

## Shoreham Harbour Joint Area Action Plan Examination

### **Matters Statement 8: Infrastructure, viability and delivery (Policies SH10, SH1, SH4, SH5, SH6, SH7, SH8, CA1, CA2, CA4, CA5, CA7)**

#### ***Issue: Whether the policies of the Plan would be effective in enabling the provision of infrastructure necessary to support the level and type of growth proposed?***

Please see the Matters Statement Explanatory Note (SHJAAP/MS/EX) for clarification of acronyms, abbreviations and other terms used in this statement.

54. How is the Partnership proactively seeking ways to reduce the viability gaps identified within the Shoreham Harbour Joint Area Action Plan Whole Plan Viability and Deliverability Study 2018 (SED10-01)? What mechanisms are being developed to deliver investment priorities and unlock stalled sites? What is the likelihood that the funding gap will be met through identified sources? What progress has been made towards land assembly and release of development sites?

#### ***Councils' response:***

- 55.1 The Whole Plan Viability and Deliverability Study (SED10/01) identifies a number of intervention mechanisms to address some of the costs and constraints to development. These mechanisms will enable the Councils to unlock development sites, if delivery of these is stalled. Many of these are being proactively pursued by the Partnership. Others may be considered in future.

#### Simplified planning

- 55.2 The study suggests simplified planning for either the whole regeneration area, or parts of it. The principle of regenerating the harbour area and redeveloping brownfield sites is firmly established in the ALP and B&HCP(1). Given the very different conditions, constraints and proposals in different parts of the regeneration area, the Councils do not consider that an area wide LDO would be effective in delivering the proposals in the Plan. Rather, the Councils consider it is necessary to have clear and specific proposals and development management policies in place.

- 55.3 The Councils are not currently considering LDOs for any of the allocations, or individual sites. However, it is recognised that this is an option which may be used to unlock certain sites. An LDO may also be considered to deliver infrastructure, such as the proposed district heating network. The need (or lack thereof) for this will be determined during detailed project development.

#### Detailed site planning

- 55.4 The Councils do not consider it necessary or appropriate at this time to carry out further detailed site planning for sites which are in private ownership. The Councils have previously commissioned development briefs for the Western Harbour Arm (LPD04/03); and for South Portslade and Aldrington Basin (LPD04/04). These have informed the preparation of the Plan.
- 55.5 As shown in the housing trajectory, provided as Appendix A to Matters Statement 4 (SHJAAP/MS/04A), planning permissions have already been granted for a number of sites within the allocations. The Councils are currently engaging in pre-application discussions with the developers of many of the remaining sites. Detailed site planning will need to respond to the specific circumstances at the point at which the site comes forward for redevelopment.

#### Investment in off-site infrastructure

- 55.6 The Partnership has a limited amount of capital funding, which has been used to support off-site infrastructure projects, to provide match funding, and to supplement investment by the Councils. The Councils are investing in a number of off-site infrastructure projects. For example, ADC and the regeneration partnership are investing in a flood defence solution and shared footway and cycle route on the southern side of Brighton Road (A259). This will be delivered as part of the replacement of Sussex Yacht Club (Planning ref: AWDM/0709/18). As shown in Figure 7.3 on p.31 of the Shoreham Harbour Flood Risk Management Guide (LPD04/01), the existing defence level and the elevation of Brighton Road are very low at this location, making parts of Shoreham-by-Sea town centre and the trunk road susceptible to flooding. This investment will provide protection to these areas. It will also enable the Councils to address a significant gap. There is currently no footway on the southern side of Brighton Road at this point. This severs the regeneration area, from the historic town centre, and from the Adur Ferry Bridge. It is anticipated that this footway will form part of the England Coast Path (subject to variation by Natural England).

- 55.7 The Partnership is investing in green infrastructure projects in a number of locations. The Shoreham Harbour Ecology and Green Infrastructure Study (SED07/01) identifies a number of improvement sites, most of which are in the ownership of project partners. The Shoreham Harbour Ecosystem Services Modelling (SED07/03) identifies the types of services that could be delivered by enhanced green infrastructure in these locations, such as air quality management, noise mitigation, carbon sequestration, local climate management). The regeneration partnership is working with The Living Coast (the Brighton & Lewes Downs Biosphere Partnership), and Sussex Wildlife Trust to develop a Green Infrastructure Strategy to explore the most appropriate and effective interventions. The regeneration partnership has allocated some funding to delivering these improvements. These will initially focus on the main transport corridors in South Portslade (A259 and A293) where there is a particular demand for air quality management. Further priority areas include Southwick and Fishersgate where there is significant potential to create a multifunctional green corridor alongside the A259
- 55.8 WSCC has established a Strategic Transport Infrastructure Programme (STIP) for the identification, assessment, prioritisation and progression of strategic transport schemes. This will progress and deliver any of the infrastructure schemes identified in the Shoreham Harbour Transport Strategy (LPD04/02). For example, the programme has identified the provision of a high-quality segregated cycle link alongside the A259 as a key priority. Consultants have been appointed and are currently investigating the feasibility and design of this scheme.
- 55.9 The Shoreham Heat Network Partnership is developing the proposed Shoreham Heat Network Project. Detailed feasibility work is currently being carried out. The delivery mechanism is not yet confirmed. However this is likely to involve investment by one or more of the Councils.

#### Investment in off-site placemaking

- 55.10 The Councils and the Partnership are investing in off-site placemaking to enhance the area. This can help to make the area more attractive for future development. Projects that are complete or underway include the replacement of the Shoreham Footbridge with the new Adur Ferry Bridge, and associated public realm improvements at Lower Beach Road and Ferry Road.

- 55.11 The Partnership worked with Adur Homes and the Parks department at ADC to deliver two new pocket parks at the housing estates at Fishersgate and Southwick. These have been a catalyst for further improvements to the grassed amenity space around these sites. The Partnership will work with Adur Homes and The Conservation Volunteers to deliver further improvements. The Partnership will focus particularly on the frontages to Albion Street/Fishersgate Terrace (A259) and routes between Southwick Station, the allocated development sites, and the crossing at Southwick lock gates.
- 55.12 A public art and environmental improvement scheme is currently being delivered at the Wharf Road embankment. This site is at the eastern entrance to the regeneration area, adjacent to Hove Lagoon and the allocation at Aldrington Basin. These works will create a gateway feature in this prominent location that marks the transition between the harbour area, and Hove seafront.
- 55.13 The Councils and the Partnership will seek to invest, or secure funding for further public realm improvements across the regeneration area as opportunities arise. For example, the planned upgrade to the lock gates and coastal defence works at Southwick and Portslade Beaches will present opportunities for further off-site placemaking.

#### Direct investment in property

- 55.14 Where appropriate the partners in the regeneration project will seek to directly invest in property in order to secure the delivery of the Plan. As an example SPA purchased Maritime House. This has enabled the protection of this site for employment uses, and enabled the refurbishment of the building to ensure that it provides high quality space for small to medium enterprises.
- 55.15 The Councils have powers to acquire property through compulsory purchase. To date it has not been necessary to utilise these powers. The Councils have engaged with businesses and landowners on the proposals for the regeneration area. Many sites have already come forward for redevelopment. Therefore, the Councils do not currently have plans to use their compulsory purchase powers. Nevertheless, this remains an option that could help to unlock stalled sites if this becomes necessary.

## Utilising public sector assets

- 55.16 The regeneration project partners are committed to using their assets to assist the delivery of proposals in the Plan. As discussed above, and in Matters Statement 3 (SHJAAP/MS/03) and Matters Statement 4 (SHJAAP/MS/04), a number of sites at Aldrington Basin, South Portslade and Southwick Waterfront are owned by project partners and have been allocated in the plan. These are being developed by the relevant project partner, or through joint venture. For example, BHCC has entered a joint venture with Hyde New Build to deliver living wage housing at a number of sites across the city, including SP2 (former Belgrave Centre) at South Portslade.
- 55.17 WSCC will carry out an options appraisal study for the Albion Street lorry park (situated in CA6: Harbour Mouth). If found to no longer be required in its current use, it may be appropriate for alternative uses, including the relocation of businesses away from the Western Harbour Arm, in order to facilitate allocated sites coming forward for redevelopment.
- 55.18 Outside the regeneration area, AWC is investigating the remediation and transport access required in order to secure the reuse of a former waste site at Decoy Farm, Worthing. This site has been identified as potentially suitable for some businesses at Shoreham Harbour which do not require a waterside location, especially for uses which are not compatible with nearby residential development.

## External funding

- 55.19 The regeneration project was supported by Eco Town and Growth Point funding awarded by Government between 2009 and 2011. The Councils and the regeneration partnership have secured, or assisted developers in securing, external funding for a number of projects. For example, the Coast to Capital LEP awarded £3.5 million from its Growth Fund for flood defence works. The LEP also provided a £1.1 million grant to SPA to enable the purchase of Maritime House. More recently, ADC supported Southern Housing in a successful bid for £10 million from the Housing Infrastructure Fund.
- 55.20 The Shoreham Heat Network Partnership has secured funding from the Heat Network Delivery Unit for project development of the proposed district heating network. Subject to agreement of the relevant Councils, the partnership intends to apply for further funding from the Heat Network Investment Project.

55.21 The Councils will continue to pursue external funding opportunities as and when they arise. In June 2018, B&HCC working with WSCC and ESCC submitted an expression of interest in the Department for Transport's Transforming Cities Fund aiming to improve connectivity between people and employment in the City Region. If successful, this could provide funding invest in the A259 corridor that would help to facilitate movement along this corridor in line with the JAAP and Shoreham Harbour Transport Strategy 2016.

#### Proceeds from the disposal of assets

55.22 Proceeds from the disposal of assets have been used in order to deliver the proposals in the Plan. For example, the Shoreham Port Masterplan Review (LPD04/07) reports that the proceeds of the sale of Free Wharf and Kingston Wharf has enabled the delivery of other sites. These include the Lady Bee Enterprise Centre at Southwick Waterfront, and Aldrington Marina (AB2) at Aldrington Basin.

#### Delivery Group

55.23 The Shoreham Harbour Delivery Group is comprised of the three partner Councils, and SPA. Its role is to coordinate the delivery of the regeneration project and the proposals in the JAAP. This will take account of wider strategic priorities in the sub region. The group will work with landowners and businesses to assist allocated sites in coming forward for development.

55. How have issues of viability been taken into account, including likely cumulative impacts of requirements, to ensure that there is a reasonable prospect that the sites identified will come forward for development during the lifetime of the plan? Will the proposals provide competitive returns to a willing landowner and developer sufficient to enable development to be delivered?

#### ***Councils' response:***

55.1 The Whole Plan Viability and Deliverability Study (SED10/01) identifies an overall surplus for the allocations at South Portslade and Western Harbour Arm, and a deficit for the allocations at Aldrington Basin and Southwick Waterfront. This depends on whether the net land value is higher or lower than the threshold land value. The threshold is the existing use value plus 20% premium (as explained in paragraph 9.4 of the study).

- 55.2 The viability appraisal was carried out in accordance with the provisions of paragraphs 173 and 174 of the NPPF 2012. This requires that the costs of development should provide "*competitive returns to a willing landowner and a willing developer to enable the development to be deliverable*". This does not take into account situations where the landowner is developing the site itself, and is therefore not seeking a return from the sale of land. This applies to several sites within the allocations, including Aldrington Basin (AB2, AB3); South Portslade (SP2, SP5); Southwick Waterfront.
- 55.3 Paragraph 16.3 of the study considers the inputs that produce this result. This finds that the costs attributable to policies in the Plan are not high in relation to abnormal and s106 costs.
- 55.4 Non-residential development appears to have an adverse impact on viability. The South Portslade and Western Harbour Arm allocations, which have a higher proportion of residential development, are therefore shown to be more viable. For mixed use sites, it is anticipated that the various uses would be accommodated within the same buildings. It is also worth noting that several of the allocations for employment floorspace are being developed by the owner of that site, and therefore are not expected to generate a competitive return from the sale of land.

56. How has the need for site specific requirements been assessed, including the need for green infrastructure, environmental mitigation or compensation? Have they been identified as necessary to make a particular development acceptable in planning terms? Having regard to the Councils' proposed modifications, does Policy SH10(3) clearly identify the potential requirement for agreements with utility providers?

**Councils' response:**

- 56.1 A range of evidence sources have informed the infrastructure requirements for particular allocations in the Plan. These include:
- Transport studies and baseline analysis (SED05/01 - SED05/05)
  - Shoreham Harbour Transport Strategy (LPD04/02)
  - Shoreham Harbour Flood Risk Management Guide (LPD04/01)
  - Shoreham Harbour Ecology and Green Infrastructure Study (SED07/01)
  - Shoreham Harbour Ecosystem Services Modelling (SED07/03)
- 56.2 In the case of flood defences and land remediation, sites will not be developable without these. For green infrastructure, and environmental mitigation or compensation (such as habitats and/or air quality), site specific requirements are necessary in order to make development acceptable in planning terms

56.3 The Councils consider that Policy SH10(3), taking into account the proposed modification, clearly identifies the requirement for agreements with utility providers. This text was removed in error from the Plan. The modification seeks to reinstate it, and was requested by a utility provider, Southern Water (REP/JAAP/PS/06).

57. Has the scale of contribution required been clearly identified, so that a future developer will understand the extent and type of contribution expected? How is the issue of pooled contributions proposed to be addressed, in relation to Regulation 123 of the Community Infrastructure Levy Regulations 2010?

***Councils' response:***

Scale of expected contribution

57.1 Yes. The scale of contribution required has been clearly identified, so that a future developer will understand the extent and type of contribution expected. Both ADC and BHCC currently collect infrastructure contributions through s106s for a variety of infrastructure types.

57.2 In Adur, an Interim Planning Guidance document (July 2013) *Planning Contributions for Infrastructure Provision* (LPD01/09) sets out the approach taken to collecting contributions for general infrastructure, education, libraries, fire and rescue services, waste management, transport, water infrastructure, air quality, health facilities, heritage, open space, the public realm, and other forms of infrastructure. This approach has been effective in Adur in terms of securing appropriate infrastructure to support new development.

57.3 The document sets out the Council's infrastructure requirements and signposts the reader to relevant websites (for example, WSCC's parking standards and transport methodology) as appropriate. It is currently written in relation to the saved policies of the Adur Local Plan 1996, which have now been superseded by the Adur Local plan 2017. In order to bring this up-to-date, the Adur Local Development Scheme 2018-20 (LPD01/04) states that this interim guidance will be updated in 2018, and an SPD *Guidance on Infrastructure Provision in Adur* will be produced in 2019.

- 57.4 Policy CP7 Infrastructure and Developer Contributions in the B&HCP(1) sets out the approach to ensuring that the necessary social, environmental and physical infrastructure is appropriately provided to serve development. The requirement for development to contribute towards necessary infrastructure is also highlighted in the policies for each of the City Plan Part One Development Areas including Policy DA8 for Shoreham Harbour. Policy CP7 also indicates that there will be investigation into the implementation of a locally adopted Community Infrastructure Levy (CIL – see below).
- 57.5 The range of infrastructure and service provision that may be supported either by a future CIL or where S106 Planning Obligation contributions may be sought is set out at paragraph 4.7.4 of Policy CP7. This includes highways infrastructure; utility infrastructure; sustainable transport measures; employment and regeneration initiatives including securing local employment, training and apprenticeships; biodiversity and open space; sustainable development initiatives; sports, recreation and your facilities; education, flood risk prevention measures, reducing crime, policing and community safety. Detailed guidance is set out in the council's Developer Contributions Technical Guidance (LPD02/19) (last updated March 2017).

#### Pooling of contributions

- 57.6 ADC does not have CIL in place. A decision was taken by ADC's Planning Committee on 24th July 2017, and endorsed by the Executive Member for Regeneration not to progress CIL; in part because viability work undertaken to support the ALP had demonstrated that certain strategic sites in Adur, including Shoreham Harbour Regeneration Area, would not be viable for CIL due to high infrastructure costs. As a result, planning obligations will continue to be used in the Adur section of the JAAP regeneration area.
- 57.7 The Council is therefore conscious of the need to have careful regard to the requirements of Regulation 123 of the Community Infrastructure Levy Regulations 2010, which restricts the pooling of s106 contributions to no more than 5 per item of infrastructure.
- 57.8 As a two-tier authority, this issue will of course affect both ADC, as well as WSCC, the latter collecting contributions for transport and education infrastructure in particular. In both cases s106 contributions are collected for identified infrastructure, which may form a standalone element of a wider infrastructure project. This may, for example, constitute separate phases of a wider scheme to ensure that the regulations are complied with in terms of numbers of obligations per infrastructure item.

57.9 Brighton & Hove is currently preparing a Community Infrastructure Charging Schedule in order to implement a local Community Infrastructure Levy. The council agreed to commence work on a CIL charging schedule at its September 2016 Economic Development and Culture Committee 2016 and has now consulted on a Preliminary Draft Charging Schedule (Autumn 2017) and a Draft Charging Schedule (March - June 2018). Current timescales indicate that CIL is likely to be in place and operational by late 2019. Development liable for CIL will provide for contributions for a range of citywide infrastructure as identified in the Infrastructure Delivery Plan and the Regulation 123 List. Once CIL is in place, this will address pooling restrictions regarding developer contributions secured through CIL.

58 Are the infrastructure requirements needed to support the proposed development of the Plan area clearly set out within the Infrastructure Delivery Plans for the ALP and B&HCP1? Are the timescales for delivery, costs and funding sources for each scheme confirmed, to enable the delivery of the proposed development, for at least the first five years of the plan?

***Councils' response:***

58.1 Yes. The infrastructure requirements needed to support the proposed development of the Plan area are clearly set out within the Infrastructure Delivery Plans for the ALP (LPD01/03) and B&HCP(1) (LPD02/02).

58.2 The Adur IDP was developed to support the Adur Local Plan 2017. The IDP has been prepared to evaluate conditions and challenges affecting Adur's infrastructure, to identify key infrastructure shortfalls in the context of future growth in Adur (as established by the adopted Adur Local Plan), and to identify how shortfalls will be met.

58.3 Section C of the IDP consists of an Implementation Plan. This sets out the funding sources, phasing, and responsibility for delivery of individual elements of infrastructure

58.4 This is divided into geographical areas, for clarity, and includes:

- a 'whole plan area' section (3.1)
- East of River Adur (which includes some elements of Shoreham Harbour infrastructure) (3.3) and
- a dedicated Shoreham Harbour Regeneration Area section (3.7)

- 58.5 Although the IDP was published in late 2016, it should be noted that there have not been any significant changes to the evidence base and therefore the IDP is still considered to be an appropriate part of the evidence base to support the JAAP.
- 58.6 In terms of timescales, many elements are identified as being delivered 'as part of the development' or alongside growth, as these will be implemented by the developer as an integral part of the development.
- 58.7 Costs identified as accurate as far as possible at the time, and have come from liaison with infrastructure providers, or other responsible authorities (for example WSCC in the case of transport and education provision). This does not prohibit developers may find alternative ways of addressing infrastructure needs which will possibly result in differing costs. This will be addressed through the planning application process.
- 58.8 Similarly, funding sources have also been identified through liaison with infrastructure providers, or other agencies such as the Local Enterprise Partnership, NHS, and Environment Agency. No showstoppers have been identified which would impact on the ability of development to come forward.
- 58.9 It should be noted that Shoreham Harbour Regeneration Area is identified within the ALP (and consequently within the IDP 2016) as a broad location, alongside the strategic sites allocated in the Plan. However, despite this differing status, infrastructure requirements in the Shoreham Harbour area have been addressed as rigorously in the IDP as the other strategic locations.
- 58.10 The Brighton & Hove IDP is an annex to Brighton & Hove City Plan Part One, and is updated on an approximately annual basis with the most recent iteration published in June 2017. It clearly sets out infrastructure requirements needed to support development within the Plan area until 2030 and beyond, including measures such as flood defences, renewable energy provision and green infrastructure.

- 58.11 The bodies responsible for infrastructure delivery, timescales for delivery, costs and funding sources are identified and included. In some cases, there remains some uncertainty on some of these issues, especially where infrastructure demand and/or provision is dependent on development proposals coming forward. Again, no showstoppers are identified which would impact on the ability of planned amounts of development to come forward.
- 58.12 Furthermore, alternative sources of external funding have been secured by the Partnership to assist in the delivery of a number of infrastructure projects. These are described in more detail in the answer to Question 54 under the heading 'External Funding'.