

Subject:	Greater Brighton Investment Programme – Progress Update		
Date of Meeting:	17 April 2018		
Report of:	Chair, Greater Brighton Officer Programme Board		
Contact Officer:	Name:	Nick Hibberd	Tel: 01273 293756
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LA(s) affected:	All		

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

- 1.1 The purpose of the Investment Plan Update is to provide the Greater Brighton Economic Board (“the Board”) with an update on progress on the Greater Brighton Investment Programme (“the Investment Programme”) since the Board’s last meeting on 6 February 2018.
- 1.2 Updates are included on the Local Growth Fund (LGF) allocations made as part of the Growth Deal Round 3, and the progress of projects awarded unallocated monies from Growth Deal Rounds 1 & 2. The period covered by this report is 26 January 2018 to 4 April 2018.
- 1.3 At the 18 July 2017 meeting of the Greater Brighton Economic Board, Board members requested that future investment programme update reports provide more details on delivery timescales and schedules, including the consideration of ‘traffic light’ ratings for projects to improve oversight.
- 1.4 The Greater Brighton Economic Board Support Team has been working with the Officer Programme Board to explore new ways of presenting the project updates and key project-related data. The challenge is to find a method of reporting that is appropriate for the Board’s role, whilst avoiding reporting duplication as officers are required to ensure that they also report progress to the funding bodies and accountable bodies of each individual project. This work is ongoing and two example of ways of presenting the information will be tabled at the meeting for review and feedback.

2. RECOMMENDATIONS:

- 2.1 That the Board note the contents of the Investment Programme Update.

3. CONTEXT/BACKGROUND INFORMATION

LGF Growth Deal Rounds 1 & 2

3.1 A total of approximately £90m was allocated to projects across the City Region from LGF Growth Deal rounds 1 & 2. These projects will deliver a total investment of approximately £376m into the City Region, unlocking an estimated 14,000 jobs, 8,200 homes and 450,000sqm of employment floor-space. Current active projects are listed below with a summary of progress since the last update.

3.1.1 Flood Alleviation Scheme (Newhaven) £7.5m

Work continues on the east bank defences. A large earth embankment east of the rail line north of Newhaven has been completed. Work is about to start on an embankment west of the rail line. Rail surveys are underway to inform detailed design of the rail flood gate between these embankments. A large volume of waste and contaminated spoil has had to be moved from sites on North Quay, to allow the flood wall to be built safely. This has added significantly to costs. A large amount of asbestos-containing material has been found south of the UTC and this has to be removed prior to building a concrete flood wall. Negotiations are still underway with Newhaven Port and Properties and with Network Rail to allow remaining sections of the flood defence to be built.

3.1.2 Port Access Road (Newhaven) £10.0m

Tenders for the second phase of the Port Access Road (from Pargut roundabout and over Mill Creek) were received back on 20 Dec 2017 and following appointment of a preferred contractor, a package of value engineering suggestions were explored to give a more cost effective design. A full draft of the business case has been submitted to DfT for comment. Following a number of useful meetings with DfT it is agreed that the business case focuses on the economic and regeneration benefits delivered by the scheme. Assuming a favourable funding decision, main construction is anticipated to start in early summer 2018. Construction is then expected to take 19 months to complete. In preparation for main construction, advance vegetation clearance works have been completed and will be followed shortly by the construction of a new badger sett, and the translocation of newts.

3.1.3 New England House Growth Centre (Brighton) - £4.9m

Brighton and Hove City Council, as freeholder, is working towards a potential land deal on adjacent Longley Industrial Estate, with the aim of securing a private sector mixed use redevelopment on Longley. This would include a significant element of new employment floor-space (that would count towards City Deal output) and a premium towards securing the remainder of the City floor-space output on the New England House site, along with the building's refurbishment.

3.1.4 Digital Catapult & 5G Testbed (Brighton) - £1.8m

Digital Catapult Centre Brighton (DCCB) has extended its support for the immersive technologies sector locally, adding new equipment, capability and capacity to the Lab, launching a residency programme for 20 VR/AR start-ups, delivering workshops on content creation (partnering with U of B and with Unity), and running events on the use of immersive tech and the built environment, the music industry, and the charity / non-profit sector. The 5G testbed has delivered 4 workshops for businesses, undertaken 12 x 1-2-1 engagements with SMEs and

developed a series of Testbed Use-Cases with the Digital Catapult London. DCCB has continued the project on emerging tech and the retail sector, working with Hannington Lane to enable SMEs to develop and test new technologies in Brighton's newest lane.

3.1.5 Circus Street Innovation Centre & Regeneration (Brighton) - £2.7m

Construction work progressing well and ahead of schedule. On the 18 April a double ceremony will be held on site by the developer to celebrate two major milestones of the project; the topping out of the student accommodation blocks and ground breaking in respect of The Dance Space.

3.1.6 Preston Barracks Central Research Laboratory (Brighton) - £7.7m

Full vacant possession of the barracks site was achieved on 10th January, and there has been significant progress with site preparation and demolition works, with two of the four buildings already demolished and the remaining two to come down in the coming month. A key stage was reached on 23rd February 2018, when the legal agreement went unconditional, achievement of which allows the project to move forward to construction stage, where the CRL is part of Phase 1 works due to commence at the end of June 2018.

3.1.7 Valley Gardens – Phases 1 & 2 (Brighton) - £8.0m

The team have been working on the development of the contract data for the procurement of the main Construction Contract. This package is almost complete and will be submitted via the in-tend portal this month. This contract will enable the construction of the majority of the Valley Gardens items except where BHCC existing contracts exist. Procurement through the Hampshire Gen-3 Framework gives access to a number of providers, and the preferred contractor will be notified in June subject to assessments and return contract prices. The team welcomed the LEP on the 15th March for a presentation and site visit.

3.1.8 Adur Tidal Walls & Western Harbour Arm Flood Defences (Shoreham-By-Sea) – £10.5m

Negotiations continue with the Yacht Club to complete the land deal following agreement on Heads of Terms. Planning applications are to be submitted in the summer for the replacement Yacht Club and the proposed flood defences along the A259. A detailed business case is being prepared by Consultants to provide the additional funding from the Environment Agency.

3.1.9 A2300 Corridor Improvements (Burgess Hill) - £17.0m

See 3.24 below

LGF Growth Deal Round 3

3.2 In February 2017 Coast to Capital announced that it has secured £66m through Round 3 of the Growth Deal. All six projects put forward by the Board were allocated funding - totalling £48.77m. The project updates are as follows:

3.2.1 Worthing Central Phase 1 (Worthing) - £5.6m

Worthing Borough Council commissioned works to carry out early demolition of all buildings on the Teville Gate site have started and will complete by autumn 2018. Planning Permission has been granted for a temporary car park to be installed in the event that the redevelopment by Mosaic does not come forward on completion of the demolition.

The Union Place site has been acquired by Worthing Borough Council using the Worthing Central LGF grant allocation. Plans for redevelopment are being worked up.

3.2.2 Decoy Farm (Worthing) - £4.8m

Consultants have been appointed to produce a master plan for a viable scheme at Decoy Farm.

3.2.3 New Monks Farm & Airport (Shoreham-By-Sea) - £5.7m

Planning application submitted for development (600 hundred dwellings, Ikea and new roundabout onto the A27). Negotiations continue to address objections to the scheme. The scheme is likely to go to Committee in the summer.

3.2.4 Growth Location (Burgess Hill) - £14.9m

The Secretary of State for Business, Energy and Industrial Strategy (BEIS), Rt Hon Greg Clark MP visited Mid Sussex on 29 March to discuss the Science and Technology Park. The park is being actively promoted and the proposal is actively supported by the Department for International Trade (DIT). It is the only site in the South East being actively promoted by DIT at the recent MIPIM.

Work to agree the spatial development framework (or masterplan) for the whole Northern Arc is progressing with timetables to be agreed.

A report setting out the five options for possible sustainable transport initiatives has been discussed by Members at the Burgess Hill Development Board Members Group and Members confirmed their support for these. WSP will now be able to finalise their report.

Homes England has now agreed to forward fund the site remediation works at Fairbridge Way, which removes a key barrier to further progress in developing the site.

Mid Sussex District Council has successfully secured up to £2.2 million from the Government's Local Full Fibre Network (LFFN) fund. This will support the implementation of the new digital infrastructure for Burgess Hill. The Council is piloting a unique approach to gigabit connectivity. The project will enable dark fibre to be laid throughout the town. Access to the fibre will be controlled by a trust or community interest group (CIC) to ensure access costs are reasonable. This has enormous economic benefits for business of all sizes. Evidence from other countries suggests uplift in GVA of 2 per cent per year is possible for areas with gigabit connectivity.

At The Hub (15 hectares permitted employment space south of the A2300) work is expected to start on site in spring 2018 as planned.

3.2.5 Sussex Bio-Innovation Centre (Brighton) – £5.5m

The University took a decision to stop the current New Life Sciences build project, and not pursue the design which provided accommodation and facilities for all practical teaching and research activities undertaken by the School of Life Sciences along with a Bio Innovation Centre. The revised project will look to design and build a research only facility for the School of Life Sciences but also incorporating a Bio innovation Centre. The University is currently engaging with the design team and preferred contractor to determine how to take forward the revised project. The University has also engaged with external procurement legal advisors in order to ensure there are no transgressions of any procurement rules/regulations linked to the OJEU process, and avoid potential challenges should they proceed with the preferred contractor.

3.2.6 Black Rock Development (Brighton) - £12.1m

BHCC are finalising details of a legal agreement which will deliver a major new conferencing and events venue for Brighton & Hove on the Black Rock site next to the Marina and an expansion of Churchill Square shopping centre. Key commercial terms within the Conditional Land Acquisition Agreement (CLAA) have now been agreed and residual items are being concluded. A funding agreement has now been signed with the Coast to Capital LEP, unlocking the £12.1m of LGF funding to enable the project.

LGF Growth Deal Unallocated Funds Rounds 1 & 2 – December 2016 Call

3.3 In December 2016 Coast to Capital announced that it had approximately £46.65m of unallocated funds available to support capital growth projects. The Greater Brighton Board put forward eight bids, five of which received funding totalling approximately £9.9m. The project updates are as follows:

3.3.1 Adur Civic Centre (Shoreham-By-Sea) - £1.8m

The former Civic Centre building on the south site has been demolished and work has started on the new office block on the north site. Adur District Council Members have approved the marketing of the south site to commence in 2018.

3.3.2 Springman House (Lewes) – £2.0m

The Council completed the purchase of Springman House from the vendors in March 2017. In June 2017 the Council's Cabinet authorised the design and construction of the new blue light facility. In January 2018, architects were appointed to commence work on master planning and design options. The architects have undertaken detailed consultation with the blue light end users in order to establish their operational requirements. Work on the site masterplan and building layout options is currently underway.

3.3.3 Railway Quay (Newhaven) - £1.5m

Flood defence works on site now completed and negotiations underway with existing tenant re: relocation. Initial masterplan being prepared ahead of target submission for planning during 2018.

3.3.4 Eastside South (Newhaven) - £1.6m

Planning for Phase 2 of the Eastside South development was approved in December 2017. Work on Phase 1 has been completed, with new occupiers finalising the fit-outs of their respective premises. Work on Phase 2 is expected to start on 3 April 2018.

3.3.5 Heritage Centre Stage – Corn Exchange & Studio Theatre (Brighton) - £3.0m

Since the last update work has continued on site, including blockwork and drainage in new Corn Exchange and Studio and theatre basement, repair and redecoration of external facades and erection of steel frame in the Gallery area.

The Contract Administrator is considering extension of time claims from the contractor, which could potentially result in a revised completion date.

LGF Growth Deal Unallocated Funds Rounds 1 & 2 – July 2017 Call

3.4 In July 2017 Coast to Capital launched a new funding round for unallocated funds from rounds 1 & 2. In December 2017, Coast to Capital announced that a total of £27 million had been allocated in the areas of Housing, Regeneration & Infrastructure; Business, Enterprise & Skills; and Transport. Around £12m of the total will be supporting projects from across Greater Brighton:

- **Crawley College STEM & Digital Centre (Crawley, £5.0m)** to develop a new Science Technology and Maths and Digital Skills centre in Crawley, to create a state of the art learning environment
- **Pelham Campus Redevelopment (Brighton, £5.0m)** to construct a new Centre for Creative and Digital Industries, together with part refurbishment of the Pelham Tower
- **Ricardo Hybrid Powertrain (Shoreham-by-Sea, £1.5m)** to deliver a state of the art four-wheel drive hybrid powertrain rig to enable the research and development of the next generation of electrified powertrain systems and vehicles
- **Charleston Trust Centenary Project (Lewes, £0.4m)** to preserve Charleston's heritage, enhance the Trust's economic and cultural role and expand the site to achieve a sustainable financial future
- **Sussex Innovation Centre (Falmer & Croydon, £0.14m)** to create more space and enable additional support through redesign of the large reception area at Sussex Innovation centre Falmer and to create a co-working space and meeting area, with Business hub space, within the Number One Croydon building.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 None required.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 None required.

6. CONCLUSION

6.1 The Board is asked to note the contents of this report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 There are no direct financial implications associated with this report regarding the progress made in the fourth quarter of this financial year on approved schemes within the Greater Brighton Investment Programme. Schemes already included within the Greater Brighton Investment Programme have approved business cases in place with funding options identified and these have been reported to their respective bodies. The progress of each scheme is detailed within the Investment plan Update Report in appendix 1. Future or revised business plans will be reported accordingly within the timescales of the project timetables.

Finance Officer Consulted: Rob Allen, Principal Accountant Date: 16/03/18

Legal Implications:

7.2 There are no legal implications arising directly out of this report.

Lawyer Consulted: Alice Rowland, Head of Commercial Law Date: 28/03/18

Equalities Implications:

7.3 None arising from this report. Equalities issues will be addressed on a project-by-project basis.

Sustainability Implications:

7.4 None arising from this report. Sustainability issues will be addressed on a project-by-project basis.

Any Other Significant Implications:

7.5 None.

SUPPORTING DOCUMENTATION

Appendices:

None

Background Documents:

None