

Subject:	Greater Brighton Investment Programme – Progress Update		
Date of Meeting:	26th March 2019		
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 29th January 2019.
- 1.2 Updates are included on the Local Growth Fund (LGF) allocations made as part of the Growth Deal Rounds 1, 2 and 3. The period covered by this report is 1 October 2018 to 30 December 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**

January to March 2019 saw progress in the Port area of the scheme but continued frustration concerning the development of a flood barrier over the railway line. The rail flood barrier is required for protection against indirect

flooding following storm surge overtopping in the Ouse floodplain. This is being held up due to difficulties reconciling respective institutional requirements on future liabilities. A potential 'backstop' is the approval of an emergency response plan for the 25m gap in flood defences over the railway in the scheme's Area 1, north of Newhaven. There is better news from the Port area of the scheme, where we have pioneered the trial use of cement-free concrete in a short flood wall and this is may be the first use of this innovative low-carbon building material in a structural setting. We are on track to complete work in the Port area by May 2019 and with that, protection against direct flooding will be in place throughout Newhaven.

3.1.2 Port Access Road (Newhaven) £10.0m

Construction commenced early January, with site clearance works underway. BAM Nuttall has been appointed as contractor Construction is expected to take 19 months to complete.

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

Legal & General's planning application for the adjacent Longley Industrial Estate is due to be considered at the council's 20 March Planning Committee. As previously reported, if permission is granted, this will be the key to securing a private sector mixed use redevelopment on Longley that would include a significant element of new employment floor-space (that would count towards City Deal output) and a premium for the council as freeholder towards securing the remainder of the City floor-space output on the New England House site, along with the building's refurbishment.

Further design work has been undertaken in respect of NEH, with financial modelling currently underway on the latest option that has taken on-board a range of planning and transport concerns.

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

Since opening the 5G Brighton testbed at the FuseBox in October, we have continued to work with a range of SMEs early-adopters, helping them understand the technical and commercial opportunities that 5G might provide. We have also been preparing an open call to enable a second tranche of businesses to engage, and that open call is now due to launch for applications in late March. We have been working on developing a second user-testing location for the testbed and an announcement around that location is also expected this month. The Immersive Lab has upgraded some of its core facilities, particularly to support businesses who require motion capture technology. We have supported the Uni of Brighton Hive systems change project, have delivered a series of practical workshops for those working in immersive and a series of events (the most recent focussed on the fashion industry) for non-immersive businesses interested in the opportunities this technology might bring. Two of the businesses we have been working with, Gorilla in the Room and Metasonics, have been nominated for the Tech Nation Rising Star award.

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

Construction continues to progress, although work on some blocks has recently slipped against the timetable. The student accommodation and residential blocks are at advanced stages, with the student accommodation requiring handover and completion in time for occupation for the academic year commencing this September. The Dance Space has now reached its full height. Offsite infrastructure works have recently commenced.

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

Construction of the CRL building continued in line with the programme, with the structural frame now at an advanced stage. Cladding works are due to commence within the coming months, and in the meantime interior design work and signage proposals continue to be developed. The target completion date for the CRL remains December 2019. Construction of the student blocks on the barracks site commenced in December 2018, completion of which is planned for summer 2020. U+I recently completed a deal with Optivo Housing who will deliver the 369 new homes on the site. Work on the first residential blocks is due to start in mid-2019, and completion of the full development is scheduled for the end of 2022.

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

The Valley Gardens Phase 1&2 scheme construction work is progressing with a new footway on the eastern corridor, buildouts on the Morley and Kingswood Street Junctions which will link with the Circus Street developments works. A new and improved drainage system has been implemented and new street lighting will follow. Traffic management arrangements are in place and are consistently being monitored to help reduce any disruptions to the general traffic. The appointed Landscaping Sub-Contractor, East Sussex Landscaping (ELS) is due to commence work shortly to restore and enhance the gardens area. We continue to provide monthly updates on the progress of the scheme which is e-mailed to our circulation list and for those passing the works site you will now see our hoarding panels providing an overview of the project.

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

Work on the Adur Tidal Walls flood defences started in 2016 and is now in the final stages. Materials used in the construction include 2,500 steel sheets measuring 26 miles in length, more than 220m reinforced flood glass, 700 metre reinforced concrete walls and 15,000 bricks. Construction teams have worked within a few yards of peoples home to complete the scheme. Some of the project has involved a Giken train, of which only two exist in the western hemisphere; and a floating jack which costs £60,000 a week to hire. The scheme also involved the protection of 800 reptiles (slow worms and lizards) moved from site to Mill Hill and Lancing. The official launch will be in March 2019. 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 considered by Adur District Planning authority,

and a separate planning application for the proposed flood defences along the A259 has been submitted.

Adur District Council has commissioned Mott MacDonald to prepare detailed business case to justify the additional funding from the Environment Agency to support the flood defence wall to be delivered.

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:**

Mosaic Capital is expected to submit a planning application for their redevelopment shortly.

3.2.2 **Union Place:**

The site has been acquired by Worthing Borough Council using the Worthing Central LGF grant allocation. The Land Pooling Agreement has been in place since September 2018.

The development strategy was approved at JSC 6th November 2018 and the sale and leaseback of site C has taken place.

3.2.3 Decoy Farm (Worthing) - £4.8m

Council LEP application was submitted and presented to the Investment Committee and funding has been agreed.

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

Planning permission has been granted for the application submitted for development (600 dwellings, Ikea and new roundabout onto the A27). This will be subject to Secretary of State Call in.

3.2.5 Growth Location (Burgess Hill) - £14.9m

Northern Arc: The statutory consultation period on the planning application (received in December) has now completed, very few responses were received with no surprises. A delivery development partner has been appointed to deliver Freeks Farm and a reserved matters application is anticipated shortly. Work on the first stage of the development (Freeks Farm) remains scheduled to begin in 2020.

Place and Connectivity: West Sussex County Council, as the lead delivery body for the project, is finalising the legal agreement with the Local Enterprise Partnership. The detailed design is underway with construction scheduled to complete in March 2021.

A2300 corridor improvements: The project remains on schedule with construction to complete in March 2021.

Employment space, The Hub: Construction now very close to completion on the first of six phases of development, a 4,000 m² warehouse, with planned handover to DPD in April. The planning application for the second phase of development, to deliver a further 5,000m² of employment space, is being considered by officers.

Digital Infrastructure: A supplier engagement event took place on 17 January for the procurement of the scaffold network. Contract options are now being considered, with procurement to begin in early summer 2019. Discussions are underway with the West Sussex districts and WSCC about a business rates retention pilot scheme to fund a fibre spine for West Sussex. Officers are also in close liaison with the Brighton Digital Exchange about establishing a connection between to the Burgess Hill digital exchange.

One public estate (OPE) 7: At the end of February OPE confirmed that the two bids submitted by the Council in December had been successful. The OPE 7 funding awards will support feasibility studies for: (1) redevelopment of the land adjacent to Burgess Hill station to deliver up to 150 new homes, 500 jobs, and retail opportunities, (2) redevelopment of an extended Brow site in Burgess Hill to provide enhanced accommodation for the emergency services and to create space for 440 new homes.

Goddard's Green Waste Water Treatment works: the funding agreement for the £4m LGF funding has now been signed, with the funding agreement for the £6.5m HIF funding presently being finalised. Detailed design and procurement is work underway with the project delivery and spend ahead of schedule. Construction scheduled to begin in early 2019, with practical completion in December 2019.

3.2.6 Sussex Bio-Innovation Centre (Falmer) - £5.52m

The University is currently engaging with the design team and preferred contractor to determine how we could take forward the revised project. The university have also engaged with external procurement legal advisors in order to ensure they do not transgress 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

The legal agreement with Aberdeen Standard Investments is now agreed and will be engrossed end of March. The project is moving into the first delivery phase, including appointment of a Project Director and progression of the Enabling Works Package for Black Rock, Eastern site.

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 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 and planning consultants have now been instructed to commence preparation of a planning application for the site.

3.3.2 Railway Quay (Newhaven) - £1.5m

Flood defence works on site now completed and negotiations underway with existing tenant re: relocation. Initial masterplan has been prepared and discussions undertaken with potential tenants. However delays have been created by impending closure of adjacent UTC@harbourside . No further decisions will be made until the future of the UTC has been finalised – Government has just established East Sussex College Group as the Preferred Bidder and further negotiations are awaited. The UTC is expected to re-open in September 2019.

3.3.3 Eastside South (Newhaven) - £1.6m

Work on Phase 1 has been completed, with one new occupier (ValetPro) now operational. The second occupier is expected to become operational in early 2019.

Work on Phase 2 commenced in April. Phase 2 is being built according to demand, with the first unit nearing completion.

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

Since the last update work on site has included continuing remedial works to Corn Exchange roof joists to address significant structural defects; structural works to upper floors and roof 29 New Road; Installation of partition walls and first fix in Studio Theatre; Corn Exchange large window decoration; continuing installation of chiller and heating pipework; installation of steelwork for public lift and back of house staircase continuing; closing up of Studio basement; installation of partition walling in Studio café/kitchen ground floor continuing; installation of underfloor heating and screed in Gallery; M&E first fix completing and commencing second fix

The Contract Administrator has awarded a total of 33 weeks Extension of Time resulting in the new contract Completion date of 12 April 2019. However, the main contractor is reporting works continuing to October 2019.

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 third 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: 15/03/2019*

Legal Implications:

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

*Lawyer Consulted: Joanne Dougnaglo, Senior Property Lawyer
Date: 15/03/2019*

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:

Greater Brighton Investment Update Report March 2019

Background Documents:

None