

COAST TO CAPITAL LOCAL GROWTH FUND BUSINESS CASE

Project Title:	New Monks Farm
Lead delivery organisation:	Adur District Council and New Monks Farm Development
Lead contact name:	Martin Randall
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This document provides a template for a Business Case (BC) in support of Coast to Capital's investment in a project to be funded through the Local Growth Fund.

The main purpose of the BC is to put forward the case for change and the preferred way forward identified in an internal Strategic Outline Case (SOC); which establishes the option which optimises value for money; outlines the deal and assesses affordability; and demonstrates that the proposed scheme is deliverable.

the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, with supporting benefits and risk registers.

purposes only and should be completed in accordance with any guidance issued by Coast to Capital and the guidelines laid down in HM Treasury's Green Book which can be found at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

The OBC should cover the 5 cases – the Strategic case, the Economic case, the Commercial case, the Financial case and the Management case.

Business cases should be robust and well evidenced documents as the Business Case will be evaluated based upon content if called to present.

Coast to Capital Disclaimer

There shall be no expectation of grant payment unless and until a funding agreement is signed by both parties. All the Applicant's costs and charges incurred as a result of making this application shall be for the Applicant's account and cannot be claimed as part of the project except where feasibility funding has been prior awarded.

1. Executive Summary

1.1) Overview of the project including what opportunity or barrier the investment will unlock:

Local Growth Funding is sought specifically for the provision of the essential road infrastructure to unlock the New Monks Farm development at Shoreham (The Site). A new road junction on the A27 is required to provide access of sufficient capacity for new homes and commercial development. Once completed, the commercial development at Shoreham Airport will follow, funded by private sector investment.

Land at New Monks Farm is located within the Mash Barn ward of Adur District, to the north of Widewater ward and to the south of Manor ward. It lies south of the A27 between Mash Barn Lane and the built up area of Lancing immediately to the west of Shoreham Airport. The Site is bounded by residential development to the west, by Shoreham Airport (itself a development site) to the east, a railway line to the south and the A27 to the north. The South Downs National Park is immediately to the north of the A27 and the American Express Elite Football Performance Centre, which was completed in 2014, lies to the south of the site.

The Site comprises mainly vacant land that was previously used for agricultural purposes and it has an implemented Planning Permission for use as a golf course (which has not been completed). Several farm buildings are located within the general area and a network of streams and ditches run through The Site.

The eastern part of The Site was most recently in use for aggregate recycling associated with the construction of a golf course. The remainder has been left as relatively open fields and rough pasture land.

The Proposed Development includes:

- A 32,900 sq.m of A1 non-food retail space (occupied by IKEA – a single occupier) and associated car parking.
- 600 residential units, including:
 - 74 one bedroom flats
 - 66 two bedroom flats
 - 165 two bedroom houses
 - 199 three bedroom houses
 - 83 four bedroom houses
 - 13 five bedroom houses
- A one form entry primary school with room for expansion.
- 250 sq.m for a community hub.
- Relocation and extension of the Withy Patch Gypsy and Traveller Site.
- A 28 hectare new Country Park for local residents and visitors.
- Two additional football pitches related to the Brighton & Hove Albion's Elite Football Performance Centre.
- New Infrastructure provisions, including: Rationalisation of existing watercourses; drainage infrastructure; new public highways; and new pedestrian and cycle footpaths.

The development will include the provision of a new and improved signalised, 3-arm roundabout on the A27 (the new road infrastructure) which will unlock housing and employment space by allowing access to and from the wider area and the specific development sites. In addition, the development will include a new pumping station and surface water attenuation works ensuring that tidal and fluvial flooding and surface and groundwater flooding issues are appropriately mitigated.

The new road infrastructure will also have wider benefits for all current residents of the area and importantly local businesses; for example:

- One of Coast to Capital's internationally award winning employers, Ricardo, who in addition to 4% of total revenue invested in research & development, have invested c£5m each year on capital expenditure at their Shoreham facility for the past five years. As a major employer in Shoreham and the Greater Brighton City Region, Ricardo currently employ c700 people across a range of higher skilled, technical, engineering and professional services specialisms;
- Staff and students at a Greater Brighton MET's Northbrook campus - an award winning Further

Education College; and

- The c50 aviation businesses and other companies located at Shoreham Airport.

Without investment in the new road infrastructure, development of The Site and the Shoreham Airport area would not be able to go ahead.

The applicant understands that Highways England will resist strongly any new development on the Airport site that results in any additional turning movements through the existing A27 Sussex Pad Junction without the new infrastructure in place.

Existing access on to New Monks Farm is over Mash Barn Lane (owned by New Monks Farm Development Ltd). Without the new infrastructure the maximum number of dwellings that can be built on this site is limited to 249. In addition, the 25,000 sq.m of commercial development proposed at Shoreham Airport and any further Airport business space expansion and the commercial development on New Monks Farm could not be delivered and there would be a shortfall of 351 houses on this site that might not otherwise be built.

The proposed development provides an opportunity to address the major housing and employment needs within the Adur District, Greater Brighton and the Coast to Capital region. The population of West Sussex is expected to increase by more than 100,000 people in the next 20 years with Adur's population set to increase by 5,000. Growth in Adur is constrained by limitations on land availability for homes and employment space due to the South Downs National Park and the coastline.

The Adur Local Plan identifies that over 3,600 new homes are required and 41,000 sq.m of employment floor space with the potential to create up to 3,319 new jobs over the next 15 to 20 years. Ensuring funding and delivery of the infrastructure to support this growth is a key priority, and identifying and attracting high value businesses to take up the employment space is crucial to delivering jobs.

The total costs of the proposed development at New Monks Farm is £71.2m, but for the reasons stated above, without Local Growth Fund investment in new infrastructure it is unlikely; the development will produce a revenue of £71.5m by 2021/22 and this would result in the development of the site becoming unviable. This would have a negative effect on future employment opportunities, the identified need for additional housing, and general economic growth. The Council therefore seeks a £5.7m contribution towards the new infrastructure costs to unlock much need regeneration.

New Monks Farm Ltd already has an agreement with IKEA as the commercial tenant and with CALA Homes to develop the first 249 homes on the site. In addition to the homes, employment and new infrastructure improvements, the development is expected to deliver the following benefit by 2021/22:

- £150m of private sector capital investment, once IKEA and CALA homes construction costs have been included;
- 876 gross jobs, including 430 at the IKEA store 332 construction jobs and 114 indirect jobs in the wider economy, including at the new on-site primary school;
- 413 net new jobs (including construction jobs); and
- An estimated annual economic contribution to the local economy of £11.5m including £1.5m annual business rate contribution and £1.1m in additional Council tax payments by new residents.

It will also facilitate the delivery of the commercial land at Shoreham Airport, adjacent to Ricardo's £10m Vehicle Emissions Research Centre, providing a further 25,000 sq.m of employment space and up to 452 additional jobs. This commercial development at the Airport will provide long-term financial investment and stability to the Airport ensuring its future as a commercial aviation hub.

The New Monks Farm development has a Net Present Public Value of £16.4m over the period 2017/18-2021/22, once the net direct and net other economic benefits and the net present costs have been included. This gives it a Benefit Cost Ratio of 1:1.22.

In addition to these benefits, the Local Growth Fund investment will also enable the Shoreham Airport site

to be developed, leveraging in a further £32m of private sector capital investment and around £12m of income to the local economy, once it is fully occupied.

When considered together, the proposed developments at New Monks Farm and Shoreham Airport will make a positive and significant economic impact to the Greater Brighton Sub-Region. Independently assessed estimates of their combined economic impact are:

- £182 million capital investment;
- 1,328 gross jobs created;
- £3.48 million in public sector receipts; and
- £23.7 million additional economic impact per year.

1.2) Please choose the theme in which the LGF funding will invest in directly (The project can only fit into one theme so please choose the most appropriate).

Regeneration and housing infrastructure projects that increase capacity and footfall and unlock new employment space

1.3) The fit with Coast to Capital Strategic Economic Plan, the Industrial Strategy Response and Business Plan 17/18

Coast to Capital Strategic Economic Plan

The Coast to Capital Strategic Economic Plan [SEP] 2014 has ambitious targets to deliver 60,000 jobs, 26,000 homes and 970,000 sq.m of new employment floorspace. This infrastructure project helps support the delivery of these targets by enabling development of land for 600 new homes and enabling 32,900 sq.m of commercial floorspace to be developed creating up to 876 jobs.

In addition, this project would facilitate the development of a further 25,000 sq.m of employment space at Shoreham Airport, which will support the airport's long-term commercial viability, providing capacity for a up to 452 new jobs in the local area. It will also provide improved access to existing businesses at Shoreham Airport; and resident and visitor access to a new 28 hectare Country Park.

The 'Successful Growth Locations' priority within the Strategic Economic Plan commits the LEP and its partners to "bring forward a major investment programme in transport infrastructure which will unlock growth in jobs, homes and employment space" (p9). This project will do precisely this.

Together, Shoreham Harbour and Shoreham Airport are identified in the Coast to Capital LEP Strategic Economic Plan as a single "strategic business and employment location". Between them, they are expected to deliver 4,450 jobs, 2,320 homes and 36,600 sq.m of employment space, but "access and transport" improvements are amongst "the most important spatial improvements that need addressing" to enable this to happen (p.78).

The Strategic Economic Plan recognises the crucial role that the delivery of housing has in supporting economic success and that there is a clear need to increase supply in the Coast to Capital region. Key priorities include "getting approved development off the ground" and "ensuring an adequate pipeline of new development sites exists". With this in mind, the LEP will "actively seek funding to assist with enabling infrastructure to get stalled development moving".

The provision of an Environmental Technologies Growth Centre at Shoreham Airport was a key component of the Greater Brighton City Deal agreement and is reinforced in the Strategic Economic Plan (p.79). With the right infrastructure investments, New Monks Farm will deliver 32,900 sq.m of retail floorspace, 600 new homes and 876 jobs and it could also lead to the development of a further 25,000 sq.m of employment floorspace at Shoreham Airport and 452 jobs. However, the SEP recognises that this cannot be done without improving access to and from the A27 by creating a new signalised junction

serving New Monks Farm and Shoreham Airport and closing the existing Sussex Pad Junction which will be unable to cater for the additional traffic movements created by the proposed development.

Additional or existing commercial land at Shoreham Airport, accessed by the new transport interchange could help deliver an agreed City Deal Environmental Technologies Centre which will boost one of the SEP's priority sectors – Low Carbon Goods and Environmental Services (LCEGS) and the improvement of access to existing businesses will also address two barriers to growth identified in the SEP – shortage of industrial space, particularly move-on and growth space; and transport and congestion problems. Furthermore, the new IKEA retail store will provide a wide range of employment opportunities and will draw new visitors to the local area from a wide catchment area.

The Coast to Capital LEP's Business Plan (2017/2018)

This project supports Theme 6 (Regeneration, Business Space and Housing) of the Coast to Capital LEP Business Plan (2017/18). Under this theme, the Coast to Capital LEP aims *"to develop options to bring in further investment and unblock sites within local plans, which are held back because of identifiable market failure"*. It also supports one of the key aims under the Plan's Pillar 1: Projects, which is *"regeneration and housing infrastructure projects that increase capacity and footfall and unlock new employment space"*.

New Monks Farm is a clear example of where the high costs of essential infrastructure make a key strategic employment site, of 32,900 sq. m and 600 new homes commercially unviable. The developer has already identified and reached initial agreements with anchor occupiers. New Monks Farm Development Ltd (NMFD) has secured a pre-sale of the land for 32,900 sq metres of commercial space to IKEA. NMFD has also secured a presale of the first two phases of the residential land (249 units) to CALA Homes (South Counties) Ltd and have granted an option to CALA Homes (South Counties) Ltd for the balance of the housing (351 units). When developed, the site will provide 876 gross jobs and provide homes for around 1,400 once it is fully occupied.

In addition, this essential new infrastructure will also enable the Shoreham Airport site to subsequently be developed, enabling a further 25,000 sq.m of employment space to be developed creating 452 jobs. This is a clear case where LEP investment will unlock a site that has been held back because of an identifiable market failure, in this case, the A27 road junction improvements.

Coast to Capital Industrial Strategy Response (2017)

The Coast to Capital LEP's response to the Industrial Strategy Green Paper suggests that one of the major barriers to economic growth in the region is the *"significant variation across different towns and sectors, suggesting significant blockages in unlocking our full potential"*, particularly in *"deprived coastal towns"*, where economic output is low. New Monks Farm represents an opportunity to create a significant number (876) of new jobs, associated with a new IKEA store (also an internationally owned business), at all levels of the labour market.

The response also suggests that the *"lack of availability of affordable housing and business space is a major barrier to economic growth in the Coast to Capital region"*. It references the Government's Housing White Paper to suggest that intervention is needed to address market failures that are preventing a range of housing tenures to be built, to serve growing demand for new homes within the region. The New Monks Farm site will deliver 600 new homes, when it is complete. This would include 30% affordable units and a range of sizes to accommodate singles, couples and families.

Whilst not closely aligned to the LEP's or the industrial strategy's priority sector, the anchor client, IKEA, provides significant opportunities to increase visitors to this part of the region and to improve international trading links. IKEA's unique offer and identity means that its customer catchment area is wider than most similar retailers. Whilst there is currently a store in Croydon, there are no others within the Coast to Capital region. The store is likely to attract visitors from outside this part of the region, who, with strong collaboration between partners, could also be encouraged to extend their shopping visit into other tourism related activities in the sub-region. IKEA, a Swedish owned retailer, has a presence in over fifty countries in all corners of the world. It provides a further opportunity for the Coast to Capital LEP and its partners to develop a collaborative approach to developing strategic links with partners in different countries and to

showcase and promote the commercial and visitor attractions of the Coast to Capital region.

1.4) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet. Matched funding must be at least the required percentage of the total project costs. This is 15% for transport projects and 50% for all others. (Please name the source of match funding).

The total costs of the project as at March 2018 are set out below and in the funding tab in the appended supporting spreadsheet.

	Amount	% of Total Cost
Total Project Cost	£71,175,759	100%
Applicant own funds	£0	0%
Other public funds	£0	0%
Private sector funds	£65,475,759	92%
Funding requested from Coast to Capital LEP	£5,700,000	8%

1.5) Expected tangible core outputs/outcomes: Please also complete the outputs tab of the supporting spreadsheet

Output/outcome	Metric	Number to be delivered
Employment- created and/or safeguarded	No.	876 at NMF and 452 at Shoreham Airport
Businesses assisted- financial and non- financial	No.	50
Skills- new learners and/or apprentices	No.	25
New housing unit completions	Units	600
New floor space constructed/refurbished- learning	Sq mtr	0
New floor space constructed/Refurbished- Commercial	Sq mtr	32,900 sq.m
Length of new roads/cycle ways	km	8.5km of new roads and 5.5km of new cycle ways
Improvement to journey times	Minutes per mile	n/a
Carbon reduction	Tonnes of CO2	n/a

These outputs are included in the output tab in the supporting spreadsheet to this application.

Employment Created

The New Monks Farm development is expected to create 430 FTE direct jobs. Once construction jobs and indirect jobs in the wider economy are included this rises to **876 gross jobs**. Because there is already an agreement with IKEA to locate a superstore on The Site, therefore these are confirmed jobs, rather than jobs based on a speculative development. Jobs at IKEA will include the following roles:

- Customer Relations Manager, Customer Services Manager, After Sales Team Leader, Service Function Support, Checkout Manager and Check out Services Team Leader
- Food Manager, Commercial Restaurant Manager and Team Leader
- Safety and Security Manager and Team Leader
- Maintenance Manager and Maintenance Co-worker
- Commercial and Bistro Manager and Team Leader
- Kitchen Production Manager and Team Leader

- HR Manager, HR Administrator and Learning & Development Specialist
- Marketing Manager and Local Market Specialist
- Sales Manager - Market Place, Sales Team Leader, Shop Keeper Sales
- Sales Manager – Furniture, Sales Team Leaders, Shop Keeper Sales, Range Support
- Logistics Manager, Sales and Supply Support Manager, Full Serve Manager, Full Serve Team Leader, Replenishment Manager, Replenishment Team Leader, Goods Flow Manager and Good Flow Team Leader
- Logistics Co-workers
- Checkout Services Co-workers
- Customer Services Co-workers
- Recovery Co-workers

This represents a wide range of different types of jobs that should be suitable for people at different stages of their careers. IKEA is a Living Wage employer which in 2016/17 meant that its lowest paid staff [aged over 18] were paid a minimum of £8.45 per hour. IKEA became the first large national retailer to commit to paying the Living Wage.

Based on the estimated full-time: part-time split, the IKEA commercial development is expected to provide circa 430 jobs.

There are also likely to be additional jobs associated with the residential component of the development. According to the HCA, it takes around £97,200 of retail spend to generate one full-time equivalent job. Based on this and estimated new household expenditure from the development, this could add a further 33 new jobs to the local economy by the time the development is completed. The staged nature of the development means that these resident based jobs will be generated over an 8-10 year period.

Additional Council Tax, Business Rates and New Homes Bonus income will also contribute to jobs in the local economy. Based on the same assumption that it takes £97,200 to support one new full-time equivalent job, these additional contributions could add a further 26 jobs to the local economy.

By the time the development is completed and assuming that all the residential units are filled, it could add an additional 316 net new jobs (including the 28 construction jobs) to the local economy based on these estimates.

There may be further opportunities to support additional new jobs if incoming shoppers to the retail development can be encouraged to spend more in other parts of the local economy through collaborative ventures between the occupier and the local business community. There is evidence from other similar stores that visits are often combined with shopping at other nearby centres, although the direction of the causal relationship of these is less clear.

Skills – New Learners and/or Apprentices

The construction phase provides significant education and skills opportunities. According to the Construction Industry Training Board (CITB)¹, the scale and nature of the Proposed Development means that it should, as a minimum provide the following contributions²:

¹ Client-Based Approach to Developing and Implementing an Employment and Skills Strategy on Construction Projects Through On-Site Training, CITB, 2012

- 39 work experience placements for young people aged 16+ years
- 9 work experience placements for young people aged 14-16 years
- 24 construction curriculum support activities
- 25 apprenticeship starts and 13 apprenticeship completions
- 14 training plans for sub-contractors

In addition, developers are recommended to support their sub-contractors by providing leadership and management, supervisor and advanced health and safety training. Effective engagement with local learning providers, including Greater Brighton MET's Northbrook College, means that the scale of this development provides good opportunities for beneficial education and skills impacts to the local economy. The education and skills impacts at a wider spatial level are expected to be negligible.

IKEA has demonstrated a strong commitment to training and development in its other UK stores and has its own published Employment and Training Strategy. This provides a strong basis from which to develop an effective local training programme with local learning providers.

New Commercial Floorspace

There is already an agreement in place for the new commercial floorspace to be occupied by IKEA and commercial component of the proposed development has been designed to reflect IKEA's specific requirements.

Length of New Roads/Cycle Ways

New Cycle Ways

New Monks Farm Route (including upgrade of existing footpath to bridleway)	875m
New northern side of A27	950m
Replacement southern side of A27	1,100m
Off-carriageway provision within NMF site (including Airport Link Road)	1,300m
Country Park.	2,150m

TOTAL	5,500m
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Cyclists will cycle on carriageway within the residential area but this isn't included in the figures above

New Roads:

Residential network	5,150m
Shoreham Airport Link	600m
Other internal road (i.e. IKEA link, internal roundabouts)	750m

TOTAL	8,500m
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The A27 not included as although there are changes (i.e. new junction etc.), the length of road is already present.

1.6) Main risks and issues the project will need to manage? **Please also submit a full risk register as an annex to this document**

The table below indicates the key high-level risks for the project. A more detailed risk assessment is provided in a supporting Annex to this application.

Risk	Likelihood	Impact	Mitigation
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² These have been calculated by adding the expected contribution of a £90m to £100m development with the expected contribution of a £40m to £50m development.

Failure to secure planning approval	Low	Medium	The Council adopted the Local Plan on 14th December with a Housing Allocation now a "Minimum of 600 Houses" and Employment Space now a "Minimum area of 10,000 m2. Already undertaken a full pre-planning process including consultation with Adur DC and key local stakeholders
Planning Conditions delay timetable	Medium	Low	Applicant to develop and agree S106 conditions and any pre-commencement conditions during the pre-application period.
Unable to secure public funding or expenditure does not satisfy LGF requirements on eligible spend	Low	Medium	All LGF expenditure is designed to meet CIPFA guidance. The Applicants has already incurred the feasibility and preparatory work. Detailed expenditure plans have been agreed.
Development and / or construction costs exceed estimates	Low	Medium	That Applicant has already recruited an experienced project delivery team including cost consultants that will be accountable to the Director at New Monks Farm Ltd. Reasonable costs contingency has been built into project plan.
Unable to secure tenancies or sell freeholds	Low	Medium	New Monks Farm Development Ltd has secured a presale of the land for 32,900 sq metres of commercial space to IKEA. NMFD have also secured a presale of the first two phases of the residential land (249 units) to CALA Homes (South Counties) Ltd and have granted an option to CALA Homes (South Counties) Ltd for the balance of the housing (351 units).
Environmental assessment identifies additional site constraints	Low	Medium	Studies have already been undertaken by New Monks Farm Ltd to assess the environmental issues which show these to be low. Any further assessments will be undertaken prior to full project commencement.
Adverse noise impact	Low	Low	New Monks Farm Ltd will include an acoustic fence or a combination of acoustic fence, bund and shrub planting around the site to attenuate the occupiers' activities.
Contractor disputes postpone development timetable	Low	Medium	New Monks Farm Ltd will ensure that robust contractor specifications are developed and all procurement conforms to the agreed timetable and procedures

DOCUMENT STATUS

REVISION HISTORY

Revision Date	Version No.	Summary of changes	Author/editor
6 June 2018	Final	Final Submitted	

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2. The Strategic Case

2.1) Describe the compelling case for change.

1: Spreading the Benefits of Growth

New Monks Farm and Shoreham Airport provide a substantial development opportunity for Greater Brighton to capitalise on the momentum of its recent economic performance. Their location, with good access to London, Gatwick Airport and, Brighton & Hove, provide a real opportunity to spread the benefits of economic growth and to address capacity and over-heating issues that are emerging in Brighton & Hove.

2. Addressing Sub-Regional Housing Needs

Brighton's city centre is finding it difficult to provide the housing it needs and its physical constraints mean that there are limited opportunities to provide substantial employment space to support growth.

The housing market of Greater Brighton is characterised by significant levels of recent population growth and movement of people both within and from outside the area, most notably net in-migration from Greater London. The growth of Greater Brighton is highly interdependent because the areas within it share access to labour, housing markets, transport networks and commuting patterns. With population growth set to continue, the practical challenge for housing in Greater Brighton is how future needs can be accommodated in a way that competitiveness is not constrained.

Local Planning Authorities across Greater Brighton are preparing for a housing requirement of 22,500 new dwellings over the next decade. In 2015, Nathaniel Lichfield & Partners (NLP) highlighted that the projected delivery of housing across the area requires an increase of almost 50% on the rate of housing completions achieved in recent years and suggested this could potentially be lower than the level needed to meet demographic and economic growth needs.

NLP concluded that Greater Brighton is at risk of pricing out lower paid workers due to housing affordability pressures. The local population is highly mobile, demonstrated by internal migration flows within the area, notably outwards from Brighton & Hove, mainly due to housing costs and limited choice of accommodation within the City. Constrained housing supply and increasing costs are creating a number of pressures: affordability challenges for residents and businesses (as some commercial space is redeveloped or converted for residential use) and impacts on the transport system as those who move (particularly out of Brighton & Hove) and then have to commute to access jobs and services.

More housing units are needed to relieve pressure, but at the same time a mixed economy needs to be developed so areas do not simply become the overflow for Brighton with residents all commuting back into the city. Ensuring that there are local employment opportunities therefore needs to go hand in hand with new homes. This project will make a major contribution to addressing these acute housing needs. It will also provide a substantial number of new jobs, community facilities (including a primary school) and new recreational space, which will go hand in hand with the residential development.

3. The Rationale for Public Sector Intervention – The Market Failure

There is currently limited access to New Monks Farm via Mash Barn Lane and to Shoreham Airport via the A27 that would support the scale of the proposed developments. The applicant understands that Highways England will resist strongly any new development on the Airport site that results in any additional turning movements through the existing A27 Sussex Pad Junction.

The only access on to New Monks Farm is over Mash Barn Lane (owned by New Monks Farm Ltd) or the Mash Barn Estate and this would limit the maximum number of dwellings to be created there to only 249. Therefore, without the new junction the commercial development at Shoreham Airport and the potential Shoreham Environmental Technologies Growth Centre could not be delivered, in addition to any further Airport business space expansion, and there would be a shortfall of 351 houses and no commercial development on New Monks Farm.

The absence of adequate access to and from the A27 at this site has prevented long-standing proposals for housing and employment space developments from progressing for many years. Russell Giles Partners were appointed by New Monks Farm Development Ltd in 2008 to devise an access strategy that would help unlock the development potential of the site. The principle of that strategy was to replace the Sussex Pad junction, or partially close it, to provide a safe and convenient access for non-local journeys associated with the proposed development on New Monks Farm and for the Airport and associated development.

The nature of the junction improvements is different from normal access which might be expected to be paid for by site developers in that they involve the A27 – a major trunk road – and, as such, the infrastructure costs are abnormal.

Financial calculations show that estimated revenue from the New Monks Farm development would amount to £71.6m without public subsidy, of which £29m is housing revenue, £21m revenue from employment generating uses of the development and a further £21m infrastructure contribution. However, the development costs are forecast to be £71.2m, accounted for as follows:

- £9.1m acquisition costs
- £5.9m other non-construction costs
- £43.6m construction costs
- £2.3m developer contingency costs and agents fees
- £10.1m external financing costs

This makes the whole project unviable without public sector support to fund the A27 road junction improvements.

4. It Supports Local Economic Development and Planning Priorities

The project has the full backing and support of the Greater Brighton Economic Board and is included in its proposed pipeline of investment projects.

The need for new junction improvements to unlock the development of New Monks Farm, commercial development at Shoreham Airport and the Eco-Technology Centre at Shoreham Airport have been a longstanding point of discussion with local businesses and partnerships. These have included consultations to inform the Greater Brighton City Deal Negotiation Document in 2013 and the development of the Greater Brighton Devolution Prospectus in 2015.

The project has also been the subject of a series of discussions of the Coastal West Sussex Partnership [CWS] Officer Group and Board, which will form the basis of the Area Partnership's emerging economic plan 2016-2020.

The new Junction project on the A27 is a key project identified in the emerging Adur Growth Plan and was presented and supported by the Coastal West Sussex Partnership at its meeting on the 18th December 2015. Formal letters of support from the Coastal West Sussex Partnership, Adur & Worthing Business Partnership and Adur & Worthing Chamber of Commerce were presented with the original LGF application. If required these can be submitted again along with the formal Board minutes of support from the Greater Brighton Economic Board and Three Southern Counties Board can be sourced.

The Coastal West Sussex Partnership has also commissioned a number of its own studies to provide a focus to the area's economic development. These include 'Developing an Employment and Infrastructure Strategy' report, produced by Parsons Brinckerhoff (February 2012). This identified transport infrastructure improvements, which they believed were "necessary or desirable for the delivery of the strategic employment sites" and included new access from the A27 to Shoreham Airport, including the requirement for a new access junction. In addition, in 2015 Parsons Brinckerhoff also produced a three volume report for The Highways Agency, A27 Corridor Feasibility Study. This identified the A27 around Worthing and Lancing as a "prioritised problem area" with capacity and

reliability both being major issues that need addressing. It suggests that, without intervention, growth plans the situation on the A27 “would worsen significantly”.

In addition, New Monks Farm is a strategic allocation (Policy 5) within the Adur Local Plan (2017) and this has been widely consulted on with residents, business and stakeholders. The proposed site allocation is for 600 dwellings (including 30% affordable), a community hub, a primary school, 10,000 sq.m of ‘appropriate’ employment floorspace, provision of new access onto the A27 and the creation of a Country Park.

At the Local Plan Examination in Public in 2017, the Government’s independent Planning Inspector agreed that 10,000 sq.m and 600 new homes were to be the minimum threshold for New Monks Farm site due to viability and delivery challenges. Equally the Inspector agreed that a minimum level of 15,000 sq. m of commercial floorspace should be attached at Shoreham Airport.

2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes.

The key milestones are:

Milestone	Expected finish date
Purchase land – agree sales	March 2016
LGF Funding Secured and legal due diligence	December 2016
Prepare & submit planning	November 2016
Site investigation works	August 2016
Southern boundary bund & access	September 2016
Applications for mains connections	April 2017
Planning approval & J R period	June 2018
Housing Phase 1 handover	June 2018
Pumping station	June 2018
Land drainage consent approvals	June 2018
WSCC Highways Design approval & AIP	August 2018
Install incoming mains	October 2018
Earthworks to Phase 2 Residential & STW	October 2018
Construct STW & pipework	December 2018
Housing Phase 1- service installed and construction	December 2018
Storm water attenuation	September 2019
Move travellers camp	September 2019
Construct road to airport	December 2019
IKEA Store opening	September 2020

2.3) Stakeholder Engagement carried out.

The Applicant has undertaken a substantial programme of public and stakeholder engagement. A full Statement of Community Involvement Report has been submitted with the Planning Application for New Monks Farm and is appended to this LGF application.

Public Consultation Events

Three public consultation events on the proposed New Monks Farm development proposals were held with c1,500 people attending.

- Exhibition 1 – Friday 27th January from 2pm to 8pm at the Shoreham Centre, 2 Pond Road, Shoreham BN43 5WU
- Exhibition 2 – Saturday 28th January 2017 from 10am to 2pm at the Shoreham Centre, 2 Pond Road, Shoreham BN43 5WU
- Exhibition 3 - Wednesday 1st February 2017 from 4pm to 8pm at Lancing Parish Hall, 96 South Street, Lancing BN15 8AJ

Consultations and Discussions

From 2016 to date, the applicant and its team of professional advisors established two core stakeholder groups to work through solutions on transport and flood and drainage challenges. The Applicant has held regular meetings with key consultees including representatives from Adur District Council, West Sussex County Council, Highways England, South Downs National Park Authority, Environment Agency and Southern Water.

Examples of additional consultation events are set out below:

- **On-going** – Adur District Council, Planning Authority, housing department and economic development team
- **On-going** – West Sussex County Council transport, education and environment departments
- **On-going** – Highways England
- **On-going** – Environment Agency
- **June 2016** - Adur Major Projects Board
- **Summer 2016** - Chair and Principle of Greater Brighton MET's Northbrook College, the Bursar at Lancing College, the Director at Brighton City Airport Ltd and the lead stakeholder relationship manager at Ricardo's.
- **January 2017** – Coastal West Sussex Partnership, Adur & Worthing Economic Partnership, Adur and Worthing Chamber of Commerce
- **January and September 2017** – Lancing Parish Council
- **January 2017** – Withy Patch Gypsy & Travelers' Families and on-going
- **February 2017** – Sussex Cycle Forum
- **February 2017** – Withy Patch Gypsy & Travelers' Families
- **July 2017** - Adur and Worthing Economic Partnership and Chamber of Commerce
- **April 2018** – Adur and Worthing Chamber of Commerce

Questionnaires and Surveys

January/February 2017 – Business Forum Consultation Survey (16 completed questionnaires)

January/February 2017 – Public Consultation (829 completed questionnaires)

In addition, the Applicant attended a public meeting of c400 local residents at Lancing Parish Hall in September 2017.

2.4) List the key stakeholders and their interest areas.

Stakeholder	Interest area
Adur District Council	<p>As the Local Planning Authority in determining the planning application in line with the Adur Local Plan and aspirations set out in the Adur Place Plan.</p> <p>Securing new inward investment, new commercial floorspace new homes and job creation in the District.</p> <p>Supporting the policy outcome of a more self-contained local labour market.</p>
Adur and Worthing Business Partnership	To ensure that the development of the site aligns with local business priorities and supports local economic growth.
Adur and Worthing Chamber of Commerce	To ensure that local businesses are engaged in the design and development of the site and to establish how the completed development can best support the local economy.
Coastal West Sussex Partnership	To ensure the development supports the Coastal West Sussex Economic Plan (2016-2020) by helping to spread the benefits of growth more evenly across the sub-region by developing strategic sites; and providing opportunities to improve skills during the construction phase and create new jobs.
Environment Agency	To ensure that all issues associated with flood-risk and excess water are addressed in line with Environment Agency requirements.
Highways England	To agree requirements for the road junction and access roads so that they can accommodate the additional traffic movements created by the development.
Lancing College	To establish an agreed way forward to ensure that there is good access to and from the College, via Coombes Lane,
Greater Brighton Economic Board	To ensure that the development aligns with wider Greater Brighton economic goals and ambitions and to establish how the development can best benefit the wider spatial area.
West Sussex County Council	<p>To ensure that the development of the site supports the West Sussex Future Plan (2015-2019) by increasing the number of jobs and homes available</p> <p>To ensure that the all highway and road improvements are designed and built to County Council adoptable standards and in line with S278 agreements.</p> <p>To ensure that arrangements for moving the Withy Farm Gypsy and Travellers' site reflect West Sussex County Council's priorities and requirements.</p> <p>To ensure that flood mitigation measures are in place and compliant with West Sussex County Council requirements.</p>
Coast to Capital LEP	To ensure the development meets the LEP's strategic priorities for the region in terms of new jobs and commercial space, and aligns with its Business Plan and it's response to the Industrial Strategy Green Paper.

2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

The top three risks have been identified as follows:

1: Failure to secure planning permission

The successful full delivery of this project is dependent upon securing Planning Permission to proceed. New Monks Farm Ltd has undertaken an extensive consultation and engagement programme and

worked closely with key partners and the Planning Authority in order to ensure that the design and the development of the site aligns as closely as possible to the Local Plan and other strategic priorities and to ensure that both the development and completed development phases both secure the maximum social and economic benefits to the local area. Adur's Full Council adopted the Local Plan on 14th December with a Housing Allocation now a "Minimum of 600 Houses" and Employment Space now a "Minimum area of 10,000 m2.

2: Unable to Secure Local Growth Funding. The viability of this project depends on securing public funding to cover the extraneous costs of the development associated with the road junction on the A27. If this is not forthcoming, the development will not be commercially viable to proceed with the project in the form that is currently proposed. This will mean a significant loss of much-needed proposed housing and employment space to the local area and it will mean that the potential to develop Shoreham Airport site is lost.

3: Development and Construction Costs Exceed Estimates. The low margins within this project mean that rising development and construction costs pose a risk to the successful delivery of the project. However, extensive financial cashflow estimates have been undertaken and sufficient contingency has been built in to the estimates to mitigate against this occurring.

2.6) Project Dependencies

Dependencies

1: Planning Permission – Planning Permission will need to be secured, so detailed development proposals will need to accord with the policies and aims for the site set out in the Adur Local Plan. Adur's Full Council adopted the Local Plan on 14th December with a Housing Allocation now a "Minimum of 600 Houses" and Employment Space now a "Minimum area of 10,000 m2.

2: Highways – the need to secure Highways England approval for the transport interchange design and traffic movements.

3: Environmental Considerations – progressing the project depends on the outcomes of more detailed ecological and environmental studies to establish any levels of contamination and remediation works.

2.7) Project disruption

All developments are likely to involve some form of disruption to the local area, in terms of noise and construction traffic movements. The Applicant will take all necessary measures to minimise noise disturbance.

New Monks Farm Ltd has undertaken an extensive public consultation programme as part of the Planning Application process and consulted widely with local residents, businesses, Adur District Council, West Sussex County Council, Southern Water, Highways England and the Environment Agency on all matters relating to the construction phase of the development.

Lancing College has raised concerns that the completed development will impact adversely on its ability to attract students. Much of this seems to depend on being able to build in a fourth arm to the proposed new junction that allows easy access to Coombes Lane. However, as this is in the South Downs National Park, it falls outside the scope of any planning approval that might be given by Adur District Council's Planning Authority and would need to form a separate Planning Application to the South Downs National Park Authority.

New Monks Farm Ltd continues to engage with Lancing College to find a satisfactory resolution to the concerns that they raise about the potential disruption to the College that they believe the completed development will cause.

3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.5)
Do nothing, minimum or status quo	Site remains undeveloped	£0	£0	<ul style="list-style-type: none"> • Employment created/Safeguarded – 0 • Businesses assisted - 0 • Skills – new learners etc – 0 • New housing units – 0 • New learning floorspace – 0 • New commercial floorspace – 0 • Length of new road/cycleways – 0 • Improvement in journey times – 0 • Carbon reduction – 0
Proposed option	Residential/ retail development	£71,175,759	£5,700,000	<ul style="list-style-type: none"> • Employment created/Safeguarded – 876 gross jobs (including indirect and induced jobs; 430 gross direct jobs; • 32,900 sq.m of new commercial (retail) floorspace • Skills – 119 skills/work experience/curriculum support/apprenticeship opportunities provided • New housing units - 600 • New learning floorspace – 0 • Length of new road/cycleways – 14,000m • Utilities installed – pump station • New primary school and community hub delivered
Alternative options:	Housing/B1 office development	£72,317,181	£5,700,000	<ul style="list-style-type: none"> • Employment created/Safeguarded – up to 654 gross direct jobs • 10,000 sq. m of new commercial floorspace • Businesses assisted - unknown • Skills – new learners – 119 skills or apprenticeship opportunities • New housing units - 600 • Length of new road/cycleways – 14,000 • Utilities installed – pump station

Option Name:	Advantages:	Disadvantages:
Do nothing, minimum or status quo	<ul style="list-style-type: none"> • No additional costs. • No disruption during construction phase. • No additional pressure on transport 	<ul style="list-style-type: none"> • No additional commercial development • No additional residential development

	infrastructure	<ul style="list-style-type: none"> • Loss of inward investment (IKEA) • No additional jobs • No additional economic benefits. • Land for development under-utilised
Proposed option	<ul style="list-style-type: none"> • Infrastructure improvements (road, electricity, communications, gas, water, telecoms). • Development of 32,900 sq.m of new commercial (retail) floorspace with agreement with freeholder confirmed (IKEA) • 876 confirmed gross direct jobs. • New junction and access road on A27 • More and better links to the South Downs National Park • 600 new homes for around 1,400 residents • Opportunities to attract new visitors to the city region • Leverage of £150m of private sector investment • Flood mitigation improvement measures • Withy Patch gypsy and travellers site relocated, extended and improved 	<ul style="list-style-type: none"> • £5.7m of public funding required. • Potential minor short term adverse impacts associated with the construction of the site, including transport and noise. • Potential adverse visual impact • Loss of open land • Possible increase in traffic volumes on A27
Alternative option	<ul style="list-style-type: none"> • Infrastructure improvements (road, electricity, communications, gas, water, telecoms). • Development of 10,000 sq.m of new commercial (B1) floorspace • Employment space for up to 654 gross direct jobs • New junction and access road on A27 • More and better links to the South Downs National Park • 600 new homes for around 1,400 residents • Flood mitigation improvement measures • Withy Patch gypsy and travellers site relocated, extended and improved 	<ul style="list-style-type: none"> • £5.7m of public funding required. • Potential minor short term adverse impacts associated with the construction of the site, including transport and noise • Potential adverse visual impact • Loss of open land • Significant increase in traffic volumes on A27 • Speculative development, as no confirmed tenants or freeholders • Likely to be additional transport impacts at peak times, due to nature of commercial development.

3.2) The preferred option

‘Residential/retail developed in response to market demand’ is the preferred option.

Justification:

This option provides a significant number of local jobs and houses. There is already an agreement in place for the retail occupier (IKEA) and for the development of the first 249 homes. It is, therefore, not a speculative development as these agreements are already in place. Furthermore, traffic movements to and from the IKEA store are less likely to be at peak times than a B1 commercial development. This is because of the opening times of the store and the off peak nature of most shopping habits. This means

that additional pressures on the transport infrastructure will be more limited.

IKEA has provided details of the types of jobs that will be available at the store. These cover a broad range of occupations that are suitable for people at all levels of the labour market. Much of the recruitment is, therefore, likely to be local and IKEA will provide excellent employment opportunities for residents in the new residential development. The retail component also represents a significant inward investment opportunity with a Living Wage employer and one with a well-known international brand and reach. Its unique nature also means that, with the right partnerships in place, IKEA can support both the development of the visitor economy (a key priority for West Sussex County Council) and the development of international trade.

3.3) Issues with preferred option.

The preferred option still needs to secure Planning Permission from Adur Planning Authority for it to progress. However, there has been an extensive programme of pre-planning consultation and discussion with a wide range of partners that have sought to address issues and concerns that have been raised. Concerns about additional traffic movements have been addressed in consultation with Highways England and West Sussex County Council.

3.4) What are the top 5 risks of this option?

The top three risks have been identified as follows:

1: Failure to secure Planning Permission

The successful full delivery of this project is dependent upon securing Planning Permission to proceed. New Monks Farm Ltd has undertaken an extensive consultation and engagement programme and worked closely with key partners and the Planning Authority in order to ensure that the design and the development of the site aligns as closely as possible to the Local Plan and other strategic priorities and to ensure that both the development and completed development phases both secure the maximum social and economic benefits to the local area. Adur's Full Council adopted the Local Plan on 14th December with a Housing Allocation now a "Minimum of 600 Houses" and Employment Space now a "Minimum area of 10,000 m2.

2: Unable to Secure Local Growth Funding. The viability of this project depends on securing public funding to cover the extraneous costs of the development associated with the road junction on the A27. If this is not forthcoming, the development will not be commercially viable to proceed with the project in the form that is currently proposed. This will mean a significant loss of much-needed housing and employment space to the local area and it will mean that the potential to development Shoreham Airport site is lost.

3: Development and Construction Costs Exceed Estimates. The low margins within this project mean that rising development and construction costs pose a risk to the successful delivery of the project. However, the Council is assured by New Monks Farm extensive financial cashflow estimates have been undertaken and sufficient contingency has been built in to the estimates to mitigate against this occurring.

4. Unable to Secure Tenancies and Occupiers. This is a very low risk as New Monks Farm Development Ltd has secured a presale of the land for 32,900 sq metres of commercial space to IKEA. NMFD have also secured a presale of the first two phases of the residential land (249 units) to CALA Homes (South Counties) Ltd and have granted an option to CALA Homes (South Counties) Ltd for the balance of the housing (351 units).

5. Environmental assessment identifies additional site constraints. Studies have already been undertaken by New Monks Farm Ltd to assess the environmental issues which show these to be low.

A full risk register is appended to this LGF application.

Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. Please also complete the outputs tab of the supporting excel

3.5) Economic impact

A full socio-economic impact report produced by *marshall regen ltd* for the New Monks Farm Planning Application submitted to Adur District Council is provided as a supporting annex to this application.

More Local Jobs to Complement Local Housing Development

The New Monks Farm project provides **876 gross jobs** including 430 direct jobs and an additional 446 wider economy (including construction jobs) and it opens up access to further commercial development at Shoreham Airport, with the potential for a further 452 gross jobs. The provision of this number of additional local jobs will provide employment for new residents who will be accommodated in the 600 new homes on the site and it will also provide employment opportunities to people living in the wider Greater Brighton City Region.

This is not a speculative development. There is already a confirmed commercial occupier (IKEA), so the employment estimates are real jobs, not just based on employment: floorspace estimates.

Attracting New Investment and Visitors to the local area

IKEA is a major international brand, with retail sites in over 50 countries around the world. Its international profile and links will make it a key player in promoting the local area to inward investors and visitors around the world at a time when the need to improve international trade has become central to the development of local economies.

Furthermore, IKEA has an unusually wide retail catchment area, because of its unique nature. This means that its presence will attract significant numbers of new visitors to the local area. IKEA is committed to working closely with local businesses to ensure that the wider economy will benefit from visitors to the store who come from outside the City Region.

Providing Additional Housing

This project represents a significant opportunity to address some of the Greater Brighton region's acute housing shortages. Upon completion, it will deliver 600 new homes, of a mix of sizes that reflect local demand, 30% of which will be affordable. The strategic allocation will also provide a significant contribution to Adur Districts Objectively Assessed (Housing) Need (OAN) and delivering its 5 year supply of housing.

Adding Significant Additional Economic Value

The preferred option for developing New Monks Farm could deliver an economic contribution to the local economy of **£11.5m** per year, once the development is fully completed. This includes £5.5m as a result of the commercial development, £3.2m as a result of additional resident spending in the local area, £1.1m in additional Council Tax revenue and £1.5m in additional Business Rate revenue. There may also be additional spending in the local economy by people who visit the area as a direct result of the IKEA store, but who also spent in other parts of the economy.

This additional economic activity will help to provide further employment in the wider economy, in addition to the 430 gross direct jobs at the IKEA store and a total of 876 gross jobs in the wider economy, once construction and indirect jobs are included.

3.6) Environmental Impact

The following table illustrates the Applicant's view of the positive and negative environmental consequences of the proposed development.

Positive	Negative
<ul style="list-style-type: none"> Additional 28 hectares of open and 	<ul style="list-style-type: none"> Additional traffic movements during

recreational space with public access <ul style="list-style-type: none"> ● Better access to the South Downs National Park ● A network for walkways and cycleways ● Improved flood mitigation measures. 	construction and operational phases. <ul style="list-style-type: none"> ● Additional noise disturbance during the construction phase and operational phase. ● Possible visual impacts. ● Possible increase in carbon emissions.
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3.7) Social Impact

The following table illustrates the Applicant's view of the positive and negative social consequences of the proposed development.

Positive	Negative
<ul style="list-style-type: none"> ● 600 new homes, including 30% affordable, providing housing for around 1,400 residents ● 876 gross direct jobs at all levels of the labour market ● A new, major Living Wage employer with a commitment to recruiting locally ● A commitment to provide local skills and training opportunities during the construction phase of the development ● A new single form entry primary school ● Space for a new community hub to facilitate community cohesion ● Additional 28 hectares of recreational and open space for the general public ● Improved accommodation for gypsies and travellers currently located at Withy Patch, 	<ul style="list-style-type: none"> ● Additional traffic movements during construction and operational phases. ● Additional noise disturbance during the construction phase and operational phase. ● Possible visual impacts. ● Possible increase in carbon emissions.

3.8) The number of people and businesses positively impacted by the intervention?

Direct Impacts

The socio-economic impact report submitted as part of the Applicant's planning application independently assessed the socio-economic benefits from the completed development as:

- A £150 million capital investment;
- The delivery of 600 new homes, 30% of which will be affordable;
- An estimated 876 gross jobs of which:
 - A new IKEA store will create 430 gross full-time and part-time jobs with local apprenticeship opportunities;
 - 332 gross construction jobs created; and
 - 114 indirect jobs created including those in the school.
- 413 net new FTE jobs to the local area created taking into account additional indirect jobs and construction jobs;
- £2.8m in public sector receipts from:
- £1.1m in council tax revenues each year based on 2016/17 tax bands;

- £186,000 in new homes bonus receipts for 2 years of the current eligible scheme; and
- £1.5m in new business rates contributions each year based on average rateable values for similar locations in the UK.
- £11.5m additional annual GVA to the Adur economy;
- A new single form entry primary school serviced site with expansion space;
- The relocation and expansion of the Gypsy and Travellers site with four additional pitches, to agreed development standards, connecting them to the mains sewerage, water and electricity networks; and
- A new 28 hectare Country Park with new ecology habitats, cycle and foot pathways to access the South Downs National Park for residents and visitors alike.

Skills and Training

The construction phase of the Proposed Development provides significant education and skills opportunities at District and Greater Brighton levels. According to the Construction Industry Training Board (CITB)³, the scale and nature of the Proposed Development means that it should, as a minimum provide the following contributions⁴:

- 39 work experience placements for young people aged 16+ years
- 9 work experience placements for young people aged 14-16 years
- 24 construction curriculum support activities
- 25 apprenticeship starts and 13 apprenticeship completions
- 14 training plans for sub-contractors

Businesses

There will be at least 50 businesses that are positively impacted by the development as a result of improving access to and from Shoreham Airport. In addition, local businesses are likely to benefit from supply chain activity and additional expenditure associated with the proposed IKEA store and the new residents in the 600 homes at the site.

3.9) Follow on Investment

Delivery of 25,000 sq.m of commercial space at Shoreham Airport, including £32m of additional capital investment. This could generate around **452 gross jobs**, of which 170 are direct net jobs and a further 49 jobs in the local economy as a result of indirect and induced effects. Over a ten-year period, the proposed development could add just over £122m to the local economy or an average of £12.2m annually. The impacts on the wider Greater Brighton area are likely to be somewhat larger. **Over a ten year period this could contribute around £204m to the Greater Brighton economy.**

According to the CITB's 'Client Based Approach to Developing and Implementing an Employment and Skills Strategy on Construction Projects Through On-Site Training (2012)', developments of this scale and nature should deliver the following on-site education and training benefits during the construction phase:

- 2 x work placements for 16+ year olds
- 3 x construction curriculum support activities

³ Client-Based Approach to Developing and Implementing an Employment and Skills Strategy on Construction Projects Through On-Site Training, CITB, 2012

⁴ These have been calculated by adding the expected contribution of a £90m to £100m development with the expected contribution of a £40m to £50m development.

- 3 x apprenticeship starts
- 7 x NVQ starts for sub-contractors
- 5 x training plans for sub-contractors
- 4 x supervisor training for sub-contractors
- 3 x leadership and management training for sub-contractors
- 4 x health and safety training for sub-contractors.

When considered together, the proposed developments at New Monks Farm and Shoreham Airport will make a positive and significant economic impact to the Greater Brighton Sub-Region. Independently assessments estimates of their combined economic impact are:

- £182 million capital investment;
- 1,328 gross jobs created;
- £3.48 million in public sector receipts; and
- £23.7 million additional economic impact per year.

3.10) Skills projects only- Impact on Skills Provision

Not Applicable

3.11) Business and enterprise projects only- Impact on business growth

Not Applicable

3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?

The development will result in improved road access to and from the A27; improved flood drainage infrastructure; and a 28 acre Country Park that will be open to the public. There will be a new network of walkways and cycleways and better access to the South Downs National Park.

In addition, the completed development will provide 600 new homes, which could accommodate 1,400 new residents and there will be a new primary school to serve the local community. The IKEA store will provide 430 direct new jobs and, once construction and indirect jobs are included, it will add 876 gross jobs to the local area.

3.13) If your project results in service and other improvements then please provide baseline data below.

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when
New Commercial Space	0	2016	32,900 sq.m	2020
New job creation on site	0	2016	430	2020
Business Inward Investment on site	0	2016	£150m	2021/22
New road and cycle infrastructure on site	0	2016	14km	2021

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

Adur District Council and New Monks Farm Ltd intend to enter into a Collaboration Agreement with each other, which will be a legally binding document setting out how collaboratively the Parties intend to deliver

the New Infrastructure,

The Collaborative Agreement will cover the following important points:-

- That Adur District Council will use the LEP funding to part fund the new signalised roundabout. New Monks Farm will without charge to the Council, use its experience and skill to prepare tender documentation and contract for the Works to be carried out using an OJEU compliant procurement process in consultation with Highways England.
- That New Monks Farm will enter into an s278 Highways Act 1980 Agreement with Highways England to enable the works to the public highway, and to ensure that the works are carried out to the satisfaction of Highways England who is to be the beneficiary of the expenditure and the new infrastructure.
- The Collaboration Agreement will include a strict term of which will ensure that the Council's contribution towards the new infrastructure is spent using an OJEU compliant procurement process to avoid unlawful use of the funds, achieve best value and meet the requirement of EU treaty principles.
- The Collaboration Agreement will require the project to be professionally development managed at every stage by New Monks Farm acting in close liaison with Highways England at no charge to the Council and will establish a full project management team appointed from day one by New Monks Farm Ltd.
- The project team will operate to institutional standards that will withstand full audit scrutiny. The principal risk in cost & time will be provision of services incoming which are regulated by service providers and outside the control of the development team.
- All procurement is to audit standard and all professionals are required to sign up to strict Anti-corruption clauses in their appointments.
- The Collaboration Agreement will also set out milestones and reporting arrangements to the Accountable Body, Greater Brighton Economic Board, and the Coast to Capital LEP and how the Parties to that Agreement will work with relevant technical expertise from relevant partners (eg Highways England/West Sussex County Council) to ensure successful project delivery.
- Under the Collaboration Agreement the Council will perform a review and checking function of the project from an accountable body perspective. The Project board will have overall oversight of developments such as:
 - Undertake necessary due diligence
 - Delivery of project as per approved planning applications
 - Ensure the works are completed in a timely manner and all comply with conditions of the grant
 - Take remedial action if underperformance exists
 - Ensure project contributes to the wider Coast to Capital LEP area and promote successes
 - Ensure project connects with other Adur & Worthing Councils/LEP programmes
 - Manage overarching performance for the entirety of the project

Adur District Council will bring to the Collaborative arrangement expertise in legal, financial, planning and regeneration skills.

Furthermore, elected members have been kept informed of project developments via one-to-one briefings (for those that have a regeneration lead), consultation events and through the council's Major Projects Board. Due to the significance of this scheme, the Council has appointed a dedicated Project Manager to oversee the project and play a facilitating role between relevant officers, members and the developer [New Monks Farm Development Ltd] where appropriate. The Project Manager reports directly to the Head of Major Projects and Investment who will also attend progress meetings with New Monks Farm Development Ltd.

The Collaboration Agreement Term will be for the duration of the project to develop the new infrastructure and throughout the term of it, New Monks Farm will:-

- Carry out further site investigations work.
- Carry out land drainage investigation works
- Complete site massing study to determine the exact extent of commercial space that can be achieved on the land
- Carry out a detailed Transport Assessment based on Architectural schemes and potential trip generation to determine the required access improvements and traffic calming
- Submit a full Planning Application to include the construction of the transport access, new homes, new commercial space, Country Park and necessary sewerage and land drainage solutions.
- Employ experienced a cost consultant to ensure value for money throughout the project lifecycle
- Tender remediation works through a competitive process to be assessed by the cost consultant
- Closely manage the remediation works to ensure that they are delivered in accordance with the contract

The build contracts will be managed by the confirmed contractor, overseen by the principal developer [NMF Development Ltd] to ensure the project delivers against the key milestones. In this case, where appropriate, partner meetings will be held between New Monks Farm Ltd/Adur District Council and the confirmed contractor to monitor the build and react to any deviations in delivery.

Officers will report progress, funding profiles, risks and deliverability to the Adur Major Project's Board who will in turn report progress to the Coast to Capital LEP

From an infrastructure delivery perspective, under the collaboration, it is intended at this stage that the project will be overseen and managed by New Monks Farm Development Ltd (NMFD)

NMFD have a highly qualified team and have between them over 80 years of experience in the construction/property industry. The project will be managed at Director level, through the design, planning, and construction of the project.

Acting as lead developer NMFD will employ recognised industry specialists in the fields of Cost Consultancy, Masterplanning, Planning, Transport, Landscape, Drainage and Flood Alleviation, to create serviced sites for the housing and commercial elements of the scheme.

NMFD will project manage the construction of the new junction on the A27, the pumping station, the installation of incoming services and the creation of the Country Park.

As at April 2017, NMFD has tendered and have a preferred contractor for:

- Package 1 – Principal Contractor and Earthworks
- Package 2 – Travellers Relocation
- Package 6 – Airport Landworks (including Pumping Station)
- Package 7 – Off-site Foul Drainage

Senior officers at Adur District Council have been in receipt of the tender reports as part of the justification of the viability exercise. The total value of works tendered so far including service diversions represents approximately 40% of the cost of the works.

4.2) Involvement of private development partners.

New Monks Farm Development Ltd will cover the costs of any additional investigation works and studies and, in close liaison and partnership working with Adur District Council, will:

- Carry out further site investigations work.
- Carry out land drainage investigation works
- Complete site massing study to determine the exact extent of commercial space that can be

achieved on the land

- Carry out a detailed Transport Assessment based on Architectural schemes and potential trip generation to determine the required access improvements and traffic calming
- Submit a full Planning Application to include the construction of the transport access, new homes, new commercial space, Country Park and necessary sewerage and land drainage solutions.
- Employ experienced a cost consultant to ensure value for money throughout the project lifecycle
- Tender remediation works through a competitive process to be assessed by the cost consultant
- Closely manage the remediation works to ensure that they are delivered in accordance with the contract

The build contracts will be managed by the confirmed contractor, overseen by the principle developer [New Monks Farm Development Ltd] to ensure the project delivers against the key milestones. In this case partners meetings will be implemented between Adur District Council and the confirmed contractor on a monthly basis to monitor the build and react to any deviations in delivery.

The council will monitor the progress and apply appropriate financial controls and checks to ensure efficient drawdown of the grant.

From an infrastructure delivery perspective, it is intended at this stage that the project will be overseen and managed by New Monks Farm Development Ltd (NMFD) who will enter into a contract with a contractor for the infrastructure works. The Council will approve the compliant tendering process.

NMFD have a highly qualified team and have between them over 80 years of experience in the construction/property industry. The project will be managed at Director level, through the design, planning, and construction of the project.

Acting as lead developer NMFD will employ recognised industry specialists in the fields Cost Consultancy, Masterplanning, Planning, Transport, Landscape, Drainage and Flood Alleviation, to create serviced sites for the housing and commercial elements of the scheme.

NMFD will project manage the construction of the new junction on the A27, the pumping station, the installation of incoming services and the creation of the Country Park.

4.3) Procurement plan and timescales.

Procurement Plan	Expected finish date
Purchase land - agree sales	March 2016
LGF Funding Secured and legal due diligence	December 2016
Prepare & submit planning	November 2016
Site investigation works	August 2016
Southern boundary bund & access	September 2016
Applications for mains connections	April 2017
Planning approval & J R period	July 2018
Housing Phase 1 handover	July 2018
Pumping station	July 2018
Land drainage consent approvals	July 2018
WSCC Highways Design approval & AIP	August 2018

Install incoming mains	October 2018
Earthworks to Phase 2 Residential & STW	October 2018
Construct STW & pipework	December 2018
Housing Phase 1- service installed	December 2018
Storm water attenuation	September 2019
Move travellers camp	September 2019
Construct road to airport	December 2019
IKEA Store opening	September 2020

4.4) How will the project contribute towards social value?

The Coast to Capital LEP's approach to Social Value specifically focuses on the following themes:

- Increasing opportunities for small and medium sized firms: and
- Increasing opportunities for local people to enhance their skills and career progression prospects.

This development project supports these social value objectives in the following ways:

Construction Phase

The construction phase will provide significant construction employment opportunities. As part of their procurement specifications, New Monks Farm Ltd will expect building contractors to:

- Source labour and supplies locally where this is possible;
- Engage local contractors as sub-contractors; and
- Commit to delivering the education and skills targets set out in the CITB's 'Client Based Approach to Developing and Implementing an Employment and Skills Strategy on Construction Projects Through On-Site Training⁵', in line with the scale of the development.

Operational Phase

- The IKEA store will provide a wide range of opportunities across the labour market. IKEA will actively engage local recruitment agencies and job centres to source local labour to fill these positions
- IKEA is a Living Wage employer and it is committed to providing career progression across its international network for stores
- IKEA will work with local business organisations to agree the best way of maximising the impact of the store on the local economy. This may include promoting local events and venues in the area to IKEA shoppers and developing collaborative projects with local businesses.

4.5) State Aid Compliance.

Our legal and procurement teams have provided, and will continue to provide throughout the New Infrastructure Project, advice on the Procurement Contract Regulations 2015 and related state aid issues. It is intended that the project will be state aid compliant as shown in the state aid tests below, but the crux of the matter is, that although the contribution by Adur District Council will come from state resources the beneficiary of the resources is the state, being Highways England.

The New Infrastructure is much needed by Adur District Council to free up areas for regeneration, creating housing for compliance with the local plan, employment opportunities and growth opportunities for all new and existing businesses.

⁵ Client based approach to developing and implementing an employment and skills strategy on construction projects through on-site training; Construction Industry Training Board (CITB); 2012

It is recognised that the New Infrastructure is intended to reduce congestion and make efficient use of road space for which no charge or toll shall be raised and there will be no commercial exploitation of the New Infrastructure. See DCLG State Aid Law: The Application of the Leipzig-Halle Principle in the ERDF Infrastructure Projects (26 October 2015). More importantly the aid will remain as a state asset, for both Highways England and Adur District Council and is public realm work.

Whilst it is accepted the public realm work will enhance land values to an extent in the surrounding areas, all the land in the surrounding areas is already owned by any interested parties and there is therefore no competition to distort. Further, land transactions are not within the remit of the Procurement Regulations.

In using the aid, the only expenditure capable of affecting competition between EU states will be the consideration for the construction works contract and that contract will be tendered for in an EU compliant process.

NMFD is, through a collaborative agreement, providing its expertise and assistance as well as project management, but it is not receiving state funding as a result of its input. The Coast to Capital Funding will not be transferred to NMFD. Whilst NMFD is investing some money and time into the delivery of the new A27 roundabout (public realm), it is doing so entirely as a market investor expecting to get a return on its own input, which is not a breach of state aid rules.

Applying the above, the state aid tests are set out below, and for there to be unlawful state aid the answer to all test must be 'yes' :-

1. Is the aid granted through state resources - Yes
2. Does the state aid favour certain undertakings - No - the aid is to be used for public realm works (to deliver a new roundabout) facilitating the delivery of new housing and employment land (see also below).
3. Does the aid distort or threaten to distort competition - No, for the reasons stated above and because the aid will be spent subject to EU compliant process.
4. Does the aid affect trade between member states - No as the aid will be spent subject to an EU compliant process.

The delivery of a new junction on the A27 will provide significant community benefits, particularly as it is surrounded by land allocated in the Adur Local Plan for housing, employment and regeneration, all of which are local priorities. The provision of the new junction, roundabout and highways work will:-

- Open up land within the Adur District at New Monks Farm for development of 600 new homes and 32,900 of non-food retail space;
- Facilitate a major employment site at Shoreham Airport so it can be developed with the potential for an Environmental Technologies Growth Centre, supporting the strategic aims with the Greater Brighton City Deal and subsequent Devolution Prospectus;
- Provide additional access to a new Country Park and the South Downs National Park for residents and visitors in the south of the A27 by providing a new footpath under the trunk road,
- Re-locate the Gypsy and Traveller site, improving provision and adding 4 pitches to meet increased need within the District.

The new junction will provide vital improvements to the Adur area which have a long term and local strategic focus.

5. The Financial Case

5.1) what is the estimated total project cost and the amount of LGF being applied for? Please complete the funding breakdown tab in the supporting excel spreadsheet.

The total costs and LGF request for the New Monks Farm site is set out in the table below and in the supporting funding breakdown spreadsheet attached to this application.

Year	Total project cost	LGF
17/18	£20,807,326	£0
18/19	£20,523,866	£3,700,000
19/20	£25,975,659	£2,000,000
20/21	£3,868,907	£0
Total	£71,175,759	£5,700,000

5.2) Please set out the project expenditure items – No rounding up please

The project costs below are as estimated at April 2018

	Cost	LGF	Match Funding
Site Acquisition	£9,188,000	£0	£9,188,000
Overage	£4,710,000	£0	£4,710,000
Interest	£80,000	£0	£80,000
Cottages	£1,813,000	£0	£1,813,000
Airport Land	£350,000	£0	£350,000
SDLT	£72,520	£0	£72,520
Legal Fees	£614,000	£0	£614,000
Sub Total	£16,828,000	£0	£16,828,000
CONSTRUCTION COSTS			
Main Contractor Package 1 (IKEA)	£5,665,000	£0	£5,665,000
Travelers Relocation	£1,874,000	£0	£1,874,000
WSCC Highways Works	£5,221,000	£0	£5,221,000
Country Park	£1,403,000	£0	£1,403,000
Landscaping Works	£1,000,000	£0	£1,000,000
Airport Land Works	£2,989,000	£0	£2,989,000
Off-Site Foul Drainage	£717,000	£0	£717,000
Highways A27	£6,804,000	£5,700,000	£1,104,000
Access Road and Earth Bund	£386,000	£0	£386,000
Client Directs	£5,545,000	£0	£5,545,000
Client Contingency	£2,497,000	£0	£2,497,000
Inflation Allowance	£865,000	£0	£865,000
Section 106	£2,621,000	£0	£2,621,000
Fees (inc security)	£5,994,000	£0	£5,994,000
Construction Sub Total	£43,576,000	£5,700,000	£37,876,000
OTHER COSTS			
Developer Contingency	£2,179,000	£0	£2,179,000
Agents Fees	£150,000		£150,000
External Financing	£8,443,439		£8,443,439
Other Costs Sub Total	£10,772,239		£10,772,239
TOTAL	£71,175,759	£5,700,000	£65,475,759

A detailed project cost spreadsheet is appended to this application A developer's contingency allowance of 3.1% has been included in the project costs covering all phases of the development.

5.3) Net Present Value cash flow analysis.

Options	NPV
Do nothing, minimum or status quo	£0
Proposed option	£2,631,485
Alternative option	-£14,997,876

The table below compares the Preferred Option with the Alternative Option.

		PREFERRED OPTION	ALTERNATIVE OPTION
	All Costs	£71,175,759	£72,317,181
A	NET PRESENT COSTS	£68,384,401	£69,388,997
	Direct Benefits	£77,271,000	£59,693,5000
B	DIRECT NET PRESENT BENEFITS	£71,015,886	£54,391,122
C	TOTAL NET PRESENT CASH FLOW VALUE (B-A)	+£2,631,485	-£14,997,876

A Net Present Value Cash Flow supporting spreadsheet is appended to this application.

Methodology for Estimating Net Present Value

Net Present Value (NPV) Cash Flow has been estimated for the period 2017/18 to 2021/22. For each option, the total Project Costs have been estimated for each year (2017/18, 2018/19, 2019/20, 2020/21 and 2021/22). An annual Discount rate of 3.5% has been applied to all costs over the period. This produces the Net Present Costs (see row A above) for each option.

The Direct Project Benefits have been estimated for each year (2017/18, 2018/19, 2019/20, 2020/21 and 2021/22). An annual Discount Rate of 3.5% has been applied to all direct project benefits over the period. The £5,700,000 Local Growth Fund allocation has been included in the Cash Flow benefits in 2018/19 for both options. This produces the Direct Net Present Cash Flow Benefits (see row B above) for each option

The Direct Net Present Value (see row C above) of the Project is estimated by subtracting the Net Present Costs (A) from the Direct Net Present Benefits (B):

- Preferred Option: +£2,631,485
- Alternative Option: -£14,997,876

Net Present Public Value

In addition to the NPV Cash Flow estimates for the period, the applicant has estimated Net Present Public Value (NPPV) for the period 2017/18 to 2021/22 to demonstrate the potential wider economic benefits of the development.

This adds the estimated Net Present Economic Benefit to the Net Present Cashflow Benefit applying an annual discount rate of 3.5% to the Direct Net Present Benefits. For NPPV the Local Growth Fund allocation has been transferred from a benefit to a cost, as this is considered part of the investment (as opposed to a cash flow benefit).

		PREFERRED OPTION	ALTERNATIVE OPTION
	<i>All Costs</i>	£76,817,108	£78,017,181
A	NET PRESENT COSTS	£73,939,016	£75,088,997
	<i>Direct Benefits</i>	£71,571,000	£53,993,000
	<i>Net Present Direct Benefits</i>	£65,509,686	£48,884,922
	<i>Other Economic Benefits</i>	£27,525,445	£41,904,130
	<i>Net Present Other Economic Benefits</i>	£24,807,927	£37,360,981

	<i>All Benefits</i>	<i>£99,096,445</i>	<i>£95,897,130</i>
B	NET PRESENT BENEFITS	£90,317,613	£86,245,903
C	TOTAL NET PRESENT PUBLIC VALUE (B-A)	+£16,378,597	+£11,156,905

For the Preferred Option, the Net Present Public Value is estimated at £16.4m for the period 2017/18 to 2021/22. This includes £65.5m in Net Present Direct Benefits and £24.8m in Net Present Other Economic Benefits, less £73.9m of Net Present Costs.

For the Alternative Option, the Net Present Public Value is estimated at £11.2m for the period 2017/18 to 2021/22. This includes £54.0m in Net Present Direct Benefits and £41.9m in Net Present Other Economic Benefits, less £75.1m in Net Present Costs.

A Net Present Public Value spreadsheet is appended to this application.

5.4) Value for money

Value for Money by Output

The value for money estimates are shown in two different ways:

- Unapportioned costs – where each output is measured against the total LGF investment and the total project cost. In this case, the costs sum to 300%, because there are three principal outputs; and
- Apportioned costs – where each output is measured against a 33.3% of the LGF investment and 33.3% of the total project costs. In this case the costs sum to 100%.

VALUE FOR MONEY	Unapportioned		Apportioned (33% Jobs 33% floorspace, 34% homes)	
	LGF	Total Project	LGF	Total Project
INVESTMENT	£5,700,000	£71,175,759	£5,700,000	£71,175,759
JOBS				
Gross Direct Jobs	876	876	876	876
Cost per Job	£6,507	£81,251	£2,167	£27,057
FLOORSPACE				
Commercial Floorspace (sq. m)	32,900	32,900	32,900	32,900
Cost per sq.m	£173.25	£2,163.40	£57.69	£720.41
NEW HOMES				
Number of Homes	600	600	600	600
Cost per home	£9,500	£118,626	£3,173	£39,621

Under the unapportioned method each gross direct job costs £13,256 of LGF investment and £165,525 of total project investment. The estimates for new commercial floorspace are £173.25 of LGF investment £2,163.40 of whole project costs per square metre. For new homes they are £9,500 of LGF investment per home and £118,626 of whole project investment per home.

It is more realistic to apportion the costs equally between the jobs, commercial floorspace and housing unit outputs. When this is done, each gross job costs £4,414 of LGF investment and £55,120 of whole project investment. The estimates for new commercial floorspace are £57.69 of LGF investment £720.41 of whole project costs per square metre. The estimates for new homes are £3,173 of LGF investment and £39,621

of whole project investment per new home.

Benefit Cost Ratio

The benefit cost ratio for the Preferred Option and the Alternative Option combines the Net Present Public Benefits divided by the Net Present costs. The table below shows the Benefit Cost Ratio for both the Preferred Option and the Alternative Option for the period 2017/18 to 2021/22.

	PREFERRED OPTION	ALTERNATIVE OPTION
Net Present Direct Benefits	£65,509,686	£48,884,922
Net Present Other Economic Benefits	£24,807,927	£37,360,981
TOTAL NET PRESENT PUBLIC BENEFITS	£90,317,613	£86,245,903
NET PRESENT COSTS	£73,939,016	£75,088,997
BENEFIT COST RATIO	1.22	1.11

This delivers a Benefit Cost Ratio of 1.22 for the Preferred Option and a Benefit Cost Ratio of 1.11 for the Alternative Option.

5.5) VAT status

New Monks Farm Ltd is a VAT company in England and Wales – 240775703 within a group also comprising The Community Stadium Ltd.

All eligible construction and infrastructure costs are VAT items.

5.6) Financial Sustainability

Agreements are already in place for the freehold to be sold to IKEA for the development of the retail component of the site and with CALA Homes for the first 249 homes to be built.

The completion of the road junction, which will be part-funded through LGF, will enable the other 351 homes to be built on the Site.

6. The Management Case

6.1) In which financial year do you expect your project to commence?	2018/19	
6.2) In which financial year do you expect your project to compete?	2021/22	
6.3) Please set out the key milestones related to the project.		

The following table sets out the key milestones for the delivering the project.

Key Milestones	Expected finish date
Purchase land - agree sales	March 2016
LGF Funding Secured and legal due diligence	December 2016
Prepare & submit planning	November 2016
Site investigation works	August 2016
Southern boundary bund & access	September 2016

Applications for mains connections	April 2017
Planning approval & J R period	July 2018
Housing Phase 1 handover	July 2018
Pumping station	July 2018
Land drainage consent approvals	July 2018
WSSC Highways Design approval & AIP	August 2018
Install incoming mains	October 2018
Earthworks to Phase 2 Residential & STW	October 2018
Construct STW & pipework	December 2018
Housing Phase 1- service installed	December 2018
Storm water attenuation	September 2019
Move travellers camp	September 2019
Construct road to airport	December 2019
IKEA Store opening	September 2020

6.4) Project management arrangements

Adur District Council and New Monks Farm Development Ltd will develop, agree and sign a project management protocol, for approval by the Accountable Body, which will set out core roles and responsibilities for the management of the transport scheme.

The protocol agreement will also set out milestones and reporting arrangements to the Accountable Body, Brighton Economic Board, and the Coast to Capital LEP.

Adur District Council will perform a review and checking function of the project. NMF will have overall oversight of development activities such as:

- Undertake necessary due diligence
- Delivery of project as per approved Planning applications
- Prepare and submit claims/reports to Coast to Capital LEP
- Ensure the works are completed in a timely manner and all comply with funding conditions
- Take action if underperformance exists
- Ensure project contributes to the wider Coast to Capital LEP area and promote successes
- Ensure project connects with other Adur & Worthing Councils/LEP programmes
- Manage overarching performance for the entirety of the project

Adur District Council has a specific project management approach that adapts itself to the need of various projects. For both developments, a range of officers have and will provide expert advice for legal, financial, planning and regeneration issues.

Furthermore, elected Members have been kept informed of project developments via one-to-one briefings (for those who have a regeneration lead), consultation events and through the council's Major Projects Board. Due to the significance of this scheme, a dedicated Project Manager will be allocated by the Council to oversee the project and facilitate the role between relevant officers and members and organise Partner Meetings with the developer [New Monks Farm Development Ltd] where appropriate. The Project Manager reports directly to the Head of Major Projects Investment who will also attend progress meetings with New Monks Farm Development Ltd.

6.5) Key project roles and responsibilities

New Monks Farm Development Ltd will enter into all contractor appointment through a transparent tender process present tender report to Adur District Council.

Adur District Council has a specific project management approach that adapts itself to the need of various projects both developments, a range of officers have and will provide expert advice for legal, financial, planning and regeneration issues, who will report to the Adur Major Projects Board.

Furthermore, elected members have been kept informed of project developments via one-to-one briefings (for those who have a regeneration lead), consultation events and through the Council's Major Projects Board. Due to the significance of this scheme, a dedicated Project Manager would oversee the project and play a facilitating role between the Council's officers and members and organise Partner Meetings with the developer [New Monks Farm Development Ltd] where appropriate. The Council's Project Manager reports directly to the Head of Major Projects and Investment who attends progress meetings when feasible; this person will lead the project from inception into the implementation and see the project through to completion.

New Monks Farm Development Ltd will cover the costs of any additional investigation works and studies and, in close liaison and partnership working with Adur District Council, will:

- Carry out further site investigations work.
- Carry out and land drainage investigation works
- Complete site massing study to determine the exact extent of commercial space that can be achieved on the land
- Carry out a detailed Transport Assessment based on Architectural schemes and potential trip generation to determine the required access improvements and traffic calming
- Submit a full Planning Application to include the construction of the transport access, new homes, commercial space, Country Park and necessary sewerage and land drainage solutions.
- Employ experienced a cost consultant to ensure value for money throughout the project lifecycle
- Tender remediation works through a competitive process to be assessed by the cost consultant
- Closely manage the remediation works to ensure that they are delivered in accordance with the contract

The build contracts will be managed by the confirmed contractor, overseen by the principal developer [New Monks Farm Development Ltd],

The Council will monitor the progress and apply appropriate financial controls and checks to ensure efficient drawdown of the funding.

Progress will also be reported to the Accountable Body, Greater Brighton Economic Board, and the Coast to City LEP.

From an infrastructure delivery perspective, it is intended at this stage that the project will be overseen and managed by New Monks Farm Development Ltd (NMFD) who will enter into a contract with a contractor for the infrastructure works. Adur District Council approve the compliant tendering process.

NMFD have a highly qualified team and have between them over 80 years of experience in the construction/planning industry. The project will be managed at Director level, through the design, planning, and construction of the project.

Acting as lead developer New Monks Farm Development Ltd will employ recognised industry specialists in the fields of Cost Consultancy, Masterplanning, Planning, Transport, Landscape, Drainage and Flood Alleviation, to create suitable sites for the housing and commercial elements of the scheme.

NMFD will project manage the construction of the new junction on the A27, the sewage treatment plant and the installation of incoming services and the creation of the Country Park.

6.6) Governance, oversight and accountability

Major Projects Steering Group

Representatives of key departments within the Council will be regularly updated on progress via the Major Projects Steering Group which meets regularly to evaluate the Councils' development programmes.

Attendees of the Group include:

- Director for the Economy
- Chief Financial Officer
- Solicitor to the Council
- Head of Major Projects & Investment
- Asset Portfolio Manager
- Project Managers

The developer will manage day to day operations, and will commission an Employer's Agent with sufficient Professional Indemnity to administer the works contract.

6.7) Communications and stakeholder management

The New Monks Farm Project Board will oversee the strategy, plan and delivery of the New Monks Farm site.

The Chair of the Board will take responsibility for all local and regional stakeholder management including providing regular quarterly project updates to Adur District Council, West Sussex County Council, the Coastal West Sussex Partnership Board, the Greater Brighton Economic Board and the Coast to Capital LEP.

It will ensure that the infrastructure and site commercial spaces are developed and planned in line with agreed principles.

The strategy and plan for delivering the indirect benefits will be governed by any agreed Planning Conditions and Section 106 commuted payments. In addition, the new road infrastructure will open up the development potential at the Shoreham Airport site. All highway and road improvements will be designed and built to West Sussex County Council adoptable standards and in line with S278 agreements.

6.8) Benefits management

The development of the New Monks Farm site will deliver a significant number of community and local benefits. The Applicant will work alongside Adur District Council and other public sector partners to develop and agree a local benefits maximisation plan which will cover:

Construction Phase - £150m of capital investment and 2,985 construction years of employment. New Monks Farm Ltd and its partners will commit to use, where possible, local construction companies and suppliers and to provide skills and apprenticeship training in line with CITB recommendations.

Operational Phase - 876 jobs at the IKEA store, with a commitment to recruiting locally, and delivering high quality training and career development opportunities.

New Monks Farm Ltd and its partners will develop a programme of community engagement to ensure that, once development is completed, there is continued involvement in supporting local community initiatives.

Skills and Training Phase – The Applicant's commitment to working with local schools, FE Colleges and training providers to secure the following opportunities for local people:

- 39 work experience placements for young people aged 16+ years
- 9 work experience placements for young people aged 14-16 years
- 24 construction curriculum support activities

- 25 apprenticeship starts and 13 apprenticeship completions
- 14 training plans for sub-contractors

In designing and develop a community benefits strategy, Adur District Council and New Monks Farm Developm will:

- Appoint the Project Board with both public private and community representation
- Develop and agree terms of reference
- Develop and agree procurement processes to ensure contract conditions comply with social aims and obj
- Develop and agree the projects implementation plan
- Develop and agree the projects communications plan
- Develop and agree a monitoring and evaluation framework

6.9) Project evaluation

Adur District Council will develop evaluation strategy that is both formative and summative to ensure that the pr delivered effectively and efficiently during its implementation and that it delivers its expected outputs, outcom impacts upon completion.

This will enable us to capture the softer outcomes (such as better public service delivery and partnership work well as the harder, quantitative outcomes and impacts.

We will develop a clear monitoring framework that sets the context for the data collection that will inform the evalu

Inputs:	What are the financial and other inputs that are expected at different stages of the p
Outputs/Activities:	What are the processes and actions that need to be implemented at different sta deliver the expected outcomes and impacts?
Outcomes:	What is the project expected to achieve at different stages?
Impacts:	What other, sustainable or associated benefits are expected to accrue as a result project?

The monitoring framework will include the risks and mitigations set out in the risk register within this applicati consider the potential positive and adverse impacts of different elements of the project on different groups.

Recommendation/ Declaration


Recommendation- please state clearly the recommended action this business case supports.

This business case recommends the use of **£5.7m of Local Growth Funding** to fund the road junction improvements on the A27 to unlock the New Monks Farm and Shoreham Airport sites.

The investment will unlock **600 homes**, 32,900 sq.m of commercial floorspace and it will provide **876 jobs** at a new IKEA store and enabling 25,000 sq.m of commercial development at Shoreham Airport creating a further **452 jobs**. This commercial development at the Airport will provide long-term financial investment and stability to the Airport ensuring its future as a commercial aviation hub.

When considered together, the proposed developments at New Monks Farm and Shoreham Airport will make a positive and significant economic impact to the Greater Brighton Sub-Region. Independently assessments estimates of their combined economic impact are:

- £182 million capital investment;
- 1,328 gross jobs created;
- £3.48 million in public sector receipts; and
- £23.7 million additional economic impact per year.

Declaration:	I certify that the information provided in this Business Case is complete and correct at the time of submission.
Signature:	
Print Name:	Martin Randall
Title:	Director for the Economy
Date:	8 June 2018

Before submitting your Business Case ensure you have all the required supporting documentation:

- One electronic copy of the business case template, signed and dated
- Excel Spreadsheet (both tabs completed)
- Full risk register
- Any other Supporting documents and evidence required (e.g. letter of support from Area Partnership)
- Written evidence to the satisfaction of the Coast to Capital Accountable Body from a practicing solicitor / Counsel that the project is compliant with the EU state aid rules.
- VAT external advice if applicable.