur and Worthing Councils for 2024/25 are included within the Councils' budget (Adur £10,000 and Worthing £18,000).
- 6.3. In joining the Greater Brighton Economic Board, NHS Sussex ICB will be required to make a budgetary contribution towards operational costs in line with other Business Partners as agreed within the Operational Arrangements 2024/25 at the Board meeting on 16 July 2024.

7. Legal Implications

- 7.1. The GBEJC is a joint committee established pursuant to section 102 of the Local Government Act 1972. The Local Government Act 1972 and The Local Authorities (Arrangement for the Discharge of Functions (England) Regulations 2012 requires the constituent authorities of a joint committee to decide the membership of that committee. The constituent authorities can make the decision that NHS Sussex Integrated Care Board (ICB) can become a constituent member of the Board.
- 7.2. 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
- 7.3. 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.

- 7.4** s1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Council.

Background Papers

- [Greater Brighton Heads of Terms](#) (BHCC Council Paper, July 2024)
- [Greater Brighton Economic Board Operational Arrangements 2024/25](#) (BHCC Council Paper, July 2024)

Sustainability & Risk Assessment

1. Economic

- The Greater Brighton Economic Board represents the economic development interest of the City Region. Officers and elected members' representation ensures that the local interests of Adur and Worthing are reflected and considered in the deliberations and activities of the Board and the promotion of Greater Brighton.

2. Social

2.1 Social Value

- With the NHS Sussex ICB joining the GBEB Board, this will allow the 'health voice' into the economic conversation and, as outlined in the paper, a clearer connection and resemblance between inclusive economic growth and health inequalities, which have a social and personal outcome.

2.2 Equality Issues

- The NHS Sussex ICB and wider NHS organisations are committed to reducing health inequalities. By working closely with NHS Sussex ICB and wider health partners, the Board can better address the challenge associated with health inequality and create the conditions where more residents can benefit from inclusive growth.

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

- There are no sustainability implications directly related to this report. However, both the Board and NHS Sussex ICB have ambitious targets associated with net zero, and this will be a strong feature of the future work programme.

4. Governance

- Adur District Council and Worthing Borough Council are governance partners of the Greater Economic Board and have been since inception. Both Leaders attend the Board meetings, supported by the Chief Executive and / or a senior officer.



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
14 January 2025

Key Decision Yes

Ward(s) Affected: Central Ward, Worthing

Union Place - Entering into a Land Sale Agreement with Roffey Homes Ltd for Union Place

Report by the Assistant Director for Regenerative Development
with Phil Graham, Regenerative Development Project Manager

Officer Contact Details

Chris Maughan - chris.maughan@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. This report outlines the progress made with the Union Place project and the next steps needed to enable commencement of delivery of the construction programme.
- 1.2. The report sets out the background to the proposed transition from a Joint Venture agreement to a Sale Agreement for Union Place, parcels A,B,C (Appendix 1) with Roffey Homes Ltd.
- 1.3. The purpose of this report is to seek approval from members of the Joint Strategic Committee for the Council to enter into a Sale Agreement with Roffey Homes Ltd, to enable the development of Union Place to proceed.
- 1.4. The Council intends to acquire Parcel C from London & Continental Railways Ltd and thereafter to sell through a land transfer (Parcels A, B and C as detailed in Appendix 1) to Roffey Homes Ltd to enable construction and redevelopment of the Union Place site.
- 1.5. The report updates Members of the Committee on Homes England's agreement to provide development funding to Roffey Homes to enable the construction and redevelopment of the Union Place site.

- 1.6. The proposed Sale Agreement to Roffey will facilitate the development in accordance with existing planning permission (AWDM/1618/23).
- 1.7. An Exempt Appendix 1 to the report sets out the draft Commercial Heads of Terms for the proposed land transaction between the Council and Roffey Homes Ltd.

Exempt Appendix 2 sets out the draft heads of terms for the proposed surrender of the NCP lease relating to Parcel A of the Union Place site.

Exempt Appendix 3 contains Professional and legally privileged advice providing rationale and background on the proposed Heads of Terms at Exempt Appendix 1 relating to the sale price, proposed surrender agreement with NCP, procurement advice and comments relating to the District Heat Network.

2. Recommendations

That members of the Joint Strategic Committee are asked to consider the contents of this Report and the Exempt Appendices 1, 2 & 3 and:

- 2.1. Note:
 - a) the draft commercial Heads of Terms for the proposed land transactions between the Council and Roffey Homes Ltd (Roffey) (in exempt Appendix 1).
 - b) the reasoning for why a Sale Agreement (SA) is the appropriate option for the Council and Roffey, rather than a Joint Venture Agreement between those parties for proposed development of Union Place (as set out in Paragraph 4 below).
 - c) The further advice and comments in exempt Appendix 3
 - d) The SA is proposed to be conditional on:
 - (i) Development funding being agreed with Roffey to enable delivery of the construction and redevelopment of the Union Place site;

(ii) the Council has complied as appropriate with its obligations in respect of procurement and subsidy control; and

(iii) commercial advice that the Council has complied with its obligations under Section 123 Local Government Act 1972 (Best Consideration).

2.2. Delegate authority to the Assistant Director for Regenerative Development in consultation with the Leader of the Council and the Cabinet Member for Regeneration to:

- a) Negotiate, finalise and agree the commercial heads of terms for the proposed Sale Agreement and transfers of the Council's land at Union Place to Roffey in the Phases set out in this report at paragraph 6 to facilitate development of the Union Place site in accordance with the approved planning permission.
- b) Negotiate, finalise and agree the legal documentation comprising a Sale Agreement at Union Place and any other related contractual documents required by the Council (including with funders of the development as required) and to enter into the legal documentation subject to the Assistant Director for Regenerative Development, in consultation with the Leader and Cabinet Member for Regeneration, being satisfied that:-
 - In entering into the legal documentation, the Council will receive best consideration reasonably obtainable under s123 Local Government Act 1972 and
 - Updated procurement and subsidy control advice has been received and is satisfied that the Council is compliant with these legislative requirements.
- c) Negotiate and enter into agreements for release of third party rights (if required) affected by the development of Union Place under s203 Housing & Planning Act 2016, (subject, as appropriate, to obtaining obligations from Roffey) and providing always such agreements are within the allocated budget;
- d) Negotiate and agree the final heads of terms for surrender of the existing NCP lease relating to Parcel A in accordance with the draft heads of terms set out in Exempt Appendix 2 and in accordance with paragraph 4 of Exempt Appendix 1, to

finalise, agree and enter into the required legal documentation with Roffey and NCP, providing the terms of surrender are within the approved budgets and as set out at paragraphs 6.4 and 6.5 below;

- e) Authorise the acquisition of the freehold interest in the High Street Car Park site (Parcel C) from LCR for £542,500 funded by the Council and acquired for planning purposes facilitating use of the Council's powers in Section 203 Housing and Planning Act 2016 as previously authorised by the Committee on 12th September 2024;
- f) Authorise if required (to facilitate the acquisition of Parcel C) an extension of the Option to acquire the same under the Deed of Termination and Option dated 18th April 2024 referred to in paragraph 3.4 below, originally entered into between LCR and the Council to enable purchase of Parcel C as authorised by the JSSC on 14th March 2024.

3. Background

- 3.1. Union Place is situated, east of the Connaught Theatre and west of the High Street. The site includes 3 parcels of land. It comprises:
 - 3.1.1. Parcel A: NCP surface car parking facility owned and acquired by WBC in 2017.
 - 3.1.2. Parcel B: a cleared site of unmade ground to the former Police Station acquired by the Council in 2018.
 - 3.1.3. Parcel C: an adjoining small area of surface car park along the High Street owned by London & Continental Railways and leased to WBC.
- 3.2. The overall Union Place site is shown edged red (Appendix 1), and the Land Parcels are marked on the plan respectively 'A', 'B' and 'C'.
- 3.3. The Worthing Local Plan identifies a number of sites that have been set out to housing in Worthing over the 2020 - 2036 plan period. Union Place is one of these sites situated in a key strategic location of Worthing.
- 3.4. Worthing Borough Council undertook the land assembly to support the redevelopment of the Union Place site before entering into a LandPool and Promotion Agreement with government owned regeneration

specialist London and Continental Railways (LCR) on 17th October 2018. The Landpool Agreement has since been terminated (under a Deed of Termination and Option dated 18 April 2024 between (1) LCR and (2) the Council). Under the 18 April 2024 Deed, the Council has an option to acquire Parcel C from LCR on giving notice to this effect to LCR LCR for £542,500 (and costs previously paid to LCR, referred to in paragraph 3.13 below) on giving notice to this effect to LCR. The option is due to expire on 13th April 2025, although LCR might honour the 18 April 2024 Deed anyway, or might potentially agree to extend the Deed if necessary.

- 3.5. LCR who brought considerable expertise and knowledge helped to attract a delivery partner to build out the Union Place site. The partnership established with LCR is a model that LCR is now using with partners in other places.
- 3.6. With LCR a development strategy was prepared to deliver a mixed use scheme at the Union Place Site, and outline planning permission was secured for this, in November 2020. Obtaining this consent helped to de-risk the development strategy for the site, and helped define the achievable land use, density, scale and height.
- 3.7. In February 2022 at the Council's Joint Strategic Committee (JSC), members considered an update on marketing the site following the successful enabling exercise with LCR Property. The report identified Roffey as the preferred bidder for the site, and delegated authority to officers to negotiate a Joint Venture Agreement (proposed to be through a limited liability partnership vehicle (JV LLP), in order to support the necessary land transactions related to the redevelopment of the Union Place site.
- 3.8. In March 2023 the Worthing Joint Strategic Sub-Committee (JSSC) considered an update report on progress with the Joint Venture Agreement and noted the outstanding issues that remained to be resolved.
- 3.9. The Joint Strategic Committee on 11 July 2023 agreed to progress the negotiations and drafting of the JV LLP and all associated contractual documentation required to establish the Partnership between the Council and Roffey for the purpose of developing the Union Place site.
- 3.10. On 14 March 2024, planning permission was granted to Roffey for the construction of a residential-led mixed use development of the Union Place site (AWDM/1618/23).

3.11. The most important principles underpinning the Council's involvement in Union Place have been to:

- deliver high-quality, and environmentally friendly, design and architecture;
- deliver capital receipts that can be used to support the delivery and maintenance of new infrastructure;
- maintain a focused approach to support the viability of the scheme and potentially, attract central government funding to support new homes;
- maximise the number of homes delivered, in particular, genuinely affordable homes; and
- bring forward other uses that will enhance the town's centre and promote economic recovery.

The key focus of the proposed development is to deliver 216 units on the Union Place site in a series of connected blocks surrounding raised residents' gardens. The homes and gardens would sit on top of a 236-space car park, of which 90 of the spaces would be for the residents and 146 available for visitors to the town centre. A pocket park would be situated at the south-eastern corner of Chatsworth Road and High Street.

3.12. On 14 March 2024 Worthing Joint Strategic Sub-Committee (JSSC) considered an update report and agreed to work towards the transfer of land parcels A,B,C into the JV LLP to be owned jointly between the Council and Roffey. The committee agreed to surrender the current lease with NCP in connection with the redevelopment and to support a new year 10 year lease with NCP of an undercroft car park facility under the (then) proposed new JVA with the new lease to NCP intended to be granted on completion of the development (or earlier by agreement).

3.13. JSSC further agreed to the Council paying to LCR the agreed promotional and marketing costs as set out in the report to the Committee on 11th July 2023 and agreed to the Council purchasing the freehold interest in the High Street Car Park site (land parcel C) from LCR for the sum of £542,500.

3.14. Council officers have previously taken legal, procurement and subsidy control advice as well as carrying out financial due diligence assessment in relation to the proposed development but this will need to be updated prior to entering into the agreements as anticipated at recommendation 2.2 (b) to this Report.

4. Agreement to enter into a Sale Agreement (SA) with Roffey Homes Limited

- 4.1. The Council has continued to develop a partnership approach with Roffey. However, further investigations, clarifications and due diligence have been undertaken in terms of viability, level of risk for the Council and cost of partnering a Joint Venture.
- 4.2. The structure of the proposed Joint Venture would create a 50/50 risk liability, equity stake and profit share for the partnership. This included land being transferred by the Council with capital funding, development costs and development expertise being provided to the Joint Venture by Roffey.
- 4.3. The intent of the Joint Venture had been to deliver capital receipts for the Council and for Roffey, that could (in the case of the receipts to the Council) be utilised to support the delivery and maintenance of new infrastructure.
- 4.4. The financial climate has changed considerably for Worthing Borough Council since the original intention to partner in this Joint Venture with Roffey for Union Place, so much so that the Council has had to take all reasonable measures, specifically associated with significantly reducing any revenue and capital expenditure.
- 4.5. A review has been undertaken of what are understood to be non-essential requirements for the Council to perform or deliver directly to protect itself from unnecessary and avoidable financial exposure and to ensure essential savings are achieved in the short and medium term.
- 4.6. As part of this process an officer working group, supported by CBRE's commercial advisors, has undertaken a review of the Council's option to enter into a Joint Venture Agreement for development of Union Place with Roffey. The findings from this review have led to the necessary change of course which is set out in this report, ensures that the redevelopment of Union Place remains on track and that mitigation measures are put into place to remove or reduce costs, liabilities and exposure to risk for the Council.
- 4.7. Furthermore, the Council's financial review has revealed significant constraints necessitating a reassessment of current and future investments. The transition to a Sale Agreement (SA) for Union Place aligns with these constraints by reducing the Council's financial exposure and providing a more controlled investment approach.

- 4.8. The JV structure for the development of Union Place, as had been proposed, is no longer considered consistent with the Council's appetite for risk and the financial challenges it is experiencing. This proposed structure presented a number of concerns and complexities. Including the limitation of resources and specific development skills and expertise available for the council and potential exposure to cost uncertainties for which the Council would have been liable, and (for the reasons in paragraphs 4.6, 4.7 are now considered to be unacceptable for the Council.
- 4.9. To safeguard the Council's interests, a change in strategy has been essential. The proposed Sale Agreement (SA as per Recommendation 2.1b) offers a clearer path to manage the Council's financial exposure to ensure better compliance with statutory requirements, protecting public funds and giving greater certainty to the Council about generating financial returns from its assets.
- 4.10. This approach removes the Council's exposure to the main risks and liabilities associated with the development and better enables the Council to manage and control costs arising from the SA and its agreement with Roffey. It would present greater certainty as to what capital receipt the Council would receive for the site; and delivery of the development and the level of reward to which Roffey would be entitled from the development of the site.
- 4.11. This approach will benefit Roffey as they will have the ability to progress with the development without seeking partnership approvals from the Council and (to a much greater extent than under the previously proposed Joint Venture) place the total risk/reward within Roffey's own control. The Council will be required to facilitate the site assembly with the NCP surrender and acquisition of the LCR land (Parcel C) for the purpose of the development, and to manage its s203 obligations.

5. Development funding

- 5.1. Roffey Homes have been in negotiation with funders to secure loan funding for the development. This funding will support the associated cost to finance the carrying out of the development.
- 5.2. A viability assessment and business case has now been prepared by Roffey Homes. This has been established in order to demonstrate and justify the viability of the development and commitment. Roffey Homes have confirmed that they have secured commitment to the funds necessary for the development.

- 5.3. The formation of the land transfer to Roffey will be subject to Roffey Homes demonstrating agreed terms and conditions for the provision of suitable development funding.

6. Land Transfers

- 6.1. The key principles of the land transfer from the Council to Roffey are as follows:
- To give notice to LCR exercising the option to acquire the LCR land (Parcel C):
 - To terminate the WBC Lease to which Parcel C is subject;
 - To take a surrender of the NCP Lease at the appropriate time, to which Parcel A is subject:
 - To transfer Parcels A, B and C to Roffey in appropriate sequence;
 - To grant a long lease to Roffey (similar to a transfer of that land, but as a long lease for property law reasons) of the access way to the south of Parcel B, from Chatsworth Road, intended to serve the development.
- 6.2. The associated land (shown in Appendix 1) would be transferred with delegated authority given to the Assistant Director for Regenerative Development on the basis that the terms for the land transfer would be contractually agreed (having regard to due diligence in relation to procurement and subsidy control advice before the LCR land is acquired and the Council's lease of the LCR land is terminated, or the Assistant Director should otherwise be satisfied that purchase of the LCR land should proceed).
- 6.3. As well as set out in the Recommendations, these land transfers are subject to contractual legal drafting being finalised. The transfers would proceed in accordance with the commercial heads of terms for this, once finalised between the Council and Roffey (Exempt Appendix 1 in draft) and the land valuation report undertaken for the Council owned land by CBRE, the Council's commercial advisers.
- 6.4. The surrender of the current lease agreement with NCP would be in accordance with heads of terms to be agreed between the Council, Roffey and NCP (the current heads of terms being in Exempt Appendix 2). The cost of surrender of the lease will be funded by Council's capital receipt from the sale to Roffey.

- 6.5. The surrender of the NCP lease would be accompanied by a commitment by Roffey to grant a new 10-year lease (or other) to them for a new 146 car park from completion of the development
- 6.6. To enable sale and development of the site, the Council will purchase the freehold interest in the High Street Car Park site (land parcel C) from LCR for the sum of £542,500, in accordance with the Deed of Termination and Options Agreement, dated 18th April 2024 referred to in paragraph 3.4 above and surrender or terminate the Council's current lease under which the Council operates the LCR surface car park on Parcel C. The costs of the purchasing of the LCR land will be borne by the Council's capital receipt from Roffey or otherwise as envisaged by Recommendation 2.2(d) above (it being possible, within authority to be delegated to the Assistant Director for Regeneration Development, that the Council might purchase the LCR land and terminate the Council's current lease in order to secure the LCR land, whether or not the sale to Roffey is in place and proceeds.

7. District Heat Network

- 7.1. The redevelopment at Union Place will connect to Worthing's District Heat Network, subject to negotiations and final agreements. This new infrastructure is playing a major role in Worthing town achieving Net Zero by 2045.

8. Best Consideration and S123 Obligations

- 8.1. The Council obtained initial commercial advice from its advisers CBRE in February 2024, which has been kept under review. In accordance with the Council's Best Consideration obligations under s.123 Local Government Act 1972, the Council will need to demonstrate that the findings of the report are still valid. A satisfactory updated report will be provided for the review of the Assistant Director for Regenerative Development including Procurement and Subsidy control advice as pre-requisite to entering into the final legal contract for sale of the Union Place land to Roffey

9. Planning Consent/S106

- 9.1. Planning consent for the development was issued to Roffey Homes Ltd on 14 March 2024. Therefore, if Roffey proceeds with the development, Roffey will be fully responsible for delivery on the consent and any associated S106 obligations assigned to the development (unlike under the previously proposed Joint Venture, where the Council as joint venture partner, had some indirect responsibility for, and risk arising from this).

10. High level Construction Timetable

- 10.1. On agreement to enter the SA by the Council with Roffey, it is anticipated that a sequenced mobilisation programme will be undertaken on the site which will be fully hoarded in preparation for the construction programme.
- 10.2. The construction is anticipated to take place mainly between 2025 - 2027. This is expected to be achieved through a phased approach, subject to Building Safety Regulator approval, with the first core build expected to be completed with the new NCP Car Park in 2027.
- 10.3. The phased approach is proposed, so that development of Parcels B and C can commence and be progressed as soon as possible, with development of Parcel A (the NCP car park land) being commenced once Roffey is ready to proceed with this (expected to be later than for Parcels B and C), the NCP lease being surrendered at that stage (under a surrender agreement to be entered into with NCP at the same time as the sale agreement with Roffey). This is to enable the NCP lease to remain in place (with rent continuing to be paid by NCP to the Council) until Roffey is ready to commence and proceed with development of Parcel A.
- 10.4. The completed development construction is anticipated to be fully completed, subject to any programme delays, at the end of 2028.
- 10.5. It is anticipated that sales will take up to 18 months past the completion date, as a worst case scenario.

No	ITEM	TIMESCALE
1	Land transaction established	2025
2	Construction Mobilisation	2025
3	Commencement of Construction work	2025
4	NCP/Core D completed	Summer 2027
4	Construction Period	2025 - 2028
5	Completion	2029

11. Engagement and Communication

- 11.1. The development has secured planning consent and been consulted upon with the public and with stakeholders.
- 11.2. The Leader and Deputy Leader and Cabinet of Worthing Borough Council have been fully briefed on the proposed terms for the land transaction.

12. Financial Implications

- 12.1. The Council's finance team has undertaken a medium term financial assessment of the proposed options for Union Place and have concluded that a land transaction is the preferred choice to support the Council's financial objectives. This also aligns with the Council's review and adjustment from a Joint Venture (JV) proposal to a SA.
- 12.2. A Sale Agreement will regenerate Worthing town centre, and provide the Council with a capital receipt, whilst reducing the cost risks associated with a Joint Venture and allowing the delivery of new homes in Worthing Town Centre and in doing so, generating new Council tax and business rates.
- 12.3. The professional fees associated with concluding the land transactions estimated to cost up to £103,000 will be funded from the capital receipt the Council receives on completion of the land purchase agreement. It is of note that if plans were unchanged and the Council entered into the JV similar costs would be incurred in transferring the land into the JV entity.
- 12.4. There will be a need for further financial analysis as negotiations progress on any land sale subsequent to this report, to ensure that the officers with delegated authority are equipped with the information required. At this time, the timing, nature and size of the capital receipt are not sufficiently established to enable presentation of detailed analysis.

13. Legal Implications

- 13.1. 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.
- 13.2. Section 3 (1) of the Local Government Act 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

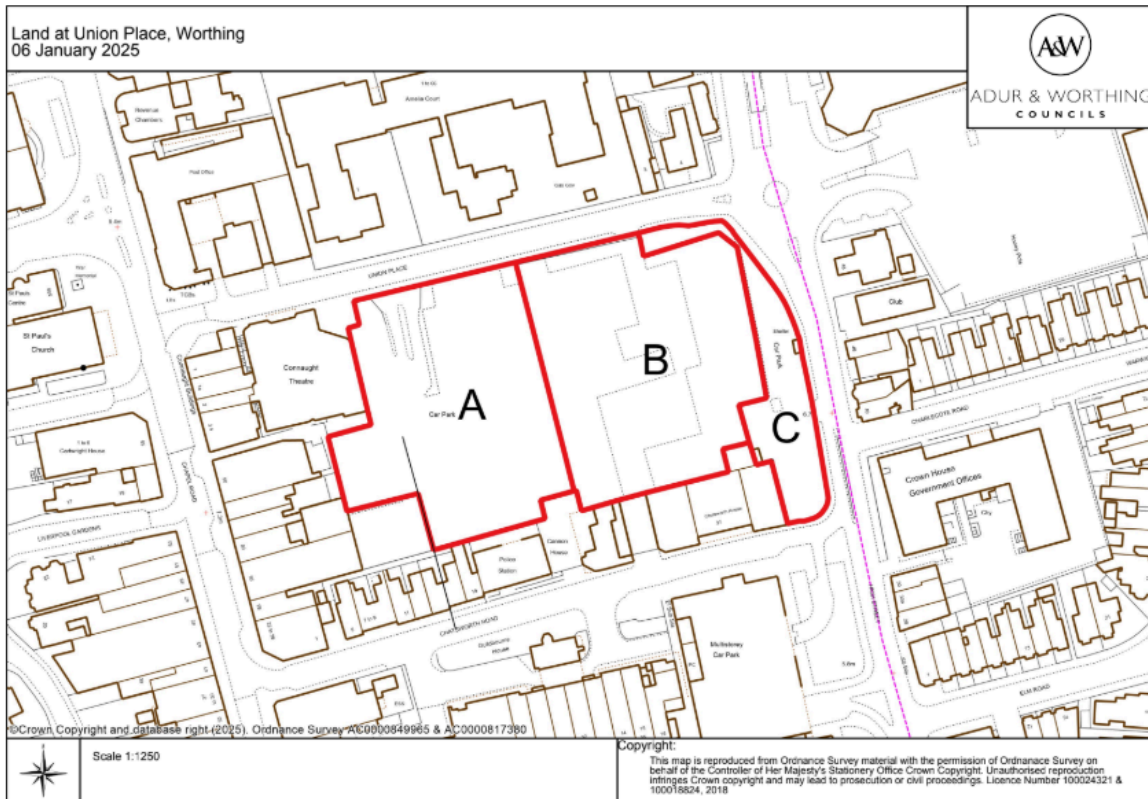
exercised, having regard to a combination of economy , efficiency and effectiveness.

- 13.3. Section 1 Local Government (Contracts) Act 1997 confers power on the Council to enter into a contract for the provision for making available of assets or services for the purposes of, or in connection with, the discharge of any function conferred or imposed by statute on the Council.
- 13.4. At Exempt Appendices 1, 2, 3 there are additional documents which are exempt under the Local Government (Access to Information) Act 1985 as the information relates to the financial or business affairs of Worthing Borough Council and/or contains legal advice. This information must be given due consideration and taken into account prior to members reaching a decision.

Background Papers

- Report to Joint Strategic Committee 12/09/2024 - Union Place – Exercising Powers of Appropriation
- Report to Joint Sub-Committee 14/03/2024 - Joint Venture Partnership with Roffey Homes
- Report to Joint Strategic Committee 11/07/2023 - Joint Venture Partnership with Roffey Homes
- Report to Joint Strategic Committee 16/03/2022 - Union Place Joint Venture with Roffey Homes Update
- Report to Joint Strategic Committee 08/02/2022 - Union Place - selection of preferred developer
- Report to Joint Strategic Committee 06/11/2018 - Union Place Update
- Report to Joint Strategic Committee 10/04/2018 - Union Place Redevelopment

Appendix 1.



Sustainability & Risk Assessment

1. Economic

The development delivers new homes and space for businesses to expand. The scheme is strategically important for the town centre and will benefit local shops and services.

2. Social

2.1 Social Value: the development provides an important opportunity to secure the delivery of genuinely affordable homes; to demonstrate local employment and offer opportunities for young people to secure training and develop skills.

2.2 Equality Issues: the project offers an important opportunity to address diversity and inclusion matters through the recruitment and selection of those people working on the project and in the provision of training and Skills.

2.3 Community Safety Issues: the development will take a positive approach to designing out crime and addressing matters such as safe pedestrian routes and areas for play. Design aspects such as lighting will take into account the importance of people feeling safe at night.

2.4 Human Rights Issues: the project will ensure that aspects such as people trafficking are considered through the construction process and in the selection of contractors and sub-contractors.

2.5 The construction programme will deliver local procurement and employment strategies and offer on-site opportunities for training and skills development for local residents and communities.

3. Environmental

Sensitive redevelopment of the site offers a significant opportunity to enhance biodiversity and to improve the local environment through planting and the provision of open spaces.

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. The governance associated with the delivery of the project is set out in the body of the report and formal updates will be provided to members of the Worthing Joint Strategic Committee Sub-Committee.

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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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