

Report to: Lead Member for Resources and Climate Change

Date of meeting: 31 March 2025

By: Chief Operating Officer

Title: Land parcels at the Phoenix Causeway and North Street, Lewes – Disposal of Freehold

Purpose: To consider land parcels at the Phoenix Causeway and North Street, Lewes which are proposed to be declared surplus to the operational requirements of the Council, subject to the purchaser entering into a Section 278 Agreement, and to consider the disposal of the various land parcels in accordance with s.123 of the Local Government Act 1972.

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

1. Subject to formal stopping up procedures, declare land under the adopted highway at North Street, Lewes, required for the North Street Quarter regeneration scheme, surplus to requirements of the Council;
2. Delegate authority to the Chief Operating Officer to:
 - (a) declare the exact extent of the identified land parcels, hatched blue set out in Appendix 1 to be surplus to the requirements of the Council;
 - (b) agree the terms of the sale to achieve best consideration for the land parcels to be disposed of, in accordance with s123 of the Local Government Act 1972, including proceeding with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines; and
 - (c) take all actions necessary to give effect to the recommendations in this report.
3. Approve the disposal of the land parcels in accordance with s.123 of the Local Government Act 1972.

1 Background

- 1.1 The Lead Member for Resources and Climate Change declared land parcels at the Causeway and North Street, Lewes to be surplus to the operational requirements of the Council on 18 September 2018 - [Issue - items at meetings - Land at the Causeway, Lewes | East Sussex County Council](#). That decision was made having regard to the redevelopment scheme that was consented at that time. However, that scheme did not come to fruition. A new regeneration scheme has been progressed by the land developer, Human Nature. Given the substantive changes to the new scheme proposed, the decision is being brought back to Lead Member for consideration.
- 1.2 The Council owns parcels of land that form part of the North Street Quarter (NSQ) site in Lewes. These land parcels are identified in Appendix 1, in addition to land along the riverbank and other smaller parcels. The Council-owned freehold land identified for disposal is shown hatched blue.

- 1.3 The largest parcel of land to be disposed of, in part, is adjacent to Phoenix Causeway. Whilst not currently part of the adopted highway, it is required by the developer as an access point into the development site.
- 1.4 The Council also owns part of North Street. This is a smaller parcel of land adjacent to the fire station. It forms part of the adopted highway and will be subject in due course to stopping up procedures under Planning and Highway processes. The Council would support the release of this land, conditional upon the stopping up order being secured.
- 1.5 The NSQ site is a strategic brownfield site in Lewes that provides an opportunity for a mixed-use development scheme, whilst also providing employment and flood defences for the town. The developer is proposing to build 685 homes and cultural, business and flexible workspace. This was approved by the South Downs National Park Authority's Planning Committee on 15 February 2024, subject to a series of conditions. These include the resolution of highway matters, as well as a Section 106 agreement that requires 30% affordable housing. The Section 106 agreement will place planning obligations on the developer and is legally binding.
- 1.6 Highway improvements are also proposed, including a realignment of North Street and Phoenix Place, a recycling and re-use centre, and construction of a new footbridge over the River Ouse and a riverside pedestrian walkway. The developer is to provide a bus layby off Phoenix Causeway, with access to a kiosk and public toilet within a mobility hub. The Council is to retain the freehold of the bus layby and associated infrastructure, including the shelter(s) and signage. Retaining the freehold of this land means that the Council will have greater control over the land and its future use.
- 1.7 There are occasions when land used as a public highway, including the associated infrastructure such as drainage and lighting, can be transferred to the Highway Authority under an agreement that falls under Section 38 of the Highways Act 1980. For this to occur, the Highway Authority will require the developer to construct the road to the standard required for it to be adopted and maintained at the public expense. However, if that highway is then stopped up, meaning that the land used as a public highway ceases to be used as a highway and the public rights of way are extinguished in law, then the Council has no legacy rights to ownership of the land. For this reason, the Council does not propose to dispose of the freehold of any the Council-owned land that will be used to form the bus layby, including the associated infrastructure.

2 Supporting information

- 2.1 The total extent of Council-owned landholdings to be disposed of can only be confirmed when the design for the bus layby and shelter has been finalised.
- 2.2 As part of the planning approval, the developer will be required to enter into a Section 278 Agreement. This is a legal agreement made in line with Section 278 of the Highways Act 1980. It allows the developer to make permanent alterations or improvements to the public highway. It is proposed that the developer will deliver the bus lay-by under a Section 278 agreement. Works will not commence until planning approval has been granted, the Section 278 Agreement has been signed by both the developer and the Council as Highway Authority, and all pre-commencement requirements have been met and approved by the Council. Further, the disposal of the Council-owned land holdings is not to occur until the Section 278 agreement has been entered into.
- 2.3 When supporting major regeneration proposals, the Council has an important corporate role to play in addition to its statutory role as Highway and Waste Authority.

When reviewing best value and transfer options for the land interests at NSQ, consideration will be given to opportunities to share in the wider benefits of development where appropriate.

- 2.4 The disposal of the land parcels will result in a capital receipt. Capital receipts are an important source of funding, and the Council seeks to maximise the levels of these resources which will be available to support the Council's capital plans and reduce the need to borrow in accordance with the Council's Capital Strategy.

3 Conclusion and reasons for recommendations

- 3.1 When development of NSQ is brought forward, benefits for the wider community will be realised, including new homes, employment opportunities, flood defence works and the provision of a new bus layby and associated infrastructure. For that reason the Lead Member for Resources and Climate Change is recommended to declare land under the adopted highway at North Street, Lewes, required for the North Street Quarter regeneration scheme, surplus to requirements of the Council, subject to formal stopping up procedures.
- 3.2 Declaring the land parcels surplus to the operational requirements of the Council and disposing of them to the developer (subject to conditions for the highway land and the developer entering into a Section 278 Agreement so that the exact extent of the land to be disposed of to the developer can be agreed), enables the Council to facilitate the regeneration of a strategic brownfield site in Lewes.
- 3.3 Therefore, the Lead Member for Resources and Climate Change is recommended to approve the disposal of the land parcels in accordance with s.123 of the Local Government Act 1972.
- 3.4 The exact extent of ESCC land to be disposed of cannot be confirmed until the final designs for the bus layby and bus shelter have been produced and agreed. Therefore, to facilitate the effective disposal of the Property, the Lead Member is recommended to delegate authority to the Chief Operating Officer to declare the exact extent of the identified land parcels to be surplus to the requirements of the Council; and to delegate to the Chief Operating Officer authority to agree the terms of the sale to achieve best consideration for the Property in accordance with s123 of the Local Government Act 1972. This includes the authority to proceed with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines.
- 3.5 The Lead Member is also recommended to delegate authority to the Chief Operating Officer to take all actions necessary to give effect to the recommendations in this report.

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LOCAL MEMBERS

Councillor Wendy Maples
Councillor Johnny Denis

BACKGROUND DOCUMENTS

None