



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
1 December 2020
Agenda Item 18

Key Decision [Yes/No]

Ward(s) Affected:

Extending natural habitat restoration: acquisition of Pad Farm

Report by the Director for Digital, Sustainability & Resources

Executive Summary

Adur Councils' recent decision to purchase New Salts Farm, 70 acres of green space between Lancing and Shoreham, has demonstrated the Councils' strong commitment to conserving strategic green space, and working with partners and communities to enhance our local natural environment.

A rare opportunity has now arisen for the Council to purchase a further 45 acres of arable farmland to the north of the A27, on the western bank of the Adur, between the river and Coombes Road, within the South Downs National Park. The site, called Pad Farm, forms part of the Adur Estuary area and would provide the council with an exciting opportunity to lead in the restoration of estuarine habitat in the Adur Valley.

Such a restoration project would provide important compensatory habitat for developments at the Western Harbour Arm and Yacht Club, with developer contributions helping to fund the restoration scheme, along with a bid to the Environment Agency for a "managed realignment" project, in line with the required flood risk management strategy for the area.

Habitat restoration at both New Salts Farm and Pad Farm would begin to create an important ecological network in the Adur Valley, providing vital stepping stone habitats, projects of great interest to the Ouse & Adur Rivers Trust and other partners.

1. Purpose

- 1.1. To seek Joint Strategic Committee approval for the purchase of Pad Farm, circa 45 acres of arable farmland in the Adur Valley for the purposes of preserving and enhancing the local natural environment.
- 1.2. Adur Council as landowner will develop plans in collaboration with the Adur Estuary Partnership to restore mudflat and saltmarsh habitat, undertaking tests and trials on managed realignment, consistent with the Adur Catchment Flood Management Plan, subject to successful applications for funding.
- 1.3. In seeking to take a stake, and restore natural habitat, Adur Council is demonstrating leadership and foresight, recognising the multiple benefits of natural habitats such as natural flood risk management, biodiversity recovery, carbon storage and higher public amenity value.
- 1.4. It is expected that this project will help develop the mechanisms for compensatory habitat payments from developers as well as other possible forms of investment, such as carbon storage.

2. Recommendations

- 2.1. The Joint Strategic Committee is recommended to:
 - 2.1.1. To recommend to Adur District Council to approve of the purchase of Pad Farm at an overall cost of £324,000 comprising a purchase price of £290,000 and up to £34,000 to cover the cost of acquisition including surveys, legal fees and stamp duty) funded by prudential borrowing.
 - 2.1.2. Delegate authority to the Head of Major Projects and Investment to agree detailed terms of the transaction and enter the contract for the purchase subject to a satisfactory legal and technical due diligence

- 2.1.3. To request an update report within the next six months providing an overview of maintenance costs, along with a strategy for habitat restoration and an associated funding strategy.
- 2.1.4. To agree that the land will be held for the purposes of conserving and enhancing the natural environment; enhancing biodiversity; and contributing to the Council's ambition of being Carbon Neutral by 2030

3. Context

- 3.1. The Council's commitment to climate change and protecting the natural environment is strong, with the declaration of a climate emergency in July 2019 and the clear strategic priority in Platforms for Our Places Going Further that is driving a large programme of action.
- 3.2. Alongside far reaching plans to become carbon neutral by 2030, Adur & Worthing Councils are strongly committed to supporting and leading area wide initiatives to tackle climate change, protecting and enhancing the wider natural environment, and working with communities on sustainability.
- 3.3. The council has identified an opportunity to acquire circa 45 acres just north of the A27 trunk road that can contribute towards these initiatives called 'Pad Farm'.
- 3.4. Pad Farm forms part of the lower Adur Estuary zone (defined in the Adur Catchment Flood Management Plan), and provides a unique opportunity for the Council, working with partners, to lead the restoration of saltmarsh habitat in the Adur Valley.
- 3.5. Early discussions with the Environment Agency and Ouse & Adur Rivers Trust have been positive with real interest in exploring "managed realignment" (while properly protecting property and built assets), creating an exemplar for other such schemes in the Valley.
- 3.6. Pad Farm provides an opportunity to assist the delivery of a comprehensive flood defence solution for the Western Harbour Arm and the delivery of over a 1,000 new dwellings. The Joint Area Action

Plan for the Western Harbour Arm highlights the ecological significance of the inter-tidal mudflats and the fact that the estuary contains one of the few saltmarsh habitats in West Sussex. Policies of the JAAP seek to avoid any loss of biodiversity and seek a net gain. However, policies also state that where impacts on biodiversity cannot be avoided or mitigated, compensatory actions will be required, taking account of an up-to-date ecological survey and like for like compensatory habitat should be provided at or close to the site. However, in reality this has been hard to achieve on some sites and a financial contribution has been provided to deliver compensatory habitat elsewhere. The Free Wharf development could not fully compensate for the loss of intertidal mudflats and a financial contribution of £40,000 was secured to undertake a study to identify opportunities for off site like-for-like compensatory habitat. However, a study commissioned by the National Park and the Environment Agency found that there were only limited opportunities to provide replacement intertidal mudflats from the A27 to the Harbour mouth. Members may recall that the EA flood defence works required 7 hectares of land at the airport to provide the necessary compensatory habitat.

- 3.7. Your Officers have been working with the EA and the National Park to commission a study to look at whether biodiversity enhancements further up the River could offset the loss of intertidal mud and there may be scope to utilise s106 funding (in particular the £40k already secured) to undertake enhancement works at Pad Farm which has an extensive river frontage. There is also a need to assist the Yacht Club as it has not been able to convince the EA that there are sufficient compensatory measures in place to address the loss of saltmarsh and intertidal mudflats as a result of its infilling of Tarmount Hard to increase the size of its boat storage facility. This has a knock on effect on the Council's planned flood defence wall along the A259 frontage as a larger flood gate would be required if Tarmount Hard is not stopped up. This would add significantly to the overall cost of the flood defence project at the Yacht Club (which already exceeds the LEP funding available). It is hoped that if Pad Farm is purchased this would enable appropriate biodiversity improvements to allow the stopping up of Tarmount Hard.

4. Issues for consideration

- 4.1. Pad Farm is low grade arable land within the South Downs National Park, prone to winter flooding. The site is split by Coombes Road, with

circa 42 acres located between Coombes Road and the River Adur. The remainder of the site forms part of a small pony paddock to the west of Coombes Road and has historically been tenant farmed and this tenancy has now ended.

- 4.2. The site has good ecological potential through saltmarsh habitat restoration, acting as compensatory habitat for developers, and in the future potentially for carbon offsetting.
- 4.3. It is proposed that Adur Council agree to the purchase of Pad Farm from Ricardo PLC who are keen to ensure any future owner's use is complementary to their retained landholding that abuts the site, but are seeking to dispose of this site as it is surplus to their operational requirements. Building on the council's close relationship with Ricardo PLC, officers have been able to secure an off-market position for this acquisition
- 4.4. In acquiring this site, the council will need to meet the acquisition and ongoing holding and management costs of this site, including any repair liabilities for fencing, flood defense, security etc.
- 4.5. Officers are currently undertaking a full suite of technical due diligence on the site, including researching the extent of any liabilities, as well as other environmental surveys, legal reports etc. to ensure that the council is fully informed as part of the acquisition.
- 4.6. An independent 'Red Book' valuation of the land has been commissioned and provided by specialist external valuers who confirm that the price is 'Market Value' providing the council with reassurance on the purchase price.
- 4.7. If Adur Council were not to purchase the land, the future landowner may well continue to lease as farmland, and the ecological benefits of saltmarsh habitat restoration could not be delivered, and opportunities for providing compensatory habitat could be lost.
- 4.8. Depending on project timescales and plans, it may be advantageous to secure a short term agricultural tenancy to support the ongoing management of the land and ditches in the interim.

- 4.9. Opportunities to acquire significant portions of land within borough are rare and the council cannot control when other opportunities may become available for purchase.

5. Engagement and Communication

- 5.1. Adur & Worthing Councils has helped develop a significant partnership for the Adur Estuary comprising Ouse and Adur Rivers Trust, South Downs National Park Authority, Environment Agency, Sussex Wildlife Trust, Natural England, Southern Water, Sussex IFCA and Horsham District Council. It is expected the partnership will be formalised in the next phase of work.
- 5.2. An initial study has been commissioned by the partnership to identify benefits that would be generated by the restoration of estuarine habitat, and the Environment Agency has invested in a project officer to support the development of schemes such as that envisaged for Pad Farm.
- 5.3. Should the Council approve the purchase of Pad Farm, engagement with local communities, landowners and businesses will be undertaken via the Adur Estuary Partnership in a coordinated way.

6. Financial Implications

- 6.1. Overall the purchase of the land is expected to cost £324,000 which does not currently feature in the capital budgets of the Adur District Council. This can be broken down as follows:

	£
Purchase price	290,000
Stamp Duty Land Tax	4,000
Fees	30,000
Total budget required	324,000

- 6.2. If approved, the Council will need to fund the purchase of the land with debt charges of £12,600 per year for the next 50 years.

- 6.3. In addition to the debt charges, there will be land management costs to fund, the net impact of which has yet to be determined. Members should be aware that these additional costs will need to be funded and a contingency budget of £40,000 should be set aside for this purpose as part of the 2021/22 budget. The final estimate of land management costs will be included in the progress report.
- 6.4. Elsewhere on the agenda the report on the budget strategy indicates that Adur is in a strong position to balance the budget, and provided that the Council meets the annual savings strategy and settlement is broadly in line with expectations, then the Council can accommodate the additional revenue costs within the proposed budget for 2021/22.

7. Legal Implications

- 7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 7.2 Section 1 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 1 of the Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions.
- 7.4 In procuring for a preferred contractor in any future context, the Council is required to follow a lawful process as required by its Contract Standing Orders and have regard to the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016. All the terms of the proposed arrangement are to be set out in a fair and transparent manner to all potential bidders.
- 7.5 Legal services will undertake the necessary legal due diligence on the acquisition as part of this transaction.

Background Papers

Platforms for Our Places Going Further
SustainableAW

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Sustainability & Risk Assessment

1. Economic

- 1.1. One of the longer term aims of the project is to create a suitable 'habitat bank' facility associated with the site (and others), to enable developers to meet their biodiversity net gain commitments as defined in the Environment Bill
- 1.2. There is also potential to include carbon credits in the habitat banking scheme, which would provide a local opportunity for investment for companies with carbon offsetting requirements

2. Social

2.1. Social Value

- 2.1.1. There is significant potential through the restoration of estuarine habitat to generate volunteering opportunities for the local community, potentially through partners, similar to the EPIC project in Sompting.
- 2.1.2. The site will provide enhanced natural landscape and biodiversity to be enjoyed by visitors.

2.2. Equality Issues

- 2.2.1. An equalities impact assessment will be relevant when the restoration scheme is being designed to consider issues such as disabled access, and equality of access to diverse communities.

2.3. Community Safety Issues (Section 17)

- 2.3.1. Matter considered and no issues identified

2.4. Human Rights Issues

- 2.4.1. Matter considered and no issues identified

3. Environmental

- 3.1. The project directly and positively impacts on the environment by securing land for protection and enhancement for the benefit of future generations and having a direct impact of biodiversity enhancement, climate adaptation and mitigation through carbon capture.

4. **Governance**

- 4.1. The scheme directly aligns with Platforms for Our Places, priority 3 and with the SustainableAW strategy.
- 4.2. The scheme promises to enhance the reputation of the Council with regard to climate change and protection of the environment, and to boost its reputation in this regard regionally and nationally.
- 4.3. There may be implications regarding liabilities and internal resource requirements, however the prospects for securing funding from a number of sources are good, as outlined in the report. A subsequent report will be brought to the Committee within six months addressing these risks and opportunities.