

5 Issues and Options

5.1 This chapter of the AAP explores a number of cross-cutting themes for Shoreham Cement Works. It explains the main findings of the evidence based studies for each theme. It explores the issues and tensions raised by the evidence both within the five areas and affecting the site as a whole. It sets out various options for each theme and ends with asking specific questions for each theme. There are obvious overlaps between the themes and the chapter should be read as a whole. Interspersed across this chapter are images from other developments across the world. The intention is to illustrate just what could be possible at Shoreham Cement Works.

5A Viability

Evidence

- 5.2 The SDNPA commissioned a Viability and Deliverability Study⁹ from BPS Chartered Surveyors to test several development scenarios. The aims of the study were to understand whether the scenarios were viable and to assess the extent to which affordable housing could be delivered as part of a development scenario.
- 5.3 Unfortunately BPS were unable to access the site or gather necessary information on, for example, existing businesses. Based on the limited information available, BPS used a nominal Benchmark Land Value for the purpose of running their appraisal; this is the value given to existing uses and activities taking place on the site.
- 5.4 Without significant public funding, any development at Shoreham Cement Works will need to pay for itself. Whilst public funding has not been ruled out, it is critical for the purposes of the AAP to establish a development option which delivers a substantially enhanced landscape and is viable. At the 2003 appeal¹⁰, the planning inspector stated: “there is a fundamental requirement to create a viable scheme. Without viability nothing would happen”. Typically, residential development drives value in a development and enables other benefits to be achieved. A balance needs to be struck between the amount of residential development required to enable landscape restoration against any adverse impacts on the nationally protected landscape.
- 5.5 Bringing forward development on a brownfield site of this scale, with its history of excavation and contamination, has significant costs. The BPS study has drawn on the other evidence studies commissioned in the preparation of the AAP to take account of the likely costs of making the site suitable for development. These include major land remediation, drainage and transport infrastructure costs, which in total, are expected to be in excess of £26 million. There are likely to be other notable development costs such as addressing water neutrality.

⁹ Shoreham Cement Works: Financial Viability Assessment, BPS Chartered Surveyors, 2022

¹⁰ Land at Shoreham Quarry, Steyning Road, Upper Beeding Applications and APPEAL BY Callstone Ltd, Ref APP/Y3805/V/02/1100397 & APP/Z3825/A/02/1095343, Office of the Deputy Prime Minister, 2003

Issues

- 5.6 The primary issue is the challenge of making a proposal viable given the extraordinary costs in preparing the site for development. The BPS study initial testing found all development scenarios, with a policy compliant 50% affordable housing provision, to be in substantial deficit (making a loss). The scenarios were still in deficit with 100% private market housing with no affordable housing provision. Sensitivity analysis undertaken by BPS, shows a 'best case' scenario where Development Scenario 2 makes a surplus (is viable) and Development Scenario 1 is close to breaking even. Development Scenarios 1 and 2 include 400 and 240 homes respectively.
- 5.7 Affordable housing is a priority for the SDNPA, which is consistent with its socio-economic duty and the Defra Vision & Circular on English National Parks¹¹. There is a big affordability gap in the South Downs between the high cost of homes and relatively low local incomes. There are also affordability pressures in the nearby settlements outside the National Park in Adur and Horsham Districts. However, the viability evidence illustrates that delivering affordable housing as part of redevelopment proposals for Shoreham Cement Works will be challenging, and will likely require Government subsidy. It could also be argued that the site is not a suitable location for affordable housing given the distance to local facilities such as schools, health care and shops.
- 5.8 The density of housing development is an issue for viability. Development Scenarios 1 and 2 include high density residential development at levels normally found in areas of excellent public transport provision. A development option at this density would need public transport investment and measures to deter private car use. Density also has an impact on the profitability of development, with lower density development attracting the highest sale values.
- 5.9 There are also viability considerations for the potential employment uses. The only employment uses which lead to viability surpluses are B2 General Industrial and B8 Storage and Distribution, due to their relatively low construction costs. All other employment uses (offices, research & development, light industry) reduce the viability of the scenarios. In addition, employment uses located next to homes may detract from their sales values and reduce the overall viability of the scheme.

How the issues affect the five areas

- 5.10 The **Riverside** is the most profitable area to build homes, with a premium for the riverside location and views to the surrounding countryside. The **Riverside** and **Cement Works** immediately adjacent to the A283 road, are somewhat impacted by noise and air pollution from passing traffic. This is exacerbated in parts of the **Riverside**, as the road is elevated in relation to this part of the site. Residential sales value in the **Cement Works** will be affected by surrounding commercial uses

¹¹ [Defra Vision & Circular on English National Parks and the Broads, 2010](#)

and the quarry location. Low daylight levels in the southern part of the **Cement Works** will also impact sales values.

Options

5.11 There are a number of options arising from the viability evidence:

- A 100% private market scheme to maximise viability
- A mixed tenure development with a small proportion of onsite affordable homes
- Development required to provide a financial contribution in-lieu of providing onsite affordable housing
- Employment uses promoted to maximise viability (B2 general industrial and/or B8 storage and distribution)