

Subject:	Greater Brighton Investment Programme – Progress Update		
Date of Meeting:	15th October 2019		
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 16th July 2019.
- 1.2 Updates are included on the Local Growth Fund (LGF) allocations made as part of the Growth Deal Rounds 1, 2 and 3. The period covered by this report is 1st July 2019 to 30th September 2019.
- 1.3 This cover report provides some context on the LGF Funding Rounds and narrative updates on the Investment Programme projects. Further details on the individual projects can be found in the Investment Programme Update report at Appendix 1.

2. RECOMMENDATIONS:

- 2.1 That the Board note the report and the Investment Programme Update at Appendix 1.

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

The period January to June 2019 saw completion of all fixed flood defences under Newhaven FAS. The final element of the fixed defences, completed in mid-April, was a revised flood wall alignment in the Newhaven Port area of the

scheme. This alignment was revised in part to (successfully) address significant expected cost overruns had the original alignment been followed and also responded to uncertainty about future land use in Newhaven Port. The revised alignment also provided the opportunity to trial the use of low-carbon ('Cemfree') cement with 88% less embodied carbon than traditional cement.

Remaining tasks under Newhaven FAS comprise achieving consenting, design and build of the rail flood barrier, completion of the A26 demountable flood barrier system and snagging. Progress on the rail flood barrier together with Network Rail continues to be slow and it will be some time before this final component of the scheme is finished.

3.1.2 Port Access Road (Newhaven) £10.0m

Construction commenced early January, with works now well underway. BAM Nuttall has been appointed as contractor. Construction is expected to take 19 months to complete. A Local Liaison Committee has been established to help address community concerns and meets regularly. Over the last few months, the focus has been on construction of the abutment walls, as well as ground and drainage works.

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

Brighton & Hove City Council's land deal with Maplebright and Legal & General (L&G) on the adjacent Longley Industrial Estate is on the verge of being realised – with the Section 106 Agreement relating to L&G's Longley planning application about to be agreed. This will unlock a premium – paid by L&G to the council – which will be 'ring-fenced' towards the NEH project. As previously reported, the private sector mixed-use redevelopment on Longley will include a significant element of new employment floor-space (that will contribute towards the City Deal output). The remainder of the City Deal floor-space target will be delivered on the NEH site, along with the building's refurbishment.

Formal permission to further work -up a detailed design for NEH will be sought from the council's Policy & Resources Committee in early 2020, with a view to consult with stakeholders, further-develop the business case and submit a planning application.

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

The 5G Brighton test bed is currently taking its second cohort of 6 businesses through the 5G-accelerator programme. To facilitate these businesses, the testbed has recently been upgraded to deliver Nb-IoT use-cases. The open call for businesses to apply for the third cohort is currently live. The fit out of the Brighton Dome and Corn Exchange with 5G testbed capabilities continues and initial innovation activities will commence later this year.

We have grown our doctoral research support programme with the University of Sussex, which includes work in interaction modality in autonomous vehicles. Support for the immersive sector in the region includes regular practitioner and market-making events, and ongoing upgrading of the equipment available at the Lab. Since the last report, over 30 businesses have used the Lab to work on new

products and services. This includes the Royal Opera House working with local business Root Interactive.

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

Construction continues to progress, although work on all elements of the development have slipped against the timetable. The student accommodation has been completed and is now occupied, having been handed-over in early September. The residential blocks are nearing completion. A revised timetable is about to be issued by Henry (the lead construction contractor) in respect of the remaining works to be undertaken- including The Dance Space, office block and onsite and offsite public realm.

3.1.6 Central Research Laboratory Plus X (Brighton) - £7.7m

Construction of Plus X Brighton continued in line with the programme; achieving the 'topping out' stage on 9th July. Installation of curtain wall glazing is complete and M&E works continue. Installation of the coloured exterior cladding commenced in September 2019. The first Plus X newsletter was issued to further promote the facilities and offer tours.

The building has been awarded Platinum standard connectivity which makes it the first building in Brighton to offer world class, ultra-reliable and superfast internet connection for all its members.

The target completion date for Plus X remains December 2019 ahead of opening in early 2020. In terms of the wider redevelopment, construction of the student blocks on the barracks site continues and are due for completion by summer 2020. Work on the first residential blocks is due to start shortly, and completion of the full development is scheduled for the end of 2022.

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

The construction programme picked up pace in order to reach a key milestone in August. Works on the eastern side of the gardens is largely complete with some outstanding lighting and finishing road surfacing to be carried out before the signage is erected. A key traffic 'switch' took place in August which saw the majority of general traffic moved over to the eastern side of the gardens and starting to operate as per the final scheme design.

Work is now concentrating in the north Westside of the scheme (phase 5). This involves widening footways and removing bus stops in York Place. We are working closely with the bus company and local businesses to reduce disruption during these works.

The footpaths and the cycle route have taken shape in the south gardens. Specifically these areas will start to be developed over the coming months as we enter into the planting season for many of the trees and grasses.

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

Adur District Council has now purchased the required 3.5m strip of land from the Sussex Yacht Club to complete the land deal, following agreement on Heads of Terms. A planning application has been approved by Adur District Planning authority for the replacement of the Yacht Club facility. Work has now commenced on the foundations of the new Yacht Club. A separate planning application has been approved for the flood defences and cycle path along the A259.

Adur District Council has secured funding from the Environment Agency through Grant in Aid to support the delivery of the flood defence wall. A project team are preparing plans to deliver the flood defence scheme on completion of the new Yacht Club.

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

See 3.25 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:

Worthing Central Phase 1 (Worthing) - £5.6m

3.2.1 **Teville Gate:**

Main developments since the last period:

- Surface car park construction practical completion on 05/06/19
- Construction commenced on new office building for Teville Gate House.
- Mosaic Capital have submitted their application. Expected for decision at October planning committee.
- Work with Homes England to secure circa £6-£8m funding for affordable homes.
- Teville Gate House application under consideration, expected at July Planning Committee. Heads of Terms agreed with Teville Gate House / HMRC to lease 50 parking spaces to aid the development.

3.2.2 **Union Place:**

The full professional team have been appointed and working on the detailed issues of the site.

A Planning pre-application advice meeting has taken place identifying issues of height and street scene. Further design preparation has been undertaken and a Transport PPA meeting took place on 29 Sep with the next PPA with WBC taking place on 20 Sep.

Environmental Statement Screening Opinion has been received which indicates no ES is required.

Negotiation has taken place with NCP over the car park lease agreement and they have stated they are content to continue their current operation with Union Place. The scheme will now be approached in 2 phases. Phase 1 commencing on the former Police Station site and High Street car park end.

It is anticipated an outline planning application will be prepared to be submitted for November 2019.

3.2.3 Decoy Farm (Worthing) - £4.8m

LEP Investment Committee Presentation on 11/12/18 has led to the award of £4.84m for the project. Funding agreement completed.

We have worked with a private sector partner to find a suitable way of bringing in experience and industrial development nous. Initial efforts to try and structure a “land deal” without procurement have proven difficult given the LEP funding which presents state aid issues.

Joint Strategic Committee approval to go to the market to seek a development partner. Preparation for procurement exercise underway.

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

Secretary of State resolved not to call in the planning application in May 2019.

Adur District Council, West Sussex District Council and developers looking to finalise the S106 agreement and other land acquisition issues by end of October 2019.

Work to address onsite contamination to commence in September 2019. Ecological preliminary works underway. Planning conditions being worked through in advance of planning permission.

3.2.5 Growth Location (Burgess Hill) - £14.9m

Northern Arc: Planning permission for the first phase of the development (Freeks Farm) was issued in July 2019. Countryside Properties, a homebuilder, has been appointed by Homes England to deliver Freeks Farm and a reserved matters application was submitted to Mid Sussex District Council in September 2019. Works are scheduled to begin on this phase later in the financial year. The first housing is anticipated to be delivered in 2020. The main Northern Arc outline planning application (which encompasses the remainder of the site) is expected to be determined in October 2019.

Place and Connectivity: West Sussex County Council, as the lead delivery body for the project, has now finalised the legal agreement for the £10.9m LGF funding with the Local Enterprise Partnership. Contractors have now been procured and the detailed design is underway with construction of phase 1 (LGF funded) scheduled to complete in March 2021.

A2300 corridor improvements: The project remains on schedule, with site clearance beginning in September 2019. The clearance work is being done now to coincide with the window between the bird nesting season and ahead of the winter hibernation season for small mammals, in order to minimise the ecological impact. None of the trees affected by the clearance work are subject to preservation orders, and a replanting scheme is currently being prepared. Construction of the improvements is scheduled to complete in March 2021.

Employment space, The Hub: Construction on the first phase of development was completed in April, delivering a 4,000 m² warehouse for the distribution company DPD. Construction on the second phase of development is underway and will deliver a further 5,000m² of employment space for Roche Diagnostics. Outline consent for the remainder of the site (phases 3-6) was received in June and is expected to be determined by the District Planning Committee in October.

Digital Infrastructure: Balfour Beatty were engaged earlier in May as consultants to deliver the 'dig once' programme for the Northern Arc, and have completed a feasibility study. Work is scheduled to begin on site in November 2019, with completion of the network and fibre exchange scheduled for autumn 2020. The project team are also working to establish a connection from the Burgess Hill Digital Exchange to the Brighton Digital Exchange which will benefit the wider city region through enhanced connectivity along the A23 corridor.

One public estate (OPE) 7: OPE 7 funding awards were announced earlier this year to support feasibility studies for: (1) redevelopment of an extended Brow site in Burgess Hill to provide enhanced accommodation for the emergency services and to create space for 440 new homes, (2) redevelopment of the land adjacent to Burgess Hill station to deliver up to 150 new homes, 500 jobs, and retail opportunities. For the Brow (led by WSCC) officers have developed a brief and specification with their master planners (Faithful Gould) which is expected to be signed off this autumn. For Burgess Hill station (led by MSDC) officers are in discussion with Network Rail and expect to agree a specification and procurement method during the autumn.

Goddards Green Waste Water Treatment Works: In May Southern Water committed some £4.9m of their own funds in addition to the £4m LGF funding and £6.5m HIF funding already secured. The injection of the new funding will deliver a significantly enhanced design. Sustainability and resilience will be improved, and more on-site electricity will be generated reducing the site's carbon footprint. Construction is underway. The project remains on schedule with practical completion expected in December 2020.

3.2.6 Waterfront (Brighton) - £12.1m

Pre-app process commenced for the Black Rock site - planning application targeted for end of October in order to keep to programme (for expenditure of LEP funds by March 2021).

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

Phase 1 completed end of April 2019

Phase 2 Council agreed a preferred developer for the site and are working on plans and contracts.

3.3.2 Springman House (Lewes) – £2.0m

Architects have undertaken detailed consultation with the blue light end users and have continued to work to develop a viable scheme that meets their operational requirements.

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 has been prepared and discussions undertaken with potential tenants. However delays have been created by impending closure of adjacent UTC@harbourside. No further decisions will be made until the future of the UTC has been finalised – Government has established East Sussex College Group as the Preferred Bidder and negotiations are ongoing. The UTC will re-open although date is yet unknown.

3.3.4 Eastside South (Newhaven) - £1.6m

Work on Phase 1 has been completed, with one new occupier (ValetPro) now operational. The second occupier is expected to become operational in early 2019.

Work on Phase 2 commenced in April. Phase 2 is being built according to demand and Block E has now been completed. It is expected that Block D should be finished within the next few months.

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

Since the last update the main contractor left the Dome site and ceased all works, subsequently securing agreement of its creditors to a Company Voluntary Arrangement (CVA) on 26 July 2019, which gave the council grounds under the JCT building contract to terminate with effect from 02 August 2019. Due to the urgent need to carry out emergency and remedial works to protect and weatherproof the buildings, the council appointed a management contractor to oversee these works. A further procurement process will be carried out to appoint

a principal contractor to complete the main works. Project completion is now anticipated in February/March 2021.

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 is supporting projects from across Greater Brighton: The project updates are as follows:

3.4.1 *Crawley College STEM & Digital Centre (Crawley) - £5.0m*

Design work has been completed and W Stirland Ltd have been appointed as the building contractor. Subject to planning approval the project is expected to be completed by September 2020.

3.4.2 *Pelham Campus Redevelopment (Brighton) - £5.0m*

Formal planning consent for the project was issued on the 23 March following completion of the legal documentation and agreement of the planning conditions.

Work is continuing with the main contractor and the design team to complete the design and tendering work so the project can move into the construction phase.

3.4.3 *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. The equipment has been ordered and construction has commenced. Its due to be commissioned at the end of 2019 and the project is on track.

3.4.4 *Charleston Trust Centenary Project (Lewes) - £0.6m*

This 570m² new development includes the Trust's first exhibition space, as well as an events space and new restaurant. The exhibition space is housed in a new building, while the events space and restaurant will be situated in two 18th-century farm buildings, restored and redeveloped. The development launched on 8 September 2018.

LGF Growth Deal Unallocated Funding – June 2019 Call

3.5 In June 2019 Coast to Capital announced that it had approximately £9.1m of unallocated funds available to support capital growth projects. Funds must specifically target projects that contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities SEP, or to support medium term delivery of the Strategy. This call was open for Expression of Interest (EOI) applications from Tuesday 11th June 2019 until 12noon on Tuesday 2nd July 2019.

3.6 The list of EOIs for the Greater Brighton City Region are as follows:

- Worthing Public Realm (AWC) - funding an element (Portland Road) of the overall improvements package
- Gigabit and Public Wi-Fi (AWC) - funding additional fibre costs and public Wi-Fi equipment
- New Monks Farm additional ask (AWC) - funding an additional aspect of the existing scheme
- Converged Fibre Connectivity Programme (MSDC) - digital fibre connection between Burgess Hill, Haywards Heath, Horsham town centre, and Crawley. That connection will run through rural parts of the three districts, which will help address the issues of limited digital connectivity in rural areas.
- RPE Phase 1(BHCC) - additional funding to ensure prompt completion, enabling the delivery of the 5G testbed.
- Brighton City Centre Full Fibre Ring (BHCC) - creating a publicly-owned, 5G-ready, shared-access duct infrastructure under the stewardship of BHCC that links a number of core strategic education, research and public sector assets
- Madeira Terraces MT30 (BHCC) - Start detailed design and engineering work on the first 30 arches
- New England House (BHCC) - Funding to commence the internal elements of the City Deal works.
- BTN BikeShare (BHCC) - to provide a large scale E-bike trial involving upgrades to the servicing base, new fleet, new hubs, ground power to existing hubs and charging points.
- 20 Fort Road Newhaven (LDC) - innovative new affordable housing on a difficult, constrained site. The development will be an exemplar of sustainable development, utilising modular methods of construction to maximise deliverability and new energy efficient technologies.
- Public Realm (ADC) - a further phase of the public realm improvement scheme in Littlehampton (ADC).

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 first 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. The submission of Expression of Interest to the LGF Growth Deal for the June 2019 Call will be considered by the LGF Investment Committee who will determine whether a full business case should be submitted for the final stage of assessment which will be carried out by the Committee in September 2019. This will require potential match funding to be identified as part of that submission.

Finance Officer Consulted: Rob Allen, Principal Accountant Date:

Legal Implications:

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

*Lawyer Consulted: Joanne Dougnaglo, Senior Property Lawyer
Date: 01/10/19*

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:

1. Greater Brighton Investment Update Report October 2019

Background Documents:

None