



WORTHING BOROUGH  
COUNCIL

Worthing Joint Strategic Sub-Committee  
12 January 2023

Key Decision No

Ward(s) Affected: Central Ward  
Cabinet Portfolio: Regeneration & Citizen  
Services

## **Teville Gate Regeneration - Marketing for Development Partner**

### **Report by the Director for the Economy**

#### **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 Teville Gate site and to seek the Committee's approval for the assessment criteria for those bids received.

##### **2. Recommendations**

- 2.1. To note the contents of the report and agree the seven site aspirations set out in paragraph 4.6.

### **3. Background**

- 3.1 The Teville Gate site is a key development site in Worthing and the site's development has been a prominent issue affecting residents and businesses in the town for a long period. The site is a cornerstone of the Council's 2016 Investment Prospectus, is one of the most significant housing allocations in the Draft Local Plan for the town. Development of the site relates to two of the missions identified in Our Plan "Thriving Places" and Thriving Economy".
- 3.2 The Council was successful in receiving funding from the Coast to Capital Local Enterprise Partnership in 2018 and the social, economic and environmental outputs that the funding agreement enables are required to be delivered by March 2025. The development of the site will fulfil important regeneration and housing objectives for the town and solve a significant blight in the town, providing confidence for further economic growth and investment.
- 3.3 The Committee considered a report in December 2021 which set out a programme of work to secure a strong delivery partner who would secure the construction of the Teville Gate site. The committee report identified a number of workstreams we would jointly undertake to secure a development partner to deliver the construction of the site.
- 3.4 The committee report identified three priority workstreams that would be the focus of the development strategy before securing a development partner:
- Workstream 1: Maximising the number of homes, especially affordable homes.
- Workstream 2: Focused approach to attract government funding and support to aid viability.
- Workstream 3: Design review and phasing.
- 3.5 The objective of these workstreams was to focus on ensuring the site was used as a policy lever to address key strategic issues facing the town as a whole (delivery of housing especially affordable housing); was working to address a critical impediment (viability); and sought to ensure that it improved the surrounding neighbourhood through more appropriate design, including sustainability issues and buildability (design review). The sum of these workstreams was intended to increase the likelihood of delivery of the site, and increase any development's contribution to the character and appearance of Worthing.
- 3.6 While a delivery partner for the site had been identified at the March JSC meeting following a review of the proposed partnership in Summer 2022, it was felt that a marketing exercise should be undertaken to ensure other

interested parties are given the opportunity to express their interest.

- 3.7 Having undertaken significant work against the three workstreams it is now considered an opportune time to market the site to secure a development partner.

#### **4. Marketing Approach and Assessment of Proposals**

- 4.1 The property advisory firm CBRE has been retained by the Council to advise on the purchase, enabling, and disposal of the site in line with the Council's agreed strategy of bringing in a suitable development partner to deliver the site. CBRE has prepared a marketing plan and a draft brochure that is appended to this report.
- 4.2 Importantly, the marketing of the site is an opportunity to make clear the Council aspirations for the site. A workshop was held with the cabinet and chair of the planning committee to ensure a collective understanding of the site, develop knowledge on construction and property development, but critically to ensure that the Councillor's core aspirations for the site were reflected in the marketing brief.
- 4.3 Councillors and officers were broken into two groups which discussed five key themes that had been prepared in advance:
- Design & Place
  - Sustainability
  - Housing Delivery
  - Communities & Economy
  - Housing Standards
- 4.4 Each of the key themes had between two and four objectives to foster discussion within the group with a view to co-producing a number of aspirations that would be included in the the marketing brochure.
- 4.5 Following the discussions officers have identified seven aspirations for the site which are summarised below:



### **Worthing's Front Door**

Teville Gate is one of the most visible sites in the town. The development should deliver high quality architecture that reflects the local character of Worthing that provides new functional, adaptable and accessible homes that are highly energy efficient and, other than for disabled residents who rely on private vehicles, should be secured as 'car-free';



### **Housing**

Ensure that new housing helps to create a more mixed, inclusive and sustainable community by seeking a variety of housing suitable for existing and future households, having regard to household type, size, income and any particular housing needs. This should include homes to buy, but should focus on delivering the homes needed to have a big impact on Worthing's housing register with a diverse range of sizes, including family sized units to meet the needs across the spectrum of household incomes.



### **Better Public Space**

The site will deliver an important public space connecting people from the train station to the town centre. This space needs to provide amenity for residents and people passing through to ensure it properly supports the community and remains attractive to people of all ages and especially for young people.



### **Getting about**

Connecting Worthing Train Station and the town centre with regular reliable public transport is critical to the success of the town as a whole. The development site will lift the wider area by supporting the development of a public transport hub.



### **Inclusion and Participation**

Involves residents throughout design processes to utilise their local knowledge and ensure accountability.



### **Jobs & Enterprise**

The developers will work with local organisations and the community to ensure that the development provides a platform for community wealth building through provision of training and skills development at all stages of the development to lower the barriers for local residents



### **Sustainability & Environment**

Ensuring that the neighbourhood exemplifies the best sustainable building and design solutions to support our changing climate by reducing greenhouse gas emissions and pursuing a zero carbon future. Implementing biodiversity enrichment by planting trees to establish green corridors that connect with the town, aiding water absorption and air quality improvement.

4.6 In considering proposals bids will also be considered based on financial viability and implementation/ deliverability criteria. Considerations will include:

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

This approach ensured that the assessment balanced the price offered with an ability to deliver the development at pace. Further assessment will take place of bids based on design and sustainability of the project to ensure that it meets high quality design standards that reflect the local context and an assessment of proposals in terms of their environmental impact

4.7 Following the marketing period each of the bids received will be assessed against these aspirations for the site and surrounds, and will help to identify the proposal which contributes most to the overall goals and objectives of the Council for the site.

## **5. Financial Implications**

5.1 Worthing Borough Council previously agreed to release capital funding of £8.12m to fund the acquisition of the Teville Gate report, and within the same report agreed that £50,000 of reserves could be used to fund any revenue costs associated with meanwhile use of the property.

5.2 The final cost of the acquisition was £7,452,550.

5.3 As approved at the December 2021 JSC meeting ground works costing £300,000 were approved which are funded from the overall budget for Teville Gate acquisition.

5.4 The Council purchased the site with a view to holding the site for a maximum of three years. The Council's MRP policy allows that for the first three years, no MRP is made on the expectation that the site was purchased for resale to an appropriate partner. Consequently at the moment, the Council is currently only funding interest costs which will be £298,100 in 2023/24 and contained within the Treasury Management budget.

5.5 If the land is not sold within three years, then the Council will also need to provide for the repayment of debt and the annual cost will increase to £346,920. At the point at which the land is sold, the council will be able to

reduce the associated borrowing costs or potentially eliminate them depending on the amount received.

- 5.6 As part of any land deal, the Council will be disposing of the freehold of the land to the preferred development partner. The final consideration for the land is yet to be determined but will be supported by the 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. Members should be aware that the final price for the land may be a lesser amount than that paid for it depending on prevailing market conditions and how the Council's aspirations (as set out in section 4.5) influence the final use of the land.
- 5.7 The cost of any marketing exercises can be funded from the associated capital receipt if needed using the capital flexibility regulations as the disposal will enable the Council to reduce borrowing costs.

## **6. Target Milestones & Next Steps**

- 6.1 The marketing will commence in January 2022 and will last a number of weeks depending on interest and appetite for the scheme.
- 6.2 Once the marketing team are confident of receiving a range of suitable bids they will call for offers that are accompanied by the required information to respond to the Council's criteria for the site.
- 6.3 It is anticipated that a preferred partner would be identified early in 2023, with a view to having an agreement in place by Summer 2023.
- 6.4 If the above steps are successful a planning application would be expected by the end of 2023 with a commencement on site in mid-2024.

## **7. Legal Implications**

- 7.1 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.
- 7.2 When detailing the Council's core aspirations in the marketing material and when conducting the consequential marketing exercise to find a development partner, it is imperative that specialist legal and procurement advice is taken

on the proposed core aspirations and development partner structure to ensure that the Council's requirements do not create a public works or services contract for which a procurement exercise ought reasonably to be held under the Public Contract Regulations 2015. This is a notoriously complex area of law (often challenged). Where there is any doubt and to protect its position, the Council is advised to carry out a procurement exercise to source the development partner whilst ensuring the most economically advantageous arrangement.

- 7.3 s1 Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions and the contract with CBRE must be compliant with the Council's Contract Standing Orders.
- 7.4 Section 123 Local Government Act 1972 places an obligation on local authorities to dispose of land for best consideration, which is not limited to the monetary purchase price, but may include other elements in the transaction, provided those have a quantifiable commercial or monetary value.
- 7.5 The Secretary of State for Ministry of Housing Communities and Local Government has issued a direction dated August 2022 (pursuant to s16(2)(b) & s20 Local Government Act 2003) on the flexible use of capital receipts and the treatment of costs as capital expenditure which gives local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings. Statutory guidance has been released clarifying the extent to which departure costs can be funded from capital receipts restricting this down to statutory redundancy costs only.

## **Background Papers**

- Report to the Joint Strategic Committee dated 7th July 2020: Impact of Covid 19 on the Council's finances - Update on current financial performance and developing a revenue budget for 2021/22
- Report to the Joint Strategic Committee dated 3rd November 2020: A Partnership Approach to Secure New Homes at Teville Gate.
- Report to the Joint Strategic Committee dated 13th July 2021: Securing the regeneration of Teville Gate through acquisition of the site
- Report to the Joint Strategic Committee dated 7th December 2021: Teville Gate next steps and LCR Partnership
- Report to the Joint Strategic Committee dated 2st March 2022: Teville Gate Update & Hyde Housing Proposed Development Partnership

## **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 Teville Gate site will contribute to the creation of an enhanced entrance to the town 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 existing cleared site and hoarding does little to enhance this part of Worthing from road or rail, and redevelopment of this important gateway site to enhance the street scene and act as a catalyst for the regeneration of the wider area.

#### **2.2 Equality Issues**

Matter considered and no issues identified

#### **2.3 Community Safety Issues (Section 17)**

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 aligned to the council's strategic approach to Climate Emergency.

# FOR SALE

Residential Led Mixed Use  
Development Opportunity  
2.47 acre (0.99 ha) Site

DRAFT



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# TEVILLE GATE

Worthing | West Sussex | BN11 1BY



WORTHING BOROUGH  
COUNCIL

CBRE



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# INTRODUCTION



» BAYSIDE DEVELOPMENT / ALLIES AND MORRISON

Worthing Borough Council (WBC) are an ambitious Council who have set out a vision to transform Worthing into a highly desirable place to live, work and visit. WBC want to continue to improve its housing offering, especially affordable housing, attract high calibre businesses, and inward investment to help grow its economy in a way that reflects the vision of the Council: fair, green and local.

Worthing has a broadly based, distinctive and appealing seaside town offer which, is increasingly attracting more people to live, work and spend leisure time. Also, like other similar town centres across the UK, it is changing. On the residential front, high quality design and a well-considered combination of quantum, size and affordability will strengthen the prospect of the town centre becoming 'the' place to live for young professionals and those in later life alike.

The Council will actively curate and invest in the green regeneration of their land and buildings and work in partnership with those who invest in the town, to ensure that the benefits to our the local communities are maximised. A focus across the town will help ensure that our major developments are not delivered 'in isolation' but contribute to the fabric of the Town and where necessary, its repair.

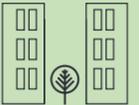
The Council's ambition, in seeking to make a genuine step change to their town centre by utilising its real estate assets, will greatly aid delivery of the Council's vision. It is envisaged that the development opportunity will afford new affordable homes (social rent and shared ownership), designed and delivered to high standard of sustainability along with new commercial uses providing active frontages, all set within high quality public realm.

CBRE has been instructed by WBC to undertake a 2 stage informal tender sale of the Teville Gate site. The sale process is expected to lead to the fulfilment of the Councils vision for the site which is summarised within the following parameters:



» UNION PLACE DEVELOPMENT / HAWKINS BROWN

Future development is required to address WBC's vision for Worthing which is summarised below:

- |  |   |
|--|---|
|  <p><b>1</b> The creation of a highly sustainable and desirable place to live, work and visit to ensure the town's economic growth.</p>   |  <p><b>4</b> The integration of high quality new sustainable development with existing communities and opportunities.</p>  |
|  <p><b>2</b> Regeneration of the town centre and seafront to provide a vibrant and diverse retail, cultural and leisure offer for all.</p>  |  <p><b>5</b> Progress being made to Worthing becoming a carbon neutral town.</p>   |
|  <p><b>3</b> The provision of a range of recognised needs, which enhance the Borough's historic and natural environment, intrinsic character, heritage assets, and its coastal and countryside setting.</p> |  <p><b>6</b> The achievement of a net gain in biodiversity through the adaptation and implementation of mitigation measures in preparation for the increasing effects of climate change.</p> |

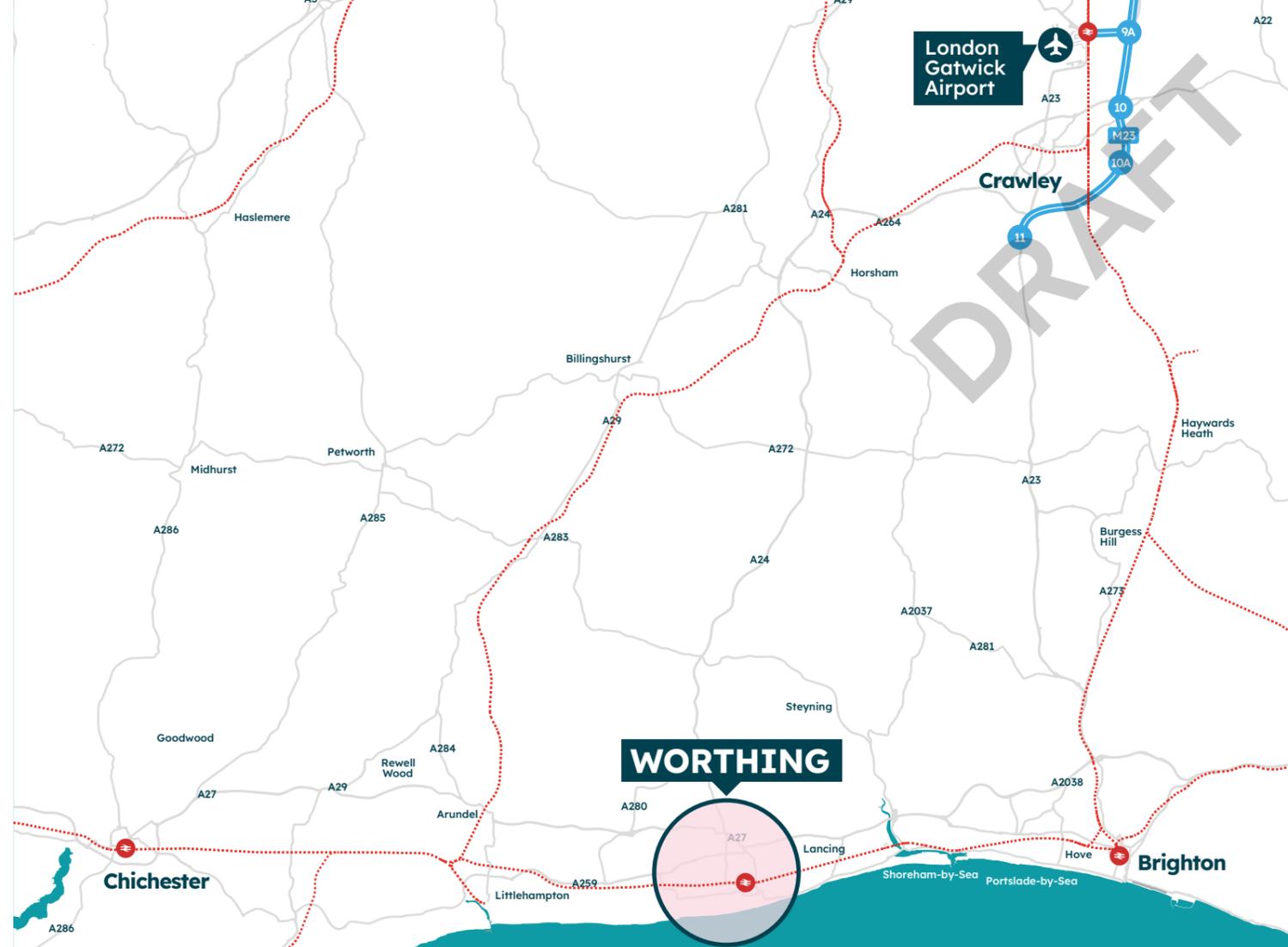
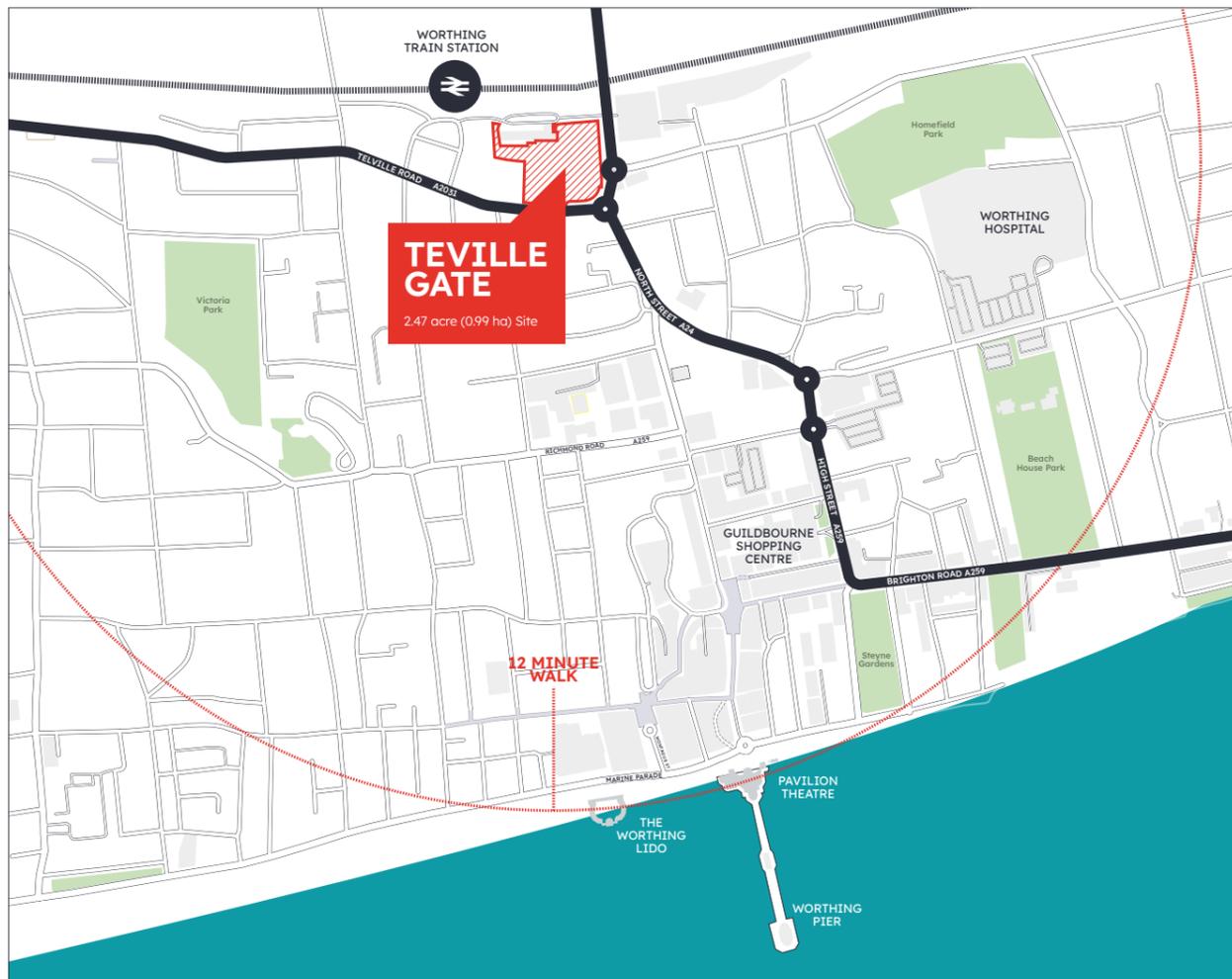
# LOCATION

Worthing is a coastal town which lies on the southern boundary of West Sussex and has a population of 110,727 (2020 census data). It is situated at the foot of the South Downs, 10.0 miles (16.1 km) west of Brighton, 18.0 miles (29.0 km) to the east of Chichester and 21.0 miles (33.8 km) to the south of Crawley.

Worthing is accessed by the A27, which links the town with Chichester to the east and Brighton to the west, and the A24 linking the town with Crawley to the north. Central Worthing benefits from three railway stations; Worthing, Worthing West and Worthing East. Worthing Station provides access to the mainline national rail network with regular services to London Victoria.

Gatwick Airport lies some 23.0 miles (37.0 km) to the north of the town, from where a number of domestic and international destinations can be reached.

The site is just a 12 minute walk to the seafront and Worthing Pier and sits adjacent to Worthing railway station.



 Gatwick Airport lies 23.0 miles (37.0 km) to the north of Worthing

 Worthing Station provides access to the mainline national rail network with regular services to London Victoria in 80 minutes and London Bridge in 95 minutes



# TEVILLE GATE THE SITE

The property is significantly important for WBC. It is incredibly well located on a potential new throughfare between the station and town centre and seafront and will act as a catalyst for future regeneration on the site and the surrounding area.

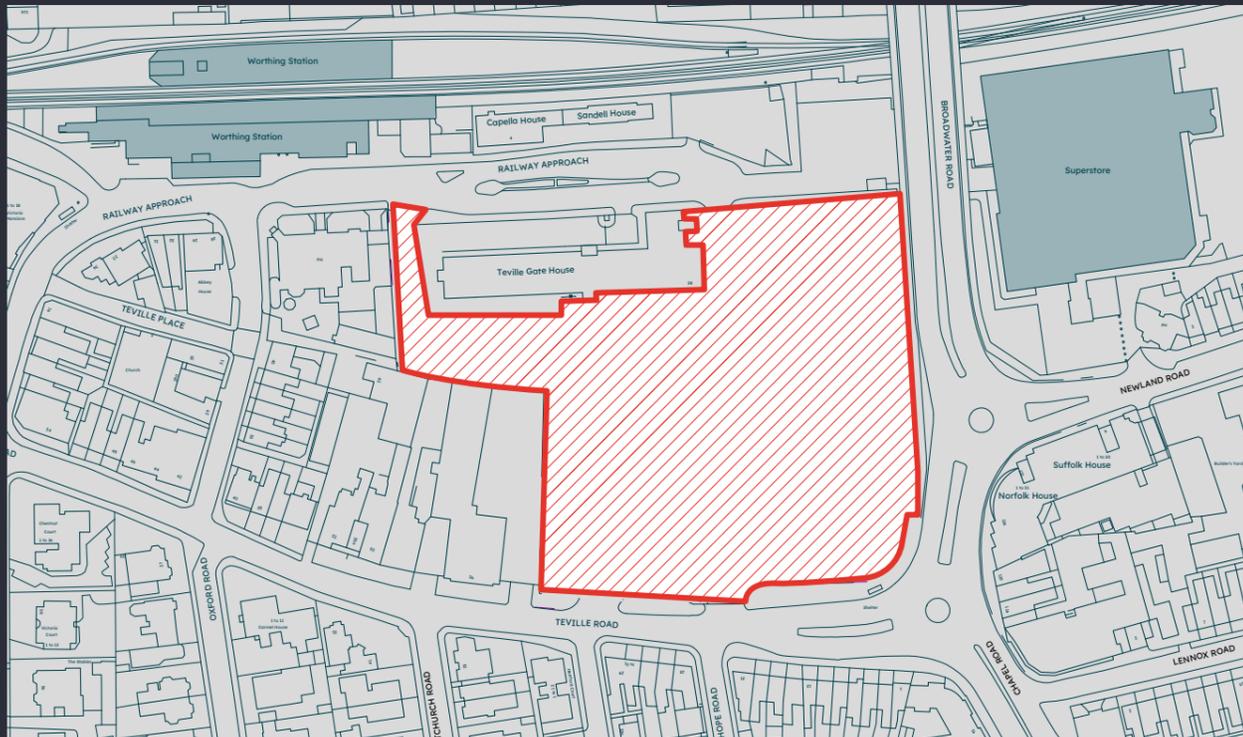
It is ripe for redevelopment and, subject to planning development can quickly be brought forward for execution.

The site extends to 2.47 acres (0.99 ha) and lies in a highly sustainable and prominent location, linking the railway station with the town centre. It formerly comprised the Teville Gate Shopping Centre and multi-storey car park which have been demolished. In advance of redevelopment part of the cleared site is currently in use as a temporary surface car park (providing 66 spaces).

The Teville Gate site is under Council ownership and is held freehold under HM Land Registry Title Number: WSX22513, as identified (outlined in red).

There has been an aspiration to redevelop this prime site for a number of years and various schemes have been proposed.

The site is bounded by the south and east by Teville Road and Broadwater Road respectively. The latter rises to form a flyover across the railway lines to the north.



# PLANNING

## Planning History

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July 2015  
Mosaic Global Investments  
acquire the site

2006

2010

2019

2021/22

JUNE 2006  
HCM  
APPLICATION 1

### HCM APPLICATION 1

- » 235 apartments
- » 25 apartments on a new residential frontage
- » 635 car parking spaces
- » Public swimming pool, leisure and retail complex

SEPTEMBER 2010  
HCM  
APPLICATION 2

### HCM APPLICATION 2

- » 235 apartments
- » 25 apartments on a new residential frontage
- » 635 car parking spaces
- » Public swimming pool, leisure and retail complex
- » 624k sq ft (GIA)

FEBRUARY 2019  
MGI  
APPLICATION 3

### MGI APPLICATION 3

- » 378 apartments
- » 307 car parking spaces
- » 30% affordable housing
- » Hotel, foodstore, gym and retail space
- » 482k sq ft (GIA)

JULY 2021  
FEASIBILITY STUDY

### PROPOSED SCHEME

- » 445 apartments
- » 21 duplex apartments along a new residential street frontage
- » 229 car parking spaces (100 for foodstore)
- » Mixed use development with food store
- » 369k sq ft (GIA)



# PLANNING

CONTINUED

## Planning Policy

**WORTHING LOCAL PLAN**  
**DRAFT WORTHING LOCAL PLAN (SDWLP)**  
 JANUARY 2021

The draft plan details

“any future development proposals should:

- a. deliver a mixed use scheme with a minimum of 250 homes, retail and leisure uses, commercial uses and replacement public car parking spaces;
- b. ensure that any contaminated land issues are appropriately assessed, remediated and managed;
- c. ensure the development is made safe from surface and groundwater flooding taking climate change into account; and incorporate appropriate Sustainable Urban Drainage Systems to ensure flood risk is not increased elsewhere and where possible reduce flooding locally whilst protecting water quality including during flood events;
- d. protect and enhance nearby heritage assets and ensure no significant harm is caused to them or their settings;
- e. provide a high quality public realm with cycle and pedestrian links from the station to the town centre, and under the A24 to Morrisons, having regard to the Worthing Public Realm Study;
- f. protect the amenity of future occupants from unacceptable levels of rail and road noise.”



» CURRENT SCHEME

## Current Planning Position

The most recent proposal by Mosaic Global was approved by the Council’s planning committee in March 2020. No S106 agreement was signed as they decided to sell dispose of the site and a formal letter Decision Notice was not issued.

The approved application s for a high density, a mixed use scheme comprising three blocks of 378 residential units, an 80-bedroom hotel, a foodstore, and a gym.

In addition, the proposal would provide retail, restaurant and cafe uses, service areas, 300+ parking spaces, public realm with associated hard and soft landscaping and private amenity spaces.

The application gives good guidance on the suitability of the site for density, height, and a mix of uses that is considered appropriate.

# PLANNING

CONTINUED

## Planning Forward Look

The Council commissioned Assael to undertake a Feasibility Study for the site. The brief was to deliver a viable scheme providing sustainable designed affordable residential led mixed used development and ancillary public realm. the key headlines of the scheme are:

- » c.450 new homes
- » 20,000 sq ft supermarket
- » 100 parking spaces.

## Indicative Scheme Summary

The approach taken by Assael was to address the Councils key strategic issues, non least affordable housing, it addressed viability and sought to ensure that it improved the surrounding neighbourhood through more appropriate design, including sustainability issues and buildability. The sum of these workstreams was intended to increase the likelihood of delivery of the site, and increase any development's contribution to the character and appearance of Worthing.

Upon request we will be happy to provide further information on this however we set out the overview of the indicative scheme below:



» PROPOSED FORWARD LOOK SCHEME



» NEW PUBLIC STREET FROM PUBLIC SQUARE



» FOOD STORE ENTRANCE FROM TEVILLE GATE

## Development Overview



445 DWELLINGS DELIVERED OVER 3 PHASES



C.20,000 SQ FT NEW FOODSTORE PROVIDING AN ACTIVE FRONTAGE TO TEVILLE GATE



100% PRIVATE BALCONY PROVISION



PODIUM GARDENS AND INCREASED BIODIVERSITY



129 NEW RESIDENTIAL PARKING SPACES & GENEROUS CYCLE STORAGE



COMMERCIAL PROVISION FRONTING TEVILLE GATE & A24



NEW PEDESTRIANISED GREEN AND SHADED STREET



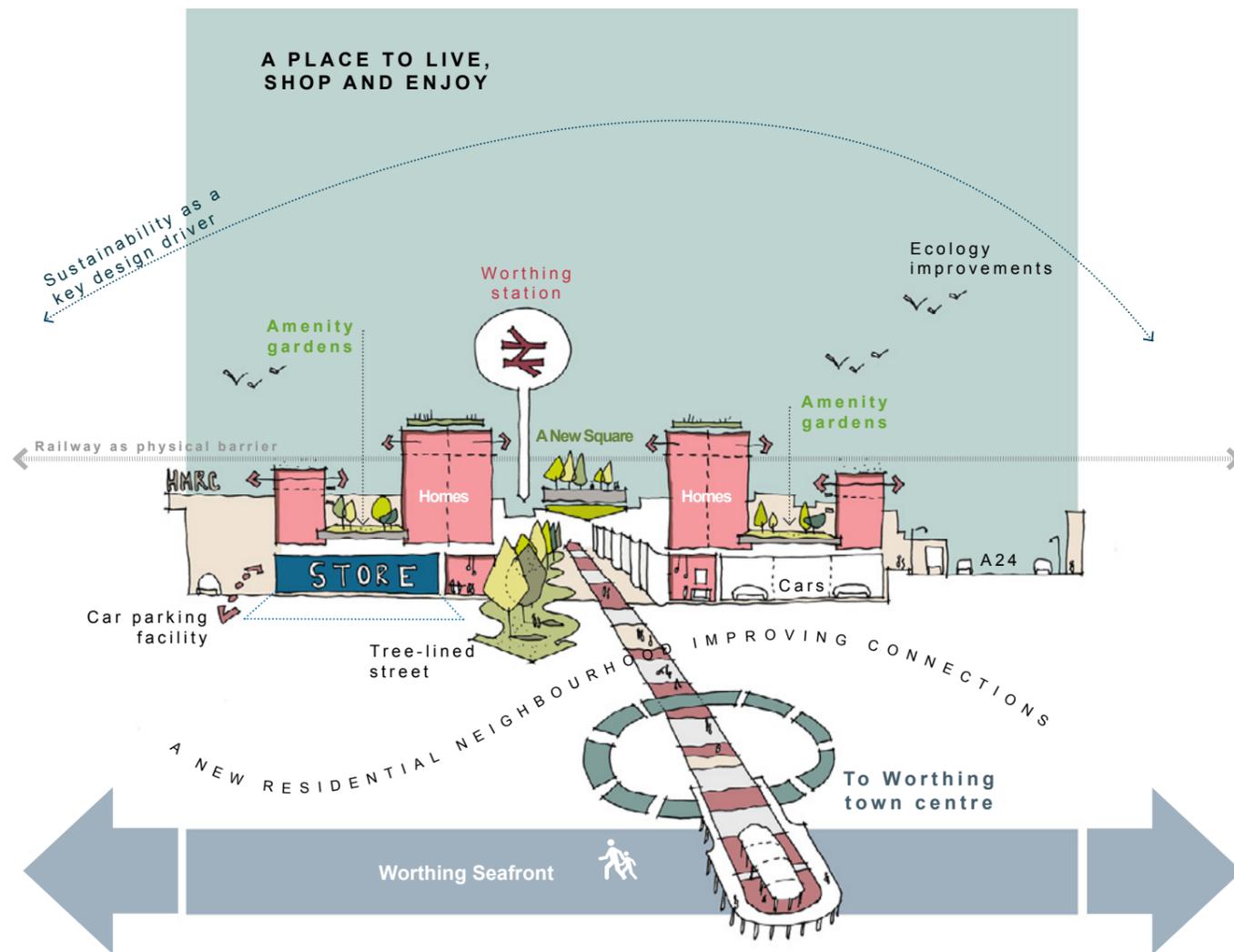
NEW ACTIVE RESIDENTIAL FRONTAGE



NEW FOOD STORE & ASSOCIATED PARKING

# THE DEVELOPMENT OPPORTUNITY

The Council are affording developers the opportunity work in collaboration with WBC and to step forward to fulfil the Councils ambitions for the site.



## Development Principles

The Development Principles are to be discussed and determined with Members during the Teville Gate Workshop (F2F) Monday 12th December.

# SELECTION PROCESS

CBRE are appointed to seek expressions of interest as the first stage of a two-stage process to select an appropriate party to bring forward the development of the site.

We invite parties to consider the information provided in this document and respond to the questions set out below.

The Council are seeking a developer in collaboration to regenerate the site and deliver a high quality solution. The responses are required to address the points detailed before.

We are seeking written responses together with any additional comments, observations or suggestions you may feel appropriate.

## » Delivery capability

The proposal sets out a delivery programme that is ambitious whilst being realistic. WBC wish to secure a strong developer who would secure the construction of the Teville Gate site.

## » Approach to satisfying council objectives & development principles

Provided a detailed and satisfactory strategy for consultation and engagement with appropriate local stakeholders.

## » Quality of design, connectivity and public realm

Demonstrate a high quality solution and provides an appropriate use and tenure mix.

## » Access to Central Government Funding

Provide details to funding approach and access to grant or affordable housing grant. Lease provide a focused approach and ability to attract government funding and support to aid viability

## » Track Record

Working on residential let mixed use, town centre developments of a comparable size, scale and complexity

## » Financial standing

Provide relevant guarantor if proposed SPV

## » Approach to sustainability

Detail the sustainability approach to the proposed development

## » Environmental issues

Demonstrate a solution which meets Council aspirations in terms of environmental and social benefits.

## » Community Wealth Building

Demonstrate an people-centre approach to local economic development that derives local benefit in terms of local spend, workforce, assets and community ownership.

## » Price

## Desired Responses

You are invited to formally provide an expression of interest to this opportunity. Upon receipt of your interest the agent will provide you with the Expression of Interest form for return on **x date**.

# FURTHER INFORMATION

## Method of Sale

The property is being offered for sale by informal tender.

## VAT

The vendor has not opted to tax the property.

## Legal Costs

Each party is to bear their own legal costs associated with the transaction.

## Data Room

Parties should contact the sole agents CBRE in order to receive access to the data room.

## Contact



### James Parker

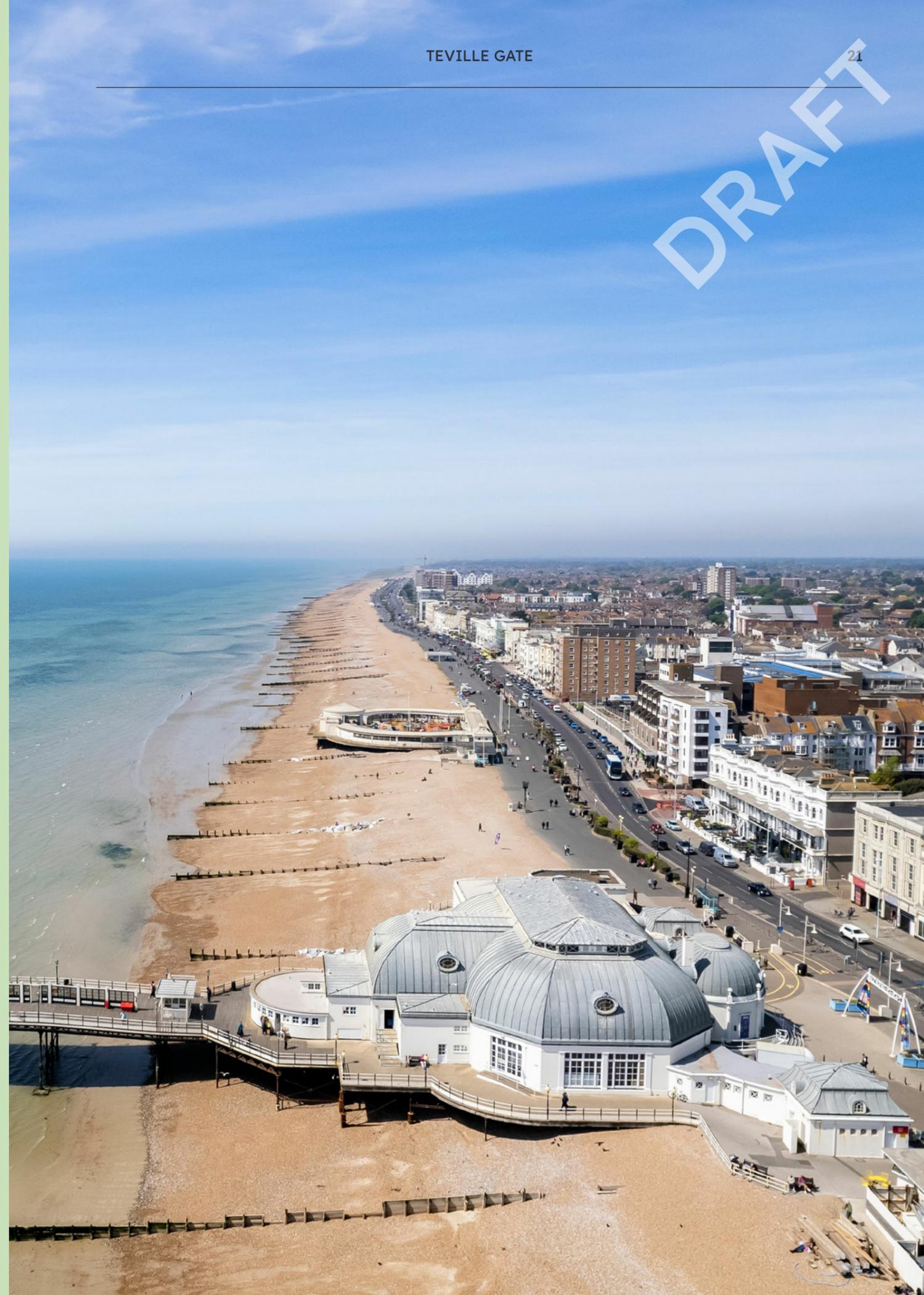
Associate Director  
Development Advisory

T - 0799 093 6532  
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## CBRE

### MISREPRESENTATION

CBRE Limited on its behalf and for the Vendors or Lessors of this property, whose Agents they are, give notice that: 1. These particulars are set out as a general outline only for guidance to intending Purchasers or Lessees, and do not constitute any part of an offer or contract. 2. Details are given without any responsibility and any intending Purchasers, Lessees or Third Parties should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them. 3. No person in the employment of CBRE Limited has any authority to make any representation or warranty whatsoever in relation to this property



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