

Subject:	Greater Brighton Investment Programme – Progress Update		
Date of Meeting:	17 July 2018		
Report of:	Chair, Greater Brighton Officer Programme Board		
Contact Officer:	Name:	Nick Hibberd	Tel: 01273 293756
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LA(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of the Investment Plan Update is to provide the Greater Brighton Economic Board (“the Board”) with an update on progress on the Greater Brighton Investment Programme (“the Investment Programme”) since the Board’s last meeting on 17 April 2018.
- 1.2 Updates are included on the Local Growth Fund (LGF) allocations made as part of the Growth Deal Round 3, and the progress of projects awarded unallocated monies from Growth Deal Rounds 1 & 2. The period covered by this report is 5 April 2018 to 30 June 2018.
- 1.3 This cover report provides some context on the LGF Funding Rounds and narrative updates on the Investment Programme projects. Further details on the individual projects can be found in the Investment Programme Update report at Appendix 1.

2. RECOMMENDATIONS:

- 2.1 That the Board note the report and the Investment Programme Update at Appendix 1.

3. CONTEXT/BACKGROUND INFORMATION

LGF Growth Deal Rounds 1 & 2

- 3.1 A total of approximately £90m was allocated to projects across the City Region from LGF Growth Deal rounds 1 & 2. These projects will deliver a total investment of approximately £376m into the City Region, unlocking an estimated 14,000 jobs, 8,200 homes and 450,000sqm of employment floor-space. Current active projects are listed below with a summary of progress since the last update.

3.1.1 *Flood Alleviation Scheme (Newhaven) £7.5m*

Work continues on the east bank defences on which details follow. A large earth embankment east of the rail line north of Newhaven has been completed. Work

is about to start on an embankment west of the rail line. Rail surveys are underway to inform detailed design of the rail flood gate between these embankments. A large volume of waste and contaminated spoil has had to be moved from sites on North Quay, to allow the flood wall to be built safely. This has added significantly to costs. A large amount of asbestos-containing material has been found south of the UTC and this has to be removed prior to building a concrete flood wall. A feasibility study is currently being undertaken to allow for amends to Area 5 (Newhaven Port) to minimise impact on existing Port operations. This study is expected to be completed shortly and will not impact upon completion dates for the scheme. Negotiations are ongoing with Network Rail to allow access to construct the remaining sections of the flood defence.

3.1.2 Port Access Road (Newhaven) £10.0m

Tenders for the second phase of the Port Access Road (from Pargut roundabout and over Mill Creek) were received back on 20 Dec 2017 and following appointment of a preferred contractor a package of value engineering suggestions were explored to give a more cost effective design.

A full draft of the business case has been submitted to DfT for comment. Following a number of useful meetings with DfT it is agreed that the business case focuses on the economic and regeneration benefits delivered by the scheme. Assuming a favourable funding decision, main construction is anticipated to start in early summer 2018. Construction is then expected to take 19 months to complete. In preparation for main construction, advance vegetation clearance works have been completed and will be followed shortly by the construction of a new badger sett, and the translocation of newts.

3.1.3 New England House Growth Centre (Brighton) - £4.9m

Brighton & Hove City Council (BHCC) as freeholder of the adjacent Longley Industrial Estate, has agreed a land deal with Maplebright (current holder of long lease) and Legal & General. The deal is subject to L&G receiving planning permission for its Longley development proposal for 3,000sqm of employment floorspace and minimum 200 units of build to rent housing.

Premium payable to council will be combined with £4.9 million City Deal funding towards NEH improvements. Employment floorspace provided on Longley will count toward City Deal floorspace target for New England House.

3.1.4 Digital Catapult & 5G Testbed (Brighton) - £1.8m

The Catapult-supported residency programme has accepted 6 new businesses working within our core theme areas of immersive, intelligent and connected technologies. They are Hatsumi, Wide-eyed Vision, LCE, Thought Wizard, Eagle & Beagle and Bad Raccoon, and this makes 22 businesses on the programme in total. We have run a series of weekly 5G workshops for residents and other businesses which has enabled 2 businesses – VRCraftworks and Mnemoscene – to develop 5G use case concepts. One resident (G-in-the-Room) has received angel funding and one resident (Root Interactive) has won its first international client, an Austrian Museum.

The national Digital Catapult has funded a new immersive green screen for content development in Brighton and that has now been installed. We have agreed a partnership with Ravensbourne University to undertake 6 months development on an immersive holoportals, working with technology businesses including Double Vision and Mutiny Media.

Other Catapult events and activities held during this period include an event on immersive technologies and the Galleries, Libraries archives & Museums (Glam) sector (44 business attendees), an event on edge technologies (38 business attendees) and an event on VR/AR storytelling (37 business attendees). We have also held workshops on eye-tracking, vehicle technologies (with Ricardo) and ACE project funding. We have developed a new theme with University of Sussex to support an understanding of Quantum Computing amongst the regional technology sector, which has included talks, workshops and visits to the quantum computer being built at the University's Falmer campus.

Brighton's digital sector was featured in two leading reports during this period. Immerse UK's recent 'Immersive Economy in the UK' report found Brighton's immersive sector is #3 in the UK (behind London and Manchester) and the number of companies in the city specialising in immersive tech is 4 times higher than the UK average and, several Brighton-based companies were mentioned in the 'Tech Nation 2018 report' which maps the UK digital landscape.

3.1.5 Circus Street Innovation Centre & Regeneration (Brighton) - £2.7m

Construction work continues to progress well and ahead of schedule. On the 18 April a double ceremony was held on site by the developer to celebrate two major milestones of the project; the topping out of the student accommodation blocks and ground breaking in respect of The Dance Space.

3.1.6 Preston Barracks Central Research Laboratory (Brighton) - £7.7m

Significant progress has been made on site in the last period with site clearance, demolition and the majority of the infrastructure works (including installation of new roads and utilities) now complete. A construction contract with Graham Construction was entered into in May and start on site has been confirmed for 30th of July. Highways works are due to commence on 9th July. The anticipated practical completion date for the CRL is 30th November 2019.

U+I are currently in the final stages of a name re-brand for their 'CRL' portfolios. It is anticipated this will be completed by the end of the summer in time for marketing literature (including site hoardings) to be updated with the new name and branding. U+I will keep Coast to Capital updated on developments here.

3.1.7 Valley Gardens – Phases 1 & 2 (Brighton) - £8.0m

Since the last update the team have been facilitating the procurement stage of the project. The Invitation to Tender for the main Valley Gardens construction work was issued through the Hampshire Gen- 3 Framework. We have received three valid returns which have undergone full qualitative and price assessments. The tender assessments have focused on price and also on contractors' approach to Traffic Management, Stakeholder engagement and effective working

with sub-contractors. We aim to have identified the preferred contractor shortly. Once the main contractor is appointed BHCC will enter into the 'Mobilisation Phase' where early communication events, site investigations and further negotiations will take place.

The legal landswap consultation finished on the 26th March 2018, with no objections. The BHCC legal team have drafted the required paperwork for Officers signatures to finalise this process. A number of Pre-commencement Planning Conditions have been submitted to the Planning department for final sign-off.

A number of large scale posters have been erected around the Project Area to provide details about the project and how to access further information. Posters are designed to supplement the YouTube clip of the project. An intensive doorstep communication event commenced early in June this will conclude with two exhibitions in July to provide a further opportunity for business and residence within the direct vicinity of the project area to come and see us.

3.1.8 Adur Tidal Walls & Western Harbour Arm Flood Defences (Shoreham-By-Sea) – £10.5m

Negotiations continue with the Yacht Club to complete the land deal following agreement on Heads of Terms. A planning application has been submitted for the replacement Yacht Club facility which is being consider by Adur District Planning, and a separate planning application for the proposed flood defences along the A259 are expected in July 2019.

Adur District Council have commissioned Mott MacDonald to prepare the detailed business case to justify the additional funding from the Environment Agency to enable the flood defence wall to be delivered. This is expected to report in September 2018.

3.1.9 A2300 Corridor Improvements (Burgess Hill) - £17.0m

See 3.25 below

LGF Growth Deal Round 3

3.2 In February 2017 Coast to Capital announced that it has secured £66m through Round 3 of the Growth Deal. All six projects put forward by the Board were allocated funding - totalling £48.77m. The project updates are as follows:

Worthing Central Phase 1 (Worthing) - £5.6m

3.2.1 **Teville Gate:**

Worthing Borough Council commissioned works to carry out early demolition of all buildings on the site has started and will be complete by summer 2018. Planning Permission has been granted for a temporary car park to be installed in the event that the redevelopment by Mosaic does not come forward on completion of the demolition.

Mosaic Capital have submitted revised plans to deliver 100 public parking spaces. Planning Performance Agreement Signed with Planning Application.

3.2.2 **Union Place:**

The site has been acquired by Worthing Borough Council using the Worthing Central LGF grant allocation. Land pooling partner selected and appointment of masterplanning architect, commercial advisers and cost consultancy advice is under way.

Land Pooling Agreement being prepared for conclusion by end of June/ early July 2018. Sale and leaseback of site C is proceeding.

3.2.3 Decoy Farm (Worthing) - £4.8m

Consultants have been appointed to produce a master plan for a viable scheme at Decoy Farm.

3.2.4 New Monks Farm & Airport (Shoreham-By-Sea) - £5.7m

Planning application submitted for development (600 hundred dwellings, Ikea and new roundabout onto the A27).

Negotiations have continued to explore a number of planning issues and consideration for the scheme and to mitigate impacts identified by the consultation responses.

3.2.5 Growth Location (Burgess Hill) - £14.9m

Homes England have bought out the three developers for the Northern Arc and will become the lead developer for the whole of the Northern Arc. They have confirmed an accelerated delivery programme and full policy compliance. This will provide certainty and pace, and will speed up the delivery of the whole programme.

Science Park: The Secretary of State for Business, Energy and Industrial Strategy (BEIS), Rt Hon Greg Clark MP visited Mid Sussex on 29 March for a briefing on the Science and Technology Park. The park is being actively promoted and the proposal is actively supported by the Department for International Trade (DIT).

Northern Arc: work to agree the spatial development framework and infrastructure delivery plan for the whole Northern Arc is progressing with timetables to be agreed.

Progress made on the design of the A2300 corridor improvements and sustainable transport package.

Business case to drawdown LGF funds for the Goddards Green Waste Water Treatment works presented to Coast to Capital Investment Committee 28 June.

Town centre: relocation of key retailers almost complete, library to move to temporary accommodation and demolition of Martlets Hall to begin autumn 2018.

Remediation on site at Fairbridge Way, where 325 homes will be delivered, almost complete, supported by £14m forward funding from Homes England.

Construction is underway at the Kingsway development which will deliver 480 homes, with phase 1 complete delivering 78 homes, and phase 2 underway which will deliver a further 95 homes.

Construction continuing at Keymer Tileworks which will deliver 475 homes with Phase 1 complete delivering 125 homes.

Work has begun on the Hub employment site (4,000m² DPD distribution centre).

3.2.6 Sussex Bio-Innovation Centre (Brighton) – £5.5m

The University took a decision to stop the current New Life Sciences build project, and not pursue the design which provided accommodation and facilities for all practical teaching and research activities undertaken by the School of Life Sciences along with a Bio Innovation Centre. The revised project will look to design and build a research only facility for the School of Life Sciences but also incorporating a Bio innovation Centre. The University is currently engaging with the design team and preferred contractor to determine how to take forward the revised project. The University has also engaged with external procurement legal advisors in order to ensure there are no transgressions of any procurement rules/regulations linked to the OJEU process, and avoid potential challenges should they proceed with the preferred contractor.

3.2.7 Black Rock Development (Brighton) - £12.1m

Negotiations to finalise the Conditional Land Acquisition Agreement (CLAA) are expected to conclude with a report to the Policy Resources & Growth Committee in October. An enabling package of works is currently being put together to start in the next 12 months.

LGF Growth Deal Unallocated Funds Rounds 1 & 2 – December 2016 Call

3.3 In December 2016 Coast to Capital announced that it had approximately £46.65m of unallocated funds available to support capital growth projects. The Greater Brighton Board put forward eight bids, five of which received funding totalling approximately £9.9m. The project updates are as follows:

3.3.1 Adur Civic Centre (Shoreham-By-Sea) - £1.8m

The former Civic Centre building on the south site has been demolished and work has started on the new office block on the north site. Adur District Council Members have approved the marketing of the south site to commence in 2018.

3.3.2 Springman House (Lewes) – £2.0m

The Council completed the purchase of Springman House from the vendors in March 2017. In June 2017 the Council's Cabinet authorised the design and construction of the new blue light facility. In January 2018, architects were appointed to commence work on master-planning and design options. The architects have undertaken detailed consultation with the blue light end users in order to establish their operational requirements. Work on the site masterplan and building layout options is currently underway.

3.3.3 Railway Quay (Newhaven) - £1.5m

Flood defence works on site now completed. Initial development masterplan being prepared ahead of target submission for planning in late 2018 / early 2019, and discussions being held with key site neighbours to ensure scheme is complementary.

3.3.4 Eastside South (Newhaven) - £1.6m

Planning for Phase 2 of the Eastside South development was approved in December 2017. Work on Phase 1 has been completed, with new occupiers now in situ. The success of Phase 1 has led to an accelerated development timeline, with work on Phase 2 starting in April 2018.

3.3.5 Heritage Centre Stage – Corn Exchange & Studio Theatre (Brighton) - £3.0m

Since the last update work has continued on site, including in the new public Gallery area completion of the steel frame, installation of glazing and construction of the new boundary wall. The Corn Exchange wooden frame requires significant structural repairs beyond what was expected and these are on-going.

The Contract Administrator is considering a claim for Extension of Time from the contractor, which is likely to result in a revised completion date.

LGF Growth Deal Unallocated Funds Rounds 1 & 2 – July 2017 Call

3.4 In July 2017 Coast to Capital launched a new funding round for unallocated funds from rounds 1 & 2. In December 2017, Coast to Capital announced that a total of £27 million had been allocated in the areas of Housing, Regeneration & Infrastructure; Business, Enterprise & Skills; and Transport. Around £12m of the total will be supporting projects from across Greater Brighton:

- **Crawley College STEM & Digital Centre (Crawley, £5.0m)** to develop a new Science Technology and Maths and Digital Skills centre in Crawley, to create a state of the art learning environment
- **Pelham Campus Redevelopment (Brighton, £5.0m)** to construct a new Centre for Creative and Digital Industries, together with part refurbishment of the Pelham Tower

- **Ricardo Hybrid Powertrain (Shoreham-by-Sea, £1.5m)** to deliver a state of the art four-wheel drive hybrid powertrain rig to enable the research and development of the next generation of electrified powertrain systems and vehicles
- **Charleston Trust Centenary Project (Lewes, £0.4m)** to preserve Charleston's heritage, enhance the Trust's economic and cultural role and expand the site to achieve a sustainable financial future
- **Sussex Innovation Centre (Falmer & Croydon, £0.14m)** to create more space and enable additional support through redesign of the large reception area at Sussex Innovation centre Falmer and to create a co-working space and meeting area, with Business hub space, within the Number One Croydon building.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 None required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 None required.

6. CONCLUSION

6.1 The Board is asked to note the contents of this report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 There are no direct financial implications associated with this report regarding the progress made in the first quarter of this financial year on approved schemes within the Greater Brighton Investment Programme. 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 bodies. The progress of each scheme is detailed within the Investment plan Update Report in appendix 1. Future or revised business plans will be reported accordingly within the timescales of the project timetables.

Finance Officer Consulted: Rob Allen, Principal Accountant Date: 05/07/18

Legal Implications:

7.2 There are no legal implications arising directly out of this report.

Lawyer Consulted: Alice Rowland, Head of Commercial Law Date: 28/03/18

Equalities Implications:

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

Sustainability Implications:

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

Any Other Significant Implications:

- 7.5 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Investment Programme Update

Background Documents:

None

