

<b>Subject:</b>	<b>Preston Barracks Development – Update and future arrangements</b>		
<b>Date of Meeting:</b>	<b>17 September 2009</b>		
<b>Report of:</b>	<b>Director of Culture &amp; Enterprise</b>		
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB11236</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

1.1 This report advises Cabinet of progress made during the past 6 months in examining the development opportunities for a revised scheme at the former Preston Barracks site. In particular, of the joint work alongside the University of Brighton (“the University”) to explore a shared vision for a wider development that would potentially combine the city council owned site with adjacent University land, thus enabling a more comprehensive redevelopment. The report also sets out the planned next steps and seeks agreement to revised project management arrangements, including the establishment of a new Project Board.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet notes the successful collaborative work to date and the progress that has been made in identifying opportunities for a revised scheme at Preston Barracks.
- 2.2 That Cabinet gives in principle support to ‘a Shared Vision’ of the city council and University of Brighton for a wider development opportunity on the Lewes Road involving city council and University land.
- 2.3 That Cabinet agrees the terms of reference/project objectives for taking forward the Preston Barracks Development as set out in paragraph 3.23.
- 2.4 That Cabinet supports continued partnership working between the city council, SEEDA and the University of Brighton to further explore the development potential.
- 2.5 That Cabinet agrees to the city council and University of Brighton entering into a simple procurement protocol agreement at this stage to cover the continued development of a joint scheme, with a further report to Cabinet prior to any longer term commitments.
- 2.6 That Cabinet agrees to the project management arrangements and decision making structure, including the creation of a new cross-party Project Board (as

detailed in 3.26) and that each of the four main political groups be requested to nominate their representative to join the Project Board.

- 2.7 That Cabinet supports the planned next steps in taking the project forward, particularly the joint commissioning of an Urban Design study to examine development scenarios e.g. height, scale and massing.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 As a large brownfield site, Preston Barracks is of significant importance to the city particularly for local regeneration, employment and business growth opportunities, and housing. With precious few such sites available in the city, it offers a rare opportunity to deliver a genuine mixed-use development capable of generating substantial employment and inward investment opportunities. It was the strength of this case, together with the risks posed by potentially unacceptable development, which led to the city council's decision, supported and funded by SEEDA, to take up its pre-emption to purchase the site from the Ministry of Defence in 2002.
- 3.2 The city council appointed a Preferred Developer in April 2004. Unfortunately, despite the considerable efforts of the Preferred Developer, and the examination of numerous scheme options aimed at assembling an appropriate and financially viable scheme, the city council concluded in March 2009 that it was unable to support the developer's final scheme proposals, the complexity of which was exacerbated by extremely difficult prevailing market conditions. At the Cabinet meeting on 12 March 2009, it was agreed that Preferred Developer status should be withdrawn and that it was now appropriate for the city council to explore alternative delivery arrangements with interested parties.
- 3.3 The University of Brighton has been an important stakeholder throughout the process to date; an involvement that predates site acquisition. The University is an adjacent land owner that has maintained a keen interest in the site and its successful development, but more importantly is a leading education establishment that makes a direct and substantial contribution to the city's growth and prosperity.
- 3.4 Following the March 2009 report to Cabinet, the city council began discussions with the University to explore the potential for a joint approach to development spanning Preston Barracks, the University's Moulsecoomb campus and the Lewes Road. These meetings, chaired by the City Planner, have been attended by members of the University's Senior Management Team, including the Vice-Chancellor and Deputy Vice Chancellor, together with senior officers from the city council and SEEDA.
- 3.5 The city council and University have started to explore the development opportunities presented by Preston Barracks, and how a joint approach also involving University land has the potential to provide an even greater regenerative effect in this part of the city.

## University of Brighton Aspirations

- 3.6 The University of Brighton has three major campuses in Brighton – at Grand Parade, Falmer, and Moulsecoomb. The Moulsecoomb campus houses the university’s corporate headquarters. It is also the academic base for the university’s academic work in science (including pharmacy and biosciences, and environmental science), engineering, architecture, business and IT.
- 3.7 The campus includes major buildings on both sides of the Lewes Road. The Cockcroft and Watts buildings were purpose built in the 1960s and 1970s, and the Cockcroft building was extended in the 1990s to include the Aldrich Library. A new academic building to house pharmacy and biosciences is nearing completion. The University also owns the Manor House and Tithe Barn, purchased from the council in 1993, and a small number of student residences erected on land behind the Manor House.
- 3.8 The University’s current building stock in Brighton is barely sufficient to house its current work and the general ambience of the Moulsecoomb campus is not particularly inviting, particularly at its southern end. The stretch of Lewes Road between the gyratory and the campus is unattractive. The University sees it as a priority to improve the quality of its facilities and the setting in which they are provided in order to maintain its competitive position.
- 3.9 The University’s aspiration is to contribute to the regeneration of the Lewes Road area by completing the refreshment of its Moulsecoomb campus in such a way that it sits comfortably within its surrounding community, and is seen to be contributing to it by opening its facilities and resources to all those who can benefit from them. In developing its plans, it has stated its commitment to working with partners from the public and private sector to provide a mixed-use development spanning the Lewes Road. Such a scheme would continue to be a mixed-use type development but with education at its heart.
- 3.10 The specific known requirements of the University at this stage are:
- A **‘Business School +’** building of about 8000m<sup>2</sup> gross, which would include space for teaching and research, and also provide the physical base for the university’s work in support of economic and social engagement (services to business, applied research and development, innovation and incubation facilities, and social and community projects). The Business School is currently housed on a single floor in Mithras House. Its move to a purpose built facility will free up space in Mithras House, thus enabling satellite services to return to the centre.
  - **Student residences** for a minimum of 500 students, provided on-site so as to reduce the environmental impact of the university (an estimated reduction of at least 50,000 return travel-to-study journeys), ease pressure on the city’s housing stock, and generate employment opportunities. In conjunction with the Business School building, the residences would enhance the opportunities for attracting academic conferences to the university, generating further economic activity in the city.

- 3.11 The Strategic Housing Partnership has commissioned the University of Brighton to work on a student housing strategy for the city. The research into changing student demography, student housing needs and the impact of student housing on existing communities will inform the city's Housing Strategy and emerging planning policy. Key objectives include an area based approach to managing student housing to mitigate the negative effects of high density student populations on established communities, and the development of more purpose built student accommodation.
- 3.12 The inclusion of student units in this location will need to be viewed against this area based approach to managing student housing and the potential to free up family housing in the vicinity.

### **A Shared Vision**

- 3.13 The established vision for the Preston Barracks development, agreed by the Project Steering Group in 2002, is:

*“That Preston Barracks forms a strong gateway to Brighton & Hove, with striking architecture and high quality public spaces setting the stage for a vibrant development that successfully focuses on employment whilst balancing community, residential, research, commerce and training uses.”*

- 3.14 In support of that vision, the Masterplan and subsequent Development Brief identified a range of key components and guiding principles. These were prepared against the background of the Local Plan requirements and reflected the findings, at that time, of the consultation process with key stakeholders. In summary, it confirmed that the development should:

- Act as an exemplary mixed-use development project (employment-led)
- Create significant job opportunities and promote new business
- Focus on sustainable development
- Create a ‘sense of place’
- Create opportunities for training – particularly for the local community
- Investigate opportunities for joint working with the University of Brighton
- Provide housing types that create a more balanced residential mix in the area whilst delivering the required 40% affordable housing requirement
- Recognise and enhance the quality of the surrounding residential environment.
- Achieve the highest standards of design excellence
- Create a ‘Gateway’ into Brighton & Hove
- Strengthen the ‘Academic Corridor’ and provide a catalyst for ongoing regeneration along the Lewes Road corridor.
- Improve linkages with the surrounding environment, particularly with Saunders Park View and Moulsecoomb railway station.
- Emphasise a sustainable approach to transport.
- Well-designed public spaces that respond to the needs of new and existing communities, including children and young people and integrated public art.

- 3.15 The original vision and development aspirations, while established some years ago, remain appropriate today and will therefore be key factors in the development of any subsequent scheme. It will however be necessary to be responsive to the

effects of the current economic conditions on the viability of schemes, and the phasing arrangements will be significant considerations.

- 3.16 Working in partnership with the University and unifying Preston Barracks with the adjacent university property on both sides of the Lewes Road has the potential to secure wider objectives of the emerging LDF; most notably supporting the need to provide appropriate accommodation for students and strengthening the links between the universities, business and local communities through sharing facilities and developing local opportunities for training and learning.
- 3.17 Each of the key planning documents reflects the important relationship between Preston Barracks and the University campus; an importance which stems from not just their geographical proximity, but the potential to build strong academic links, with support to local businesses, and the creation of an innovation centre, encouraging embryonic enterprise.
- 3.18 Following detailed discussions, city council officers and the University have started to identify the potential development area that could form part of future plans.
- 3.19 Incorporating the University's requirements with the primary purposes outlined for Preston Barracks results in the following indicative mix of uses:
- New 8,000sq.m Business School (including innovation and incubation facilities)
  - 10,600sq.m of employment space\*
  - Minimum of 500 student units
  - An appropriate number of housing units, with recognition that the number will be dependent on the total development area, the findings of a proposed Urban Design Study and financial viability
  - Ancillary retail
  - High quality public open spaces
  - Other economic development uses

\* this would represent a net reduction of 8,000sq.m of employment floor space, but the Business School would provide a positive contribution to local economic needs.

### **Urban Design Study**

- 3.20 The combined use mix shown above represents a significant development package, and it is therefore important to carefully consider the scale of development across the wider area. It is therefore proposed that the city council and University explore various scenarios in respect of scale and massing, in order to understand the development capacity of the sites.
- 3.21 With Cabinet's agreement, appropriate consultants would be jointly appointed to examine the implications in respect of height and massing in bringing forward a range of development scenarios on a site that incorporates Preston Barracks, Watts campus and Mithras House.
- 3.22 This study, which is expected to be a short-term piece of work, will in large part refresh and update information contained in the original Masterplan, as well as consider the opportunities presented by the new areas of land which will inform future discussions.

## **Terms of Reference/Project Objectives**

3.23 The following outline terms of reference are recommended for the project:

- The successful and sustainable redevelopment of the Preston Barracks site (and adjacent land as agreed); a development that meets the demands of the city and the partners' vision.
- To deliver a mixed-use employment led regeneration scheme consistent with the established aspirations and which acts as a regenerative catalyst for the surrounding area and communities.
- To ensure a financially viable scheme that is capable of responding to changing market conditions.
- To promote the regeneration of the Lewes Road corridor, with improved permeability and connectivity.

## **Project Management Arrangements**

3.24 This report proposes a decision making structure based on that established for other major projects and which enables responsible officers to take the appropriate decisions in consultation with Members, but will also allow for expeditious decision making at critical times.

3.25 The Preston Barracks project has, for the past 4 years, been overseen by a Project Board. Having been born out of an earlier Steering Group dating back to 2002, and reflecting the original involvement of SEEDA and the former Brighton & Hove Regeneration Partnership, both have been represented on the Project Board alongside elected Members.

3.26 The make-up of the original Project Board was appropriate for the time but, with the project now moving forward in a revised form, it is now considered appropriate to bring Preston Barracks in line with other major projects through the establishment of a new cross-party Project Board. It is therefore recommended that each of the four main political groups be requested to nominate its representative on the Project Board. For information, the most recent membership was as follows: Cllr Ken Norman (Chairman), Cllr Duncan, Cllr Lepper, and Cllr Watkins.

3.27 The Project Board will play an important role as the project develops and will provide an effective means of ensuring cross-party engagement and support. It will also be through the Board that future reports are referred to Cabinet or Cabinet Member Meetings. The Board will oversee the creation of any formal legal structure between the partners and the procurement process based upon it in line with the terms of reference/project objectives set out in paragraph 3.23. It will also:

- Supply the Cabinet with appropriate information to facilitate informed decision making
- Provide overall direction to the project so that it achieves its objectives
- Receive progress reports and act as required
- Ensure that in-house resources and consultancy are used as planned
- Support the Project Manager in gaining access to the requisite resources
- Ensure that processes are put in place to learn from project experience.

- 3.28 Based on the indicative timetable set out below, it is anticipated that the first meeting of the Project Board will be in October 2009. In addition to the Board, it is also recommended that Project Partners Meetings be established. Again, such meetings are consistent with the approach adopted for other major projects involving significant partners with land interests, i.e. the Community Stadium project. An indicative project management / decision making structure chart is attached at Appendix 1.

### **Next Steps / Indicative Timetable**

- 3.29 With Cabinet's agreement to the recommendations contained in this report, and based on the anticipated timeframe for the joint appointment of consultants, the outline timetable is as follows:

Event	Timescale
Cabinet supports work to date and agrees to continued partnership working	17 September 2009
Inaugural meeting of Project Board	October 2009
City Council & University of Brighton enter procurement protocol agreement	October 2009
Tender Urban Design Study	October 2009
Consultants appointed	November / December 2009
Urban Design Study completed	February 2010
Study findings considered by partners	March 2010
Report to Project Board re next steps	March 2010

- 3.30 The future timetable is very much dependent on progress during the next 6 months and may therefore be subject to revision.

## **4. CONSULTATION**

- 4.1 In view of the stage the project has reached, it has not been appropriate to undertake wider consultation at this point. With the principal task being the need to explore with interested parties alternative delivery arrangements, and to consider options for a revised scheme, it would have been inappropriate to commence external consultation.
- 4.2 Should Cabinet agree to move forward as recommended in this report, consultation will form a crucial element of future work.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 The progress of the project will be supported by the Major Projects & Regeneration Team whose costs are included within the council's budget. The recommendation at 2.7 to undertake an Urban Design Study is considered to involve limited costs and will be jointly funded between the Council and the University. The councils

share will be funded from the Strategic Investment Fund allocation to support the progress of major projects, approved at Council on 26 February 2009.

*Finance Officer Consulted: James Hengeveld*

*Date: 04/08/09*

Legal Implications:

- 5.2 The revised project proposals are at an early stage. It is appropriate to reconstitute the Board and for there to be a simple agreement with the University ("the Protocol") to cover the continued development of a joint scheme.
- 5.3 In the longer term there will be a requirement to comply with the EU Directives regarding Works and Services. However at this stage any work commissioned under the Protocol will be below the threshold figures of the EU Directives and can be sought in accordance with the council's Contracts Procedure Rules.
- 5.4 Given the respective landholdings it is entirely appropriate for the council and the University to work in partnership on common objectives.

*Lawyer Consulted: Bob Bruce*

*Date: 20/08/09*

Equalities Implications:

- 5.5 The Major Projects & Regeneration division is in the process of developing a bespoke EqIA process that fits within the agreed corporate process but which better reflects the nature and decision making arrangements of major projects managed by the city council. Development of this process has involved the Corporate Equalities Team and their involvement will continue as things progress.
- 5.6 An Equalities Impact Assessment (EIA) for the revised Preston Barracks project will therefore be prepared as part of the next phase of work and a full update will be included in future reports to the Project Board and Cabinet.

Sustainability Implications:

- 5.7 Sustainability implications have been a significant feature at all previous stages and will remain a central focus for future work. Both parties are committed to ensuring the highest standards of sustainability for any resultant scheme. The nature of the recommendations contained in this report mean there are no direct sustainability issues arising at this point.

Crime & Disorder Implications:

- 5.8 The Preston Barracks site has been extensively vacant for a number of years and has on occasion been subject to crime and vandalism. Redevelopment of the site would serve to limit such opportunities through encouraging a high level of natural surveillance, a level of which is currently being achieved through the city council enabling a number of short term uses of the site, particularly the garage units to the rear.

### Risk & Opportunity Management Implications:

- 5.9 A risk register has been in place since 2005 and is reviewed on a regular basis. As with earlier stages of development, the risk register will be reported to future meetings of the Project Board.

### Corporate / Citywide Implications:

- 5.10 The strategic importance of Preston Barracks as both an employment site and as an urban gateway to Brighton from the Academic Corridor has long been recognised. The development opportunity it presents is significant to the city as a whole as well as to the local communities that adjoin it. The shortage of quality sites for development and regenerative purposes places real pressure on the city council and its partners to ensure that this 2.2 hectare brownfield site performs across physical, economic and social levels. These important drivers remain and will be a focus for the next stage of development.

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The evaluation of alternative options formed a significant part of the previous report to Cabinet, on which basis it was agreed that in view of the many options considered over time, it was appropriate for the city council to review the development opportunities and to explore alternative delivery arrangements. Activity during the past 6 months has begun the process of establishing a shared vision.
- 6.2 The intention to move forward with the commissioning of an Urban Design Study, to update the original Masterplan of 2003, and to inform further discussions, will in turn lead to the consideration of further options and development scenarios.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The city council and University of Brighton share a real desire to see a high quality development that meets the demands of the city and the University, as well as promoting the regeneration of the Lewes Road corridor; a development that should also better integrate with surrounding communities.
- 7.2 Employment creation remains the primary focus for Preston Barracks. However, working in partnership with the University and incorporating adjacent land offers the potential to deliver against this objective in a more flexible way; as part of a wider scheme also enabling the University to achieve its objective to continue the improvement of its Moulsecoomb campus.
- 7.3 The University's aspirations for the renewal and development of its Moulsecoomb campus, through the improvement of the facilities and the setting in which they are provided, sits well with both the vision for Preston Barracks, as well as the wider strategies for Lewes Road and the Academic Corridor. A joint approach to the development of a wider site offers the prospect of a better integrated development capable of satisfying all parties and the city as a whole.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Proposed Decision-Making Structure

### **Documents In Members' Rooms**

None

### **Background Documents**

1. Preston Barracks Masterplan & Development Brief (2003)
2. Supplementary Planning Guidance – SPG14 (2003)
3. Confidential Report to Cabinet 12 March 2009