

Subject:	Update on Greater Brighton Investment Programme and Local Growth Fund		
Date of Meeting:	31 January 2017		
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 an update on progress on the Greater Brighton Investment Programme ('the Investment Programme').
- 1.2 This report also updates the Board on the Local Growth Fund (LGF), in relation to both the allocations made as part of round 3 of the Growth Deal and the new bidding opportunities presented by the Coast to Capital Local Enterprise Partnership's (C2C LEP's) new six monthly call for growth projects financed from unallocated Growth Deal rounds 1 and 2 funds.
- 1.3 In response to C2C LEP's new call for growth projects, the Greater Brighton Officer Programme Board ('the Officer Board') reviewed and refreshed the Greater Brighton Project Pipeline ('the Pipeline') and produced a short-list of projects that it proposes be put forward for this capital grant funding opportunity. If and when LGF funding is allocated to a project, it will form part of the Investment Programme.
- 1.4 The period covered by this report is 20 September 2016 to 20 December 2016. This report also summarises key supplementary highlights for the Board's attention.

2. RECOMMENDATIONS:

- 2.1 The Board is asked to note the contents of this report.
- 2.2 The Board is asked to endorse the proposed short-list of projects to be put forward by the Greater Brighton partnership to C2C LEP's new six monthly call for growth projects, recognising that new projects may still come forward.

3. GREATER BRIGHTON INVESTMENT PROGRAMME HIGHLIGHTSNew England House Growth Centre

- 3.1 Brighton & Hove City Council (BHCC) will shortly be commissioning design work to guide the refurbishment of the building. At the same time, it continues to explore a potential land deal on the adjacent Longley Industrial Estate, to provide the

means of securing the City Deal outputs for New England House. Tripartite discussions will be taking place early in the New Year, to determine whether such a land deal is feasible. Alternative options are being explored should this not be achievable.

Digital Catapult Centre Brighton

- 3.2 The funding agreements have now been signed and the capital works to the permanent space are to commence shortly. The Centre has run a series of successful drop-in events to enable businesses to meet university research centres, including the Knowledge Engineering Group at the University of Brighton (UoB) and the Creative Technology Centre at the University of Sussex (UoS). The Centre has also supported a day-long event at American Express, to connect SMEs with the corporation and this activity is enhancing its retail innovation programme. The residency programme has approved five Virtual Reality / Augmented Reality start-ups, which are now receiving support.

Superconnected Cities Programme – Broadband Voucher Scheme

- 3.3 The Scheme, which has installed a total of 1,046 vouchers with value of £1,115,489, is now complete.

Advanced Engineering Centre

- 3.4 The construction programme is continuing to advance in line with the revised schedule. The external brickwork has now been completed and the external cladding is presently being installed. The building is now water tight and work has begun on the internal installation of building services. The project remains slightly over budget and on-going work is being undertaken to ensure that the costs continue to be constrained within the budget envelope.

Innovation Centre Brighton (Block J)

- 3.5 Construction work is actively progressing on the Block J site. The steel frame is now complete and works have commenced on the concrete floor slabs. The installation of the windows and curtain walling is to commence in January 2017. The building is to be sealed and watertight by end-March 2017, to allow internal fit-out works to be completed for a hand-over to Sussex Innovation by 05 June 2017.
- 3.6 Sussex Innovation is currently planning a series of events to take place in the City, leading up to the opening of the new facility and tied-in with their 21st Anniversary celebrations.

Circus Street Innovation Growth Centre and Regeneration

- 3.7 As previously reported, the developer U+I is retendering the construction contract in order to seek a viable price for construction. This follows an extended period of concerted co-operative working by the development partners, to reduce costs and/or profits in order for the contract to be let. U+I is confident that over the course of 2016, the construction market has 'softened' to the extent that it will be able to secure more competitive bids on this occasion, thereby ensuring a viable build price and allowing for construction to commence in early Spring 2017.

Preston Barracks Central Research Laboratory

- 3.8 In recent months, the UoB and U+I have worked to finalise the comprehensive redevelopment proposals for the BHCC owned barracks site and adjacent UoB land. Pre-application 'Planning Workshops' with BHCC planning officers have been on-going since April 2016, with the final two taking place in December 2016. Design freeze was achieved in October 2016 and the UoB and U+I are now in the process of preparing the suite of documents needed for the planning application. As part of this, they gave a second presentation to the Design South East panel on 14 October 2016. They also undertook a second stage of pre-application consultation during November 2016, culminating in a public exhibition of the plans on the 18 and 19 November 2016. A planning application is to be submitted early in the New Year and, subject to securing planning consent in the first half of 2017, construction will commence in 2017/18.
- 3.9 The Central Research Laboratory (CRL) pilot project, 'Field', continues to operate successfully with 9 innovative start-ups from Brighton & Hove benefitting from space in the temporary workspaces.

City College Brighton and Hove – Construction Trades Centre

- 3.10 The new Construction Trades Centre at City College East Campus at Wilson Avenue continues to make good progress. The envelope is now complete, with internal works and junctions between the new and existing building elements progressing well. The construction works remain on-target for completion in April 2017.

Enterprise Zone Newhaven

- 3.11 The Memorandum of Understanding has been signed by both Lewes District Council (LDC) and the C2C LEP and issued to Government for Ministerial sign-off.
- 3.12 The Outline Implementation Plan, submitted on 28 October 2016, has been accepted by Government. LDC and C2C LEP have appointed Cushman & Wakefield to undertake the full Investment & Implementation Strategy. A draft report is to be complete by end February 2017, to enable the final report to be submitted to Government by 31 March 2017.
- 3.13 The Enterprise Zone Newhaven Project Board has now been established and the Terms of Reference agreed at its inaugural meeting on 03 October 2016. It is officer-led and is chaired by Steve Allen, Vice Chairman of the C2C LEP. Plans to establish a Members Oversight Board (comprising all 3 tiers of local authority) are currently being investigated, with a view to this being in place by April 2017.
- 3.14 At the time of writing, a decision is being awaited on the Eastside South Growth Deal round 3 submission to the South East Local Enterprise Partnership (SELEP), for the creation of a new business park comprising 7,733m² of B1/B8 floorspace.

Newhaven Flood Alleviation Scheme

- 3.15 Construction of the Scheme has commenced, with site clearance and enabling works on the west bank. Completion of the defence alignment on the west bank is on scheduled for March/April 2017.
- 3.16 The detailed design of the defence works on the east bank has started and construction will commence in Spring 2017. Stakeholders on the east bank have been engaged to agree the defence alignment and working access and arrangements.
- 3.17 Planning consent has been granted from LDC for the Scheme on both river banks south of the Energy Recovery Facility (ERF). Planning consent is still pending from the South Downs National Park Authority and East Sussex County Council regarding the small part of the Scheme north of the ERF but this is expected in the New Year.
- 3.18 Close work with Network Rail is underway to progress the design and operation of the floodgate across the railway line near the EFR that is located just north of the Town.

Newhaven Port Access Road

- 3.19 Development of the business case for the second phase of the Port Access Road, from Pargut roundabout to Mill Creek, continues. As a retained scheme, discussions have been ongoing with the Department for Transport (DfT) to agree the required scope of the business case and there is now acknowledgement that the focus of the business case lays in the economic case. Draft business case documents will continue to be submitted to the DfT for comment.
- 3.20 Additional ground investigation works, which have been delayed for ecological reasons, are due to commence in the New Year and will inform the detailed design of the embankments and bridge that is also underway. Ecological surveys are continuing and a package of works for advance site clearance and the translocation of species is planned for Spring 2017.
- 3.21 As previously reported, construction of the scheme will be procured using Hampshire County Council's framework contract. A tender workshop has been held to introduce the contractors to the Scheme and to gain their input into the design. Following the tender process and receipt of a tendered sum, final submission of the business case is planned for Spring 2017. Subject to the approval of the business case, construction could commence in the mid-2017, with completion in early 2019.

Shoreham Flood Defences – Adur Tidal Walls

- 3.22 The Scheme has now commenced construction on 3 of the 10 reaches. 3 further reaches are programmed to commence during Spring 2017. The local community continues to be actively engaged, to minimise disruption from the works and a visitor centre has been established on-site to support this.

Shoreham Flood Defences – Western Harbour Arm

- 3.23 The detailed business case for the delivery of the preferred flood defence solution for the Sussex Yacht Club site was approved by the full C2C LEP Board

on 22 September 2016. The proposal allows Adur & Worthing Councils (AWCs) to draw down £3.5m towards the purchase of land from the Sussex Yacht Club. A further £85,000 has been successfully secured to prepare a detailed flood alleviation study and business case to secure up to £1.2m identified in the Environment Agency's capital programme.

- 3.24 AWCs are currently negotiating the purchase of a strip of land 3.5m deep and 255m long along the northern frontage of the Sussex Yacht Club's site. Following completion of purchase, AWCs will demolish the existing clubhouse and outbuildings and construct the new flood defence and flood gates to allow access for Sussex Yacht Club members. A new clubhouse will be constructed separately by Sussex Yacht Club.
- 3.25 Construction of the flood defence wall is scheduled to commence in Spring 2018, with completion in Autumn 2018.

Burgess Hill Growth Location

- 3.26 Mid Sussex District Council (MSDC) submitted its District Plan to Government in August 2016. The Plan provides the framework for the Burgess Hill developments and is currently being subjected to an independent examination by the Planning Inspectorate, with the first public hearings held in December 2016.
- 3.27 In order to assist with the delivery of the infrastructure required to realise the full benefits of the substantial growth anticipated in Burgess Hill, MSDC submitted a bid to C2C LEP for round 3 of the Growth Deal. The bid was primarily to support a sustainable transport package that would link together new and existing developments and improve the experience of travelling to and around Burgess Hill. Please see section 4 of this report for further information on the LGF.
- 3.28 The Northern Arc scheme, which will deliver approximately 3,500 new homes alongside a business park, schools and community facilities, remains the key focus for MSDC. Further progress has been made to address outstanding issues and regular discussions are being held with developers to progress the scheme. A planning application for the first 130 homes on the development has been received.
- 3.29 Good progress has been made on the approved major retail, leisure and housing scheme to redevelop Burgess Hill town centre with the developers, New River Retail, expected on-site next year. A related planning application to relocate the existing Lidl store from the town centre has been determined favourably. Relocation of Lidl will facilitate commencement of development on the town centre scheme, which is due to be completed by 2021.
- 3.30 Construction on the Kings Way and Keymer Tileworks sites continues apace. The Kings Way development has almost completed its first phase of 75 homes, some of which are now occupied, and has a reserved matters application in for a further 97 units. The first phase of the Keymer Tileworks, which comprises 125 homes, is underway with a reserved matters application for a further 170 dwellings expected to be determined soon. In addition, decontamination works have started on the Fairbridge Way site that has an outline planning permission for 325 homes.

- 3.31 MSDC continues to work closely with the Homes & Communities Agency (HCA) to deliver Starter Homes and has submitted a bid to the HCA's Capacity Fund to assist with this, as well as wider Burgess Hill work. Please see section 5.12 of this report for further information on the HCA's Capacity Fund.
- 3.32 Work continues on The Brow to convert a number of public sector buildings into a modern, purpose built public services facility to house a GP surgery and accommodation for the police and ambulance services, whilst freeing up land to provide a significant number of Starter Homes that will support the regeneration of the town centre. The HCA has commissioned architects and planning consultants, who have produced a high level design and viability assessment. MSDC continues to work with both partners and the HCA to agree how to move forward with the implementation of this project.
- 3.33 Work has commenced to build a Burgess Hill brand and outreach communications strategy with an external agency now appointed to take this forward. The intention is to work in partnership with the various developers active in the town, along with other stakeholders, to promote and support its role as a growth location and to provide high quality information to existing and future residents, employees and visitors.

A2300 Corridor Improvements – Burgess Hill

- 3.34 The 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 now complete and available for use in assessing the economic benefits of the A2300 in support of the business case. As a DfT retained scheme, the revised funding profile has been communicated to the DfT, as well as to the C2C LEP. The current programme indicates start of construction in Q4 2020/21, with completion in Q1 2022/23.
- 3.35 Commissioning of the preliminary design and preparation of Outline Business case is currently being commissioned and this work is expected to be complete by March 2018.

Brighton Valley Gardens – Phases 1 and 2

- 3.36 The technical review, initiated in June 2015, is now complete. The review was carried out to provide reassurance that the proposed highway design would not have major significant impacts on the transport network. It required the use of computer-based traffic modelling and included 2015 traffic data.
- 3.37 The outcome of the review and the preferred highway design was presented to BHCC's Environment, Transport & Sustainability Committee on 29 November 2016. The Committee unanimously accepted the outcome of the review and approved the highway design as the preferred design for Valley Gardens Phases 1 & 2. Committee also authorised officers to progress to the detailed highway technical design stage, which is to include the preparation of the Traffic Regulation Orders.

Brighton & Hove Bike Share

- 3.38 After a rigorous procurement process, the contract for the operation, management and maintenance of the Scheme was awarded in mid-December 2016, with the contract due to commence in January 2017. Once the contract is signed, the equipment will be ordered and work on implementing the hub sites will begin. The scheme is scheduled to officially launch in June 2017.

Brighton & Hove Intelligent Transport Systems (ITS) Package

- 3.39 The project continues to move forward with the traffic signal pedestrian crossing upgrades and junction improvements. 11 crossing and have completed, as have junction improvements at the Old Shoreham Road/Locks Hill and Church Road/Sackville Road. The design for the Dyke Road/Highcroft junction is also complete and has been issued to contractors for pricing. CCTV installations are in hand, as are the installations of the required software systems.

4. UPDATE ON LOCAL GROWTH FUND

Growth Deal Round 3

- 4.1 The C2C LEP's final Growth Deal 3 submission, totalling £136m, was made to Government on 28 July 2016.
- 4.2 Of the 10 bids that the Board put forward, 6 were included in the final submission. These sought a combined LGF of £80.59m:
- Worthing Central Phase 1 (seeking LGF funding of £9.4m)
 - Decoy Farm, Worthing (seeking LGF funding of £8m)
 - New Monks Farm & Airport (seeking LGF funding of £9.43m)
 - Burgess Hill Growth Area Infrastructure Package (£24.64m) (submitted as three individual bids)
 - Sussex Bio-Innovation Centre, Brighton (£9.12m)
 - Black Rock Site Development, Brighton (£20m)
- 4.3 It is estimated that these 6 projects will bring a combined private sector match fund of £745.4m into the City Region and deliver approximately 9,844 direct jobs, 5,965 homes and 299,428sqm of employment floor space.
- 4.4 As part of the Autumn Statement 2016, Government announced an allocation of £1.8b from the LGF to English regions, with £683m going to LEPs in the South West, South East and London. Wider highlights from the Autumn Statement 2016 are summarised in Appendix 1.
- 4.5 Funding allocations to individual LEPs are expected to be announced shortly.

Growth Deal Rounds 1 and 2: C2C LEP Call for Growth Projects

- 4.6 The C2C LEP secured £226m from 2015 to 2021 through rounds 1 and 2 of the Growth Deal.
- 4.7 14 projects located across the City Region have already been allocated funding from rounds 1 and 2 of the Growth Deal: Digital Catapult Centre Brighton; Advanced Engineering Centre Brighton; Central Research Laboratory Growth

Centre, Preston Barracks Brighton; Newhaven Flood Alleviation Scheme; Newhaven Port Access Road; Shoreham Flood Defences (Adur Tidal Walls and Western Harbour Arm); Circus Street Innovation Growth Centre and Regeneration Brighton; City College Brighton and Hove Construction Trades Centre; Brighton Valley Gardens Phases 1 & 2; Brighton Valley Gardens Phase 3; A2300 Corridor Improvements Burgess Hill; Brighton & Hove Intelligent Transport Systems Package; Brighton & Hove Bike Share, and; Worthing Sustainable Transport Package Phase 1.

- 4.8 The C2C LEP have approximately £46.65m of unallocated funds and funds that have been re-released from projects that have stalled or are not delivering.
- 4.9 In response, the C2C LEP has launched a new 6-monthly call for growth projects for capital grant funding. The first round opened on 02 December 2016, with a deadline for returned Outline Business Cases of 06 January 2017. The total amount available under this round is capped at £20m.
- 4.10 The call is to a 'single pot' that encompasses: infrastructure (including transport (sustainable and resilience)); housing and regeneration; skills, and; business and enterprise.
- 4.11 The C2C LEP's intention is for 6-monthly rounds and is confident that there will be at least 3 rounds as part of this call. There are sufficient funds in the 'single pot' to finance the first 2 and the 3rd will be paid for by further funds re-released from projects that have stalled or are not delivering.
- 4.12 All LGF funded projects are expected to contribute towards the C2C LEP's Strategic Economic Plan (SEP) and to deliver economic outputs such as new jobs, homes and/or employment space. It should be noted that C2C LEP will be refreshing its SEP in 2017.
- 4.13 Projects applying for funding must meet the following eligibility tests and criteria:
- The minimum funding that can be applied for is £500,000 and the maximum is £5,000,000 (including for 'packages of projects')
 - LGF will need to be matched by at least 50% for non-transport projects and at least 15% for transport projects. Where projects are expected to deliver exceptional outputs, the C2C LEP may consider lower match funding
 - Projects must be state aid compliant
- 4.14 For the first round, the main priority is for spend in the 2016/17 financial year and the C2C LEP are seeking bids from projects that can spend at least 30% of the LGF sought by 31 March 2017. In line with its commitment to Government, the C2C LEP is aiming to get an additional £9.7m 'out the door' in 2016/17.
- 4.15 The C2C LEP has also introduced a new feasibility fund; ring-fencing £750,000 to fund feasibility studies from organisations that are unable to fund the upfront investment to develop projects to a business case proposition. Bids to access the feasibility fund will be through completion of an expression of interest form. It should be noted that delivery bodies must be able to capitalise the expenditure and can only do this if the proposed project ultimately goes ahead and assets are created. By accepting feasibility funding, delivery bodies are acknowledging that,

unless projects proceed within a 2-year timescale with funding being capitalised accordingly, the original sum will have to be returned.

- 4.16 In response to C2C LEP's new call for growth projects, the Officer Board reviewed and refreshed the Pipeline and produced a short-list of projects that it proposes be put forward for this capital grant funding opportunity. The short-list and the associated pipeline templates are attached as Appendix 2. Due to commercial sensitivities, access to Appendix 2 is restricted to Board members.
- 4.17 The Board is asked to endorse this shortlist, recognising that the Pipeline is a 'live' document and that new projects may still come forward.
- 4.18 As with all the C2C LEP LGF calls, this call is likely to be highly competitive. The capital grant funding sought by the Board's member organisations alone far exceeds the funding currently available in the 'single pot'.

5. SUPPLEMENTARY UPDATES

Innovation South

- 5.1 As part of the Autumn Statement 2016, Government announced that it would be funding 8 Science and Innovation Audits across the Country, one of which will be an audit for Innovation South. Innovation South is a partnership of LEPs, local authorities, businesses and universities covering an area from Dorset to Kent along the South Coast, Surrey and Berkshire. The Audit is focused on a number of core themes that will look at 5 enabling technologies: Digital, Quantum; Photonics; Cyber and Big Data Analytics applied across 4 sectors; Connected Digital; Advanced Engineering; Bio-Science, and; Marine/Maritime. All of these are existing regional strengths, which are potentially global in profile. The output of the audit will be used to inform future Government and LEP investment strategies.
- 5.2 The Audit is being coordinated by Enterprise M3 LEP and will utilise data sets synthesised by Technopolis. A consultancy firm will be engaged to undertake much of the work and this will be funded by partners. A funding group has been established to provide oversight and a technical steering group has been proposed to provide input to the process of creating the report.
- 5.3 The Audit is due to submit its findings by end May 2017.

Greater Brighton Smart Growth Strategy

- 5.4 The existing Smart Specialisation research and analysis being undertaken by the UoS and UoB on behalf the Board will be incorporated into the Innovation South Audit.
- 5.5 The purpose of the research and analysis is three-fold: to pinpoint sectors in the City Region's economy that are large enough and specialised enough to provide a comparative advantage; to identify the key challenges that firms within these sectors face, and; to set-out what can and should be done to support these firms and their growth. This will help the Board to set its future priorities; it will ensure that efforts are focused on supporting businesses in the right sector in the right ways.

5.6 The work featured in the Smart Specialisation Hub's [Annual Report 2016](#).

Sussex Further Education Area Review

5.7 The [Sussex Further Education Area Review Report](#) was published on 29 November 2016.

European Regional Development Fund Calls

5.8 On 16 December 2016, the C2C LEP launched the latest European Regional Development Fund (ERDF) calls for the area, totalling £8.95m and comprising:

- Business Support (£6m)
 - Lot 1 - [Productivity & Growth](#) (£2m)
 - Lot 2 - [Access to Finance & Investment Readiness](#) (£1m)
 - Lot 3 - [Monetisation of Innovation](#) (£2m)
 - Lot 4 - [Peer Support & Mentoring](#) (£500k)
 - Lots 5 - [Business Start-Up Programme](#) (£500k)
- [Internationalisation](#) (£750k)
- [R & D Brokerage Service](#) (£1m)
- [Low Carbon: Retrofitting](#) (£1.2m)

5.9 Projects would be for a maximum of three years and require organisations to provide 50% match.

5.10 Apart from the low carbon call, which closes on 03 March 2017, applications will be assessed in 3 batches: 17 February 2017; 30 April 2017, and; 30 July 2017. All funding may be allocated at the first deadline, with later projects being placed on a reserve list.

5.11 On 20 December 2016, the C2C LEP hosted an event for prospective bidders to provide opportunities for potential partners, including those from Greater Brighton, to collaborate. A further update will be provided to the Board at its next meeting, on 25 April 2017.

Large Sites and Housing Zones Capacity Fund

5.12 In addition to the Expression of Interest (EoI) submitted by MSDC, as described in Section 3.31 of this report, the Greater Brighton partnership submitted a joint EoI encompassing: Shoreham Harbour Regeneration Area (various sites); Land South of Varley Hall, Coledean; North Whitehawk, Brighton; Toads Hole Valley, Brighton; Conway Street, Hove; Sackville Trading Estate, Hove, and; Newhaven Square. It is estimated that these sites have the combined potential to deliver up to 3,830 residential units.

5.13 The EoI, which seeks a total of £570k in capacity funding, aims to add value to Greater Brighton's successful One Public Estate bid and resultant programme, by focusing on accelerating the delivery of the City Region's privately owned housing sites.

Greater Brighton One Public Estate Programme

5.14 Establishment of the Greater Brighton One Public Estate Programme (the 'OPE Programme') is progressing well:

- The inaugural meeting of the Greater Brighton Strategic Property Board ('the Property Board') was held on 25 October 2016, during which the Property Board's Terms of Reference were agreed. The next meeting is scheduled to take place on 17 May 2017 and will focus on the health and social care integration agenda.
- Recruitment to the One Public Estate Programme Manager post has commenced.
- The One Public Estate Memorandum of Understanding has been agreed and signed by all parties. It should be noted that the Madeira Terrace project was removed due to non-compliance and that the total funding allocated is therefore £529,500 for 2016/17. The allocation has been agreed by the Treasury and the 2016/17 allocation will be dispersed shortly.
- Back-to-back Grant Agreements have been put in place between BHCC, as the Lead Authority for the OPE Programme, and all funded partners.
- The Greater Brighton Asset Map is being prepared and details of asset valuations and surplus sites across the City Region are also being collated for publication on the Greater Brighton website.
- On 20 December 2016, the National One Public Estate Programme advised that a further funding round is being considered for early 2017 with bidding expected to open in April 2017. At the time of writing, the partnership is identifying additional projects for the consideration of the Strategy Property Board.

Greater Brighton Communications Strategy

5.15 The Greater Brighton website went live in December 2016. The address is www.greaterbrighton.com.

5.16 The Officer Board continues to develop the Greater Brighton 'brand book' and Communications Strategy. This will be presented to the Board for input at its next meeting, on 25 April 2017.

Greater Brighton Devolution Bid

5.17 At its meeting on 18 October 2016, the Board gave officers a clear steer to progress the City Region's devolution bid to ultimately secure a non-mayoral deal.

5.18 On 21 November 2016, Simpson Consulting Ltd and The Reeve Partnership Ltd were appointed on a consultancy basis to: review the work undertaken to date; refine the City Region's 'asks' and 'offers', in line with Government feedback and policy changes and to reflect the passage of time (the City Region's original proposition was submitted in September 2015); collate the supporting evidence that has been developed and/or highlight any gaps, and; produce a revised Greater Brighton proposition document, to enable the City Region to recommence negotiations with Government. The consultancy fee, capped at £9,999, is funded from a proportion of the budget allocated to the Greater Brighton Policy & Project Manager post that was not recruited to.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 There are no direct financial implications associated with this report and this report focuses on the progress made for both approved schemes within the Greater Brighton Investment Programme and new applications of schemes from the round 3 of the Local Growth Fund and the new bidding opportunities presented by the Coast to Capital Local Enterprise Partnership's financed from unallocated Growth Deal rounds 1 and 2 funds.
- 6.2 Schemes already included within the Greater Brighton Investment Programme have approved business cases in place with funding options identified and these have been reported to their respective committees.
- 6.3 The C2C LEP's final Growth Deal 3 submission made to Government includes six schemes from across the City Region with a value up to £80.59m of LGF funding. An announcement is expected shortly and further work will be required for each scheme to identify full funding is in place. These will be reported at later dates subject to further testing.
- 6.4 The C2C LEP have approximately £46.65m of unallocated funds that have been re-released from phases 1 and 2 and are spread over three bidding phases plus some additional funding for feasibility studies. The short-list of projects is included within paragraph 4.16 above. It should be noted that all projects will require a degree of match funding ranging from 15% for transport initiatives to 50% match funding for non-transport initiatives. The first round of bids will require that projects can spend at least 30% of the LGF by 31 March 2017. Match funding will need to be identified from existing 16/17 budgets to support these bids if approved.

Finance Officer Consulted: Rob Allen, Principal Accountant

Date: 20 December 2016

Legal Implications:

- 6.5 There are no direct legal implications arising from this report. The legal issues in respect of each of the projects or programmes will be managed by the respective delivery bodies and appropriate LGF funding agreements will be entered into,

Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC

Date: 20.12.16

Equalities Implications:

- 6.6 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:

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

Any Other Significant Implications:

6.8 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1: Autumn Statement 2016 Highlights (23 November 2016)
2. Appendix 2: Greater Brighton Project Short-List (exempt category 3 – circulated to Board members only)

Background Documents

None.

Appendix 1: Autumn Statement 2016 Highlights

- The UK will be the fastest growing major economy in the world next year.
- The Office for Budgetary Responsibility (OBR) forecasts growth to be 2.1% in 2016, falling to 1.4% in 2017, 1.7% by 2018, 2.1% in 2019-20 and 2.1% 2021.
- Government will not be delivering a surplus in 2019/20 but is committed to seeing public finances return to balance as soon as practicable.
- Three new fiscal rules were introduced: public finances are returned to balance as early as possible in next Parliament; borrowing should be below 2% at the end of the Parliament and public sector debt should be falling, and; welfare spending must have a cap set that is monitored by the OBR.
- There are no plans to introduce further welfare savings in this Parliament.
- Government has established a **National Productivity Investment Fund (NPIF)**, to deliver additional spending in areas that are key to boosting productivity: economic infrastructure (digital and transport); research and development, and; housing.
- In total, the NPIF will invest an extra £23bn between 2016/17 and 2021/22. £16b of this will be divided as follows:
 - £7.2b on building new homes, including spending by Housing Associations.
 - £4.7b to enhance the UK's position as a world leader in science and innovation.
 - £2.6b to tackle congestion and ensure the UK's transport networks are fit for the future.
 - £0.7b to support the market to roll out full-fibre connections and future 5G communications.
 - A further £7.2b in 2021/22 will be allocated in due course.
- Government made a commitment to the business tax roadmap, including cutting corporation tax to 17% in 2020.
- Government is moving towards a single major fiscal event each year. From 2018, the Autumn Statement will be abolished and there will be an Autumn Budget and a Spring Statement responding to the forecast set out in the OBR.
- Government is committing to reducing the structural deficit to less than 2% of GDP by the end of Parliament.
- Government announced the following additional infrastructure spending at between now and 2020/21:

Transport

- £1.3b for improvements to road and local transport networks, prioritising quickly deliverable projects that offer the most immediate improvements, reducing congestion and speeding up the movement of goods and people.

This is made up of:

- £1.1b for small projects to improve our existing networks. Elected Mayors with single transport grants will receive per capita allocations for their areas.
- £220m to fix pinch-points on our strategic road network, focusing on schemes that can be constructed quickly and dramatically reduce congestion.
- £390m in support for future transport, including electric vehicles and driverless cars.
- £450m to trial digital signalling and £80m for smart ticketing roll-out.

Digital

- Over £1b for digital infrastructure by 2020-21, including:
 - A £400m commitment to a new Digital Infrastructure Investment Fund (DIIF), matched by private investors, to provide access to finance for companies investing in new fibre or 5G networks; supporting very fast and reliable full-fibre broadband for up to 2m premises.
 - Providing funding to local areas, to support investment in a much bigger fibre 'spine' across the UK, prioritising full-fibre connections for businesses and bringing together public sector demand.
 - To put the UK at the forefront of the global 5G revolution, Government will fund a co-ordinated programme of integrated fibre and 5G trials, to test technology, applications and deployment and pave the way for future 5G networks.
 - Government will provide a new 100% business rates relief for new full-fibre infrastructure for a five year period from 1 April 2017 to support rollout of new full-fibre broadband infrastructure and future 5G communications to homes and businesses.
- A new Infrastructure Delivery Ministerial Group is to be created, to improve the delivery of public infrastructure projects by overseeing the delivery of priority projects.
- Government announced a major increase of £2b per annum by 2020-21 on **research and development** spending , including:
 - An Industrial Strategy Challenge Fund, run by UK Research and Innovation, to support business-university collaboration, focusing on important long-term challenges to the UK. Further details will be set out at the Budget.
 - Additional funding will be allocated to increase research capacity and business innovation, to further support the UK's world-leading research

base and to unlock its full potential. Funding will be awarded on the basis of national excellence and will include a substantial increase in grant funding through Innovate UK.

- To **support small businesses** to invest and grow:
 - The British Business Bank will invest an additional £400m in venture capital funds. This, alongside private investment, will unlock up to £1b of new investment and provide equity funding to firms with strong growth potential.
 - Recommitting to the planned business rates reforms, permanently doubling Small Business Rate Relief meaning 600,000 businesses will pay no business rates at all.
 - Rural Rate Relief will also be doubled from 50% to 100% from April 2017. 4,700 small, rural businesses will benefit with a business rates bill saving of up to £2,900.
 - The amount of investment social enterprises can raise through Social Investment Tax Relief will increase from £275k to £1.5m for enterprises up to 7 years old from April 2017.
 - Provided £13m to implement Sir Charlie Mayfield's review of business productivity to support UK firms' plans to improve their management skills.
 - Doubling, to £5b, the maximum support that UKEF can provide to exporters in each overseas market.

- **Housing** White Paper to be announced soon with £1.4b announced to build 40,000 new affordable homes in England.

- Government also announced a new Housing Infrastructure Fund of £2.3b by 2020-21, funded by the NPIF and allocated to local government on a competitive basis. This will provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest. It will deliver up to 100,000 new homes. Government will also examine options to ensure that other Government transport funding better supports housing growth

- Allocations of **Local Growth Fund** announced, with £683m going to LEPs in South East, South West and London. Funding figures to individual LEPs are to be announced shortly.

- The **Science and Innovation Audit** bid from the 'Innovation South' Consortium has been successful.