

16 December 2014

This record relates to Agenda Item 106

## **RECORD OF POLICY & RESOURCES COMMITTEE**

### **POLICY & RESOURCES COMMITTEE DECISION**

**SUBJECT:** BRIGHTON WATERFRONT

**AUTHOR:** KATHARINE PEARCE

#### **THE DECISION**

- 1) Agree the draft Heads of Terms as summarised in Appendix 1 as the way forward for ongoing negotiations with Standard Life on the basis that final Heads of Terms will be submitted to this Committee for approval in due course.
- 2) Note the key financial information as contained in paragraphs 7.1 to 7.11.
- 3) Agree that:
  - a) The current conference subvention budget is retained by the council to support conferences held within the city during any closure period and to attract conferences to the new venue once it is opened.
  - b) The income generated from the sale of the current Brighton Centre site, the rent from the venue operator, the net savings achieved on the current Brighton Centre budgets and up to 25% of the forecast future income stream identified in Table 1 in paragraph 7.3 of the financial implications are earmarked to fund potential council investment in the new venue.
  - c) The Brighton Centre Redevelopment Reserve can be used to fund project development costs incurred by the council on the central and Black Rock sites as set out in paragraph 7.11.
- 4) Note the overall procurement approach and various roles in relation to both sites as per paragraph 7.12.
- 5) Note the staffing situation and that all staff potentially affected will be kept fully informed on an ongoing basis and in particular after project timescales and any TUPE implications are confirmed.
- 6) Agree that a third party operator would run the new venue on terms to be agreed by a future meeting of this committee
- 7) Welcomes and notes the progress made on essential, preliminary work to develop an emerging Transport Strategy for the project proposals, and requests that the Executive Director of Environment, Development & Housing, continues to identify and review all potential transport and highway opportunities presented by the project, in conjunction with the project partners and the Project Board, and reports back to this Committee when required.

## **ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

Alternative funding options have been fully explored by all parties, but at the present time no alternative fundable option is available to enable a solution to the Brighton Centre. Two key strategic seafront sites have also remained undeveloped for many years and are likely to remain so without an injection of private sector funding that can support the development of a project, or a combined project, to the point of planning submission. The joint aspirations of Standard Life Investments as a key landowner at the central site and the council as joint landowner at the central and Black Rock sites, provides a unique opportunity to deliver, by the regeneration of the two sites, a series of important outcomes which work for both interested parties, namely, a new council owned venue which can be funded using new income to the city (generated by the complete proposal) in conjunction with a revised shopping offer and new shopping centre extension along with the regeneration of the Kings West site. These are outcomes the city has sought for many years and therefore must be viewed as a serious proposition for the city council to consider at the present time.

Despite the excellence of service offered by the Brighton Centre, the constraints of the building and the inability to compete with newer venues in future years mean that the building cannot increase its turn over sufficiently to justify further long term investment. The Council's financial position cannot support continual calls for investment year on year at a time when budget constraints are increasing and calls upon council funds from other core services are also increasing.

To maintain the Brighton Centre in its current location is not financially viable. Even if it were, it would not generate the additional funding, jobs and other improvements that the present proposal offers the city. Previous proposals have explored this option and were found to be financially unfeasibly at the time. The estimated £105m (in 2006) that is required for the build cost of a new centre on the current site is also not affordable for the city (as explained under Financial Implications) and no new income streams would be generated to support borrowing for this purpose if the council decided to pursue redevelopment on the current site.

A 'do-nothing' option has considerable negative reputational, physical and financial impacts on the city long term and the regeneration, business uplift and job impacts will not occur. The current proposal meets important objectives for the city that are included within the Economic, Tourism and draft Seafront Strategies.

Associated investment in Seafront Infrastructure, such as the highway structures supporting the A259, which also offer opportunities to continue and enhance the unique commercial offer of the seafront, would also help to address issues raised within the council's Strategic Risk Register. This project proposal, in tandem with other recent developments such as Brighton i360, could assist considerably in meeting wider objectives that will benefit the city in the long-term.

## **CONCLUSION**

None in respect of this report.

**Proper Officer:**

Date: 16 December 2014

Mark Wall, Head of Democratic Services

**Signed:**



## **CALL-IN FOR SCRUTINY**

Note: This decision will come into force at the expiry of 5 working days from the date of the meeting at which the decision was taken subject to:

- (i) any requirement for earlier implementation of the decision or,
- (ii) the decision being called in for review by 5 Members from two or more Groups represented on the Council.

16 December 2014

This record relates to Agenda Item 107

## **RECORD OF POLICY & RESOURCES COMMITTEE DECISION**

**SUBJECT:** PROPOSED HOTEL DEVELOPMENT  
ON SITE ADJACENT TO THE  
COMMUNITY STADIUM

**AUTHOR:** RICHARD DAVIES

### **THE DECISION**

That the Committee authorise the Executive Director Environment Development & Housing, Executive Director Finance & Resources and Head of Legal Services to complete a leasehold agreement with TCSL for a hotel development on land adjacent to the Community Stadium and agree delegated powers be given to the Executive Director Environment Development & Housing, Executive Director Finance & Resources and Head of Legal Services to enter into this leasehold agreement with TCSL subject to Policy & Resources Committee agreeing the Heads of Terms summarised in section 7 below and fully set out in part 2 of this report.

### **ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

The land adjacent to the Community Stadium being proposed for the hotel development is in the ownership of the council and part of it is included within the existing stadium lease to TCSL. Previously, this site was identified for development to provide accommodation for City College. However, this proposal was withdrawn in light of a change to the previous further education capital funding programme.

It is not possible for the council to realise any alternative value from this site which is intricately linked to the operation of the Community Stadium, and part of the site is included in the existing 125 year lease for the stadium in any case.

The two additional elements of a research sports facility and improved specialist medical facility under discussion at the moment are both very attractive in terms of their positive impact for the city in very different ways.

The addition of a hotel which increases the viability of the stadium in the longer term is also beneficial to the city as a whole.

It is for these reasons that it is recommended that the Heads of Terms for granting a lease for the land adjacent to the Community Stadium to TCSL for a mid-range hotel development should be agreed.

TCSL are proposing to build a mid-market hotel to increase the attractiveness of the stadium and its facilities and in the long term increase revenue generated from the stadium's operation. However, the council's independent advice confirms that the development cost of a mid-range hotel makes it unviable and therefore requires TCSL to build it at a loss. Therefore, the capital receipt included in the proposed Heads of Terms is based on the council's revenue from the existing car parking use.

At present the Stadium has planning approval for up to 50 days use annually

connected to matches and events. The existing lease from the council to TCSL for the parking site includes a restriction of up to 30 days use annually for parking in connection with matches and events at the Stadium. The capital receipt proposed in the Heads of Terms is based on the existing car parking use of 30 days annually.

To protect the council's interest in the land, the Heads of Terms propose an overage arrangement based on the use of the stadium over the agreed 30 times a year.

## **CONCLUSION**

Alternative options were considered by Policy & Resources Committee in October 2013 and it was resolved to enter into negotiations for Heads of Terms with TCSL for the development of a hotel on land adjacent to the Community Stadium.

**Proper Officer:**

Date: 16 December 2014

Mark Wall, Head of Democratic Services

**Signed:**



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16 December 2014

This record relates to Agenda Item 107A

## **RECORD OF DECISION**

**SUBJECT:** PELHAM STREET

**AUTHOR:** MARTIN RANDALL

### **THE DECISION**

That the Committee

- 1) Agree to the council entering into an agreement with City College Brighton and Hove ("City College") on the terms set out in Appendix 2 for the grant of a lease of the land comprised in City College's campus (subject to such amendments to those terms as the Head of Law and Head of Property Services agree with City College to give effect to these proposals) so that if the lease referred to is granted the council will hold such land for planning purposes ("the transaction") to facilitate the redevelopment of such land in accordance with planning permission reference BH2013/01600 in order to improve the economic social and environmental wellbeing of the area;
- 2) Note that the lease will only be entered into if City College are unable to reach satisfactory terms with adjoining owners regarding release of rights to light or other easement affecting the land based on statutory levels of compensation;
- 3) Note that in the event of the lease being granted any third party rights will be overridden by S237 of the Town and Country Planning Act 1990 and that compensation will be payable by City College or its developers; and
- 4) Authorise the Head of Law in consultation with the Head of Property Services to complete the necessary agreements, the lease and all other documentation necessary to complete the transaction and facilitate the implementation of the planning permission BH2013/01600 on the basis that any compensation payable and all other costs associated with the transaction will be borne by City College or its developers.

### **ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

As noted in the Planning Committee report, the proposed mix of uses on the site is acceptable and is compliant with the Local Plan and the Submission City Plan and would bring about substantial public benefits to the City.

### **CONCLUSION**

As noted in section 3 of this report, the proposed CC development has the potential to provide significant beneficial impact to the city. The proposed new CC facilities are key to CC maintaining and improving its education offer and CC say that there will £79M of inward investment, 141 FTE construction jobs and up to £1M additional local spending per year. CC will only be able to proceed with the development if the overall project is viable.

If the council decline to assist in the way proposed there is a real risk that the

scheme will not be implemented. No major development of the site has occurred since the 1960s and previous schemes have not been built as they were not viable. Unless CC achieve the values it has discussed with potential developers it will not be able to afford to proceed. Delay and uncertainty could result in much needed educational facilities and housing not being developed.

**Proper Officer:**

Date: 16 December 2014

Mark Wall, Head of Democratic Services

**Signed:**



### **CALL-IN FOR SCRUTINY**

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