

Subject:	Brighton Waterfront Project		
Date of Meeting:	22 July 2021		
Report of:	Executive Director Economy, Environment and Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The report and recommendations to the 3rd December 2020 Policy & Resources Committee comprised an extension of the current Conditional Land Acquisition Agreement (CLAA) Standstill Agreement to 15 December 2021 and the development of a project brief and core principles which would retain a new or refurbished Brighton Centre in the City Centre, within a wider mixed use regeneration master plan.
- 1.2 The Waterfront site is a key strategic site in the city centre which affords the opportunity to create a new mixed use urban quarter which, combined with a new conference and entertainment facility (venue), can promote substantial value across the wider city. The future of the city's key retail, entertainment and conferencing facilities is fundamental to the long term recovery of the city, but those options will be shaped by how people shop and work post-pandemic. The purpose of this report is to advise the Committee on current progress, with the objective of reporting back in January 2022 with a report and clear recommendation on strategy moving forward.
- 1.3 The potential to move away from an enclosed shopping centre led extension has been predicated on the changing retail climate, borne out of the move to on-line shopping and the accelerated decline caused by Covid-19. Across the UK there has been an adverse impact on the retail sector in terms of vacancies and declining rents and values. As a consequence there is now an ever greater focus on the re-purposing of shopping centres which encompass better physical connectivity with the surrounding area and a diverse range of uses including retail, food and beverage, offices, residential, leisure and community uses as a means of creating sustainable urban environments and promoting long term economic growth.
- 1.4 The principle of mixed use development is in line with the City Council Economic strategy (2018), Development Plan (DA1) and supporting City Plan policy, draft Urban Design Framework and the Sustainable Tourism Plan.
- 1.5 The outputs from the above exercise remain work in progress and issues around the status of the CLAA and Standstill Agreement will be addressed once there is clarity on the preferred development strategy of the respective parties.

2. RECOMMENDATIONS:

- 2.1 That members note progress to-date in investigating potential masterplan options, with a view to the parties preparing their respective business plans and reporting back to the Policy & Resources Committee in January 2022 with a firm recommendation on development strategy and next steps.
- 2.2 That members note the work being undertaken by officers to develop a specification, optimum capacity and financial business plan for the venue facility to inform future development strategy.
- 2.3 That members confirm the city council's in principle support for the concept of a mixed-use regeneration of this key part of the city, which reintroduces a permeable, liveable street scene which aligns with planning policy whilst integrating conference and venue facilities with the retail heart of the city; in line with the principles at 3.4, below.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The City has long sought a replacement for the Brighton Centre which is a venue of national standing and a major asset for the City. An agreement was reached in December 2018 which, following a series of conditions being met, would allow for the purchase of the current Brighton Centre site by Aberdeen Standard Investment (ASI) and delivery of a new venue at Black Rock.
- 3.2 As the Freehold landowner of the Churchill Square shopping centre and adjoining holdings on the Waterfront site, ASI are uniquely placed to work alongside the Council in undertaking a substantial mixed use development which has the ability to incorporate a new or refurbished venue within the wider masterplan. This is in line with the original purpose of the Standstill Agreement which has allowed the parties time to explore the principle of retaining a conference and entertainment centre in the core City centre, as opposed to Black Rock.
- 3.3 In order to kick start the process of assessing the potential for a new urban mixed use Quarter around a new or refurbished venue, a series of workshops took place between November 2020 and January 2021 comprising council officers, ASI and key consultants .The workshop process provided the opportunity for a full and frank discussion around key objectives which comprised the following:
 - i) Aspirations and ways of working together
 - ii) Market and Planning context for a mixed- use masterplan
 - iii) Key drivers for a new and successful Conference and entertainment centre
 - iv) An emerging vision -the establishment of core principles
- 3.4 The workshop process established some core vision principles in order to assist in the master planning process as set out below;

- i) To build on the 'Ten minute City' in terms of accessibility for conference, entertainment, hotels, eating and shopping
- ii) A recognition that the Brighton Centre is a key commercial driver for the City, has a visual/physical connection with the seafront and is a key part of the solution in establishing a new City Quarter.
- iii) An opportunity to transition from a retail focussed masterplan to a vibrant and open mixed use City Quarter that aligns with planning policy i.e. a move away from an enclosed and inward looking scheme.
- iv) Recognising the need for scale, urban grain, permeability, high quality design and public realm, tall buildings, creating a community and making it sustainable.
- v) The importance of a Transportation and Highways strategy to embrace new technology and to be fully aligned with wider City centre initiatives.
- vi) Alignment with other City Centre regeneration projects and public realm improvements in key surrounding areas (Liveable City Centre and Station Gateway to the Sea)
- vii) A carbon neutral scheme in line with the council's Carbon Neutral 2030 Programme.

3.5 Following the workshop process and in the context of establishing a new mixed quarter in accordance with the above vision principles, the Council and ASI appointed a design team to explore three specific venue/wider masterplan options as follows;

- i) Relocation of a new venue north of the Grand, adjoining Canon Place but with a main entrance integrated into the heart of a new mixed use masterplan. There would be no direct seafront presence, but the aim would be to create strong sightlines and pedestrian links to reinforce the venue as a key focal point within the new urban quarter. Due to the complexity of the phasing programme there would be likely to be substantial disruption, albeit that a key objective will be to maintain continuity of operation as far as possible for the existing Brighton Centre until completion of the new venue.
- ii) Relocation of a new venue onto the Kingswest site at the junction with West Street and Kings Road ,which would probably include the Brighton Centre Syndicate rooms. There would be a strong seafront presence but land and vacant possession costs would be substantial in order to accommodate a new venue which would not be substantially bigger than a refurbished Brighton Centre. Depending on the size and scale of the optimum venue there is a question mark as to whether full continuity of operation can be maintained and whether the existing Brighton Centre would need to be taken out of operation for a period of time.
- iii) Retention of existing Brighton Centre. An internal Council feasibility study has been undertaken which assumes wholesale refurbishment of the existing Brighton Centre, creation of three frontages by redeveloping the adjacent

Kingswest in order to transform its layout and physical appearance, increase capacity and create active frontages which would engage with a wider mixed use masterplan. There would be the advantage of maintaining its strong seafront presence and utilising the existing structure in line with a circular economy and increasing capacity by circa 1,000 persons. However, it could mean taking the building out of operation for up to 3 years which would be a key consideration in the evolving business plan.

- 3.6 The creation of a masterplan vision and evolution of the above three options are integral as a platform for the next stage in the feasibility process, which is for the Council and ASI to progress their respective business plans for both Churchill Square (and the other buildings in ASI ownership within the site boundary) and the Brighton Centre. The options also provide the flexibility for the Council to consider the relative strengths and weaknesses of redeveloping a new venue in a different location within the central site boundary or undertaking an extensive refurbishment of the existing Brighton Centre. It also ensures the city council is retaining a position to consider delivering a project alone if there is not an option that can be delivered in partnership with ASI.
- 3.7 The outputs from the business planning exercise will identify the feasibility of each of the above options and determine whether or not there is a preferred option that both parties believe can be progressed in partnership. It should be stressed that ASI are not yet committed to the principle of wholesale development of their asset and in the interim will need to identify short/medium term asset management initiatives in order to protect value. Nevertheless the work undertaken to date on the masterplan options will be key in enabling them to determine development strategy in the longer term.

Venue Business Plan

- 3.8 As part of the masterplan exercise and feasibility testing it will be important to establish the optimum capacity for a new or refurbished venue which is right for the Brighton market and this could range in size from a circa 5,000 to 12,000 plus capacity. Officers are currently embarking upon a procurement exercise to appoint a specialist consultant to undertake extensive research and market analysis to determine optimum capacity and a financial model to help inform operation and revenue projections moving forward.
- 3.9 A Services Specification and Invitation to Tender is being prepared for circulation into the market. The target timeline is to select and appoint a consultant by the end of July to prepare a report by a target completion date of 2021 to determine the preferred Venue strategy which will be the subject of a report and recommendation back to Committee in January 2022.
- 3.10 The Masterplan options will introduce a significant amount of new commercial and residential floorspace at upper levels to complement the proposed new retail, restaurants, leisure and Venue. A key objective will be for the Waterfront site to still remain a major retail location in the centre of the City (as opposed to a 'corporate Quarter') with a key focus on permeability and connectivity by way of new open streets and spaces. This will create strong pedestrian links between the seafront and Western Road and east to west from West Street to Canon Place. The improved connectivity will also complement and strengthen the other core shopping areas in Western Road, North Street, North Laine and the Lanes.

- 3.11 It should be stressed that the scale of redevelopment proposed for the Waterfront site would necessitate construction being undertaken in a series of phases over a period of circa 7-8 years. Preliminary studies are being undertaken to determine the nature and extent of each phase as it is essential that each is viable and accessible in its own right and that the wider area does not take on the appearance of a massive construction site.
- 3.12 As yet no decisions have been arrived at in terms of a preferred option and the feasibility work undertaken to date is currently subject to a more detailed evaluation by ASI in order to determine their preferred business plan during Q3 2021. Completion of this work is targeted for Q4 2021 and the outputs from both business plans will inform next steps as regards the preferred development strategy for the Waterfront site. This development strategy will be reported back to P&R for agreement in January 2022.
- 3.13 As reported at the 3 December Committee, if a joined up and workable development strategy can be established for the Waterfront site by say Q4 2021, then it would replace the proposition to use the Black Rock site for the new venue location. Whilst the primary focus remains the Waterfront, it will be prudent to maintain the Standstill Agreement in the background until at least the expiration date of 15 December 2021 or until such time that the parties have concluded their respective business plans and agreed a preferred development strategy.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 As summarised in Section 3 above, the parties have undertaken a substantial amount of work in the last six months to evolve a series of exciting mixed use masterplan options which incorporate a new or refurbished venue. Subject to completion of their respective business plans, there is a positive opportunity for both the Council and ASI to reach agreement on a preferred central site option coupled with a commercial solution which embraces a new venue.
- 4.2 As stated earlier there will be a follow up report and recommendation to the January 2022 Committee which sets out a proposed development strategy and confirmation of next steps. Bearing in mind the 15 December 2021 expiry date for the CLAA Standstill Agreement, consideration will need to be given to the timing of a separate report and recommendation to Committee in advance of this date.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Once an agreed development strategy is in place and recommendations approved by the January 2022 Committee, then as reported in the December Committee, a series of community and business consultation events can be organised in order to obtain wider feedback.

6. CONCLUSION

- 6.1 The work undertaken over the last six months and summarised above has demonstrated the huge potential of the Waterfront site to accommodate an

extensive and exciting new Quarter in the City comprising a diverse range of architecture, mix of uses, open streets and spaces to connect with the wider City and to create a new or refurbished venue that can become a key focal point within the wider scheme.

6.2 The workshop process has proved to be critical in enabling the Council Officers and ASI to be aligned on the vision core principles which have underpinned the concept master planning process and options. It has provided the platform for both parties to work up their own business plans so that interests can be aligned and embodied in a mutually agreed development strategy

6.3 Whilst there are not any firm recommendations at this stage, the Project Board agreed that it was important for the Policy & Resources Committee to receive an update on workstreams undertaken and progress to-date. This is important, bearing in mind the strategic importance of the site relative to the venue strategy, evolving plans for a new Urban Quarter and the positive economic impact on the wider city.

6.4 The workstreams and programme for Q3 and Q4 2021 which will form the basis for an agreed development strategy and recommendation to the P&R Committee on 27 January 2022 are summarised below;

i) ASI to evaluate the masterplan options that have evolved following the workshop process and are working up a business plan for Churchill Square with a target date of Q3 2021 to report back on their preferred strategy

ii) The Council to progress their formal procurement process to appoint a specialist Venue consultant to undertake research necessary to determine optimum capacity and assist on financial modelling to determine an appropriate operating and revenue model .It is anticipated that a preferred consultant will be appointed in late July/early August 2021 with target completion of the report in Q4 2021.

iii) The production of the business plans in i) and ii) above will form the basis of follow up discussions between the Council and ASI in order that a clearly defined development strategy and objectives can be agreed between the parties and reported back to Committee .

iv) The CLAA and Standstill Agreement will be reviewed and a recommendation provided on next steps.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The replacement or refurbishment of the Brighton Centre as part of the overall masterplan represents a substantial financial investment for the City and the work on the Venue Business Plan will support future financial decisions relating to this project. The council's work in the next stages will require resourcing. The council holds a strategic reserve of £2.822m as at 31/3/2021 to support the development of the project and it is anticipated that funding will need to be drawn down from this reserve to cover project costs including business plan development for the venue, project management and design and professional

costs for the development of the refurbishment option. ASI have covered at least 50% of most costs to date.

Finance Officer Consulted: James Hengeveld

Date: 09/07/2021

Legal Implications:

- 7.2 The workstreams described in this report have not so far considered the legal structure of a development project with ASI and there will need to be careful consideration given to all the legal issues which arise, particularly subsidy control and procurement issues. As reported in relation to the CLAA, there are significant constraints placed on the Council by the Public Procurement Regulations 2015 and the implications of this will need to be considered at the next stage.

Lawyer Consulted:

Alice Rowland

Date: 09/06/21

Equalities Implications:

- 7.3 The project is not advanced enough to prepare a robust assessment, but bearing in mind the outcome of Brexit, Covid-19 and continuing uncertainties it will be essential to ensure that the equalities implications of this project are properly dealt with in terms of the design, innovation and sustainability of the Venue and associated uses plus the fact that the Council will have an interest in the wider mixed use development proposed for the Waterfront site.

Sustainability Implications:

- 7.4 As the project masterplan evolves, it will be critical to incorporate a clear strategy for sustainable development moving forward including carbon neutral aspirations and the future proofing of building design to ensure flexibility and adaptability for different uses as required.

