



**Brighton & Hove
City Council**

**POLICY, RESOURCES & GROWTH
COMMITTEE
ADDENDUM 2**

4.00PM, THURSDAY, 24 JANUARY 2019

COUNCIL CHAMBER, HOVE TOWN HALL

ADDENDUM

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	1. Letter from Crest Nicholson	
	2. Conservative Group Amendment	

24 January 2019

Brighton & Hove City Council

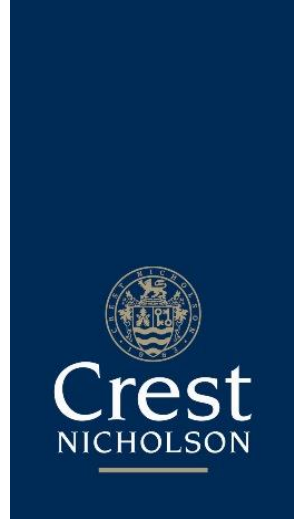
King Alfred Development - Update

- Letter from Crest Nicholson 23 January 2019

Our ref: PC/SL/NH003

23 January 2019

Nick Hibberd
Executive Director
Economy, Environment & Culture
Brighton & Hove City Council
Hove Town Hall
Norton Road
Hove
BN3 3BQ



Subject to Contract

Dear Nick

King Alfred Development, Hove

As requested, in advance of the Policy Resources & Growth Committee meeting, I am writing to confirm Crest Nicholson's commitment to enter into the Development Agreement and to work in partnership with the Council to deliver the new King Alfred development. This is an exciting project and we are confident that we can work together to deliver an exemplar development providing the new Council leisure facilities within a prominent new residential development on the seafront.

I am very pleased with the progress that has been achieved by our collective legal and project teams over the past few months, such that we now have a comprehensive contract that is agreed between the parties subject only to our respective final approvals.

I recognise it has taken time to reach this milestone, however this is a complex project which has presented significant issues to both parties. Not least the backdrop of some very challenging economic uncertainties surrounding Brexit and the impact this could yet have on the construction industry workforce and wider confidence and stability of the property market.

Our Executive Board considered the project on Monday, with a view to CNR being authorised to enter into the development agreement and commit to the significant investment required to progress the design and planning application over the next 12 months. In short, given the HIF funding offer which underpins the economics of the project, the Board agreed that in principle they remain willing to proceed with the development and to enter into the agreement. This commitment requires greater clarity on the form and timing of Brexit however, as certain scenarios could yet undermine the project's feasibility.

Crest Nicholson Regeneration

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www.crestnicholson.com

Classified as General

As a business, we have been proceeding on the understanding that there would be an orderly Brexit deal agreed in January, with a view to the UK leaving the EU on 29 March with a known exit strategy in place. This would still create the conditions for the project to proceed and the agreements to be exchanged which we still hope and expect to be able to do within the next few weeks. I look forward to meeting the elected members myself shortly to confirm this position and answer any further questions they may have.

The current deadlock is most unhelpful and does not provide the basis for major investment decisions in the interim. Accordingly, as soon as we have greater certainty over the nature and form of the Brexit arrangement which we all hope and expect will be achieved shortly, and assuming this does give reasonable certainty over the future trading relations with Europe, then we will enter into the development agreement and commit the team and resources required to promote the scheme, develop the design and seek planning in accordance with the conditions and programme.

In the meantime, please let me know if you need any further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S Black', with a horizontal line extending to the right.

Scott Black
Managing Director

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KING ALFRED DEVELOPMENT - UPDATE

CONSERVATIVE GROUP AMENDMENT

That the recommendations be amended by adding recommendation 2.7 (in bold and italics).

2. RECOMMENDATIONS:

That Policy Resources & Growth Committee:

- 2.1 Notes the work undertaken in negotiating the final terms of the Development Agreement with Crest Nicholson since the 6th December meeting;
- 2.2 Authorises officers to enter into the Development Agreement on the terms set out in the Summary attached at Appendix A to this report, the full version of which (excluding Annexures) is presented in the Part 2 report to this committee;
- 2.3 Grants delegated authority to the Executive Director for Economy, Environment & Culture, Assistant Director Property & Design and the Executive Lead Officer – Strategy, Governance & Law to make minor amendments to the Development Agreement, settle all the legal documents and take any other necessary steps required to implement the recommendation at 2.2;
- 2.4 Approves the Council's capital contribution of £8m (in accordance with the decision of Policy & Resources on 21 January 2016) towards the development of the new public sport and leisure centre, the sum to be through borrowing and the financing costs funded by forecast operational savings resulting in a cost neutral position for the Council;
- 2.5 Agrees in principle to appropriate the site for planning purposes and delegates authority to the Executive Director for Economy, Environment & Culture to appropriate the site for planning purposes once the indemnity described in paragraph 3.25 has been executed and satisfactory planning permission has been secured;
- 2.6 Agrees in principle that the council will authorise the use of S203 and delegates the final decision to authorise the use of S203 powers to the Executive Director for Economy, Environment & Culture;

- 2.7 ***Authorises officers to enter into the Development Agreement on the terms set out in the Summary attached at Appendix A to this report, which contains provisions which seeks to ensure that 20% affordable housing is built as part of the development, the full version of which (excluding Annexures) is presented in the Part 2 report to this committee; and agrees that following signature of the development agreement if there is any proposal to either downgrade the quality, specification or amenity value of the sports centre that it be brought back to this committee.***

Proposed by: Cllr Tony Janio

Seconded by: Cllr Wealls