

Greater Brighton Investment Programme Programme Update Report

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Greater Brighton Officer Programme Board	1.0	07 th July 2014

Greater Brighton Investment Programme Update Report

1 Purpose of document

- 1.1 This report provides an update on progress and issues on the Greater Brighton Investment Programme.

2 Period Covered

- 2.1 The period covered by this report is 09th June 2014 to 18th July 2014.

3 Schedule Status

- 3.1 Current projects, key milestones and status are shown on the table at Appendix 1. Overall programme highlighted during the period are found in section 5

4 Programme Budget

- 4.1 There is a small underspend on the programme budget due to the vacant Greater Brighton Economic Board Business Manager post.

5 Programme highlights over last period

- 5.1 Mid Sussex District Council resolved to grant planning permission for a fifteen hectare **business park (The Hub)** to the west of Burgess Hill on 1 May 2014. The Council and developers are now progressing a Section 106 agreement to secure around £1.1 million contribution towards highways and transport improvements in the surrounding area. The agreement should be signed over the next few weeks and it is anticipated that construction work will commence next year.
- 5.2 **Adur Tidal Walls Project.** The Environment Agency is close to awarding the tender for the detailed design of the flood defence scheme. A Project Board is already in place and a Project Team has been set up to deal with the technical aspects of the emerging designs. A series of Stakeholder Consultation events are planned during the summer to progress the scheme. A decision on funding for 2015/16 will be made by Defra in the autumn.
- 5.3 **Shoreham Harbour.** The Joint Area Action Plan for Shoreham Harbour Regeneration Project has been out to public consultation and will shadow the emerging Local Plan which is due to be submitted to the Planning Inspectorate in March 2015. Work is also progressing on a detailed design brief which will help to provide guidance on the design options for the comprehensive flood defence solution including the provision of a riverside cyclepath and enhanced public realm. The Design Brief would also include costings for the different design solutions and this will assist future viability assessments for the overall strategic housing allocation for the Western Harbour Arm. The initial draft Design Brief is due to be completed by July 2014 at which point there would be a 6 week consultation period and the report finalised by November 2014.
- 5.4 **Newhaven Flood Defences.** The Project Team and Board have been in place for over a year. Environment Agency have appointed Capita to undertake options appraisal and develop business case. Network Rail have provided £250k in contribution. Wider

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stakeholder engagement will take place as part of the options appraisal. Meeting scheduled with South Downs National Park to explore planning timetable.

- 5.5 The **New England House Growth Centre** Project Board has been established, with representation from the creative and digital sectors within the building. The Board has worked to get a good understanding of the building's unique business eco-system and what makes the cluster in the building so successful. This is to ensure that this is not lost in any future improvements to the building. Work has been done on bringing forward an Investment Options Paper that explores how the private sector investment can best be sought and used to leverage the maximum benefit for the sector in a manner that is state aid compliant.
- 5.6 The **Brighton Digital Exchange (BDX)** concept has moved forward at pace. A market engagement day was held in mid-June from which a group of six founder members has been established. Those members have now signed a Memorandum of Understanding about how they wish to proceed to access BDUK funding and have agreed that they want Wired Sussex to represent them in this process. The state aid strategy requires a private sector led nature to this project, and so Brighton & Hove City Council is acting predominantly as funding body and is assuring the VfM and state aid position. However, there is also a landlord role in letting the space the BDX and ensuring the in-building wiring is upgraded to the spec required by the BDX. This means we have been able to bypass BDUK assurance checkpoint B1.
- 5.7 **Preston Barracks Growth Centre.** The University of Brighton and developers Cathedral Group (Holdings) Ltd have exchanged contracts with Brighton & Hove City Council for the purchase and £150m redevelopment of the former Preston Barracks site in Lewes Road, Brighton. The partnership agreement will bring forward the purchase and comprehensive redevelopment of the existing council-owned site and adjacent University of Brighton land to deliver new employment space, new university academic buildings, student accommodation with 1,300 bedrooms, 350 new homes and 25,000 sq ft of retail space.

The Central Research Laboratory will form the Growth Centre outlined in the Greater Brighton City Deal, a 55,000 sq ft business incubation centre and cutting-edge facility that will support new hi-tech and design-led manufacturing start-up companies and entrepreneurs. It is estimated this employment-led regeneration scheme will create 740 new jobs over a 10-year period.

- 5.8 Coast to Capital LEP have heard from Government the outcome of the first year of the **Local Growth Funding** bid as set out in our Strategic Economic Plan. **The proposed Growth Deal** for the Coast to Capital LEP comprises four main elements:
- The Local Transport funding announced last year of **£24.2m** - already allocated by our LTB
 - Local Growth Funding. The headline figures are **£38.0 m in 15/16, £202.4m overall**. Some of the offers are for one year only, some include tails of what the project will require in subsequent years. The figures include Skills Capital - £21m for two years
 - £450,000** for a Growth Hub. This is the Lord Heseltine proposal that every LEP has a Hub which acts as the front end access to business support. We are not sure yet if this will be an annual allocation.
 - Provisional allocation to transport projects starting in 2016/17 and beyond which are given the green light subject to meeting business case requirements. Two

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projects – Brighton Valley Gardens and Newhaven Port Access Road for a total of **£16m**.

5.9 Greater Brighton has been allocated **£52.4m** of project specific funding:

- £2.7m for Circus Street.
- £7.7m for Preston Barracks (CRL) (City Deal Growth Centre)
- £7m for Advanced Engineering Centre (Ricardo / Uni of Brighton)
- £14m for Valley Gardens, Brighton
- £10m for Newhaven Port Access Road
- £1.5m Newhaven Flood defences (supports City Deal)
- £9.5m for Shoreham Flood defences (support City Deal)

- Funding for City College Brighton and Hove and Chichester College - Refurbishment of dilapidated buildings and facilities to allow an increase in trainees, apprentices, disabled learners and new links to local businesses. £11m in 2015/16 with a further round for new projects of £10m in 2016/17.

Wider pots of funding that could be of some benefit to Greater Brighton:

- £32m for sustainable transport (across the whole LEP area)
- £31m transport resilience package

As part of the Deal, the Coast to Capital LEP will be expected to deliver:

- Public sector and private sector leverage of between £241m to £345m
- 14,000 to 20,000 jobs
- 4,600 to 6,600 homes
- 190,000 to 269,000 sq metres of employment space

The LEP have also been given approval for up to £88m Public Works Loan Board (PWLB) facilities which can be access by local authorities for prudential borrowing at an advantageous rate. The LEP have suggested a number of possible projects for this including forward funding the developer contribution for Shoreham flood defences, Enterprise Bognor Regis link road, the seafront arches at Brighton and possibly even the BHCC element of the investment in I360. It will be for our local authority partners to now exploit this opportunity.

5.10 A meeting has taken place to discuss links and joint working with **Coastal West Sussex and Greater Brighton Strategic Planning Board**

Tasks to be completed in the next period

- 6.1 Development of final business cases for projects that have secured Local Growth funding.
- 6.2 Development of a robust future pipeline of projects with well advanced business cases in readiness for future funding rounds.
- 6.3 Development of branding and influencing strategy.

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- 7.1 Press releases have been issued following the government's Growth Deal announcement
- 7.2 Meetings are scheduled to develop options for a branding and influencing strategy for the Greater Brighton Economic Board

8 Programme Risks

- 8.1 Programme Support. Lack of capacity to programme manage the current investment programme and the expansion of the programme following the Growth Deal announcement remains a key risk. It was not possible to appoint to the Greater Brighton Business Manager role following an interview process on 4th July, due to the lack of a suitable candidate. Options for addressing this risk will be taken to the 29th July Economic Board.

Appendix 1. Project Status

N.B. This table has been produced for purposes of discussion around monitoring and reporting of the programme to the officer board. Some updates may not be complete as a result. Once the format of the report is agreed Lead Officer's will be tasked with providing project updates prior to each meeting.

Project	Lead Officer	Key milestone	Target date	Comments	RAG status
Greater Brighton Economic Board	Nick Hibberd	Councils agree Heads of Terms	Feb 14	Completed	Green
		First meeting of board	May 14	Completed	Green
		Develop forward plan	Jul 14	Draft forward plan appears on agenda	Green
City Deal: Growth Centre. New England House	Max Woodford	Establish NEH project board	Apr 14	Established in April 2014	Green
		Develop procurement options paper and state aid opinion	Jun 14	An investment options paper has been prepared and updated state aid position is being sought.	Green
City Deal: Digital Exchange	Max Woodford	Complete BDUK checkpoint B0	Apr 14	Completed.	Green
		Complete BDUK checkpoint B1	Jun 14	Due to good progress with establishing founder members, including the signing of an MOU, BDUK have notified us that B1 is not required and project is jumping straight to checkpoint C in late July.	Green
City Deal: Growth Centre. Flood defences Newhaven	Naz Hussain	Seek funding shortfall through growth deals Sep 14	Mar 14	£3m match funding secured from SELEP and C2C.	Green
		EA to develop preferred delivery options by March 2015	March 15	EA have employed Capita, who will be working on the Options for where flood defence routes on both the East and west sides of the River Ouse. This work will seek to understand different options for differing flood cells.	Green
		Establish Project Management arrangement for Newhaven Project	Sept 14	Currently being established.	Green

					Green
City Deal: Growth Centre. Flood defences Shoreham	Scott Marshall	Seek funding shortfall through growth deals Sep 14	Mar 14	Funding requests submitted via the Strategic Economic Plan at the end of April 2014. Expected decision week commencing 7 th July 2014.	Green
		Submit EOI for flood defence funding to the EA for 15/16	May 14	EOI submitted for the two Projects – Adur Tidal Walls and Shoreham Harbour.	Green
		EA to communicate expected flood defence funding threshold for 15/16	May 14	Expected flood defence funding threshold communicated to Partners. However, no public announcement until Defra decision in Autumn.	Green
		Review Shoreham Harbour Regeneration Project management arrangements	Sept 14	Ongoing discussions	Amber
City Deal. Growth Centre. Preston Barracks	Mark Jago	Complete negotiations with UoB / Cathedral	Jun 14		Green
		Submit CRL business case to LEP / BIS	May 14	Complete	Green
City Deal. Growth Centre. Bio Innovation Facility, Falmer		UoS to provide update to next Programme Board meeting			n/k
City Deal. Growth Centre. Burgess Hill	Hamish Walke	Resolution to grant planning permission for The Hub business park (15ha) on 01/05/14.	Onsite 2015		Green
		Application for wider Northern Arc development expected Nov/Dec 2014	Nov/Dec 2014		
City Deal. Wave 2 Brighton City Region Business Support Programme	Cheryl Finella / Philip Ward	Submit first claim to Lancaster RGF	Jan 2014		Green
		Agree scheme delivery plan with Lancaster Uni and BIS	Feb 14		Green
		Appoint provider for signposting service	Feb 14		Green
		Business Support Programme launched	Apr 14		Green
City Deal. Establish City Region Employment & Skills Group	Cheryl Finella	Develop scoping paper for City Region Employment & Skills Plan	Oct 14	Scoping Paper to September Officer Programme Board	Green
		Develop proposal for City Region Employment & Skills Group			

City Deal. Develop a city region local public service transformation plan – working in partnership with Public Service Transformation Network	tbc		Dec 14	Scoping paper to September Officer Programme Board	Amber
City Deal. List assets on e-PIMS	Angela Dymott	BHCC assets in progress. Lewes DC assets included as part of ESCC Space Programme?	Apr 14		Amber
City Deal. Work to deliver sites to support housing need	Nick Hibberd / Martin Randall		Apr 14	Delegate to CWS and Greater Brighton Strategic Planning Board?	Amber
City Deal. Establish a City Region Innovation Panel	Nick Hibberd		Apr 15	Establish task and finish group?	Amber
City Deal. Establish a Single Pot Investment Fund	Nick Hibberd		Apr 15		Amber
SEP. Support LEP with development of Strategic Economic Plan and Growth Deal bid	All progamme board members		Mar 15 – ongoing	See Growth Deal announcement 07 th July 14	Green
GBEB. Develop analysis of Travel to Work, Travel to Learn	Andy Renaut / Tom Perrigo				Amber

Appendix 2. Coast to Capital Growth Deal

	15/16	Total All Years	IMPACT		
	LGF	LGF	Jobs	Homes	SQM
ENHANCING BUSINESS AND SKILLS					
Business Finance	£ 1,250,000	£ 9,500,000	1123	0	0
Business Internationalisation including ASEAN Gateway	£ 610,000	£ 3,660,000	1100	0	0
Wood Fuel initiative with Forestry Commission (Surrey, SDNPA, EM3)	£ 400,000	£ 800,000	116	156	
Business support - Growth Hub	£ 450,000	£ 450,000	350		
TOTAL ENHANCING BUSINESS AND SKILLS	£ 2,710,000	£ 14,410,000	2689	156	0
ACCELERATE RESEARCH AND INNOVATION					
Growth is Digital including Ultrafast hubs	£ 650,000	£ 3,350,000	200	0	0
Advanced Engineering Centre - UoB and Ricardo	£ 4,500,000	£ 7,000,000	50		5000
TOTAL ACCELERATE RESEARCH AND INNOVATION	£ 5,150,000	£ 10,350,000	250	0	5000
INVEST IN TRANSPORT, FLOOD DEFENCES AND RESILIENCE					
Newhaven flood defences - City Deal	£ 700,000	£ 1,500,000	5000		177000
Shoreham Harbour Flood Defences City Deal	£ 2,000,000	£ 9,500,000	4450	2320	36600
A29 re-alignment, Bognor Regis	£ 655,000	£ 13,000,000	4,821	2,000	140,500
Brighton Circus Street/ Edward Street Quarter	£ 1,500,000	£ 2,700,000	1063	100	9012
Preston Barracks Central Research Lab - City Deal Centre	£ 1,000,000	£ 7,700,000	740		
Skills Capital	£ 11,000,000	£ 21,000,000			
Crawley area transport package	£ 2,600,000	£ 18,100,000	400	808	14330
Sustainable Transport package	£ 3,700,000	£ 31,700,000			
Resilience Package (mainly Surrey)	£ 5,500,000	£ 30,900,000			
TOTAL INVEST IN TRANSPORT, FLOOD DEFENCES AND RESILIENCE	£ 28,655,000	£ 136,100,000	16,474	5,228	377,442

GRAND TOTAL (Including Growth Hub)	£ 36,515,000	£ 160,860,000	19,413	5,384	382,442
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