

Subject:	Greater Brighton Investment Programme – Progress Update		
Date of Meeting:	16th July 2019		
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 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 26th March 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 April 2019 to 30 June 2019.
- 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.
- 2.2 That the Board delegates authority to the Chair to prepare letters of support for those projects that make it through the expression of interest stage in the LGF Growth Deal Unallocated Funding June 2019 call; where those projects accord with the five-year strategic priorities of the Board.

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

The period January to June 2019 saw completion of all fixed flood defences under Newhaven FAS. The final element of the fixed defences, completed in mid-April, was a revised flood wall alignment in the Newhaven Port area of the scheme. This alignment was revised in part to (successfully) address significant expected cost overruns had the original alignment been followed and also responded to uncertainty about future land use in Newhaven Port. The revised alignment also provided the opportunity to trial the use of low-carbon ('Cemfree') cement with 88% less embodied carbon than traditional cement.

Remaining tasks under Newhaven FAS comprise achieving consenting, design and build of the rail flood barrier, completion of the A26 demountable flood barrier system and snagging. Progress on the rail flood barrier together with Network Rail continues to be slow and it will be some time before this final component of the scheme is finished.

3.1.2 Port Access Road (Newhaven) £10.0m

Construction commenced early January, with works now well underway. BAM Nuttall has been appointed as contractor. Construction is expected to take 19 months to complete. A local liaison committee has been established to help address community concerns and held its inaugural meeting in May.

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

Legal & General's planning application for the adjacent Longley Industrial Estate agreed at 20 March Planning Committee subject to Section 106 approval.

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

The 5G Brighton test bed has taken its first full cohort of 5 businesses through the 5G-accelerator programme and they have all now developed their applications to proof-of-concept stage. These include;

- Cynapse, who use 5G to enhance their AI image engagement application,
- Mnemoscene, who create high-quality virtual models of museum artefacts and tested 5G as a way of sharing them internationally.

The open call for the second cohort of 7 businesses has now closed and the successful companies will be announced shortly. An extension of the 5G Brighton programme to include the Brighton Dome and Corn Exchange is underway, and at launch this will be the most significant testing of 5G applications in a performance space in the UK.

The ongoing support for the immersive sector in the region includes a new regular practitioner meet-up and upgrading of the equipment available at the Lab. Over 32 businesses used the Lab for dev work in April alone.

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 Central Research Laboratory Plus X (Brighton) - £7.7m

Construction of the CRL building, recently rebranded 'Plus X', continued in line with the programme, with the concrete frame now at full height and 'topping out' planned for late June. Installation of curtain wall glazing and M&E works is underway and the coloured exterior cladding is due to commence in August 2019. The target completion date for Plus X remains December 2019. In terms of the comprehensive redevelopment, construction of the student blocks on the barracks site commenced in December 2018 and is now up to level 4, completion of which is planned for summer 2020. Work on the first residential blocks is due to start in July 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 new footways and road layout starting to emerge at St Peters junction. Wider footways on the Level side of the junction are open and being used while footways on the gardens side of the junction are being surfaced with the resin bound gravel finish. Works have also begun on the eastern side of St Peters Church where the new cycle lane is taking shape and is continuing to be developed towards the south of the scheme.

New drainage gully's and connections are being installed to enhance the drainage system underground as well as ducting to support new signal junctions. The St Peters junction is under temporary arrangements while old equipment is removed and replaced with new equipment. The taxi rank north of St Peters Church is to be temporarily relocated in coordination with Taxi companies. Changes to the junction layout have started to take shape with the removal of the Ditchling Rd Right turn function. Feedback from the local community and stakeholders in general has been positive and 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. Pre-operational work has started to the gardens and this includes surrounding the trees root protection area with a fence and removing a large amount of the shrubs that were in the gardens.

We continue to provide monthly updates on the progress of the scheme which is e-mailed to our circulation list and we are starting to plan for a second community open day following the success of our last one in March.

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

Adur District Council has now purchased the required 3.5m strip of land from the Sussex Yacht Club to complete the land deal following agreement on Heads of

Terms. A planning application has been approved by Adur District Planning authority for the replacement of the yacht club facility. Work has now commenced on the foundations of the new yacht club. A separate planning application has been approved for the flood defences and cycle path along the A259.

Adur District Council is awaiting the outcome of a 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:**

The practical completion of the car park construction is expected on 05/06/19. Mosaic Capital have submitted their application and the decision is expected at an Autumn planning committee. Work is underway with Homes England to secure circa £8m of funding for affordable homes. Teville Gate House application is under consideration, with a decision expected at July Planning Committee. Heads of Terms have been agreed with Teville Gate House / HMRC to lease 50 parking spaces to aid the development.

3.2.2 **Union Place:**

The full professional team have been appointed and have been working on the detailed issues of the site. The planning pre-application advice meeting has taken place which has identified issues around height and street scene. However, the overall approach was supported. The Environmental Statement Screening Opinion has been received which indicates no ES is required.

Detailed negotiation is now taking place with NCP over the car park lease. It is anticipated an outline planning application will be prepared to be submitted for Autumn 2019.

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

Secretary of State resolved not to call in the planning application in May 2019.

ADC, WSCC, and developers are looking to finalise the S106 agreement and other land acquisition issues in June/July 2019 and will formally issue the planning permission.

3.2.5 Growth Location (Burgess Hill) - £14.9m

Northern Arc: An outline planning decision for the first phase of the development (Freeks Farm) is anticipated to be issued imminently. The main Northern Arc outline planning application (which encompasses the remainder of the site) is anticipated to be determined in October 2019. A delivery development partner has been appointed by Homes England to deliver Freeks Farm and a reserved matters application is anticipated to be submitted to Mid Sussex District Council in July, with works scheduled to begin on this phase later in the year. The first housing is anticipated to be delivered in 2020.

Place and Connectivity: West Sussex County Council, as the lead delivery body for the project, has now finalised the legal agreement for the £10.9m LGF funding 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 on the first phase of development was completed in April, delivering a 4,000 m² warehouse for distribution company DPD. Construction on the second phase of development is scheduled to begin in June and will deliver a further 5,000m² of employment space for Roche Diagnostics.

Digital Infrastructure: Strong progress has been made over the last quarter. Balfour Beatty has been engaged as consultants to deliver the 'dig once' programme for the Northern Arc. A MEOP (Market Economy Operator Principle) report has been commissioned to consider options for establishing a digital Coop which will be considered by DCMS in the early summer. The outcome of that will determine whether the project joins an existing co-op or establishes a new one. Discussions continue with the West Sussex districts and WSCC about a business rates retention pilot scheme to fund a fibre spine for West Sussex. Officers remain in close liaison with the Brighton Digital Exchange about establishing a connection between to the Burgess Hill Digital Exchange.

One public estate (OPE) 7: OPE 7 funding awards were announced earlier this year to 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. Officers are now working on the procurement process for those studies.

Goddards Green Waste Water Treatment Works: In May Southern Water committed some £4.9m of their own funds in addition to the £4m LGF funding and £6.5m HIF funding already secured. The injection of the new funding will deliver a significantly enhanced design. Sustainability and resilience will be

improved, and more on-site electricity will be generated reducing the site's carbon footprint. Construction is underway. The project remains ahead of its spend profile, with practical completion expected in July 2020.

3.2.6 Black Rock Development (Brighton) - £12.1m

A range of enabling works has been scoped to facilitate the development of the Black Rock 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 Adur Civic Centre (Shoreham-By-Sea) - £1.8m

3.3.2 The new office block on the north side on the development was completed at the end of April. The four-storey building will be leased to the communications group Focus Group which will result in the creation of 200 additional jobs. A marketing exercise has taken place to find a development partner for the south side development with an update expected in the coming months.

3.3.3 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.

3.3.4 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 established East Sussex College Group as the Preferred Bidder and negotiations are ongoing. The UTC will re-open although date is yet to be specified.

3.3.5 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.

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

Since the last update work on site has included

- completion of the remedial works to Corn Exchange roof joists to address significant structural defects and installation of 4 tie-rods;
- completing roof of 29 New Road and dry lining;
- Installation of partition walls and first fix in Studio Theatre;
- continuing installation of chiller and heating pipework;
- installation of public lifts and back of house staircases continuing;
- closing up of Studio basement;
- M&E first fix completing and commencing second fix

The Contract Administrator has been awarded a total of 33 weeks Extension of Time resulting in the new contract Completion Date of 12 April 2019. The main contractor is reporting works completing in December 2019. Notwithstanding the Contract Administrator's consideration of further claims for Extension of Time, a Non-Completion Notice has been issued.

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 is supporting projects from across Greater Brighton: The project updates are as follows:

3.4.1 Crawley College STEM & Digital Centre (Crawley) - £5.0m

Design work has been completed and W Stirland Ltd have been appointed as the building contractor. Subject to planning approval the project is expected to be completed by September 2020.

3.4.2 Pelham Campus Redevelopment (Brighton) - £5.0m

Formal planning consent for the project was issued on the 23 March following completion of the legal documentation and agreement of the planning conditions.

Work is continuing with the main contractor and the design team to complete the design and tendering work so the project can move into the construction phase. This is progressing well and it is now expected that work on site will start in the summer.

3.4.3 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. The equipment has been ordered and construction has commenced. Its due to be commissioned at the end of 2019 and the project is on track.

3.4.4 Charleston Trust Centenary Project (Lewes) - £0.6m

This 570m² new development includes the Trust's first exhibition space, as well as an events space and new restaurant. The exhibition space is housed in a new building, while the events space and restaurant will be situated in two 18th-century farm buildings, restored and redeveloped. The development launched on 8 September 2018.

LGF Growth Deal Unallocated Funding – June 2019 Call

3.5 In June 2019 Coast to Capital announced that it had approximately £9.1m of unallocated funds available to support capital growth projects. Funds must specifically target projects that contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities SEP, or to support medium term delivery of the Strategy. This call was open for Expression of Interest (EOI) applications from Tuesday 11th June 2019 until 12noon on Tuesday 2nd July 2019.

3.6 The list of EOIs for the Greater Brighton City Region are as follows:

- Worthing Public Realm (AWC)- funding an element (Portland Road) of the overall improvements package
- Gigabit and Public Wi-Fi (AWC) - funding additional fibre costs and public Wi-Fi equipment
- New Monks Farm additional ask (AWC) - funding an additional aspect of the existing scheme
- Converged Fibre Connectivity Programme (MSDC) - digital fibre connection between Burgess Hill, Haywards Heath, Horsham town centre, and Crawley. That connection will run through rural parts of the three districts, which will help address the issues of limited digital connectivity in rural areas.
- RPE Phase 1(BHCC) - additional funding to ensure prompt completion, enabling the delivery of the 5G testbed.
- Brighton City Centre Full Fibre Ring (BHCC) - creating a publicly-owned, 5G-ready, shared-access duct infrastructure under the stewardship of BHCC that links a number of core strategic education, research and public sector assets
- Madeira Terraces MT30 (BHCC) - Start detailed design and engineering work on the first 30 arches
- New England House (BHCC) - Funding to commence the internal elements of the City Deal works.
- BTN BikeShare (BHCC) - to provide a large scale E-bike trial involving upgrades to the servicing base, new fleet, new hubs, ground power to existing hubs and charging points.

- 20 Fort Road Newhaven (LDC) - innovative new affordable housing on a difficult, constrained site. The development will be an exemplar of sustainable development, utilising modular methods of construction to maximise deliverability and new energy efficient technologies.
- Public Realm (ADC) - a further phase of the public realm improvement scheme in Littlehampton (ADC).

3.7 The period between the call opening and closing meant it was not possible to seek formal Board endorsement of schemes put forward as part of the expression of interest process. However, it is recommended that the Board agrees that the Chair prepares letters of support for those projects that accord with the five-year strategic priorities of the Board; where they make it through to the next stage of the process.

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. The submission of Expression of Interest to the LGF Growth Deal for the June 2019 Call will be considered by the LGF Investment Committee who will determine whether a full business case should be submitted for the final stage of assessment which will be carried out by the Committee in September 2019. This will require potential match funding to be identified as part of that submission.

Finance Officer Consulted: Rob Allen, Principal Accountant Date: 28 June 2019

Legal Implications:

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

Lawyer Consulted: Joanne Dougnaglo, Senior Property Lawyer Date: 28/06/19

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 July 2019

Background Documents:

None