

Appendix A

Brighton & Hove City Council

Meeting:	Policy & Resources Committee
Date:	22 October 2003
Report of:	Deputy Chief Executive & Director of Corporate Services
Subject:	Black Rock Redevelopment Decision on a Preferred Developer
Ward(s) affected:	Rottingdean Coastal (directly) all others indirectly

1 Purpose of the report

- 1.1 This report recommends that the council appoints a preferred developer for the Black Rock site, subject to a series of conditions together with a number of other recommendations.

2 Recommendations

- 2.1 That Policy & Resources Committee agrees to appoint the Brighton International Arena (BIA) as the council's preferred developer subject to the following:
 - 2.1.1 That a "lock out" agreement (as described in paragraph 8.9) with such terms to be agreed by the council's Head of Law in consultation with the Director of Corporate Services be entered into for a period of three months with BIA.
 - 2.1.2 The Project Board will agree the conditions to be satisfied by BIA prior to the council entering into Heads of Terms with BIA and will ensure the resolution of such conditions.
- 2.2 That council officers and advisors continue to work with BIA in the development of the design for council approval and submission of a planning application.
- 2.3 That the council invites the views of CABE and English Heritage in the next stage of the design process.
- 2.4 That officers report to Project Board as necessary on the progress of the scheme.
- 2.5 That the council's commitment to sustainability, including sustainable public transport, in the context of this scheme is reaffirmed; that best practice is used in selection of sustainable materials, reduction in

energy demand and the most efficient and sustainable ways of meeting that demand; and that the scheme be presented at the appropriate time to the Sustainability Commission for their input.

- 2.6 That the council's commitment to continuing consultation on the development of the scheme, including via the Advisory Consultation Panel, is reaffirmed.

3 Background

- 3.1 In 1999 an extensive public consultation was undertaken which formed the basis of the Development Brief. Local residents, businesses and representative groups were consulted and the following range of uses were identified as being the most popular for the Black Rock site:

- An activity centre
- A managed multi purpose/special events space
- An hotel

The brief also stipulated that whatever other uses on the site, part should be used to extend the slopes and incorporate a children's playground or village.

The Development Brief was approved in 1999 and following the appointment of a Project Manager in 2001, it was established as Supplementary Planning Guidance No 5. In November 2001 the marketing programme, which was managed by Cluttons, commenced.

4 Project Objectives

- 4.1 The development objectives presented in the Development Brief, and against which the schemes have been evaluated, are as follows
- To enhance the tourism and leisure function of Brighton and Hove and its seafront;
 - To provide an economically and environmentally sustainable development;
 - To preserve and enhance the character of the adjacent conservation area and the settings of its listed buildings.

5 The Schemes Submitted

- 5.1 Two schemes were submitted as part of the second stage of the evaluation process in September 2003. Both schemes adhered to the objectives of the Development Brief, albeit in very different ways. The proposals have been summarised below.
- 5.2 RHPartnership in liaison with Rocco Forte Hotel Group submitted a proposal for a 150 room 5 star hotel with a health spa and Winter Garden

and Biodome complex located on the Kemptown Slopes. There would be conference facilities at the hotel together with food and beverage facilities which would be open for use by non-residents. The Health Spa element would also be open to non-residents and would have a variety of membership types available, ranging from annual to day membership.

It is proposed that the existing Volks Railway carpark would be converted into public amenity space where the consortium plans to hold events such as farmer's markets and public skating at Christmas time. These events would be open to both the general public and guests of the hotel.

The Winter Garden and Biodome would be a covered garden with a coastal interpretation centre. It is proposed that there would be a café and other retail outlets together with the key element, which would be the educational component, contained within the Biodome itself. There would be opportunities for schools to make educational visits and for the general public to learn more about issues such as fuel conservation, marine and coastal flora and fauna and the local environment in general.

- 5.3 Brighton International Arena (BIA) has submitted a proposal for a multi purpose indoor arena with two Olympic sized ice pads. The arena would have approximately 7,500 fixed seats for ice and other sporting events, and there would be the facility to cover over the ice pad with a flat floor when it is not in use. This would enable the arena to seat up to 11,500. The arena would be able to host a variety of sporting events ranging from ice hockey, to tennis and basket ball, as well as ice shows, concerts and exhibitions. It is seeking to become a regional and national centre of excellence for ice events and having the two ice pads will allow it to bid for European ice hockey competitions.

The second ice pad would be open for public skating and skate hire would be available. Additional food, beverage and retail outlets would also form part of the development.

This proposal also incorporates a low rise residential block comprising 64 units, with a mix of 1, 2 and 3 bedroom apartments. The council would require that the criteria of 40% affordable housing will be applied to this development.

6 The Technical Evaluation

- 6.1 This is covered in detail on a separate confidential report on this agenda. The technical evaluation has been carried out by teams of council officers, supported by independent professional advisers in the relevant field as appropriate.
- 6.2 In summary, the technical evaluation has covered a range of issues including: design, planning policy, transport, sustainability,

conservation/built heritage finance, deliverability and legal issues. A score was agreed by the relevant team member/s for each sub-criteria and the weighting agreed by the Evaluation Panel was applied. The teams then graded each bid on the agreed scale of A-D/F, the grade reflecting the overall degree of compliance with the council's requirements and the amount of negotiation required to resolve outstanding issues.

The significance of the grade is not only to indicate one bid's relative position against the other but also to indicate those areas where further work is required to improve the bid's acceptability.

Evaluation Criteria	BIA 1st stage	BIA 2nd stage	RHP 1st stage	RHP 2nd Stage	Evaluation Panel Recommended Grade to be achieved after 2nd stage
Team A Quality of Design (Sustainability, transport, access, public art,)	C	B	C	B	B
Team B Quality of Development, compliance with Development Brief	C	B	D	B	B
Team C Funding Proposals and ability to finance	C	C	C	D	B
Team D Programme and Deliverability	C	B	C	C	B
Team E Legal	[N/A]	C	[N/A]	D	B

A = Proposal meets all the principal requirements of the criterion and (where relevant) provides added value

B = Proposal meets most of the principal requirements of the criterion and the remainder can be relatively easily improved or resolved by negotiation

C = Proposal meets most of the principal requirements of the criterion but the shortcomings will require some significant negotiation.

D = Proposal fails to meet many of the principal requirements of the criterion and the shortcomings can only be resolved by significant negotiation.

F = Proposal fails to meet most of the principal requirements of the criterion

6.3 It can be seen that while the same grades have been achieved by the two schemes on design and planning issues, there are differences on the deliverability, financial and legal proposals. This confirms the impression gained by the Evaluation Panel during the evaluation process. While there are slight variations in the level of detail submitted by the consortia in relation to design, transport and sustainability, there is a marked difference in quality of the developers' approach to developing the project, the financial offer and overall project management.

6.4 A summary of the strengths and weaknesses of the two schemes is set out below.

	RHP	BIA
STRENGTHS	<ul style="list-style-type: none"> ▪ Good approach to sustainability and objectives proposed for the hotel ▪ Good approach to local context and heritage settings ▪ Biodome potentially attractive proposition 	<ul style="list-style-type: none"> ▪ Potential for national centre of excellence for ice dance ▪ Project team consistently committed to the project development ▪ Innovative mix of facilities meeting requirements of Development Brief ▪ Quality design team ▪ Project management and deliverability ▪ Economic impact on the City ▪ Very high developer responsiveness to clarification issues ▪ Committed to working with the council on resolving the transport issue
WEAKNESSES	<ul style="list-style-type: none"> ▪ Project management and deliverability not yet clearly identified ▪ Funding offer ▪ Developer response to clarification issues ▪ Lack of cohesion in written submissions ▪ Biodome element not included on the programme ▪ High risk for Biodome should match funding not come forward. ▪ Biodome design not advanced enough for this stage of procurement 	<ul style="list-style-type: none"> ▪ Funding offer ▪ Approach to sustainability issues needs more commitment ▪ Solving the transport will be essential to the success of the project

6.5 The two schemes are very different responses to the brief with different visions and different impacts on the site and surrounding area. They both have the potential to be landmark developments, although the BIA proposal is substantially more advanced in relation to its site specific design.

It is considered that there are at least three key implications of the BIA and these include:

- i) it would be a big draw to visitors with positive consequences for regeneration and tourism;
- ii) an increase in the movement of people to the site, which would need to be sensitively managed;

- ii) it would have a significant impact on the overall image of the city.

In deciding on the preferred developer the two key questions are:

- i) which scheme has the best potential to meet all of the council's objectives?
- ii) which combination of developer and design team is best organised to take forward this major project?

7 The Council Studies

- 7.1 Two additional studies were undertaken - an Economic Impact Assessment of the schemes on the city and a Risk Assessment. These are covered in a separate report on this agenda but are summarised below.

Economic Impact Assessment

Image and Investment

The development of Black Rock is a vital element in maintaining the perception of the city as a regional/national/international venue and a place to invest, and it has spin offs for tourism, business, quality of life for residents and the continuing regeneration of East Brighton.

Consultees identified the BIA scheme as being the best to promote the image of the city, continue business confidence and in turn attract further investment.

Learning opportunities

The Spa Hotel provides space for a purpose built interpretation centre in the form of the Biodome, although the entry charge for this would significantly reduce its accessibility to schools.

The Arena would attract a bigger and younger audience, most of which would participate in active sport opportunities and coaching for children and families as well as providing links to local schools curriculum.

Tourism and Employment

	BIA	RHP
Visits/ visitors by 2008	2m visits 1.42 visitors	316,000 visits 158,000 visitors
Increase in tourism expenditure from 2008	Additional £4.36m/year	Additional £1.54m/year
Construction jobs	423-543 FTE	304-384 FTE
Operational jobs	284 FTE	310 FTE
Job related economic	£7.7m/year	£6.3m/year

contribution		
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Job Creation

Although the Spa Hotel would provide slightly more long term jobs the variety of the BIA long term jobs and the larger number of construction jobs together with the more accessible uses would make the BIA a better local regenerator.

Risk Assessment

In accordance with good practice for the implementation of major projects, a detailed risk assessment has been undertaken. This will be used as a management tool in the future running of the project. It will be presented to the Project Board who will be involved in it's regular review and the officer steering group will be responsible for managing the implementation of mitigation measures.

8 Key Issues in taking a scheme forward

- 8.1 A number of issues have arisen during the evaluation process, which will affect the process of taking the chosen scheme forward.

DESIGN

- 8.2 The evaluation process has considered the schemes against the key design criteria as set out in the Development Brief. The proposals adopt very different approaches to meeting the Brief. The BIA scheme is, however, significantly further ahead in its development in relation to design than the RHP proposal, despite the fact that the RHP has made significant moves forward in this second stage of the evaluation.

The table below identifies examples of key design issues that will need to be considered for the BIA bid at the next stage. During this period it will important to seek advice from CABE and English Heritage on how the developer has responded to the Development Brief, as part of the pre-planning application stage.

KEYISSUES
Further details on the exact proposals (location etc) of external landscaping
More details on how the existing beach vegetation will be protected during the building operations
Clarify how emergency vehicular access will be maintained to and from the Marina
Strategies for rainwater recycling and other energy efficiency/sustainable measures need further confirmation and how they will be incorporated into the design.

Confirm the scheme will aim to achieve an Excellent BREEAM rating

SUSTAINABILITY

- 8.3 One of the three development objectives was to provide an economically and environmentally sustainable development. Both schemes have responded well to this objective. The BIA has explored the issue in depth, and has made a series of specific commitments. The RHP proposal made a very detailed submission on sustainability with strong commitments to integrating sustainability into the design. However, the RHP sustainability section appeared to have been compiled in isolation to the rest of the submission and did not follow through the sustainable design principles to the Biodome.

Both consortia teams have a strong track record in this area of work and are clearly aware of the issues. However, demonstrated commitment to continue exploring and integrating sustainability into the design will be required at the next stage of design development. It will also require the council to take a proactive role in this aspect of the design development process to ensure that the full range of sustainable practices are evaluated and, unless demonstrated otherwise, incorporated in the design. It is suggested that at an appropriate stage the evolving scheme design is presented to the Sustainability Commission.

Sustainability issues for the BIA that need to be addressed in the next stage include the following:

KEY ISSUES
To investigate further the possibility of collecting rainwater in the sprinkler storage tank to serve the WCs
To achieve 14001 accreditation within a set period of time
To develop a strategy for best practice in waste management during construction and operation
To provide management plans to enhance and protect the Volks Railway and Black Rock SNCI working with the council ecologist

TRANSPORT

- 8.4 If either scheme is 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 Government's recent announcement on the South Coast Corridor Multi-Modal Study supports the improvement to bus services along the seafront in the short term, with guided bus and light rapid transit options

to be considered in the longer term. The council will work with the developer to ensure that by the time the new Black Rock Development is open the required improvements in public transport access are in place.

The BIA proposal is likely to have an impact in relation to transport simply due to the type of facility and amenities it is offering. To this end they have scoped out a very good proposal for the Transport Impact Assessment (which will need to be undertaken to support the submission for the planning application) and allowed between 4 and 6 months in their programme to undertake it. They have also appointed a recognised Transport Consultant.

CONSULTATION

- 8.5 Consultation has to date been the sole responsibility of the council. Once a developer is chosen, the responsibility will be shared between the council and the developer. A number of the risks identified in the risk assessment are associated with achieving a satisfactory planning approval. Consequently, the success of the project will to a large extent depend on the commitment to consultation and sensitivity of the council's developer partner.
- 8.6 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. Another report on this agenda addresses the role of the Panel and the need to supplement the membership with councillors from the Project Board. However, the consultation needs 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.

HOUSING

- 8.7 The BIA scheme has a low rise residential block with 64 apartments. They are aware of the council's requirement for 40% housing. There is a mix of units including 1, 2 and 3 bedroom apartments. The Housing Team will need to work closely with this developer if they are selected, to ensure that all tenures are carefully managed to secure a sustainable community and that the number of units designed for disabled access complies with legislation.

DEVELOPER AND COUNCIL COMMITMENT

- 8.8 As a major scheme on a sensitive site, there is a particular need for a clear and unequivocal commitment on the part of both the council and its developer partner. This will need to be sustained over several years to see a scheme to successful completion. In assessing which scheme to approve, the commitment of the developer is an important consideration. In their responses on design, financial, legal and

deliverability issues, the commitment from all members in the BIA consortium has been greater than that shown by RHP. Indeed there was a significant lack of cohesion in the final submission from RHP.

LEGAL ISSUES

- 8.9 Whichever developer is chosen, the nature of the legal agreement to be entered into will need to be negotiated having regard to the specifics of the scheme, the nature of the financial proposals and the position of the prospective partner in terms of obligation, timescale and risk. The bidders have to date had different approaches to detailed draft documentation presented to them.

In summary, the RHP bid failed to meet many of the principal legal requirements and it was considered that the bid's shortcomings in this respect could only be resolved by significant negotiations and a radical change of approach by the bidder.

The BIA bid meets more of the council requirements, but still has shortcomings that require significant negotiation.

It is proposed that a simple "lock out" agreement is entered into with BIA, with the primary obligation of the council and the developer being to agree within three months the Heads of Terms. These Heads of Terms will give BIA up to twelve months to work up a scheme for planning. Consistent with this process the terms of the Development Agreement will be negotiated.

The Project Board will set conditions to be met by BIA during the lock out period and oversee their resolution prior to entering into Heads of Terms.

Meeting/Date	Policy and Resources Committee – 22 October 2003
Report of	Deputy Chief Executive
Subject	Black Rock Development Decision on a preferred developer
Wards affected	Rottingdean Coastal (directly) all others indirectly

Financial implications

A detailed evaluation of the financial proposals contributed to the overall technical evaluation of each scheme. The outcome of that evaluation is included in detail in a confidential report on this agenda.

Legal implications

The initial legal implications relating to this matter are set out in the report, particularly that part of section 8 entitled “Legal Issues”. At this stage there are not considered to be any adverse Human Rights Act implications.

Corporate/Citywide implications

The Black Rock development addresses the council's strategic commitment of attracting major developments to increase the tourism and business investment potential for the city

Risk assessment

A risk assessment has been undertaken and will be reviewed on a regular basis by the Project Board and Officer Steering Group.

Sustainability implications

There will be a clear need in the next stage of the project to address, among other things, issues of transport, materials and energy use.

Equalities implications

Access for All is a requirement in the Development Brief and the bidder will be required to meet this

Implications for the prevention of crime and disorder

The successful developer will be required to address crime through design and will be required to have on-going liaison with the Crime Prevention Unit of Sussex Police, a representative of which is a member of the Advisory Consultation Panel.

Background papers

Developer submissions, work of evaluation teams and council studies

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