

<b>Subject:</b>	<b>Progress Update on Greater Brighton Investment Programme, Growth Deal Round 3 and the City Region's Bid for Devolution</b>		
<b>Date of Meeting:</b>	<b>19 July 2016</b>		
<b>Report of:</b>	<b>Chair, Greater Brighton Officer Programme Board</b>		
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<b>LA(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 This report provides the Greater Brighton Economic Board ('the Board') with an update on progress in relation to: the Greater Brighton Investment Programme ('the Investment Programme'); Coast to Capital's (C2C) Call for Growth Projects, and; the City Region's bid for Devolution.
- 1.2 The period covered by this report is 20 April 2016 to 20 June 2016.

**2. RECOMMENDATIONS:**

- 2.1 That the Board note the report.

**3. GREATER BRIGHTON INVESTMENT PROGRAMME HIGHLIGHTS:**New England House Growth Centre

- 3.1 Discussions are ongoing regarding the possibility of a land deal on the adjacent Longley Industrial Estate, to provide the means of securing the City Deal outputs for New England House. Alternative options are being explored should this not be achievable.

Digital Catapult Centre Brighton

- 3.2 The Brighton Catapult partnership continues to deliver support to SMEs looking to develop and take to market products and services using technologies such as IoT, Big Data, and 5G. The Catapult's most developed projects are currently focused on the retail sector. Projects engaging with Gatwick Airport and also around technologies connected with care homes and home care are continuing but have been hampered by the slow progress in releasing Local Growth Fund funding. The due diligence review has now been completed and it is hoped that a funding agreement will be signed shortly.

### Superconnected Cities Programme – Broadband Voucher Scheme

- 3.3 Government's Broadband Connection Voucher Scheme is now closed to new applicants. The Greater Brighton Scheme has offered a total of 1,095 vouchers, with a value of £1,000,528. 1011 broadband connections have been installed and claimed to date. The deadline for installation was 31 March 2016 but a small number of vouchers have been extended to 30 June 2016.

### Advanced Engineering Centre

- 3.4 The construction programme for the new building is now well advanced; ground works have been completed and a tower crane installed to support the construction of the building frame. The project remains within the budget envelope and, while there has been minor slippage in the programme, an accelerated construction period has been agreed with the contractor to minimise the impact of these delays and ensure that the Centre is able to open in early 2017.

### Innovation Centre Brighton (Block J)

- 3.5 Building work on the Block-J Brighton Station site has been interrupted due to building contractor issues but work is expected to resume over the next few weeks. Completion of the Innovation Centre building is now anticipated in the first quarter of 2017.

### Circus Street Innovation Growth Centre and Regeneration

- 3.6 The developer U+I is currently seeking to finalise a viable build price with its contractors, following extensive negotiations and value engineering to reduce construction costs. Options are being actively explored to reach viability and the developer is confident that this will be achieved but commencement of construction and project completion has and will be delayed.

### Preston Barracks Central Research Laboratory

- 3.7 The developer U+I and the University of Brighton (UoB) continue to develop their plans to deliver the Central Research Laboratory (CRL), together with 350 new homes, accommodation for 1,300 students and shops and cafes across the former barracks site and adjacent university land. To support this process, between 22 and 30 April 2016, public consultation started with local people to gather feedback on the plans. In addition, pre-application discussions have been entered into with the Local Planning Authority and the proposals presented to Design South East, a panel of independent experts appointed by the council. It is hoped that the panel's input will help guide the further development of the scheme. Subject to the completion of the detailed design process, it is anticipated that the planning application will be submitted in late 2016, with building works commencing in 2017/18.
- 3.8 The CRL pilot project is operating successfully. Seven innovative start-ups from Brighton & Hove have taken up residency in the temporary workspaces. These businesses are activating the space, helping to further inform the vision and longer-term plans.

## City College Brighton and Hove – Construction Trades Centre

- 3.9 The new Construction Trades Centre at Wilson Avenue continues to make good progress. Following completion of the demolition and enabling works in February 2016, the main construction contract for the works was let commencing with major excavations and ground works to the steeply sloping site. Construction of the ground floor slab and structure has now started and will be undertaken over summer 2016. The project is scheduled to complete in April 2017.

## Newhaven Growth Quarter

- 3.10 Construction and fit-out activity at the Newhaven Growth Quarter is now complete. The project had a successful official launch on 21 April 2016, which was covered by the local media. The new incubator/small business units have shown a higher than forecast take-up rate, with more than 50% pre-let in advance. So far, these units are supporting 27 jobs across 8 businesses. Options to increase take-up amongst Sole Traders and home-based businesses are being explored, including the possibility of utilising a new unit as a co-working space let to a number of separate businesses.

## Newhaven Enterprise Zone

- 3.11 The Enterprise Zone (EZ) will commence in April 2017. Lewes District Council (LDC) and C2C are currently working in partnership with landowners to identify barriers and viability gaps, as well as measures to address these. This has included a Local Growth Fund bid to both C2C and the South East Local Enterprise Partnership for the 'Newhaven EZ Delivery Package', which will cover up to five of the EZ sites. Individual submissions have been made by two landowners, with support from LDC.
- 3.12 Briefings are being given to key local bodies, including Newhaven's Coastal Community Team (led by Newhaven Town Council) and the Planning User Group at LDC (comprised of local planning and land agents), to ensure that all parties are fully aware of ambitions for the EZ. Commissioning for an Investment/Delivery Strategy is likely to take place in summer 2016, with completion in late autumn 2016 for implementation ahead of April 2017.

## Newhaven Flood Alleviation Scheme

- 3.13 Following a competitive tender process, a preferred contractor – Jackson Hyder joint venture – is being appointed to undertake the detailed design and construction of the scheme. The Environment Agency (EA) is currently working with the preferred contractor to finalise the contract arrangements.
- 3.14 An additional planning application has been submitted to the South Downs National Park Authority (SDNPA), to cover the northern section of the scheme that resides in their jurisdiction. A productive site meeting has been held with SDNPA officers to introduce the scheme and assist with their enquiries. The consultation period for the planning application for the remainder of the scheme has consequently been extended to 07 July 2016. There are currently no objections or adverse comments.

- 3.15 Construction at the Western Bank is scheduled to begin in autumn 2016. The EA has commenced a programme of stakeholder engagement and is liaising with landowners and businesses that are affected by the scheme.

#### Newhaven Port Access Road

- 3.16 The first phase of the Port Access Road (PAR) (A259 to Pargut roundabout), which is being constructed as part of the Eastside development, has been completed.
- 3.17 Development of the business case for the second phase of the PAR (from Pargut roundabout to Mill Creek) continues. As a retained scheme, discussions have been ongoing with the Department for Transport (DfT) to agree the required scope of the business case. Draft business case documents have and will be submitted to DfT for comment over summer 2016. Procurement of a contractor for the design and build contract will commence in summer 2016 and, following that tender process and receipt of a tendered sum, final submission of the business case is planned for early 2017. Subject to the approval of the business case, construction could commence in mid-2017, with completion in spring 2018.

#### Shoreham Flood Defences – Adur Tidal Walls

- 3.18 The EA continues to work with the preferred contractor – Team Van Oord – to finalise the contract arrangements. The current programme remains on track to commence construction on site in summer 2016.

#### Shoreham Flood Defences – Western Harbour Arm

- 3.19 Negotiations continue with the Sussex Yacht Club in relation to the purchase of land for the provision of a flood defence along the back edge of the A259. The District Valuer's Report will be available in late June 2016.
- 3.20 The works at Kingston Beach, planned for 2016/17, are slightly delayed as discussions continue with a potential developer of the adjoining land, as this may influence the eastern part of the comprehensive flood defence solution. A final decision on the extent of any flood defence works for Kingston Beach will be made late July 2016.

#### Burgess Hill Growth Location

- 3.21 A Local Growth Fund bid for infrastructure to support the Burgess Hill Growth Location was submitted to C2C in April 2016. The bid seeks to address the infrastructure funding gap for the Growth Location, primarily by helping to secure the provision of a key link road and other highway and public transport improvements. These will be delivered at an early stage in the development, enabling the developers to progress residential, employment and community developments promptly.
- 3.22 The Northern Arc scheme, which will deliver 3,500 new homes alongside a business park, schools and community facilities, remains the key focus for Mid Sussex District Council (MSDC). Further progress has been made to address outstanding issues, such as mitigating potential odour impact from Goddards Green Waste Water Treatment Works. MSDC are negotiating the sale of key

council owned parcels of land required to facilitate the strategic development. They also continue to work closely with the Homes and Communities Agency (HCA) to help bring this scheme forward.

- 3.23 Good progress has been made on the approved major retail, leisure and housing scheme to redevelop Burgess Hill town centre. MSDC will shortly finalise the development agreement and lease for the site. A related planning application to relocate the existing Lidl store from the town centre is also due to be determined shortly. Relocation of Lidl will facilitate commencement of development on the town centre scheme, which is due to complete by 2021.
- 3.24 Construction of houses continues on the Keymer Tile Works and Kings Way sites. A planning application for Phase 2 at Kings Way has been submitted. Major earthworks are underway on the Keymer Tile Works site and a planning application for the next phase, which will include a variety of community facilities, is anticipated shortly.
- 3.25 MSDC has expressed a keen interest in partnership working with the HCA to deliver Starter Homes. Officers from the council are meeting Network Rail, the HCA and Department for Communities and Local Government (DCLG) in June 2016, to begin discussions on upgrading Burgess Hill railway station in conjunction with residential development, including Starter Homes, on the surrounding publicly owned land.
- 3.26 Work continues on The Brow to convert a number of public sector buildings into a modern, purpose built public services facility to house a GP surgery and accommodation for the police and ambulance services and also to provide a significant number of Starter Homes that will support the regeneration of the town centre. The HCA has commissioned architects and planning consultants who have now finalised a high level design for the site that will be presented to partners in June 2016. MSDC continues to work with both partners and the HCA to agree how to move forward with the implementation of this project.
- 3.27 Work has commenced to build a Burgess Hill brand and outreach communications strategy. The intention is to work in partnership with the various developers active in the town to promote and support its role as a growth location and to provide high quality information to existing and future residents, employees and visitors.

#### A2300 Corridor Improvements – Burgess Hill

- 3.28 This scheme will support economic growth by enabling the delivery of a strategic housing and employment development at Burgess Hill and the funding profile has been aligned with the development profile currently being proposed by developers. The Burgess Hill Transport Model is due to be completed in August 2016. This will help to assess the economic benefits of scheme and will support the business case for submission to the Local Transport Body. As a retained scheme, the revised funding profile will also be communicated to the DfT. The current programme indicates a start of construction in Q4 2020/21, with completion in Q1 2022/23.

### Brighton Valley Gardens – Phases 1 and 2

- 3.29 The technical review of the project continues, in order to ensure that the current scheme design is robust and that proposed changes to the road layout will provide optimal benefits and not have a significant adverse effect on traffic and people movements. The review involves additional transport modelling using traffic data from 2015 and also includes recent changes to the traffic network in the area – such as Lewes Road, Brighton Station Gateway and Edward Street. The review is expected to be completed in summer 2016, before the scheme is progressed to the next stage of detailed design.

### Brighton & Hove Bike Share

- 3.30 The draft procurement specification for the operation, management and maintenance of the Scheme has been produced and a bidder information day was held in May 2016. The specification is currently being finalised.

### Brighton & Hove Intelligent Transport Systems (ITS) Package

- 3.31 Work is underway to deliver the programme of schemes in the most efficient way, maximising outputs and minimising disruption on the network if and when other work is planned.
- 3.32 The initial investment during 2015/16 was focused on sites on the busy A259 seafront corridor, in order to secure some cumulative benefits at an early stage. A range of activities are underway, including works on traffic signal junctions, the installation of new CCTV, road signs and lights and construction of signal crossing sites. Bluetooth journey time monitors, CCTV & ANPR cameras have also been purchase, for installation up to 2018.
- 3.33 The infrastructure and software for the Traffic Control Centre is in the process of being purchased and preliminary discussions are taking place with the UoB regarding Open Data use of traffic information once the system is operational.

### Montague Place, Phase 1 Worthing Sustainable Transport Package

- 3.34 Works are progress as planned: the bandstand and seated area shades have now erected, wayfinder features and phases 1 and 2 of the block paving are nearing competition and the works to the Crescent Road junction were finished in early June 2016.

## **4. UPDATE ON C2C's CALL FOR GROWTH PROJECTS:**

- 4.1 The Board endorsed the projects prioritised from the Greater Brighton Project Pipeline for this, the 3<sup>rd</sup>, round of Local Growth Deal funding on 26 January 2016 and 19 April 2016.
- 4.2 On 29 April 2016, 10 bids were submitted to C2C on behalf of the Board:
- Worthing Central Phase 1 (Teville Gate House and Union Place)
  - Decoy Farm, Worthing
  - New Monks Farm and Airport Business Estate, Shoreham

- Burgess Hill Growth Area Infrastructure Package
  - Sussex Bio-Innovation Centre, Brighton & Hove
  - Pelham Campus Redevelopment, Brighton & Hove
  - Heritage Centre Stage: Awakening Brighton's Royal Estate
  - Black Rock Site Development, Brighton & Hove
  - Brighton Marina South Site
  - Newhaven Enterprise Zone Delivery Package
- 4.3 These bids are seeking a collective Local Growth Fund funding allocation of £145.3m. It is estimated they will leverage approximately £1b in private sector investment and deliver over 7,200 homes, 414,000sqm of new and refurbished employment floor space and 11,000 direct jobs. They are also projected to deliver 10,000 indirect jobs and safeguard a further 2,700 jobs. (*These outputs may include an element of 'double counting' with the projects already in the Investment Programme, particularly those that form part of a larger strategy or programme to unlock key growth sites.*)
- 4.4 C2C's Joint-Committee subsequently met on 20 May 2016 and 02 June 2016 to review all applications against the assessment criteria published as part of the Call. Of the 38 applications submitted from across the C2C area, 21 were ruled-out at during this initial sift. All applicants were notified during week commencing 06 June 2016.
- 4.5 At the time of writing, C2C was undertaking further project validation work in preparation for its negotiations with Government. The timetable is emerging as follows:
- 24 June 2016 – C2C submit its draft Growth Deal bid to Government
  - Early July 2016 – C2C attend a Ministerial challenge session
  - 14 July 2016 – C2C's Joint-Committee meet to undertake final project assessments and prioritisation in line with Government feedback and project validation work
  - 28 July 2016 – C2C submit its final Growth Deal bid to Government
- 4.6 The amount of funding nationally has reduced, increasing the competitive nature of the Call and it is not guaranteed that each of the projects making it past the 'first sift' will receive Local Growth Fund funding in this round.

## 5. C2C's BUSINESS GROWTH GRANTS

- 5.1 C2C's Business Growth Grants Programme for 2016/17 has now been launched. Expressions of Interest from SMEs are invited until 12 noon on 30 September 2016 or earlier if the amount of funding available (£2,457,000) is awarded prior to this date. Further information can be found on the [Business West Sussex](#) website.

## **6. UPDATE ON GREATER BRIGHTON DEVOLUTION BID**

6.1 Work has continued, albeit at a slower pace due to the Business Manager having been on extended leave and whilst the Policy & Projects Manager post is recruited to.

6.2 The key highlights can be summarised as follows:

- The Policy & Projects Manager job description has been drafted and evaluated and the post subsequently advertised in a number of publications, including the Argus, Jobs Go Public and the Guardian, as well as on member organisations' websites. The closing date for applications is 26 June 2016.
- Fortnightly catch-up meetings have been scheduled between the Greater Brighton and the Three Southern Counties (3SC) core teams, to update on progress and to identify and take forward areas of joint work.
- Proposals for a Sub-National Transport Body to align with Government expectations are being jointly developed by Greater Brighton and the 3SC. The emerging proposals were discussed with the Department for Transport (DfT) and the Cities & Local Growth Unit (CLGU) at a meeting on 14 June 2016. Discussions are also taking place with wider SE7 partners.
- The Housing & Growth Sites Working Group met on 11 May 2016 and progressed work on: the City Region's "layer by layer" plan to show the interventions needed for the City Region to deliver its commitment to 22,500 homes in the next 10 years; the station sites for development with the HCA and Network Rail; calculations in relation to HRA borrowing uplifts, and; emerging proposals for a Greater Brighton Local Place Partnership. The proposals were discussed with the HCA and the CLGU at a meeting on 13 June 2016.
- An Expression of Interest for the One Public Estate programme was submitted on 06 May 2016. Applications from over 30 partnerships involving over 100 councils were received. Greater Brighton was successful in progress to the next stage. The City Region has been awarded £50,000 to develop a final Services and Assets Delivery Plan by 29 July 2016. A full report on this is featured elsewhere on the agenda.
- Sarah Williams of the Learning Skills Partnership has been appointed as the lead for the Skills strand. The next Skills Working Group meeting will review the original list of "asks" and "offers" and consider the degree to which they remain relevant in light of recent Government announcements, including the devolvement of the Adult Skills Budget to local areas, proposals for the Apprenticeship Levy and outcomes from the Sussex Coast Area Review.
- The UoB and the University of Sussex have commenced work on a Smart Specialisation & Innovation Strategy for the City Region. A presentation on this is featured elsewhere on the agenda.
- Officers (including C2C's lead for business support) are currently reviewing the original list of proposals for business support. They are considering whether



there are gaps in provision that can be address through a devolution deal with potential links with the European Structural Investment Funds Programme.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 This report provides updates on the progress of a number of projects within the Greater Brighton Investment Programme each with individual sources of funding from both the government and various partners. Each project will be subject to individual business cases that consider the financial benefits and risks associated with each project. The financial implications relating to each of the projects in the programme have been reported individually at various stages and considered by their lead bodies and further updates will be provided to the Board throughout the year
- 7.2 In April this year 10 bids were submitted to the Coast to Capital for Local Growth Deal funding. The value of these bids amounts to £145.3m. Should any bids be successful detailed business cases will be required to identify match funding and potential partners. These will be subject to further reports being presented to this Board.
- 7.3 The Greater Brighton Devolution Bid continues to progress and recent announcements include the awarding of £50,000 to develop the One Public Estate programme and this is detailed in a separate report to this Board.

*Finance Officer Consulted: Rob Allen, Principal Accountant, BHCC  
Date: 04/07/16*

### Legal Implications:

- 7.2 This omnibus report updates on (i) progress of various projects, each with individual legal implications previously identified earlier in the delivery process, (ii) the Call For Growth projects, which if funded will need to be subject to individual agreements regulating the funding requirements of each project and (iii) the devolution agenda, the legal implications of which can only be properly determined once the direction of travel is agreed. .

*Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC  
Date:07.07.16*

### Equalities Implications:

- 7.3 None arising from this report.

### Sustainability Implications:

- 7.4 None arising from this report.

### Any Other Significant Implications:

- 7.5 None

## SUPPORTING DOCUMENTATION

### **Appendices:**

None

### **Background Documents**

None