



Key Decision [No]

Ward(s) Affected: Central Ward
Cabinet Portfolio: Regeneration

Marketing of Grafton Multi-Storey car park Report by the Director for Place

Officer Contact Details

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Executive Summary

1. Purpose

- 1.1. The purpose of this report is to advise members of the Committee of the proposed marketing of the Grafton Multi-Storey car park (GMSCP) and adjoining council owned properties (see plan Appendix 1) and to seek the Committee's approval of the assessment criteria for those bids received.

2. Recommendations

- 2.1. To note the contents of the report and to agree the key development priorities for the site (Table 1).
- 2.2. Delegate authority to Assistant Director, Regenerative Development to:
 - a) Proceed with the marketing of Grafton Multi-Storey car park and adjoining council owned properties.
 - b) Present a report back to the Joint Strategic Sub-Committee following the outcome of the marketing process (set out in Pg 5-6).
- 2.3. Delegate authority to the Cabinet Member for Regeneration to sign off the Marketing Brochure.

3. Background & Context

- 3.1.** The Grafton Multi-Storey Car Park (GMSCP) was constructed in the 1960's, over six stories and ten levels. The site consists of a 440 space multi-story car park, retail units, a 26 lane bowling alley, food court and service/access ramps. It also has access at the 5th floor level to the adjoining Knightsbridge House apartment building.
- 3.2.** GMSCP is a key development site in Worthing town centre overlooking the historic Lido and seafront. There has been a long-term aspiration to redevelop the site with a housing-led, mixed use regeneration scheme that incorporates commercial, leisure and retail uses whilst improving the public realm and integrating the seafront and town centre. This objective has been reflected in various strategies and funding initiatives including the Worthing Investment Prospectus (2016), the Seafront Investment Plan (2018) and the adopted Worthing Local Plan (2023). Furthermore, development of the site relates to two of the missions identified in Our Plan "Thriving Places" and "Thriving Economy".
- 3.3.** Successful redevelopment of the GMSCP site will support the town's economy over the longer term. It will rejuvenate and enhance public realm connectivity between the western end of Montague Street, the Lido, Marine Parade and Montague Place.
- 3.4.** The existing structure is coming to the end of its natural economic life cycle. Therefore to reduce the risk of further increasing financial and safety implications, it is proposed to market the site to secure private sector development/investment in this core location.
- 3.5.** The council commissioned the development arm of global real estate consultancy CBRE to work alongside officers to resolve a number of constraints of varying complexity that have historically prevented the site from being developed. These issues have now been identified and thoroughly investigated, including financial viability, access, neighbour amenity issues and investigations into the land titles. These investigations have been necessary to prepare the site for achieving vacant possession to enable marketing of the site and to realise a capital receipt.
- 3.6.** The general condition of the car park is deteriorating due to its age, functionality and the harsh coastal conditions. Ever increasing costs will be required to maintain the fabric of the car park and its operational

capability. The upper floors of GMSCP have been considered underutilised for a number of years.

- 3.7. The council's longer term ambitions are to promote alternative forms of sustainable transport in the town and to reduce the reliance on car parking where possible. However, the town centre has a number of existing, new and proposed car parking facilities that will provide central parking capacity.
- 3.8. GMSCP is now deemed to be at the end of its economic life and the rate of repairs is increasing. The structure is over 60 years old and ongoing maintenance to retain operations will exponentially increase.

4. Development Approach

4.1. Establishing a full understanding of the site's constraints has informed the council's delivery strategy and approach. A key aspect of working with CBRE has been their advice on how best to bring forward the redevelopment of the GMSCP. The following five development options have been considered:

- 1) Sale of the freehold.
- 2) Sale under a development lease structure with a transfer of the freehold/long leasehold deferred.
- 3) Development Partner Joint Venture - via Development Agreement (DAJV).
- 4) Corporate Partner Joint Venture - via Corporate Structure (CJV).
- 5) Direct development by WBC

4.2. A sale under a development lease structure with a transfer of the freehold/long leasehold deferred (item 2 above) until delivery obligations have been fulfilled has been chosen as the preferred disposal route given it provides the Council with control through pre-conditionality/contractually reserved approval rights / lease covenants.

4.3. To agree the development principles that will determine the nature (residential led-mixed use with, inter alia, enhanced public realm, enlivened ground floor use and promenade connectivity). A workshop with members and officers was held in August 2023. This established the core priorities for the development under the following 4 key themes:

- Design & Place
- Sustainability
- Housing Standards and Delivery
- Open Space

In evaluating the 4 key themes the following development priorities were identified:

(Table 1) Key Development Priorities

Design & Place	Open Space
<ul style="list-style-type: none"> • Provide a new, residentially led (all classes), mixed use redevelopment, incorporating a significant quantum of energy efficient homes, with community facilities and supporting ancillary uses. • Deliver a policy compliant affordable housing element to the scheme. • Deliver high quality architecture that reflects the seafront location and prominence of the site and its potential to support the Lido and historic seafront. • Adhere to the design principles detailed within the National Model Design Code. • The development should be cognisant of its setting and the potential it affords to support the revitalisation of the Lido and leisure, retail and hospitality provision as part of a modern, diverse seafront Economy 	<ul style="list-style-type: none"> • Provide permeability between Montague Street and Marine Parade which maximises public 'green' space • Create attractive, high quality public realm and amenity space within the development to ensure it properly supports the community • Consider traffic calming measures to improve pedestrian access to the Lido across Marine Parade

Housing Standards & Delivery	Sustainability
<ul style="list-style-type: none"> ● Developers should embrace the local community and seek, where possible, to provide a platform for community wealth, building through provision of training and skills development at all stages of the development ● Developers are required to detail how social value will be delivered throughout the lifecycle of the development 	<p>The developer and custodians of the completed development should:</p> <ul style="list-style-type: none"> ● Embrace sustainable technology ● Ensure that the neighbourhood is resilient to the threats posed by the climate crisis by: <ul style="list-style-type: none"> - reducing greenhouse gas emissions - pursuing a net zero carbon solution - tackling poor air quality - the incorporation of greening initiatives and water features ● Enhance the biodiversity of the environment

4.4. The relationship of any new development in this specific location should have regard to Worthing Lido’s Grade II Listed structure by enhancing connectivity between Montague Street and the seafront with an attractive public realm. The Council also acknowledges the requirement to ensure an appropriate leisure offer either within the development or elsewhere in the Town Centre.

5. Marketing Approach and Assessment Criteria

5.1. The workshop helped inform the council of the GMSCP’s development potential and the need to devise and undertake a marketing exercise to bring the site forward for redevelopment.

5.2. The Council does not have the financial resources or capacity to undertake the regeneration of the site itself and, therefore, is seeking to secure private sector investment to help deliver its regeneration ambitions.

5.3. Advice from CBRE recommends that the freehold interest should not be conveyed until satisfactory completion of the development as this approach ensures the Council has a greater degree of control (in addition to planning compliance) over delivery.

- 5.4.** A bespoke marketing brochure will be produced to showcase the development site and inform potential bidders of the council’s core development priorities.
- 5.5.** Shortlisting proposals and financial offers will be assessed based on financial viability and implementation/deliverability criteria. Considerations will include:
- Financial offer
 - Funding strength
 - Strength of covenant
 - Track record of delivery; and
 - Compliance with development priorities
- 5.6.** A schedule of the proposed marketing programme of the freehold of GMSCP and adjoining commercial properties is set out below:

(Table 2) Marketing and Procurement Schedule

Preparation for Marketing	(Draft) Timescale
Worthing Joint Strategic Sub Committee Report (WJSSC)	9 November 2023
Adjustment of Marketing Brochure for the development site (Appendix 1)	November 2023
Preparation and Collation of Data Room	December 2023
Commence marketing of development site	January 2024
Selection of Parties for 2nd Stage	April 2024
2nd Stage process	April-June 2024
WJSSC Report to select preferred Party	July-Aug 2024

6. Financial Implications

- 6.1.** As part of the marketing process and sale of the freehold to the preferred development partner. The final assessment will be supported by an expert independent valuation. The proposed approach will ensure that aspirations for the site are reflected in design and commercial decisions which will ensure that the Council’s investment is recouped within the planned timescale.

- 6.2. Preparation work for marketing will be met from the existing Major Projects budget.
- 6.3. Income will diminish pro-rata when there is an inability to use car parking spaces which are located in areas that are deemed unsafe. This may be offset by the dispersal of customers to other car parks that are not currently at capacity.
- 6.4. Rental income from tenants will be lost with the sale of the site.

Finance Officer: Emma Thomas

Date: 27/10/2023.....

7. Legal Implications

- 7.1. 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.
- 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 local authority 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 local authority.
- 7.5. Section 123 Local Government Act 1972 provides the Council with the power to dispose of land with the caveat that the Council must not do so for a consideration less than the best that can be reasonably obtained.
- 7.6. Circular 06/03 Local Government Act 1972 General Disposal Consent (England) 2003 provides criteria and guidance for circumstances when a local authority considers it appropriate to dispose of land at an undervalue.
- 7.7. The Appendix is exempt under the Local Government (Access to Information) Act 1985 as the information relates to the financial or

business affairs of Worthing Borough Council. This information must be given due consideration and taken into account prior to members reaching a decision.

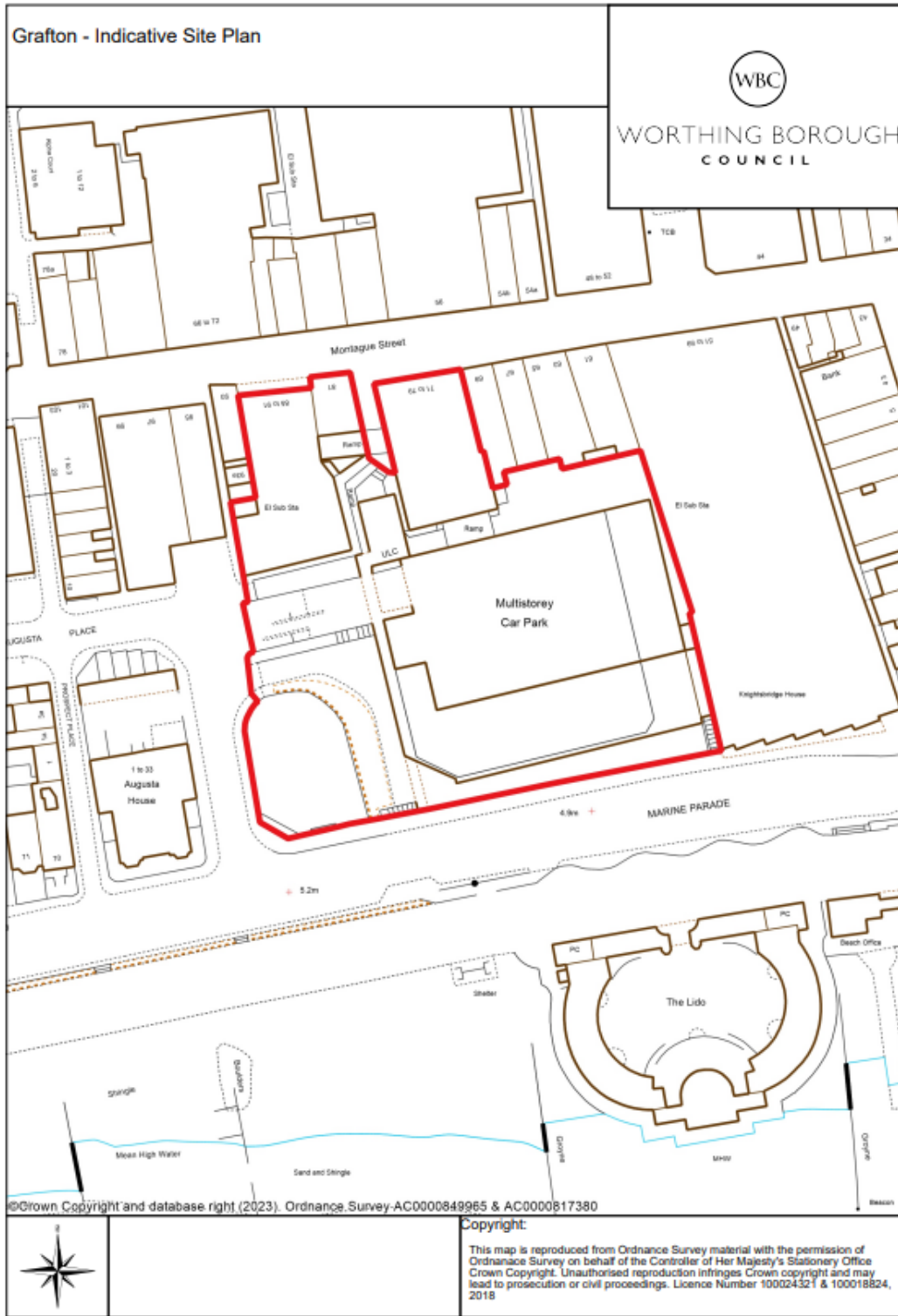
Legal Officer: Andrew Mathias.

Date: 27 October 2023.

Background Papers

- [Joint Strategic Committee, 1 December 2020](#)
- [Worthing Local Plan 2023](#)

Appendix 1 Grafton Development Envelope Plan



Sustainability & Risk Assessment

1. Economic

- The project is strategically interlinked with a planned wider investment programme connected with future developments at other key sites in Worthing.
- Redevelopment of the Grafton Multi-Storey Car Park site will contribute to the creation of an enhanced entrance to the seafront and town centre, providing an economic boost to existing businesses, and encouraging an increase in investment across the town as the most visible regeneration challenge gets addressed.

2. Social

2.1 Social Value

- Development on the site would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to the built environment will be realised in the near future.
- The promotion of sustainable travel opportunities and reducing the need for car parking.

2.2 Equality Issues

- A further detailed equalities impact assessment will be undertaken as part of the project to understand any specific impact of the development.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.
- Works will be managed under the Construction Design & Management (CDM) Regulations 2015.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- It is intended that redevelopment will bring forward a high quality development in a sustainable town centre location. Noise, dust and highway obstructions will be kept to a minimum using industry standard techniques, and monitored by the Council throughout the works. The project is aligned to the council's strategic approach to Climate Emergency.

4. Governance

- A dedicated project board to oversee the governance of the project will be established ensuring:
 - 1) Due diligence
 - 2) Alignment with Council policies and priorities
 - 3) Legal issues and compliance with legislation
 - 4) Risk management including health and safety
 - 5) Statutory approvals
 - 6) Stakeholder management and engagement
 - 7) Change control

5. Sustainability & Risk Assessment

- A Risk Register will be prepared and assessed through the Project Board. Any associated risks are delegated to the Project Team in the form of a risk assessment. This organic document is assessed on a monthly basis.