

Subject:	Update on Greater Brighton Investment Programme		
Date of Meeting:	19 April 2016		
Report of:	Chair, Greater Brighton Officer Programme Board		
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LA(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 This report provides the Greater Brighton Economic Board ('the Board') with a progress update on the Greater Brighton Investment Programme ('the Programme').
- 1.2 The period covered by this report is 17 December 2015 to 17 March 2016.

2. RECOMMENDATIONS:

- 2.1 The Board is asked to note the contents of this report.
- 2.2 The Board is asked to endorse the submission of two additional City Region projects – Eastside North, Newhaven and South Site, Brighton Marina – for this round of C2C Growth Deal funding. Further details are outlined in section 3.41 – 3.44 of this report.

3. PROGRAMME HIGHLIGHTS:**Schedule Status**

- 3.1 The governance processes surrounding the Growth Deal Funds are currently being reviewed by the Coast to Capital (C2C) Chairman's Governance Committee. This includes a review of the RAG rating being used within the Programme Reporting Book, which is no longer fit for purpose as a number of projects move into delivery phase. The Programme Reporting Book will re-launch in the new financial year.
- 3.2 C2C has confirmed that the projects within the Programme continue to make steady progress. A number have taken advantage of C2C's funding flexibilities and good progress is being made in relation to the Funding Agreements ('Agreements'). The Construction Trades Centre and the Advanced Engineering Centre projects have Agreements in place and, at the time of writing, Agreements for the Circus Street Innovation Growth Centre and Regeneration, Preston Barracks Central Research Laboratory, Brighton Valley Gardens, Newhaven Flood Alleviation Scheme, Adur Tidal Walls and Worthing Sustainable Transport Package projects were all nearing completion.

- 3.3 It should be noted that Agreements are also in place for each of the City Region's Learning Facilities Fund projects; City College Brighton and Hove (£250,000), Northbrook College (£200,000), Plumpton College (£200,000), Sussex Downs College (£100,000) and Worthing College (£99,960) to fund refurbishments and improvements to the colleges' existing assets and facilities to reduce the estate E-mandate condition. 100% of these grants must be spent in 2015/16 and all are progressing well.

New England House Growth Centre

- 3.4 Redevelopment and investment options have been explored with potential joint venture partners. A report was presented to Brighton & Hove City Council's (BHCC) Policy & Resources Committee (P&R) on 03 December 2015 and agreement was given to work with Arcus PCD towards a land deal that would provide an integrated employment-led mixed use development across both the New England House site and the adjacent Longley Industrial Estate, on which the council is a freeholder. Following a legal challenge from the leaseholder of the Longley site, the P&R decision has been rescinded and further discussions and negotiations between the relevant parties towards reaching an agreed land deal to facilitate the desired outputs for the site are currently underway.

Digital Catapult Centre Brighton

- 3.5 The Digital Catapult Centre Brighton is celebrating its first anniversary. In that time it has worked with 250 small businesses, as well as corporates including American Express and Gatwick Airport, and a range of university partners. It has successfully leveraged in an additional £800,000 of funding over and above that which was included in the original bid. The Agreement is still to be signed and the Local Growth Fund (LGF) funding for both the Centre and the National 5G SME Testbed is yet to start flowing.

Superconnected Cities Programme – Broadband Voucher Scheme

- 3.6 Government's Broadband Connection Voucher Scheme is now closed to new applicants. The Greater Brighton Scheme has offered a total of 1,095 vouchers with a value of £1,000,528. 870 broadband connections have been installed and claimed to date. The deadline for installation is 31 March 2016, with a small number of vouchers being extended to 30 June 2016.

Advanced Engineering Centre

- 3.7 The planning application was approved by BHCC's Planning Committee on the 16 September 2015 and the S106 Agreement with BHCC has now been signed. The University of Brighton (UoB) has appointed contractors through a full two stage tendering process and work started on site in January 2016. The tender process for the main construction contract was prolonged as a consequence of the challenging UK construction market. High tender prices have required the project to be value engineered to remain within budget – this resulted in a delay in commencement. An accelerated construction period has been agreed with the contractor, in order to minimise slippage and ensure that we are able to open the building in early 2017.

Innovation Centre Brighton (Block J)

- 3.8 Initial construction work on the Sussex Innovation Centre building has been delayed, but has now started and completion is now expected in Summer 2016. There has already been a lot of interest in the new space shown by tech business, either expanding out of the existing Sussex Innovation Centre or from small offices in central Brighton. Sussex Innovation will start active marketing of the site, once the new completion date is finalised.

Circus Street Innovation Growth Centre and Regeneration

- 3.9 Demolition of the former market building commenced in September and was completed in December 2015. Demolition of the university annexe building commenced in March 2016 and should be completed in April.
- 3.10 Over the last few months U+I has been involved in negotiations with its development contractors to reduce and finalise construction costs. This has delayed the development agreement between the partners from going unconditional, along with the commencement of construction work on site. It is hoped that agreement on all issues will be finalised shortly to enable the development agreement to go unconditional in early May and construction work to commence shortly thereafter.

Preston Barracks Central Research Laboratory

- 3.11 The U+I (formerly Cathedral) and UoB teams continue to develop the master plan for the entire 4 hectare site and recently presented revised proposals to BHCC's cross-party Project Board. The detailed design process, including that of the Centre Research Laboratory (CRL), is due to commence shortly and consultation on the proposed scheme should begin from mid-2016. It is hoped that the planning application will be submitted in the second half of 2016, with building works commencing from Spring 2017/18.
- 3.12 The CRL pilot project is now underway in an improved former TA building, which has been brought back into temporary use pending redevelopment. Seven innovative start-ups from Brighton & Hove have been selected to take residency in the temporary workspaces. The building will also host a range of wider community focussed engagement activities in the coming months.

City College Brighton and Hove – Construction Trades Centre

- 3.13 The City College East project continues to make good progress; demolition has been completed and ground works are underway. In accordance with the project plan, construction is due to complete in March 2017 to enable occupation from April/May 2017. While the approved contract does exceed the initial allocation – £9.3m as opposed to £9m – City College Brighton and Hove will meet the shortfall using receipts from the sale of a surplus site.

Newhaven Growth Quarter

- 3.14 The construction of Newhaven Growth Quarter has now been completed ahead of schedule and was officially handed over by the contractor – Morgan Sindall –

on 4 March 2016. The fit-out of the Enterprise Centre extension will now commence, with tenants occupying the new units from April 2016. An official 'launch' event will be held on 21 April 2016 to generate additional publicity.

Newhaven Enterprise Zone

- 3.15 The Newhaven Enterprise Zone (EZ) will start in April 2017. As part of the planning ahead of zone implementation, Lewes District Council's (LDC) Regeneration & Investment team has met with all landowners to outline the benefits of EZ status and to understand their aspirations. A timeline is currently being prepared, identifying when individual sites are likely to come forward and key actions required in the interim. Discussions are ongoing with C2C around forward funding and viability gaps for specific sites, and an Investment Strategy will be prepared by Summer 2016.

Newhaven Flood Alleviation Scheme

- 3.16 The Planning Application has been submitted and a response is anticipated in April 2016.
- 3.17 The tender pack for the detailed design and construction phase of work was issued to suppliers on 13 November 2016 and a site visit held on 18 November 2015. The contract is due to be awarded in May 2016.

Newhaven Port Access Road

- 3.18 The first phase of the Port Access Road (PAR) (A259 to Pargut roundabout), which is being constructed as part of the Eastside development, is virtually completed.
- 3.19 The development of a business case for the second phase of the PAR (from Pargut roundabout to Mill Creek) is underway. As a retained scheme, discussions have been ongoing with the Department for Transport (DfT) to agree the required scope of the business case. It is now hoped to submit draft business case documents for DfT comment over Spring/Summer 2016.
- 3.20 Procurement of a contractor on a design and build contract is also due to commence in Spring 2016 and, following agreement of the contract price, final submission of the business case is planned for early 2017. Subject to the approval of the business case, construction could commence in mid-2017, with completion in Spring 2018.

Shoreham Flood Defences – Adur Tidal Walls

- 3.21 A preferred contractor – Team Van Oord – has been selected, following a competitive tender process. The Environment Agency (EA) is presently working with the preferred contractor to finalise contract arrangements.
- 3.22 On 14 March 2016, Adur District Council's (ADC) Planning Committee recommended the project for planning approval.
- 3.23 The current programme is to begin construction on site in Summer 2016.

Shoreham Flood Defences – Western Harbour Arm

- 3.24 Negotiations are proceeding with Sussex Yacht Club in respect of the purchase of land for the provision of a flood defence along the back edge of the A259. The key issue of the value of the land is being addressed by the District Valuer and it is anticipated that the District Valuer's report will be available at the end of March 2016. The valuation work is essential to underpin the detailed business case for the use of LGF funding along this section of the Western Harbour Arm.
- 3.25 The works at Kingston Beach, planned for 2016/17, are being delayed slightly as discussions are on-going with a potential developer of adjoining land as this may influence the final flood defence solution for this eastern part of the comprehensive flood defence solution. A final decision on the extent of any flood defence works for Kingston Beach will be made by the end of April 2016.

Burgess Hill Growth Location

- 3.26 Mid Sussex District Council (MSDC) resolved on 10 March 2016 to grant planning permission for the £65 million New River Retail scheme to redevelop Burgess Hill town centre. The scheme will revitalise the town centre and help to attract large national retailers to the town. It also includes leisure and community facilities, a ten screen cinema, a hotel, food/drink outlets and new residential accommodation. Development should commence in mid-2017, with completion by 2021.
- 3.27 Work continues on the Brow to convert a disparate set of public sector buildings into a modern, purpose built community hub and provide a significant number of starter homes that will support the regeneration of Burgess Hill town centre. The Homes and Communities Agency (HCA) has commissioned architects and planning consultants to masterplan the site and work continues with the partners to agree how the masterplan will be implemented.
- 3.28 The Northern Arc scheme, which will deliver 3,500 new homes alongside a business park and schools and community facilities, remains the key focus for the MSDC. A team of specialists continues to work to address the main issues, both to support the forthcoming submission of the District Plan for examination and to assist the developers in submitting their planning applications. Detailed meetings with the developers are programmed over the next few weeks to address issues such as development areas, housing density/numbers and transport access arrangements. MSDC also continues to work closely with the HCA to help bring this scheme forward.
- 3.29 The show home is open at the Kings Way site on the east side of Burgess Hill and the first houses will be ready for occupation over the next month. The Keymer Tile Works development nearby is also well underway, following extensive groundworks to facilitate redevelopment of this former quarry. The first homes there are due to be available from July 2016. Together, these two schemes will deliver nearly 1,000 new houses over the next few years, alongside facilities including a GP surgery and community halls.
- 3.30 Positive progress also continues to be made on a range of other projects including the Science and Technology Park proposal, where consultants jointly

commissioned by MSDC and West Sussex County Council (WSSCC) are working on a masterplan. The Hub business park and the various transport improvement schemes in and around Burgess Hill are also being progressed.

A2300 Corridor Improvements – Burgess Hill

- 3.31 This scheme will support economic growth through enabling the delivery of strategic housing and employment development at Burgess Hill, and the funding profile has been aligned with the development profile currently being proposed by developers. The Burgess Hill Transport Model to support the business case is currently being developed and is due to be completed in May 2016, at which point the model will be available for use in assessing the economic benefits of the A2300 in support of the business case to be submitted to Local Transport Body. As this is a DfT retained scheme, the revised funding profile will also be communicated to DfT. The current programme indicates a start of construction in Q4 2020/21, with completion in Q1 2022/23.

Brighton Valley Gardens – Phases 1 and 2

- 3.32 Due to the recent changes to the traffic network in the area – such as Lewes Road, Brighton Station Gateway and Edward Street – the proposed Scheme is currently being re-modelled against 2015 traffic data. This will ensure that the improvements provide optimal benefits, before the scheme is progressed to construction. This review process is anticipated to be completed by Summer 2016.

Brighton Bike Share

- 3.33 On 24 November 2015, BHCC's Environment, Transport & Sustainability Committee gave permission for the project to move to procurement and award and the project specification is now under development. The procurement specification is now being finalised and branding and market research activities will also be commencing shortly.

Brighton & Hove Intelligent Transport Systems (ITS) Package

- 3.34 Work on the ground is underway, with a particular focus on the busy A259 corridor. A number of sites have, or will be completed, by the end of the financial year.
- 3.35 Investment in the infrastructure and software that is located in the Traffic Control Centre has been completed and other elements are under discussion with the contractor.

Montague Place, Phase 1 Worthing Sustainable Transport Package

- 3.36 As scheduled, works started on site on 11 January 2016. The bulk of the materials and supplies have or will be purchased by the end of March 2016.

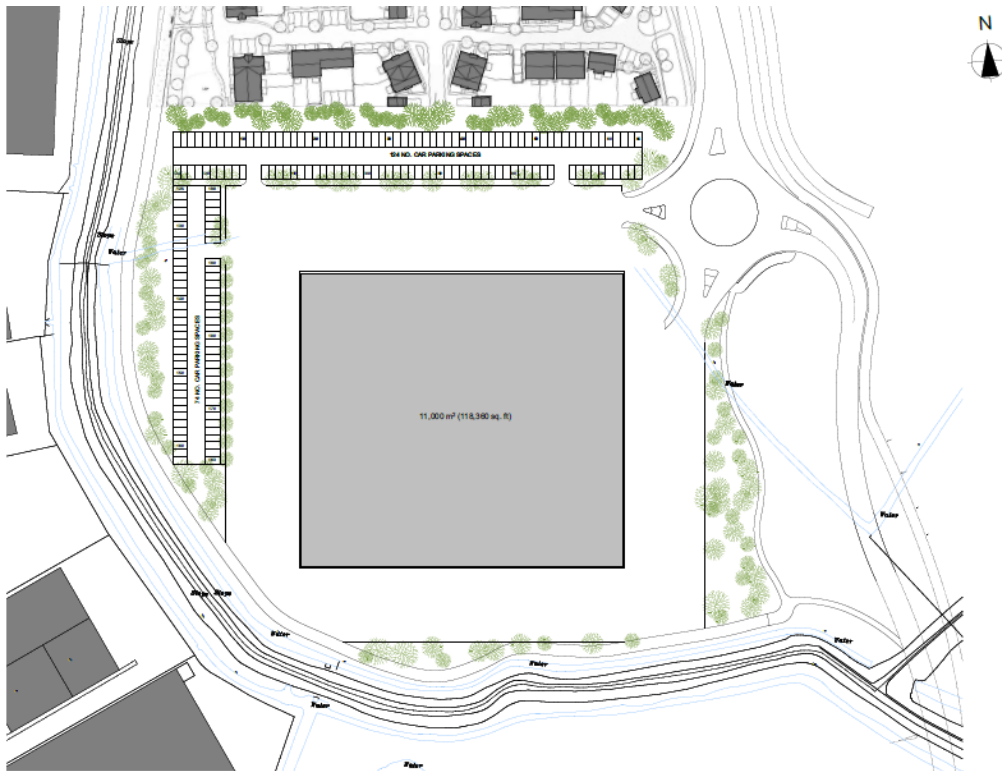
C2C Call for Growth Projects

- 3.37 On 25 November 2015, Government reconfirmed the full amount of funding required to meet existing Growth Deal commitments from 2016/17-2020/21 as part of the Spending Review 2015. Government also confirmed a continuing LGF totalling up to £12b to 2020/21. Not all of this £12bn has been allocated, signalling Government's intention to launch a future round of funding to deliver growth projects.
- 3.38 On 22 December 2015, C2C launched a call for Growth Projects for "if and when" future Government funding becomes available, with a deadline for applications of 31 March 2016.
- 3.39 On 26 January 2016, the Board endorsed the projects shortlisted for this call from the Greater Brighton Project Pipeline as follows:
- Worthing Central (Phase One)
 - Shoreham New Monks Farm and Airport Business Estate
 - Decoy Farm, Worthing
 - Waterfront East – Infrastructure, Brighton
 - Royal Pavilion Estate, Brighton
 - City College Brighton and Hove City Centre Campus Redevelopment
 - Bio-Innovation Centre, Brighton
 - Beach Road Eastside Business Park, Newhaven
 - Burgess Hill Growth Area – Infrastructure Package (including Sustainable Transport)
 - Burgess Hill Growth Area – Science & Technology Park
- 3.40 The Greater Brighton Project Pipeline is a 'live' document and since the last meeting of the Board, two new projects have been identified and prioritised for this call.
- 3.41 The first project is South Site, Brighton Marina which will be applying for an estimated £10-20,000,000 of LGF funding (the figure is subject to ongoing feasibility and design option work). The project, which has a total cost of approximately £300m, will deliver a mixed-use redevelopment that will comprise circa 1,000 residential units (minimum), replacement leisure facilities amounting to circa 16,500 sqm, a podium structure with car parking beneath to replace the multi-storey car park plus public realm. The project is estimated to generate approximately 385 operational jobs per annum, 375 construction jobs per annum over an 8 year build period and 565 further indirect / induced employment over an 8 year build period.
- 3.42 The second project is Eastside North, Newhaven. The project is seeking £2,862,750 of LGF funding, 19% of the total development cost. Eastside North offers an opportunity to develop a major logistics and distribution centre of around 11,000m² in Newhaven. This proposal will create substantial employment and training opportunities and play an important role in delivering the newly designated Enterprise Zone. The site is designated for employment use, but is currently greenfield. The LGF funding requested will cover essential infrastructure costs, including land contamination, roads and utilities services and

associated works supply to open up the site for such new employment floorspace.



- 3.43 The site is part of a mixed-use scheme including a substantial residential element. Following the withdrawal of the end user for the retail element, the site has lain dormant. There is no prospect of attracting a replacement retail occupier to this site. A number of potential occupiers have been deterred for viability reasons as there is a need for extensive piling due to methane gas issues.



3.44 The new scheme identified will be operationally viable and has generated strong interest from a number of potential occupiers. LGF funding is being sought to help address the viability of constructing this facility.

3.45 As part of the Budget on 16 March 2016, the Chancellor confirmed that Government will be launching a further round of Growth Deals of up to £1.8b, building on the £7.7bn already announced. Further details are due to be released shortly.

3.46 On 23 March 2016, C2C confirmed that they are extending the deadline for applications to 29 April 2016.

2016 Budget Summary

3.47 On 16 March 2016, the Chancellor delivered his budget speech. The key points that relate to the economic growth agenda can be summarised as:

- New threshold for small business rate relief will be £15,000 from April 2017.
- Commercial Stamp duty will have 0% band for properties up to £150,000 from midnight on 16 March 2016.
- £700m extra will be set aside for flood defences.
- Further Devolution Deals were announced in the East of England, Greater Lincolnshire and the West of England.
- Criminal Justice powers will be transferred to Manchester.
- GLA will retain all business rates from April 2017.
- Government will commission Crossrail 2 linking North and South London.
- All LEPs will be required to have a nominated Small Business Representative on their board, to ensure that the voice of small business is clearly heard.
- Government confirmed the next round of the Coastal Communities Fund will open for applications in Summer 2016.

- HCA will work in partnership with Network Rail and local authorities to bring forward land around stations for housing, commercial development and regeneration. Proposals for specific vanguard sites will be brought forward shortly.
- Employers will receive a 10% top up on Apprenticeship Levy contributions to pay for training.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 This report provides updates on the progress of a number of projects each with individual sources of funding from both government sources and external partners.
- 4.2 Each project will be subject to individual business cases that consider the financial benefits and risks associated with the relevant project, The financial implications relating to each of the projects in the programme have been reported individually at various stages and considered by their lead bodies and updates will be presented to the Board throughout the year.
- 4.3 The government announced in November 2015 the continued investment in Local Growth Fund to 2020/21 of up to £12b. The Board has identified a list of projects through the Greater Brighton Project Pipeline in sections 3.39 and 3.40 that it wishes to support through this funding. Further updates on individual schemes will be presented to this Board and all schemes will be subject to detailed business cases being submitted.

*Finance Officer Consulted: Rob Allen, Principal Accountant
Date: 05/04/16*

Legal Implications:

- 4.4 Funding Agreements relating to these projects have been entered into or will be required to be entered into to enable the respective grant monies to be released.

*Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC
Date:05/04/16*

Equalities Implications:

- 4.3 None. As the business cases for individual projects are developed, lead partners will be asked to develop an Equality Impact Assessment for their projects as appropriate.

Sustainability Implications:

- 4.4 None arising from this report. Sustainability issues will be addressed on a project by project basis.

Any Other Significant Implications:

4.5 None

SUPPORTING DOCUMENTATION

Appendices:

None

Background Documents

None

