

<b>Subject:</b>	<b>Greater Brighton Investment Programme – Progress Update</b>		
<b>Date of Meeting:</b>	<b>28<sup>th</sup> January 2020</b>		
<b>Report of:</b>	<b>Chair, Greater Brighton Officer Programme Board</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Hibberd</b>	<b>Tel:</b> 01273 293756
	<b>Email:</b>	<a href="mailto:Nick.Hibberd@brighton-hove.gov.uk">Nick.Hibberd@brighton-hove.gov.uk</a>	
<b>LA(s) affected:</b>	<b>All</b>		

**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 15 October 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 1 October 2019 to 30 December 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 450,000m<sup>2</sup> 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.

The demountable flood barrier over the A26 has now been successfully completed. Substantial progress on the rail flood barrier together with Network Rail has been made, with 90% of all works now completed. Works on this aspect of the scheme are anticipated to commence in June 2020, subject to final legal agreements.

### 3.1.2 Port Access Road (Newhaven) £10.0m

Construction commenced early January 2019, 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. The focus for works has now progressed past the abutment walls to the piling required for the bridge foundations. Some beams have now been delivered, with the remainder due for delivery in February 2020.

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

The council's land deal with Maplebright and Legal & General (L&G) on the adjacent Longley Industrial Estate was completed at the end of November 2019. This has secured a premium – paid by L&G to Brighton & Hove City 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.

On 5 December 2019 the council's Policy, Resources & Growth Committee (PR&G) agreed for design work and financial modelling to be undertaken. These areas of work will be progressed in consultation with key stakeholders, with a further check-in with PR&G later in 2020, prior to the next stages of work being undertaken (including a planning application and project implementation).

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

The third cohort of businesses for the 5G Brighton Technology Accelerator Programme has been selected. It includes firms developing drone management systems for undertaking complex maintenance tasks in challenging environments, real-time mobile translation and subtitling technology, and live VR access to international tourist destinations. The founders' room and bar at the Dome has now been fitted with 5G connectivity. The first set of cultural and creative use-cases that will develop ideas using it and the FuseBox are currently under consideration.

Support for immersive and quantum businesses continues, with amongst other activity, a joint project that enables quantum scientists to 'visit' and engage with sub-atomic scenarios in virtual reality.

### 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 residential blocks will be completed in the New Year between January and the end of March. The Dance Space is scheduled for handover to South East Dance for fit-out at the end of March and the office block is scheduled for completion at the end of June.

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

There has been continued good progress, with the 'Plus X' building now in the late construction phase. Mechanical & Electrical works continue and installation of the coloured exterior cladding panels is almost complete. Practical completion of the Plus X building is scheduled for the end of January 2020, at which point U+I's operational management team will take over and the building will open for business shortly thereafter. Recent months have seen issue of Plus X newsletters that promote the facilities, offer tours, and stimulate further interest in advance of the building opening.

In relation to other elements of the wider development, construction continues broadly in line with programme. Discussions to incorporate a medical centre within the development are progressing well. Construction of the student blocks on the barracks site is at an advanced stage and is due for completion by summer 2020. Work on the residential blocks has begun, with completion expected in summer 2022.

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

Work is ongoing on various parts of the project with the western corridor footway widening almost complete between York Place and Gloucester Place. This includes the implementation of drainage systems, loading bays, parking spaces and street/road lighting.

Works have also largely progressed within the gardens with Victoria Gardens North and South both having their internal footways installed. Our landscaping contractors, ESL have also begun works in preparation for the planting of the trees that have been purposely selected. They have also been working with our landscape architects to set out and start planting the new bulbs and perennials in the southern garden.

### 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 off 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 flood defence wall to be delivered. 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 and topping-out took place in December 2019.
- Mosaic Capital has submitted their application. Expected for decision at March planning committee.
- Work with Homes England to secure circa £6-£8m of funding for affordable homes.

### 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 September 2019 with the next PPA with WBC taking place on 20 September 2020.

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 are 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.

### 3.2.3 Decoy Farm (Worthing) - £4.8m

JLL - Industrial Development Advisors appointed.

WSP - Remediation specialist, transport assessment, environmental (ecology, hydrology, geotechnical specialist) planning (remediation).

Winkworth Sherwood - legal advisors appointed.

### 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 County Council, and developers looking to finalise the Section 106 agreement and other land acquisition issues by end of October 2019.

Work to address onsite contamination commenced 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:** The outline planning application for the Northern Arc was permitted on 3 October 2019, and the Section 106 agreement was issued on 4 October. A suite of reserved matters planning applications will now be submitted for determination. Two reserved matters applications are being considered: one for Freeks Farm, and the second for the eastern bridge and link road. The former is expected to be determined by 17 December and the latter will be agreed by January 2020.

**Place and Connectivity:** Coast to Capital carried out an audit and site visit in October, and have since provided a very positive overall green RAG status for the programme. Contractors have 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 work to the north of the existing carriageways now complete. A full business case was submitted to the Department for Transport (DfT) in October 2019. The Secretary of State's decision on the case, originally anticipated for December, was delayed by the General Election. On-going dialogue is underway between West Sussex County Council (WSSCC) and the Department to ensure that the decision can be secured as early as possible in the New Year. Construction of the improvements remains scheduled to complete in March 2021.

**Employment space, The Hub:** Significant progress has been made in the construction of the second phase of development, with the external shell for the 5,000m<sup>2</sup> warehouse for Roche Diagnostics almost complete. The site will be operational by summer 2020. At its meeting on 19 September 2019 the District Planning Committee permitted outline consent for the remaining phases (3-6) subject to a satisfactory Section 106 agreement.

**Digital Infrastructure:** Balfour Beatty were engaged in May to deliver the 'dig once' programme for the Northern Arc, with a feasibility study now completed. Officers are currently working with the Department of Digital, Culture, Media and Sport (DCMS) to resolve a small number of conditions that were raised as part of the 'Checkpoint C' review in October. This process concluded before Christmas. Thereafter the project will progress to the detailed design and build stage in January 2020.

**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 and primary care services and to create space for 440 new homes (led by WSCC), (2) redevelopment of the land adjacent to Burgess Hill station to deliver up to 150 new homes, 500 jobs, and retail opportunities (led by MSDC). At the Brow Consultants Faithful and Gould have been appointed, and work to produce the viability study and master plan is underway. For Burgess Hill station consultants CBRE have now been appointed. A review of the emergent proposals took place in December, and will be presented to Network Rail in January.

**Goddards Green Waste Water Treatment Works:** Coast to Capital carried out an audit and site visit during October 2019, and have since provided a positive report. Over £2.5m of project work has already been delivered, with a further £1.5m to be delivered by the end of the financial year. The project remains on schedule for practical completion by August 2021 with odour reduction benefits realised by 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 Economic 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. The components and overall design for an

operationally viable facility has now been agreed with East Sussex Fire & Rescue Service.

### 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 to be specified. Despite this, Lewes DC is considering how the bid to the Future High Streets Fund will align with the future use(s) for the Railway Quay site.

### 3.3.4 Eastside South (Newhaven) - £1.6m

Work on Phase 1 was completed in 2018, with two new occupiers operational by April 2019.

Work on Phase 2 commenced in April 2019 and demand has been strong for the new units. A total of 13 of the 18 available units are either now occupied, have had contracts exchanged or are undertaking due diligence ahead of occupation in early 2020.

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

Following the main contractor ceasing all works and entering into a Company Voluntary Arrangement (CVA), in July 2019, the council is appointing its preferred contractor to carry out emergency and remedial works to protect and weatherproof the buildings. Mobilisation has started and preparatory works are underway. A further procurement process is expected to be carried out to appoint a principal contractor to complete the main works. Project completion is now anticipated in 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 2019 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. This is progressing well and it is now expected that work on site will start in the summer.

#### 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 570m<sup>2</sup> 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 would 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 A total of 6 projects from across the Greater Brighton region were awarded funding:

- Developing Land Based Skills and Skills Resilience in People (Plumpton College) - £831,265
- Gigabit Coast: Adur & Worthing (Adur & Worthing Councils) – £2,000,000
- Haywards Heath College (Chichester College Group) – £1,200,000
- Crawley Growth Programme Phase 3 (Crawley DC/West Sussex CC) - £820,000
- Brighton 5G Fibre Ring (Brighton & Hove City Council) - £832,647
- Littlehampton Town Centre Public Realm Improvement Scheme (Arun District Council) - £564,274



In addition, West Sussex County Council were awarded £2,000,000 for the Converged Fibre Connectivity Programme, which will have an impact across the West Sussex Districts.

#### **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 second 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. Unallocated LGF Growth Deal Funds of £9.1m were available from June 2019 with 6 bids (totalling £6.248m) being awarded to schemes within the Greater Brighton region, these are shown at paragraph 3.6 above. Future or revised business plans will be reported accordingly within the timescales of the project timetables.

*Finance Officer Consulted: Rob Allen, Principal Accountant*

*Date: 16/01/20*

##### Legal Implications:

None.

*Lawyer Consulted: Joanne Dougnaglo, Senior Property Lawyer*

*Date: 15/01/2020*

##### Equalities Implications:

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

##### Sustainability Implications:

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

##### Any Other Significant Implications:

7.4 None.

### **SUPPORTING DOCUMENTATION**

**Appendices:**

1. Greater Brighton Investment Update Report January 2020

**Background Documents:**

None