

# Brighton & Hove City Council

## Policy & Resources Committee

## Agenda Item 82

**Subject:** Development Brief for Black Rock

**Date of meeting:** 1 December 2022

**Report of:** Executive Director Environment, Economy & Culture

**Contact Officer:** Name: Katharine Pearce/Sam Smith  
Email: [katharine.pearce@brighton-hove.gov.uk](mailto:katharine.pearce@brighton-hove.gov.uk)

**Ward(s) affected:** Rottingdean Coastal

### For general release

#### 1. Purpose of the report and policy context

- 1.1 Black Rock is a significant regeneration site that has been derelict for many years. Once the current package of enabling works are completed the site presents an excellent opportunity to bring forward development that can enhance and improve the Eastern Seafront along with the other projects underway in this area.
- 1.2 The council has been progressing a package of enabling works at Black Rock that will make the site development ready. Funding has included Local Growth Fund (LGF) grant totaling £12.1m agreed through the Coast to Capital Local Enterprise Partnership (LEP).
- 1.3 In line with the funding conditions the council need to progress with proposals for the future development of the site, as well as plans for meanwhile uses between the completion of the enabling project and the start of final works. The LEP need to demonstrate to government that substantial progress has been made in delivering the outputs agreed with government by April 2025.
- 1.4 This report proposes a process and timetable for creating a Development Brief for this important site, as well as procuring professional advice and support for this work.

#### 2. Recommendations

- 2.1 That Committee agrees the proposals and timetable for producing a Development Brief for the future development of the Black Rock site as outlined in para 3.30-3.42.
- 2.2 That Committee agrees that £100,000 of capital funding is allocated to procure professional support for the production of the Brief associated surveys and investigations.

2.3 That Committee agrees to the use of the site for meanwhile uses and entertainment space as detailed in para 3.10-3.23.

### **3. Context and background information**

3.1 The original agreed funding outputs with the LEP related to the development of a new conference centre on the Black Rock site in line with the original Waterfront Conditional Land Acquisition Agreement (CLAA) that was agreed between the council and Aberdeen Standard Investments. This agreement would have seen an expanded Churchill Square and a new conference centre on the Black Rock site.

3.2 Aberdeen Standard Investments withdrew from the CLAA in 2020 and the council have been reviewing the future of the Brighton Centre and Churchill Square with the council since then.

3.3 The LEP agreed that the council could continue with the Black Rock enabling works and prepare the site for future development. This de-coupled the Black Rock funding and site from the wider Waterfront project and provided an opportunity to rejuvenate and develop the Black Rock site as part of the wider Eastern Seafront programme, which also includes the restoration of Madeira Terrace and work to produce an overall Masterplan for the eastern Seafront.

3.4 P&R Committee agreed at their December 2019 meeting that the enabling works could progress and planning permission for the works was gained in March 2020. The project has been progressing well despite the challenging delivery environment with combined impacts of COVID, Brexit and the war in Ukraine causing significant disruption, supply chain and labour issues, as well as unprecedented rates of construction inflation. Several elements have now been delivered including:

- Relocation of the local wildlife site
- Works to the Dukes Mound junction
- A new 800-meter Board Walk
- Public realm improvements
- A new sea wall expanding the developable area

3.5 The final phase of the development is now underway and includes:

- A new link route between Black Rock and Brighton Marina
- Refurbishment of the historic Reading Room and Temple which will both be let as food and beverage outlets
- Decontamination of the site and enhancement of the public realm including provision for a range of activities
- Infrastructure for performances and events

3.6 In 2020 the LEP undertook an external value for money review of the proposed project undertaken by HATCH consultants and concluded that the revised proposal represent value for money.

3.7 The LEP have been conducting a 'Deep Dive Review' of the council's Plans and indicated at a meeting on 9 September that they are satisfied with the current proposals and timeline. The LEP have issued a letter to ensure the council commits to these plans so they can demonstrate to the government that they are delivering their agreed outputs. The letter asks the council to provide confirmation that is progressing to meet the 2025 deadline with the threat of asking for the return of funds if this commitment is not given. It is anticipated this letter will be withdrawn once this report is agreed.

3.8 The three phases of the Black Rock project, were set out clearly within the Hatch report in December 2020 (pre-COVID-19) as follows:

3.9 "While the funded project is limited to the necessary remediation works, BHCC have considered three phases leading to the full development of the Black Rock site:

**Phase 1** - Black Rock Enabling Project (the focus of the proposal): to provide a de-risked, shovel ready, strategic development site, incorporating flood defences, new DDA-compliant access routes, new sustainable bus access route and biodiversity net gain of 115%.

**Phase 2** - Meanwhile Uses: for a period of three years, specifically addressing COVID-19 impact on arts and culture within the city

**Phase 3** - Final Development: full development of the site with four possible scenarios considered to demonstrate potential impacts of the site."

#### Phase 2 - Meanwhile uses

3.10 Phase 2 will run from July 2023 to July 2025 (meanwhile uses) and will involve a range of activities and events at Black Rock. This will help to enhance the city's cultural and tourist offer as well as generating additional income for the council.

3.11 The Brighton & Hove visitor economy entered a post-COVID-19 recovery phase as restrictions were lifted through 2022. The Black Rock site, at the eastern end of the seafront, and with new access points completed, is now well situated to play a crucial role in allowing the city to host a wide portfolio of outdoor events. This will support and grow revenues from the sector and in turn secure jobs in the local economy. The UK visitor economy is now fully re-opened and operational, however it is still recovering from the impacts of COVID-19 as well as impacts of the energy and cost of living crises.

3.12 In what is a competitive and crowded market place it is vital that Brighton & Hove has the appropriate product offering to attract these key visitor groups, giving them reasons to extend a day trip to an overnight trip, an overnight trip to a 2-3 day trip and a 2-3 day trip to a 7-night stay and beyond, in order that the £850m visitor economy, which supports 16% of all employment in the City, recovers and prospers (Economic Impact Assessment of Tourism, Brighton & Hove, Tourism South East, 2018).

- 3.13 Outdoor events are a key product offering, which are not only synonymous with Brighton & Hove, but will have significant resonance and impact in a post-COVID era when visitors are more conscious of outdoor venues which are viewed as COVID-safe environments. The proposed Meanwhile Uses for the Black Rock site have the potential to greatly support and enhance the citywide events programme.
- 3.14 This will be important during the Madeira Terrace restoration, which submitted for planning permission for the first phase in July 2022 with the aim of starting on site in Spring/Summer 2023. This transformational project of an area traditionally used to host key outdoor events will take a number of years to fully complete with sections of the eastern seafront affected by construction and restoration works in four phases. The restoration work will limit the ability to host some of the outdoor events on parts of the Madeira Terrace, particularly during the summer season.
- 3.15 Black Rock will be able to host displaced events or allow for changed logistical arrangements, ensuring that the city's outdoor events diary remains buoyant, continuing to drive economic benefit and support the cultural sector.
- 3.16 Several new events and potential programming are now also possible. With the addition of a new access/egress to the site, capacity on the site has now increased and 8-10k capacity can be safely accommodated.
- 3.17 It is proposed that the creation in the longer term of a re-invigorated event space and grandstand at Madeira Terrace will then allow for displaced outdoor events and new events 'grown' at Black Rock to move back to the western seafront and allow the site itself to become a significant new destination for the longer term, based around the agreed Development Brief.
- 3.18 The proposed informal meanwhile uses for the Black Rock site also have the potential to support the health and wellbeing agenda across the city. Enquiries from local groups seeking to use the area for ad-hoc informal outdoor space has increased and it is suggested that embedding an outdoor activity programme throughout the year will also be achievable. With 26% of visitors reporting the 'seafront and beach' as the main trigger for them to visit Brighton & Hove and 75% visiting the seafront (Brighton & Hove Visitor Survey, 2018); it is clear that Black Rock represents a major opportunity to maintain and grow the outdoor events programme into the future thus supporting and developing the Brighton & Hove visitor economy.

### **Black Rock open air event space**

- 3.19 On completion the remediated 3.4-acre Black Rock site will be utilised by the council as an open-air event space for a temporary 3-year period. The site will have Phase 3 power supply and be fully serviced with Water and Drainage as discussed and agreed with the BHCC events team.
- 3.20 This use will now be taken forward by the BHCC events team with the prospect of generating a strong income stream (as per the indicative

proposals provided). Pedestrian access is significantly improved by the new boardwalk and the new entrance points to north and south (new link and improved subway). The new promenade link has been designed to highway standards to cater for emergency vehicles leaving or entering the site.

- 3.21 The addition of a flagship 'iconic beachfront' location to the city events space portfolio presents the opportunity to bid for major music and sporting events with national and international coverage. The events team will liaise with existing arts groups in the city around the use of the site, to ensure they know it is available for use and will be able to be booked to align with their calendars. As part of the outdoor space BHCC are currently having to reconsider the various other meanwhile uses in order to ensure that these do not conflict with making the site available in three years' time. This timescale is one BHCC and the LEP must adhere to in order to achieve output targets agreed as part of the original business case.
- 3.22 The business case for the funding provided by the Local Enterprise Partnership is set out in detail in Value for Money reports progressed by Hatch on behalf of the LEP.
- 3.23 The Events Team have run the calculations to show that with a number of live events at circa 28 per annum, at £1.50 per head, based upon 40% utilisation, it would be reasonable to assume FTE job outputs of circa 73. Income direct to the council based upon the known receipts from similar events in the area is predicted to be over £100,000 PA based on 40% utilisation.

### **Grade 2 listed Reading Room**

- 3.24 The previously derelict Grade 2 listed building is being restored internally to allow a new serviced shell-and-core space for a commercial lessee. The property has been openly marketed by SHW on behalf of the council, for use as a café/restaurant providing morning to evening service for visitors to Black Rock throughout the year.
- 3.25 The city council received a range of offers for the space, with the process for selection reducing this to three, who were interviewed and scored against a series of criteria. The intention was and remains to let the two buildings separately.
- 3.26 Having agreed upon a selected bidder, it was then unfortunately the case they had to withdraw their offer to a change in their business circumstances. Having made an offer to the second of the final preferred bidders we were unable to reach an agreement with them. We are now in the process of re-launching the letting process in the New Year when the property will be largely completed, and it will be far easier to show the Reading Room to its advantage. Practical Completion is set for mid-March 2023, which will be followed by Handover to the Tenant, with the restaurant being active from July 2023 if not sooner, subject to licencing agreements.

## Grade 2 listed Temple

- 3.27 As a Grade 2-listed building, this offers the opportunity to reinvent the space and provide an informal coffee and dining space with outside seating. In the same manner as the Reading Room, it is being refurbished to provide a serviced shell-and-core space. The property has been openly marketed by SHW on behalf of Brighton & Hove City Council.
- 3.28 The council has now selected a local business, already accustomed to working in the area, who will enter a 5-year lease and will open next spring. The operator has a good track record to deliver a small but exciting addition to the Blackrock public realm offer.
- 3.29 The issues relating to the Heads of Terms and the completion and occupation dates remain as the Reading Room with the exception that the Temple will be before the Reading Room in Spring 2023.

### Phase 3 – Development Brief and development of site

- 3.30 The Final Development phase (which will also be timed to run in tandem with the work on the Eastern Seafront Masterplan) will reach development partner stage by Summer 2025. An indicative programme has been developed and is attached in Appendix 1. The timescales for this project, as with all other regeneration projects, have been impacted by both the COVID-19 pandemic and procurement issues, which have resulted in delay outside the control of the project team and documented during the LEP monitoring returns. The Phase 3 element of the project has therefore been impacted by these delays.
- 3.31 It is proposed that a Development Brief is produced and agreed that supports the council's ambitions for the site. A development partner would then be sought through an agreed process such as a design competition. Bidders would be assessed against the development Brief and principles with a final decision made by Policy & Resources Committee. It is proposed that this would be structured as a land deal in order to ensure the widest range of bidders can participate and that a development partner can be appointed within the necessary time period to meet the LEP's funding requirements.
- 3.32 The programme attached in appendix 1 is summarised below:

	Task	Start date	Finish date
1.	Agree development principles and approach	Sep 22	Dec 22
2.	Procure support, draft, consult & agree Development Brief	Jan 23	May 24
3.	Appointment of delivery partner	May 24	Dec 24
4.	Sign-off and Committee agreement	Jan 25	Feb 25

- 3.33 Several principles are being developed that will help inform the development of the brief and ensure it is in-line with the council and city's requirements and interests.

### **Principle 1 – Development in line with City Plan**

- 3.34 That development is consistent with the City Plan designation for this site which includes it within Development Area 2. The Black Rock site has been allocated for 7,000 sq m of leisure and recreation use, in addition to ancillary retail and café uses associated with the primary leisure use. An extract of City Plan Part 1 is attached in Appendix 2. City Plan Part 2 includes that capacity for a new hotel at the Black Rock site should be considered.

### **Principle 2 – Development in line with Eastern Seafront Masterplan**

- 3.35 That development is consistent with the emerging Supplementary Planning Document (SPD) which is currently being developed and will be finalised in Autumn 2023.

### **Principle 3 – Development meeting the council’s 2030 Carbon Neutral commitment**

- 3.36 That the proposal embraces circular economy principles, minimises embodied carbon and operational energy use, promotes biodiversity, sustainable transport and active travel, and meets the emerging UK Net Zero Carbon Buildings Standard.
- 3.37 That the proposal is highly sustainable, meeting the council’s Zero Carbon agenda and promoting sustainable transport and active travel.

### **Principle 4 – Development supports and enhances the city’s cultural offer**

- 3.38 That the development supports and develops the city’s artistic and cultural offer. This is particularly important as this sector recovers from the Covid pandemic as set out in the ABCD Cultural Recovery Plan [Culture In Our City – Uniting to protect the cultural life of Brighton & Hove](#).

### **Principle 5 – Development enhances Black Rock and the eastern Seafront as a tourist destination**

- 3.39 That development acts as an ‘anchor’ at the end of Madeira Drive, providing a draw for tourist and visitors to the city.

### **Principle 6 – Development improves connectivity and does not conflict with future development of Brighton Marina**

- 3.40 The development should further improve connectivity between Brighton Marina and Black Rock and be consistent with the marina’s future development plans. If project timelines are concurrent links and joint working between the respective developers should be supported.

### **Principle 7 – Development is accessible to Brighton’s diverse communities and provides social benefits**

- 3.41 The development should be accessible and welcome all residents and visitors to the city. The development should help tackle inequality, whilst promoting healthy lifestyles and community wellbeing.
- 3.42 These principles will be further developed and refined including a process of community consultation as the Development Brief is developed through 2023. The Brief will be the key document in helping to guide the process for appointment of a future development partner.

#### **4. Analysis and consideration of alternative options**

- 4.1 Consideration has been given to undertaking the appointment of a development partner through a land deal or OJEU procurement process. It is considered that a land deal approach will enable the council to meet the required funding timescale and is an approach supported by LEP Board members. Officers consider that this approach is likely to be more flexible, quicker and open the opportunity to a wider range of development partners that a traditional procurement route may offer.
- 4.2 This route has been successful on the Circus Street and Preston Barracks projects attracting award-winning design and projects that have improved and regenerated the city. Following an OJEU procurement route is likely to be more complex and take considerably longer. The main advantage of this route would be being able to specify exactly what the council wants on the site and controlling this via a contract, however this should be controlled via the Development Brief and Land Agreement with the proposed approach.

#### **5. Community engagement and consultation**

- 5.1 The Black Rock enabling project has included consultation with a wide range of stakeholders.
- 5.2 In line with the Community Engagement Framework extensive community consultation will be undertaken to inform the future Development Brief and ensure that it considers the views of residents, business and wider stakeholders.

#### **6. Conclusion**

- 6.1 It is recommended that a phased approach to developing the Development Brief and appointing a partner for the long-term development of the Black Rock site is undertaken. This is an exciting opportunity that can help turn a once derelict site on the Eastern Seafront into an important and significant asset for the city that will provide a draw for residents and visitors alike.
- 6.2 The proposed meanwhile use of the site will help meet the LEP's targets, improve the city's cultural offer and provide an additional income stream for the council. The use will help to support the city's arts and culture sector in-line with the ABCD Cultural Recovery Plan.



- 6.3 There is a risk that the council would need to repay the £12.1m LEP funding if the timetable is not met and the outputs are not able to be achieved through the proposed phase 2 and 3 of the project.

## **7. Financial implications**

- 7.1 The Black Rock enabling works is to be funded through a combination of LEP Local Growth Fund capital grant of £12.1m and council match funding of £3.9m through borrowing. Additional funding will be required to support the development brief estimated at circa £100,000. The cost of this work will be met through a contribution from the Strategic Investment Fund and capital reserves to be repaid upon the completion of the development. This will be incorporated into the Capital Investment Programme.

Name of finance officer consulted: Rob Allen Date consulted (09/11/22):

## **8. Legal implications**

- 8.1 The Council's CSOs provide that each Executive Director has unrestricted delegated power to agree to the Council entering into Contracts up to the sum of £500,000.

Name of lawyer consulted: Wendy McRae-Smith Date consulted: 9/11/22

## **9. Equalities implications**

- 9.1 The enabling project has improved access to a public area of seafront by pedestrians, cyclists, families and those using wheelchairs or buggies thereby widening the numbers of people of who can appreciate the beach and the events at Black Rock.
- 9.2 Equalities implications will be considered in the development of the Brief.

## **10. Sustainability implications**

- 10.1 The enabling project included measures to develop the sea wall and sea defences in relation to impacts climate change. The project also recognised the importance of the biodiversity of the seafront and included measures such as the expansion of the Local Wildlife Area that will help promote biodiversity in the future.
- 10.2 The development brief will look to encourage sustainable design in line with the council's Zero Carbon 2030 ambitions. Developers will also be asked to look at how sustainable an active travel can be promoted and incorporated into their proposals.
- 10.3 The Brief will also look to support the seafront's living environment and generate proposals that will promote and protect biodiversity and how this will managed in future as part of the proposals.

## **11. Other Implications**

### **Social Value and procurement implications**

- 11.1 The Development Brief will look to maximise Social Value in line with corporate procurement policies.

### **Crime & disorder implications:**

- 11.2 Regeneration of this site has the potential to have a positive impact on crime and anti-social behavior in this area.

### **Public health implications:**

- 11.3 The Development Brief will look to provide opportunities for the promotion of public health.

## **Supporting Documentation**

### **1. Appendices**

1. Timeline for development of Brief and appointment of development partner
2. City Plan Part 1 extract

## Appendix 1

### 1. Development Principles

No	Activity	Start	End
	<b>Project preparation</b>		
1.1	Agree budget, funding & organisational structure	Aug 22	Oct 22
1.2	Prepare preliminary budget	Aug 22	Oct 22
1.3	Define Roles & Responsibilities	Aug 22	Oct 22
1.4	Develop principles	Sep 22	Oct 22
1.5	Draft report	Oct 22	Nov 22
1.6	Consult with Project Board	Nov 22	Nov 22
1.7	Consult with Strategic Delivery Board	Nov 22	Nov 22
<b>1.8</b>	<b>Policy &amp; Resources Agreement</b>	<b>Dec 22</b>	<b>Dec 22</b>

### 2. Development Brief

No	Activity	Start	End
2.1	Appoint professional support	Jan 23	March 23
2.2	Assemble and draft key documents	Jan 23	Oct 23
2.3	Consult key Stakeholders	Jul 23	Sep 23
2.4	Evaluate consultation responses	Oct 23	Nov 23
2.5	Report to Project Board and Strategic Delivery Board	Nov 23	Nov 23
<b>2.6</b>	<b>Policy &amp; Resources Agreement</b>	<b>Dec 23</b>	<b>Dec 23</b>
2.7	Prepare initial information for expressions of interest	Jan 24	Feb 24
2.8	Invite expressions of interest	Mar 24	May 24

### 3. Appointment Process

No	Activity	Start	End
3.1	Shortlist development teams for tender opportunity	May 24	May 24
3.2	Prepare tender information for competitive process	May 24	June 24
3.3	Development opportunity marketed and promoted	Jul 24	Sep 24
3.4	Evaluate bids including interviews and presentations	Oct 24	Dec 24
3.5	Agree successful bidder	Dec 24	Dec 24
3.6	Report to Project Board and Strategic Delivery Board	Dec 24	Dec 24

### 4. Final agreement

No	Activity	Start	End
4.1	<b>Policy &amp; Resources Agreement</b>	Jan 25	Jan 25
4.2	Confirm agreed development partner & agree Heads of Terms	Feb 25	Feb 25

## Appendix 2

### 2. Black Rock site

The Black Rock site has been allocated for 7,000 sq m of leisure and recreation use, in addition to ancillary retail and café uses associated with the primary leisure use. Proposals will be assessed against the citywide policies and the following specific criteria:

- a) Provision of a high quality leisure and recreation facility that caters for the needs of the city, complements Brighton Marina, enhances the seafront leisure function, draws tourism to the city and attracts visitors and residents to the seafront;
- b) Proposals for development will need to fully demonstrate how this would enable conservation of the historic environment including the setting of nearby listed buildings and the Kemp Town Conservation Area, and complements allocated designations and uses at both the adjacent Inner Harbour and Gas Works sites (see CP15);
- c) Creation of links between Black Rock and the Marina, including the provision of a pedestrian and cycle link from the west allowing the continuation of the seafront, which is part of the National Cycle Network, to promote stronger linkages through to the Inner Harbour area of the Marina, contributing towards the creation of coherent and safe public access between the seafront, Marina and the Gas Works site and;
- d) Protect and enhance the vegetated shingle area which is a rare and important habitat for local and migrating species and provide opportunities for appreciating the special quality of the Site of Nature Conservation Importance (SNCI) designated Black Rock beach;
- e) The developer will enter into a training place agreement to secure training for local people.

Proposals for uses in addition to the recreation and leisure use will only be considered where it can be demonstrated that these uses support the delivery of a leisure and recreation facility and complement development at the Marina. Supporting or enabling uses should perpetuate informal leisure uses associated with the seafront, conserve the historic environment and enhance linkages between Black Rock, the Marina and the Gas Works site.