

# REPORT OF THE POLICY & RESOURCES COMMITTEE

HELD ON 24 July 2003

Present: Councillor Bodfish (Chair); Councillors Mrs Brown, Burgess (Deputy Chair), Elgood, Fitch, Hawkes, Hazelgrove, John (Deputy Chair), Mitchell, Mrs Norman, Oxley (OS), Peltzer Dunn (OS Finance), Randall, Smith and Taylor.

## 1 King Alfred : Decision on a Preferred Developer

1.1 The Committee has agreed to appoint Karis/ING as the Council's preferred developer for the King Alfred Site. *(Copies of the full reports and appendices are available on the Wave or in Members' Rooms).*

1.2 Proposals for improving the sports facilities at the King Alfred, funded by an enabling development, have been around since at least 1996, when Hove Borough Council entered into an agreement with Citygrove Leisure to develop a commercial leisure scheme on the site. That scheme was abandoned in late 2000, partly due to changes in the commercial leisure market. Subsequently, a council Scrutiny Panel advised that any future development of the site should be soundly based on a sports brief following consultation with users and an appraisal of all options for the site.

1.3 In May 2001, the Policy & Resources Committee agreed a fresh approach to the site which emphasised the principal aim of "securing modern sport and recreation facilities for the people of Brighton and Hove". Since then, the following steps have been taken:

- agreement of detailed project objectives
- agreement of a Sports Brief for the site following consultation with sports groups and users and indicating the contribution the King Alfred can make to improving overall sports provision in the city
- analysis of the development options for the site to assess how new sports facilities could be funded
- consideration and appraisal of a range of options including refurbishment of the current centre and complete redevelopment
- widespread public consultation on the principle of development and the preferred (redevelopment) option
- completion of a Development Brief for the site including a planning brief and a detailed brief for the sports centre
- following a rigorous selection process, invitation to four developers to make design and finance proposals for the site
- receipt and analysis of three proposals together with exhibition of the schemes in March 2003
- decision not to proceed with the Countryside scheme in April 2003 and continuing work to clarify issues on the remaining two schemes: Barratt/Brunswick and Karis/ING

1.4 The two schemes under consideration in the second stage of evaluation both met the brief for the sports centre (albeit in very different ways) and were backed by two developers with a sound track record in implementing large,

high quality mixed use schemes. Neither required a subsidy from the council and both proposed enabling developments which meet the requirement for 40% of affordable housing and go a considerable way towards meeting the council's target of affordable homes provision. Both therefore met the key requirements of the council for the scheme.

- 1.5 A technical evaluation covered a range of issues including: design, planning, transport, sustainability, sports centre, finance, deliverability and legal issues.
- 1.6 While the same grades had been achieved by the two teams on planning and design and the sports centre, there are big differences on the financial proposals and deliverability areas where Karis/ING has been graded "A" for both and Barratt/Brunswick has been graded "C". This confirmed the impression gained by officer members of the Project Board during the evaluation process that, while there was little to choose between the design quality and the design teams for the two schemes, there was a marked difference in quality of the developers' approach, financial offer and project management.
- 1.7 The Council studies covered the overall financial effect of the schemes on the council, economic impact of the schemes on the city and a risk assessment.
- 1.8 The **overall financial effect of the schemes on the council** looked at the costs of running the new sports centre together with other revenue implications and the financial offer from the bidders. Most importantly, it concluded that a new sports centre would attract 70-75% more users than at present, would reduce the subsidy per user by 50% and would generate an overall subsidy reduction of at least £100,000. This would be partially offset by additional maintenance costs of public spaces in the schemes. The financial effects of the schemes were not sufficiently different to make this a deciding factor between the proposals.
- 1.9 The study of the **economic impact of the schemes on the city** concluded that the development of the King Alfred was a vital element in maintaining the perception of the City as a key venue, tourism destination and place to invest, and that the Karis/ING scheme was the better of the two in promoting the image of the City and attracting further investment. This was because it would be more significant for sustainable tourism (attracting three times the visitor spend of the Barratts scheme), create more construction jobs and generate more permanent jobs on completion. The impact of the Karis/ING scheme on the Brighton and Hove economy would add £25-32m a year, while the Barratt/Brunswick scheme would add £15-21m a year. The study emphasised the importance of a sustainable transport package which linked all the major visitor venues to ensure the success of the scheme.
- 1.10 The **risk assessment** analysed twenty two risks to the scheme in terms of their likelihood and significance together with the mitigation measures which would be required to manage them. The latter included the involvement of key stakeholders throughout the process of design, negotiating clear obligations and responsibilities for both parties and a rigorous monitoring regime throughout the implementation of the scheme. The risks were thought to be

sufficiently common to both the schemes under consideration to make any differentiation on this basis difficult to justify.

- 1.11 Both schemes were encouraged to make commitments on sustainability, particularly energy and recycling, at this stage of the evaluation process. While both teams have a strong track record in this and are clearly aware of the issues, designs were in the main not sufficiently advanced for them to do more than indicate the issues they will consider as the design develops. While this is understandable, it will require the council to take a proactive interest in this aspect of the design development process to ensure that the full range of sustainable practices are fully evaluated and, where feasible, incorporated in the design. It is suggested that, at an appropriate stage, the evolving scheme design is presented to the Sustainability Commission.
- 1.12 For the chosen scheme to be successful, it will need to address the need to minimise the use of the private car and to support improvements to public transport access. This cannot be done in isolation, but needs to address similar issues raised by a number of projects on the city seafront. The council's commitment to improving sustainable transport provision along the seafront is set out in its full Local Transport Plan investment programme and Local Plan policies which designates the A259 south coast road as a Sustainable Transport Corridor. The council will now work with Karis/ING to ensure that, by the time the new King Alfred centre is open, the required improvements in public transport access are in place. This will include ensuring that the design of the buildings has the ability to provide for passengers and information for a mass transit system along the seafront.
- 1.13 The formal consultation mechanism set up for the project via the council's Advisory Consultation Panel will be important in capturing the views and input of a range of groups. However, the consultation will need to be wider than this formal process to seek to capture the input of a range of groups and individuals who will be affected by the scheme in one way or another.
- 1.14 The council will be particularly interested in progressing the design of the sports centre to ensure it meets the requirements of the brief. Council officers and advisers will work closely with the chosen design team to ensure this. Sports groups will continue to be involved in the consultation process.
- 1.16 Both schemes broadly met the Affordable Housing Brief. The Barratt/Brunswick scheme included 187 affordable units of which 35% would be for keyworker and shared ownership. The Karis/ING scheme included 175 affordable units, of which 60% would be likely to be allocated for shared ownership and keyworkers. Both schemes would provide 10% of units to wheelchair standards. The properties for rent in each scheme would be principally for single people and couples, with a small number of units for families. The difference between the schemes in the number of rented units was due to the different design approaches. The Housing Team will need to continue to work closely with the Karis/ING to ensure that all tenures are carefully managed to secure a sustainable community.

1.17 The council will need to ensure that it is committed (subject to planning approval) to making the project happen. While it is possible for the scheme to fail for reasons beyond the control of the council, it is important that the council does everything within its power to ensure that the development of the site does go forward this time. This is a high profile scheme and the council's actions and commitment will come under greater scrutiny than might otherwise be the case. This may well have implications for attracting other high quality schemes and developers to the city.

*[This item has been referred to Council for information by the Labour and Green Groups. A copy of the full report is available on the Wave and in Members' Rooms]*

Councillor Ken Bodfish  
Chair, Policy & Resources Committee  
August 2003