

Mr Ron Crank
Chief Executive
Coast to Capital LEP
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Date: 5 November 2015
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Dear Mr Crank

RE: Preston Barracks Central Research Laboratory LEP Funding

I am writing in respect of the above project which was awarded £7.7m of LEP grant funding (LGF) in January 2015, and which was approved by the Board on 16 March 2015. The funding will enable the construction of a Central Research Laboratory (CRL), providing a range of workspaces, specialist equipment and business support for start-ups and SME's.

Please find enclosed a revised drawdown profile and schedule 1 and 2 relating to the £7.7m LEP grant funding for the CRL project at Preston Barracks. This drawdown profile supersedes the original submitted as part of the 'Business Case' application in October 2014. This letter explains the key changes between the two schedules and the reasons for the proposed re-profiling, and is seeking Coast to Capital Board approval to the changed funding profile, which now proposes LGF spend beyond Financial Year (2017/18) that was approved by the Board in March 2015.

Approved Profile

Drawdown Profile	15/16 (£)	16/17 (£)	17/18 (£)	18/19 (£)	19/20 (£)	TOTAL
C2C LEP	1,000,000	3,000,000	3,700,000	-	-	7,700,000
Cathedral	464,412	1,659,445	3,163,388	100,000	100,000	5,487,245
Total Expenditure	1,464,412	4,659,445	6,863,388	100,000	100,000	13,187,245

Revised Profile

Drawdown Profile	15/16 (£)	16/17 (£)	17/18 (£)	18/19 (£)	TOTAL
C2C LEP	486,960	1,301,398	3,473,162	2,438,480	7,700,000
Cathedral	330,989	463,296	2,410,164	2,282,796	5,487,245
Total Expenditure	817,949	1,764,694	5,883,326	4,721,276	13,187,245

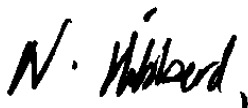
The re-profiling of funding is required because of slippage to the anticipated programme, details of which are outlined later in this letter. The original programme, which was submitted in 2014, detailed the ambition to have achieved grant of planning consent by the end of 2015; achieving this milestone could have enabled deconstruction and enablement works to commence in early 2016, which could have allowed Cathedral to spend the full £1m LGF (detailed in the 2014 schedule) within FY15/16; it would also have enabled the remainder on the LEP funds to be spent within the remaining two financial years (FY16/17, FY17/18).

The delay in entering into the grant funding agreement has contributed to the inability to commence the planning stage works for the project; under the terms of the Development Agreement between Brighton & Hove City Council and Cathedral (Preston Barracks) Limited, no planning stage works can commence until Cathedral is satisfied that the CRL can be viably delivered. In order to satisfy this condition, the LGF agreement must be entered into or failing that must be considered substantially progressed.

Upon Board approval Schedule 2 of the funding agreement will be amended to reflect the profile and key milestone changes.

I trust that the above provides sufficient explanation as to the changes in drawdown profile and that the changes are considered acceptable and I would be grateful for written confirmation.

Yours sincerely



Nick Hibberd
Acting Executive Director Environment, Development & Housing