



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
16 March 2022
Agenda Item 9

Key Decision No

Ward(s) Affected: Central Ward Worthing

Union Place Joint Venture with Roffey Homes Update

Report by the Director for the Economy

Officer Contact Details

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Executive Summary

1. Purpose

- 1.1. Following consideration of a report at the February 8th Joint Strategic Committee, it was requested that an update on progress be provided at the 1st of March 2022 JSC Committee.

2. Recommendations

- 2.1. To note the update provided in the body of the report further update will be provided in the Summer with final details of the proposals for approval.

3. Background

- 3.1. Members of the Committee will recall that to help accelerate the comprehensive redevelopment of Union Place 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.
- 3.2. The intention has always been to support the local economy and the town centre (and now the economic recovery) by breathing new life into a

strategically important site in a way that re-connects it to the town. Mindful that development was proving to be an unviable proposition for the previous owner of the site, the Council elected to make a suitable intervention.

Members will recall that securing the site for this purpose - to effectively unlock it - was achieved using Coast to Capital directed Local Growth Fund investment and regular monitoring of progress is a requirement.

- 3.3. At their last meeting in February, members of the Joint Strategic Committee agreed to progress negotiations with Roffey Homes for the development of the site for the purpose of delivering new homes, cinema, parking and employment space; and requested an early update at the next available Meeting.
- 3.4. Over the past few weeks, progress has been made on progressing with the negotiations with Roffey Homes. Officers have prepared a schedule of key issues that need to be advised upon or considered in advance of a formal form of agreement being considered at a future Joint Strategic Committee.
- 3.5. Specialist legal advice has been procured to advise the Council on the joint venture arrangement, compulsory purchase, tax and governance issues of the proposal. A programme of meetings are planned over the next number of weeks to work through these issues.
- 3.6. Work has commenced with LCR Property on their aspect of the land, and working with them on a structure to support the development coming forward, while also delivering on the agreed outcomes of the Landpool and Promotion Agreement.
- 3.7. A key financial consideration of the proposals is the treatment of the NCP Car Park income and its impact on the Medium Term Financial Strategy of the Council. A meeting between Roffey Homes and the Council's Chief Financial Officer to work on potential solutions was positive with a number of potential approaches considered feasible.
- 3.8. A meeting has been held with Worthing Theatres and Museum to discuss the implications of the proposed cinema extension. The theatres trust expressed strong support for the proposed cinema extension.
- 3.9. A final report will be prepared for the Joint Strategic Committee to consider the final form and structure of joint venture agreement or other appropriate development arrangement in the next municipal year. A further update will be provided in the Summer with final details of the proposals for approval.

4. Financial Implications

- 4.1. There are a number of key financial issues that will need to be considered as the project progresses outlined within the previous report. In summary, these include:
- The financial implications of the lease of the current Union Place car park;
 - Any payment due to our partners LCR as a result of the proposed deal;
 - The financial and governance implications of any company that the Council sets up as part of the proposed joint venture.
- 4.2. These points will be addressed in more detail in the final report seeking approval to enter the joint venture.
- 4.3. There are no further financial considerations arising from this report.

5. Legal Implications

- 5.1. In negotiating terms with Roffey, the Council is to ensure it remains compliant with the terms and conditions of the Coast 2 Capital grant funding previously received for this project.
- 5.2. The remaining legal implications arising from this Report were set out in the Report to the Committee dated 8th February 2022, and are reproduced below for reference:-

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

- Report to Joint Strategic Committee 06/11/2018 - Union Place Update
- Report to Joint Strategic Committee 10/04/2018 - Union Place Redevelopment
- Report to Joint Strategic Committee 08/02/2022 - Union Place - selection of preferred developer

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

Sustainability needs to be addressed in an integrated manner; not just in the context of the existing site, but its wider strategic importance to Worthing. The opportunity is here to deliver a scheme which embodies the highest standards of sustainable design; responds well to its location from an active travel perspective; improves access to public transport; and delivers active green spaces and well designed public realm.

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.