



**Strategy, Governance & Law**  
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Hannah Gosling

Investment Programme Manager  
Coast to Capital  
Arun House (Horsham Training Centre)  
Hurst Road  
Horsham RH12 2DN

Date: 18<sup>th</sup> March 2019  
Our Ref: HKW/AR/EC709.419  
Your Ref:  
Phone:  
e-mail:

Dear Hannah

**Re: Valley Gardens Phase 3**

Thank you for letter of 1 February outlining the LEP Investment Committee's requirements that the council should fulfil before the Funding Agreement can be completed, agreed and issued for Phase 3 of the Valley Gardens project. I note from your email dated 1 March that you require a letter from the Monitoring Officer. You have made clear that you are not seeking a legal advice and for the avoidance of doubt I would like to highlight that this letter should not be treated as legal advice or a legal opinion.

I can confirm on behalf of the council that it has carried out consultation in compliance with its statutory requirements, and comments from the public and various organisations and bodies, including those of the city's Transport Partnership and Tourism Alliance, as well as those of the Valley Gardens Forum, have been appropriately considered, responded to and addressed prior to proposing approval of the Final Preliminary Design to the council's ETS Committee. This has included a consultation questionnaire, meetings with individuals and groups of representatives, and workshops and formal meetings with key partners.

I am also able to reassure you that the Final Preliminary Design meets the requirements of all relevant statutory legislation and that the project is considered to achieve an appropriate balance between its implications and outcomes for traffic congestion, air quality and sustainable transport and public realm benefits; as these items were all identified within the core objectives that the council agreed for the project, against which various options have been appraised and assessed by the council's consultants, the outcomes reviewed by officers, and subsequent decisions made by the ETS Committee. Those committee decisions have also been made with the full knowledge of public representations about the Valley Gardens Phase 3 project (such as questions and deputations) that have been made directly to the committee Chair, or the committee itself, and which have then been publicly responded to by the Chair or considered by the Committee itself.

The appropriate level of engagement and consultation will continue as the project progresses through its detailed design stage, and various elements of the design are refined prior to construction. This progress will be reported to the appropriate committee as will any objections subsequently received to Traffic Regulation Orders.

I trust that this letter therefore provides you with the assurances that you are seeking regarding the council's approach and commitment to this project, and its current and future plans for engaging fully with the city's stakeholders prior and during to its delivery.

Yours sincerely

**Abraham Ghebre-Ghiorghis**  
**Executive Lead Officer Strategy, Governance and Law**

Arun House  
Hurst Road  
HORSHAM  
West Sussex  
RH12 2DN

01 February 2018

Nick Hibberd  
Executive Director  
Brighton and Hove City Council

By email

Dear Nick,

**Re: Investment Committee Conditions of funding for the Brighton Valley Gardens Phase 3 project**

Following on from the letter sent to you dated 24 January 2019, the Investment Committee have requested the following conditions are met before we can draw up a funding agreement for the Brighton Valley Gardens Phase 3 project.

- 1 Prior to issue of funding agreement:** Confirmation is received in writing from the Monitoring officer at BHCC that all statutory requirements in relation to consultation have been met, in relation to all project aspects, to include but not be limited to, transport and public realm improvements.
- 2 Prior to issue of funding agreement:** Confirmation in writing from the Monitoring officer that public comments, including those of the Valley Gardens Forum have been appropriately considered, responded to and addressed in accordance with the Council's statutory duties.
- 3 Prior to issue of, and within funding agreement:** Confirmation in writing from the Monitoring officer that the scheme design meets the requirements of all relevant statutory legislation, including but not limited to air quality standards, traffic management, environmental and safety. To also seek confirmation that the Council considers that the appropriate balance has been achieved between impact upon

traffic congestion, air quality and sustainable transport and public realm benefits.

- 4 Prior to issue of and within the funding agreement:** Confirmation in writing from the monitoring officer that an appropriate level of engagement will continue with the Valley Gardens Forum and members of the public, as the scheme evolves, including confirmation that the concerns of the Valley Gardens Forum will be put to the relevant Council Committee before the scheme is approved.
- 5 Prior to issue of funding agreement:** Confirmation that the relevant Council Committee has approved the scheme, to allow the project to be delivered.

Please can you confirm the above points and send your responses to us by no later than 12 February 2019.

We look forward to hearing from you, if you have any questions please get in touch with myself or the Investments Team.

Yours sincerely,

Hannah Gosling  
Investments Programme Manager



## Hannah Gosling

---

**From:** Hannah Gosling  
**Sent:** 18 April 2019 15:13  
**To:** 'Abraham Ghebre-Ghiorghis'  
**Cc:** Anthony Middleton  
**Subject:** RE: Letter regarding Valley Gardens Phase 3  
**Importance:** High

Dear Abraham,

Due to the complexity of the scheme and high level engagement with Valley Gardens Forum Tony has requested a few clarification points with regards to your letter dated 18 March 2019 setting out how the conditions set by Coast to Capital have been met by Brighton and Hove City Council. We just want to ensure everything has been covered. Please see below:

- **Condition 3 states:**

**3 Prior to issue of, and within funding agreement:** Confirmation in writing from the Monitoring officer that the scheme design meets the requirements of all relevant statutory legislation, including but not limited to air quality standards, traffic management, environmental and safety. To also seek confirmation that the Council considers that the appropriate balance has been achieved between impact upon traffic congestion, air quality and sustainable transport and public realm benefits.

And you replied with...

*I am also able to reassure you that the Final Preliminary Design meets the requirements of all relevant statutory legislation and that the project is considered to achieve an appropriate balance between its implications and outcomes for traffic congestion, air quality and sustainable transport and public realm benefits; as these items were all identified within the core objectives that the council agreed for the project, against which various options have been appraised and assessed by the council's consultants, the outcomes reviewed by officers, and subsequent decisions made by the ETS Committee.*

The statement you provided does confirm that the scheme design meets the requirements of all statutory legislation. However you do not mention environmental and safety specifically. Just for certainty please could we ask you to confirm if this is met.

- **Condition 4 states:**

**4 Prior to issue of and within the funding agreement:** Confirmation in writing from the monitoring officer that an appropriate level of engagement will continue with the Valley Gardens Forum and members of the public, as the scheme evolves, including confirmation that the concerns of the Valley Gardens Forum will be put to the relevant Council Committee before the scheme is approved.

And you replied with...

*The appropriate level of engagement and consultation will continue as the project progresses through its detailed design stage, and various elements of the design are refined prior to construction. This progress will be **reported to the appropriate committee** as will any objections subsequently received to Traffic Regulation Orders.*

Whilst this paragraph does not specifically mention the Valley Gardens Forum it clearly confirms the intention of BHCC to continue with appropriate engagement and consultation. The key wording which is causing us some challenge is that the paragraph ends with the assertion that the progress will be reported to the appropriate committee. This is not the same as taking matters to a committee for approval. Please could you confirm that the final decision has not yet been taken and will be taken as required by this condition set.

If you could please provide a response as soon as possible that would be great.

Look forward to hearing from you.

Kind regards,  
Hannah

**Hannah Gosling**  
**Investment Programme Manager**  
**Coast to Capital**

Arun House (Horsham Training Centre), Hurst Road, Horsham, RH12 2DN

*(Please note that I do not work on Wednesdays)*

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**From:** Trudy Haigh [mailto:Trudy.Haigh@brighton-hove.gov.uk] **On Behalf Of** Abraham Ghebre-Ghiorghis  
**Sent:** 18 March 2019 14:50  
**To:** Hannah Gosling  
**Cc:** Alice Rowland  
**Subject:** Letter regarding Valley Gardens Phase 3

Please find attached my letter to you regarding Valley Gardens Phase 3.

Regards

Abraham

**Abraham Ghebre-Ghiorghis** | Monitoring Officer and Executive Lead Officer – Strategy, Governance & Law | Brighton & Hove City Council  
Room 159, Hove Town Hall, Norton Road, BN3 3BQ  
| [brighton-hove.gov.uk](http://brighton-hove.gov.uk)

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## Hannah Gosling

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**From:** Trudy Haigh · on behalf of Abraham Ghebre-Ghiorghis  
**Sent:** 01 May 2019 15:14  
**To:** Hannah Gosling  
**Cc:** Alice Rowland; Elizabeth Culbert; Nick Hibberd; Oliver Spratley; Mark Prior; Anthony Middleton  
**Subject:** Letter regarding Valley Gardens Phase 3'

Dear Hannah,

Thank you for your email. I can confirm that the scheme design meets the requirements of all relevant statutory legislation, including but not limited to air quality standards, traffic management, environment and safety. The Council considers that the appropriate balance has been achieved between impact upon traffic congestion, air quality and sustainable transport and public realm benefits.

In relation to Condition 4, as I said in my letter ,the appropriate level of engagement and consultation will continue as the project progresses.

The decision which the Environment, Transport & Sustainability Committee took on 7 February 2019 was to approve the Final Preliminary Design for the Valley Gardens Phase 3 project. The Committee agreed that it should be progressed to the detailed design stage which will include further public consultation and stakeholder engagement. The Committee authorised officers to procure professional services/contract(s) for the detailed design and construction stages of the Valley Gardens Phase 3 project, and noted that this authorisation will enable officers to procure and award either a design and build contract or separate contracts for the design stage and the construction stage. It further noted that an update on these procurements will be provided to a future committee meeting.

There will therefore be a further report to the Environment, Transport & Sustainability Committee to update it on the procurements. As part of that report, officers will provide an update on progress but the decision which was taken on the 7 February will not be revisited by the Committee and officers will not be seeking approval for the scheme as that is already in place. The Council obviously has to comply with the process for making road traffic orders, including the need to report to a committee if there are objections and some aspects of the funding may need to be included in monthly budget reports to the Policy, Resources and Growth Committee. The Council may also need to apply for planning permission for some aspects of the project. But these are normal processes and so far as substantive approval of the scheme is concerned, a final approval has been given and there is no legal requirement to seek additional approvals.

Regards

Abraham

**Abraham Ghebre-Ghiorghis** | Monitoring Officer and Executive Lead Officer – Strategy, Governance & Law | Brighton & Hove City Council  
Room 159, Hove Town Hall, Norton Road, BN3 3BQ  
| [brighton-hove.gov.uk](http://brighton-hove.gov.uk)

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Transport Investment Solutions Limited  
786 London Road  
Thornton Heath  
Surrey, CR7 6JB

To:

30/August/2019

Mr Tony Middleton  
Chief Operating Officer  
Coast 2 Capital LEP

Dear Tony,

This is in reference to Hannah Gosling's email dated 29/08/2019, where she outlined 3 points of clarification sought by the lawyers reviewing the business case for the Brighton Valley Gardens Phase 3 project. I have once again reviewed the business case and the C2C Assurance Framework, and can confirm that the business case was done in accordance with current DfT guidance and the requirements of the Assurance Framework.

My specific responses to each of the 3 points raised by the lawyers are outlined below:

- A. It is confirmed that the Valley Gardens Phase 3 business case was prepared in accordance with current DfT business case guidance.
- B. The business case was undertaken in accordance with the DfT WebTAG guidance. While results of any sensitivity tests undertaken was not provided in the business case, various options (i.e. alternative schemes) were evaluated and the most financially and economically viable option was selected.
- C. The business case did include a social impact assessment, as well as an assessment of the number of people and businesses positively impacted by the scheme. This was done in accordance with DfT guidance

I hope these clarifications are useful. Please do not hesitate to contact me if you require any further assistance or clarifications.

With warm regards.

**Vidhi Mohan**

Independent Assessor

Coast to Capital Local Enterprise Partnership

# Valley Gardens Phase 3

Independent Assessment Report

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## Executive Summary

Brighton and Hove City Council (BHCC) has put forward a business case for the design and construction of a simplified road layout, cycle route and public realm improvements in the southern section of the Valley Gardens area (Phase 3) in Brighton. They expect this scheme to deliver significant economic and regeneration benefits to the area, in conjunction with Phases 1 & 2 of the scheme.

The estimated total cost of the Valley Gardens Phase 3 scheme is £7.84 million, of which the funding requested from C2C LEP under the LGF is £6 million. The applicant's share of the total capital costs (£1.84 million) is 23% of the total, which meets C2C's requirement of at least 15% matched funding for transport projects.

According to the C2C LEP Strategic Economic Plan (SEP) 2014, the Valley Gardens project (all three phases) would unlock housing development for 100 homes, deliver 9,000m<sup>2</sup> of employment floorspace and create 1,179 new jobs. No separate estimates have been provided of the total number of jobs that will be created by Phase 3.

The main economic benefit from the scheme will be a reduction in accidents and collisions, valued at £11 million. Based on the cost benefit analysis, a BCR of 1.2 has been estimated. This BCR places the scheme within the DfT's 'Low' value for money category. It is however likely that the scheme will deliver other benefits that have not been monetised for this business case. These include vehicle operating cost savings, air quality improvements and noise reduction benefits.

The environmental and social impacts of the schemes are positive and considered reasonable.

None of the risks have been identified as 'High', i.e. requiring immediate action. The most significant risk to the project is not securing funding from C2C. No alternative sources of funding have been identified, and hence the project will not be able to proceed. This will mean that the full benefits of the entire Valley Gardens scheme (all 3 phases) will not be realised.

The business case for Valley Gardens Phases 1 & 2 estimated that the schemes will deliver total economic benefits of £38.787 million, and a BCR of 4.148. Though not explicitly stated in the Phases 1 & 2 business case, for the full benefits of the entire Valley Gardens scheme to be realised, it is essential that all 3 phases are funded and completed. C2C LEP has already funded Phases 1 & 2, and not providing funding for Phase 3 will mean that the scheme will remain incomplete and that the entire benefits will not be realised.

The reviewer considers that the business case is robust and fit for purpose for a £7.84 million scheme, and that the project will provide economic benefits and with relatively low risks. As such, the reviewer recommends that the requested LEP funding of £6 million is approved for the Valley Gardens Phase 3 project.



## 1. Scheme Description

Brighton and Hove City Council (BHCC) has put forward a business case for the design and construction of a simplified road layout, cycle route and public realm improvements in the southern section of the Valley Gardens area (Phase 3) in Brighton. They expect this scheme to deliver significant economic and regeneration benefits to the area, in conjunction with Phases 1 & 2 of the scheme.

Valley Gardens is located at the centre of Brighton and is seen as the cultural and tourist hub of the city. In 2015 BHCC was successfully awarded £8 million in Local Growth Fund (LGF) funding by Coast to Capital (C2C) Local Enterprise Partnership (LEP) towards Phases 1 & 2 of the Valley Gardens scheme. Phases 1 & 2 covered the area north of Edward Street and encompasses the area adjacent to St Peter's Church and Victoria Gardens.

BHCC are now seeking funding for Phase 3 of the project, covering the Old Steine and the A23/259 junction / Brighton Palace Pier roundabout ("pier roundabout"). Phase 3 adjoins some of the city's key historic landmarks including the Royal Pavilion and Brighton Palace Pier. Phase 3 is expected to compliment the works already undertaken under Phase 1 & 2, and the scheme as a whole is expected to deliver city-wide benefits.

While numerous options were considered the scheme, the Council's preferred option for Phase 3 comprises of the following elements:

- A simpler road layout with all general traffic on the east of Steine Gardens;
- Improved crossing alignment for pedestrians;
- Better connections to the Lanes and St James's Street;
- Creation of a new 350 metre two-way, segregated cycle track;
- Creation of new public and event spaces in front of the Royal Pavilion Estate and Royal Albion Hotel;
- All existing green space and trees retained; and
- Planting of up to 30 new trees.

The £7.84 million scheme is expected to deliver the following benefits to residents, businesses, and visitors.

- Enhanced environment and improved north-south and east-west connectivity for pedestrians, due to widened footways and more direct crossings at the seafront which better service desire lines;
- Enhanced environment and improved north-south connectivity for cyclists, with a continuous cycle lane linking the seafront with the facility already planned as part of Phases 1 & 2;
- Smoother flows for bus traffic and passengers, removing the current bottleneck to the east of the war memorial and with a more efficient distribution of bus stops;
- Enhancement of a central civic space at the Old Steine, easily accessible to all users;
- The creation of new and extended public spaces, particularly to the south-east of the Royal Pavilion, increasing the opportunity for community, charity and commercial events; and
- Improved road safety, with anticipated collision and casualty reductions.

This review was based on the following information and documentation provided by C2C and BHCC.

- Valley Gardens Phase 3 Business Case;
- Appendices to the business case document; and

- Specific questions and comments were put to BHCC, for which answers were provided and discussed over the phone.

## 2. Business Case Review

### Capital Costs

The estimated total cost of the Valley Gardens Phase 3 scheme is £7.84 million, of which the funding requested from C2C LEP under the LGF is £6 million. The applicant's share of the total capital costs (£1.84 million) is 23% of the total, which meets C2C's requirement of at least 15% matched funding for transport projects. The total capital cost estimate is given in Table 2.1.

*Table 2.1: Scheme Capital Costs*

Item	Cost (£ '000s)
Planning and feasibility studies	230
Construction (labour, materials, equipment)	6,272
Project management	155
Consultancy	70
Site supervision	56
Post-completion monitoring	20
Post-completion project management	25
Allowance for tender inflation	203
Construction risks	338
Design and development risks	471
<b>Total Cost</b>	<b>7,840</b>

While no provision has been made for optimism bias, adequate provision seems to have been made for tender inflation as well as project risks and contingency. The construction phase is expected to run from February 2020 to March 2021 (12 to 13 months), which seems reasonable.

The overall capital cost estimates seem to be reasonable and have been estimated as per existing HM Treasury guidance.

### Job Creation

According to the C2C LEP Strategic Economic Plan (SEP) 2014, the Valley Gardens project (all three phases) would unlock housing development for 100 homes, deliver 9,000m<sup>2</sup> of employment floorspace and create 1,179 new jobs. No separate estimates have been provided of the total number of jobs that will be created by Phase 3. It will however be reasonable to assume that all the estimated new jobs will not be created unless all 3 phases of the project are delivered.

### Value for Money

A value for money analysis was undertaken in line with current DfT WebTAG and HM Treasury guidelines and methodology. The total estimated economic benefits and disbenefits of the scheme is given in Table 2.2.

Table 2.2: Scheme Economic Benefits

Item	Cost (£ million)
Accident (collision/casualty) reduction benefits	11.001
Active travel (walking and cycling) benefits	1.495
Land value uplift benefits	4.295
Public realm benefits	1.893
Supporting growth of the KIBS sector	6.168
Journey time (dis)benefits	-17.042
<b>Total Benefits</b>	<b>7.811</b>

#### Accident Reduction Benefits

The primary economic benefits from the scheme is the reduction in accidents due to collisions. Between 2013 and 2017, there were a total of 124 collisions in the Phase 3 area, of which 23 resulted in serious injury. Of the serious injuries, 40% were cyclists and 26% pedestrians.

With improved cycle lanes and pedestrian connectivity, we can expect the scheme to deliver a reduction in accidents and collisions. Benefits from a reduction in accidents were estimated using the DfT's Cost and Benefit of Accidents – Light Touch (COBALT) model, a computer program developed by the DfT to undertake the analysis of the impact on accidents as part of economic appraisal for a road scheme. Based on the outputs from the model, Phase 3 is expected to deliver a 44% reduction in the number of accidents, compared to the without scheme scenario. The number of fatal casualties has been estimated to reduce by 46%. While these percentage reductions seem to be high, they have been estimated based on approved DfT appraisal guidance, and hence are considered acceptable.

#### Active Travel Benefits

With improved accessibility and facilities for cyclists and pedestrians, this scheme is expected to deliver increased walking and cycling. The increase in these active modes of travel deliver benefits in terms of improved health, fitness and general wellbeing, as well as improved air quality. The DfT's Active Mode Appraisal Toolkit (AMAT) was used to estimate these benefits. Of the total benefit of £1.495 million, £0.998 million was a result of improved journey ambience. These benefits have been estimated based on approved DfT appraisal guidance, and hence are considered acceptable.

#### Land Value Uplift Benefits

Land value uplift captures in the increase in land value anticipated to occur in an area as a result of a targeted investment that enhances the attractiveness or accessibility of an area. The assessment focussed on 53 sites in the Valley Gardens area where it was expected Phase 3 to have an impact. The calculation of land value uplift was undertaken in line with appraisal guidance from the Ministry of Housing, Communities and Local Government (MHCLG). As per MHCLG guidance, land value uplift is calculated by subtracting the modelled land value from the current land value.

Land value data was obtained from commercial and residential property agents. It was assumed that Phase 3 would deliver a 10% change of land use from office to residential properties, due to the improved transport and public realm improvements. This resulted in an 8% uplift in land values, delivering a total benefit of £4.295 million. The assumptions made seem to be reasonable, and the benefits have been estimated based on approved MHCLG guidance, and hence are considered acceptable.

### Public Realm Benefits

The scheme is expected to deliver an enhanced public realm in Valley Gardens, including the opportunity for holding commercial, community and charity events in the area. As per MHCLG guidance each household will be willing to pay £1.80 for each hectare of new public realm. Based on this willingness to pay assumption, the total public realm benefit was estimated to be £1.893 million.

The assumptions made seem to be reasonable, and the benefits have been estimated based on approved MHCLG guidance, and hence are considered acceptable.

### Supporting Growth of the KIBS Sector

Knowledge Intensive Business Services (KIBS) is seen as one of the main potential growth sectors in Brighton and Hove, delivering jobs and investment. Brighton & Hove has particular strengths relative to its size in KIBS sectors, and analysis by HSBC places Brighton & Hove as one of seven UK 'supercities' which will create new types of growth and development in the UK economy. The business case assumes that Valley Gardens Phase 3 will generate 1% of the growth in KIBS sectors in Brighton City Centre. Analysis undertaken for the Valley Gardens Phase 1 & 2 business case estimated that the total annual growth in the Brighton & Hove City Centre Gross Value Added (GVA) from the KIBS sector is £119 million.

Valley Gardens Phase 3 will therefore deliver growth in the KIBS sector of £1.19 million per annum, which has been estimated at £6.618 million over the appraisal period. The assumptions made to estimate these benefits seem reasonable and hence are considered acceptable.

### Journey Time Disbenefits

While the scheme delivers a range of positive economic benefits, it will lead to an increase in journey times for both car and bus users, as the number of lanes available for vehicular is reduced. This will result in significant journey time disbenefits of £17.042 million. Assessment of these (dis)benefits was based on the model outputs from the city centre PARAMICS traffic model developed for BHCC by AECOM.

Based on the cost benefit analysis, a BCR of 1.2 has been estimated. This BCR places the scheme within the DfT's 'Low' value for money category.

It is however likely that the scheme will deliver other benefits that have not been monetised for this business case. These include vehicle operating cost savings, air quality improvements and noise reduction benefits.

### Environmental Impact

The scheme is expected to lead to increased cycling and walking, and hence deliver the following environmental benefits:

- Improved air quality;
- Reduction in noise;
- Retention of mature trees; and
- Contribute to biodiversity.

Further, all 70 existing trees will be retained and 30 new trees will be planted. These benefits have not been quantified or monetised in the business case. Based on the evidence and analysis provided in the business case, these conclusions are reasonable.

## Social Impact

Based on the improvements to the public realm, the scheme is expected to deliver the following positive social impact:

- Improved access for mobility impaired users;
- Improved access for visually impaired users;
- Providing connectivity between green/public spaces;
- Providing wide unobstructed footways;
- Providing/maintaining access to essential services; and
- Providing opportunities for resting and seating.

These benefits have not been quantified or monetised in the business case. Based on the evidence and analysis provided in the business case, these conclusions are reasonable.

## 3. Project Risks

A detailed risk register was provided as part of the business case, and the following were the key risks identified:

- Finance and securing best value;
- Design risks, including alignment with other proposed transport schemes and developments in Brighton;
- Stakeholder engagement and support of proposed scheme;
- Enabling the ongoing use of the Phase 3 area for events;
- Safety and security of new public spaces; and
- Construction programme and delivery;

None of the risks have been identified as 'High', i.e. requiring immediate action. The most significant risk to the project is not securing funding from C2C. No alternative sources of funding have been identified, and hence the project will not be able to proceed. This will mean that the full benefits of the entire Valley Gardens scheme (all 3 phases) will not be realised.

The other important risk is the construction interphases between this scheme, the Valley Gardens Phases 1 & 2, and other transport schemes in Brighton. However, BHCC seem to have put in adequate measures to mitigate against these risks.

Overall a review of the project risk register suggests that there are no significant or major project risks, and the risks identified can be overcome with the mitigation measures proposed..

## 4. Project Deliverability

BHCC has extensive experience of delivering projects of this nature, including the Valley Gardens Phase 1 & 2 scheme. They have set up an appropriate project management and governance structure, including oversight and accountability.

Based on this, there are no issues around BHCC's ability to successfully deliver this package of schemes.

## 5. Recommendation

The business case for Valley Gardens Phases 1 & 2 estimated that the schemes will deliver total economic benefits of £38.787 million, and a BCR of 4.148. Though not explicitly stated in the Phases

1 & 2 business case, for the full benefits of the entire Valley Gardens scheme to be realised, it is essential that all 3 phases are funded and completed. The anticipated outcomes for Valley Gardens Phases 1 & 2 are significantly predicted on the delivery of a coherent Phase 3 scheme. C2C LEP has already funded Phases 1 & 2, and not providing funding for Phase 3 will mean that the scheme will remain incomplete and that the entire benefits will not be realised.

Even though Phase 3 on its own delivers a BCR of only 1.2 and is within the DfT's 'Low' value for money category, this should not be viewed as a stand-alone project, but part of a wider regeneration scheme for the Valley Gardens as a whole.

The reviewer considers that the business case is robust and fit for purpose for a £7.84 million scheme, and that the project will provide economic benefits and with relatively low risks. As such, the reviewer recommends that the requested LEP funding of £6 million is approved for the Valley Gardens Phase 3 project.

## COAST TO CAPITAL LOCAL GROWTH FUND BUSINESS CASE

<b>Project Title:</b>	Valley Gardens Phase 3
<b>Lead delivery organisation:</b>	Brighton & Hove City Council
<b>Lead contact name:</b>	Oliver Spratley
<b>Version No:</b>	02 (Final)
<b>Issue Date:</b>	19 December 2018

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.

In practice, you will find this entails updating the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, with supporting benefits and risk registers.

Please note that this template is for guidance 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](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:

This application is seeking a £6million contribution from the Local Growth Fund to enable the design and construction of a simplified road layout, cycle route and public realm improvements in the southern section of the Valley Gardens area of Brighton.

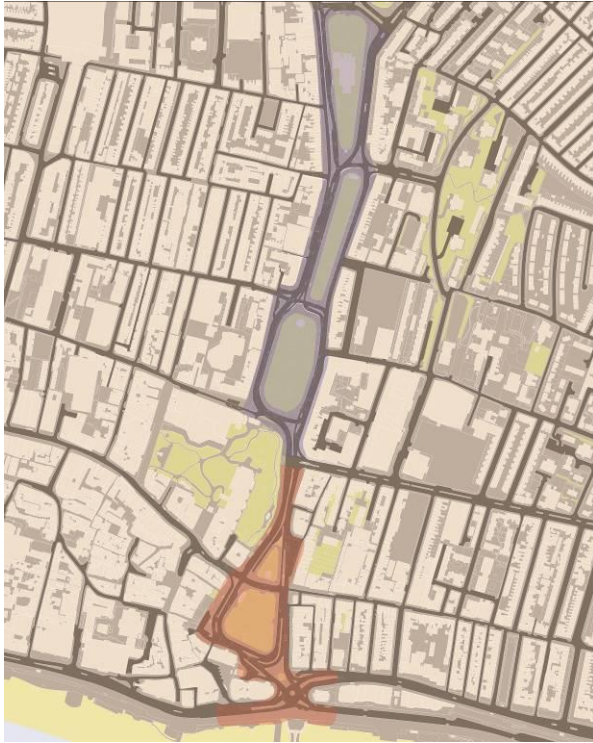
The location of Valley Gardens is shown in Figures 1 and 2. This application is focused solely on the southern section of Valley Gardens (Phase 3), incorporating the Old Steine and the A23/259 junction / Brighton Palace Pier roundabout ("pier roundabout"). Phase 3 adjoins some of the city's key historic landmarks including the Royal Pavilion and Brighton Palace Pier. Phases 1&2 – which covers the area north of Edward Street and encompasses the area adjacent to St Peter's Church and Victoria Gardens – was the subject of a separate funding application to the Coast to Capital Local Enterprise Partnership (C2C LEP) (submitted in mid-2014) for which it was successfully awarded £8million from the LGF (early 2015). Detailed designs have been approved for Phases 1&2 and construction commenced in 2018.

Figure 1: Context map of Valley Gardens





Figure 2: Map outlining the boundaries of Valley Gardens Phases 1-3. Phases 1 and 2 are shaded in blue. The red shading denotes the area covered by the Phase 3 scheme, which is the focus of this business case.



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### Project Scope

Valley Gardens is the geographical centre of Brighton & Hove; it has the potential to be a central hub of city-life and Brighton's growing visitor economy, mixing its unique architecture and green spaces with efficient connectivity for vehicles, pedestrians and cyclists to move around the city more effectively. This potential is currently being constrained, however, by inefficient and unattractive placemaking and a poor road layout that prioritises vehicular traffic to the detriment of cyclist and pedestrian movement. This has not only resulted in the Valley Gardens area experiencing high numbers of collisions and casualties, but has also resulted in the area being underutilised, perceived as a centre for crime and antisocial behaviour and not fulfilling its economic potential.

Complementing Phases 1&2, and in line with C2C's 2014 Strategic Economic Plan (the current SEP at the time that the £6 million worth of LGF was provisionally allocated to the project), Valley Gardens Phase 3 has the potential to bring city-wide benefits to Brighton & Hove by tackling severance and improving connectivity in the city centre and towards the seafront. To achieve this, the main components of the preferred option which the council agreed for consultation in October include:

- A simpler road layout with all general traffic on the east of Steine Gardens
- Improved crossing alignment for pedestrians
- Better connections to the Lanes and St James's Street
- Creation of a new 350 metre two-way, segregated cycle track
- Creation of new public and event spaces in front of the Royal Pavilion Estate and Royal Albion Hotel
- All existing green space and trees retained
- Planting of up to 30 new trees

Figure 3: Phase 3 preferred option



### Benefits for Brighton & Hove

The proposed scheme has the potential to deliver a wide range of benefits for Brighton & Hove's residents, visitors and local businesses, including:

- Enhanced environment and improved north-south and east-west connectivity for pedestrians, due to widened footways and more direct crossings at the seafront which better service desire lines
- Enhanced environment and improved north-south connectivity for cyclists, with a continuous cycle lane linking the seafront with the facility already planned as part of Phase 1&2
- Smoother flows for bus traffic and passengers, removing the current bottleneck to the east of the war memorial and with a more efficient distribution of bus stops
- Enhancement of a central civic space at the Old Steine, easily accessible to all users
- The creation of new and extended public spaces, particularly to the south-east of the Royal

- Pavilion, increasing the opportunity for community, charity and commercial events
- Improved road safety, with anticipated collision and casualty reductions.

The scheme also has the potential to support the regeneration of the Valley Gardens area and economic growth for Brighton & Hove. A summary of the monetised and economic growth impacts of the Phase 3 scheme is provided in the table below.

Table 1: Summary of economic impacts

Benefit	Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
Supporting growth of the KIBS sector	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

<sup>(1)</sup> Land value uplift is taken as a single one-time uplift in land values.

<sup>(2)</sup> Given the uncertainty in long-term economic forecasting, the forecast period for KIBS benefits in the economic case for Valley Gardens Phase 3 is 10 years (rather than the 20-year period used for other impacts).

Whilst the scheme is anticipated to deliver significant economic benefits resulting from reductions in the number of collisions/casualties (accidents), an increase in public space, walking and cycling benefits, increased land values, and through supporting the growth of the KIBS sector in Brighton & Hove, it is clear from the summary table above that the total economic impact of the scheme is suppressed by the proposed scheme's impacts on journey times. This reflects the scheme's desire to achieve a greater and fairer balance in the area's division of space between different transport modes and users. Whilst the overall transport user benefit for the scheme is negative, the scheme's anticipated impact on journey times is dependent on the time of day. Benefits are expected in the AM peak period when the current impact of congestion is highest.

Without LGF funding, this project is very unlikely to proceed. This would not only leave Brighton & Hove with ongoing congestion and poor public realm in a key location on its world-famous seafront but would also undermine the potential benefits of Phases 1 and 2, for which the C2C LEP has already committed significant investment. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.

**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).**

Investment in capital expenditure items that promote digital transformation and digital infrastructure ☐

New Innovation and start up business creation ☐

Facilities to provide teaching and research facilities and/or skills based training in digital and innovation areas, across further and higher education sectors in close proximity to the M23, A23 corridor ☐

**Increased capacity in sustainable transport and 'key' arterial routes where there are 'bottlenecks', together with flood resilience and digital infrastructure investment** ☒

Investment in capital projects where there is a demonstrable case that such investment will generate proportionate foreign direct investment and international trade ☐

Regeneration and housing infrastructure projects that increase capacity and footfall and unlock new ☐



	employment space
	Capital investment to increase high value tourism to the Coast to Capital region <input type="checkbox"/>

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

Securing investment to protect and enhance Brighton & Hove's built and natural environment and to support its growth as a strong and prosperous city is a key focus of the city council's (BHCC) 2016 City Plan Part One. The City Plan Part One includes the objective to make sure Brighton & Hove is an attractive city, ensuring that the city's open spaces are well maintained and more accessible to everyone, with Valley Gardens in particular highlighted for becoming 'a more attractive, accessible and usable environment'.

Delivering prosperous urban centres is also identified as a priority in the C2C LEP 2018 Strategic Economic Plan (SEP). Enabling the construction and regeneration of the Valley Gardens Phase 3 area closely aligns to this objective, as set out below.

#### Strategic Economic Plan 2018-2030

The C2C SEP 2018-2030, 'Gatwick 360', puts London Gatwick Airport at the core of its economic plan, highlighting its central position at both the geographical and economic heart of the LEP area. The LEP's vision by 2030 is for 'the towns and cities in the Coast to Capital area to be known around the world as fantastic places to live, to grow and succeed and for the area to become the most dynamic non-city region in England, centred around a highly successful Gatwick Airport.'

As shown by its vision, the LEP's focus on Gatwick Airport does not diminish the importance of the C2C area's cities, towns and villages and their local economies and communities, but instead highlights the importance of connectivity and the important link that Gatwick provides for the region and the towns and cities within it. This is reiterated across the SEP's eight economic priorities for the period up to 2030:

- Priority 1: Deliver prosperous urban centres
- Priority 2: Develop business infrastructure and support
- Priority 3: Invest in sustainable growth
- Priority 4: Create skills for the future
- Priority 5: Pioneer innovation in core strengths
- Priority 6: Promote better transport and mobility
- Priority 7: Improve digital network capability
- Priority 8: Build a strong national and international identity

Brighton & Hove is the LEP's second-most productive local authority district, with a GVA of £7,349m, closely following Croydon's £7,727m. Already a major urban centre, Brighton & Hove is home to two universities and growing visitor and knowledge-based economy. The Valley Gardens corridor, however, has been recognised as an underperforming area of the city, which has the potential to bring city-wide benefits. The LEP's commitment to award £8.0m from the LGF to support Phases 1 & 2 of the Valley Gardens project demonstrates the opportunity within the corridor to enhance the city centre's environment and creating a meeting place for residents and visitors. Phase 3 of the project will extend the improvements along the full-length of the corridor down towards Brighton's seafront.

The Phase 3 scheme aligns to the LEP's ambitions under Priority 1 to deliver prosperous urban centres:

#### Priority 1 ambitions

Delivery of high-quality, locally-distinctive mixed-use schemes based on good urban design

Places for people that encourage social

#### Valley Gardens Phase 3 scheme

- Simplified road layout and traffic infrastructure
- Improved environment and landscaping
- Revitalising Valley Gardens as city-centre park and destination, increasing the amount

interaction and mixed communities	of open and green civic space that is easily accessible from surrounding areas
Places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas	<ul style="list-style-type: none"> <li>Reducing severance and improving capacity for cyclists and pedestrians</li> <li>Removing physical and perceived barriers to east-west connectivity</li> </ul>
Rejuvenated local economies that add vitality and commerce to neighbourhoods, towns and cities, and make high quality landscape, recreation, heritage and culture more accessible	<ul style="list-style-type: none"> <li>Supporting higher value land uses</li> <li>Reducing fear of crime</li> <li>Improving pedestrian access to neighbouring cultural landmarks</li> <li>Creation/enhancement of new and existing amenity spaces providing new opportunities for local businesses</li> </ul>

Unlike the LEP's 2014 SEP (now superseded), C2C's new 2018 SEP does not yet include details of specific packages of investment or target development areas. Over the course of 2018/19 the LEP will be creating a more detailed action plan to deliver the SEP. The 2014 SEP, however, had already identified Valley Gardens as an underperforming part of Brighton & Hove and identified the corridor as one of four integrated packages of investment for the city.

### Strategic Economic Plan 2014

The importance of Valley Gardens as an area on which development should be focussed was made clear in C2C LEP's 2014 SEP. This included Phases 1, 2 and 3 of the transport scheme: 'Regenerating the Valley Gardens area in an integrated manner that reinforces its strategic significance, emphasises its historic and cultural character, reduces the adverse impact of vehicular traffic, improves local air quality and creates a continuous green boulevard that reconnects the open spa to the surrounding urban realm'.

C2C's 2014 SEP set out the view that the Valley Gardens project (all three phases) would unlock housing development for 100 homes, deliver 9,000m<sup>2</sup> of employment floorspace and create 1,179 new jobs.

**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).**

£2018	Amount	% of Total Cost
<b>Total Project Cost</b>	£7.84m	100%
<b>Applicant own funds</b>	£1.84m	23%
<b>Other public funds</b>	-	-
<b>Private sector funds</b>	£0.0m	0
<b>Funding requested from Coast to Capital LEP</b>	£6.0m	77%

**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.	Unknown
Businesses assisted- financial and non- financial	No.	Unknown
Skills- new learners and/or apprentices	No.	Unknown
New housing unit completions	Units	0
New floor space constructed/refurbished- learning	Sq mtr	0
New floor space constructed/Refurbished- Commercial	Sq mtr	0
Length of new roads/cycle ways	km	1.5km resurfaced roads 0.35km bi-directional, segregated cycle track

Improvement to journey times	Minutes per mile	Dependent on time of day. Benefits expected in AM peak when impact of congestion is highest
Carbon reduction	Tonnes of CO2	Unknown

**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**

A full risk register is included as an annex to this submission. Previous iterations and analysis of risk in this project identified nearly thirty individual risks. The key risk categories into which many of the high and medium level risks fall into are:

**Finance and securing best value**

The most significant risk to this project is that this Business Case fails to justify or secure LGF funding, which would mean this project is very unlikely to proceed. No alternative funding source has been identified.

As further described in the Commercial Case in section 4, to secure best value there will be competitive tendering exercises via OJEU to procure the detailed design and construction works. BHCC's current Professional Services Framework Contract expired in September 2018. This framework had been used to procure the works for Valley Gardens Phases 1&2. To mitigate the risk that a replacement contract is not set up in time, the council has identified two alternative procurement routes to procure the Phase 3 detailed design and construction works. The first and preferred option is to use the Eastern Shires Purchasing Organisation (ESPO) Framework. The second route that has been identified is the Orbis Professional and Technical Services Framework.

**Design risks, including alignment with other proposed transport schemes and developments in Brighton**

As a key corridor in Brighton & Hove, the scheme must integrate with other schemes and developments in the city, both proposed and those already underway, and not least the Valley Gardens Phases 1&2 scheme.

Mitigation to address design risks and ensure the scheme integrates with other schemes and developments include:

- Adoption of a competitive two-stage design process
- Workshops and briefings with key stakeholders to inform the design and maintain awareness of concurrent schemes and development projects
- Design subject to two-stage public consultation
  - Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area
  - Stage 2 (October-November 2018): 6-week formal consultation on single preferred option
- Approval of a preferred design option by BHCC's Environment, Transport and Sustainability Committee.

**Stakeholder engagement and support of proposed scheme**

Linked to the design risks described above, several risks have been identified which centre around securing stakeholder and public buy-in to the Phase 3 design. Mitigation to address weak stakeholder buy-in include:

- Design subject to two-stage public consultation
- Workshops and briefings with key stakeholders.

**Enabling the ongoing use of the Phase 3 area for events**

Valley Gardens plays host to some of Brighton & Hove's key events which are attended by residents and visitors alike. There is a risk, however, that some events may need to be temporarily relocated to outside of the Phase 3 area during construction works.

Mitigation to enable the continued use of the Phase 3 area for events include:

- Where possible, maintaining access to public spaces for events will be considered in the scheduling and delivery of construction works

- Designs include the creation of new public spaces and enhancement of existing public space which, post-construction, could host existing or additional events for the city.

### **Safety and security of new public spaces**

One of the central benefits of the scheme is the creation of new public space and the enhancement of the existing green space at the Old Steine, to be easily accessible to all users. The scheme will also upgrade the quality of the public realm and improve pedestrian access along the rest of the Phase 3 area, which includes the removal of pedestrian guard rails. The creation of these new and more open spaces may heighten the potential risk for safety or terrorism incidents to occur.

Mitigation to the safety and security risks include:

- Attracting more people to the area may help increase the level of self-surveillance
- The positioning of street furniture will be designed to minimise the potential for such incidents.

There are also a number of safety risks associated with temporary traffic management which may arise during construction works. These include ensuring that footpaths and cycleways are managed and are safe and that contractor and project team staff on site have a safe working environment. The project team are committed to managing these risks, collaborating with key stakeholders where required.

### **Construction programme and delivery**

Risks associated with the construction schedule and delivery are limited. Whilst the scheme is in a very prominent and busy, city centre location, as with Phases 1&2 the component parts of the improvement works themselves are relatively straightforward and fall within the existing highway boundary. To mitigate the potential for any delays associated with planning requirements, however, the council's Planning team is being consulted to determine if planning applications are required. A Design & Access Statement is being produced to meet any planning permission requirements should they arise during the next stage of the project/ through the feasibility study/reporting.

Construction works will be delivered in stages, thereby providing increased flexibility in managing the overall timetable should any delays occur and also enabling the continued use of the corridor by vehicles, cyclists and pedestrians throughout the project duration, albeit at a reduced capacity.

## **DOCUMENT STATUS**

### **REVISION HISTORY**

Revision Date	Version No.	Summary of changes	Author/editor
15/11/2018	1	Original draft	BHCC
18/12/2018	2	Incorporated changes following approval of draft by ETS Committee	BHCC

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## DISTRIBUTION LIST


## 2. The Strategic Case

### 2.1) Describe the compelling case for change.

Valley Gardens is a major north/south route that serves as a key access point to Brighton & Hove's world-famous seafront. The A23 is lined on each side by Georgian buildings and the area contains several green spaces as well as the Royal Pavilion, a major city landmark and tourist attraction. The route plays an important role in establishing the first and last views of many of Brighton & Hove's key attractions and seafront to visitors. As the geographical centre of Brighton & Hove, Valley Gardens has the potential to become a central hub for city-life and the city's visitor economy. At present, however, this key city centre corridor is not living up to expectations. Valley Gardens is currently constrained by dysfunctional placemaking and a poor-quality road layout that is restricting the economic performance of the area and which risks damaging the popular view of Brighton & Hove as one of the UK's top tourist destinations.

A key part of the regeneration of the corridor is a major road enhancement scheme aimed at reducing severance and enhancing the public realm along the A23 in the Valley Gardens area. The project is divided into three phases. Phases 1&2 of the Valley Gardens project focus on the northern extent of the Valley Gardens area and set out to enhance the movement of pedestrians, cyclists and vehicular traffic and reduce congestion along the A23 north of Edward Street. Phase 3 – the focus of this Business Case – will complete the project and includes the junction of the A23 and A259 and adjoins some of the city's key historic landmarks including the Royal Pavilion and Brighton Palace Pier.

#### Brighton & Hove, its visitor economy and the role of the Valley Gardens/A23 corridor

Brighton & Hove is one of the UK's major tourist resorts, attracting a large number of visitors from across a range of demographic groups. The city has developed a distinct identity through its association with various groups and movements throughout its history, which has resulted in Brighton & Hove's unique offer to visitors. The city's unique offer combines Regency architecture, of which the Brighton Pavilion is perhaps the most notable example, Victorian piers and buildings, such as the Brighton Town Hall, and a contemporary cultural offer that includes the annual Brighton Festival and a Pride event of a national scale.

Brighton & Hove's role as a major tourist destination for the UK is reflected in its economic performance and visitor numbers. The city has a total population of 287,200<sup>1</sup> and has 137,000 employees<sup>2</sup>. It is estimated that tourism supported almost 21,800 actual jobs (or almost 16,000 FTE jobs)<sup>3</sup> across Brighton & Hove in 2016, which equates to approximately one in six of the city's total employee jobs. The number of people visiting the city is also growing. In 2016, Brighton & Hove attracted 11,234,000 visitors, up 6.4% on the previous year<sup>4</sup>. The total amount that visitors are spending in the city also increased to £885.9 million, which represents an increase of 3.2% compared to 2015<sup>5</sup>.

Brighton & Hove is home to many nationally-significant visitor attractions, most notably, Brighton Palace

<sup>1</sup> Office of National Statistics (ONS), Population Estimates 2016

<sup>2</sup> ONS, Business Register and Employment Survey (BRES) 2016

<sup>3</sup> Tourism South East, The economic impact of tourism in Brighton & Hove 2016

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



Pier which was the fourth-most popular visitor attraction in terms of number of visitors in 2016 and one of only two attractions in the top-ten not in London<sup>6</sup>. The pier attracted a total of more than 4.6m visitors in 2016<sup>7</sup> and sits directly opposite the pier roundabout at the terminus of the A23 and the Valley Gardens corridor, where the route joins the main A259 seafront/coast road. The A23 is a major access point for many people visiting Brighton & Hove, with the road leading from the M25 all the way to the Old Steine and the pier roundabout on the seafront. The Royal Pavilion also sits to the west of the Valley Gardens Phase 3 area and is itself also undergoing a £41.6m capital development project.

While the visitor economy is important to Brighton & Hove, the city also has many people employed in the financial services sector, including at American Express, which has a large, new European Service Centre base in the city located just to the east of Valley Gardens. Approximately 7% of all jobs in Brighton & Hove are in the financial and insurance services sector, compared to 3% across the south east and 4% nationally<sup>8</sup>. The city also has strong concentrations of people working in higher education, reflecting the importance of the city's two universities to its economy, and specialisms in the information technology and creative sectors<sup>9</sup>. The University of Brighton's Grand Parade Campus is located along the eastern side of the Valley Gardens corridor. The School of Humanities sits directly on the boundary of the Phase 3 scheme area in the Pavilion Parade building. The location of these is shown on the plan provided in Figure 1 (see Section 1.1).

### **The challenge – why the scheme is needed**

Valley Gardens and the surrounding area are of significant strategic importance to Brighton & Hove, as both the primary access point and as the geographic centre of the city, key to tourists as well as other businesses, its universities and residents. At present, however, the Valley Gardens area faces several interrelated challenges which are limiting the area's potential. Whilst the construction of Phase 1-2 of the project will go some way to addressing these challenges, many will still apply for the final phase. The main challenges for Phase 3 can be summarised as:

- **Inefficient land uses and overly complex road layout**

The primary challenge faced by Valley Gardens is centred around the severance caused by inefficient land use and an overly complex road layout that favours vehicular traffic to the detriment of pedestrians and cyclists. The A23 corridor currently forms an overly complex layout of gyratories, dual carriageways and segregated bus lanes with inconsistent stops on each side of the road. These multiple, complex systems cause confusion among drivers and deter pedestrians. The unusual segregated bus lane has mismatched stops on the north and southbound carriageways, in some instances having no stops whatsoever and in others, causing passengers to disembark onto a narrow traffic island. Parking areas are also inefficiently laid out with access roads taking up land that could be used for pedestrian or public space. Approximately 6% of the land can be classified as 'dead space', wholly unusable by anyone, locked up in traffic islands and fenced off areas. In contrast to the perception of the area as a green space, this only accounts for approximately 15% of land.

- **A barrier to east-west connectivity**

Whilst, proportionately, pedestrians appear to be well catered for with approximately 30% of the area allocated to footways, this is not always in areas of demand or in locations that serve pedestrian desire lines.

Not only is the road layout along the A23 complex and unsympathetic to the historical area, it is restrictive to pedestrians due to the high density of traffic and the road design which has effectively created a barrier that prevents pedestrian travel between eastern and western parts of the city. The installation of guardrails along much of Valley Gardens has further restricted access across this east/west route. Residents, commuters and visitors are not able to move freely around the area, which is limiting footfall across several major areas and reducing access to key visitor attractions such as the Royal Pavilion.

<sup>6</sup> Visit England, 2016 Most Visited Paid Attractions *and* 2016 Most Visited Free Attractions, *both part of the Annual survey of visits to visitor attractions.*

<sup>7</sup> Visit England, 2016 Most Visited Free Attractions, Annual survey of visits to visitor attractions

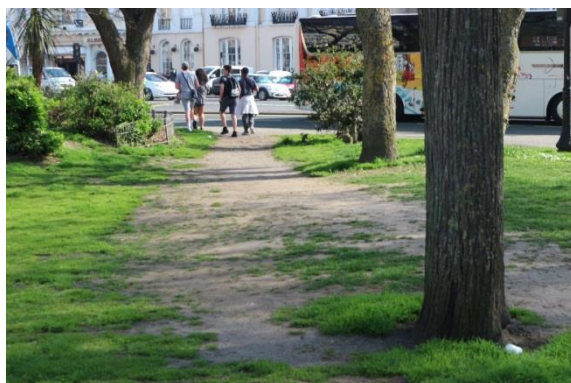
<sup>8</sup> ONS, Business register and employment survey 2016

<sup>9</sup> Regeneris Consulting, April 2018, Brighton & Hove Economic Strategy: Evidence Base – Executive Summary

*Figure 4: Pedestrian route to the Lanes is not legible and obstructed*



*Figure 6: Pedestrian routes not following desire lines from Steine Gardens to the Seafront*



*Figure 5: Severance at Old Steine / Pavilion Parade*



*Figure 7: Lack of direct crossing opportunities from St James's St to Steine Gardens*

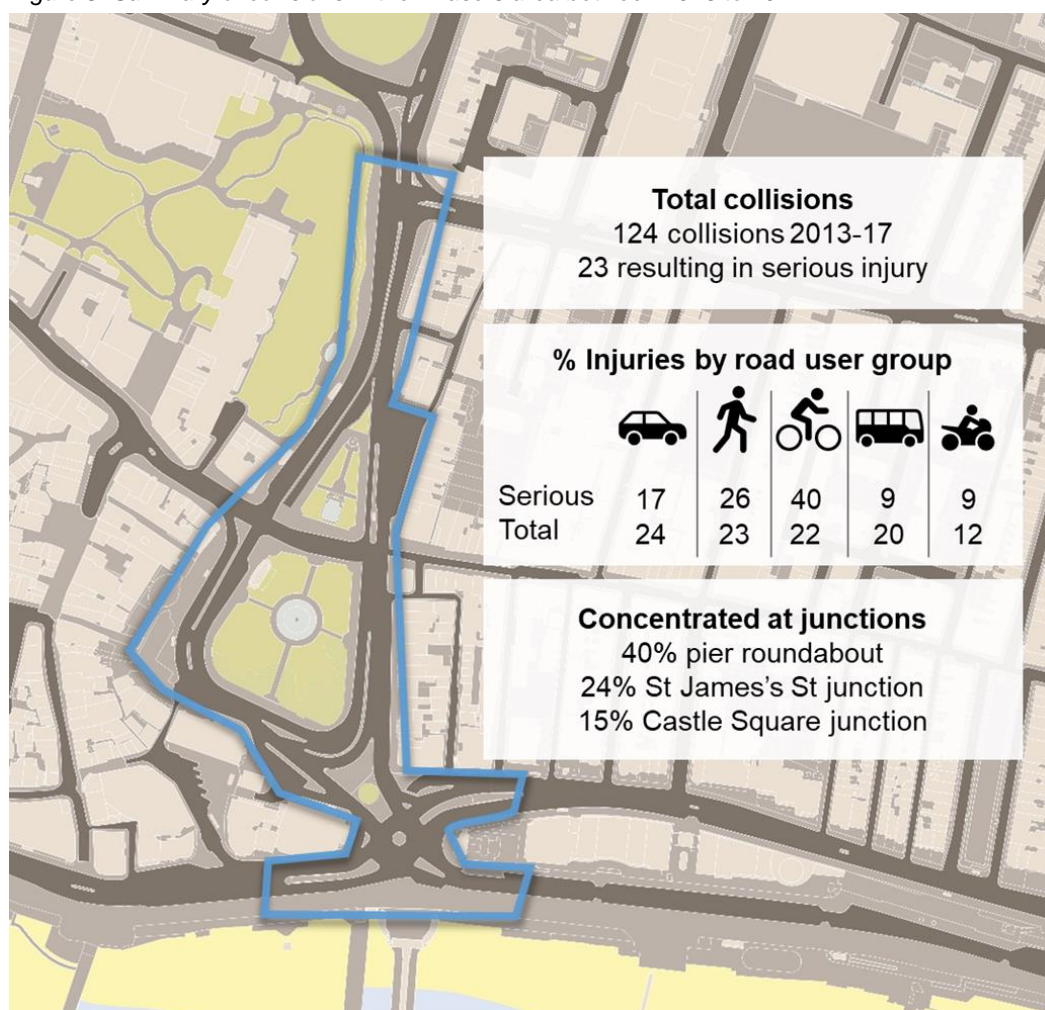


- **High levels of congestion and collisions**

As a primary access point to the city's seafront, the route suffers from high levels of congestion. This congestion further impacts upon visitors' perception of the area and is likely to have a negative impact on the popular impression of the city to many visitors.

In addition, Valley Gardens has experienced a large number of collisions, many resulting in serious casualties. Collision data also indicate the higher risk for vulnerable road user groups, particularly at the A23/A259 junction, as shown in Figure 8.

Figure 8: Summary of collisions in the Phase 3 area between 2013 to 2017



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- **Poor quality public realm and placemaking**

The location of the Steine and the pier roundabout mean that the area could be a central hub for the city, linking together major areas in the east such as St James's Street and the hotels, bars and visitor attractions along Marine Parade and Madeira Drive to the key areas to the west of Valley Gardens, such as the city's Cultural Quarter and shopping areas including the Lanes, North Laine and Churchill Square shopping centre. Rather than complementing and enhancing the area's architecture and existing attractions, however, the current road layout and cluttered street furniture in the southern section of Valley Gardens fail to impress and instead provide a somewhat underwhelming first impression of Brighton & Hove's seafront and tourist attractions to visitors arriving in the city.

The area is restrained by its dysfunctional placemaking that limits the movement of both vehicles and pedestrians in the Valley Gardens area, reducing access by visitors to areas either side of the A23 as well as increasing congestion. Whilst the Old Steine does play host to some of the city's



events – such as the Brighton Festival and Fringe events held in May each year – there is greater potential for this green public space to become an attractive and easily accessible destination for the city's residents and visitors alike.

Despite the central location and historic architecture, Valley Gardens has also become a hotspot for both real and perceived crime and anti-social behaviour, particularly relating to drug dealing. This also tarnishes the view of the city to visitors and demonstrates the scale of the underutilisation of this major thoroughfare that has great potential to be transformed into a vibrant and successful civic space.



*Figure 9: Brighton Festival 2018. Public spaces need to be flexible in order to host events. Steine Gardens is better used than green spaces to north but remains detached from adjacent areas.*

- **Constrained economic performance and land values**

Ultimately, the dominance of vehicular traffic, inefficient road layouts and poor quality public realm are imposing limitations on pedestrian and cyclist movement which are, in turn, limiting the amount of time people spend in the area. The impact of this for local businesses, particularly within the visitor economy which relies heavily on visitor footfall, is that businesses are missing out on potential revenue.

The area's reduced accessibility and dominance of vehicular traffic has resulted in an undervaluation of the land in the Valley Gardens area. Whilst the Phase 3 section of Valley Gardens is predominately bounded by commercial uses, there is relatively little active frontage, with this confined mainly to the corners of the junctions with Castle Square and St James's Street. Furthermore, whilst Valley Gardens is a conservation area, with a large proportion of historic buildings, some of its historic buildings have lower standards of maintenance and there is an opportunity to attract higher value uses.

### **The Solution – what the scheme comprises**

The solution to this challenge is to redevelop the public realm and road layout along Valley Gardens to enhance traffic flows, enable frictionless pedestrian movement across Valley Gardens and enhance the streetscape to make the area more attractive as well as more effective. Figure 10 presents the proposed new layout alongside the current layout.

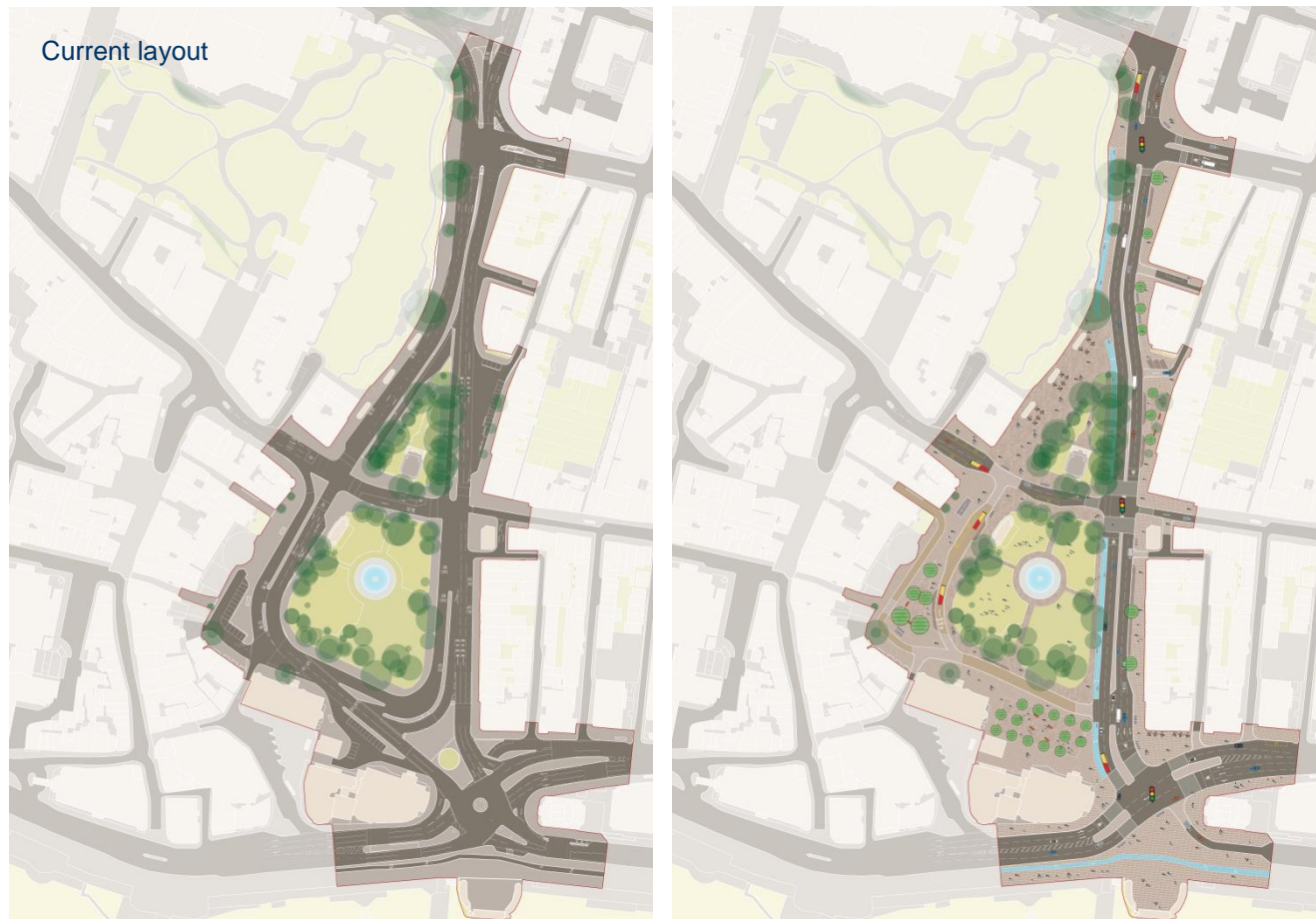
A simplified road layout will encourage pedestrians and cyclists to use the space and enable the barrier-free access between the eastern and western sides of Valley Gardens, whilst still maintaining vehicle access. Continuing the approach adopted in the northern Phase 1-2 section of Valley Gardens, all general traffic will travel along two northbound and southbound lanes on the eastern side of Steine Gardens, separated by a central median; bus routes will encircle Steine Gardens (Figures 11 to 13). A new two-way, segregated cycle lane will also stretch from the Royal Albion Hotel along the eastern side Steine Gardens. The proportion of land designated for pedestrian use will increase from 45% of the scheme area to 64% of scheme area<sup>10</sup>.

Together these improvements will re-establish the pedestrian link between Kemptown and the city centre, enabling movement between the two areas and encouraging visitors to move around the city, thereby spreading the benefits of the successful visitor economy, particularly to Valley Gardens itself

<sup>10</sup> % figures refer to the proportion of land allocated to pedestrian footway, new public space and greenspace.

where there are few bars, cafes or restaurants, unlike much of the rest of the city. The increased footfall will enable the regeneration and continued development of Valley Gardens. The more visitors that can access an area, the more viable sites become for use as public-facing businesses such as those in the visitor economy.

*Figure 10: The current road layout is shown on the left-hand image. The proposed new layout (right) relocates all traffic to the east of the gardens within a dual carriageway layout, except for a northbound loop for buses to the south-west of Steine Gardens. The current pier roundabout at the A23/259 junction will be replaced by a signalised junction. A continuous cycle lane will link the facility planned as part of Phase 1-2 with the seafront. More direct pedestrian crossings will also be provided at the seafront, better serving desire lines and catering for high pedestrian demand. Pedestrian crossings will be introduced on all arms of the junction of Old Steine and St James's Street.*



Source: Mott MacDonald. Mapping © Crown copyright and database rights (2018) OS (100020999)

In addition to the increased pedestrian flows that will enable the redevelopment of the area by attracting businesses to Valley Gardens, the public realm elements of the scheme will enhance the perception of the area. Valley Gardens has the potential to become a major area for visitors to congregate and to develop into a major destination in its own right, making use of the heritage of the area and its central location. The public realm enhancements, particularly the creation of new public spaces in front of the Royal Pavilion Estate and Royal Albion Hotel and the removal of barriers and the cluttered street furniture, will enable a better use of the space for businesses, public events and movement between the eastern and western sides of the city (Figures 14 and 15).



Figures 11 to 13: Preferred Option - Traffic directions. Figure 11 (left) shows the proposed traffic routes and directions for general traffic (dark blue) and buses (red). Figures 12 and 13 (right) show the two northbound and southbound lanes and the central median on eastern side of Steine Gardens from the redesigned A23/259 junction.



Source: Mott MacDonald. Mapping © Crown copyright and database rights (2018) OS (100020999)

Figures 14 and 15: Improvements to the public realm, which include an increase in the amount of public space and widened footways, will increase the opportunity for events and other community activities to be held in Steine Gardens and complement the area's important historical landmarks. Figure 14 (left) shows the new area of public space to be created to the south-east of the Royal Pavilion Estate<sup>11</sup>. Figure 15 (right) shows a bird's-eye view of the re-designed public space and pedestrian footway in front of the pier.

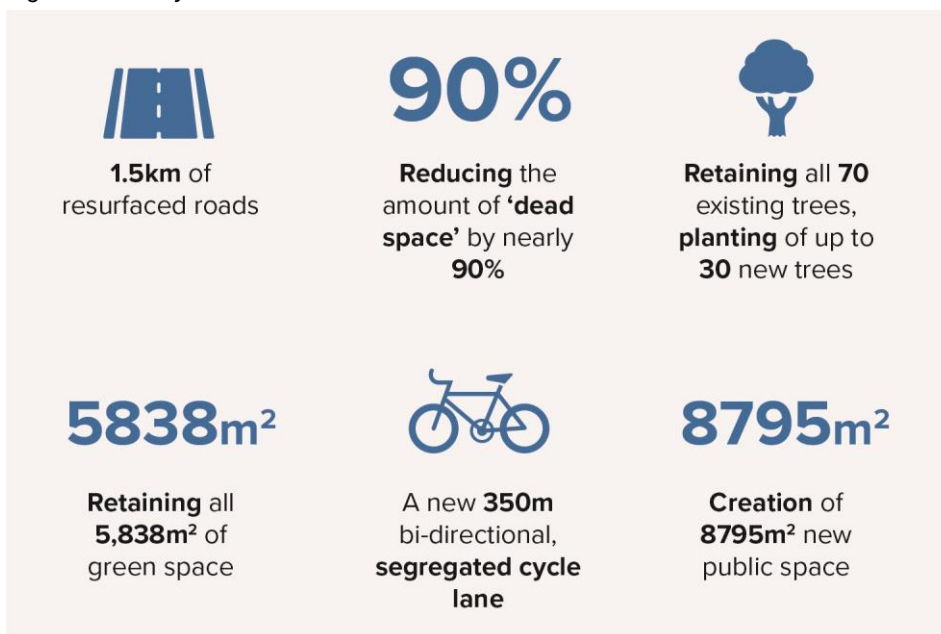
<sup>11</sup> Figure 14 shows indicative, re-purposed, existing, listed bus shelters being used for retail / catering, creating a potential future revenue source for the council. The re-purposing of the bus shelters is not included within the scope or costings for the Valley Gardens Phase 3 scheme, and would be subject to a separate study and funding and planning applications.



Source: Mott MacDonald.

Figure 15 summarises and quantifies the scheme's improvements to pedestrian, cycling, vehicular, public transport infrastructure and public realm enhancements.

Figure 15: Valley Gardens Phase 3 enhancements



### Benefits of the Valley Gardens Phase 3 scheme for Brighton & Hove

This scheme has the potential to deliver a lasting impact on the Valley Gardens area and wider city. A summary of the key user-benefits for residents and visitors of the Valley Gardens Phase 3 proposals, as well as the more tangible economic benefits (which are further presented in Section 3 of this Business Case) include:

- Improved north-south and east-west connectivity for pedestrians, thanks to widened footways and more direct crossings at the seafront which better service desire lines
- Improved north-south connectivity for cyclists, with a continuous cycle lane linking the seafront with the facility already planned as part of Phase 1-2
- Combined walking and cycling (active travel) benefits valued at £1.495m over 20 years
- Smoother flows for bus traffic, removing the current bottleneck to the east of the war memorial and with a more efficient distribution of bus stops
- Improved road safety, with anticipated collision and casualty (accident) reduction benefits valued at £11.001m over 20 years
- Enhancement of a central civic space at the Old Steine and Steine Gardens, easily accessible to all users
- The creation of new and extended public spaces, particularly to the south-east of the Royal Pavilion, and improved public realm valued at £1.893m over 20 years
- Increased opportunity for community, charity and commercial events in the scheme area,

providing the council with additional income from hiring out event space, valued at £0.1m over 20 years

- An anticipated £4.295m increase in land values in the area immediately surrounding the Phase 3 scheme
- Provision of high quality public realm and transport infrastructure supporting further growth in Brighton & Hove's important Knowledge Intensive Business Services (KIBS) sector, with an estimated value of £6.168m over ten years.

### **Why public funding is required – the impact of not delivering the scheme**

Without funding, it is highly unlikely that this scheme will be progressed. No alternative sources of funding have been identified that would enable the full scheme to be implemented with city-wide impact. Valley Gardens is currently constrained by dysfunctional placemaking and a poor-quality road layout that constrains the economic performance of the area and risks damaging the view of Brighton & Hove held by visitors who are so important to the local economy. Failure to address this poor road layout and unwelcoming public realm could limit the future growth potential of the areas surrounding the scheme, particularly of the Kemptown area to the east of Valley Gardens which has fewer key attractions than the area to the west of the road.

Furthermore, as Phase 3 forms only a segment of a larger north-south corridor, if the project fails to secure funding from the LEP this could undermine the potential impact of Phases 1-2, for which the C2C LEP has already committed a significant £8million investment and construction commenced in September 2018. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.

### **Contribution to the Coast to Capital SEP and other relevant policies**

This project shows strong strategic alignment with a number of the C2C LEP's and BHCC's major policies.

The C2C LEP's new SEP, launched in July 2018, sets out eight key economic priorities which comprise its programme for growth. Valley Gardens Phase 3 directly supports Priority 1 of the SEP, to deliver prosperous urban centres. In particular, the Phase 3 scheme supports the following ambitions set out under Priority One in the SEP, which include:

- The delivery of high-quality, locally-distinctive mixed-use schemes based on good urban design
- Places for people that encourage social interaction and mixed communities
- Places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas
- Rejuvenated local economies that add vitality and commerce to neighbourhoods, towns and cities, and make high quality landscape, recreation, heritage and culture more accessible.

### **City Plan Part One (2016)**

BHCC's City Plan (Part One) aligns to the LEP's ambitions for delivering prosperous urban centres and reflects the importance the council places on protecting and enhancing the city's unique built and natural environment whilst ensuring needed homes and jobs are provided, along with the right infrastructure and community facilities to support the city's residents, businesses and visitors. Valley Gardens is identified as Special Area policy (SA3) in the City Plan and the council is committed to working with public and private sector partners to deliver regeneration and to enhance Valley Gardens, in line with the specific aims it has identified, these are:

- To create a vibrant and attractive new public park for the city centre
- To reduce the severance impact of traffic on the enjoyment of the public realm through environmental and transport improvements
- To create safe and legible links with adjoining areas
- To enhance the appearance and setting of historic buildings
- To find appropriate new uses for key buildings
- To accommodate provision for high quality outdoor events
- To enhance the biodiversity of the area.

These do not distinguish between Phases 1&2, although further specific priorities are made in relation to



the Old Steine as follows:

- Emphasise its role as a visitor destination space
- Enhance the arrival and departure experience for visitors by ensuring simple, safe and comprehensible links to and from the seafront and the Lanes
- Ease the movement of pedestrians and cyclists through recapturing road space and creating direct crossing points, particularly to reconnect St James's Street with the city centre.

Other City Plan policies of particular relevance are SA1 (Seafront) and CP9 (Sustainable Transport). SA1 includes a commitment to improve pedestrian and cycle connections to and along the seafront, as well as to support the regeneration of Madeira Drive and safeguard its role as a key events space. CP9 aims to provide an integrated, safe and sustainable transport system that will accommodate new development, improve accessibility and support the city's role as a regional centre for employment, shopping, tourism and services.

### **City Plan Part Two**

The second part of the City Plan was released by BHCC in draft for consultation in July 2018. This set out the detailed development management policies for the city to support the strategic City Plan Part One. It also identifies and allocates additional development sites. Relevant policies of this emerging strategy to Valley Gardens are as follows:

- DM 32 (Royal Pavilion) which seeks to provide a more legible and coherent perimeter treatment, enhance entrances and the 'sense of arrival', improve pedestrian circulation through the estate, enhance key views into and across the estate, improve security and design out anti-social behaviour
- DM 33 which supports LTP objectives to provide safe and sustainable transport;
- DM 34 outlining the conditions in which purpose built-interchanges including park and ride and coach parking will be supported
- DM 27 (Listed Buildings) and DM28 (Locally Listed Heritage Assets).

### **Local Transport Plan 4 (LTP4) (2015)**

In relation to BHCC's current transport strategy (LTP4), the Valley Gardens Phase 3 scheme also supports a number of its strategic objectives, including to:

- Ensure that transport contributes to sustainable economic growth
- Reduce transport emissions
- Create safe and welcoming streets
- Create attractive spaces that enhance quality of life and regenerate the city
- Create an accessible and inclusive transport system
- Encourage healthy and active travel choices.

The Valley Gardens project is one of the key projects outlined in LTP4 with specific aspirations being to open up the public spaces; to improve routes for all users, including between the Royal Pavilion and seafront; to enhance the public realm; and to improve safety.

### **Other BHCC Strategies**

The **Public Space Public Life Study** and the **LR2 Study** show how Valley Gardens could be developed into a grand civic route into the city and propose the creation of an attractive and inviting 'Green Lung' that would provide environmental benefits to the city through the use of green infrastructure. The **Public Space Public Life Study** proposes the development of the area into a 'Gateway' for the city that is attractive and welcoming and built around the principles of sustainable and environmentally-friendly design. These proposals include the planting of 10,000 trees, the creation of walking and cycling networks, the improvement of connections between districts of the city and the relocation of city centre parking.

The Valley Gardens scheme has the potential to create links with specific identity and character, could become the grand route into the city, reflecting the importance of this historic valley and its connection to the water. On a smaller scale, the east-west route could incorporate several green elements and begin to attract more joggers, cyclists and general recreation.

### **Transformative: An Economic Strategy for Brighton & Hove, November 2018**

More recently, a new economic strategy for Brighton & Hove has been developed for the whole city

(approved by Full Council on 13 December 2018), which responds to the priorities set out within C2C's SEP and the Government's industrial strategy. The Strategy is underpinned by five key themes: 'A Growing City', 'An Open City', 'A Talented City', 'A Fair City' and 'A Sustainable City'. The Valley Gardens Phase 3 scheme supports the 'Open City' theme, which reflects the Council's aims to enhance the identity of Brighton & Hove and the city region as a welcoming place for residents, businesses, visitors and investors and which responds to some of the city's key challenges, such as enhancing the quality of the built environment. It also aligns to the aspirations captured within the 'Sustainable City' theme through improving facilities for low carbon modes of transport, such as cycling and walking.

### **Brighton & Hove Visitor Economy Strategy (VES) 2018-2023**

In recognition of the importance of tourism for Brighton & Hove's economy, the council and its partners have developed a new strategy to support sustainable growth in the local visitor economy and an associated plan to improve the management of the visitor experience in Brighton & Hove. The strategy sets out an overarching goal for tourism in Brighton & Hove 'to safeguard the long-term sustainability of tourism'. In planning for sustainable growth, the strategy recognises that currently most visitors are concentrated in a small footprint in the centre of the city, but struggle to navigate to and understand the city's different quarters and neighbourhoods. Through improving north-south and east-west connectivity and re-establishing the pedestrian link between Kemptown and the city centre, the Valley Gardens Phase 3 scheme will help overcome these challenges. The scheme directly supports the council's aims for managing the city for sustainable growth in the tourism sector by enabling visitors to explore further, understand and access the city better.

Furthermore, the strategy also identifies a series of growth opportunities through which the city can add value and build on its existing strengths, one of which is to 'work more closely with the universities and with key industries to nurture new events and bring them together to bid for international events to develop a proposition that takes advantage of the rich digital and creative clusters in Brighton and better engages with it'. With its proximity to the city's universities and creation of city-centre public space, the Valley Gardens Phase 3 scheme will create and improve the city's facilities for such events.

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

The Valley Gardens Phase 3 scheme design options have been assessed against policies in the City Plan Part One, in particular Policy SA3 Valley Gardens that includes seven overall aims for the corridor. SA3 also sets out specific priorities for improvements to the Old Steine.

It is important that the Phase 3 scheme provides a solution which is coherent with and complements the highway design and public realm improvements that are now under construction as part of Valley Gardens Phases 1-2.

The specific design objectives for Phase 3 are set out below.

Design Objective 1: To improve the quality of the pedestrian experience	A. Improve north-south connections
	B. Improve east-west connections
	C. Maximise pedestrian capacity
	D. Improve connections to green space
	E. Improve connections to the Lanes
Design Objective 2: To improve the quality of the cycling experience	A. Provide a continuous north-south connection
	B. Improve east-west connections
	C. Provision of segregated cycle infrastructure
	D. Improve cycle crossing to seafront cycle route
	E. Opportunities for cycle parking / cycle hire facilities
Design Objective 3: To improve the experience for public transport users	A. Maintain or improve bus journey times
	B. Provide sufficient bus stop capacity in appropriate locations
	C. Provide sufficient bus stand / layover capacity

	D. Provide facilities for private coaches
	E. Provide sufficient taxi ranks in appropriate locations
Design Objective 4: To reduce the impact of vehicle congestion	A. Improve north – south general traffic journey times
	B. Improve east – west general traffic journey times
	C. Improve driver legibility / simplify layout
	D. Retain current vehicle movement options
	E. Achieve 'smoother' flow of traffic
Design Objective 5: To improve the public realm	A. Create space for new public realm
	B. Provide connectivity between green / public spaces
	C. Improve setting of and links to the Royal Pavilion
	D. Improve setting of historic buildings on Old Steine
	E. Retain and enhance quality / capacity of event spaces
Design Objective 6: To improve road safety	A. Reduce occurrence and severity of vehicle / P2W collisions
	B. Reduce occurrence and severity of pedestrian collisions
	C. Reduce occurrence and severity of cyclist collisions
	D. Maintain appropriate vehicle speeds by design
	E. Improve perception of safety for all road users
Design Objective 7: To enhance the environment	A. Improve air quality
	B. Reduce noise
	C. Retain mature trees
	D. Contribute to biodiversity
	E. Create space for additional tree planning / landscaping
Design Objective 8: To provide inclusive and accessible space	A. Improve access for mobility impaired users
	B. Improve access for visually impaired users
	C. Provision of wider unobstructed footways
	D. Provide / maintain access to essential services
	E. Provide opportunities for resting / seating

Timescales for the construction of the scheme are set out in Section 5 below.

### 2.3) Stakeholder Engagement carried out.

A Consultation and Engagement Plan and Stakeholder Management Plan were produced in May /June 2018.

The plans set out a two-stage approach to public consultation:

- Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area.
- Stage 2 (October-November 2018): 6-week formal consultation on single preferred option.

The following engagement strategies have been employed:

- Online questionnaires on BHCC consultation portal
- Staffed exhibition events
- Hard copies of survey to be made available at events or on request
- Consultation period advertised via social media and council press release

- Posters displayed in public areas including car parks and public transport

In addition to public consultation, there has also been engagement with internal and external stakeholders during the design process. Internal consultation has included lead Members and ward councillors, and officers from a range of the council's service areas. Externally, the Connected City's Transport Partnership has been, and will continue to be, engaged as will user groups and business representatives. City council officers have also provided monthly briefings to C2C LEP officers on the progress being made since September 2017.

## 2.4) List the key stakeholders and their interest areas.

Key internal and external stakeholders and stakeholder groups engaged during the design process include:

Stakeholder Group	Interest areas
<b>Department for Transport</b>	<ul style="list-style-type: none"> <li>• Adherence to regulations</li> <li>• Impact on neighbouring projects</li> </ul>
<b>Internal council stakeholders</b> , including officers from City Parks, City Clean, Events, Visit Brighton, Planning / Conservation, the Seafront Office, Museums and Community Safety and transport officers.	<p>Various, including:</p> <ul style="list-style-type: none"> <li>• That the project can be implemented and links coherently with Phases 1-2</li> <li>• Provision of high-quality bus infrastructure and bus priority</li> <li>• Protection and maintenance of seafront structures</li> <li>• That designs contribute to managing congestion</li> <li>• Design and operation of on-street parking</li> <li>• Road safety</li> <li>• Management of the seafront</li> <li>• Historic buildings and their setting</li> <li>• Management of parks and green spaces</li> <li>• Compliance with Equality Act</li> <li>• Access for public refuse collection and street cleaning</li> <li>• Increasing visitors and achieving high visitor satisfaction</li> <li>• Improving the setting of the Royal Pavilion Estate and managing its security</li> <li>• Events can continue to operate and improve facilities for enhancing events</li> <li>• Crime reduction</li> </ul>
<b>Connected City Transport Partnership</b>	<ul style="list-style-type: none"> <li>• Forum for discussion and comment on scheme proposals as they emerge</li> </ul>
<b>Public transport operators</b> , including Brighton & Hove Bus Company, Big Lemon Compass Bus, Metro Bus and Stagecoach	<ul style="list-style-type: none"> <li>• Services can run through the scheme area without an adverse impact on current journey times and that sufficient bus stop and bus stand provision is retained</li> </ul>
<b>Coach operators</b> , including National Express and operators of visitor coaches	<ul style="list-style-type: none"> <li>• Services can run through the scheme area without an adverse impact on current journey times</li> <li>• Access to coach station is retained and/or sufficient coach stand capacity is incorporated into designs</li> <li>• Adequate capacity for coach parking is provided across the city and for drop-off in the city centre/ on the seafront</li> </ul>
<b>Bike share operator</b> , Hourbike	<ul style="list-style-type: none"> <li>• Existing hub capacity is retained and ideally extended</li> </ul>
<b>Taxi service providers</b>	<ul style="list-style-type: none"> <li>• Journey times for taxis are not negatively impacted</li> <li>• That adequate taxi rank capacity is provided</li> </ul>
<b>Transport user groups</b>	<p>Various, including:</p> <ul style="list-style-type: none"> <li>• Bus journey times are improved and bus stop facilities upgraded with better routes to them</li> <li>• Provision of high quality cycle routes and addressing missing links</li> <li>• Maintenance of seafront cycle facility during events and</li> </ul>

	<ul style="list-style-type: none"> <li>congested periods</li> <li>Designs provide a safer environment for powered two wheelers</li> <li>Designs improve traffic flow and reduce congestion</li> <li>That the designs cater for the needs of disabled people and provide improvements on the existing layout</li> <li>That the scheme accommodates the needs of all users</li> </ul>
<b>Residents' groups</b>	<ul style="list-style-type: none"> <li>Various with full engagement through the public consultations</li> </ul>
<b>Local conservation groups</b>	<ul style="list-style-type: none"> <li>The setting of historic buildings is preserved</li> </ul>
<b>Emergency services</b> , including Sussex Police, East Sussex Fire and Rescue, Sussex East Coast Ambulance Service	<ul style="list-style-type: none"> <li>Continued access for vehicles and maintenance of response times</li> <li>Community safety</li> </ul>
<b>Businesses and Business Groups</b> , including Business Forum, Brighton & Hove Economic Partnership, Brighton & Hove Tourism Alliance, Brighton Pier, Sealife Centre, Events organisers, other local businesses	<p>Various, including:</p> <ul style="list-style-type: none"> <li>Scheme helps to encourage additional visitors and supports businesses in the scheme and adjoining areas</li> <li>Access to frontages and private parking is maintained</li> <li>Public realm better accommodates visitors</li> <li>Events can continue as present</li> </ul>
<b>Schools</b> , including Carlton Hill Primary School and Middle Street Primary School	<ul style="list-style-type: none"> <li>School and parents interested in safer routes to school</li> </ul>
<b>National bodies</b> including Historic England and Environment Agency	<ul style="list-style-type: none"> <li>The setting of historic buildings is improved</li> <li>The scheme does not increase vulnerability of the area to flooding</li> </ul>
<b>Utility companies</b>	<ul style="list-style-type: none"> <li>Maintenance of existing infrastructure and ease of access to this within a future scheme</li> </ul>
<b>Design: South East Review Panel</b>	<ul style="list-style-type: none"> <li>Independent panel to review scheme designs as they emerge</li> </ul>

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

The seamless integration of the Phase 3 design with the Phase 1-2 scheme is essential to ensure the successful delivery of the project. Detailed designs have been approved for Phase 1-2 with construction having commenced in late summer 2018. The general design principle for Phase 1-2 is to remove the current gyratory system and relocate two-way through traffic to the east side of the gardens. Buses, taxis and local access traffic will use the west side of the Steine Gardens.

The preferred option for Phase 3 has been designed to connect coherently with Phase 1-2, although there may be scope for minor amendments to the southernmost section of the latter during the Phase 3 detailed design stage. Construction of the southern section of the Phase 1-2 area will be last part to be completed. Any delays to the Phase 1-2 programme, could impact on the delivery schedule for the construction of Phase 3.

The A23/Edward Street junction was the subject of a recent redesign as part of a Government-funded Better Bus Area project and is not formally included in either phase; however, the Phase 3 design process includes this junction to ensure that a coherent link is provided.

The proposed Phase 3 project will be designed and constructed within the existing highway boundary and within land owned by the council. The council's Planning team is being consulted to determine if planning applications are required. A Design & Access Statement is being produced to meet any planning permission requirements should they arise during the next stage of the project/ through the feasibility study/reporting. The risk posed by failing to secure the necessary permissions and planning



consents could cause significant delay to the delivery of the project.

## 2.6) Project Dependencies

As set out above, the Valley Gardens Phase 3 project is intrinsically connected to Valley Gardens Phases 1-2. The anticipated outcomes for Valley Gardens Phases 1-2 are significantly predicted on the delivery of a coherent Phase 3 scheme to realise the forecast benefits-costs ratio and transport outcomes.

In addition to the Phases 1-2 scheme, other major projects that the Phase 3 project would influence and be affected by are the Waterfront Project and Madeira Drive/Madeira Terrace regeneration.

The Waterfront Project includes the construction of a new conference/convention and entertainment venue at Black Rock, to be part funded by the sale and redevelopment of the Brighton Centre and Kingswest complex. This requires an integrated transport strategy to connect the new venue to the city centre and train station with access being via the Valley Gardens Phase 3 scheme area.

Madeira Drive is subject to a number of current and planned projects which aim to restore the historic Madeira Terraces and attract new uses to vacant sites. The regeneration of the Madeira Terrace is currently largely unfunded; however, the wider regeneration of Madeira Drive will be an important consideration in determining future access arrangements as part of the Valley Gardens project.

The Royal Brighton Pavilion Estate which flanks the scheme is also undergoing redevelopment, which includes the restoration of the Royal Pavilion and improvements to the Royal Pavilion Garden. The redevelopment will also see further development of the Brighton Museum and Art Gallery.

## 2.7) Project disruption

The Valley Gardens (A23) corridor is a major north/south route through the centre of Brighton & Hove. The Phase 3 area is bounded by two of the city's major visitor attractions, the Brighton Palace Pier and Royal Pavilion, and many other residential, business and university premises. Whilst some disturbance and inconvenience to residents, business and visitors is inevitable during the improvement works, the following measures will be deployed to minimise disruption:

- **Staged-delivery and scheduling:** In line with the approach adopted for the construction of Phase 1-2 of the Valley Gardens scheme, the improvement works for Phase 3 will be undertaken in stages to allow for the continued use of the area by vehicular traffic (including emergency services), cyclists, and pedestrians during construction.
- **Temporary traffic management:** Temporary traffic management will be required during the improvement works to divert and manage the flow of traffic around the work area and create a safe working environment for contractors. This may include temporary road closures and relocation of bus stops, leading to short periods of reduced capacity and increased journey times for users. To minimise disruption for users, BHCC will look to schedule any temporary closures outside of peak periods.
- **Communication:** Dates for the improvement works and any road closures will be communicated to residents, businesses, schools and visitors via a monthly newsletter, to be produced by the appointed contractor. Key stakeholders, such as public transport operators, local businesses and emergency services, will be engaged with directly.
- **Access to premises:** Access to all visitor attractions, other commercial and business premises and residential properties will be maintained throughout the duration of improvement works. Maintenance of access to public spaces for events will also be critical and such events will be considered in the scheduling and delivery of construction works. Some events may need to be temporarily relocated during construction works.

In addition to the above, any lessons learnt during the management of the Phases 1-2 works will be applied to the Phase 3 works, if appropriate.

### 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.

#### Box 1:

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
<b>Do nothing, minimum or status quo</b>	No new significant investment in the southerly section of Valley Gardens. Improvements to the Valley Gardens corridor finish at the terminus of the Phase 1-2 scheme area.	None	None	N/A
<b>Proposed option</b>	<b>Option 1: All traffic on the east.</b> The proposed option simplifies the traffic layout by relocating all traffic to the east of the gardens within a dual carriageway layout, apart from a northbound loop for buses to the south-west of Steine Gardens. The proposed option creates a significant additional area of public space to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. The current pier roundabout at the A23/259 junction will be replaced by a signalised junction.	£7.840million (excl. VAT) – estimated	£6million	Delivers 1.5km of resurfaced roads and a new 0.35km bi-directional, segregated cycle track. Enables improvements in road safety, with an estimated £11.001m accident reduction benefits. Public realm enhancements valued at £1.893m. Enables an estimated £4.295 increase in local land values. Support growth of KIBS sector, valued at £6.168m.
<b>Alternative options:</b>	<b>Option 2: Informal roundabouts.</b> Option 2 removes all conventional traffic signals and replaces these with informal roundabouts in a similar fashion to either Poynton in Cheshire or Frideswide Square in Oxford. NB: Option 2 is not considered to be a viable option because of the likely impacts on traffic congestion and possible accessibility issues (further explanation is provided in Box 2 below).	£6.943million (excl. VAT) - estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £18.134m. Public realm enhancements valued at £1.297m. Support growth of KIBS sector, valued at £6.168m.



	<b>Option 3: Buses on west with signalised junction.</b> Option 3 relocates buses to the western side of the corridor, although southbound buses from North Street would continue to use St James's Street and the eastern side of the Old Steine.	£7.881million (excl. VAT) – estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £10.812m. Public realm enhancements valued at £1.362m. Support growth of KIBS sector, valued at £6.168m.
	<b>Option 4: Buses on west with retention of roundabout on seafront.</b> Option 4 is similar to Option 3, although it retains the roundabout junction at the Palace Pier where the A23 joins the A259.	£8.028million (excl. VAT) - estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £11.424m. Public realm enhancements valued at £1.326m. Support growth of KIBS sector, valued at £6.168m.

#### Box 2:

Option Name:	Advantages:	Disadvantages:
<b>Do nothing, minimum or status quo</b>	No immediate funding required.	<ul style="list-style-type: none"> <li>• Fails to address all issues around complex road layout and pedestrian and cyclist access.</li> <li>• Undermines the potential benefits of Phases 1-2 scheme, for which funding has already been committed and construction commenced.</li> <li>• Fails to deliver the significant public space and urban realm benefits Option 1 will bring.</li> </ul>
<b>Proposed option</b>	<ul style="list-style-type: none"> <li>• Greatest economic benefits.</li> <li>• Greatest potential for increasing the number of community, charity and commercial events.</li> <li>• The most favourable option in terms of journey times for general traffic.</li> <li>• Considered to be the most accessible option because of the type of crossings proposed and the alignment of these.</li> </ul>	<ul style="list-style-type: none"> <li>• Greater capital cost than Option 2.</li> <li>• Accident benefits not as high as Options 2 and 4, however, the benefits are still expected to be substantial.</li> </ul>

	<ul style="list-style-type: none"> <li>Significant benefits for walking and cycling access within and across the Phase 3 area.</li> </ul>	
<b>Alternative options:</b>	<ul style="list-style-type: none"> <li>Option 2 has a lower capital cost and shows the biggest reduction in the number of accidents. However, it is not considered to be viable for the reasons stated opposite.</li> </ul>	<ul style="list-style-type: none"> <li>Lower economic benefits.</li> <li>Options 3 and 4 have a greater capital cost and funding requirement.</li> <li>All alternative options have a lesser increase in public space, with correspondingly lower monetary benefits.</li> <li>Traffic modelling has indicated that Option 2 is not viable in traffic capacity terms, with introduction of single lanes expected to result in a 'gridlock' situation.</li> <li>Option 2 does not provide formal traffic crossings. Whilst this can work in some locations, it is not considered appropriate to the volume of traffic and pedestrians in this location. There is also concern about how inclusive the design would be and its accessibility benefits compared to Option 1.</li> <li>Option 2 is also not expected to generate the required public and stakeholder support and as such there are questions over its deliverability.</li> <li>The creation or retention of signalised junctions in Options 3 and 4 provides added complexity.</li> <li>Options 3 and 4 would allow a lower quality cycle lane to be provided to the north. This will reduce the associated benefits and lead to greater conflict with pedestrians.</li> </ul>

### 3.2) The preferred option

The preferred option is to simplify the layout of the Phase 3 area and readdress the spatial balance between different modes and users by relocating all traffic to the east of the gardens within a dual carriageway layout, with the exception of a northbound loop for buses to the south-west of Steine Gardens.

A key feature of the preferred option is the increase in public space that it provides. The preferred option will provide the greatest increase in newly created public space, with a significant additional area to be created to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. Further enhancing the pedestrian environment and pedestrian access, the preferred option includes more direct pedestrian crossings to be provided at the seafront than options two to four, better serving desire lines and catering for the high pedestrian demand.

Whilst each of the shortlisted options allow for the introduction of a continuous cycle lane linking the facility planned as part of Phases 1-2 with the seafront, the preferred option also provides a new crossing for cyclists at the seafront to link with the new north-south facility. The preferred option also sees the removal of the signalised junction at North Street and Castle Square.

Overall, the preferred option has been assessed to have the most beneficial impact against the defined design criteria for the scheme. Whilst Option 2 (which is based on the removal of all conventional traffic signals, replacing them with informal roundabouts in a similar fashion to either Poynton in Cheshire or Frideswide Square in Oxford) is estimated to deliver the greatest benefits in terms of accident reductions (valued at £18.134m over 20 years), traffic modelling for Option 2 resulted in a 'gridlock'

situation, suggesting that the reduction in capacity arising from the introduction of single lanes associated with this option is not viable in capacity terms.

The preferred option also has the greatest potential of the four short-listed options to support economic growth for the Valley Gardens area and for the city more widely. A summary of the anticipated economic impacts for the Phase 3 preferred option are summarised below.

<b>Benefit</b>	<b>Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)</b>
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
KIBS sector benefits	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

If the preferred option is not successful, the following outcomes are anticipated:

- Ongoing AM peak time congestion and poor quality public realm, undermining the potential benefits of Phases 1 and 2. The anticipated outcomes for Valley Gardens Phases 1-2 are significantly predicted on the delivery of a coherent Phase 3 scheme to realise the forecast benefits-costs ratio and transport outcomes. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.
- 44% more accidents compared to if the scheme goes ahead<sup>12</sup>.
- Nearly 6% of land will remain as 'dead space', not able to be used and locked up in traffic islands and fenced off areas.
- Continued dominance of vehicular traffic, to the detriment of cyclists and pedestrians.
- Constrained pedestrian and cyclist connectivity to the proposed exhibition venue at Black Rock, part of the Waterfront Project. The project requires an integrated transport strategy to connect the new arena to the city centre and train station with access being via the Valley Gardens Phase 3 scheme area.
- Land value uplift and public realm benefits estimated at over £6m will not be realised.

### **3.3) Issues with preferred option.**

To select the preferred option, the council has undertaken a sifting and appraisal exercise to assess each of the options against previously agreed design objectives. The preferred option (Option 1) is expected to offer the greatest all-round benefits and is the best performing in terms of journey times. Whilst it does not provide additional bus priority measures, it is largely consistent with the existing layout in terms of the length of dedicated bus lanes with the exception of the removal of the current segregated bus lane to the east of the war memorial. However, this removes a bottleneck in the current layout, as the segregated bus lane currently results in delays to buses queuing behind stopping services and contributes to a poor passenger environment.

The proposed option creates a significant additional area of public space to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. This area includes existing listed bus shelters, which hold the potential for being re-purposed for retail / catering uses, creating a potential future revenue source for the council (see Figure 14 in Section 2.1). It is important to note, however, that the re-purposing of the bus shelters is not included within the scope or costings for the preferred option and would be subject to a separate study and funding and planning applications.

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

Section 1.6 above outlines the main risks and issues with the proposed project, which is based on this preferred option. Here we highlight the top 5 risks of this option. The 5 risks listed below are in addition

<sup>12</sup> Based on COBALT analysis over a 60-year forecast period.

to the fundamental risk that this Business Case fails to secure LGF funding. As no alternative funding source has been identified, failure to secure LGF funding is a very real risk to the project and could ultimately decide whether the project will go ahead.

### **Procurement challenges and securing best value**

As further described in the Commercial Case in section 4, to secure best value there will be competitive tendering exercises via OJEU to procure the detailed design and construction works. However, BHCC's current Professional Services Framework Contract expired in September 2018. This framework had been used to procure the works for Valley Gardens Phases 1-2. To mitigate the risk that a replacement contract is not set up in time to procure the Phase 3 detailed design and construction works, the council has identified two alternative procurement routes. The first and preferred option is to use the Eastern Shires Purchasing Organisation (ESPO) Framework. The second route that has been identified is the Orbis Professional and Technical Services Framework.

### **Design risks, including alignment with other proposed transport schemes and developments in Brighton & Hove**

As a key corridor in Brighton & Hove, the scheme must integrate with other schemes and developments in the city, both proposed and those already underway, and not least the Valley Gardens Phase 1-2 scheme. To minimise design risks, the preferred option will be subject to further design development which will include:

- Design of the proposed areas of public space to ensure these generate activity
- Further consideration of the integration of Phase 3 with Phase 1-2
- Refinement of cycle lane proposals to provide a facility which is as wide as possible and minimises conflict with pedestrians
- Confirmation of bus stop and bus stand locations; including any potential to better use Pool Valley
- Further investigation of car parking requirements and breakdown between different user groups.

The cost estimate for the preferred option which is included in this Business Case also includes a risk allowance/contingency for design development risks, which equates to approximately 7.5% (£471,000) of the building works estimate.

### **Stakeholder engagement and support of proposed scheme**

Linked to the design risks described above, several risks have been identified which centre around securing stakeholder and public buy-in to the preferred option. Mitigation to address weak stakeholder buy-in include:

- Design subject to two-stage public consultation
- Workshops and briefings with key stakeholders.

### **Enabling the ongoing use of the Phase 3 area for events**

Valley Gardens plays host to some of Brighton & Hove's key events which are attended by residents and visitors alike. There is a risk, however, that some events may need to be temporarily relocated to outside of the Phase 3 area during construction works.

Mitigation to enable the continued use of the Phase 3 area for events include:

- Where possible, maintaining access to public spaces for events will be considered in the scheduling and delivery of construction works
- Designs include the creation of new public spaces and enhancement of existing public space which, post-construction, could host existing or additional events for the city.

### **Safety and security of new public spaces**

One of the central benefits of the scheme is the creation of new public space and the enhancement of the existing green space at the Old Steine, to be easily accessible to all users. The scheme also aims to upgrade the quality of the public realm and improve pedestrian access along the rest of the Phase 3 area, which includes the removal of guard rails. The preferred option delivers the greatest increase in public space out of the four shortlisted options. The creation of these new and more open spaces may heighten the potential risk for safety or terrorism incidents to occur.

Mitigation to the safety and security risks include:

- Attracting more people to the area may help increase the level of self-surveillance
- As part of the further design works detailed above, consideration will be given to the need for hostile vehicle mitigation to protect new areas of public space.

**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 spreadsheet.**

### 3.5) Economic impact

The proposal to simplify the road layout, create a new cycle route and improve the quality of the public realm in the southern section of the Valley Gardens area will yield strategic, social and economic benefits. Whilst these benefits have been assessed individually (as set out below), the benefits are interdependent and will not be realised without addressing the challenges described in section 2.1 of this Business Case. Below is a summary of the monetised benefits which are expected to result from the scheme. A supporting technical note is also included at Appendix A which outlines the methodologies and assumptions which underpin this assessment.

Benefit	Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
KIBS sector benefits	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

<sup>(1)</sup> Land value uplift is taken as a single one-time uplift in land values.

<sup>(2)</sup> Given the uncertainty in long-term economic forecasting, the forecast period for KIBS benefits in the economic case for Valley Gardens Phase 3 is 10 years (rather than the 20-year period used for other impacts).

#### Public realm benefits

The scheme will deliver an increase in public space, helping Valley Gardens to reach its potential as a central hub of city-life and Brighton's growing visitor economy. The benefits of the public realm enhancements have been monetised based on the Ministry of Housing, Communities and Local Government's (MHCLG (formerly DHLG)) guidance on the economic appraisal of regeneration projects, which suggests a willingness-to-pay figure of £1.80 for each household likely to benefit from the enhancements for each hectare of public realm delivered. The increase in, and enhancement to existing, public space will also increase the opportunity for holding commercial, community and charity events in the area, for example in front of the pier, to the south-east of the Royal Pavilion Estate and to the north of the Royal Albion Hotel. Hiring out public land for commercial and charity events will provide a revenue stream for the council.

#### Active travel benefits

The scheme will contribute to improved accessibility and help increase footfall, which is so important to local business and visitor attractions. The scheme's accessibility and layout improvements are expected to have major benefits for cyclists and pedestrians in particular, by addressing a "missing link" in the cycling network and helping to address severance created by existing traffic flows along the A259 (Marine Parade and Grand Junction Road). To calculate the associated benefits in terms of cycling and walking interventions, the Department for Transport's Active Mode Appraisal Toolkit (AMAT) has been used.

#### Accident reduction benefits

The scheme is also anticipated to lead to significant safety improvements for the area, with an anticipated 44% reduction in the number of accidents over a 60-year period<sup>13</sup>, as assessed using the DfT's COBALT (COst and Benefit to Accidents – Light Touch) program. As the COBALT software only

<sup>13</sup> % reduction based on the number of accidents expected to be saved by the scheme compared to the number of accidents expected to occur without the intervention.



offers a 60-year forecast period, for consistency with the other monetised impacts, a conversion factor was applied to show only the first 20 years of benefits from the COBALT assessment in the table above.

### **Land value uplift benefits**

Ultimately, by creating a safer, more accessible and more welcoming environment, the targeted transport and public realm improvements are expected to enhance the attractiveness of the area, which is, in turn, anticipated to increase local land values by up to 8%. This figure is based on an illustrative assessment of land value uplift focussed on 53 sites identified around Valley Gardens, running from Edward Street in the north to the Aquarium roundabout in the south. This area covers the likely area of influence as this area is the focus of Phase 3 of the Valley Gardens scheme. This approach is derived from guidance set out by the Ministry for Housing, Communities and Local Government<sup>14</sup> and is set out in more detail in the accompanying Technical Note (Appendix A).

### **KIBS sector benefits**

Through its improvements to transport infrastructure and the provision of high quality public realm, the Valley Gardens scheme overall, and Phase 3 specifically, is anticipated to positively support the growth of the Knowledge Intensive Business Services (KIBS) sector in Brighton and Hove. This is based on evidence and assumptions as set out in the Valley Gardens Phase 1-2 Business Case<sup>15</sup>, which are described further in the accompanying Technical Note (Appendix A).

KIBS represent one of the fastest growing areas of the European economy, and in the UK are driving growth and rebalancing towards the private sector. These services play an increasingly important role in the performance of client sectors and are often considered to be one of the hallmarks of a modern knowledge-based growth economy. Brighton & Hove has particular strengths relative to its size in KIBS sectors. For example, Centre for Cities analysis shows that the city had the highest percentage of private sector growth of any city in the UK in the period from 1999-2008 and HSBC's analysis places Brighton & Hove as one of seven UK 'supercities' which will create new types of growth and development in the UK economy.

As the Valley Gardens Phases 1 - 2 Economic Case noted<sup>16</sup>, increasing Brighton & Hove's KIBS sectors relies on creating local conditions that encourage private sector investment, such as a high skilled local labour market, proximity to other similar business, processes and networks, and provision of high quality public realm and transport infrastructure. The Valley Gardens scheme overall, and Phase 3 specifically, will help to address the latter factor and therefore it is appropriate to consider the potential contribution of the project to KIBS-related local economic growth.

### **Transport user / journey time (dis)benefits**

As shown in the table above, the positive economic impacts resulting from the increase in public space, land value uplift, accident reductions and growth of the KIBS sector are partially offset by the scheme's transport user impacts, which reflect changes to vehicle journey times. The scheme's anticipated impact on journey times is dependent on the time of day; benefits are expected in the AM peak period when the current impact of congestion is highest. Overall, however, the preferred option reports a negative transport user benefit. The preferred option has the lower negative impact of the four short-listed designs. It is important to consider though that the assessment of the transport-user benefits likely understates the economic impact of the scheme as it does not monetise vehicle operating cost savings, carbon savings or indirect tax revenues resulting from the scheme. This is due to limitations of the outputs of the city centre PARAMICS traffic model which were used in the analysis of the transport user benefits, as further explained in Appendix A.

## **3.6) Environmental Impact**

Enhancing the environment is one of the scheme's eight core design objectives. This includes aims to:

- Improve air quality
- Reduce noise
- Retain mature trees
- Contribute to biodiversity

<sup>14</sup> The DCLG Appraisal Guide, December 2016

<sup>15</sup> WSP, *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*, 19/06/2014

<sup>16</sup> WSP, *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*, 19/06/2014

- Create space for additional tree planting / landscaping

In addition, by providing improved facilities for travel by sustainable modes including walking, cycling and public transport, the scheme will provide more options for travel by means other than private vehicle which in turn aims to manage the associated environmental impacts on the city centre.

The proposed Phase 3 scheme will deliver the following measurable environmental impacts:

- All 70 trees retained
- Up to 30 new trees planted
- Improving facilities for sustainable travel through the creation of a 350 metre north-south segregated cycle track, closing a major missing link in the network and barrier to cycling in the city.

### **3.7) Social Impact**

In addition to its impact on local jobs creation (as set out under '3.5 economic impact' above), the scheme will also deliver social benefits through improvements to the public realm, which includes enhancing the Old Steine as a civic space and location for hosting public events and improving access for all users.

The scheme aims to provide an inclusive and accessible space through:

- Improved access for mobility impaired users
- Improved access for visually impaired users
- Providing connectivity between green / public spaces
- Providing wide unobstructed footways
- Providing / maintaining access to essential services
- Providing opportunities for resting and seating

The scheme also aims to improve community safety through reducing the frequency and severity of vehicle, pedestrian and cyclist collisions. It is anticipated that the scheme will deliver accident benefits worth £11.001m over 20 years. This is based on an anticipated 44% reduction in the number of accidents over 60 years, compared to if the scheme didn't go ahead.

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

The scheme will positively impact many groups of people living, working in and visiting Valley Gardens, as well as many businesses located within or close to the scheme area. This reflects the diverse stakeholder groups who have an interest in the scheme, as set out in section 2.4 of this Business Case.

Businesses that will be positively impacted by the Phase 3 scheme are likely to include those that run or are based around some of the city's most important tourist attractions, including the Royal Pavilion, Brighton Palace Pier, the Sealife Centre and the Royal Albion Hotel. Businesses with active frontages are particularly expected to benefit from the scheme due to the potential for increased footfall in the Phase 3 area. Improvements to the public realm, the widening of pedestrian footways and the introduction of pedestrian crossings that better serve desire lines will all enhance the pedestrian experience and help to make the Old Steine more of a destination for both visitors to the city and for residents. To assist in ensuring that the operational requirements of such businesses are not significantly affected, their specific needs will be taken into account and addressed during the detailed design stage.

The safety improvements and accident (collision/casualty) benefits which are anticipated to result from the intervention are arguably the most wide-reaching in their impact. Improving road safety will not only benefit residents, local schools and visitors to the area, but will also benefit people who are simply travelling through the Valley Gardens corridor or east-west across the A23/259 junction / Brighton Palace Pier roundabout.

### **3.9) Follow on Investment**

N/A



<b>3.10) Skills projects only- Impact on Skills Provision</b>																																		
N/A																																		
<b>3.11) Business and enterprise projects only- Impact on business growth</b>																																		
N/A																																		
<b>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?</b>																																		
N/A																																		
<b>3.13) If your project results in service and other improvements then please provide baseline data below.</b>																																		
N/A																																		
<table border="1"> <thead> <tr> <th rowspan="2">Metric</th><th colspan="2">Baseline</th><th colspan="2">What the intervention will achieve</th></tr> <tr> <th>Figure</th><th>Year</th><th>Figure</th><th>By when</th></tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Metric	Baseline		What the intervention will achieve		Figure	Year	Figure	By when																									
Metric		Baseline		What the intervention will achieve																														
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<b>4. The Commercial Case</b>
<b>4.1) Please provide details of your envisaged procurement route.</b>
<p>In line with the approach adopted for Phases 1 - 2 of the Valley Gardens project, procurement will be split into four key stages: preliminary design, detailed technical design, construction and operations.</p> <p><b>Stage 1: Concept Scheme / Preliminary Design</b>  Preliminary design was led by Mott MacDonald, procured through Brighton &amp; Hove City Council's Professional Transport Services Framework. Transport modelling was undertaken by Mott MacDonald as part of the design commission. The council does not have the resource, skills or necessary access to the transport model to undertake this work internally. The company appointed to undertake this specialist support was identified due to their expertise in their given field and evidence of previous experience. A competitive tender exercise was undertaken to appoint the preliminary design consultant, open to all suppliers under the relevant Lot of the council's Professional Transport Services Framework.</p> <p><b>Stage 2: Detailed Design</b>  Detailed design related to highways will also be subject to a competitive tender process. As BHCC's Professional Transport Services Framework expired in September 2018, it is currently envisaged that procurement for the detailed design of the scheme will be undertaken using the Eastern Shires Purchasing Organisation's (ESPO) Consultancy Services Framework, which commenced in 2017. It is envisaged that the work will be procured under Lot 5 'Highways, Transport and Logistics' of the ESPO Consultancy Services framework and open to a pre-selected list of consultants. The consultants and service providers listed under Lot 5 that will be eligible to bid for the work have been assessed by ESPO during their own procurement process for their financial stability, track record, experience and professional and technical ability. The Framework is compliant with UK/EU procurement legislation and is available to any public-sector body in the UK, including Local Authorities.</p>

A second alternative procurement route for the detailed design works that has also been identified is the Orbis Professional and Technical Services Framework.

Technical design relating to soft landscaping will be tendered through a standalone procurement process as required. This element of the work would be expected to fall below OJEU thresholds.

Procurement for this work stage is expected to commence in February 2019, with the work stage due to commence in Spring 2019.

### **Stage 3: Construction**

As above, it is currently envisaged that highways work will be tendered using a suitable ESPO Framework. Procurement is scheduled to commence in Autumn 2019. The work stage will run from February 2020 until March 2021.

### **Stage 4: Operations**

As per Phases 1 - 2, given the nature of the scheme, the city council will not need to procure an operational partner. Management and maintenance will be undertaken through existing channels and supported by local stakeholders.

## **4.2) Involvement of private development partners.**

None.

## **4.3) Procurement plan and timescales.**

Indicative timescales for the procurement of the remaining key stages are summarised below.

### **Stage 2: Detailed Design**

- Publish OJEU notice and issue expression of interest (restricted): January / February 2019
- Issue tender documents: February 2019
- Appoint service provider: March/April 2019
- Work commences: May 2019

### **Stage 3: Construction**

- Publish OJEU notice and issue expression of interest (restricted): August 2019
- Issue tender documents: October 2019
- Appoint contractor: February 2020

## **4.4) How will the project contribute towards social value?**

The potential economic impact of this scheme has already been discussed in this submission. However, there is also a wider social value and this is presented here.

As outlined in Section 2.2, two of the key design objectives for the scheme are to improve the public realm and to provide an inclusive and accessible space. Currently, the two main public spaces in the scheme area are Steine Gardens and the area north of Brighton Palace Pier. In addition, the eastern gardens of the Royal Pavilion adjoin the scheme area. Not only will the scheme enhance the quality and accessibility of these existing spaces, it will also create new and accessible open spaces and green spaces for the whole community to enjoy, for example to the south-east of the Royal Pavilion Estate and to the north of the Royal Albion Hotel. These spaces will provide more opportunity for hosting community events in the area. The scheme also aims to improve road safety, both real and perceived, which will benefit both visitors and residents.

Furthermore, BHCC will also take account of social value when procuring and commissioning the future detailed design and construction works, as per the council's Social Value Framework. Both tenders will be required to consider social value and have at least one relevant social value outcome included. In turn, suppliers will be scored on how they will measure and verify the social value proposals they offer as part of their tender submissions.

#### 4.5) State Aid Compliance.

We confirm that the funding outlined in Brighton & Hove City Council's Business Case will not amount to state aid under European state aid rules.

If Brighton & Hove City Council is successful in securing the funding it will be acting in its capacity as a public authority and is not an undertaking within the meaning of European state aid rules.

Brighton & Hove City Council will procure the works in accordance with European rules on procurement to ensure that there is no state aid.

No advantages have been offered to any service providers and the procurement process has not been distorted in any way.



Letter to A Middleton  
- Coast 2 Capital 2111

### 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.**

Year	Total project cost	LGF
17/18	£0.00	£0.00
18/19	£216,276.00	£200,000
19/20	£2,541,241.00	£1,800,000
20/21	£5,082,483.00	£4,000,000.00
<b>Total</b>	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>

Note: these figures are based on the latest available forecast estimates, based on 2018 pricing.

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

**Please state the date of this estimate - 01/10/2018**

Projects costs (delete as appropriate)	Total cost (£)	LGF (£)	Match funding (£)
Land Acquisition	-	-	-
Planning and Feasibility studies	£230,000.00	£176,020.41	£53,979.59
Surveys	-	-	-
Construction, inc- materials, equipment and labour	£6,272,000.00	£4,800,000.00	£1,472,000.00
Fit out (inc. equipment and furnishings not included in construction)	-	-	-
Project management	£155,000.00	£118,622.45	£36,377.55
Consultancy	£70,000.00	£53,571.43	£16,428.57
Other (Site supervision)	£56,000.00	£42,857.14	£13,142.86
Other (post-completion monitoring)	£20,000.00	£15,306.12	£4,693.88
Other (post-completion project management)	£25,000.00	£19,132.65	£5,867.35
Other (allowance for tender inflation)	£203,000.00	£155,357.14	£47,642.86
Contingency* (Construction risks)	£338,000.00	£258,673.47	£79,326.53

Contingency* ( <i>Design development risks</i> )	£471,000.00	£360,459.18	£110,540.82
Total Net Cost	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>	<b>£1,840,000.00</b>
VAT	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>Total Gross Cost</b>	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>	<b>£1,840,000.00</b>

Please ensure the matched funding and LGF amount to the total costs and that the LGF requested does not exceed the percentage allowed for the type of project ie. 85% for transport and 50% for all other projects.

### 5.3) Net Present Value cash flow analysis.

Options	NPV
Do nothing, minimum or status quo	£0
Proposed option (Option 1)	£1.202m

Please detail your project assumptions and discount rate used-

- Present Value: 2010
- 2010 prices
- Discount rate: 3.5%

### 5.4) Value for money

Once the scheme is operational, the ongoing management and maintenance costs of the scheme area will be met through existing channels.

Following its completion in 2021, the preferred option for the scheme is expected to deliver economic benefits totalling (discounted to 2010 in 2010 prices) £7,811,404 over a 20-year period. Against a 2010 present value cost (2010 prices) of £6,608,603, this equates to a benefit:cost ratio of 1.2:1. The preferred option delivers the greatest net benefits of any option and is the only option to deliver a positive benefit:cost ratio.

A BCR of 1.2 means that the scheme is expected to deliver £1.20 of benefits for every £1 spent on the project. This rates in the 'low' value for money (VfM) category as set out by DfT. However, the BCR and associated value for money likely understate the economic benefit of the scheme. The transport user benefits assessment, for example, does not quantify the potential vehicle operating cost, air quality and noise benefits, as would be standard under a WebTAG approach. Similarly, the value of time has only been included for vehicles (as is standard practice) and understate the benefits to users of other modes. Equally, evidence from other projects that combine movement, place and regeneration objectives suggests that the place and regeneration impacts are relatively difficult to quantify except "ex post" and therefore the analysis undertaken for this project may under-score their relative benefits. Finally, Valley Gardens Phase 3 is part of a wider programme and the benefits of this part of the programme should be considered alongside the strong economic case for Phases 1 - 2 of the programme.

### 5.5) VAT status

All cost and revenue figures in this document exclude tax. The council is able to reclaim VAT in full.

### 5.6) Financial Sustainability

Alongside the LGF funding that is being requested here, the council has provisionally allocated £1,250,000 to fund the local contribution towards the capital costs of the project. Further contributions to help meet the estimated scheme costs of £7.84 million will initially be expected to be sought from private-sector developer contributions via the Planning process.

The scheme has been costed and will be delivered in distinct sections. Any cost over-runs will be identified

and managed at an early opportunity.

Once the project is complete, the ongoing management and maintenance of the area will be undertaken through existing channels and supported by local stakeholders.

## 6. The Management Case

**6.1) In which financial year do you expect your project to commence?** 2018/19-2020/21

**6.2) In which financial year do you expect your project to complete?** 2020-2021

**6.3) Please set out the key milestones related to the project**

Milestone	Start date	Completion date
Completion of Options identification and sifting (BHCC Stage 1)	April 2018	June 2018
Completion of Options Appraisal and identification of the preferred option / and Outline Business Case	June 2018	October 2018
Completion of Preferred Option Feasibility Study	September/October 2018	January 2019
Detailed Design of the single option	March 2019	September 2019
Construction	February 2020	March 2021

### 6.4) Project management arrangements

#### Project Management

All aspects of day to day project management are currently overseen by:

Project Manager: Oliver Spratley (Principal Transport Planner), Transport Policy & Strategy

All aspects of the day to day Transport Capital Projects programme are managed through Andrew Renaut (Head of Transport Policy & Strategy) and David Parker (Head of Transport Projects & Engineering).

#### Project Assurance

Emma Sheridan (Transport Business Development Manager)

The Project Manager will work within tolerances agreed by the Project Board.

#### Project Board

The Project Board will meet regularly (monthly or as needed) to support and advise the Project Manager in delivery of the project. Members of the Project Board include the Internal Project Sponsor (Mark Prior – Assistant Director: City Transport), the Internal Project Client, representatives from areas most impacted by the project (Transport, Planning and Parks) and the project's Communications Manager/Officer.

### 6.5) Key project roles and responsibilities

Project Manager: Oliver Spratley (Principal Transport Planner), Transport Strategy & Policy

Transport Capital Projects programme managed through Andrew Renaut (Head of Transport Strategy & Policy) and delivered through David Parker (Head of Transport Projects).

Project Assurance: Emma Sheridan (Transport Business Development Manager)

Core Project Board membership comprises:

Internal Project Sponsor: Mark Prior (Assistant Director: City Transport)

Transport Policy & Strategy: Andrew Renaut (Head of Transport Policy & Strategy)

Planning: (Planning Projects Manager)

Parks: Paul Campbell (City Parks - Strategy) and Rob Walker (City Parks - Operational Manager)

Communications: Julie Harris (Communications Manager) and Alex Voce (Communications Officer)

In addition, wherever appropriate invitations to attend Project Board meetings will be extended to:

Lead Member for Transport: Councillor Gill Mitchell

Senior Responsible Officer: Nick Hibberd Executive Director – Economy, Environment & Culture

Where required, the Project Management Team will be supplemented by officers representing key areas of project governance:

Consultation: Jane Goodenough (Research Officer)

Procurement: James Breen (Category Manager)

Finance: Rob Allen (Principal Accountant)

Legal: Stephanie Stammers (Lawyer)

Support from other council officers will be sought where required.

## **6.6) Governance, oversight and accountability**

### **Corporate Governance**

The Project Manager and Internal Project Sponsor will report to the Senior Responsible Officer, who will in turn report project progress at a corporate level through the existing Executive Leadership Team Corporate Project Governance process.

The Executive Leadership Team (ELT) oversees the progress of the council's most significant infrastructure and service improvement projects. They receive a quarterly report (the Corporate Projects List) which is prepared by the Head of the Programme Management Office (PMO) and outlines the progress of each project and its RAG (red, amber, green) rating. ELT is chaired by the council's Chief Executive and attended by the Executive Directors, Section 151 Officer and Monitoring Officer. Two weeks after the ELT meeting, the Corporate Projects List is presented to the Member Oversight Group. This group is attended by the Chief Executive, Leader of the Council, the two Deputy Leaders and the Head of the PMO. Both groups raise queries and challenge the progress of the projects.

### **Formal Decision Making**

Where required, formal democratic decisions will be made primarily by the city council's Environment, Transport & Sustainability Committee. This Committee is responsible for the council's functions relating to parks and green spaces, Gypsies, Roma and Travellers, waste, coast protection, the seafront, highways management, traffic management and transport, parking and sustainability.

Between Committee Meetings, the Project Manager will regularly update members of all parties on project progress through quarterly briefings.

## **6.7) Communications and stakeholder management**

A Consultation and Engagement Plan and Stakeholder Management Plan for the Phase 3 scheme was produced in May 2018 and will be updated as the project progresses.

The plans set out a two-stage approach to public consultation:

- Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area
- Stage 2 (October- November 2018): 6-week formal consultation on single preferred option following Committee approval.

The following engagement strategies have been employed:

- Online questionnaires on BHCC consultation portal
- Staffed exhibition events
- Hard copies of survey made available at events or on request
- Consultation period advertised via social media and council press release
- Posters displayed in public areas and on public transport



In addition to the general public consultation, engagement activities have been undertaken with specific stakeholders during the design process. A summary of key stakeholder groups is provided in Section 2.4 of this Business Case submission.

## 6.8) Benefits management

The scheme will be subject to post-implementation monitoring to assess the outcomes of the project and the realisation of the anticipated benefits.

A Benefits Realisation Plan will be produced to detail the expected benefits of the scheme, against which benefits realisation will be evaluated at defined points within the project lifecycle, to tie up with reporting to Council Committees, councillors and officers. Anticipated project outcomes and benefits include:

Outcome	Benefit
Safer road layout	Reduce personal injury road traffic accidents, including those resulting in serious injury
Direct and dedicated cycle infrastructure	Increase in cycling through the area
Better walking routes	Increased footfall to and from Steine Gardens and the Seafront attractions, the Lanes and St James's Street
Rationalised bus routing and improvement in bus infrastructure	More reliable bus journey times
Rationalised road layout	More reliable journey times
Increase the amount and quality of public space	Improved user perception and more people using the space
Increase in green space and smoother traffic flow	Contribute to better air quality

The benefits realisation plan and evaluation will help BHCC and other key stakeholders to understand the immediate impacts of the development and its performance with respect to stated objectives. The evaluation will also help BHCC to make appropriate decisions on related investment in the future, particularly for the wider Brighton Waterfront project.

Benefits will be evaluated one year after Phase 3 construction and landscaping works are completed.

## 6.9) Project evaluation

The purpose of an evaluation is to understand causal links between an intervention and wider change in an area including transport benefits and changes to socio-economic characteristics and human visitor behaviour.

Monitoring and evaluation has been integral to the assessment of public sector policy and project interventions in the UK for many years and the principles are well articulated in a number of key documents relating to appraisal and evaluation<sup>17</sup>. Techniques and approaches developed for monitoring and evaluation can be consistently used across discipline areas. A thorough baseline report and baseline statement is of critical importance in devising an effective monitoring and evaluation framework.

It is anticipated that the evaluation of Valley Gardens Phase 3 should follow a Theory of Change approach recognising causal links for change and reflecting the scheme's multiple and diverse stakeholders, as recommended in HM Treasury Magenta Book guidance and DfT guidance<sup>18</sup>.

Items proposed to be included in the monitoring framework for Phase 3 include:

- Peak period general traffic journey times

<sup>17</sup> These documents include: HM Treasury Green Book, RDA Impact Evaluation Framework, 3Rs Guidance, Additionality Guide and WebTAG.

<sup>18</sup> HM Treasury, Magenta Book, 2011, <https://www.gov.uk/government/publications/the-magenta-book>; Tavistock Institute and AECOM, 2010, Guidance for transport impact evaluations, <https://www.gov.uk/government/publications/transport-impact-evaluations-choosing-an-evaluation-approach-to-achieve-better-attribution>



- Bus journey times
- Air quality
- Collision data
- Pedestrian counts
- Cycle counts
- Vehicle volumes
- Traffic speeds
- User perceptions and the use of space

These monitoring criteria and their respective data sources are intended to reflect the anticipated outcomes and benefits detailed above and enable comprehensive monitoring of them. Post-implementation data will be collected during periods consistent with the original data source following a year of operation or at intervals to be agreed between the LEP and BHCC.

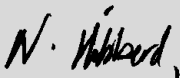
At this stage, it is anticipated that the findings and conclusions of the project evaluation will be reported through two separate reports:

- A baseline report (setting out the baseline situation before construction commenced on Phase 3)
- One year after report (one year after Phase 3 construction and landscaping works are completed).

## Recommendation/ Declaration

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

This business case supports the BHCC ETS Committee recommendations, November 2018, granting officers delegated authority to update and submit to the C2C LEP

<b>Declaration:</b>	I certify that the information provided in this Business Case is complete and correct at the time of submission.
<b>Signature:</b>	
<b>Print Name:</b>	Nick Hibberd
<b>Title:</b>	Executive Director - Economy Environment & Culture
<b>Date:</b>	18/12/2018

**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.



## Breakdown of Funding

Project Details:						
<b>Project Name:</b>	Valley Gardens 3 (Southern Section)					
Project costs						
	2017/18	2018/19	2019/20	2020/21	Total	Is the match funding confirmed? If no please provide details as to when you expect confirmation.
<b>Total Project expenditure</b>					£0	
<b>Financed by:</b>						
<b>Local Growth Funding</b>	£0	£200,000	£1,800,000	£4,000,000	£6,000,000	
<b>Public sector match funding</b>						
Source 1 : Brighton & Hove City Council	£0	£16,276	£741,241	£1,082,483	£1,840,000	Sums will be confirmed though annual budget setting -
Source 2 (specify name of organisation)					£0	
[add other sources as necessary]					£0	
<b>Private sector match funding</b>						
Source 1(specify name of organisation)					£0	
Source 2 (specify name of organisation)					£0	
[add other sources as necessary]					£0	
<b>Third Sector match funding</b>						
Source 1(specify name of organisation)					£0	
Source 2 (specify name of organisation)					£0	
[add other sources as necessary]					£0	
<b>Total:</b>	<b>£0</b>	<b>£216,276</b>	<b>£2,541,241</b>	<b>£5,082,483</b>	<b>£7,840,000</b>	

## Outputs Results

Outputs	
<b>Project Name: Valley Gardens Phase 3</b>	

**NOTE:** If exact dates are not known for jobs, please indicate the amount of jobs and when they will be delivered over the project by putting figures in at the end of the relevant time period.

Indicator definitions where available can be found in the guidance notes.

CORE OUTPUTS: Jobs, Homes and Employment Space*	2017/18	2018/19	2019/20	2020/21	2021+	Total	
Jobs directly connected to the intervention						0	
Safeguarded Jobs						0	
Indirect Jobs						0	Phases 1&2 BC included jobs for all three phases
Amount of indirect Private Sector Leverage (additional to the match funding)						0	
Amount of indirect Public Sector Leverage (additional to the match funding)						0	
In-kind resources						0	
Commercial Floorspace refurbished (sqm)						0	
Commercial floorspace constructed (sqm)						0	
Housing units starts						0	
Housing units completed						0	
<b>Transport Outputs</b>							
Total length of resurfaced roads (km)				2		2	
Total length of newly built roads (km)						0	
Total length of new cycle ways (km)				0.35		0	
Type of infrastructure (Please provide a description and a number in the years in which it will be delivered)						0	
Type of service improvement (please provide a description in the year in which it will be delivered)						0	
<b>Land, Property and Flood Protection</b>							
Area of site reclaimed, (re)developed or assembled						0	
Utilities installed						0	
Area of land experiencing a reduction in flooding likelihood (ha)						0	
Increased number of homes protected from flooding						0	
Increased number of jobs protected from flooding						0	
Number of jobs created as a result of flood protection						0	
Employment space protected from flooding						0	
<b>Business support</b>							
Number of enterprises receiving non financial support						0	
Number of new enterprises supported						0	
Number of potential entrepreneurs assisted to be enterprise ready						0	
Number of enterprises receiving grant support						0	
Number of enterprises receiving financial support other than grants						0	
Number of enterprises assisted to cooperate with research entities/institutions						0	
Number of enterprises supported to introduce new to the market products						0	
Number of enterprises supported to introduce new to the firm products						0	
Additional businesses with broadband access of at least 30mbps						0	
<b>Skills Capital</b>							
New build training/learning floorspace						0	
Refurbished training/learning facilities						0	
Floorspace rationalised						0	
Number of additional learners						0	
Number of additional apprentices						0	
<b>Other, please specify below:</b>							
Access to high quality green space for Learning and amenity space for university students						0	
						0	
						0	
						0	
						0	



Coast to Capital LEP Board meeting

# Valley Gardens Phase 3 Business Case

**Nick Hibberd**  
**Executive Director**  
**Economy, Environment & Culture**

**22 January 2019**



**Brighton & Hove**  
**City Council**

# Regeneration and Sustainable Transport



# Timeframe

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- **2013** – Top Transport priority in the LEP area and prioritised for Devolved Funding by LTB (£8m allocated to VG1&2)
- **2014** – VG3 included in SEP and allocated provisional £6m
- **2015** – BHCC Design Review of VG1&2
- **2017** – LEP Health Check Review of VG3 by Local Partnerships
- **Mid 2018** – VG3 programme approved and options appraised.
- **Late 2018** – Start of construction on VG1&2. VG3 preferred option approved, Business Case approved and submitted, and full consultation completed.

# Oversight and decision-making

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- LEP Local Transport Body – 2013/14
- LEP Health Check Review by Local Partnerships - 2017
- Regular BHCC updates to LEP
- BHCC Environment, Transport & Sustainability Committee
- BHCC Strategic Delivery Board
- BHCC Corporate Investment Board
- BHCC VG3 Officer Project Board

# Preferred Option Measures

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- A simpler road layout with all general traffic to the east of the Steine Gardens
- Traffic signal-controlled junctions that are can be linked and managed to reduce congestion, and improve safety, including the A23/A259 Palace Pier junction
- A public transport priority 'loop' on the south and west of Old Steine
- Improved crossing alignments for pedestrians and cyclists
- Better connections to The Lanes, North Street and St James's Street shopping areas and seafront
- A new 350 metre two-way, segregated cycle lane on the NCN
- New public spaces, including in front of Royal Pavilion



# Preferred Option Design



# **Business Case Headlines**

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- **Strategic Case** – policy framework: BHCC City Plan and LTP and LEP SEP
- **Economic Case** - greater benefits for road safety, active travel and land value + journey time disbenefits for different transport users = overall BCR of 1.2: 1

# **Business Case Headlines**

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- **Financial Case** – based on the current estimated cost of the Preferred Option = £7.84m. The council remains committed to providing the minimum local contribution from various sources including developer contributions, or CIL if available.

# Funding profile

Year	Estimated total cost	Estimated local contribution	LGF
2018/19	£216, 276	£16,276	£200,000
2019/20	£2,541,241	£741,241	£1,800,000
2020/21	£5,082,483	£1,082,483	£4,000,000
<b>TOTAL</b>	<b>£7,840,000</b>	<b>£1,840,000</b>	<b>£6,000,000</b>

# Consultation and engagement

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- Spring 2018 – survey of over 800 respondents
- Autumn 2018 – consultation exhibitions, questionnaire, workshops, meetings = nearly 830 responses. Analysis shows that:-
  - at least just over 70% or more respondents agreed with proposals to improve pedestrian infrastructure;
  - at least 60% of respondents agreed with proposals to improve cycling infrastructure;
  - at least nearly 60% of respondents agreed with proposals to improve bus passenger infrastructure.
- Views emerging including concerns about the preferred design option, consultation awareness and methodology, and potential impacts on the economy.

# Development of project design

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- New 280 metre south bound priority lane for public transport
- Improved junction alignments to provide direct, convenient connections and more space for pedestrians
- Improved east-west cycle connectivity across junctions, especially with the North Street area
- Improved north-south connections for cyclists and the realignment of the new north-south cycle lane
- Footpaths to create more direct links with North Street, The Lanes, St James's Street and the Seafront across the Steine Gardens
- Changes to improve the operation of the junction which forms the interface between Phases 1&2 and Phase 3



## Next Steps

Milestone	Start date	Completion date
BHCC ET&S Committee	7 February 2019	
Funding Agreement	February 2019	March 2019
Detailed design (incl. procurement and consultation & engagement)	February 2019	September 2019
Tender and appointment	October 2019	January 2020
Construction	February 2020	March 2021

# Fly-through



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# **THANK YOU**

## **Any questions?**

## COAST TO CAPITAL LOCAL GROWTH FUND BUSINESS CASE

<b>Project Title:</b>	Valley Gardens Phase 3
<b>Lead delivery organisation:</b>	Brighton & Hove City Council
<b>Lead contact name:</b>	Oliver Spratley
<b>Version No:</b>	02 (Final)
<b>Issue Date:</b>	19 December 2018

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.

In practice, you will find this entails updating the strategic case; undertaking investment appraisal within the economic case; and completing the commercial, financial and management cases, with supporting benefits and risk registers.

Please note that this template is for guidance 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](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:

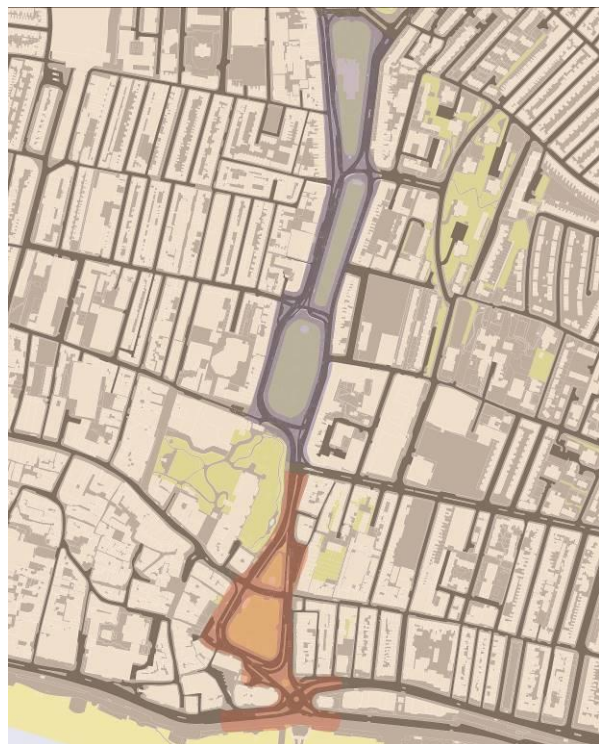
This application is seeking a £6million contribution from the Local Growth Fund to enable the design and construction of a simplified road layout, cycle route and public realm improvements in the southern section of the Valley Gardens area of Brighton.

The location of Valley Gardens is shown in Figures 1 and 2. This application is focused solely on the southern section of Valley Gardens (Phase 3), incorporating the Old Steine and the A23/259 junction / Brighton Palace Pier roundabout ("pier roundabout"). Phase 3 adjoins some of the city's key historic landmarks including the Royal Pavilion and Brighton Palace Pier. Phases 1&2 – which covers the area north of Edward Street and encompasses the area adjacent to St Peter's Church and Victoria Gardens – was the subject of a separate funding application to the Coast to Capital Local Enterprise Partnership (C2C LEP) (submitted in mid-2014) for which it was successfully awarded £8million from the LGF (early 2015). Detailed designs have been approved for Phases 1&2 and construction commenced in 2018.

Figure 1: Context map of Valley Gardens



Figure 2: Map outlining the boundaries of Valley Gardens Phases 1-3. Phases 1 and 2 are shaded in blue. The red shading denotes the area covered by the Phase 3 scheme, which is the focus of this business case.



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### Project Scope

Valley Gardens is the geographical centre of Brighton & Hove; it has the potential to be a central hub of city-life and Brighton's growing visitor economy, mixing its unique architecture and green spaces with efficient connectivity for vehicles, pedestrians and cyclists to move around the city more effectively. This potential is currently being constrained, however, by inefficient and unattractive placemaking and a poor road layout that prioritises vehicular traffic to the detriment of cyclist and pedestrian movement. This has not only resulted in the Valley Gardens area experiencing high numbers of collisions and casualties, but has also resulted in the area being underutilised, perceived as a centre for crime and antisocial behaviour and not fulfilling its economic potential.

Complementing Phases 1&2, and in line with C2C's 2014 Strategic Economic Plan (the current SEP at the time that the £6 million worth of LGF was provisionally allocated to the project), Valley Gardens Phase 3 has the potential to bring city-wide benefits to Brighton & Hove by tackling severance and improving connectivity in the city centre and towards the seafront. To achieve this, the main components of the preferred option which the council agreed for consultation in October include:

- A simpler road layout with all general traffic on the east of Steine Gardens
- Improved crossing alignment for pedestrians
- Better connections to the Lanes and St James's Street
- Creation of a new 350 metre two-way, segregated cycle track
- Creation of new public and event spaces in front of the Royal Pavilion Estate and Royal Albion Hotel
- All existing green space and trees retained
- Planting of up to 30 new trees



Figure 3: Phase 3 preferred option



### Benefits for Brighton & Hove

The proposed scheme has the potential to deliver a wide range of benefits for Brighton & Hove's residents, visitors and local businesses, including:

- Enhanced environment and improved north-south and east-west connectivity for pedestrians, due to widened footways and more direct crossings at the seafront which better service desire lines
- Enhanced environment and improved north-south connectivity for cyclists, with a continuous cycle lane linking the seafront with the facility already planned as part of Phase 1&2
- Smoother flows for bus traffic and passengers, removing the current bottleneck to the east of the war memorial and with a more efficient distribution of bus stops
- Enhancement of a central civic space at the Old Steine, easily accessible to all users
- The creation of new and extended public spaces, particularly to the south-east of the Royal

- Pavilion, increasing the opportunity for community, charity and commercial events
- Improved road safety, with anticipated collision and casualty reductions.

The scheme also has the potential to support the regeneration of the Valley Gardens area and economic growth for Brighton & Hove. A summary of the monetised and economic growth impacts of the Phase 3 scheme is provided in the table below.

Table 1: Summary of economic impacts

Benefit	Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
Supporting growth of the KIBS sector	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

<sup>(1)</sup> Land value uplift is taken as a single one-time uplift in land values.

<sup>(2)</sup> Given the uncertainty in long-term economic forecasting, the forecast period for KIBS benefits in the economic case for Valley Gardens Phase 3 is 10 years (rather than the 20-year period used for other impacts).

Whilst the scheme is anticipated to deliver significant economic benefits resulting from reductions in the number of collisions/casualties (accidents), an increase in public space, walking and cycling benefits, increased land values, and through supporting the growth of the KIBS sector in Brighton & Hove, it is clear from the summary table above that the total economic impact of the scheme is suppressed by the proposed scheme's impacts on journey times. This reflects the scheme's desire to achieve a greater and fairer balance in the area's division of space between different transport modes and users. Whilst the overall transport user benefit for the scheme is negative, the scheme's anticipated impact on journey times is dependent on the time of day. Benefits are expected in the AM peak period when the current impact of congestion is highest.

Without LGF funding, this project is very unlikely to proceed. This would not only leave Brighton & Hove with ongoing congestion and poor public realm in a key location on its world-famous seafront but would also undermine the potential benefits of Phases 1 and 2, for which the C2C LEP has already committed significant investment. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.

**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).**

Investment in capital expenditure items that promote digital transformation and digital infrastructure ☐

New Innovation and start up business creation ☐

Facilities to provide teaching and research facilities and/or skills based training in digital and innovation areas, across further and higher education sectors in close proximity to the M23, A23 corridor ☐

**Increased capacity in sustainable transport and 'key' arterial routes where there are 'bottlenecks', together with flood resilience and digital infrastructure investment** ☒

Investment in capital projects where there is a demonstrable case that such investment will generate proportionate foreign direct investment and international trade ☐

Regeneration and housing infrastructure projects that increase capacity and footfall and unlock new ☐

	employment space
	Capital investment to increase high value tourism to the Coast to Capital region <input type="checkbox"/>

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

Securing investment to protect and enhance Brighton & Hove's built and natural environment and to support its growth as a strong and prosperous city is a key focus of the city council's (BHCC) 2016 City Plan Part One. The City Plan Part One includes the objective to make sure Brighton & Hove is an attractive city, ensuring that the city's open spaces are well maintained and more accessible to everyone, with Valley Gardens in particular highlighted for becoming 'a more attractive, accessible and usable environment'.

Delivering prosperous urban centres is also identified as a priority in the C2C LEP 2018 Strategic Economic Plan (SEP). Enabling the construction and regeneration of the Valley Gardens Phase 3 area closely aligns to this objective, as set out below.

#### Strategic Economic Plan 2018-2030

The C2C SEP 2018-2030, 'Gatwick 360', puts London Gatwick Airport at the core of its economic plan, highlighting its central position at both the geographical and economic heart of the LEP area. The LEP's vision by 2030 is for 'the towns and cities in the Coast to Capital area to be known around the world as fantastic places to live, to grow and succeed and for the area to become the most dynamic non-city region in England, centred around a highly successful Gatwick Airport.'

As shown by its vision, the LEP's focus on Gatwick Airport does not diminish the importance of the C2C area's cities, towns and villages and their local economies and communities, but instead highlights the importance of connectivity and the important link that Gatwick provides for the region and the towns and cities within it. This is reiterated across the SEP's eight economic priorities for the period up to 2030:

- Priority 1: Deliver prosperous urban centres
- Priority 2: Develop business infrastructure and support
- Priority 3: Invest in sustainable growth
- Priority 4: Create skills for the future
- Priority 5: Pioneer innovation in core strengths
- Priority 6: Promote better transport and mobility
- Priority 7: Improve digital network capability
- Priority 8: Build a strong national and international identity

Brighton & Hove is the LEP's second-most productive local authority district, with a GVA of £7,349m, closely following Croydon's £7,727m. Already a major urban centre, Brighton & Hove is home to two universities and growing visitor and knowledge-based economy. The Valley Gardens corridor, however, has been recognised as an underperforming area of the city, which has the potential to bring city-wide benefits. The LEP's commitment to award £8.0m from the LGF to support Phases 1 & 2 of the Valley Gardens project demonstrates the opportunity within the corridor to enhance the city centre's environment and creating a meeting place for residents and visitors. Phase 3 of the project will extend the improvements along the full-length of the corridor down towards Brighton's seafront.

The Phase 3 scheme aligns to the LEP's ambitions under Priority 1 to deliver prosperous urban centres:

Priority 1 ambitions	Valley Gardens Phase 3 scheme
Delivery of high-quality, locally-distinctive mixed-use schemes based on good urban design	<ul style="list-style-type: none"> <li>• Simplified road layout and traffic infrastructure</li> <li>• Improved environment and landscaping</li> </ul>
Places for people that encourage social	<ul style="list-style-type: none"> <li>• Revitalising Valley Gardens as city-centre park and destination, increasing the amount</li> </ul>

interaction and mixed communities	of open and green civic space that is easily accessible from surrounding areas
Places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas	<ul style="list-style-type: none"> <li>Reducing severance and improving capacity for cyclists and pedestrians</li> <li>Removing physical and perceived barriers to east-west connectivity</li> </ul>
Rejuvenated local economies that add vitality and commerce to neighbourhoods, towns and cities, and make high quality landscape, recreation, heritage and culture more accessible	<ul style="list-style-type: none"> <li>Supporting higher value land uses</li> <li>Reducing fear of crime</li> <li>Improving pedestrian access to neighbouring cultural landmarks</li> <li>Creation/enhancement of new and existing amenity spaces providing new opportunities for local businesses</li> </ul>

Unlike the LEP's 2014 SEP (now superseded), C2C's new 2018 SEP does not yet include details of specific packages of investment or target development areas. Over the course of 2018/19 the LEP will be creating a more detailed action plan to deliver the SEP. The 2014 SEP, however, had already identified Valley Gardens as an underperforming part of Brighton & Hove and identified the corridor as one of four integrated packages of investment for the city.

### Strategic Economic Plan 2014

The importance of Valley Gardens as an area on which development should be focussed was made clear in C2C LEP's 2014 SEP. This included Phases 1, 2 and 3 of the transport scheme: 'Regenerating the Valley Gardens area in an integrated manner that reinforces its strategic significance, emphasises its historic and cultural character, reduces the adverse impact of vehicular traffic, improves local air quality and creates a continuous green boulevard that reconnects the open spa to the surrounding urban realm'.

C2C's 2014 SEP set out the view that the Valley Gardens project (all three phases) would unlock housing development for 100 homes, deliver 9,000m<sup>2</sup> of employment floorspace and create 1,179 new jobs.

**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).**

£2018	Amount	% of Total Cost
<b>Total Project Cost</b>	£7.84m	100%
<b>Applicant own funds</b>	£1.84m	23%
<b>Other public funds</b>	-	-
<b>Private sector funds</b>	£0.0m	0
<b>Funding requested from Coast to Capital LEP</b>	£6.0m	77%

**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.	Unknown
Businesses assisted- financial and non- financial	No.	Unknown
Skills- new learners and/or apprentices	No.	Unknown
New housing unit completions	Units	0
New floor space constructed/refurbished- learning	Sq mtr	0
New floor space constructed/Refurbished- Commercial	Sq mtr	0
Length of new roads/cycle ways	km	1.5km resurfaced roads 0.35km bi-directional, segregated cycle track



Improvement to journey times	Minutes per mile	Dependent on time of day. Benefits expected in AM peak when impact of congestion is highest
Carbon reduction	Tonnes of CO2	Unknown

**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**

A full risk register is included as an annex to this submission. Previous iterations and analysis of risk in this project identified nearly thirty individual risks. The key risk categories into which many of the high and medium level risks fall into are:

**Finance and securing best value**

The most significant risk to this project is that this Business Case fails to justify or secure LGF funding, which would mean this project is very unlikely to proceed. No alternative funding source has been identified.

As further described in the Commercial Case in section 4, to secure best value there will be competitive tendering exercises via OJEU to procure the detailed design and construction works. BHCC's current Professional Services Framework Contract expired in September 2018. This framework had been used to procure the works for Valley Gardens Phases 1&2. To mitigate the risk that a replacement contract is not set up in time, the council has identified two alternative procurement routes to procure the Phase 3 detailed design and construction works. The first and preferred option is to use the Eastern Shires Purchasing Organisation (ESPO) Framework. The second route that has been identified is the Orbis Professional and Technical Services Framework.

**Design risks, including alignment with other proposed transport schemes and developments in Brighton**

As a key corridor in Brighton & Hove, the scheme must integrate with other schemes and developments in the city, both proposed and those already underway, and not least the Valley Gardens Phases 1&2 scheme.

Mitigation to address design risks and ensure the scheme integrates with other schemes and developments include:

- Adoption of a competitive two-stage design process
- Workshops and briefings with key stakeholders to inform the design and maintain awareness of concurrent schemes and development projects
- Design subject to two-stage public consultation
  - Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area
  - Stage 2 (October-November 2018): 6-week formal consultation on single preferred option
- Approval of a preferred design option by BHCC's Environment, Transport and Sustainability Committee.

**Stakeholder engagement and support of proposed scheme**

Linked to the design risks described above, several risks have been identified which centre around securing stakeholder and public buy-in to the Phase 3 design. Mitigation to address weak stakeholder buy-in include:

- Design subject to two-stage public consultation
- Workshops and briefings with key stakeholders.

**Enabling the ongoing use of the Phase 3 area for events**

Valley Gardens plays host to some of Brighton & Hove's key events which are attended by residents and visitors alike. There is a risk, however, that some events may need to be temporarily relocated to outside of the Phase 3 area during construction works.

Mitigation to enable the continued use of the Phase 3 area for events include:

- Where possible, maintaining access to public spaces for events will be considered in the scheduling and delivery of construction works

- Designs include the creation of new public spaces and enhancement of existing public space which, post-construction, could host existing or additional events for the city.

### **Safety and security of new public spaces**

One of the central benefits of the scheme is the creation of new public space and the enhancement of the existing green space at the Old Steine, to be easily accessible to all users. The scheme will also upgrade the quality of the public realm and improve pedestrian access along the rest of the Phase 3 area, which includes the removal of pedestrian guard rails. The creation of these new and more open spaces may heighten the potential risk for safety or terrorism incidents to occur.

Mitigation to the safety and security risks include:

- Attracting more people to the area may help increase the level of self-surveillance
- The positioning of street furniture will be designed to minimise the potential for such incidents.

There are also a number of safety risks associated with temporary traffic management which may arise during construction works. These include ensuring that footpaths and cycleways are managed and are safe and that contractor and project team staff on site have a safe working environment. The project team are committed to managing these risks, collaborating with key stakeholders where required.

### **Construction programme and delivery**

Risks associated with the construction schedule and delivery are limited. Whilst the scheme is in a very prominent and busy, city centre location, as with Phases 1&2 the component parts of the improvement works themselves are relatively straightforward and fall within the existing highway boundary. To mitigate the potential for any delays associated with planning requirements, however, the council's Planning team is being consulted to determine if planning applications are required. A Design & Access Statement is being produced to meet any planning permission requirements should they arise during the next stage of the project/ through the feasibility study/reporting.

Construction works will be delivered in stages, thereby providing increased flexibility in managing the overall timetable should any delays occur and also enabling the continued use of the corridor by vehicles, cyclists and pedestrians throughout the project duration, albeit at a reduced capacity.

## **DOCUMENT STATUS**

### **REVISION HISTORY**

Revision Date	Version No.	Summary of changes	Author/editor
15/11/2018	1	Original draft	BHCC
18/12/2018	2	Incorporated changes following approval of draft by ETS Committee	BHCC

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## 2. The Strategic Case

### 2.1) Describe the compelling case for change.

Valley Gardens is a major north/south route that serves as a key access point to Brighton & Hove's world-famous seafront. The A23 is lined on each side by Georgian buildings and the area contains several green spaces as well as the Royal Pavilion, a major city landmark and tourist attraction. The route plays an important role in establishing the first and last views of many of Brighton & Hove's key attractions and seafront to visitors. As the geographical centre of Brighton & Hove, Valley Gardens has the potential to become a central hub for city-life and the city's visitor economy. At present, however, this key city centre corridor is not living up to expectations. Valley Gardens is currently constrained by dysfunctional placemaking and a poor-quality road layout that is restricting the economic performance of the area and which risks damaging the popular view of Brighton & Hove as one of the UK's top tourist destinations.

A key part of the regeneration of the corridor is a major road enhancement scheme aimed at reducing severance and enhancing the public realm along the A23 in the Valley Gardens area. The project is divided into three phases. Phases 1&2 of the Valley Gardens project focus on the northern extent of the Valley Gardens area and set out to enhance the movement of pedestrians, cyclists and vehicular traffic and reduce congestion along the A23 north of Edward Street. Phase 3 – the focus of this Business Case – will complete the project and includes the junction of the A23 and A259 and adjoins some of the city's key historic landmarks including the Royal Pavilion and Brighton Palace Pier.

#### Brighton & Hove, its visitor economy and the role of the Valley Gardens/A23 corridor

Brighton & Hove is one of the UK's major tourist resorts, attracting a large number of visitors from across a range of demographic groups. The city has developed a distinct identity through its association with various groups and movements throughout its history, which has resulted in Brighton & Hove's unique offer to visitors. The city's unique offer combines Regency architecture, of which the Brighton Pavilion is perhaps the most notable example, Victorian piers and buildings, such as the Brighton Town Hall, and a contemporary cultural offer that includes the annual Brighton Festival and a Pride event of a national scale.

Brighton & Hove's role as a major tourist destination for the UK is reflected in its economic performance and visitor numbers. The city has a total population of 287,200<sup>1</sup> and has 137,000 employees<sup>2</sup>. It is estimated that tourism supported almost 21,800 actual jobs (or almost 16,000 FTE jobs)<sup>3</sup> across Brighton & Hove in 2016, which equates to approximately one in six of the city's total employee jobs. The number of people visiting the city is also growing. In 2016, Brighton & Hove attracted 11,234,000 visitors, up 6.4% on the previous year<sup>4</sup>. The total amount that visitors are spending in the city also increased to £885.9 million, which represents an increase of 3.2% compared to 2015<sup>5</sup>.

Brighton & Hove is home to many nationally-significant visitor attractions, most notably, Brighton Palace

<sup>1</sup> Office of National Statistics (ONS), Population Estimates 2016

<sup>2</sup> ONS, Business Register and Employment Survey (BRES) 2016

<sup>3</sup> Tourism South East, The economic impact of tourism in Brighton & Hove 2016

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

Pier which was the fourth-most popular visitor attraction in terms of number of visitors in 2016 and one of only two attractions in the top-ten not in London<sup>6</sup>. The pier attracted a total of more than 4.6m visitors in 2016<sup>7</sup> and sits directly opposite the pier roundabout at the terminus of the A23 and the Valley Gardens corridor, where the route joins the main A259 seafront/coast road. The A23 is a major access point for many people visiting Brighton & Hove, with the road leading from the M25 all the way to the Old Steine and the pier roundabout on the seafront. The Royal Pavilion also sits to the west of the Valley Gardens Phase 3 area and is itself also undergoing a £41.6m capital development project.

While the visitor economy is important to Brighton & Hove, the city also has many people employed in the financial services sector, including at American Express, which has a large, new European Service Centre base in the city located just to the east of Valley Gardens. Approximately 7% of all jobs in Brighton & Hove are in the financial and insurance services sector, compared to 3% across the south east and 4% nationally<sup>8</sup>. The city also has strong concentrations of people working in higher education, reflecting the importance of the city's two universities to its economy, and specialisms in the information technology and creative sectors<sup>9</sup>. The University of Brighton's Grand Parade Campus is located along the eastern side of the Valley Gardens corridor. The School of Humanities sits directly on the boundary of the Phase 3 scheme area in the Pavilion Parade building. The location of these is shown on the plan provided in Figure 1 (see Section 1.1).

### **The challenge – why the scheme is needed**

Valley Gardens and the surrounding area are of significant strategic importance to Brighton & Hove, as both the primary access point and as the geographic centre of the city, key to tourists as well as other businesses, its universities and residents. At present, however, the Valley Gardens area faces several interrelated challenges which are limiting the area's potential. Whilst the construction of Phase 1-2 of the project will go some way to addressing these challenges, many will still apply for the final phase. The main challenges for Phase 3 can be summarised as:

- **Inefficient land uses and overly complex road layout**

The primary challenge faced by Valley Gardens is centred around the severance caused by inefficient land use and an overly complex road layout that favours vehicular traffic to the detriment of pedestrians and cyclists. The A23 corridor currently forms an overly complex layout of gyratories, dual carriageways and segregated bus lanes with inconsistent stops on each side of the road. These multiple, complex systems cause confusion among drivers and deter pedestrians. The unusual segregated bus lane has mismatched stops on the north and southbound carriageways, in some instances having no stops whatsoever and in others, causing passengers to disembark onto a narrow traffic island. Parking areas are also inefficiently laid out with access roads taking up land that could be used for pedestrian or public space. Approximately 6% of the land can be classified as 'dead space', wholly unusable by anyone, locked up in traffic islands and fenced off areas. In contrast to the perception of the area as a green space, this only accounts for approximately 15% of land.

- **A barrier to east-west connectivity**

Whilst, proportionately, pedestrians appear to be well catered for with approximately 30% of the area allocated to footways, this is not always in areas of demand or in locations that serve pedestrian desire lines.

Not only is the road layout along the A23 complex and unsympathetic to the historical area, it is restrictive to pedestrians due to the high density of traffic and the road design which has effectively created a barrier that prevents pedestrian travel between eastern and western parts of the city. The installation of guardrails along much of Valley Gardens has further restricted access across this east/west route. Residents, commuters and visitors are not able to move freely around the area, which is limiting footfall across several major areas and reducing access to key visitor attractions such as the Royal Pavilion.

<sup>6</sup> Visit England, 2016 Most Visited Paid Attractions *and* 2016 Most Visited Free Attractions, *both part of the Annual survey of visits to visitor attractions.*

<sup>7</sup> Visit England, 2016 Most Visited Free Attractions, Annual survey of visits to visitor attractions

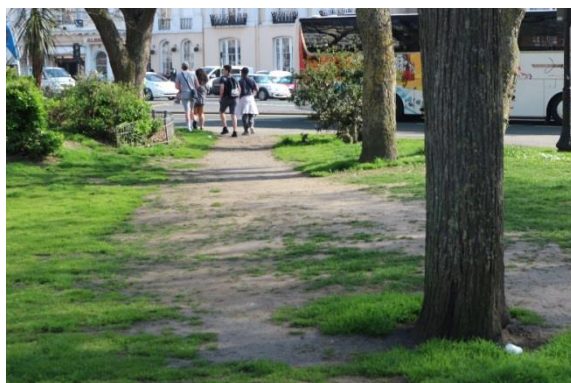
<sup>8</sup> ONS, Business register and employment survey 2016

<sup>9</sup> Regeneris Consulting, April 2018, Brighton & Hove Economic Strategy: Evidence Base – Executive Summary

*Figure 4: Pedestrian route to the Lanes is not legible and obstructed*



*Figure 6: Pedestrian routes not following desire lines from Steine Gardens to the Seafront*



*Figure 5: Severance at Old Steine / Pavilion Parade*



*Figure 7: Lack of direct crossing opportunities from St James's St to Steine Gardens*



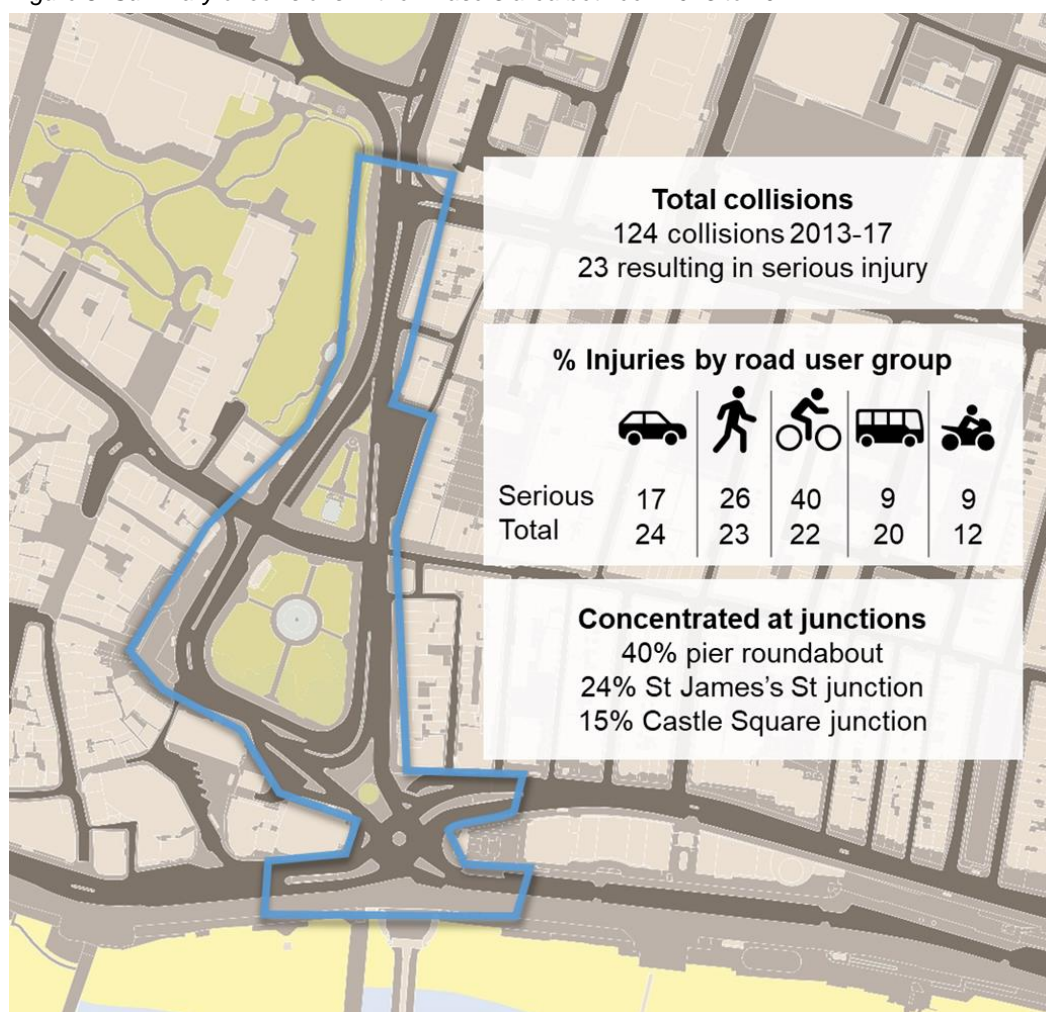
- **High levels of congestion and collisions**

As a primary access point to the city's seafront, the route suffers from high levels of congestion. This congestion further impacts upon visitors' perception of the area and is likely to have a negative impact on the popular impression of the city to many visitors.

In addition, Valley Gardens has experienced a large number of collisions, many resulting in serious casualties. Collision data also indicate the higher risk for vulnerable road user groups, particularly at the A23/A259 junction, as shown in Figure 8.



Figure 8: Summary of collisions in the Phase 3 area between 2013 to 2017



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- **Poor quality public realm and placemaking**

The location of the Steine and the pier roundabout mean that the area could be a central hub for the city, linking together major areas in the east such as St James's Street and the hotels, bars and visitor attractions along Marine Parade and Madeira Drive to the key areas to the west of Valley Gardens, such as the city's Cultural Quarter and shopping areas including the Lanes, North Laine and Churchill Square shopping centre. Rather than complementing and enhancing the area's architecture and existing attractions, however, the current road layout and cluttered street furniture in the southern section of Valley Gardens fail to impress and instead provide a somewhat underwhelming first impression of Brighton & Hove's seafront and tourist attractions to visitors arriving in the city.

The area is restrained by its dysfunctional placemaking that limits the movement of both vehicles and pedestrians in the Valley Gardens area, reducing access by visitors to areas either side of the A23 as well as increasing congestion. Whilst the Old Steine does play host to some of the city's

events – such as the Brighton Festival and Fringe events held in May each year – there is greater potential for this green public space to become an attractive and easily accessible destination for the city’s residents and visitors alike.

Despite the central location and historic architecture, Valley Gardens has also become a hotspot for both real and perceived crime and anti-social behaviour, particularly relating to drug dealing. This also tarnishes the view of the city to visitors and demonstrates the scale of the underutilisation of this major thoroughfare that has great potential to be transformed into a vibrant and successful civic space.



*Figure 9: Brighton Festival 2018. Public spaces need to be flexible in order to host events. Steine Gardens is better used than green spaces to north but remains detached from adjacent areas.*

- **Constrained economic performance and land values**

Ultimately, the dominance of vehicular traffic, inefficient road layouts and poor quality public realm are imposing limitations on pedestrian and cyclist movement which are, in turn, limiting the amount of time people spend in the area. The impact of this for local businesses, particularly within the visitor economy which relies heavily on visitor footfall, is that businesses are missing out on potential revenue.

The area’s reduced accessibility and dominance of vehicular traffic has resulted in an undervaluation of the land in the Valley Gardens area. Whilst the Phase 3 section of Valley Gardens is predominately bounded by commercial uses, there is relatively little active frontage, with this confined mainly to the corners of the junctions with Castle Square and St James’s Street. Furthermore, whilst Valley Gardens is a conservation area, with a large proportion of historic buildings, some of its historic buildings have lower standards of maintenance and there is an opportunity to attract higher value uses.

### **The Solution – what the scheme comprises**

The solution to this challenge is to redevelop the public realm and road layout along Valley Gardens to enhance traffic flows, enable frictionless pedestrian movement across Valley Gardens and enhance the streetscape to make the area more attractive as well as more effective. Figure 10 presents the proposed new layout alongside the current layout.

A simplified road layout will encourage pedestrians and cyclists to use the space and enable the barrier-free access between the eastern and western sides of Valley Gardens, whilst still maintaining vehicle access. Continuing the approach adopted in the northern Phase 1-2 section of Valley Gardens, all general traffic will travel along two northbound and southbound lanes on the eastern side of Steine Gardens, separated by a central median; bus routes will encircle Steine Gardens (Figures 11 to 13). A new two-way, segregated cycle lane will also stretch from the Royal Albion Hotel along the eastern side Steine Gardens. The proportion of land designated for pedestrian use will increase from 45% of the scheme area to 64% of scheme area<sup>10</sup>.

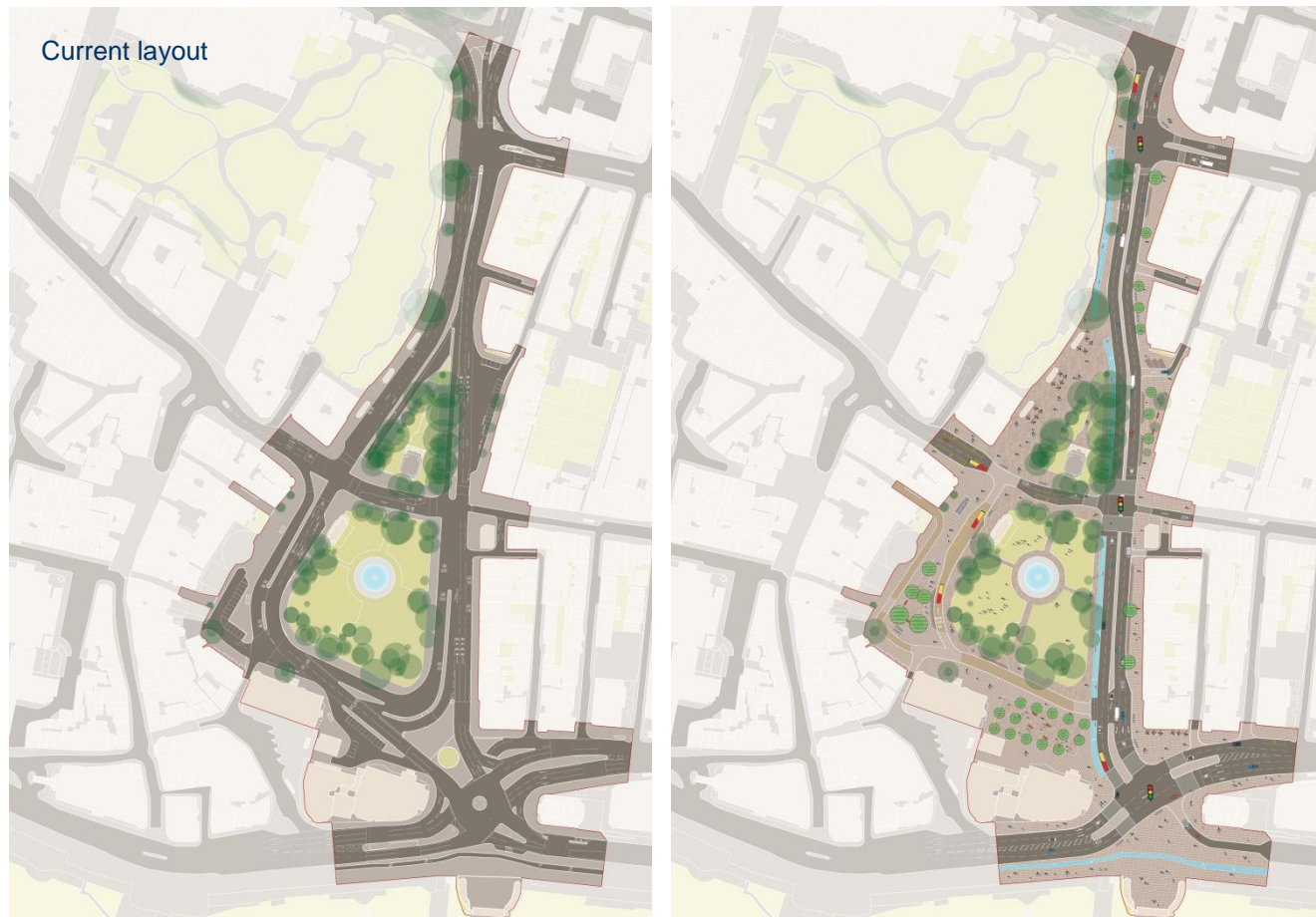
Together these improvements will re-establish the pedestrian link between Kemptown and the city centre, enabling movement between the two areas and encouraging visitors to move around the city, thereby spreading the benefits of the successful visitor economy, particularly to Valley Gardens itself

<sup>10</sup> % figures refer to the proportion of land allocated to pedestrian footway, new public space and greenspace.



where there are few bars, cafes or restaurants, unlike much of the rest of the city. The increased footfall will enable the regeneration and continued development of Valley Gardens. The more visitors that can access an area, the more viable sites become for use as public-facing businesses such as those in the visitor economy.

*Figure 10: The current road layout is shown on the left-hand image. The proposed new layout (right) relocates all traffic to the east of the gardens within a dual carriageway layout, except for a northbound loop for buses to the south-west of Steine Gardens. The current pier roundabout at the A23/259 junction will be replaced by a signalised junction. A continuous cycle lane will link the facility planned as part of Phase 1-2 with the seafront. More direct pedestrian crossings will also be provided at the seafront, better serving desire lines and catering for high pedestrian demand. Pedestrian crossings will be introduced on all arms of the junction of Old Steine and St James's Street.*



Source: Mott MacDonald. Mapping © Crown copyright and database rights (2018) OS (100020999)

In addition to the increased pedestrian flows that will enable the redevelopment of the area by attracting businesses to Valley Gardens, the public realm elements of the scheme will enhance the perception of the area. Valley Gardens has the potential to become a major area for visitors to congregate and to develop into a major destination in its own right, making use of the heritage of the area and its central location. The public realm enhancements, particularly the creation of new public spaces in front of the Royal Pavilion Estate and Royal Albion Hotel and the removal of barriers and the cluttered street furniture, will enable a better use of the space for businesses, public events and movement between the eastern and western sides of the city (Figures 14 and 15).



Figures 11 to 13: Preferred Option - Traffic directions. Figure 11 (left) shows the proposed traffic routes and directions for general traffic (dark blue) and buses (red). Figures 12 and 13 (right) show the two northbound and southbound lanes and the central median on eastern side of Steine Gardens from the redesigned A23/259 junction.



Source: Mott MacDonald. Mapping © Crown copyright and database rights (2018) OS (100020999)

Figures 14 and 15: Improvements to the public realm, which include an increase in the amount of public space and widened footways, will increase the opportunity for events and other community activities to be held in Steine Gardens and complement the area's important historical landmarks. Figure 14 (left) shows the new area of public space to be created to the south-east of the Royal Pavilion Estate<sup>11</sup>. Figure 15 (right) shows a bird's-eye view of the re-designed public space and pedestrian footway in front of the pier.

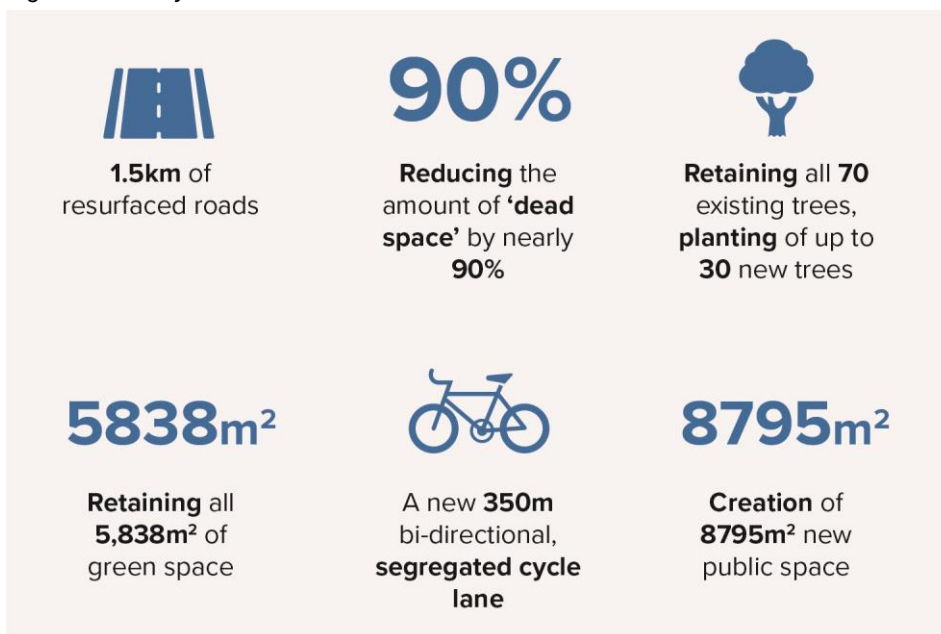
<sup>11</sup> Figure 14 shows indicative, re-purposed, existing, listed bus shelters being used for retail / catering, creating a potential future revenue source for the council. The re-purposing of the bus shelters is not included within the scope or costings for the Valley Gardens Phase 3 scheme, and would be subject to a separate study and funding and planning applications.



Source: Mott MacDonald.

Figure 15 summarises and quantifies the scheme's improvements to pedestrian, cycling, vehicular, public transport infrastructure and public realm enhancements.

Figure 15: Valley Gardens Phase 3 enhancements



### Benefits of the Valley Gardens Phase 3 scheme for Brighton & Hove

This scheme has the potential to deliver a lasting impact on the Valley Gardens area and wider city. A summary of the key user-benefits for residents and visitors of the Valley Gardens Phase 3 proposals, as well as the more tangible economic benefits (which are further presented in Section 3 of this Business Case) include:

- Improved north-south and east-west connectivity for pedestrians, thanks to widened footways and more direct crossings at the seafront which better service desire lines
- Improved north-south connectivity for cyclists, with a continuous cycle lane linking the seafront with the facility already planned as part of Phase 1-2
- Combined walking and cycling (active travel) benefits valued at £1.495m over 20 years
- Smoother flows for bus traffic, removing the current bottleneck to the east of the war memorial and with a more efficient distribution of bus stops
- Improved road safety, with anticipated collision and casualty (accident) reduction benefits valued at £11.001m over 20 years
- Enhancement of a central civic space at the Old Steine and Steine Gardens, easily accessible to all users
- The creation of new and extended public spaces, particularly to the south-east of the Royal Pavilion, and improved public realm valued at £1.893m over 20 years
- Increased opportunity for community, charity and commercial events in the scheme area,

providing the council with additional income from hiring out event space, valued at £0.1m over 20 years

- An anticipated £4.295m increase in land values in the area immediately surrounding the Phase 3 scheme
- Provision of high quality public realm and transport infrastructure supporting further growth in Brighton & Hove's important Knowledge Intensive Business Services (KIBS) sector, with an estimated value of £6.168m over ten years.

### **Why public funding is required – the impact of not delivering the scheme**

Without funding, it is highly unlikely that this scheme will be progressed. No alternative sources of funding have been identified that would enable the full scheme to be implemented with city-wide impact. Valley Gardens is currently constrained by dysfunctional placemaking and a poor-quality road layout that constrains the economic performance of the area and risks damaging the view of Brighton & Hove held by visitors who are so important to the local economy. Failure to address this poor road layout and unwelcoming public realm could limit the future growth potential of the areas surrounding the scheme, particularly of the Kemptown area to the east of Valley Gardens which has fewer key attractions than the area to the west of the road.

Furthermore, as Phase 3 forms only a segment of a larger north-south corridor, if the project fails to secure funding from the LEP this could undermine the potential impact of Phases 1-2, for which the C2C LEP has already committed a significant £8million investment and construction commenced in September 2018. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.

### **Contribution to the Coast to Capital SEP and other relevant policies**

This project shows strong strategic alignment with a number of the C2C LEP's and BHCC's major policies.

The C2C LEP's new SEP, launched in July 2018, sets out eight key economic priorities which comprise its programme for growth. Valley Gardens Phase 3 directly supports Priority 1 of the SEP, to deliver prosperous urban centres. In particular, the Phase 3 scheme supports the following ambitions set out under Priority One in the SEP, which include:

- The delivery of high-quality, locally-distinctive mixed-use schemes based on good urban design
- Places for people that encourage social interaction and mixed communities
- Places connected by highly sustainable transport links with a low carbon footprint and low land usage that allow for more efficient movement of people and goods within and between local areas
- Rejuvenated local economies that add vitality and commerce to neighbourhoods, towns and cities, and make high quality landscape, recreation, heritage and culture more accessible.

### **City Plan Part One (2016)**

BHCC's City Plan (Part One) aligns to the LEP's ambitions for delivering prosperous urban centres and reflects the importance the council places on protecting and enhancing the city's unique built and natural environment whilst ensuring needed homes and jobs are provided, along with the right infrastructure and community facilities to support the city's residents, businesses and visitors. Valley Gardens is identified as Special Area policy (SA3) in the City Plan and the council is committed to working with public and private sector partners to deliver regeneration and to enhance Valley Gardens, in line with the specific aims it has identified, these are:

- To create a vibrant and attractive new public park for the city centre
- To reduce the severance impact of traffic on the enjoyment of the public realm through environmental and transport improvements
- To create safe and legible links with adjoining areas
- To enhance the appearance and setting of historic buildings
- To find appropriate new uses for key buildings
- To accommodate provision for high quality outdoor events
- To enhance the biodiversity of the area.

These do not distinguish between Phases 1&2, although further specific priorities are made in relation to



the Old Steine as follows:

- Emphasise its role as a visitor destination space
- Enhance the arrival and departure experience for visitors by ensuring simple, safe and comprehensible links to and from the seafront and the Lanes
- Ease the movement of pedestrians and cyclists through recapturing road space and creating direct crossing points, particularly to reconnect St James's Street with the city centre.

Other City Plan policies of particular relevance are SA1 (Seafront) and CP9 (Sustainable Transport). SA1 includes a commitment to improve pedestrian and cycle connections to and along the seafront, as well as to support the regeneration of Madeira Drive and safeguard its role as a key events space. CP9 aims to provide an integrated, safe and sustainable transport system that will accommodate new development, improve accessibility and support the city's role as a regional centre for employment, shopping, tourism and services.

### **City Plan Part Two**

The second part of the City Plan was released by BHCC in draft for consultation in July 2018. This set out the detailed development management policies for the city to support the strategic City Plan Part One. It also identifies and allocates additional development sites. Relevant policies of this emerging strategy to Valley Gardens are as follows:

- DM 32 (Royal Pavilion) which seeks to provide a more legible and coherent perimeter treatment, enhance entrances and the 'sense of arrival', improve pedestrian circulation through the estate, enhance key views into and across the estate, improve security and design out anti-social behaviour
- DM 33 which supports LTP objectives to provide safe and sustainable transport;
- DM 34 outlining the conditions in which purpose built-interchanges including park and ride and coach parking will be supported
- DM 27 (Listed Buildings) and DM28 (Locally Listed Heritage Assets).

### **Local Transport Plan 4 (LTP4) (2015)**

In relation to BHCC's current transport strategy (LTP4), the Valley Gardens Phase 3 scheme also supports a number of its strategic objectives, including to:

- Ensure that transport contributes to sustainable economic growth
- Reduce transport emissions
- Create safe and welcoming streets
- Create attractive spaces that enhance quality of life and regenerate the city
- Create an accessible and inclusive transport system
- Encourage healthy and active travel choices.

The Valley Gardens project is one of the key projects outlined in LTP4 with specific aspirations being to open up the public spaces; to improve routes for all users, including between the Royal Pavilion and seafront; to enhance the public realm; and to improve safety.

### **Other BHCC Strategies**

The **Public Space Public Life Study** and the **LR2 Study** show how Valley Gardens could be developed into a grand civic route into the city and propose the creation of an attractive and inviting 'Green Lung' that would provide environmental benefits to the city through the use of green infrastructure. The **Public Space Public Life Study** proposes the development of the area into a 'Gateway' for the city that is attractive and welcoming and built around the principles of sustainable and environmentally-friendly design. These proposals include the planting of 10,000 trees, the creation of walking and cycling networks, the improvement of connections between districts of the city and the relocation of city centre parking.

The Valley Gardens scheme has the potential to create links with specific identity and character, could become the grand route into the city, reflecting the importance of this historic valley and its connection to the water. On a smaller scale, the east-west route could incorporate several green elements and begin to attract more joggers, cyclists and general recreation.

### **Transformative: An Economic Strategy for Brighton & Hove, November 2018**

More recently, a new economic strategy for Brighton & Hove has been developed for the whole city

(approved by Full Council on 13 December 2018), which responds to the priorities set out within C2C's SEP and the Government's industrial strategy. The Strategy is underpinned by five key themes: 'A Growing City', 'An Open City', 'A Talented City', 'A Fair City' and 'A Sustainable City'. The Valley Gardens Phase 3 scheme supports the 'Open City' theme, which reflects the Council's aims to enhance the identity of Brighton & Hove and the city region as a welcoming place for residents, businesses, visitors and investors and which responds to some of the city's key challenges, such as enhancing the quality of the built environment. It also aligns to the aspirations captured within the 'Sustainable City' theme through improving facilities for low carbon modes of transport, such as cycling and walking.

### **Brighton & Hove Visitor Economy Strategy (VES) 2018-2023**

In recognition of the importance of tourism for Brighton & Hove's economy, the council and its partners have developed a new strategy to support sustainable growth in the local visitor economy and an associated plan to improve the management of the visitor experience in Brighton & Hove. The strategy sets out an overarching goal for tourism in Brighton & Hove 'to safeguard the long-term sustainability of tourism'. In planning for sustainable growth, the strategy recognises that currently most visitors are concentrated in a small footprint in the centre of the city, but struggle to navigate to and understand the city's different quarters and neighbourhoods. Through improving north-south and east-west connectivity and re-establishing the pedestrian link between Kemptown and the city centre, the Valley Gardens Phase 3 scheme will help overcome these challenges. The scheme directly supports the council's aims for managing the city for sustainable growth in the tourism sector by enabling visitors to explore further, understand and access the city better.

Furthermore, the strategy also identifies a series of growth opportunities through which the city can add value and build on its existing strengths, one of which is to 'work more closely with the universities and with key industries to nurture new events and bring them together to bid for international events to develop a proposition that takes advantage of the rich digital and creative clusters in Brighton and better engages with it'. With its proximity to the city's universities and creation of city-centre public space, the Valley Gardens Phase 3 scheme will create and improve the city's facilities for such events.

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

The Valley Gardens Phase 3 scheme design options have been assessed against policies in the City Plan Part One, in particular Policy SA3 Valley Gardens that includes seven overall aims for the corridor. SA3 also sets out specific priorities for improvements to the Old Steine.

It is important that the Phase 3 scheme provides a solution which is coherent with and complements the highway design and public realm improvements that are now under construction as part of Valley Gardens Phases 1-2.

The specific design objectives for Phase 3 are set out below.

Design Objective 1: To improve the quality of the pedestrian experience	A. Improve north-south connections
	B. Improve east-west connections
	C. Maximise pedestrian capacity
	D. Improve connections to green space
	E. Improve connections to the Lanes
Design Objective 2: To improve the quality of the cycling experience	A. Provide a continuous north-south connection
	B. Improve east-west connections
	C. Provision of segregated cycle infrastructure
	D. Improve cycle crossing to seafront cycle route
	E. Opportunities for cycle parking / cycle hire facilities
Design Objective 3: To improve the experience for public transport users	A. Maintain or improve bus journey times
	B. Provide sufficient bus stop capacity in appropriate locations
	C. Provide sufficient bus stand / layover capacity

	D. Provide facilities for private coaches
	E. Provide sufficient taxi ranks in appropriate locations
Design Objective 4: To reduce the impact of vehicle congestion	A. Improve north – south general traffic journey times
	B. Improve east – west general traffic journey times
	C. Improve driver legibility / simplify layout
	D. Retain current vehicle movement options
	E. Achieve 'smoother' flow of traffic
Design Objective 5: To improve the public realm	A. Create space for new public realm
	B. Provide connectivity between green / public spaces
	C. Improve setting of and links to the Royal Pavilion
	D. Improve setting of historic buildings on Old Steine
	E. Retain and enhance quality / capacity of event spaces
Design Objective 6: To improve road safety	A. Reduce occurrence and severity of vehicle / P2W collisions
	B. Reduce occurrence and severity of pedestrian collisions
	C. Reduce occurrence and severity of cyclist collisions
	D. Maintain appropriate vehicle speeds by design
	E. Improve perception of safety for all road users
Design Objective 7: To enhance the environment	A. Improve air quality
	B. Reduce noise
	C. Retain mature trees
	D. Contribute to biodiversity
	E. Create space for additional tree planting / landscaping
Design Objective 8: To provide inclusive and accessible space	A. Improve access for mobility impaired users
	B. Improve access for visually impaired users
	C. Provision of wider unobstructed footways
	D. Provide / maintain access to essential services
	E. Provide opportunities for resting / seating

Timescales for the construction of the scheme are set out in Section 5 below.

### 2.3) Stakeholder Engagement carried out.

A Consultation and Engagement Plan and Stakeholder Management Plan were produced in May /June 2018.

The plans set out a two-stage approach to public consultation:

- Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area.
- Stage 2 (October-November 2018): 6-week formal consultation on single preferred option.

The following engagement strategies have been employed:

- Online questionnaires on BHCC consultation portal
- Staffed exhibition events
- Hard copies of survey to be made available at events or on request
- Consultation period advertised via social media and council press release



- Posters displayed in public areas including car parks and public transport

In addition to public consultation, there has also been engagement with internal and external stakeholders during the design process. Internal consultation has included lead Members and ward councillors, and officers from a range of the council's service areas. Externally, the Connected City's Transport Partnership has been, and will continue to be, engaged as will user groups and business representatives. City council officers have also provided monthly briefings to C2C LEP officers on the progress being made since September 2017.

## 2.4) List the key stakeholders and their interest areas.

Key internal and external stakeholders and stakeholder groups engaged during the design process include:

Stakeholder Group	Interest areas
<b>Department for Transport</b>	<ul style="list-style-type: none"> <li>• Adherence to regulations</li> <li>• Impact on neighbouring projects</li> </ul>
<b>Internal council stakeholders</b> , including officers from City Parks, City Clean, Events, Visit Brighton, Planning / Conservation, the Seafront Office, Museums and Community Safety and transport officers.	<p>Various, including:</p> <ul style="list-style-type: none"> <li>• That the project can be implemented and links coherently with Phases 1-2</li> <li>• Provision of high-quality bus infrastructure and bus priority</li> <li>• Protection and maintenance of seafront structures</li> <li>• That designs contribute to managing congestion</li> <li>• Design and operation of on-street parking</li> <li>• Road safety</li> <li>• Management of the seafront</li> <li>• Historic buildings and their setting</li> <li>• Management of parks and green spaces</li> <li>• Compliance with Equality Act</li> <li>• Access for public refuse collection and street cleaning</li> <li>• Increasing visitors and achieving high visitor satisfaction</li> <li>• Improving the setting of the Royal Pavilion Estate and managing its security</li> <li>• Events can continue to operate and improve facilities for enhancing events</li> <li>• Crime reduction</li> </ul>
<b>Connected City Transport Partnership</b>	<ul style="list-style-type: none"> <li>• Forum for discussion and comment on scheme proposals as they emerge</li> </ul>
<b>Public transport operators</b> , including Brighton & Hove Bus Company, Big Lemon Compass Bus, Metro Bus and Stagecoach	<ul style="list-style-type: none"> <li>• Services can run through the scheme area without an adverse impact on current journey times and that sufficient bus stop and bus stand provision is retained</li> </ul>
<b>Coach operators</b> , including National Express and operators of visitor coaches	<ul style="list-style-type: none"> <li>• Services can run through the scheme area without an adverse impact on current journey times</li> <li>• Access to coach station is retained and/or sufficient coach stand capacity is incorporated into designs</li> <li>• Adequate capacity for coach parking is provided across the city and for drop-off in the city centre/ on the seafront</li> </ul>
<b>Bike share operator</b> , Hourbike	<ul style="list-style-type: none"> <li>• Existing hub capacity is retained and ideally extended</li> </ul>
<b>Taxi service providers</b>	<ul style="list-style-type: none"> <li>• Journey times for taxis are not negatively impacted</li> <li>• That adequate taxi rank capacity is provided</li> </ul>
<b>Transport user groups</b>	<p>Various, including:</p> <ul style="list-style-type: none"> <li>• Bus journey times are improved and bus stop facilities upgraded with better routes to them</li> <li>• Provision of high quality cycle routes and addressing missing links</li> <li>• Maintenance of seafront cycle facility during events and</li> </ul>

	<ul style="list-style-type: none"> <li>congested periods</li> <li>Designs provide a safer environment for powered two wheelers</li> <li>Designs improve traffic flow and reduce congestion</li> <li>That the designs cater for the needs of disabled people and provide improvements on the existing layout</li> <li>That the scheme accommodates the needs of all users</li> </ul>
<b>Residents' groups</b>	<ul style="list-style-type: none"> <li>Various with full engagement through the public consultations</li> </ul>
<b>Local conservation groups</b>	<ul style="list-style-type: none"> <li>The setting of historic buildings is preserved</li> </ul>
<b>Emergency services</b> , including Sussex Police, East Sussex Fire and Rescue, Sussex East Coast Ambulance Service	<ul style="list-style-type: none"> <li>Continued access for vehicles and maintenance of response times</li> <li>Community safety</li> </ul>
<b>Businesses and Business Groups</b> , including Business Forum, Brighton & Hove Economic Partnership, Brighton & Hove Tourism Alliance, Brighton Pier, Sealife Centre, Events organisers, other local businesses	<p>Various, including:</p> <ul style="list-style-type: none"> <li>Scheme helps to encourage additional visitors and supports businesses in the scheme and adjoining areas</li> <li>Access to frontages and private parking is maintained</li> <li>Public realm better accommodates visitors</li> <li>Events can continue as present</li> </ul>
<b>Schools</b> , including Carlton Hill Primary School and Middle Street Primary School	<ul style="list-style-type: none"> <li>School and parents interested in safer routes to school</li> </ul>
<b>National bodies</b> including Historic England and Environment Agency	<ul style="list-style-type: none"> <li>The setting of historic buildings is improved</li> <li>The scheme does not increase vulnerability of the area to flooding</li> </ul>
<b>Utility companies</b>	<ul style="list-style-type: none"> <li>Maintenance of existing infrastructure and ease of access to this within a future scheme</li> </ul>
<b>Design: South East Review Panel</b>	<ul style="list-style-type: none"> <li>Independent panel to review scheme designs as they emerge</li> </ul>

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

The seamless integration of the Phase 3 design with the Phase 1-2 scheme is essential to ensure the successful delivery of the project. Detailed designs have been approved for Phase 1-2 with construction having commenced in late summer 2018. The general design principle for Phase 1-2 is to remove the current gyratory system and relocate two-way through traffic to the east side of the gardens. Buses, taxis and local access traffic will use the west side of the Steine Gardens.

The preferred option for Phase 3 has been designed to connect coherently with Phase 1-2, although there may be scope for minor amendments to the southernmost section of the latter during the Phase 3 detailed design stage. Construction of the southern section of the Phase 1-2 area will be last part to be completed. Any delays to the Phase 1-2 programme, could impact on the delivery schedule for the construction of Phase 3.

The A23/Edward Street junction was the subject of a recent redesign as part of a Government-funded Better Bus Area project and is not formally included in either phase; however, the Phase 3 design process includes this junction to ensure that a coherent link is provided.

The proposed Phase 3 project will be designed and constructed within the existing highway boundary and within land owned by the council. The council's Planning team is being consulted to determine if planning applications are required. A Design & Access Statement is being produced to meet any planning permission requirements should they arise during the next stage of the project/ through the feasibility study/reporting. The risk posed by failing to secure the necessary permissions and planning

consents could cause significant delay to the delivery of the project.

## 2.6) Project Dependencies

As set out above, the Valley Gardens Phase 3 project is intrinsically connected to Valley Gardens Phases 1-2. The anticipated outcomes for Valley Gardens Phases 1-2 are significantly predicted on the delivery of a coherent Phase 3 scheme to realise the forecast benefits-costs ratio and transport outcomes.

In addition to the Phases 1-2 scheme, other major projects that the Phase 3 project would influence and be affected by are the Waterfront Project and Madeira Drive/Madeira Terrace regeneration.

The Waterfront Project includes the construction of a new conference/convention and entertainment venue at Black Rock, to be part funded by the sale and redevelopment of the Brighton Centre and Kingswest complex. This requires an integrated transport strategy to connect the new venue to the city centre and train station with access being via the Valley Gardens Phase 3 scheme area.

Madeira Drive is subject to a number of current and planned projects which aim to restore the historic Madeira Terraces and attract new uses to vacant sites. The regeneration of the Madeira Terrace is currently largely unfunded; however, the wider regeneration of Madeira Drive will be an important consideration in determining future access arrangements as part of the Valley Gardens project.

The Royal Brighton Pavilion Estate which flanks the scheme is also undergoing redevelopment, which includes the restoration of the Royal Pavilion and improvements to the Royal Pavilion Garden. The redevelopment will also see further development of the Brighton Museum and Art Gallery.

## 2.7) Project disruption

The Valley Gardens (A23) corridor is a major north/south route through the centre of Brighton & Hove. The Phase 3 area is bounded by two of the city's major visitor attractions, the Brighton Palace Pier and Royal Pavilion, and many other residential, business and university premises. Whilst some disturbance and inconvenience to residents, business and visitors is inevitable during the improvement works, the following measures will be deployed to minimise disruption:

- **Staged-delivery and scheduling:** In line with the approach adopted for the construction of Phase 1-2 of the Valley Gardens scheme, the improvement works for Phase 3 will be undertaken in stages to allow for the continued use of the area by vehicular traffic (including emergency services), cyclists, and pedestrians during construction.
- **Temporary traffic management:** Temporary traffic management will be required during the improvement works to divert and manage the flow of traffic around the work area and create a safe working environment for contractors. This may include temporary road closures and relocation of bus stops, leading to short periods of reduced capacity and increased journey times for users. To minimise disruption for users, BHCC will look to schedule any temporary closures outside of peak periods.
- **Communication:** Dates for the improvement works and any road closures will be communicated to residents, businesses, schools and visitors via a monthly newsletter, to be produced by the appointed contractor. Key stakeholders, such as public transport operators, local businesses and emergency services, will be engaged with directly.
- **Access to premises:** Access to all visitor attractions, other commercial and business premises and residential properties will be maintained throughout the duration of improvement works. Maintenance of access to public spaces for events will also be critical and such events will be considered in the scheduling and delivery of construction works. Some events may need to be temporarily relocated during construction works.

In addition to the above, any lessons learnt during the management of the Phases 1-2 works will be applied to the Phase 3 works, if appropriate.

### 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.

#### Box 1:

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
<b>Do nothing, minimum or status quo</b>	No new significant investment in the southerly section of Valley Gardens. Improvements to the Valley Gardens corridor finish at the terminus of the Phase 1-2 scheme area.	None	None	N/A
<b>Proposed option</b>	<b>Option 1: All traffic on the east.</b> The proposed option simplifies the traffic layout by relocating all traffic to the east of the gardens within a dual carriageway layout, apart from a northbound loop for buses to the south-west of Steine Gardens. The proposed option creates a significant additional area of public space to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. The current pier roundabout at the A23/259 junction will be replaced by a signalised junction.	£7.840million (excl. VAT) – estimated	£6million	Delivers 1.5km of resurfaced roads and a new 0.35km bi-directional, segregated cycle track. Enables improvements in road safety, with an estimated £11.001m accident reduction benefits. Public realm enhancements valued at £1.893m. Enables an estimated £4.295 increase in local land values. Support growth of KIBS sector, valued at £6.168m.
<b>Alternative options:</b>	<b>Option 2: Informal roundabouts.</b> Option 2 removes all conventional traffic signals and replaces these with informal roundabouts in a similar fashion to either Poynton in Cheshire or Frideswide Square in Oxford. NB: Option 2 is not considered to be a viable option because of the likely impacts on traffic congestion and possible accessibility issues (further explanation is provided in Box 2 below).	£6.943million (excl. VAT) - estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £18.134m. Public realm enhancements valued at £1.297m. Support growth of KIBS sector, valued at £6.168m.

	<b>Option 3: Buses on west with signalised junction.</b> Option 3 relocates buses to the western side of the corridor, although southbound buses from North Street would continue to use St James's Street and the eastern side of the Old Steine.	£7.881million (excl. VAT) – estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £10.812m. Public realm enhancements valued at £1.362m. Support growth of KIBS sector, valued at £6.168m.
	<b>Option 4: Buses on west with retention of roundabout on seafront.</b> Option 4 is similar to Option 3, although it retains the roundabout junction at the Palace Pier where the A23 joins the A259.	£8.028million (excl. VAT) - estimated	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £11.424m. Public realm enhancements valued at £1.326m. Support growth of KIBS sector, valued at £6.168m.

#### Box 2:

Option Name:	Advantages:	Disadvantages:
<b>Do nothing, minimum or status quo</b>	No immediate funding required.	<ul style="list-style-type: none"> <li>Fails to address all issues around complex road layout and pedestrian and cyclist access.</li> <li>Undermines the potential benefits of Phases 1-2 scheme, for which funding has already been committed and construction commenced.</li> <li>Fails to deliver the significant public space and urban realm benefits Option 1 will bring.</li> </ul>
<b>Proposed option</b>	<ul style="list-style-type: none"> <li>Greatest economic benefits.</li> <li>Greatest potential for increasing the number of community, charity and commercial events.</li> <li>The most favourable option in terms of journey times for general traffic.</li> <li>Considered to be the most accessible option because of the type of crossings proposed and the alignment of these.</li> </ul>	<ul style="list-style-type: none"> <li>Greater capital cost than Option 2.</li> <li>Accident benefits not as high as Options 2 and 4, however, the benefits are still expected to be substantial.</li> </ul>



	<ul style="list-style-type: none"> <li>Significant benefits for walking and cycling access within and across the Phase 3 area.</li> </ul>	
<b>Alternative options:</b>	<ul style="list-style-type: none"> <li>Option 2 has a lower capital cost and shows the biggest reduction in the number of accidents. However, it is not considered to be viable for the reasons stated opposite.</li> </ul>	<ul style="list-style-type: none"> <li>Lower economic benefits.</li> <li>Options 3 and 4 have a greater capital cost and funding requirement.</li> <li>All alternative options have a lesser increase in public space, with correspondingly lower monetary benefits.</li> <li>Traffic modelling has indicated that Option 2 is not viable in traffic capacity terms, with introduction of single lanes expected to result in a 'gridlock' situation.</li> <li>Option 2 does not provide formal traffic crossings. Whilst this can work in some locations, it is not considered appropriate to the volume of traffic and pedestrians in this location. There is also concern about how inclusive the design would be and its accessibility benefits compared to Option 1.</li> <li>Option 2 is also not expected to generate the required public and stakeholder support and as such there are questions over its deliverability.</li> <li>The creation or retention of signalised junctions in Options 3 and 4 provides added complexity.</li> <li>Options 3 and 4 would allow a lower quality cycle lane to be provided to the north. This will reduce the associated benefits and lead to greater conflict with pedestrians.</li> </ul>

### 3.2) The preferred option

The preferred option is to simplify the layout of the Phase 3 area and readdress the spatial balance between different modes and users by relocating all traffic to the east of the gardens within a dual carriageway layout, with the exception of a northbound loop for buses to the south-west of Steine Gardens.

A key feature of the preferred option is the increase in public space that it provides. The preferred option will provide the greatest increase in newly created public space, with a significant additional area to be created to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. Further enhancing the pedestrian environment and pedestrian access, the preferred option includes more direct pedestrian crossings to be provided at the seafront than options two to four, better serving desire lines and catering for the high pedestrian demand.

Whilst each of the shortlisted options allow for the introduction of a continuous cycle lane linking the facility planned as part of Phases 1-2 with the seafront, the preferred option also provides a new crossing for cyclists at the seafront to link with the new north-south facility. The preferred option also sees the removal of the signalised junction at North Street and Castle Square.

Overall, the preferred option has been assessed to have the most beneficial impact against the defined design criteria for the scheme. Whilst Option 2 (which is based on the removal of all conventional traffic signals, replacing them with informal roundabouts in a similar fashion to either Poynton in Cheshire or Frideswide Square in Oxford) is estimated to deliver the greatest benefits in terms of accident reductions (valued at £18.134m over 20 years), traffic modelling for Option 2 resulted in a 'gridlock'

situation, suggesting that the reduction in capacity arising from the introduction of single lanes associated with this option is not viable in capacity terms.

The preferred option also has the greatest potential of the four short-listed options to support economic growth for the Valley Gardens area and for the city more widely. A summary of the anticipated economic impacts for the Phase 3 preferred option are summarised below.

<b>Benefit</b>	<b>Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)</b>
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
KIBS sector benefits	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

If the preferred option is not successful, the following outcomes are anticipated:

- Ongoing AM peak time congestion and poor quality public realm, undermining the potential benefits of Phases 1 and 2. The anticipated outcomes for Valley Gardens Phases 1-2 are significantly predicted on the delivery of a coherent Phase 3 scheme to realise the forecast benefits-costs ratio and transport outcomes. The successful delivery of Phase 3 is vital to securing the success of the entire Valley Gardens corridor.
- 44% more accidents compared to if the scheme goes ahead<sup>12</sup>.
- Nearly 6% of land will remain as 'dead space', not able to be used and locked up in traffic islands and fenced off areas.
- Continued dominance of vehicular traffic, to the detriment of cyclists and pedestrians.
- Constrained pedestrian and cyclist connectivity to the proposed exhibition venue at Black Rock, part of the Waterfront Project. The project requires an integrated transport strategy to connect the new arena to the city centre and train station with access being via the Valley Gardens Phase 3 scheme area.
- Land value uplift and public realm benefits estimated at over £6m will not be realised.

### **3.3) Issues with preferred option.**

To select the preferred option, the council has undertaken a sifting and appraisal exercise to assess each of the options against previously agreed design objectives. The preferred option (Option 1) is expected to offer the greatest all-round benefits and is the best performing in terms of journey times. Whilst it does not provide additional bus priority measures, it is largely consistent with the existing layout in terms of the length of dedicated bus lanes with the exception of the removal of the current segregated bus lane to the east of the war memorial. However, this removes a bottleneck in the current layout, as the segregated bus lane currently results in delays to buses queuing behind stopping services and contributes to a poor passenger environment.

The proposed option creates a significant additional area of public space to the south-east of the Royal Pavilion with the aim of improving pedestrian movement, creating alternative spaces for events and improving the setting of the Royal Pavilion. This area includes existing listed bus shelters, which hold the potential for being re-purposed for retail / catering uses, creating a potential future revenue source for the council (see Figure 14 in Section 2.1). It is important to note, however, that the re-purposing of the bus shelters is not included within the scope or costings for the preferred option and would be subject to a separate study and funding and planning applications.

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

Section 1.6 above outlines the main risks and issues with the proposed project, which is based on this preferred option. Here we highlight the top 5 risks of this option. The 5 risks listed below are in addition

<sup>12</sup> Based on COBALT analysis over a 60-year forecast period.

to the fundamental risk that this Business Case fails to secure LGF funding. As no alternative funding source has been identified, failure to secure LGF funding is a very real risk to the project and could ultimately decide whether the project will go ahead.

### **Procurement challenges and securing best value**

As further described in the Commercial Case in section 4, to secure best value there will be competitive tendering exercises via OJEU to procure the detailed design and construction works. However, BHCC's current Professional Services Framework Contract expired in September 2018. This framework had been used to procure the works for Valley Gardens Phases 1-2. To mitigate the risk that a replacement contract is not set up in time to procure the Phase 3 detailed design and construction works, the council has identified two alternative procurement routes. The first and preferred option is to use the Eastern Shires Purchasing Organisation (ESPO) Framework. The second route that has been identified is the Orbis Professional and Technical Services Framework.

### **Design risks, including alignment with other proposed transport schemes and developments in Brighton & Hove**

As a key corridor in Brighton & Hove, the scheme must integrate with other schemes and developments in the city, both proposed and those already underway, and not least the Valley Gardens Phase 1-2 scheme. To minimise design risks, the preferred option will be subject to further design development which will include:

- Design of the proposed areas of public space to ensure these generate activity
- Further consideration of the integration of Phase 3 with Phase 1-2
- Refinement of cycle lane proposals to provide a facility which is as wide as possible and minimises conflict with pedestrians
- Confirmation of bus stop and bus stand locations; including any potential to better use Pool Valley
- Further investigation of car parking requirements and breakdown between different user groups.

The cost estimate for the preferred option which is included in this Business Case also includes a risk allowance/contingency for design development risks, which equates to approximately 7.5% (£471,000) of the building works estimate.

### **Stakeholder engagement and support of proposed scheme**

Linked to the design risks described above, several risks have been identified which centre around securing stakeholder and public buy-in to the preferred option. Mitigation to address weak stakeholder buy-in include:

- Design subject to two-stage public consultation
- Workshops and briefings with key stakeholders.

### **Enabling the ongoing use of the Phase 3 area for events**

Valley Gardens plays host to some of Brighton & Hove's key events which are attended by residents and visitors alike. There is a risk, however, that some events may need to be temporarily relocated to outside of the Phase 3 area during construction works.

Mitigation to enable the continued use of the Phase 3 area for events include:

- Where possible, maintaining access to public spaces for events will be considered in the scheduling and delivery of construction works
- Designs include the creation of new public spaces and enhancement of existing public space which, post-construction, could host existing or additional events for the city.

### **Safety and security of new public spaces**

One of the central benefits of the scheme is the creation of new public space and the enhancement of the existing green space at the Old Steine, to be easily accessible to all users. The scheme also aims to upgrade the quality of the public realm and improve pedestrian access along the rest of the Phase 3 area, which includes the removal of guard rails. The preferred option delivers the greatest increase in public space out of the four shortlisted options. The creation of these new and more open spaces may heighten the potential risk for safety or terrorism incidents to occur.

Mitigation to the safety and security risks include:

- Attracting more people to the area may help increase the level of self-surveillance
- As part of the further design works detailed above, consideration will be given to the need for hostile vehicle mitigation to protect new areas of public space.

**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 spreadsheet.**

### 3.5) Economic impact

The proposal to simplify the road layout, create a new cycle route and improve the quality of the public realm in the southern section of the Valley Gardens area will yield strategic, social and economic benefits. Whilst these benefits have been assessed individually (as set out below), the benefits are interdependent and will not be realised without addressing the challenges described in section 2.1 of this Business Case. Below is a summary of the monetised benefits which are expected to result from the scheme. A supporting technical note is also included at Appendix A which outlines the methodologies and assumptions which underpin this assessment.

Benefit	Economic impact over 20-year appraisal period (all £m, 2010 prices discounted to 2010)
Accident (collision/casualty) reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m <sup>(1)</sup>
Public realm benefits	£1.893m
KIBS sector benefits	£6.168m <sup>(2)</sup>
Journey time (dis)benefits	-£17.042m
<b>TOTAL</b>	<b>£7.811m</b>

<sup>(1)</sup> Land value uplift is taken as a single one-time uplift in land values.

<sup>(2)</sup> Given the uncertainty in long-term economic forecasting, the forecast period for KIBS benefits in the economic case for Valley Gardens Phase 3 is 10 years (rather than the 20-year period used for other impacts).

#### Public realm benefits

The scheme will deliver an increase in public space, helping Valley Gardens to reach its potential as a central hub of city-life and Brighton's growing visitor economy. The benefits of the public realm enhancements have been monetised based on the Ministry of Housing, Communities and Local Government's (MHCLG (formerly DHLG)) guidance on the economic appraisal of regeneration projects, which suggests a willingness-to-pay figure of £1.80 for each household likely to benefit from the enhancements for each hectare of public realm delivered. The increase in, and enhancement to existing, public space will also increase the opportunity for holding commercial, community and charity events in the area, for example in front of the pier, to the south-east of the Royal Pavilion Estate and to the north of the Royal Albion Hotel. Hiring out public land for commercial and charity events will provide a revenue stream for the council.

#### Active travel benefits

The scheme will contribute to improved accessibility and help increase footfall, which is so important to local business and visitor attractions. The scheme's accessibility and layout improvements are expected to have major benefits for cyclists and pedestrians in particular, by addressing a "missing link" in the cycling network and helping to address severance created by existing traffic flows along the A259 (Marine Parade and Grand Junction Road). To calculate the associated benefits in terms of cycling and walking interventions, the Department for Transport's Active Mode Appraisal Toolkit (AMAT) has been used.

#### Accident reduction benefits

The scheme is also anticipated to lead to significant safety improvements for the area, with an anticipated 44% reduction in the number of accidents over a 60-year period<sup>13</sup>, as assessed using the DfT's COBALT (COst and Benefit to Accidents – Light Touch) program. As the COBALT software only

<sup>13</sup> % reduction based on the number of accidents expected to be saved by the scheme compared to the number of accidents expected to occur without the intervention.

offers a 60-year forecast period, for consistency with the other monetised impacts, a conversion factor was applied to show only the first 20 years of benefits from the COBALT assessment in the table above.

### **Land value uplift benefits**

Ultimately, by creating a safer, more accessible and more welcoming environment, the targeted transport and public realm improvements are expected to enhance the attractiveness of the area, which is, in turn, anticipated to increase local land values by up to 8%. This figure is based on an illustrative assessment of land value uplift focussed on 53 sites identified around Valley Gardens, running from Edward Street in the north to the Aquarium roundabout in the south. This area covers the likely area of influence as this area is the focus of Phase 3 of the Valley Gardens scheme. This approach is derived from guidance set out by the Ministry for Housing, Communities and Local Government<sup>14</sup> and is set out in more detail in the accompanying Technical Note (Appendix A).

### **KIBS sector benefits**

Through its improvements to transport infrastructure and the provision of high quality public realm, the Valley Gardens scheme overall, and Phase 3 specifically, is anticipated to positively support the growth of the Knowledge Intensive Business Services (KIBS) sector in Brighton and Hove. This is based on evidence and assumptions as set out in the Valley Gardens Phase 1-2 Business Case<sup>15</sup>, which are described further in the accompanying Technical Note (Appendix A).

KIBS represent one of the fastest growing areas of the European economy, and in the UK are driving growth and rebalancing towards the private sector. These services play an increasingly important role in the performance of client sectors and are often considered to be one of the hallmarks of a modern knowledge-based growth economy. Brighton & Hove has particular strengths relative to its size in KIBS sectors. For example, Centre for Cities analysis shows that the city had the highest percentage of private sector growth of any city in the UK in the period from 1999-2008 and HSBC's analysis places Brighton & Hove as one of seven UK 'supercities' which will create new types of growth and development in the UK economy.

As the Valley Gardens Phases 1 - 2 Economic Case noted<sup>16</sup>, increasing Brighton & Hove's KIBS sectors relies on creating local conditions that encourage private sector investment, such as a high skilled local labour market, proximity to other similar business, processes and networks, and provision of high quality public realm and transport infrastructure. The Valley Gardens scheme overall, and Phase 3 specifically, will help to address the latter factor and therefore it is appropriate to consider the potential contribution of the project to KIBS-related local economic growth.

### **Transport user / journey time (dis)benefits**

As shown in the table above, the positive economic impacts resulting from the increase in public space, land value uplift, accident reductions and growth of the KIBS sector are partially offset by the scheme's transport user impacts, which reflect changes to vehicle journey times. The scheme's anticipated impact on journey times is dependent on the time of day; benefits are expected in the AM peak period when the current impact of congestion is highest. Overall, however, the preferred option reports a negative transport user benefit. The preferred option has the lower negative impact of the four short-listed designs. It is important to consider though that the assessment of the transport-user benefits likely understates the economic impact of the scheme as it does not monetise vehicle operating cost savings, carbon savings or indirect tax revenues resulting from the scheme. This is due to limitations of the outputs of the city centre PARAMICS traffic model which were used in the analysis of the transport user benefits, as further explained in Appendix A.

## **3.6) Environmental Impact**

Enhancing the environment is one of the scheme's eight core design objectives. This includes aims to:

- Improve air quality
- Reduce noise
- Retain mature trees
- Contribute to biodiversity

<sup>14</sup> The DCLG Appraisal Guide, December 2016

<sup>15</sup> WSP, *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*, 19/06/2014

<sup>16</sup> WSP, *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*, 19/06/2014



- Create space for additional tree planting / landscaping

In addition, by providing improved facilities for travel by sustainable modes including walking, cycling and public transport, the scheme will provide more options for travel by means other than private vehicle which in turn aims to manage the associated environmental impacts on the city centre.

The proposed Phase 3 scheme will deliver the following measurable environmental impacts:

- All 70 trees retained
- Up to 30 new trees planted
- Improving facilities for sustainable travel through the creation of a 350 metre north-south segregated cycle track, closing a major missing link in the network and barrier to cycling in the city.

### **3.7) Social Impact**

In addition to its impact on local jobs creation (as set out under '3.5 economic impact' above), the scheme will also deliver social benefits through improvements to the public realm, which includes enhancing the Old Steine as a civic space and location for hosting public events and improving access for all users.

The scheme aims to provide an inclusive and accessible space through:

- Improved access for mobility impaired users
- Improved access for visually impaired users
- Providing connectivity between green / public spaces
- Providing wide unobstructed footways
- Providing / maintaining access to essential services
- Providing opportunities for resting and seating

The scheme also aims to improve community safety through reducing the frequency and severity of vehicle, pedestrian and cyclist collisions. It is anticipated that the scheme will deliver accident benefits worth £11.001m over 20 years. This is based on an anticipated 44% reduction in the number of accidents over 60 years, compared to if the scheme didn't go ahead.

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

The scheme will positively impact many groups of people living, working in and visiting Valley Gardens, as well as many businesses located within or close to the scheme area. This reflects the diverse stakeholder groups who have an interest in the scheme, as set out in section 2.4 of this Business Case.

Businesses that will be positively impacted by the Phase 3 scheme are likely to include those that run or are based around some of the city's most important tourist attractions, including the Royal Pavilion, Brighton Palace Pier, the Sealife Centre and the Royal Albion Hotel. Businesses with active frontages are particularly expected to benefit from the scheme due to the potential for increased footfall in the Phase 3 area. Improvements to the public realm, the widening of pedestrian footways and the introduction of pedestrian crossings that better serve desire lines will all enhance the pedestrian experience and help to make the Old Steine more of a destination for both visitors to the city and for residents. To assist in ensuring that the operational requirements of such businesses are not significantly affected, their specific needs will be taken into account and addressed during the detailed design stage.

The safety improvements and accident (collision/casualty) benefits which are anticipated to result from the intervention are arguably the most wide-reaching in their impact. Improving road safety will not only benefit residents, local schools and visitors to the area, but will also benefit people who are simply travelling through the Valley Gardens corridor or east-west across the A23/259 junction / Brighton Palace Pier roundabout.

### **3.9) Follow on Investment**

N/A

<b>3.10) Skills projects only- Impact on Skills Provision</b>																																		
N/A																																		
<b>3.11) Business and enterprise projects only- Impact on business growth</b>																																		
N/A																																		
<b>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?</b>																																		
N/A																																		
<b>3.13) If your project results in service and other improvements then please provide baseline data below.</b>																																		
N/A																																		
<table border="1"> <thead> <tr> <th rowspan="2">Metric</th><th colspan="2">Baseline</th><th colspan="2">What the intervention will achieve</th></tr> <tr> <th>Figure</th><th>Year</th><th>Figure</th><th>By when</th></tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Metric	Baseline		What the intervention will achieve		Figure	Year	Figure	By when																									
Metric		Baseline		What the intervention will achieve																														
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<b>4. The Commercial Case</b>
<b>4.1) Please provide details of your envisaged procurement route.</b>
<p>In line with the approach adopted for Phases 1 - 2 of the Valley Gardens project, procurement will be split into four key stages: preliminary design, detailed technical design, construction and operations.</p> <p><b>Stage 1: Concept Scheme / Preliminary Design</b>  Preliminary design was led by Mott MacDonald, procured through Brighton &amp; Hove City Council's Professional Transport Services Framework. Transport modelling was undertaken by Mott MacDonald as part of the design commission. The council does not have the resource, skills or necessary access to the transport model to undertake this work internally. The company appointed to undertake this specialist support was identified due to their expertise in their given field and evidence of previous experience. A competitive tender exercise was undertaken to appoint the preliminary design consultant, open to all suppliers under the relevant Lot of the council's Professional Transport Services Framework.</p> <p><b>Stage 2: Detailed Design</b>  Detailed design related to highways will also be subject to a competitive tender process. As BHCC's Professional Transport Services Framework expired in September 2018, it is currently envisaged that procurement for the detailed design of the scheme will be undertaken using the Eastern Shires Purchasing Organisation's (ESPO) Consultancy Services Framework, which commenced in 2017. It is envisaged that the work will be procured under Lot 5 'Highways, Transport and Logistics' of the ESPO Consultancy Services framework and open to a pre-selected list of consultants. The consultants and service providers listed under Lot 5 that will be eligible to bid for the work have been assessed by ESPO during their own procurement process for their financial stability, track record, experience and professional and technical ability. The Framework is compliant with UK/EU procurement legislation and is available to any public-sector body in the UK, including Local Authorities.</p>

A second alternative procurement route for the detailed design works that has also been identified is the Orbis Professional and Technical Services Framework.

Technical design relating to soft landscaping will be tendered through a standalone procurement process as required. This element of the work would be expected to fall below OJEU thresholds.

Procurement for this work stage is expected to commence in February 2019, with the work stage due to commence in Spring 2019.

### **Stage 3: Construction**

As above, it is currently envisaged that highways work will be tendered using a suitable ESPO Framework. Procurement is scheduled to commence in Autumn 2019. The work stage will run from February 2020 until March 2021.

### **Stage 4: Operations**

As per Phases 1 - 2, given the nature of the scheme, the city council will not need to procure an operational partner. Management and maintenance will be undertaken through existing channels and supported by local stakeholders.

## **4.2) Involvement of private development partners.**

None.

## **4.3) Procurement plan and timescales.**

Indicative timescales for the procurement of the remaining key stages are summarised below.

### **Stage 2: Detailed Design**

- Publish OJEU notice and issue expression of interest (restricted): January / February 2019
- Issue tender documents: February 2019
- Appoint service provider: March/April 2019
- Work commences: May 2019

### **Stage 3: Construction**

- Publish OJEU notice and issue expression of interest (restricted): August 2019
- Issue tender documents: October 2019
- Appoint contractor: February 2020

## **4.4) How will the project contribute towards social value?**

The potential economic impact of this scheme has already been discussed in this submission. However, there is also a wider social value and this is presented here.

As outlined in Section 2.2, two of the key design objectives for the scheme are to improve the public realm and to provide an inclusive and accessible space. Currently, the two main public spaces in the scheme area are Steine Gardens and the area north of Brighton Palace Pier. In addition, the eastern gardens of the Royal Pavilion adjoin the scheme area. Not only will the scheme enhance the quality and accessibility of these existing spaces, it will also create new and accessible open spaces and green spaces for the whole community to enjoy, for example to the south-east of the Royal Pavilion Estate and to the north of the Royal Albion Hotel. These spaces will provide more opportunity for hosting community events in the area. The scheme also aims to improve road safety, both real and perceived, which will benefit both visitors and residents.

Furthermore, BHCC will also take account of social value when procuring and commissioning the future detailed design and construction works, as per the council's Social Value Framework. Both tenders will be required to consider social value and have at least one relevant social value outcome included. In turn, suppliers will be scored on how they will measure and verify the social value proposals they offer as part of their tender submissions.

#### 4.5) State Aid Compliance.

We confirm that the funding outlined in Brighton & Hove City Council's Business Case will not amount to state aid under European state aid rules.

If Brighton & Hove City Council is successful in securing the funding it will be acting in its capacity as a public authority and is not an undertaking within the meaning of European state aid rules.

Brighton & Hove City Council will procure the works in accordance with European rules on procurement to ensure that there is no state aid.

No advantages have been offered to any service providers and the procurement process has not been distorted in any way.



Letter to A Middleton  
- Coast 2 Capital 2111

## 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.**

Year	Total project cost	LGF
17/18	£0.00	£0.00
18/19	£216,276.00	£200,000
19/20	£2,541,241.00	£1,800,000
20/21	£5,082,483.00	£4,000,000.00
<b>Total</b>	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>

Note: these figures are based on the latest available forecast estimates, based on 2018 pricing.

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

**Please state the date of this estimate - 01/10/2018**

Projects costs (delete as appropriate)	Total cost (£)	LGF (£)	Match funding (£)
Land Acquisition	-	-	-
Planning and Feasibility studies	£230,000.00	£176,020.41	£53,979.59
Surveys	-	-	-
Construction, inc- materials, equipment and labour	£6,272,000.00	£4,800,000.00	£1,472,000.00
Fit out (inc. equipment and furnishings not included in construction)	-	-	-
Project management	£155,000.00	£118,622.45	£36,377.55
Consultancy	£70,000.00	£53,571.43	£16,428.57
Other (Site supervision)	£56,000.00	£42,857.14	£13,142.86
Other (post-completion monitoring)	£20,000.00	£15,306.12	£4,693.88
Other (post-completion project management)	£25,000.00	£19,132.65	£5,867.35
Other (allowance for tender inflation)	£203,000.00	£155,357.14	£47,642.86
Contingency* (Construction risks)	£338,000.00	£258,673.47	£79,326.53

Contingency* ( <i>Design development risks</i> )	£471,000.00	£360,459.18	£110,540.82
Total Net Cost	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>	<b>£1,840,000.00</b>
VAT	<b>Not applicable</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>Total Gross Cost</b>	<b>£7,840,000.00</b>	<b>£6,000,000.00</b>	<b>£1,840,000.00</b>

Please ensure the matched funding and LGF amount to the total costs and that the LGF requested does not exceed the percentage allowed for the type of project ie. 85% for transport and 50% for all other projects.

### 5.3) Net Present Value cash flow analysis.

Options	NPV
Do nothing, minimum or status quo	£0
Proposed option (Option 1)	£1.202m

Please detail your project assumptions and discount rate used-

- Present Value: 2010
- 2010 prices
- Discount rate: 3.5%

### 5.4) Value for money

Once the scheme is operational, the ongoing management and maintenance costs of the scheme area will be met through existing channels.

Following its completion in 2021, the preferred option for the scheme is expected to deliver economic benefits totalling (discounted to 2010 in 2010 prices) £7,811,404 over a 20-year period. Against a 2010 present value cost (2010 prices) of £6,608,603, this equates to a benefit:cost ratio of 1.2:1. The preferred option delivers the greatest net benefits of any option and is the only option to deliver a positive benefit:cost ratio.

A BCR of 1.2 means that the scheme is expected to deliver £1.20 of benefits for every £1 spent on the project. This rates in the 'low' value for money (VfM) category as set out by DfT. However, the BCR and associated value for money likely understate the economic benefit of the scheme. The transport user benefits assessment, for example, does not quantify the potential vehicle operating cost, air quality and noise benefits, as would be standard under a WebTAG approach. Similarly, the value of time has only been included for vehicles (as is standard practice) and understate the benefits to users of other modes. Equally, evidence from other projects that combine movement, place and regeneration objectives suggests that the place and regeneration impacts are relatively difficult to quantify except "ex post" and therefore the analysis undertaken for this project may under-score their relative benefits. Finally, Valley Gardens Phase 3 is part of a wider programme and the benefits of this part of the programme should be considered alongside the strong economic case for Phases 1 - 2 of the programme.

### 5.5) VAT status

All cost and revenue figures in this document exclude tax. The council is able to reclaim VAT in full.

### 5.6) Financial Sustainability

Alongside the LGF funding that is being requested here, the council has provisionally allocated £1,250,000 to fund the local contribution towards the capital costs of the project. Further contributions to help meet the estimated scheme costs of £7.84 million will initially be expected to be sought from private-sector developer contributions via the Planning process.

The scheme has been costed and will be delivered in distinct sections. Any cost over-runs will be identified



and managed at an early opportunity.

Once the project is complete, the ongoing management and maintenance of the area will be undertaken through existing channels and supported by local stakeholders.

## 6. The Management Case

**6.1) In which financial year do you expect your project to commence?** 2018/19-2020/21

**6.2) In which financial year do you expect your project to complete?** 2020-2021

**6.3) Please set out the key milestones related to the project**

Milestone	Start date	Completion date
Completion of Options identification and sifting (BHCC Stage 1)	April 2018	June 2018
Completion of Options Appraisal and identification of the preferred option / and Outline Business Case	June 2018	October 2018
Completion of Preferred Option Feasibility Study	September/October 2018	January 2019
Detailed Design of the single option	March 2019	September 2019
Construction	February 2020	March 2021

### 6.4) Project management arrangements

#### Project Management

All aspects of day to day project management are currently overseen by:

Project Manager: Oliver Spratley (Principal Transport Planner), Transport Policy & Strategy

All aspects of the day to day Transport Capital Projects programme are managed through Andrew Renaut (Head of Transport Policy & Strategy) and David Parker (Head of Transport Projects & Engineering).

#### Project Assurance

Emma Sheridan (Transport Business Development Manager)

The Project Manager will work within tolerances agreed by the Project Board.

#### Project Board

The Project Board will meet regularly (monthly or as needed) to support and advise the Project Manager in delivery of the project. Members of the Project Board include the Internal Project Sponsor (Mark Prior – Assistant Director: City Transport), the Internal Project Client, representatives from areas most impacted by the project (Transport, Planning and Parks) and the project's Communications Manager/Officer.

### 6.5) Key project roles and responsibilities

Project Manager: Oliver Spratley (Principal Transport Planner), Transport Strategy & Policy

Transport Capital Projects programme managed through Andrew Renaut (Head of Transport Strategy & Policy) and delivered through David Parker (Head of Transport Projects).

Project Assurance: Emma Sheridan (Transport Business Development Manager)

Core Project Board membership comprises:

Internal Project Sponsor: Mark Prior (Assistant Director: City Transport)

Transport Policy & Strategy: Andrew Renaut (Head of Transport Policy & Strategy)

Planning: (Planning Projects Manager)

Parks: Paul Campbell (City Parks - Strategy) and Rob Walker (City Parks - Operational Manager)

Communications: Julie Harris (Communications Manager) and Alex Voce (Communications Officer)

In addition, wherever appropriate invitations to attend Project Board meetings will be extended to:

Lead Member for Transport: Councillor Gill Mitchell

Senior Responsible Officer: Nick Hibberd Executive Director – Economy, Environment & Culture

Where required, the Project Management Team will be supplemented by officers representing key areas of project governance:

Consultation: Jane Goodenough (Research Officer)

Procurement: James Breen (Category Manager)

Finance: Rob Allen (Principal Accountant)

Legal: Stephanie Stammers (Lawyer)

Support from other council officers will be sought where required.

## **6.6) Governance, oversight and accountability**

### **Corporate Governance**

The Project Manager and Internal Project Sponsor will report to the Senior Responsible Officer, who will in turn report project progress at a corporate level through the existing Executive Leadership Team Corporate Project Governance process.

The Executive Leadership Team (ELT) oversees the progress of the council's most significant infrastructure and service improvement projects. They receive a quarterly report (the Corporate Projects List) which is prepared by the Head of the Programme Management Office (PMO) and outlines the progress of each project and its RAG (red, amber, green) rating. ELT is chaired by the council's Chief Executive and attended by the Executive Directors, Section 151 Officer and Monitoring Officer. Two weeks after the ELT meeting, the Corporate Projects List is presented to the Member Oversight Group. This group is attended by the Chief Executive, Leader of the Council, the two Deputy Leaders and the Head of the PMO. Both groups raise queries and challenge the progress of the projects.

### **Formal Decision Making**

Where required, formal democratic decisions will be made primarily by the city council's Environment, Transport & Sustainability Committee. This Committee is responsible for the council's functions relating to parks and green spaces, Gypsies, Roma and Travellers, waste, coast protection, the seafront, highways management, traffic management and transport, parking and sustainability.

Between Committee Meetings, the Project Manager will regularly update members of all parties on project progress through quarterly briefings.

## **6.7) Communications and stakeholder management**

A Consultation and Engagement Plan and Stakeholder Management Plan for the Phase 3 scheme was produced in May 2018 and will be updated as the project progresses.

The plans set out a two-stage approach to public consultation:

- Stage 1 (May-June 2018): Initial consultation to understand user issues and thoughts on the scheme area
- Stage 2 (October- November 2018): 6-week formal consultation on single preferred option following Committee approval.

The following engagement strategies have been employed:

- Online questionnaires on BHCC consultation portal
- Staffed exhibition events
- Hard copies of survey made available at events or on request
- Consultation period advertised via social media and council press release
- Posters displayed in public areas and on public transport

In addition to the general public consultation, engagement activities have been undertaken with specific stakeholders during the design process. A summary of key stakeholder groups is provided in Section 2.4 of this Business Case submission.

## 6.8) Benefits management

The scheme will be subject to post-implementation monitoring to assess the outcomes of the project and the realisation of the anticipated benefits.

A Benefits Realisation Plan will be produced to detail the expected benefits of the scheme, against which benefits realisation will be evaluated at defined points within the project lifecycle, to tie up with reporting to Council Committees, councillors and officers. Anticipated project outcomes and benefits include:

Outcome	Benefit
Safer road layout	Reduce personal injury road traffic accidents, including those resulting in serious injury
Direct and dedicated cycle infrastructure	Increase in cycling through the area
Better walking routes	Increased footfall to and from Steine Gardens and the Seafront attractions, the Lanes and St James's Street
Rationalised bus routing and improvement in bus infrastructure	More reliable bus journey times
Rationalised road layout	More reliable journey times
Increase the amount and quality of public space	Improved user perception and more people using the space
Increase in green space and smoother traffic flow	Contribute to better air quality

The benefits realisation plan and evaluation will help BHCC and other key stakeholders to understand the immediate impacts of the development and its performance with respect to stated objectives. The evaluation will also help BHCC to make appropriate decisions on related investment in the future, particularly for the wider Brighton Waterfront project.

Benefits will be evaluated one year after Phase 3 construction and landscaping works are completed.

## 6.9) Project evaluation

The purpose of an evaluation is to understand causal links between an intervention and wider change in an area including transport benefits and changes to socio-economic characteristics and human visitor behaviour.

Monitoring and evaluation has been integral to the assessment of public sector policy and project interventions in the UK for many years and the principles are well articulated in a number of key documents relating to appraisal and evaluation<sup>17</sup>. Techniques and approaches developed for monitoring and evaluation can be consistently used across discipline areas. A thorough baseline report and baseline statement is of critical importance in devising an effective monitoring and evaluation framework.

It is anticipated that the evaluation of Valley Gardens Phase 3 should follow a Theory of Change approach recognising causal links for change and reflecting the scheme's multiple and diverse stakeholders, as recommended in HM Treasury Magenta Book guidance and DfT guidance<sup>18</sup>.

Items proposed to be included in the monitoring framework for Phase 3 include:

- Peak period general traffic journey times

<sup>17</sup> These documents include: HM Treasury Green Book, RDA Impact Evaluation Framework, 3Rs Guidance, Additionality Guide and WebTAG.

<sup>18</sup> HM Treasury, Magenta Book, 2011, <https://www.gov.uk/government/publications/the-magenta-book>; Tavistock Institute and AECOM, 2010, Guidance for transport impact evaluations, <https://www.gov.uk/government/publications/transport-impact-evaluations-choosing-an-evaluation-approach-to-achieve-better-attribution>

- Bus journey times
- Air quality
- Collision data
- Pedestrian counts
- Cycle counts
- Vehicle volumes
- Traffic speeds
- User perceptions and the use of space

These monitoring criteria and their respective data sources are intended to reflect the anticipated outcomes and benefits detailed above and enable comprehensive monitoring of them. Post-implementation data will be collected during periods consistent with the original data source following a year of operation or at intervals to be agreed between the LEP and BHCC.

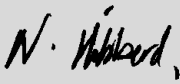
At this stage, it is anticipated that the findings and conclusions of the project evaluation will be reported through two separate reports:

- A baseline report (setting out the baseline situation before construction commenced on Phase 3)
- One year after report (one year after Phase 3 construction and landscaping works are completed).

## Recommendation/ Declaration

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

This business case supports the BHCC ETS Committee recommendations, November 2018, granting officers delegated authority to update and submit to the C2C LEP

<b>Declaration:</b>	I certify that the information provided in this Business Case is complete and correct at the time of submission.
<b>Signature:</b>	
<b>Print Name:</b>	Nick Hibberd
<b>Title:</b>	Executive Director - Economy Environment & Culture
<b>Date:</b>	18/12/2018

**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.





# Appendix A: Technical Note

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<b>Project:</b>	Valley Gardens Phase 3 Outline Business Case		
<b>Our reference:</b>	341760-RR-20-B		
<b>Prepared by:</b>	Matthew Lambert, Heidi Rist, Matt Hall and Nathalie Gordon	<b>Date:</b>	16/12/18
<b>Approved by:</b>	Robin Reed	<b>Checked by:</b>	Oliver Steele
<b>Subject:</b>	Valley Gardens Phase 3 – Economic Case Technical Note		

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This technical note has been prepared by Mott MacDonald for Brighton & Hove City Council (BHCC) to outline the methodologies and assumptions used to quantify the economic impact of the shortlisted options for the Valley Gardens Phase 3 scheme. Outputs from this analysis are included in the Outline Business Case prepared for the Coast to Capital Local Enterprise Partnership (C2C LEP).

## 1 Introduction

The Economic Case for the Valley Gardens Phase 3 project incorporates a range of monetised economic impacts. This reflects the diversity of socio-economic objectives for the scheme, which incorporate movement, place and regeneration goals. The assessment of these economic impacts has followed guidance from the Department for Transport (DfT) and Ministry for Housing, Communities and Local Government (MHCLG). These economic impacts, and how they are structured within the scheme benefit:cost ratio are summarised in sections 1.1 and 1.2.

### 1.1 Benefits - numerator

The benefits assessed of the Valley Gardens Phase 3 scheme are:

- Transport-user benefits;
- Public realm enhancements;
- Land value uplift;
- Benefits from the development of Knowledge Intensive Business Services in Brighton;
- COBALT accident benefits, and;
- Active travel benefits.

### 1.2 Costs – denominator

The costs included in this analysis are:

- Capital expenditure (CAPEX) required for each option, and;
- Income to BHCC from the use of new commercial events space created by the scheme, presented as a negative cost.

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### 1.3 Appraisal period

For all economic costs and benefits associated with Valley Gardens Phase 3, a 20 year appraisal period has been applied. A 2010 price base has been used and present values are discounted to 2010, in line with DfT WebTAG guidance.

## 2 Benefits

### 2.1 Transport User Benefits Assessment

#### 2.1.1 Introduction

Transport user impacts, such as changes to vehicle journey times, are an important aspect of any transport scheme under DfT WebTAG guidance. Assessment of transport user impacts is based on outputs from the traffic model used to develop the identified Valley Gardens Stage 3 options set.

#### 2.1.2 Methodology

Assessment of transport user benefits has been based on the model outputs from the city centre PARAMICS traffic model developed for BHCC by AECOM which has been provided to Mott MacDonald for this study. The model was previously updated following a data collection exercise in October 2015. As background traffic has not changed significantly during this period, additional data has not been collected; however, the model has been updated to reflect the agreed Phase 1-2 scheme.

The model considers the morning (07:00-10:00) and evening (16:00-19:00) peak periods and has been used to extract journey time data for the main north-south and east-west routes through the study corridor. These have then been input into the analysis of transport user benefits.

The economic assessment has been based on a spreadsheet assessment over a 20 year period in order to be consistent with the other aspects of the economic case. The spreadsheet has been derived from the original Highways England Project Appraisal Report (PAR) spreadsheet. The values in the spreadsheet have been updated with the latest WebTAG databook values. The spreadsheet requires inputs for the Do Nothing and Do Something schemes in terms of the network wide flow demand and the average journey time per vehicles from the PARAMICS model. The spreadsheet then monetises the journey time differences between the Do Nothing and Do Something options, discounted into 2010 values and deescalated to 2010 prices.

The spreadsheet assessment undertaken for this study is not a full (WebTAG Unit A-1) transport-user benefit assessment owing to the limitations of the outputs from the PARAMICS model. For example, it does not monetise vehicle operating cost savings, carbon savings or indirect tax revenues resulting from the scheme and as such may understate the benefits of the project.

#### 2.1.3 Outputs

The outputs of the transport user benefits assessment are set out in Table 1. While all options report a negative benefit, Option 1 has the lowest negative impact and Option 2 has the greatest transport user dis-benefit.

**Table 1: Transport User Benefits Assessment (£000's, 2010 prices discounted to 2010)**

Criteria	Option 1	Option 2	Option 3	Option 4
	All traffic on the east with signalised junction	Informal layout with informal roundabout	Buses on west with signalised junction	Buses on west with continental roundabout
Journey time impacts over assessment period	-£17,042	-£101,085	-£22,353	-£23,998

Source: Mott MacDonald

## 2.2 COBALT

### 2.2.1 Introduction

COBALT (Cost and Benefit to Accidents – Light Touch) is a computer program developed by DfT to undertake the analysis of the impact on accidents as part of economic appraisal for a road scheme.

COBALT assesses the safety aspects of road schemes using detailed inputs of either (a) separate road links and road junctions that would be impacted by the scheme; or (b) combined links and junctions. The assessment is based on a comparison of accidents by severity and associated costs across an identified network in 'Without-Scheme' and 'With-Scheme' forecasts, using details of link and junction characteristics, relevant accident rates and costs and forecast traffic volumes by link and junction.

### 2.2.2 COBALT inputs

#### 2.2.2.1 Economic parameters

COBALT 2013.2 has been used for the assessments, together with the latest economic parameters file (version 2018.1).

#### 2.2.2.2 Network Data

The COBALT network layout is consistent with that used in the PARAMICS model. Link lengths were taken directly from the PARAMICS model. Google Maps has been used to assign the appropriate link and junction classification to each section of the Do Minimum network. A similar process has been used for each option but relying on the scheme drawings for the information. The roundabouts in Option 2 have been assumed to operate in a similar manner to mini roundabouts, except for the roundabout at the junction of the A23 with the A259.

#### 2.2.2.3 Traffic flows

AM peak (0800-0900),) and PM peak (1700-1800) flows from the 2018 PARAMICS model for each link of the COBALT network have been converted to annual average daily traffic (AADT) flows using factors calculated from the continuous Automatic Traffic Counter located on A259 Marine Parade, between Madeira Place and Camelford Street, east of the A23. It has been assumed that traffic flows across the network remain the same across the appraisal period.

#### 2.2.2.4 Accident Data

Accident data for 2013 to 2017 has been included, with accidents allocated to the appropriate link or junction within the network. COBALT assumes accidents occurring within 20m radius to be associated with a junction while accidents occurring outside of the 20m radius are associated to links.

### 2.2.3 Outputs

The following table presents the results of the COBALT assessments over a 60-year forecast period. All options result in a reduction in the number of accidents, with Option 2 providing the biggest reduction. This is because the new roundabouts result in fewer accidents than the other types of new junctions proposed.

**Table 2: COBALT Results (£000's, 2010 prices discounted to 2010)**

	Option 1	Option 2	Option 3	Option 4
Without Scheme Accident Costs	52,383	52,383	52,383	52,383
With Scheme Accident Costs	29,464	14,603	29,859	28,583
Accident Benefits	22,919	42,408	22,524	23,800

Source: COBALT Assessments

**Table 3: COBALT Results (Accident numbers)**

	Option 1	Option 2	Option 3	Option 4
Without Scheme Accidents	1,286	1,286	1,286	1,286
With Scheme Accidents	712	384	723	726
Accidents saved by scheme	574	902	563	560

Source: COBALT Assessments

For consistency with the other impacts monetised for the economic case, a conversion factor was applied to show only the first 20 years of benefits from the COBALT assessment (The COBALT software only offers a 60-year forecast period). These results are shown in Table 5.

**Table 4: COBALT Results over 20-year period (£000's, 2010 prices discounted to 2010)**

	Option 1	Option 2	Option 3	Option 4
Accident Benefits (60-year period)	22,919	42,408	22,524	23,800
Conversion Factor	0.48	0.48	0.48	0.48
Accident Benefits (20-year period)	11,001	18,134	10,812	11,424

Source: COBALT Assessments

## 2.3 Active transport

### 2.3.1 Introduction

The Valley Gardens Phase 3 scheme is expected to have major benefits for cyclists and pedestrians by addressing a “missing link” in the cycling network and helping to address severance created by existing traffic flows along Marine Parade and Grand Junction Road. It is important these impacts are taken into consideration in developing the project business case.

### 2.3.2 Methodology

The following approach has been undertaken to assess active modes (i.e. walking and cycling) impacts the Valley Gardens Phase 3 scheme.



To assess the impacts, TAG unit A5-1 Active Mode Appraisal has been used which provides guidance on how to estimate and report impacts on active modes.

The guidance sets out the following key indicators are used in the appraisal of walking and cycling schemes:

- Cycling and walking users – used to appraise journey quality;
- New individuals cycling and walking – used to appraise physical activity and journey quality;
- Car kilometres saved – used to appraise:
  - Accidents
  - Greenhouse gas emissions
  - Air quality and noise
  - Indirect tax revenue
  - Travel time (decongestion)
- Commuter trips generated – used to appraise work absenteeism.

To calculate the associated benefits in terms of cycling and walking interventions, the Department for Transport's Active Mode Appraisal Toolkit (AMAT) has been used. The AMAT 'user interface' has been completed with the scheme details and mode information together with evidence of assumptions.

Inputs concerning scheme walking and cycling volumes and proportion of trips using the scheme are described below.

- Cycling volumes – Turning count data for the Pier Roundabout has been used, selecting only movements entering or exiting from Old Steine to capture those cyclists likely to use a significant part of the scheme area.
- Walking volumes – This is based on pedestrian count data at the Old Steine / Castle Square junction where pedestrian flow is highest across all other junctions surveyed in the scheme area. Only East -west volumes have been used, and data from one junction to avoid double counting.
- Number of journeys with the proposed scheme – Estimated for cycle users only, by uplifting the existing user volumes based on utility of changes in cycle facilities in TAG Unit A5.1.
- Proportion of trips using the scheme – This is based on scheme route length / average route length, with the scheme route length reflecting the estimated network coverage of the scheme. Average route lengths (and speeds) for walking and cycling are the default values in AMAT, Source: National Travel Survey data 2016.

Selection of current and proposed walking and cycling infrastructure inputs have been made in accordance with the scheme description.

For the AMAT assumptions section, the standard WebTAG inputs are included by default and it is recommendation only to edit these where there is good evidence to do so. Assumptions for the scheme are described below:

- An appraisal period of 20 years has been assumed, corresponding with the example in the WebTAG guidance and previous appraisal undertaken by Mott MacDonald.
- Proportion using the scheme to commute to work – NTEM data version 7.2 has been extracted for Brighton and Hove, cycling and walking, 2018, to calculate the proportions for commute relative to all trips.
- Diversion factor for general traffic to calculate the marginal external cost benefits (based on car kilometres saved) are the default values from WebTAG.

- Proportion of return trips – The default value in AMAT t has been used for the assumption of the proportion of people walking or cycling in the volume data input would appear twice (outbound and return trips). The benefits calculation then adjusts to account for this.
- Background growth rate in trips – The default value in AMAT has been used.
- Annualisation – The default value in AMAT based on the number of working weekday in a year. However, for this appraisal Saturday volumes are included as well, therefore the annualisation factors have been adjusted to reflect this.

### 2.3.3 Results

The active mode scheme appraisal benefit results are shown below. All four options were assessed as having identical Active Mode Scheme Benefits, this is because the differences between the options are not substantial enough to be captured by this approach. The Present Value Benefits in 2010 at 2010 prices of all four options is £1.5m. This is broken down in Table 6 below.

**Table 5: Active Mode Scheme Benefits, all options (in £'000s) (PV discounted to 2010 in 2010 prices)**

Category	Benefit
Congestion Benefit	13.81
Accidents	3.91
Local Air Quality	0.02
Noise	0.26
Greenhouse Gases	0.69
Reduced risk of premature death	392.23
Absenteeism	88.36
Journey Ambience	998.29
Indirect Taxation	-2.64
Present Value of Benefits (PVB)	<b>1,494.92</b>

Source: Mott MacDonald

## 2.4 Public realm enhancements

### 2.4.1 Introduction

Each of the “Do Something” options will lead to an increase in the quantum of land within the study area set aside for public realm uses relative to the “Do Nothing” scenario. The benefits of this to residents of Brighton & Hove have been calculated as part of the scheme economic case, consistent with MHCLG guidance.

### 2.4.2 Assumptions

The following assumptions were applied to the assessment of public realm enhancements associated with the Valley Gardens scheme:

- A willingness to pay figure of £1.80 per household for each hectare of new public realm was assumed, based on guidance from MHCLG<sup>1</sup>.
- There are a total of 127,000 households in Brighton and Hove, according to data from the MHCLG<sup>2</sup>.

<sup>1</sup> MHCLG, Valuing the benefits of regeneration, economics paper 7 – final report, December 2010

<sup>2</sup> MHCLG, Table 100: Dwelling stock: Number of Dwellings by Tenure and district, England; 2017, May 2018.

### 2.4.3 Methodology

The methodology applied to quantifying the monetised benefits of public realm enhancements was provided by MHCLG's guidance on the economic appraisal of regeneration projects<sup>3</sup>. In the assessment of the monetary benefits of public realm enhancements, MHCLG guidance suggests a willingness-to-pay figure of £1.80 for each household likely to benefit from the enhancements for each hectare of public realm delivered. This means that there is a public benefit equal to £1.80 (in 2010 prices) from each household for every hectare of new or enhanced public realm delivered as part of a scheme. It has been assumed that all households in Brighton and Hove will benefit from the scheme. For simplicity (and because the marginal change is likely to be relatively small), it has been assumed that the stock of housing is constant over the 20-year forecast period.

The quantum of public realm enhanced under each option is set out in Table 7 below:

**Table 6: Public realm enhancements by option**

	Existing	Option 1	Option 2	Option 3	Option 4
New Public Space (m <sup>2</sup> )	-	8,795	6,024	6,325	6,160

Source: Mott MacDonald

### 2.4.4 Outputs

The initial assessment of the willingness-to-pay for public realm enhancements, which applied a single-year figure of £1.80 per hectare per household found the following for each option.

**Table 7: Value of public realm enhancements per annum (2010 prices)**

	Baseline	Option 1	Option 2	Option 3	Option 4
New public space (m <sup>2</sup> )	-	8,795	6,024	6,325	6,160
Value (WTP per household) (2010 prices)	-	£1.58	£1.08	£1.14	£1.11
Value (WTP) (2010 prices) Total	-	£201,307	£137,882	£144,771	£140,995

Source: Mott MacDonald

#### 2.4.4.1 Present value of public realm enhancements

The present value of the public realm enhancements of each option, in 2010 prices and discounted to 2010, is set out in Table 9.

**Table 8: NPV of public realm enhancements (2010 values, 2010 prices, 20 year appraisal period)**

2010 discounted values	2010 NPV, £000
Option 1	£1,893
Option 2	£1,297
Option 3	£1,362
Option 4	£1,326

Source: Mott MacDonald

## 2.5 Land Value Uplift

### 2.5.1 Introduction

Land value uplift captures the increase in land value anticipated to occur in an area as a result of a targeted investment (such as a transport scheme) that enhances the attractiveness or accessibility of an

<sup>3</sup> MHCLG, Valuing the benefits of regeneration, economics paper 7 – final report, December 2010

area. For the Valley Gardens Phase 3 scheme, an assessment has been undertaken of potential land use change that could occur within the study area should Option 1 proceed as the area is redeveloped as a result of lower traffic flows and consequent improvements to air quality and reduced noise pollution impacts.

No assessment has been undertaken of potential land-use change under Options 2-4.

### 2.5.2 Assumptions

The assessment of land value uplift for the Valley Gardens Phase 3 scheme was based on the following assumptions.

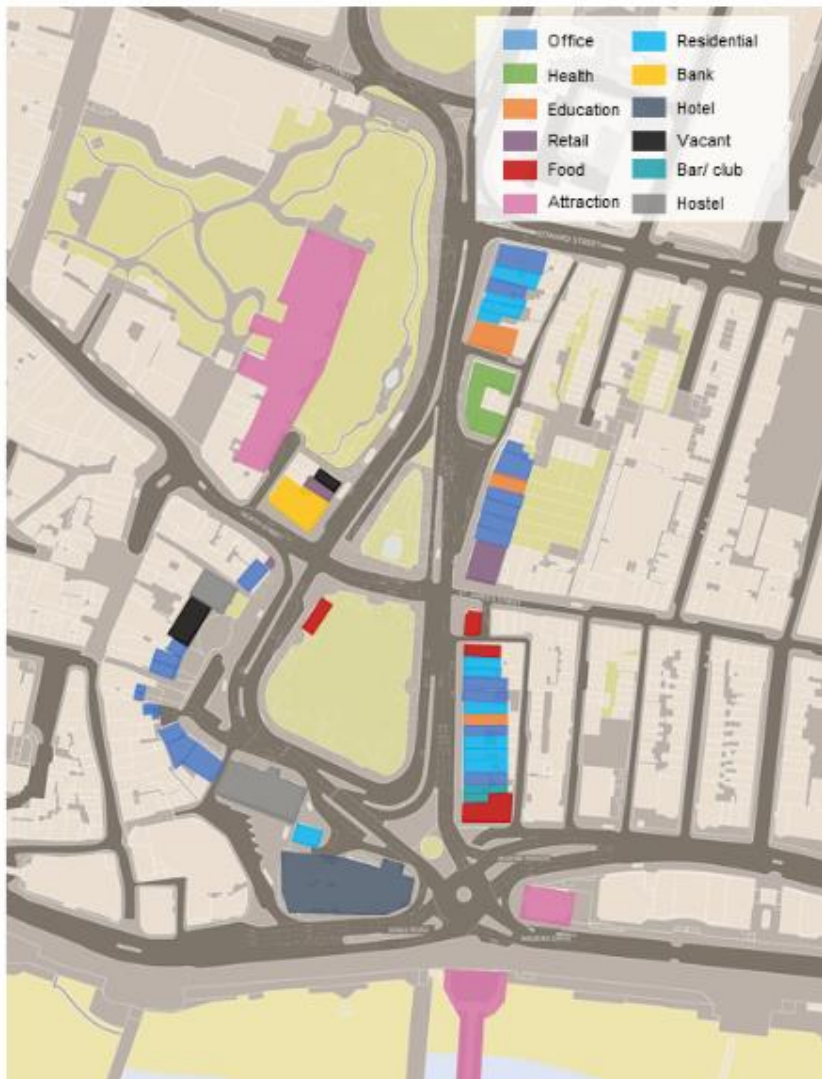
- The current land uses of sites was identified from a site visit, conducted in spring 2018 and confirmed through internet searches.
- Assumptions were made based on observations on the current use of the ground floor of each building and of each additional floor.
- The size of each building was estimated from mapping software that produced approximate measurements of each building in m<sup>2</sup>.
- Buildings which were identified as being used for healthcare, education or as hostels, such as the YMCA hostel at the Old Steine, were not included in the analysis as these buildings serve a social purpose and so it was assumed would not change usage in the future.
- As a simplifying assumption for modelling purposes, it was assumed that the impact of the land value uplift would take effect in 2025
- Assumption on land-use change may not be consistent with current local planning policy.
- Average land values for residential, office and retail uses were derived from observed sales and rental prices in BN1 and BN2 post codes over proceeding 12-month period. It was assumed that these values would be constant in real terms in 2025.
- It was assumed that the Valley Gardens Phase 3 scheme would not increase local land values for existing uses vs. a Do Nothing scenario due to a lack of evidence of impacts of similar schemes.

### 2.5.3 Methodology

#### 2.5.3.1 Site selection

The assessment of land value uplift focussed on 53 sites identified around Valley Gardens, running from Edward Street in the north to the Aquarium roundabout in the south. This area covers the likely area of influence as this area is the focus of Phase 3 of the Valley Gardens scheme. The sites included, broken down by use are shown in Figure 1.

**Figure 1: Sites analysed for land value uplift**



Source: Mott MacDonald

### 2.5.3.2 Data collection

The calculation of land value uplift was undertaken in line with appraisal guidance from the Ministry of Housing, Communities and Local Government (MHCLG (formerly DHLG)). As per MHCLG guidance, land value uplift is calculated by subtracting the modelled land value from the current land value.

As the specific values of each building included in the analysis was not available, data on current sale and rental values of offices and retail space was collected from the commercial property agents Propertylink<sup>4</sup>. Using this website, current market prices for office and retail spaces were collected for the BN1 and BN2 postcode areas, in which Valley Gardens is located. Residential land values were collected from the residential estate agent website Zoopla<sup>5</sup>, which produces regular data on average sales price of residential properties by postcode area. Data was collected and averaged across the BN1 and BN2 postcodes.

<sup>4</sup> See <https://propertylink.estatesgazette.com>

<sup>55</sup> See <https://www.zoopla.co.uk/market/bn2/?q=BN2>



This process produced the following figures for land value per m<sup>2</sup> by land-use type, based on the average value of all properties of each type advertised on the Propertylink and Zoopla websites in Brighton's BN1 and BN2 as of September 2018.

**Table 9: Capital values per m<sup>2</sup>**

Use	Capital value per m <sup>2</sup>
Office	£3,147
Residential	£5,258
Retail	£6,696

Source: Mott MacDonald, collected from Propertylink and Zoopla.

This data was used as the basis for current land values based on the current uses of each site and to model the impact of changing the use of certain sites. To avoid creating unsupported assumptions, all sites were aggregated into their use classes. From this an assumption was made on a possible change in land use. An assumption of a 10% shift from office to residential use was applied.

#### 2.5.4 Outputs

Based on the assumed 10% change of land-use from office use to residential use in the study area resulted in a land-value uplift of £8.2m for Option 1, an uplift of 8% vs. the "Do Nothing" scenario.

**Table 10: Land value uplift (£2018 prices)**

Land use	Current use			Future use			Land value uplift	
	m <sup>2</sup>	%	Aggregate value	m <sup>2</sup>	%	Aggregate value	£	%
Residential	7,715	20%	£40,566,744	11,597.60	30%	£60,982,096	£20,415,352	50%
Retail	5,942	15%	£39,785,223	5,942.00	15%	£39,785,223	£0	0%
Office	7,649	20%	£24,074,993	3,766.40	10%	£11,854,629	-£12,220,365	-51%
Other	17,520	45%	£0	17,471.70	45%	£0	£0	0%
Total	38,826		£104,426,960	38,826.00	100%	£112,621,948	<b>£8,194,987</b>	<b>8%</b>

Source: Mott MacDonald (figures may not sum due to rounding)

##### 2.5.4.1 Present value

The present value (PV) of the land value uplift was discounted to 2010 and converted to the DfT's price base year (2010) using HMT's GDP deflator. Land value uplift is taken as a single one-time uplift in land values. The findings from this analysis is shown in Table 12.

**Table 11: Land value uplift – Option 1 (2010 prices, £000)**

Values	Land value uplift
2010 prices, discounted to 2010	£4,295

Source: Mott MacDonald

## 2.6 Knowledge Intensive Business Services

### 2.6.1 Introduction

Knowledge Intensive Business Services (KIBS) represent one of the fastest growing areas of the European economy, and in the UK are driving growth and rebalancing towards the private sector. These services play an increasingly important role in the performance of client sectors and are often considered to be one of the hallmarks of a modern knowledge-based growth economy. Brighton and Hove has particular strengths relative to its size in KIBS sectors. For example, Centre for Cities analysis shows that the city had the highest percentage of private sector growth of any city in the UK in the period from 1999-2008 and HSBC analysis places Brighton & Hove as one of seven UK 'supercities' which will create new types of growth and development in the UK economy.

As the Valley Gardens Phases 1 and 2 Economic Case noted<sup>6</sup>, Increasing Brighton & Hove's KIBS sectors relies on creating local conditions that encourage private sector investment, such as a high skilled local labour market, proximity to other similar business, processes and networks, and provision of high quality public realm and transport infrastructure. The Valley Gardens scheme overall, and Phase 3 specifically, will help to address the latter factor and therefore it is appropriate to consider the potential contribution of the project to KIBS-related local economic growth.

### 2.6.2 Assumptions

The assessment of the impact of Valley Gardens Phase 3 scheme on KIBS sector growth was based on the following assumptions. These are consistent with the assumptions made in the economic case for Valley Gardens Phases 1 and 2.

- Forecast GVA growth rate per annum for Brighton and Hove = 5.75%
- Percentage of future growth of Brighton and Hove GVA from KIBS sectors = 38%
- Percentage of this KIBS-related growth that would take place in Brighton and Hove city centre (and therefore be potentially impacted by the Valley Gardens Phase 3 scheme) = 64%
- Attribution of KIBS-related city centre growth to Valley Gardens Phase 3 scheme = 1%

Given the uncertainty in long-term economic forecasting, the forecast period for KIBS benefits in the economic case for Valley Gardens Phase 3 is 10 years (rather than the 20-year period used for other impacts).

### 2.6.3 Methodology

The methodology used to estimate the potential impact of the Valley Gardens Phase 3 scheme on the growth of KIBS sectors in the city is the same as that used on the *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*.

The assumptions listed above were applied to the most recent ONS figure for GVA in Brighton & Hove (£8.52 billion, 2016) to give a figure for the estimated annual contribution to Brighton & Hove GVA from KIBS sectors as a result of the Valley Gardens Phase 3 scheme.

It was assumed that all of the four "Do Something" Options would have the same economic impact on the development of KIBS sectors in Brighton & Hove.

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<sup>6</sup> WSP, *Valley Gardens, Brighton, Phases 1 and 2, Full economic case*, 19/06/2014

## 2.6.4 Outputs

The estimated impact of the Valley Gardens Phase 3 scheme on Brighton & Hove GVA from KIBS sector growth is £1.2 million per annum (2017 prices).

### 2.6.4.1 Present value

This figure was extrapolated over a 10 year period from 2021-2030 and, consistent with other economic impacts, discounted back to 2010 and deflated to 2010 prices to give a present value.

The forecast present value of the Valley Gardens Phase 3 scheme on Brighton & Hove GVA from KIBS sector over a 10 year period is £6.2m.

## 3 Costs

### 3.1 Project cost

Mott MacDonald estimated the following capital expenditure for each option. The breakdown of these costs is set out in Table 13.

**Table 12: CAPEX per option (£2018)**

Projects costs	Option 1	Option 2	Option 3	Option 4
Planning and Feasibility studies	£230,000	£200,000	£230,000	£235,000
Construction, inc- materials, equipment and labour	£6,272,000	£5,451,000	£6,307,000	£6,430,000
Project management	£155,000	£155,000	£155,000	£155,000
Consultancy	£70,000	£70,000	£70,000	£70,000
Other (Site supervision)	£56,000	£56,000	£56,000	£56,000
Other (post-completion monitoring)	£20,000	£20,000	£20,000	£20,000
Other (post-completion project management)	£25,000	£25,000	£25,000	£25,000
Other (allowance for tender inflation)	£203,000	£264,000	£204,000	£208,000
Contingency*	£338,000	£293,000	£340,000	£346,000
Contingency*	£471,000	£409,000	£474,000	£483,000
<b>Total Cost</b>	<b>£7,840,000</b>	<b>£6,943,000</b>	<b>£7,881,000</b>	<b>£8,028,000</b>

Source: Mott MacDonald

These costs were discounted to 2010 values and deflated to 2010 prices based on an assumed expenditure profile with a targeted opening date for the scheme of 2021 for the purposes of the economic case.

### 3.2 Events income

The creation of new areas of public space and improved public realm are anticipated to increase the opportunity for holding commercial, community and charity events in the scheme area, which will provide a revenue stream for the Council. This revenue stream will be, in effect, a negative cost to the project. This will effectively reducing the total cost of the scheme, acting as a subsidy to the scheme itself. This approach is consistent with that applied under WebTAG guidance to other transport schemes which have a revenue-generative aspect, such as rail projects.

### 3.2.1 Assumptions

- **Events Fees and Hire Charges:** As per BHCC's Outdoor Events Policy<sup>7</sup>, the size and type of event determines the fees and charges payable to the council. This analysis is based on BHCC's Outdoor Events Fees and Charges for 2018/19 for Parks and Open Spaces and Commercial Promotions. A copy of BHCC's Events Fees and Charges for 2018/19 is included as an Appendix to this Technical Note.
- **Waivers:** In BHCC's Outdoor Event Fees and Charges for 2018/19 it states that community events may be eligible for a full or partial waiver of the hire fee. As such, it has been assumed that potential community events in the scheme area will be eligible for a full waiver and are therefore excluded from this analysis.
- **Operating Cost:** In recognition that events held on council-owned public land will incur costs for the council, this analysis assumes a 20% annual operating cost.
- **VAT:** 20% has been deducted from the anticipated annual hire fees to account for VAT.
- **Event type, size and frequency:** Tables 14 and 15 below summarise the assumptions made for each of the shortlisted options regarding potential event types, their size and frequency at various locations across the scheme area. These assumptions are based on consideration of the size and location of new and enhanced areas of public space, green space and pedestrian footways.

**Table 13: Events assumptions – Option 1**

Space	Event Type	Frequency (per annum)	Event size (based on number of visitors at one time)
Public space in front of Royal Pavilion Estate	Commercial	6	Small
Public space in front of Royal Pavilion Estate	Charity (National)	1	Small
Old Steine Gardens	Community	6	Small
Public space in front of pier	Commercial Promotion - Weekend	6	N/A
Old Steine Gardens	Commercial	2	Small
Public space in front of pier	Commercial Promotion - Weekday	2	N/A
Public space in front of pier	Charity (National)	1	Small

Source: Mott MacDonald

**Table 14: Events assumptions – Options 2-4**

Space	Event Type	Frequency (per annum)	Event size (based on number of visitors at one time)
Old Steine Gardens	Community	6	Small
Public space in front of pier	Commercial Promotion - Weekend	4	N/A
Old Steine Gardens	Commercial	2	Small
Public space in front of pier	Commercial Promotion - Weekday	2	N/A
Public space in front of pier	Charity (National)	1	Small

Source: Mott MacDonald

### 3.2.2 Methodology

The potential for future events, and their scale and frequency, is based on consideration of the size and location of new and enhanced areas of public space, green space and pedestrian footways. The associated

<sup>7</sup> Brighton and Hove City Council, Outdoor Events Policy, April 2013. Available online: <https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/PDF%20D-08%20Outdoor%20Events%20Policy%20v6.pdf>

charges which would be payable to the council is based on BHCC's Outdoor Events Fees and Charges for 2018/19, deducting VAT and anticipated operating costs. It is assumed that the same types and sizes of event will occur at the same frequencies over the 20-year appraisal period, thereby providing a constant revenue stream for the council.

### 3.2.3 Outputs

**Table 15: Anticipated annual events income, gross (£2018)**

Option 1	Option 2	Option 3	Option 4
£21,900	£11,700	£11,700	£11,700

Source: Mott MacDonald

### 3.2.4 Present-value of events income

The present-value of these costs (total CAPEX plus the negative cost of the events income) in 2010 prices and discounted to 2010 values is set out below. The net income figure includes operating costs and VAT.

**Table 16: Present value events income, net (Discounted to 2010, 2010 prices, £000)**

Option	Option 1	Option 2	Option 3	Option 4
Present value income (negative cost)	-£116	-£62	-£62	-£62

Source: Mott MacDonald

## 4 Summary of Outputs

The benefit:cost ratio for Valley Gardens Phase 3 has been calculated by combining the present value in 2010 all of the benefits and costs set out in Section 2 by option, deflated to 2010 prices, and dividing this by the present-value cost of each option in 2010 terms. This produces a ratio of benefits to costs for each option and shows clearly the value for money that would be provided by each option. The output of this process is set out below.

**Table 17: Benefit:cost ratio**

Criteria	Option 1	Option 2	Option 3	Option 4
	All traffic on the east with signalised junction	Informal layout with informal roundabout	Buses on west with signalised junction	Buses on west with continental roundabout
Discounted Benefit (2010 market prices discounted to 2010)	£7,811,404	-£73,990,195	-£2,516,359	-£3,584,910
Discounted Cost (2010 market prices discounted to 2010) including BHCC commercial rental income	£6,608,603	£5,884,714	£6,689,295	£6,815,386
<b>Benefit Cost Ratio</b>	<b>1.2</b>	<b>-12.6</b>	<b>-0.4</b>	<b>-0.5</b>

Source: Mott MacDonald

We see from this Option 1 delivers by far the greatest net benefits of any option and is the only option to deliver a positive benefit:cost ratio. Option 1 produces a benefit:cost ratio of 1.2, meaning that it delivers



£1.20 of benefits for every £1 spent on the project. This rates in the 'low' value for money (VfM) category as set out by DfT<sup>8</sup>.

While Option 1 may only produce a 'low' rated VfM figure, Option 1 does produce much greater VfM than all other options. Options 2, 3 and 4 all result in negative benefit:cost ratios, meaning the costs of each option outweigh the benefits they deliver. Accordingly, Options 2, 3 and 4 produce VfM values rated 'very poor' by DfT guidance<sup>9</sup>. The benefit:cost ratio is helpful therefore in determining the relative merit of the options assessed.

It is also likely that there are a number of benefits from all the options that the analysis undertaken for this Economic Case have been unable to monetise. The transport user benefits assessment, for example, does not quantify the potential vehicle operating cost, air quality and noise benefits, as would be standard under a WebTAG approach, owing to the limitations of the microsimulation modal used. Equally, evidence from other projects that combine movement, place and regeneration objectives suggests that the place and regeneration impacts are relatively difficult to quantify except "ex post" and therefore the analysis undertaken for this project may under-score their relative benefits. Finally, Valley Gardens Phase 3 is part of a wider programme and the benefits of this part of the programme should be considered alongside the strong economic case for phases 1 and 2 of the programme.

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<sup>8</sup> DfT, Value for Money Framework, Moving Britain Ahead, 2015, p.25

<sup>9</sup> DfT, Value for Money Framework, Moving Britain Ahead, 2015, p.25

## **Appendices**

### **A. BHCC Outdoor Event Fees 2018/19**

## Appendix 1

### OUTDOOR EVENT FEES 2018/19

Payment can be made by invoice, by card over the phone or by sending a cheque payable to 'Brighton & Hove City Council' to the Events Office. See the [Outdoor Events Policy](#) for more information about fees. These fees will be subject to change as of April 2018.

#### 1. HIRE FEE

##### PARKS AND OPEN SPACES (per day)

	Small	Medium	Large
Commercial	£1080	£2165	Negotiable
Charity (National)	£540	£1080	£2165
Community*	£127	£270	£540

##### MADEIRA DRIVE (per day with Road Closure from 6am to 6pm)

Commercial	£9105
Charity (National)	£2900
Enthusiast	£1845
Community*	£1620

Community events may be eligible for a full or partial waiver of the hire fee. Refer to the council's Outdoor Events Policy.

##### COMMERCIAL PROMOTIONS (all sites)

per day (weekends)	£1590
per day (weekdays)	£1320

#### 2. REINSTATEMENT DEPOSIT

Commercial	£5000
Charity/Community	£500

Doc ref	Document name	Document owner	Revision date	Version	Page
D-30	Outdoor Event Application Form	Daniel Watson	10/12/17	8	7 of 9

## Appendix 2 – Public Comments: Valley Garden Forum

**From:** Valley Gardens Forum [<mailto:info@valleygardensforum.org.uk>]

**Sent:** 08 January 2019 21:30

**To:** Mike La Rooy

**Cc:** Anthony Middleton; Johnathan Sharrack; Daniel Nathan

**Subject:** re: Brighton Valley Gardens Phase 3 – (Royal Pavilion to Seafront) - draft proposal to the LEP on behalf of the Valley Gardens Forum

Dear Mike

Thank you for taking the time to talk to me late on Friday. It was good to hear that you are personally engaged with the issues around Valley Gardens - as a pedestrian, driver and cyclist who would like to see positive changes to the confused existing road system in Brighton city centre.

Everyone agrees that planning errors thirty years ago need correction - so long as limited public resources allow. As you put it, this time, any changes need to be considered and executed properly as new mistakes are unlikely to be corrected for a further generation. If that means taking time in order to properly consult - then so be it. Valley Gardens has been a problem for successive administrations of all parties and along the way, this consensus appears to have got lost. It may be resource intensive and messier than the City Council is used to, but major schemes like Valley Gardens 3 - which will shape Brighton and Hove for decades need iterative planning with extensive, sensitive and timely consultation.

The '[Valley Gardens Forum](#)' is a group of central Brighton residents, public sector organisations and businesses, large & small, sharing concerns about the City Council's current plans. The group includes residents, the two main city centre surgeries, the combined taxi trade, Brighton Palace Pier, The Royal Albion Hotel, The North Laine Traders Association, Seafront Traders Association, The Lanes Traders Group, The Spiegeltent and the organisers of all major outdoor events in the Valley Gardens area, the city's largest two English Language Colleges, several independent Brighton Restaurants, pubs, music venues and KIBS sector employers - surveyors, solicitors, radio producers, graphic designers, record labels, estate agents, digital start ups and more. The Valley Gardens redevelopment was originally conceived as a way of enhancing access to the city centre with a shared ambition to improve the environment and enhance the local economy. The outline scheme was widely discussed and had been broadly accepted by the community. A more detailed 'Phase 3' developed by consultants with council officers and presented three months ago, shatters that consensus.

Nobody would argue that Brighton doesn't have a problem with traffic congestion and resulting air and noise pollution. However, the Council's current plans would make this demonstrably worse. In fact, it presents a deliberate policy of making it more difficult to visit a city dependent on its visitor and services economy. There is no evidence in the current Council approved 'business case' - being presented to the LEP at your meeting on the 22nd of January, that the big picture and the broadest range of impacts on the economy, local environment and people's livelihoods have been considered at all. At a time when local services are starved of resources and existing public infrastructure is not being adequately maintained, Brighton & Hove City Council also need to win the argument that £8m of public money should be devoted to the scheme in the first place.

There's a very real risk that by deliberately making driving into Brighton more problematic without providing a viable alternative, there'll be less visitors to the centre and also less locals from outlying suburbs and beyond too. **36% of out of town visitors arrive in Brighton in a private vehicle - spending around £300m (out of a total of £837m) per annum. Over 21,000 local jobs are supported by the tourist economy. Assuming a modest 5% drop in visitor numbers as an unintended consequence of reducing vehicle numbers - that would result in a £15m annual hit to the economy with job losses inevitable.** This statistic doesn't even factor the likely transfer of jobs to neighbouring towns in Sussex as local residents in outlying districts of Brighton choose to drive and shop in Crawley, Eastbourne or Worthing as opposed to our own City Centre.

As there is no requirement for Coast2Capital LEP funding to be drawn down this financial year, there is definitely enough time for the Council to reconsider and do the job of consulting and subsequent iterative design properly. Beyond the question of access to homes, public sector and commercial premises, there's the overarching issue of environmental and economic damage that the current scheme will cause if not revised. Getting Valley Gardens right - relying a little less on computer models and a little more upon the wider community will create a legacy to be proud of. Getting it wrong could break the City, destroying thousands of people's livelihoods. The Valley Gardens Forum's intention is to gather together representatives across the widest group of stakeholders with the expectation that all parties will learn from each other and value the resulting compromise. **If this process requires a pause for open consultation, then it's surely worth it.**

Your suggestion that we should prepare our own commentary on plans for the final phase of the Valley Gardens scheme is welcomed. **There is helpfully, a consensus within the group around the three main substantive flaws in the Council's current scheme - and ways in which to remedy all of these.**

Apparently 44 different models were under consideration by planners and consultants during 2018. Of these, four were eventually put before councillors the 9th of October with one favoured scheme. All four are attached - together with our suggested "version 5" - which we consider gets closest to achieving the strategic objectives set out in the 'Full Independent Business Final Report - Valley Gardens' commissioned by Coast 2 Capital and delivered by Parsons Brinkerhoff on the 17th February 2015.

More detailed commentary and plans will follow further input from members of the Valley Gardens Forum and on the basis that the Council share modelling data and other files that we have requested. In the meantime, I'd be most grateful for your further thoughts about this note and our request that Brighton & Hove City Council be encouraged to resubmit the Business case itself following full consultation with key stakeholders in the city.

Best regards

Daniel

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**Valley Gardens Forum - draft suggested amendments to Valley Gardens phase 3**

#### **Old Steine west side bus lane**

- The Council's favoured Option 1 suggests merging all traffic on to the east side of the Old Steine.
- Options 2, 3, 4 and our proposed version 5 all keep shared taxis and buses in a dedicated west side lane and a contiguous connection from North Street to the rest of the city.



- Version 5 also runs the dedicated cycle lane along the west side and through Pool Valley including a new 'cycle station' area.

### **Retaining a revamped Aquarium Roundabout and creating a 'Kemptown Gateway'**

- The Council's favoured Option 1 suggests replacing the roundabout with a T Junction.
- Version 5 remodels the existing roundabout and creates a safe separate link to and from the Old Steine on to the seafront for cyclists and pedestrians. In addition, pedestrians are routed through attractions and shopping areas to the east and west side rather than in the line of road traffic.

### **Retaining two way traffic on Madeira Drive**

- Although formally 'out of scope' The Council's Favoured Option 1 makes Madeira Drive one way.
- Version 5 retains two way traffic with a (weekend peak time only) signalised entry back on to the remodelled Aquarium Roundabout.

In our Version 5, loading, access and parking for local businesses around the Old Steine and lower St James's Street, two city surgeries and the city's largest English language college is retained on the east side of the Old Steine. National Express Coach pick up and setting down moved out of Pool Valley on the south side of The Old Steine - their drivers' rest over is transferred to within 10-15 minutes drive away, for example, the end of Madeira Drive. A new 'bike station' facility takes it's place in Pool Valley linking a direct cycle path to the seafront. Parking is also retained for businesses on the south west corner.

### **Valley Gardens Forum**

t. 01273 244140

w. [valleygardenforum.org.uk](http://valleygardenforum.org.uk)

a. 11 Old Steine - Brighton - BN1 1EJ

## Appendix 1 – Public Comments: Totally Radio

<b>Key:</b>
<b>Comments received from Totally Radio</b>
<b>Response from Brighton &amp; Hove City Council</b>

### Re: Brighton Valley Gardens Phase 3 – (Royal Pavilion to Seafront)

#### Comments received from Totally Radio

Phil Jones of Wired Sussex and a LEP Board member suggested I should get in touch with Tony to talk about serious concerns with the change in direction shown in the latest 'favoured' plan for the final stage of the Brighton Valley Gardens scheme. This is in stark contrast with generally well received publicly available earlier stage versions that had been seen before the last Brighton Environment Transport and Sustainability Committee meeting in October.

A more detailed submission is attached together with basic plans for 'favoured' Option 1 and also three alternatives that for some reason were not presented in that last meeting. There is also no public record of how that decision was taken. At least two of the rejected plans conform to one of the original core objectives of improving the flow of public transport. The first 'favoured' option clearly doesn't and our group of significant local businesses and other organisations is worried about the implications for both the visitor economy and wider environmental and public health impact.

We share a pressing concern that after years of sitting on things, there is suddenly an unexplained rush to push ahead with this hugely important scheme - without adequate time to meaningfully engage with anyone at all who lives or works in the City. Fundamental changes apparently emerged at the ETS Committee meeting last month and we became aware only three weeks ago. The strange thing is that with just a handful of meaningful changes, almost all of us would back the scheme. A modest pause would allow trust to be rebuilt with full and transparent stakeholder engagement.

We have asked the ETS Committee to consider a short pause on the scheme and to work collaboratively in producing an improved Business Case to present to the Local Enterprise Partnership in January - taking into account the full picture and its impact on the heart of our great city, its residents, visitors, businesses small and large, health and education services.

**The core substantive issues** I had hoped to discuss with Tony are as follows:

**- Clarification about the LEP timetable.** We understand that funding does not need to be drawn down this financial year. Is that the case? Consequently, It would make no sense for there to be a hard deadline for the Business Case - more appropriate to get that right at the outset. If the current administration has wilfully procrastinated and risked LEP funding, it does not in any way justify the current compressed consultation and evaluation period.

**- Local Enterprise Partnership funding for the scheme was predicated upon four core objectives** including as outlined in the 'Full Independent Business Final Report - Valley Gardens' commissioned by Coast 2 Capital and delivered by Parsons Brinkerhoff on the 17th February 2015, "Buses, taxis and local access will be moved onto a

consistent route that will run along the western side of Valley Gardens, and private vehicles will be kept on the eastern side of Valley Gardens." The social and environmental benefits of such an approach are clear for all to see - yet this aspect of the scheme was mysteriously lost in the sole 'favoured' option presented to and accepted by the ETS Committee on October 9th. **Was the LEP consulted before the favoured scheme was drawn up?**

**Phases 1&2 BC referred to.**

It is beyond doubt that the Old Steine and the wider Valley Gardens area can be substantially improved. Joined up priorities must include a programme to maintain already existing public space including tackling homelessness and treatment for drug and alcohol dependency. Valley Gardens 3 has the potential to do great things and the Local Enterprise Partnership will surely want to see a process that involves effective communication and considered consultation with all stakeholders – before the detailed planning begins.

Don't hesitate to ask if you require anything further. I hope Tony is on the mend soon and look forward to hearing back from him or one of your colleagues.

### **BHCC reply**

A Consultation and Engagement Plan and Stakeholder Management Plan were produced in May /June 2018.

The plans set out a two-stage approach to public consultation that has now been conducted:

- Stage 1 (May-June 2018): Initial qualitative consultation to understand user issues and thoughts on the scheme area. Used to inform development of a longlist of options. 870 responses
- Stage 2 (October-November 2018): 6-week formal public consultation on single preferred option. (833 responses)

The following engagement strategies have been employed:

- Online questionnaires on BHCC consultation portal
- (Stage 2) 2 week exhibition at Hove Town Hall staffed for 3 days. A 3 week exhibition at Jubilee Library staffed for three days.
- Hard copies of survey to be made available at events or on request
- Consultation period advertised via social media and council press release
- Posters displayed in public areas including car parks and public transport

In addition to public consultation, there has also been engagement with internal and external stakeholders to obtain local insight and to inform the ongoing design process. Internal consultation has included lead Members and ward councillors, and technical, strategic, and operational officers from a range of the council's service areas. Externally, the Connected City's Transport Partnership has been, and will continue to be, engaged as will user groups and business representatives.

The project Manager presented to the Brighton Safety Advisory Group in August to introduce the Phase 3 project and establish contacts across the blue light services (Police, F&RS, and ambulance services).

There has been no change in direction as implied in this letter.

The programme (and eight core design objectives) was agreed at June 2018 ETS Committee. Following the development of a robust options appraisal framework a long list of option could be objectively measured. The four best scoring options (with a range of junction scenarios for the seafront) would then be developed further before again being objectively measures and tested further using a traffic model.

It was agreed according to the approved programme that the top scoring option would be presented to October ETS committee with approval sought to advance the single option to a public consultation.

The results of the public consultation together with insight collected from future direct engagement with the key stakeholders would enable a revision of that single option to be revised in readiness for January/Feb 2019 committee.

The council is now completing engagement with directly affected stakeholders which will help inform the preferred option revision specification. Engagement in this period has also included internal property interests given that the council has freehold/leasehold interests in the directly affected area. This demonstrates that external property interests have not been left behind but considered at the same time as the council property interests to enable a holistic revision of the preferred option.

In June 2018 committee it was also agreed that a draft LGF Business case would be presented/reported to November ETS Committee. Approval was successfully granted to submit this BC to the LEP in readiness for LEP Board (Dec 2018 or January 2019). The committee also gave delegated officer authority to update the BC before submission given that the scheme design is not yet complete.

It is understood that the lifecycle of a project continues beyond the outline options appraisal stage as reported to committee in October which was used to develop the BC. The schemes development detail may change until detailed design is completed (c. Dec 2019) however assurance is given that project will not diverge from the 'five cases' as presented in the BC to be submitted. The project will continue to align to the five cases in strategic, economic, financial commercial, and management terms as reported in the BC - and the council will continue to demonstrate a deliverable and successful project.

An Equalities Workshop attended by Possability People, 4 Oct, to test the preferred option was very successful with the outline preferred option strongly supported and welcomed subject to detail design improvements.

Following October ETS Committee there has been two rounds of design workshops with Connected Transport Partnership Members to further develop the design all of which will be considered for inclusion in the preferred option revision specification.

Example of external stakeholder engagement in last week used to inform revision of the preferred option

#### VG phase 3 Design Workshops - Stage 2b

<b>Meeting</b>	<b>Date</b>
<a href="#">TP Walking Cycling, Motorbikes</a>	<a href="#">11 Dec</a>
<a href="#">TP Walking Cycling, Motorbikes</a>	<a href="#">13 Dec</a>
<a href="#">Taxi Trade</a>	<a href="#">13 Dec</a>
<a href="#">OBP Quality Bus Partnership</a>	<a href="#">11 Dec</a>
<a href="#">Sealife</a>	<a href="#">3 Dec</a>
<a href="#">Healy's Solicitors</a>	<a href="#">13 Dec</a>
<a href="#">Sainsbury's</a>	<a href="#">12 Dec</a>
<a href="#">Regency Surgery</a>	<a href="#">12 Dec</a>
<a href="#">Pavilion Surgery</a>	<a href="#">12 Dec</a>
<a href="#">Marlborough Public House and Theatre</a>	<a href="#">12 Dec</a>
<a href="#">YHA</a>	<a href="#">12 Dec</a>
<a href="#">Language School</a>	<a href="#">13 Dec</a>
<a href="#">Brighton Bus Co</a>	<a href="#">13 Dec</a>
<a href="#">Royal Albion</a>	<a href="#">14 Dec</a>

<a href="#">Events stakeholders</a>	<a href="#">3 Dec</a>
<a href="#">Events stakeholder</a>	<a href="#">14 Dec</a>
<a href="#">Palace Pier</a>	<a href="#">14 Dec</a>
<a href="#">Brighton Experience at Brighton Youth Club</a>	<a href="#">13 Dec</a>

All of the above meetings and those held following October ETS Committee have been constructive. Further stakeholder engagement will continue if the project is given approval to progress to detailed design Feb 2019 ETS Committee.

The design process has also been reinforced by two D: SE design panels. A four person expert panel unanimously supported the single preferred option following the options appraisal process. Other letters of support received include those from Brighton Society and FotE.

Overall the Phase 3 project will deliver a strategic sustainable integrated transport corridor with a new safer junction that enables all to have direct access to the seafront. New public spaces will create new improved settings for the city's key heritage assets and provide supplementary cultural events spaces and tourism and business amenity spaces to ensure the cities continued success.

### **Comments received by Totally Radio**

Thank you for your letter responding to my initial email about the proposed next phase for Brighton's Valley Gardens Phase 3. Since writing, representatives of a diverse cross section of Brighton's major employers, businesses small and large, public sector organisations and residents attended the Council committee meeting where the business case for VG3 was approved. We are puzzled and dismayed that desk based research and design for an initiative so central to our city's future was seen as sufficient - without qualitative research or meaningful engagement with key stakeholders. Benefits outlined to the tourist economy were disputed in a deputation - attached, presented by the same Brighton Palace Pier named in the draft business case. This week, a delegation had a constructive meeting with Nick Hibberd and other BHCC senior officers, after presenting them with a list of more detailed questions and concerns - a copy attached. We look forward to hearing answers at our next meeting in early January. I'm also pleased to say that Officers have since begun to contact stakeholders including a workshop scheduled with the combined taxi trade, and visits to the city centre surgeries and Brighton Palace Pier coming up.

### **BHCC response**

The first stage of consultation (May/June 2019) was qualitative-based research. Public opinion with regards to the existing site conditions and also views on their experience of using the area were elicited. Ideas for improving the area in terms of transport and public space were also elicited. This together with new transport surveys collected on the site in June together with existing survey data has been used to inform the development of a long list of options (44). A robust options appraisal process followed in the next stage of the project between June and October.

As agreed by committee a single preferred option would be presented to committee at October ETS Committee following the robust and objectively measured options appraisal. Approval was given to consult the public on this single option. Also as planned, local businesses would be consulted following October committee, to gain insight and to help inform a revision of the preferred option together with the insight provided by the wider public consultation. The revised preferred option is due to be reported to ETS Committee in February once further design work is progressed.

### **Comments received by Totally Radio**

The BHCC ETS Committee meeting that approved the business case can be viewed in full [here](#).

[https://brighton-hove.public-i.tv/core/portal/webcast\\_interactive/378798](https://brighton-hove.public-i.tv/core/portal/webcast_interactive/378798)

On any measure, it is hard to see how the current business case could be accepted by the LEP without revision of admitted omissions and mistakes. Naturally if these were corrected, it could be argued that the revised version was not the same document approved - and that perhaps it ought to be reassessed by the next ETSC on the 22nd of January before formal submission. This window will surely allow BHCC to determine local needs and consult the necessary parties in order to submit a properly developed business case to you.

### **BHCC response**

For transparency, as agreed by the BC was presented at Nov ETS Committee, where officers were granted delegated authority to update the business case to prepare for final preparation before submission to the LEP in December.

There were questions raised by Committee members in November that were answered, in the main, by the appointed BC consultant - to give the committee confidence that the BC could be submitted to the LEP.

The LGF BC was completed under the LGF Transport Project category and the economic case was completed accordingly.

### **Comments received by Totally Radio**

Over the course of meetings with councillors, officers and lobbyists in the last month, we have understood more about competing strategic objectives for this stage of Valley Gardens phase 3. The consultants and planners overarching ambition for Brighton's urban centre is to 'encourage' local drivers on short journeys not to drive - at least not in single occupant private vehicles. "Changing behaviours" to make driving in the city so miserable that hopefully less people do it. Dealing with the messy detail of real people and empirical evidence is a distraction if you a 'just want to get things done'. Aside from the democratic deficit - whether there a mandate for this course of action, there's the specific risk that as well as less 'bad' hyper local drivers, there'll be less 'good' visiting drivers from outlying suburbs and beyond too.

Nobody would argue that current congestion and pollution levels in the city aren't a huge problem and that radical solutions need to be discussed openly. Councillors and officers have dismissed a need for comprehensive traffic modelling relevant to Brighton's resort and shopping destination 'use case', on the basis that weekday two hour peak is all Govt requires. This cavalier attitude is indicative of an unwillingness - or an inability through limited time or resources, to deal with the essential detail in a project of this type.

What is currently proposed represents a massive gamble being taken with the city's future. If the dots are not joined up, considering all of the connected pieces in Brighton's unique but fragile ecosystem, it could destroy people's livelihoods, their lived environment and be catastrophic for the wider city economy.

I am of course happy for you to raise the concerns directly and for BHCC to review and provide you with answers to each point.

Please don't hesitate to come back to me if you require anything further.



### **BHCC response**

Overall the Phase 3 project will deliver a strategic sustainable integrated transport corridor with a new safer junction that enables all to have direct access to the seafront. New public spaces will create new improved settings for the city's key heritage assets and provide supplementary cultural events spaces and business amenity spaces to ensure the cities continued success.

Engine technology improvements mark an expected shift from diesel to electric/hydrogen fuel cells for mass rapid transport that will mitigate noise and air quality risk.

Detailed design will optimise traffic calming to further support noise and air quality across the area.

## Hannah Gosling

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**From:** Abraham Ghebre-Ghiorghis  
**Sent:** 09 May 2019 06:08  
**To:** Hannah Gosling  
**Cc:** Alice Rowland; Elizabeth Culbert; Nick Hibberd; Oliver Spratley; Mark Prior; Anthony Middleton  
**Subject:** RE: Letter regarding Valley Gardens Phase 3'

Dear Hannah,

Please find below the Council's comments on the email from the Valley Gardens Forum to the LEP sent on 12 April.

### Condition 1: Consultation

The Council is satisfied that it has carried out a fair and lawful consultation. In accordance with the Environment, Transport & Sustainability Committee decision of 7 February 2019, it obtained independent legal advice which has confirmed this.

### Condition 2: public comments

There have been extensive requests for data from a number of members of VGF and a number of responses have been provided to them. It has not always been clear what was being sought and members of VGF may have understood the technical language used in this area differently to the council. A lot of this data is publically available but if there is any information which they have not received but would still like then please ask them to submit a Freedom of Information request to the Council.

The Executive Director Economy, Environment & Culture has apologised to Julian Caddy, CEO of the Brighton Fringe and other event promoters for giving the impression at the Committee that weekly meetings were already being held. Officers from the project team subsequently met event promoters to discuss both VG 1 & 2 and VG3. At that meeting it was agreed that weekly meetings were too regular and they agreed that the Council would continue to engage with the sector as requested.

The reference in the Monitoring Officer's letter of the 18 March 2019 to considering public comments related to the formal consultation which had taken place in relation to the preferred option. The events sector were able to contribute to that formal consultation process. The Council considered all public comments which had been received.

### Condition 3: scheme design

The consultation point has been dealt with above.

The Monitoring Officer is able to confirm that the Final Preliminary Design meets the requirements of all statutory legislation. If the implementation of that design requires TROs or planning permission then that will be sought at the relevant time.

As we have advised the Valley Garden Forum's Solicitors (DMH), the Council is not required to undertake statutory environmental impact assessments in relation to the Valley Garden projects.

Condition 3 is in the Funding Agreement.

### Condition 4: future engagement

Condition 4 is also in the Funding Agreement.

Counsel has confirmed it was lawful to consult on one preferred option.

### Condition 5: committee approval

There will be a further report to update the Environment, Transport & Sustainability Committee to provide an update on the procurements but no further Committee decisions are required in relation to the scheme itself. Council Committees may consider certain aspects of the project in the future e.g. the funding, planning and TROs.

The LEP and BHCC have had further correspondence on this point following the Monitoring Officer's letter of the 18 March 2019 and the Council has clarified that the no further approval is required.

#### Conclusion

The Council does not have any comments on the conclusion, but the local elections have now taken place.

I hope this addresses all the issues raised but let me know if you need any more information.

Kind regards

Abraham

**Abraham Ghebre-Ghiorghis**  
**Monitoring Officer**  
**and Executive Lead Officer, Strategy Governance and Law**  
**Brighton & Hove City Council**



---

**From:** Hannah Gosling  
**Sent:** 02 May 2019 11:43 AM  
**To:** Abraham Ghebre-Ghiorghis  
**Cc:** Alice Rowland; Elizabeth Culbert; Nick Hibberd; Oliver Spratley; Mark Prior; Anthony Middleton  
**Subject:** RE: Letter regarding Valley Gardens Phase 3'

Dear Abraham,

Many thanks for the information you have provided below.

We also sent you an email on Monday regarding a letter we received from Valley Gardens Forum. Will you be providing a response to this?

Look forward to hearing from you.

Kind regards,  
Hannah

**Hannah Gosling**  
**Investment Programme Manager**  
**Coast to Capital**

**T:** 01403 333840

Arun House (Horsham Training Centre), Hurst Road, Horsham, RH12 2DN

*(Please note that I do not work on Wednesdays)*

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**From:** Trudy Haigh

**On Behalf Of** Abraham Ghebre-Ghiorghis

**Sent:** 01 May 2019 15:14

**To:** Hannah Gosling

**Cc:** Alice Rowland; Elizabeth Culbert; Nick Hibberd; Oliver Spratley; Mark Prior; Anthony Middleton

**Subject:** Letter regarding Valley Gardens Phase 3'

Dear Hannah,

Thank you for your email. I can confirm that the scheme design meets the requirements of all relevant statutory legislation, including but not limited to air quality standards, traffic management, environment and safety. The Council considers that the appropriate balance has been achieved between impact upon traffic congestion, air quality and sustainable transport and public realm benefits.

In relation to Condition 4, as I said in my letter, the appropriate level of engagement and consultation will continue as the project progresses.

The decision which the Environment, Transport & Sustainability Committee took on 7 February 2019 was to approve the Final Preliminary Design for the Valley Gardens Phase 3 project. The Committee agreed that it should be progressed to the detailed design stage which will include further public consultation and stakeholder engagement. The Committee authorised officers to procure professional services/contract(s) for the detailed design and construction stages of the Valley Gardens Phase 3 project, and noted that this authorisation will enable officers to procure and award either a design and build contract or separate contracts for the design stage and the construction stage. It further noted that an update on these procurements will be provided to a future committee meeting.

There will therefore be a further report to the Environment, Transport & Sustainability Committee to update it on the procurements. As part of that report, officers will provide an update on progress but the decision which was taken on the 7 February will not be revisited by the Committee and officers will not be seeking approval for the scheme as that is already in place. The Council obviously has to comply with the process for making road traffic orders, including the need to report to a committee if there are objections and some aspects of the funding may need to be included in monthly budget reports to the Policy, Resources and Growth Committee. The Council may also need to apply for planning permission for some aspects of the project. But these are normal processes and so far as substantive approval of the scheme is concerned, a final approval has been given and there is no legal requirement to seek additional approvals.

Regards

Abraham

**Abraham Ghebre-Ghiorghis** | Monitoring Officer and Executive Lead Officer – Strategy, Governance & Law | Brighton & Hove City Council  
Room 159, Hove Town Hall, Norton Road, BN3 3BQ  
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Valley Gardens Forum

**VG3 and your letter to asb law dated 8 April 2019**

1 message

Valley Gardens Forum

Fri, Apr 12, 2019 at 3:42 PM

To: Anthony Middleton

Cc: Johnathan Sharrack

Gasson

Tim Wates

Mike La Rooy

Cali

Gemma Penny

Daniel Nathan

Dear Mr Middleton

**VG3**

I refer to your letter to asb law dated 8 April 2019.

Thank you very much indeed for giving the Valley Gardens Forum CIC ("VGF") an opportunity to make representations to the Board prior to its meeting to consider whether or not Brighton & Hove City Council ("BHCC") has met the 5 funding conditions set out in Hannah Gosling's 1 February 2019 letter.

VGF considers that the 5 funding conditions have not been met.

**Condition 1: consultation**

BHCC elected to undertake public consultation into VG3. Having elected to do so, by law it has to carry out that consultation fairly. But the consultation has not been fair.

The first public consultation exercise, between 21 May and 29 June 2018, was merely a data collection exercise to help inform possible options for VG3. It was thus not a public consultation exercise into any VG3 option or options. As BHCC's Principal Transport Planner put it: "there are no options as yet". The public consultation exercise between 15 October and 25 November 2018 was only on BHCC's preferred Option 1. The public were not consulted on Options 2-4, nor were they given an opportunity to argue in favour of Options 2-4 or any other option except Option 1. The City Council has now said that it will be consulting only on revised Option 1.

It is therefore obvious that BHCC has unilaterally chosen one option for VG3 (Option 1) and simply consulted on this. That does not amount to fair public consultation.

**Condition 2: public comments**

VGF has consistently sought from BHCC the baseline data for VG3 regarding traffic movements, noise and air quality.

However, all it has been provided with to date is a "summary note" (Appendix H, dated 1 February 2019) of a much larger Mott MacDonald non-statutory review of the environmental impacts of VG3 (which does not take into account the cumulative impact of other development, including VG1-2) together with an undated extract (Appendix 6) of a much larger BHCC document regarding the impact of the Valley Gardens scheme.

VGF rejects BHCC's assertion that it has appropriately considered, responded to and addressed public comments.

I would illustrate the point in this way. On 19 March 2019, Nick Hibberd reported to the Environment, Transport and Sustainability Committee ("ETS") that BHCC was holding "weekly meetings" with the Brighton events sector about the Valley Gardens scheme. The committee Chair subsequently claimed that BHCC would "continue the dialogue with events organisers". These claims prompted the Director of Design and Production of the largest events operator to point out that he had not been invited to any such meeting, and they also prompted the CEO of Brighton Fringe to point out that there had been no such meetings as far as he was aware. Indeed, until a



hastily arranged meeting on 9 April 2019 no such meeting had been held for a year. The claims of "weekly meetings" and "continuing dialogue" are simply untrue.

The assertion by the Monitoring Officer in his 18 March 2019 letter to Hannah Gosling that public comments were appropriately considered, responded to and addressed "prior" to proposing approval of the Final Preliminary Design of VG3 is obviously nonsense given that the hastily arranged meeting on 9 April 2019 was *after* the ETS approval of the Final Preliminary Design.

#### Condition 3: scheme design

The Monitoring Officer asserts that committee decisions have been made "with the full knowledge of public representations". However, as recorded above, the public have quite simply not been consulted on any option other than the option unilaterally chosen by BHCC and the purported "weekly meetings" have not taken place.

The Monitoring Officer cannot, as he claims to do, reassure you that the Final Preliminary Design meets the requirements of all statutory legislation. BHCC has not yet even decided if planning permission will be required for VG3; it has certainly not obtained planning permission for VG3. Moreover, BHCC concedes that statutory traffic regulation orders will be required for VG3 but it has not yet even begun the process of obtaining these. There has been no statutory environmental impact assessment of VG3, or the earlier VG1-2.

Condition 3 requires certain provisions *within* any funding agreement. The Monitoring Officer's 18 March 2019 letter does not state that he is prepared to provide the confirmation sought *within* any funding agreement.

#### Condition 4: future engagement

Condition 4 requires that the confirmation sought will be included *within* any funding agreement. The Monitoring Officer's 18 March 2019 letter does not state that he is prepared to provide the confirmation sought *within* any funding agreement.

Future public consultation limited only to the final design of Option 1, but not any other option, does not amount to an appropriate level of engagement with the public.

#### Condition 5: committee approval

As canvassed above, the likelihood is that the final scheme will require the approval of one or more of BHCC's committees (such as its committee deciding on a planning application for VG3 and/or its relevant committee deciding on a traffic regulation order application). The VG3 project cannot be delivered without these final approvals, and they may not be obtained.

We note that the Monitoring Officer's 18 March 2019 letter did not provide any confirmation "that the relevant Council Committee has approved the scheme, to allow the project to be delivered". The same goes for the earlier letter, dated 12 February 2019, from Mr Hibberd.

#### Conclusion

Conditions 1-5 have not been met, and they may never be met.

Please also take into account that elections for the entire council are due to take place on Thursday 2 May 2019. As that outcome could have a significant impact on future decision making by relevant BHCC committees, we suggest that neither your Board nor the Investment Committee should take any definitive decision regarding the award of LGF for VG3 until after the outcome of the City's election has become known.

Please provide the Investment Committee and the Board with a copy of this letter before they consider whether the funding conditions have been met.

As indicated in earlier correspondence, VGF would welcome an opportunity to discuss all of the above with the Investment Committee and the Board.

4/15/2019

Gmail - VG3 and your letter to asb law dated 8 April 2019

Yours sincerely

Daniel Nathan

For and on behalf of Valley Gardens Forum CIC

**Valley Gardens Forum**

w. valleygardensforum.org.uk

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<ir...

Arun House  
Hurst Road  
HORSHAM  
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RH12 2DN

8 April 2019

FAO Ms Gemma Penny  
Associate  
ASB Law LLP

By email

Dear Ms Penny,

We refer to your letter of 29<sup>th</sup> March 2019 and our initial reply by email of 2<sup>nd</sup> April 2019. Each of the points detailed in your letter are addressed below :

#### **Investment Committee funding Conditions**

The decision making forum charged with interpreting whether the Local Enterprise Partnership's (LEP's) own funding conditions have been met, depends in the first place, upon the nature of those conditions. For the Brighton Valley Gardens Phase 3 project, the LEP Board will make the final decision upon advice from its Investment Committee. The Board will consider whether the funding conditions have been adequately addressed, and their decision will be final. It is expected that the Board will consider this matter later this month, by correspondence.

#### **FOI and ADR**

As has already been communicated to your client, the LEP is not bound by the Freedom of Information Act. Your client has made two requests under the Freedom of Information Act, one on the 18<sup>th</sup> February 2019 and the other on the 18<sup>th</sup> March via DMH Stallard. In the spirit of openness and transparency, we provided a comprehensive range of relevant documents in response to the later request. With regard to the request of 18<sup>th</sup> March, we made clear in our response to DMH Stallard, that we were unable to release the information requested therein, as this would cause us to breach the confidentiality obligations we have to a data subject, under the

**coast to capital**

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[www.coast2capital.org.uk](http://www.coast2capital.org.uk)

GDPR. However, again in the spirit of openness, we invited BHCC (the data subject), through a copy of our response, to consider supplying the information requested, directly to your client. You must therefore refer further requests to obtain a copy of the relevant BHCC document, directly to the Council.

You make reference in your letter, to a proposal from your client for a discussion as a means of alternative dispute resolution. We are not aware as to what proposal you are referring to, or do we consider there to be any dispute between Coast to Capital and your client. Your client is entitled to form whatever view it wishes on BHCC's response to our funding conditions. However, under the terms of the local growth deal it is for our Board alone to decide whether the conditions precedent have been met. Our Board has no obligation to take advice from any third party on interpretation of funding conditions, other than from the LEP's accountable body. Also, the LEP cannot enter dialogue with any third party in relation to the terms of funding awards to a grantee. Notwithstanding this, any further responses from the Valley Gardens Forum, will of course be provided to our Board, if receipt is in time for dispatch of papers.

#### **MHCLG National Local Growth Assurance Framework**

For clarity, Paragraph 148 of the above states:

*148. For project and investment funding the Local Assurance Framework should also include a statement setting out the documents which will be made available to the LEP Board in advance of making a decision to allow them to make an informed assessment of the issues, including (either in full or summary where appropriate):*

The LEP confirms that documents as detailed in a-e below (except Mott McDonald report), were provided to all Board members, through our confidential Board member information portal, in advance of the Board's consideration of the Brighton Valley Gardens Phase 3 project. We have attached as requested, each of the documents listed below, except the Mott McDonald report, commissioned by Brighton & Hove City Council (BHCC). You will have to approach the Council to request release of this document, as it was not commissioned by us. With regard to the application business case, we confirm that we have the data subject's (BHCC) consent to release this:

- a. **The application made for funding:** The full Valley Gardens Phase 3 funding application business case, was made available to all Board members prior to the meeting that considered the application.

- b. **An appraisal of the application:** An appraisal of the application was undertaken by LEP staff and summarised within the Board recommendations paper. This was accompanied by a detailed presentation from BHCC, including a question and answer session at the Board meeting. In addition the LEP noted the independent Mott McDonald impact assessment, which also informed the Board report. Following consideration of the above, the Board agreed the recommendations paper, subject to imposition of conditions precedent.
- c. **A view by a legal expert, if required, on legal considerations including, where applicable, the percentage risk of challenge and non-compliance with the proposed course of action and any mitigating factors which may be taken to address this:** The Board were made aware of the representations being made by the Valley Gardens Forum. No legal view was deemed to be required prior to the Board meeting and the LEPS's Accountable Body legal advisor reviewed the Board papers prior and did not feel it necessary to raise any legal issues in advance of, or at the meeting itself. In addition, a verbal summary of the Valley Gardens Forum's comments was also presented to the Board.
- d. **A recommendation as to whether to fund the proposal:** There was a clear recommendation to fund the proposal within the Board paper.
- e. **A recommendation about conditions which should be attached to the proposal:** No recommendations for funding conditions were made prior to the Board meeting as such pre-conditions were not considered necessary by officers. In the usual manner, the Board were invited to consider any conditions that it wanted to be applied, following its proper consideration of the project at the meeting. The Board remitted the task of developing conditions precedent to its Investment Committee, who subsequently formulated these.

The LEP's 22<sup>nd</sup> January 2019 approval of the above project was properly made. Any future execution of a funding agreement for the project will be in accordance with the relevant assurance requirements, including those of HM Government. We reject any assertion from you or your client that the decision to fund the Brighton Valley Garden Phase 3 project was not taken correctly. You also allege that the LEP Board approval of the above project, on the 22<sup>nd</sup> January 2019, was inchoate. The Board's requirement to set conditions precedent to the award of funding is a perfectly acceptable response to issues raised at the Board meeting. Such an action to make a conditional funding award is fully within the remit of our Board's powers, under the terms of the local growth deal. Indeed, the



Board is at liberty to apply any conditions, whether pre-conditions or not, to a decision to award funding. In light of the seriousness of this allegation coming directly from asb law, please provide the evidence that you have to back up this claim, within 5 working days from the date of this letter. The LEP takes very seriously any allegations from a practicing solicitor, of breach of assurance process and will take whatever steps it feels necessary to protect its reputation in this regard.

Your client or any other party is of course entitled to take whatever position it deems, in relation to our approval process. However, the LEP is confident that its decisions have been taken properly and we will vigorously defend the LEP's position accordingly, reserving our right to take whatever lawful steps are necessary.

Notwithstanding the above matters, the LEP Board will be invited as a matter of course, to finally confirm its decision to fund the Valley Gardens Phase 3 project, by way of a funding agreement, at the time of considering whether the funding conditions precedent have been met. The Board will take advice on this matter from its Investment Committee who will make recommendations accordingly. The Investment Committee will be furnished with all documents that are to be provided to the Board (see below).

Prior to making their decision, the LEP Board will be provided, once again, with all documents required under paragraph 148 of the National Assurance Framework. This will include any representations previously provided by the Valley Gardens Forum, together with any new representations that may be forthcoming. We will also be submitting your letter of 29<sup>th</sup> March 2019 and this response as part of the supporting papers.

You ask for comment on the timescale for launch of a judicial review. Of course we cannot give legal advice to you or your client in this matter and you must therefore seek your own counsel on the subject. However, it is clear to the LEP that a judicial review period commences from the point that a funding decision is made. The execution of a funding agreement is not a decision, but the act of implementing a proper decision of the LEP Board. We therefore do not agree that the limitation period commences upon execution of the funding agreement, but upon the confirmation of the decision to fund by the project by the Board.

Yours sincerely

Anthony Middleton  
Chief Operating Officer

Anthony Middleton  
Chief Operating Officer  
Coast to Capital LEP

Your Ref:  
Our Ref:

D:  
F:  
E:

12th April 2019

**Sent by email only:**

Dear Mr Middleton

**Brighton Valley Gardens Phase 3 ("VG3")**

We refer to your letter dated 8 April 2019.

You appear to have misunderstood our letter dated 29 March 2019. We have not made any allegation, serious or otherwise, about the Board's resolution on 22 January 2019. We merely stated that it was inchoate (i.e. not concluded), given that it was conditional. In this respect you agree, given that the Board will be meeting again to make a final decision as to whether or not to fund the VG3 project.

The Minutes of the 22 January 2019 Board meeting include a Note that the Investment Committee "will meet separately to confirm the conditions necessary" for VG3. However, you now say that the Board will take advice from the Investment Committee as to whether or not the funding conditions precedent have been met, that the Board will then consider whether the funding conditions have been adequately addressed and that the Board will then make the final decision. Our client is concerned that this procedure does not accord with the terms of the 22 January 2019 Minutes and Note. It is further concerned that the Board (and the Investment Committee before it) will apparently be meeting in private to decide the issue on an un-minuted basis and on an unscheduled date. We advise that you reflect on the propriety of the procedure you describe.

Thank you for affording our client an opportunity to make written representations to the Board ahead of its meeting. Our client will write to you separately in this regard.

Thank you too for the documents provided.

The City Council has provided our client with an extract of a Mott MacDonald report into VG3. It is now clear that the City Council has not undertaken statutory environmental impact assessment for VG3 (or the preceding VG1-2) and that the non-statutory review it has undertaken for VG3 does not consider the cumulative impact of VG3 and other development (whether VG1-2 or otherwise).

Please ensure that the Board is provided with a copy of this letter. Please also provide us in due course with a copy of the letter advising the City Council of the Board's decision or at the very least inform us in due course of that decision and its date.

Yours sincerely

**Gemma Penny**  
Associate  
For and on behalf of asb law LLP



Brighton and Hove City Council  
c/o Alice Rowland  
Head of Commercial Law  
Room G101  
Hove Town Hall  
Norton Road  
Hove  
BN3 3BQ

**BY E MAIL AND POST**

Date 25 April 2019  
Your ref  
Our ref 0356/325606-1

Dear Sirs

**Valley Gardens Phase 3 Project ("VG3")**  
**Pre-action protocol for judicial review**  
**Letter before claim**

**1 Proposed claim for judicial review**

To:  
Brighton and Hove City Council  
c/o Alice Rowland  
Head of Commercial Law  
Room G101  
Hove Town Hall  
Norton Road  
Hove  
BN3 3BQ

**2 The claimant**

Valley Gardens Forum CIC  
c/o DMH Stallard LLP  
Griffin House  
135 High Street  
Crawley  
RH10 1DQ

Griffin House 135 High Street Crawley West Sussex RH10 1DQ DX 57102 Crawley

Offices in London, Gatwick, Guildford, Brighton and Horsham. Web: [www.dmhstallard.com](http://www.dmhstallard.com)

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**3 Defendant's reference details**  
HKW/AR/EC709.419

**4 Claimant's legal advisers**  
Heidi Copland  
DMH Stallard LLP  
Griffin House  
135 High Street  
Crawley  
RH10 1DQ

**5 Details of the matter being challenged**

The City Council's decision, articulated on 23 April 2019, that the further period of non-statutory public consultation into VG3 will only be based on the approved, preferred option, that no further public consultation will take place on any other options and that the further public consultation material will not make it clear to those consulted that they are at liberty to press the case for Options 2-4.

**6 Interested Parties**  
None.

**7 The issue**

The City Council elected to undertake non-statutory public consultation into VG3. Having elected to do so, it is under a common law duty to act fairly.

The requirements of fairness are linked to the purposes of consultation.

A number of legal principles have arisen from the court cases concerning consultation. One of these principles is that the consultation must be at a time when proposals are still at a formative stage. Second, fairness may require that interested persons are consulted not only upon the preferred option but also upon arguable yet discarded alternative options. Third, even when the requisite consultation is limited to the preferred option fairness may nevertheless require passing reference to be made to arguable yet discarded alternative options.

The City Council has already acknowledged the first of these three legal principles: see paragraph 7.5 of the officer report into VG3 provided to the Environment, Transport and Sustainability Committee ("ETS") members on 9 October 2018. Regrettably, paragraph 7.5 is very far from a complete summary of the law on consultation. As to the second of these three legal principles, the court in R (Medway Council) v Secretary of State [2003] JPL 585 held that the consultation exercise was unlawful because the options

consulted upon did not include one particular alternative option. As to the third legal principle, the court in Nichol v Gateshead MBC (1988) 87 LGR 435 endorsed the particular consultation exercise because the authority had made clear what the other options were. Similarly, the court in R (Royal Brompton and Harefield NHS Foundation Trust) v Joint Committee of PCTs (2012) 126 BMLR 134 endorsed the particular consultation exercise because the defendant had made clear to those consulted that they were at liberty to press the case for an alternative option.

Sadly, the Council's public consultation to date is contrary to the above legal principles. The Council did not consult on VG3 Options 2-4 during either of the "public consultation" exercises to date. Rather, the ETS simply resolved on 9 October 2018 to agree Option 1 and the subsequent public consultation was only on Option 1. On 7 February 2019, the ETS resolved to approve the Final Preliminary Design for VG3 and agreed that it should be progressed to the detailed design stage, which would include further public consultation and stakeholder engagement but without setting out the scope of that further public consultation and stakeholder engagement. It set this out in its email dated 23 April 2019.

It is no answer to say that there was some "public consultation" between 21 May and 29 June 2018. This was merely a data collection exercise to help inform the options. It was not a consultation exercise into Options 2-4 or indeed on any options. The City Council's Principal Transport Planner – Policy & Strategy described it as "a general quality survey to understand the public perceptions across the public realm and transport infrastructure – there are no options as yet." On 16 October 2018, the Secretary of the GMB Brighton & Hove Taxi Section informed the City Council that its members were very disappointed at the lack of consultation into VG3.

The consultation exercise between 15 October and 25 November 2018 did not consult the public on the arguable yet discarded options (namely Options 2-4). The Council in that consultation exercise did not make it clear to those consulted that they were at liberty to press the case for Options 2-4.

The Council plans further public consultation. However, as it has now explained, this will be limited to public consultation into the approved, preferred option, no public consultation will take place on any other options (whether Options 2-4 or otherwise) and the further public consultation material will not make it clear to those consulted that they are at liberty to press the case for Options 2-4 or any other options.

It follows that the planned further public consultation will not remedy the legal flaws described above. It further follows that the City Council's public consultation into VG3 will be unfair.

**8 Details of the action that the City Council is expected to take**

The City Council is expected to confirm, upon sensible reflection, that the further public consultation will be into Options 2-4 as well as the approved, preferred option and/or that the further public consultation material will make it clear to those consulted that they are at liberty to press the case for Options 2-4.

The City Council is also expected to confirm that it will not execute a funding agreement for VG3 with the Coast to Capital LEP unless and until these envisaged judicial review proceedings or the issues between the parties have been finally determined.

The City Council is further expected to confirm that the proposed claim is an Aarhus Convention claim, to which the £10,000 limit on costs recoverable from the claimant will apply.

**9 ADR proposals**

The claimant would be happy to attend a meeting with the City Council to discuss ways in which a judicial review claim or hearing may be avoided.

**10 Details of any information sought**

The date on which the City Council's further public consultation into VG3 will begin.

Whether or not the Coast to Capital LEP (Investment Committee or Board) has met since 8 April 2019 to determine if its funding conditions 1-5 (as set out in its 1 February 2019 letter to Nick Hibberd of the City Council) have been met.

Whether or not the Coast to Capital LEP has informed the City Council since 8 April 2019 that its funding conditions 1-5 (as set out in its 1 February 2019 letter to Nick Hibberd of the City Council) have been met.

Whether or not the City Council has received engrossed versions of a VG3 funding agreement from the Coast to Capital LEP.

Whether or not the City Council has executed a VG3 funding agreement with the Coast to Capital LEP.

**11 Details of any documents considered relevant and necessary**

The material published by the City Council for the purposes of the VG3 data collection exercise conducted between 21 May and 29 June 2018.





The material published by the City Council for the purposes of the 15 October to 25 November 2018 VG3 public consultation exercise.

A copy of any correspondence from the Coast to Capital LEP to the City Council since 8 April 2019 informing it that its funding conditions 1-5 (as set out in its 1 February 2019 letter to Nick Hibberd of the City Council) have been met.

A copy of any final version of any VG3 funding agreement between the City Council and the Coast to Capital LEP.

**12 Address for reply and service of court documents**

As per this letter.

**13 Proposed reply date**

No later than 4pm on 2 May 2019. The previous correspondence between the parties means that this timescale is appropriate.

We are sending a copy of this letter to the Coast to Capital LEP, for its information.

We await hearing from you.

Yours faithfully

DMH Stallard LLP



FAO Hannah Gosling  
Investments Programme Manager  
Coast to Capital  
Arun House  
Hurst Road  
Horsham  
West Sussex  
RH12 2DN

Your Ref:  
Our Ref: GPY  
D: +44 (0) 1293 861226  
F:  
E: 29/03/2019

29th March 2019

Sent by email only:

Dear Ms Gosling

**Investment Committee Conditions of funding for the Brighton Valley Gardens Phase 3 project ("VG3") Planning Advice**

We are instructed by Valley Gardens Forum CIC ("VGF").

We refer to DMH Stallard's letter to you dated 18 March 2019 and to your brief email reply dated 19 March 2019.

Investment Committee funding conditions

We are of the position, notwithstanding the City Council's 18 March 2019 letter from Abraham Ghebre-Ghiorghis, that the conditions set by the LEP in its letter dated 1 February 2019 have not been met and that the LEP could not reasonably conclude that they have been met.

You advise that the LEP will be considering "in due course" whether or not the conditions it has set have been met.

1. Please advise when this consideration will be taking place.
2. Will the above consideration be by way of a meeting of the Investment Committee or of the Board or otherwise?

FOI and ADR

We await your response to our client's query about the status of the LEP as a FOIA body (or otherwise) and as to our client's proposal for a discussion as a means of ADR.

MHCLG National Local Growth Assurance Framework

The MHCLG National Local Growth Assurance Framework provides at paragraph 148 that a range of documents (a-e) should be made available to LEP Boards in advance of project and investment funding decisions.

Our client is concerned that this range of documents a-e does not appear to have been made available to the LEP Board prior to its meeting and conditional approval of VG3 funding on 22 January 2019.

3. Please comment and, insofar as these documents were made available to the LEP Board, please provide us with copies.
4. Please provide us with evidence that the LEP has checked that its 22 January 2019 approval (and the execution of any funding agreement for VG3) was made (and would be done) in accordance with the process set out in its Local Assurance Framework.

The LEP Board's approval on 22 January 2019 was inchoate, in that it was conditional and in that it required a further and separate meeting to confirm or otherwise that the LEP's conditions have been met. Moreover, even if that further and separate meeting decides that the conditions have been met it would still remain for a funding agreement to be executed. In the circumstances, our client takes the position that the inchoate approval on 22 January 2019 does not represent a concluded decision properly subject to a judicial review claim and that the time for filing any judicial review claim against the LEP will not commence unless and until a funding agreement has been executed.

5. Please confirm that you agree with this position.

We would stress that our client hopes very much that it can avoid filing a judicial review claim against the LEP.

We await hearing from you by 4pm on 2 April 2019.

Yours sincerely

**Gemma Penny**  
**Associate**  
For and on behalf of asb law LLP



FAO Hannah Gosling  
Investments Programme Manager  
Coast to Capital  
Arun House  
Hurst Road  
Horsham  
West Sussex RH12 2DN

By email only: [hannah.gosling@dmhstallard.com](mailto:hannah.gosling@dmhstallard.com)

Date 18 March 2019  
Your ref  
Our ref 0356/324490-1

Dear Ms Gosling

**Investment Committee Conditions of funding for the Brighton Valley Gardens Phase 3 project**

We are instructed by Valley Gardens Forum ("VGF").

We refer to your letter dated 1 February 2019 to Nick Hibberd of Brighton and Hove City Council ("BHCC") and to his reply to you dated 12 February 2019.

VGF is very pleased that the Investment Committee's ("IC's") funding conditions referred expressly to VGF.

VGF disputes aspects of Mr Hibberd's reply to you. It does not fully or accurately represent VGF's position or the actions (or omissions) of BHCC in connection with the Brighton Valley Gardens Phase 3 project ("VG3").

Condition 1

The IC sought written confirmation from BHCC's Monitoring Officer ("MO") that all statutory requirements in relation to consultation have been met in relation to all project aspects.

BHCC's MO has not provided any such written confirmation.

It follows that condition 1 has not been met.

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The fact that the MO is a practising solicitor said to be unable to give a statement which might be construed as giving the LEP advice on legal matters is beside the point. The MO could provide the LEP with the written confirmation sought, whilst explaining that it represents BHCC's position and that it should not be construed as legal advice to the LEP. The fact that the MO is unwilling to provide the LEP with a written statement as sought should cause the LEP serious concern.

#### Condition 2

As far as we are aware, Mr Hibberd is not a qualified or practising lawyer. His reply was not written in any capacity as a qualified or practising lawyer. His assertion that BHCC "has carried out consultation in compliance with its statutory requirements" is an assertion he is not qualified to provide.

The simple fact is that the LEP sought confirmation in writing from the MO that public comments, including those of the VGF, have been appropriately considered, responded to and addressed in accordance with BHCC's statutory duties.

BHCC's MO has provided no such written confirmation.

It follows that condition 2 has not been met.

Again, the fact that the MO is unwilling to provide the LEP with a written statement as sought should cause the LEP serious concern.

For the record, whilst statute may impose a duty of consultation so may the common law. BHCC's reply does not address consultation at common law.

BHCC has undertaken some limited consultation into VG3. Having elected to undertake consultation, the Council is under a common law duty to act fairly.

The requirements of fairness are linked to the purposes of consultation.

A number of legal principles have arisen from the Court cases concerning consultation. One of these principles is that the consultation must be at a time when proposals are still at a formative stage. Second, fairness may require that interested persons are consulted not only upon the preferred option but also upon arguable yet discarded alternative options. Third, even when the requisite consultation is limited to the preferred option fairness may nevertheless require passing reference to be made to arguable yet discarded alternative options.



The Council has already acknowledged the first of these three legal principles: see paragraph 7.5 of the officer report into VG3 provided to the Environment, Transport and Sustainability Committee ("ETS") members on 9 October 2018. Regrettably, paragraph 7.5 is very far from a complete summary of the law on consultation. As to the second of these three legal principles, the Court in R (Medway Council) v Secretary of State [2003] JPL 585 held that the consultation exercise was unlawful because the options consulted upon did not include one particular alternative option. As to the third legal principle, the court in Nichol v Gateshead MBC (1988) 87 LGR 435 endorsed the particular consultation exercise because the authority had made clear what the other options were. Similarly, the court in R (Royal Brompton and Harefield NHS Foundation Trust) v Joint Committee of PCTs (2012) 126 BMLR 134 endorsed the particular consultation exercise because the defendant had made clear to those consulted that they were at liberty to press the case for an alternative option.

Sadly, the Council's consultation to date is contrary to the above three legal principles. The Council did not consult on VG3 Options 2-4 during either of the public consultation exercises. Rather, the ETS simply resolved on 9 October 2018 to agree Option 1 and the subsequent public consultation was only on Option 1.

It is no answer to say that there was some public consultation between 21 May and 29 June 2018. This was merely a data collection exercise to help inform the options. It was not a consultation exercise on Options 2-4 or indeed on any options. BHCC's Principal Transport Planner – Policy & Strategy described it as "a general quality survey to understand the public perceptions across the public realm and transport infrastructure – there are no options as yet." On 16 October 2018, the Secretary of the GMB Brighton & Hove Taxi Section informed BHCC that its members were very disappointed at the lack of consultation into VG3.

The consultation exercise between 15 October and 25 November 2018 did not consult the public on the arguable yet discarded options (namely Options 2-4). The Council in that consultation exercise did not make it clear to those consulted that they were at liberty to press the case for Options 2-4.

The Council plans further public consultation. However, as planned, this will be limited to public consultation on the revised Option 1. It follows that the planned further public consultation will not remedy the flaws described above.

We made these points as to common law consultation to BHCC in a letter dated 7 February 2019. As Mr Hibberd's letter explains, ETS resolved in response to approve the officer recommendations albeit "subject to obtaining independent legal advice..."

We would also mention that your letter of 1 February 2019 was not provided to the ETS members before or during the ETS meeting on 7 February 2019.

Following this 7 February 2019 resolution, BHCC instructed Counsel to advise. As of 13 March 2019, BHCC had not received that advice. On 15 March 2019, we asked BHCC if it had now received that advice. We have not yet had a reply to that question. Even leaving aside the fact that Mr Hibberd is not qualified to provide you with his assertion as to the law, his reply to you was plainly sent in circumstances where BHCC was still awaiting independent legal advice on the common law requirements as to consultation canvassed in our 7 February 2019 letter. That letter also described as "a complete illusion" BHCC's proposition that a possible £0.59m funding shortfall may be plugged by private sector developer contributions via the planning process. We do not know if BHCC has instructed Counsel on this point too; certainly, BHCC has provided us with no legal advice addressing it.

VGf certainly does not consider that its public comments as to VG3 have been appropriately considered, responded to or addressed. It has not been given an opportunity to provide, during any public consultation exercise into VG3, representations as to VG3 Options 2-4 or any other option except Option 1. Despite repeated requests, BHCC has not provided VGf with the baseline data as to traffic movements, noise or air quality.

### Condition 3

The LEP sought written confirmation from BHCC's MO that the scheme design meets all the requirements of all relevant statutory legislation.

The MO has not provided that written confirmation.

It also appears that, despite the terms of the LEP's condition, BHCC's MO is *not* going to be providing the confirmation sought *within* the funding agreement.

It follows that condition 3 has not been satisfied.

We note Mr Hibberd's assertion that "the Final Preliminary Design" meets all the requirements of all relevant statutory legislation. Again, his role and qualifications mean that he is not in a position to provide that statement to the LEP's satisfaction. Moreover, his answer relates only to the "Final Preliminary Design" whereas the LEP's question was as to the scheme design. As Mr Hibberd implies, the scheme design has not yet been finalised. BHCC has undertaken no statutory environmental impact *assessment* of any of the phases of the Valley Gardens Project. Indeed, it has not even

undertaken any statutory environmental impact *screening* of any aspect of the project. BHCC asserts that it has undertaken non-statutory environmental impact assessment of phases 1-2 and "an assessment against environmental criteria" (whatever that means) for VG3, but it has not published or provided VGF either of these non-statutory assessments. There is no planning permission for phases 1-2, but for some landscaping works, and BHCC has not yet even determined if VG3 requires planning permission.

#### Condition 4

The LEP sought written confirmation from BHCC's MO as to future engagement with VGF and members of the public.

The MO has not provided that written confirmation.

It also appears that, despite the terms of the LEP's condition, BHCC's MO is *not* going to be providing the confirmation sought *within* the funding agreement.

It follows that condition 4 has not been satisfied.

As recorded above, it seems that future public consultation into VG3 will be limited only to revised Option 1.

#### Condition 5

The LEP sought confirmation that the relevant BHCC committee has approved the scheme, to allow the project to be delivered.

The ETS has not yet approved the final scheme. Its members are awaiting Counsel's advice on the lawfulness of the scope of the past and future public consultation and, possibly, on the possible £0.59m funding shortfall discussed above. There will be further public consultation in any event, before a final ETS decision.

If VG3 requires planning permission, there may need to be a decision of the appropriate BHCC planning committee.

Mr Hibberd refers to possible objections to Traffic Regulation Orders ("TROs"). BHCC accepts that TROs will be needed. In the event of objections, which are inevitable, the likelihood is that another BHCC committee (or the Secretary of State) will need to make a determination as to the TROs.

It follows that VG3 has not yet received all the approvals required for it to be delivered.



It further follows that condition 5 is not yet satisfied (and may not ever be satisfied).

#### Conclusion on Conditions 1-5

None of the IC's Conditions 1-5 has been satisfied. Plainly, they are not going to be satisfied. The LEP cannot reasonably issue the Funding Agreement in such circumstances.

#### Freedom of Information Act 2000

The LEP has previously advised us that it is not subject to the provisions of the Freedom of Information Act 2000. However, on the other hand, it has disclosed documents to VGF pursuant to the Freedom of Information Act 2000.

Please confirm that, as we suspect, the Coast to Capital LEP is a body subject to the provisions of the Freedom of Information Act 2000.

#### ADR

VGF has very real concerns about aspects of the information provided by BHCC to the LEP ahead of the meeting and decisions of its Board on 22 January 2019, and about aspects of the LEP's own decision-making process. It would very much prefer not to be driven to send the LEP a formal judicial review pre-action protocol letter or to issue proceedings against it. Rather, it would welcome an opportunity to discuss further the contents of this letter and its wider concerns at a meeting of the IC or Board. Please confirm that the LEP would be amenable to such a discussion.

In terms of VGF's wider concerns, these include: the publication or otherwise by the LEP of BHCC's funding application for the 12-week period associated with LGF funding applications; the existence or otherwise of a LEP report (or LEP commissioned report) into the merits of BHCC's funding application; the DfT's requirements for transport projects eligible for LGF funding; the BCR for LGF funding; and the "Risk Register".

#### Conclusion

Please confirm that the LEP is amenable to ADR as proposed and that it will not be issuing a Funding Agreement for VG3.

We are copying this letter to Mr Hibberd and the ETS members.



Yours sincerely

Heidi Copland  
Partner  
For and on behalf of DMH Stallard LLP

CC:





## Hannah Gosling

---

**From:** Anthony Middleton  
**Sent:** 28 August 2019 08:38  
**To:** Hannah Gosling  
**Subject:** FW: Valley Gardens Phase 3 - Funding Agreement clarification  
**Attachments:** BHCC Audit & Standards Committee members question Cllr Lee Wares 230719 (2).pdf; VGF - key objectives from ADR with BHCC 020719.pdf

First email received over bank holiday from VGF

**Anthony Middleton**  
**Chief Operating Officer**  
**Coast to Capital**



[Website](#) | [Growth Hub](#) | [Twitter](#) | [LinkedIn](#) | [YouTube](#) | [Newsletter](#)

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**From:** Valley Gardens Forum [mailto:info@valleygardensforum.org.uk]  
**Sent:** 23 August 2019 15:43  
**To:** Anthony Middleton  
**Subject:** Re: Valley Gardens Phase 3 - Funding Agreement clarification

Dear Tony

Further to my reply on Tuesday, I'm reporting back after the VGF Board and members meetings this week and as expected confirm that we are happy for any of the regular VGF updates or correspondence to be published as requested.

In the light of your advice that the Investment Committee is due to meet to discuss VG3 on September 13th, at this week's VGF meeting I asked for guidance from the CIC Board and members about how the Forum should respond. As we have only just belatedly received BHCC's data bundle - still only partially responding to our request, it will take a few more days before we are able to provide you with a more detailed representation from the Forum's members.

As a headline, we contend that BHCC continue to be cavalier about the potential environmental impacts of their scheme. Many of the city's leading employers consider that the current plan will cost millions of pounds a year to the city economy, especially to tourism and leisure. If LGF funding is for Economic Growth, please note that we consider BHCC's current plan for VG3 will do the opposite.

If BHCC had engaged with us at the beginning of the year, there might have been an opportunity to reach a consensus by now that could meet with approaching deadlines. If the time is truly over, then it is BHCC

who have run down the clock. It is with the greatest regret that the Valley Gardens Forum call for LGF funding for VG3 to be withheld and potentially withdrawn.

For ease of reference, I've attached the Forum's single page key objectives from the incomplete mediation process and our core proposals. In just one sentence - ***retention of a redesigned roundabout / west side bus lanes unlock VGF objections and everything is then possible in the granular detailed plan that follows***. This position, supported unanimously by a group representing a broad spectrum of residents, workers, health & education professionals and employers small and large, taxi firms, bus users and challenger bus operators - as much as 20% of the City's economy.

The Forum has sought to engage with the Council in good faith throughout, with constructive suggestions and even unilaterally funding ADR mediation. Sadly, BHCC's response has been obdurate or when pressed perfunctory despite your clear instruction. Senior Council officers apparently withholding key documents from Committee and a consistent refusal to address community concerns about the potential environmental impacts across the whole scheme lead Cllr Lee Wares to call - attached for reference - for an unprecedented audit into Valley Gardens phase 3 addressed to the Council's Audit and Standards committee on the 2nd of July. Councillors from all parties including the administration agreed it was necessary. That audit is now taking place and given it seeks to challenge the Council's decision making process, do you agree that the resulting report might be something that the LEP's investment Committee might see before it makes a recommendation to the Board?

I will be in touch again with a more detailed representation as promised and look forward to hearing from you in due course.

Best

Daniel

**Valley Gardens Forum**

On Mon, Aug 19, 2019 at 1:55 PM Anthony Middleton <[anthony.middleton@coast2capital.org.uk](mailto:anthony.middleton@coast2capital.org.uk)> wrote:

Hello Daniel

Hope you are well. Thanks for the VGF update email of earlier today and the developments detailed therein. Your interpretation of the funding position is broadly correct. Also, we would indeed want any delivery body to work with your organisation, because it represents local interests and local input is so critical in such schemes.

As you will appreciate, we are under commitments to Government that Growth Deal funding must be drawn down by March 2021. Being absolutely frank, it would probably be only under exceptional circumstances that our Committee would grant any extension to the draw down period, if the funding cannot be spent by the deadline. Obviously the Committee would consider any case put to it and the

arguments for and against at the time, but the case would have to be exceptional I feel. However, I can't prejudge any outcome that the Committee may reach and indeed they are at liberty to reach any conclusion that they see fit.

Further to the correspondence that we last received from yourselves and the Council, we do now need to put the matter back to our Investment Committee for them to make a final recommendation to our Board in relation to project funding. Before we do so we want to publish the Committee paper and also the supporting documents (emails from the Council and also the VG Forum plus our own documents). All documents would be published on our website and be posted for a period prior to the Investment Committee meeting itself. This will allow any member of the public or the VG Forum to comment on the papers and make any final representations before the Committee meeting. This would also allow the Committee to examine whether any further funding conditions need to be applied to the final funding award, if indeed the Committee decides to make one.

I would appreciate your final consent to publish copies of the emails we have received from your Forum, if possible ? We hope to publish the papers before the end of this week in readiness for Investment Committee on Friday 13<sup>th</sup> September 2019 and we will send you the link immediately upon publication. However, the publication of papers is subject to finalisation and our accountable body checks later this week. Please feel free to make any final comments you may wish, when you see the papers. As always we will pass these directly to our Investment Committee members for the meeting. Our Investment Committee will only be making a recommendation to our Board, which will then have to make the final funding decision in October (when it next meets) and once again you will be entitled to make further written representations to that meeting.

I would be most grateful if you could also inform your solicitors of the above as we promised to let asb law know when the matter was to be considered. However, if you would prefer us to write directly to them, we will of course do so.

Kind regards

Tony

**Anthony Middleton**

**Chief Operating Officer**

**Coast to Capital**

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**From:** Valley Gardens Forum [mailto:[info@valleygardensforum.org.uk](mailto:info@valleygardensforum.org.uk)]

**Sent:** 19 August 2019 13:12

**To:** Anthony Middleton

**Subject:** re: Valley Gardens Phase 3 - Funding Agreement clarification

Dear Tony

I'm now back from a family break and thought it might be helpful to check in with you before responding to Hannah Gosling's email August 5th. Our understanding is that there is theoretically some flexibility on the deadline for draw down - but with no guarantee it will be accepted. ie funding could fall away. However, we note a tacit reminder to BHCC of your earlier funding condition encouraging them to work through the issues with the Forum and the wider community. We remain convinced that if BHCC proactively engage with the Valley Gardens Forum, it may still not be necessary for the Council to request such an extension.

Is this understanding broadly correct? Also, are you able to indicate whether the LEP have reached a decision on whether to grant the award or to have set a date for the Investment Committee to consider BHCC's request?

Separately, please see the following update to the Forum from earlier this morning including details of a potentially exciting intervention by Design Brighton in our bid to steer the Valley Gardens project back on course. I should add that following this update, BHCC belatedly sent the Forum a spreadsheet table and Dropbox link to documents - in response to our EIR request. A further update will follow once we have had time to review.

I look forward to hearing from you soon.

Best

Daniel

Here's a full update of developments through August and a **reminder / correction** about the time and date of our next meeting.

- The next Valley Gardens Forum meeting will now take place on **Wednesday 21st August from 12:30 at The Latest Bar** 14-17 Manchester Street BN2 1TF Lloyd Russell Moyle - Kemptown MP will be there from 1pm - he is keen to hear first hand from local residents, workers and business owners to understand your concerns about the whole Valley Gardens scheme.
- Some exciting and positive news concerning community suggestions to improve the scheme. Forum supporters Bill Smith and Libby Barnes have taken their idea of the St James' Street 'Diversity Arch' to Design Brighton's Nick Strickland (Strickland Wright) and Sophie Law-Smith to work up. Their striking initial concept is an important first step in putting Kemptown and the east of the city back in centre of the Valley Gardens improvements. Design Brighton has a good working relationship with the city council and the Forum has now requested that they co-ordinate a workshop with all stakeholders to develop a **better design solution** for Valley Gardens than the 'preferred option' developed unilaterally by BHCC. It is intended that a representative group of residents, businesses, Councillors, Council Officers and interest groups will take part. The process proposed by Design Brighton is known as a 'Charette' - effectively a moderated 'brainstorm' to come up with rapid solutions to complex design problems - like Valley Gardens. This important event will take place at a central Brighton location in the w/c 16th September. More details soon.
- One of universally agreed objectives of the Valley Gardens scheme has been to prioritise public and shared transport (buses and taxis) over private vehicle traffic. The taxi trade have been unequivocal in condemning BHCC's approach and their lack of consultation. Bus users are also deeply unhappy with the current BHCC design and have provided the Forum with the following statement: ***"Brighton Area Buswatch is concerned that the current proposals for (Valley Gardens) Phase 3 will worsen provision for bus users and make buses slower. Bus stops will be scattered in several locations around Old Steine which will make interchange between buses more difficult and confusing. Bus stops at Old Steine are not perfect today, but the proposed scheme is not an improvement"***. This position has been echoed strongly but so far privately by a bus operator in the city - the company's management has been understandably nervous about making public statements and upsetting the Council who ultimately act as their Licencing Authority.
- BHCC's latest Air Quality report for 2018 was released quietly last week. It's not surprising that the council would rather not draw too much attention to some frankly terrible news for residents, workers within or visitors to the area. NO2 and PM2.5 pollution at pollution remain at illegal levels and have actually increased year on year according to both monitoring stations on the eastern side of Grand Parade. The report recognises the enormity of the the public health emergency facing local residents. It opens with a statement that existing pollution levels are ***"a contributing factor in the onset of heart disease and some cancers and particularly affects the most vulnerable in society: children and older people, and those with pre-existing heart and lung conditions. Lung tissue growth and lifelong lung capacity can be influenced by pollution dose in the formative years."*** The Valley Gardens Forum has consistently called for a full Environmental Impact Assessment across the scheme as a matter of urgency. Rather than taking this crisis seriously and taking action that might alleviate grave community concerns, Council Officers continue to claim BHCC has no obligation to carry out such an assessment and ***"It is not anticipated that a statutory EIA will be required."***
- The Forum recently wrote with BHCC to Coast 2 Capital, the Local Enterprise Partnership who are funding the Valley Gardens Scheme to clarify if there was any flexibility in the March 2021 deadline by which the grant money needed to be received / spent March 2021. The LEP's answer

included the following: *"Decisions are made on a case by case basis but the normal protocol is to expect projects to draw down funding in arrears... If the Valley Gardens Forum and the Council feel that more time is needed to resolve any outstanding issues with the above project and that to do this will mean that LGF draw down will need to go beyond March 2021, our Investment Committee will of course consider any request you may make to it."* In other words, there is theoretically some flexibility but with no absolute guarantee it will be accepted - funding could fall away. However, it remains encouraging that the LEP are tacitly reiterating the funding condition laid down in their letter to BHCC encouraging them to work through the issues with the Forum and the wider community. The sooner that BHCC proactively engage with the Valley Gardens Forum, the less likely it will be necessary to collectively request an extended deadline.

- The audit for the whole Valley Gardens scheme called for by Cllr Lee Wares and subsequently approved at the recent meeting of the BHCC Audit and Standards Committee is apparently underway.
- Finally, the Forum's lawyer received a message last week that our longstanding data request to Brighton & Hove City Council under Environmental Information Regulations 2004 - would be responded to by close of play last week. Needless to say, we are still waiting.

#### **Valley Gardens Forum**

w. [valleygardensforum.org.uk](http://valleygardensforum.org.uk)

a. 11 Old Steine - Brighton - BN1 1EJ



**Hannah Gosling**

---

**Subject:** FW: Valley Gardens Phase 3 - joint statement Lloyd Russell-Moyle MP, Cllrs. Lee Wares and Jackie O'Quinn

**From:** Anthony Middleton  
**Sent:** 27 August 2019 07:52  
**To:** Valley Gardens Forum  
**Cc:** Johnathan Sharrack; Cali Gasson; Tim Wates; Mike La Rooy, ; Hannah Gosling;  
Jonathan Sharrock  
**Subject:** Re: Valley Gardens Phase 3 - joint statement Lloyd Russell-Moyle MP, Cllrs. Lee Wares and Jackie O'Quinn

Dear Daniel

Thank you for your emails over the weekend and for permission to publish your documents.

We will ensure in particular that the last two emails you have sent are referred to in the Investment Committee meeting as these very clearly summarise the Forum's position. We will also ensure that the Committee is advised of the BHCC internal audit that will be taking place following representations made. In addition we will inform the Committee of the joint statements referred to in your email sent over the weekend and also publish these.

Thank you again for drawing such comprehensive information and detail to the attention of the LEP.

Kind regards

Tony

Sent from my iPhone

On 26 Aug 2019, at 08:00, Valley Gardens Forum wrote:

Dear Tony

Apologies for contacting you during the bank holiday - but I felt it might be helpful for the Investment Committee to have sight of this weekend's 'Joint Press Statement from Lloyd Russell-Moyle, Labour and Co-operative MP for Brighton Kemptown, Conservative transport spokesperson, Cllr. Lee Wares and Labour Chair of Licensing, Cllr. Jackie O'Quinn' - for inclusion in the public file and reported here:

**Labour and Conservative politicians join forces to seek changes to Valley Gardens scheme**

<https://www.brightonandhovenews.org/2019/08/24/labour-and-conservative-politicians-join-forces-to-seek-changes-to-valley-gardens-scheme/>

Please note that our Member of Parliament as well as a Council Committee Chair and Senior member of the Governing Labour administration have joined opposition Conservative politicians in agreement that *"the present scheme risks creating more harm than good to the city. The three politicians also supported calls for the council to stop the project and rethink the proposal"*.

It is important to re-state that this call to 'pause & rethink' has previously been made by members of all political parties in the city. On January 21st, Tom Druitt, Green Councillor

and CEO of the Big Lemon Bus Company was the lead signatory in a tripartite letter to BHCC - also signed by members of the Forum calling that the ***"City Council withdraws the business case submitted to the Local Enterprise Partnership with the current design and enters into meaningful engagement with residents and traders through the Valley Gardens Forum and with other stakeholders such that the concerns over the current design proposals are properly addressed with amended designs and business case being subsequently prepared for further consultation"***.

Two simple steps would unlock nearly all objections to the current scheme and therefore fully satisfy conditions set down in your letter to Senior Officer Nick Hibberd BHCC 1 February 2019. **1. Retention of a redesigned roundabout. 2. Retaining a dedicated public and shared transport corridor (bus lanes) on the west side of Brighton's Old Steine.** At this point, LGF funding could be approved and the project would move on to detailed design. It is puzzling that Council Officers refuse to consider this - while offering no plausible evidence to support BHCC's intransigent position.

As the Valley Gardens scheme is a once in a generation opportunity to improve the centre of our city, it would be as well that it was done the right way. Members of the Valley Gardens Forum appreciate the LEP's patience in considering our representations amongst many. We genuinely hope that it will be possible to resolve matters with BHCC ahead of any final deadline for the drawdown of the LGF grant. However, if that deadline is now upon us, It is with great regret that the Valley Gardens Forum call for LGF funding for VG3 to be withheld and potentially withdrawn.

We look forward to your clarification before making any public statement.

Best

Daniel

**Valley Gardens Forum**

a. 11 Old Steine - Brighton - BN1 1EJ

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**From:** Lee Wares

**Sent:** 24 August 2019 06:27

**To:** ' ; 'Bex Bastable' ; 'Angi Mariani' ; 'Arron Hendy' ; News

**Cc:**

Jacqueline O'Quinn

**Subject:** Valley Gardens Phase 3 - joint statement Lloyd Russell-Moyle MP, Cllrs. Lee Wares and Jackie O'Quinn

Dear all,

Please see below the joint statement/ press release from Lloyd Russell-Moyle MP, myself and Cllr. Jackie O'Quinn regarding Valley Gardens Phase. Please feel free to contact any of us if you have any questions.

Kind regards and best wishes, Lee

**Cllr. Lee Wares**

Conservative Councillor for Patcham and Hollingbury

Deputy Leader of the Conservative Group

Conservative spokesperson for Environment, Transport and Sustainability Committee

Member of Licensing Committee

Brighton and Hove City Council

Hove Town Hall

Norton Road

Hove

BN3 3BQ

Tel: 01273 291996

*Lloyd Russell-Moyle, Labour and Co-operative MP for Brighton Kemptown, Conservative transport spokesperson, Cllr. Lee Wares and Labour Chair of Licensing, Cllr. Jackie O'Quinn, met on Wednesday a packed meeting of the Valley Gardens Forum. The forum represents a wide range of residents, businesses, traders, the tourism sector, the event sector, bus users and some bus operators and the local taxi trade with concerns about the adverse impacts of the currently proposed Valley Gardens Phase 3 project around the Old Steine and Aquarium Roundabout.*

*Forum members expressed concern about the continued lack of consultation, the lack of consideration regarding air quality and pollution, the risk to the city's economy and vehicle congestion and displacement. Lloyd Russell-Moyle*

*MP and Cllrs. Lee Wares and Jackie O'Quinn all agreed that the present scheme risks creating more harm than good to the city. The three politicians also supported calls for the council to stop the project and rethink the proposal.*

*Lloyd Russell-Moyle said "There are some very good aspects of this project that everybody seems to support such as cycling, walking and accessibility, but removing the access to Madeira Drive and redeveloping the Duke's Mound junction to compensate is not one of them. There are other concerns about how this will affect Kemp Town, including the lack of additional tree-planting on the Kemp Town side, lack of bus stops which will reduce footfall to Kemp Town and the restricted access to the Old Steine for event organisers."*

*Labour Councillor Anne Pissaridou, the new Chair of the Environment, Transport and Sustainability Committee, said: "Improving road safety is one of the core objectives." She has facilitated a number of meetings with council officers and local elected officials including agreeing mediation with the Valley Gardens Forum.*

*But, Lloyd Russell-Moyle stated: "I welcome Cllr Pissaridou's engagement in this issue but the community don't believe that the mediation has yet been effective and the modelling on the junctions remains only the second worst option for cyclists and safer options with lights and roundabouts were presented and should be considered. The current scheme will also have a large economic detriment to Kemp Town and one of the key "High Streets" in our city. These developments need to come with mitigation measures to prevent the loss of business in our city. I have relayed many of the concerns to officers in the council and I continue to receive reassurances that these will be taken on board in later design iterations but these need now to be in writing and legally binding."*

*Cllr. Lee Wares add "The level of anxiety and anger across a large section of our city is unabated. There are so many faults with this project that could be put right if the council were to pause, reopen discussions, get everybody round the table and listen to all the good ideas that exist. We can greatly improve sustainable and active travel, create world class event space and still keep the city moving whilst protecting our local economy."*

*Cllr. Jackie O'Quinn stated "Having listened to the taxi trade and seen first-hand the implications they will negatively impact the trade and their customers with Madeira Drive entry only and exit at Duke's Mound. Officers have shown a willingness to seek solutions to this allowing two way traffic with restricted turning at the pier entrance, these options now need to be confirmed to reassure the community"*

*After the meeting Cllr. Steve Bell, Leader of the Conservative Group said "We have expressed our concerns about Phase 3 from the very beginning and we are grateful for Lloyd's interest. The city has a golden opportunity to use Government money to considerably improve the area. Our commitment to the Labour Administration is that we will work with them, doing whatever it takes, to reach a solution that is good for all our citizens and businesses."*

ENDS.

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<Valley Gardens Phase 3 - joint statement Lloyd Russell-Moyle MP, Cllrs. Lee Wares and Jackie O'Quinn - 240819.pdf>







**Leader's Office**  
Hove Town Hall  
Norton Road  
Hove  
BN3 3BQ

Jonathan Sharrock  
Chief Executive  
Coast to Capital

Date: 30<sup>th</sup> August 2019

Phone: 01273 280481

Dear Jonathan

### **VALLEY GARDENS PHASE 3**

I am writing to you on behalf of the city council, with the full support of the Leader of the Council, to provide you with a statement on Phase 3 of the Valley Gardens project so that you can share it with members of your Investment Committee when they consider the project at their next meeting.

As you, your officers and LEP members will no doubt be aware, an extensive amount of work has taken place in partnership with the LEP on the entire Valley Gardens project since 2013, when it was first considered for funding by the LEP's Local Transport Body, and subsequently included in the 2014 Strategic Economic Plan. The project was broken down into phases at the request of the LEP to make it more deliverable, a point that was recognised by the Government when it announced the LEP's Growth Deal and provisionally allocated the £6 million worth of LGF to Phase 3, subject to a robust Business Case. That Business Case was considered and approved by your Board earlier this year when it allocated the funding, subject to the completion of the Funding Agreement which we now await.

The historic Old Steine area of Brighton was once a place where residents and visitors would flock to, famous for its promenade, open green space and the ornate Victoria Fountain, all of which made it a pleasant place to spend time in. Over the years, well-intentioned changes to roads and traffic management, including provision to prioritise movement by public and sustainable transport, especially buses, taxis and cycling, have delivered some significant improvements but not enough to overcome some of the barriers that have isolated the green spaces and made them harder for people to access because of traffic. Residents, businesses and other users of the corridor have therefore unfortunately experienced congestion and an increase in road traffic collisions and the effects of air pollution over time. The area has therefore failed to fulfil its potential as a prime city centre locations and the three phases of the Valley Gardens project are designed to address these issues.

Overall, all three phases of the finished Valley Gardens scheme will bring two key outcomes. Firstly, it will form a vital part of our move to become a carbon-neutral city by 2030 through significant investment in a sustainable transport network that supports walking, cycling, and public transport. The LGF allocations are therefore critical as without them, this outcome will not be achieved. Secondly, it will give public space back to the local community, allowing the city's residents and visitors the opportunity to enjoy safe, accessible and more attractive green spaces once more, and adding to its regeneration.

Phases 1 & 2 of the Valley Gardens scheme are now well underway, with significant changes made to improve the road layout from St Peter's Church to Edward Street. They introduce new paths for cycling and walking, as well as provide a designated corridor for buses and taxis. Works to create a new central park will soon follow, including the planting of over 150 new trees, which will improve the environment and air quality.

Phase 3 of the Valley Gardens scheme is a continuation of Phases 1 & 2 and it is vital to achieving the overall aims and benefits for the area. Phase 3 will complete sustainable transport links, including walking and cycling paths, public transport priority, and new open green spaces through the city centre and down to the seafront. Furthermore, the approved Phase 3 design will significantly mitigate the high number of collisions and casualties in this area, many of which involve vulnerable road users such as pedestrians and cyclists. These are forms of transport that we want to increase the use of to improve people's health and the environment.

The level of local interest in Phase 3 has also meant that the project has been thoroughly scrutinised at every stage of the council's transparent and robust decision-making processes by councillors and members of the public and other organisations during public committee meetings, such as the Environment, Transport and Sustainability [ETS] Committee which I now chair. These processes are continuing as the council seeks to ensure that the information and processes associated with the project are appropriate and proportional to the decisions being made at each stage regarding its development and delivery.

Public consultation and engagement has played a key role in developing the project's design so far. This will continue. A two-stage consultation was carried out in 2018 and the feedback gathered was reported back to committee. In February 2019, following the second stage of public consultation, the outline plan was significantly revised and approval was then given by committee to proceed to detailed design. Since then we have continued to work and liaise with representatives of the local community to consider and seek to address the concerns they have raised about aspects of the proposed design. We remain committed to meaningful engagement with community groups, including the Valley Gardens Forum, as well as transport partners, businesses and other key stakeholders as we develop the approved design. Matters include concerns about environmental impacts such as air quality and noise; the design of new public spaces; traffic movement and management, including parking and loading; and the facilities for pedestrians, cyclists and bus passengers.



**Leader's Office**  
Hove Town Hall  
Norton Road  
Hove  
BN3 3BQ

While we are alive to the issues raised by stakeholders and communities and are keen to work with them to resolve them, the next essential stage of the project cannot fully progress until the Funding Agreement for Phase 3 is signed. We therefore look forward to Valley Gardens Phase 3 being on the agenda of your Investment Committee's next meeting and receiving clarity about your support for it. A positive outcome will provide greater certainty, in advance of your Board's final decision, and move us closer to the successful delivery of the scheme in the near future and the realisation of the combined benefits that will be achieved through the vital and exciting work that is already well underway with Phases 1 & 2.

Yours sincerely

**Councillor Anne Pissaridou**  
**Chair of Environment, Transport and Sustainability Committee**



Jonathan Sharrock  
Chief Executive  
Coast 2 Capital LEP

Date: 12 September 2019

Our Ref: AGG / th

Your Ref:

Dear Jonathan

### **Valley Gardens**

I understand that the LEP funding for the Valley Gardens project is coming for consideration by your Investment Committee tomorrow. Over the last couple of months, the LEP raised a number of issues regarding the legality of the Council's decision as well as the consultation and engagement process. I or my officers have supplied you with the relevant information and I am not aware that there is anything outstanding.

Notwithstanding the above, the Council is aware of the fact that the Valley Gardens Forum and others may have represented the Internal Audit review being undertaken by the Council as evidence of failings in the way the decision was made. The request for Audit was submitted following a request under the Council's Standing Orders. The report has not been finalised and so I can't say what the conclusions will be. However, as the Council's Monitoring Officer with responsibility for legality, probity and general good governance, I would comment as follows:

- The project had the benefit of internal and external legal advice to ensure compliance with the law;
- All steps were taken in compliance with the Council's constitution;
- The key decisions were taken by the Environment, Transport & Sustainability Committee. The reports were scrutinised by the Committee lawyer before submission to Members and the Committee had a lawyer present throughout its proceedings;
- When the issue of consultation and public engagement was raised, the committee instructed Officers to seek Counsel's advice. We did this and the advice confirmed that the way the Council dealt with it was compliant with the law.

In a project of this scale and importance, it is not difficult to point out to aspects that could have been done differently or better. But so far as legality, probity and compliance with procedural requirements is concerned, it is my firm view that the Council has complied with the law and its own constitution throughout.

I hope you find this helpful, but let me know if you need any more information.

Kind Regards

Abraham Ghebre-Ghiorghis  
Executive Lead Officer Strategy, Governance and Law

## Hannah Gosling

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**From:** Nick Hibberd  
**Sent:** 17 July 2019 09:55  
**To:** Anthony Middleton; Hannah Gosling  
**Subject:** Valley Gardens Phase 3 funding agreement.

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Tony and Hannah

Further to our recent discussions about Valley Gardens Phase 3, as requested I am writing to confirm that the mediation/ADR meeting with the Valley Gardens Forum was held on 2 July. The meeting was facilitated by an independent person and was constructive. A number of actions were agreed, including ongoing exchanges of information, which will assist with ongoing engagement and dialogue with the Forum and the wider public during the next stages of the project's development. We will also be writing to you jointly with the forum to clarify the timescales for drawing down the funding as one of the issues identified during the mediation process was a lack of clarity around your requirements in this regard.

The council therefore considers that the mediation process with the Forum is now complete. We have committed to continue to engage with the Forum throughout the delivery of the project.

I would be grateful if you would now provide an indication as to when you expect to complete your internal decision making processes and, assuming the outcome is positive, progress the engrossment process for the funding agreement. As I am sure you are aware, it's important that we now progress the project without further delay and we looking forward to work in partnership with you to do so.

Please let me know if there is anything that you would like to discuss.

With regards.

Nick

**Nick Hibberd**  
**Executive Director Economy Environment & Culture**  
Brighton & Hove City Council  
Hove Town Hall, Norton Road, Hove BN3 3BQ

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Thank you in anticipation of your co-operation.



## Hannah Gosling

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**From:** Valley Gardens Forum  
**Sent:** 01 July 2019 12:08  
**To:** Anthony Middleton  
**Cc:** Johnathan Sharrack; Cali Gasson; Tim Wates; Hannah Gosling; Mike La Rooy  
**Subject:** Fwd: Valley Gardens Forum update 1st July 2019  
**Attachments:** The Argus 27 June 2019.pdf

Dear Tony

Hope you're well. I promised to update you after meetings with the new council administration and before the scheduled ADR mediation this week.

I thought it would be helpful to let you know that BHCC initially responded to the request for ADR with following on May 22nd: *"We welcome your suggestion of ADR and would be grateful for an indication ahead of that meeting of your proposed agenda for the meeting,..."* We subsequently heard from the same officer who then wrote on June 14th: *"The Council is not under an obligation to participate in ADR or to agree to any particular type of ADR. In this instance, mediation is not appropriate and it would not be a good use of public resources for the Council to spend more money on lawyers."* It is important you are aware that the Forum has now offered to cover the cost of the mediator in good faith, in order to facilitate the process - and the meeting is back on.

I've also taken the opportunity to forward today's pre-mediation Valley Gardens Forum update ahead of ADR - below. I regret to say that the evidence gathered by us suggests that BHCC is entering the process not in the spirit of achieving a collaborative solution, but rather (as they see it) as a final box that needs to be ticked before confirming LEP funding. However, over the course of six month's investigation, the Forum is satisfied that the current business case presented to the LEP on the 22nd of January fails to conform with EU EIA Directives, DfT provisions, HM Treasury standards, MHCLG requirements or LGF eligibility.

As Directors of the Valley Gardens Forum CIC, we understand that the Local Enterprise Partnership is ultimately a 'partnership' between the public and private sector. Business involvement is at the heart of the LEP and these partnerships must involve both parties - not just led by the public or private sector. LEPS exist to help determine local economic priorities and lead economic growth and job creation within the local area. The Local Growth Fund has money for schemes to support that. However, with Valley Gardens, we have an pre-existing Green Spaces scheme - rebranded into a business/economic growth case to get LEP funding - which is then being delivered exclusively by BHCC as a transport scheme *"to promote modal travel"*. It's a train-wreck of three entirely different principles. This is being driven by BHCC, in defiance of the private sector who overwhelmingly agree that this is not an economic priority. It will lead to economic damage and negatively impact employment within the local area. Funding this scheme confounds the guiding principles of Local Enterprise Partnerships and more specifically the Local Growth Fund itself.

Last week's meeting of the ETSC 25th June laid bare the fact that Officers have withheld information from elected officials. The answers given by Officers indicate that they believe they have no statutory obligation to either consult on the scheme or conduct an EU Directive compliant EIA. This stance is surely reckless as in the current climate - and following ClientEarth's successful legal action in London, such due diligence would be seen as their best argument for protecting the administration against potential future legal action. Following your letter of conditions to BHCC dated 1st of February, outstanding Valley Gardens Forum requests for data about the scheme remain unanswered by BHCC contravening the Council's statutory duties. It is difficult to see how BHCC can claim their current proposal achieves an appropriate balance between impact upon traffic congestion, air quality, sustainable transport and public realm

benefits. Indeed, it is apparent or as yet is undisclosed, that detailed traffic and air quality modelling have still not taken place.

Finally, the Forum is concerned that genuine and open public consultation running concurrently with a Valley Gardens scheme wide environmental impact assessment should be resolved with sufficient time for the LEP Board and Investment Committee to properly consider whether the conditions on funding laid down in your letter to BHCC 1st February 2019 have been met. In order to focus minds through the ADR process, It would be helpful to understand if the LEP has hard deadlines set for; a. the draw down of grant funding; b. if ultimately awarded, when must the money be spent; and c. if awarded, is there a deadline by which the project must be completed and 'the ribbon cut'. Are you able to provide this crucial information ahead of our meeting?

I look forward to hearing from you.

Best

Daniel

**Valley Gardens Forum**

**w. [valleygardensforum.org.uk](http://valleygardensforum.org.uk)**

**a. 11 Old Steine - Brighton - BN1 1EJ**

----- Forwarded message -----

**From: Valley Gardens Forum**

**Date: Mon, Jul 1, 2019 at 12:03 PM**

**Subject: Valley Gardens Forum update 1st July 2019**

**To: Valley Gardens Forum**

Good morning all

An important week ahead for all of us who would like to see a successful resolution to the standoff between the city council and Valley Gardens Forum over the right way to proceed with the concluding third phase of the Valley Gardens scheme. This update is therefore a little longer than usual - but do take the time to read carefully and feel free to respond with comments and suggestions.

Very best

Daniel

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First up, a initial mediation meeting takes place between the Forum and the Council tomorrow morning. Our objectives are straightforward:

**Valley Gardens Forum - key objectives from mediation with Brighton & Hove City Council**

- For Brighton & Hove City Council to pause the scheme and commit to a full open consultation over a range of options for VG3 with all interested parties in the city without precondition.
- For Brighton & Hove City Council to commit to proper consideration of environmental impacts across the whole Valley Gardens scheme and other areas directly affected - notably, around the Duke's Mound junction with Marine Parade.
- For Brighton & Hove City Council to address and fully respond to the Forum's outstanding requests for Valley Gardens phase 3 technical data.

### **Valley Gardens Forum - core proposals for the Valley Gardens scheme - subject to public consultation**

- The creation of city-wide routes to the centre for cyclists and pedestrians complete with better access to attractive new green spaces increasing biodiversity.
- The creation of a dedicated two way bus and taxi lane to link North Street to a contiguous public transport corridor at Marlborough Place and retaining the city centre's natural transport hub complete with the three iconic "deco" bus shelters.
- The creation of a 'mixed use' pedestrianised seafront gateway through Manchester Street & Charles Street seafront gateway to encourage visitors to explore the east of the city Instead of separating Kemptown from the centre with the current proposed scheme.
- The creation of a dedicated active travel crossing to the seafront at Pool Valley, safely clear of all public transport and general traffic.
- The creation of a remodelled roundabout to ensure the safest and most environmentally friendly free movement of general traffic - and removing the need to redevelop the junction at Duke's Mound.

In one sentence - ***retention of a redesigned roundabout / west side bus lanes unlock VGF objections*** and everything is then possible in the granular detailed plan that follows.

Now on to the Media Coverage of and details from a frustrating but revealing meeting of the Environment Transport & Sustainability Committee held last week.

#### **Brighton & Hove News**

Controversial Brighton road scheme to go to mediation

<https://www.brightonandhovenews.org/2019/06/25/controversial-brighton-road-scheme-to-go-to-mediation/>

#### **Brighton & Hove Independent**

Mediation over controversial Brighton road revamp at Valley Gardens:

<https://www.brightonandhoveindependent.co.uk/news/politics/mediation-over-controversial-brighton-road-revamp-at-valley-gardens-1-8976214>

#### **The Argus**

New talks over controversial valley gardens scheme

<https://www.theargus.co.uk/news/17730589.controversial-valley-gardens-scheme-discussed/>

The feature and comments were removed from The Argus website on Thursday - replaced with a short story about Jimmy Carr! A scan of the 'unredacted' paper copy is attached instead...

#### **Brighton Journal**

Do you know about the £18 Million investment project in the heart of Brighton?

<https://bjournal.co/do-you-know-about-the-18-million-investment-project-in-the-heart-of-brighton/>

Next, onto some of the detailed exchanges in public questions and exchange with Councillors and Officers from that meeting.

Valley Gardens Forum member, Paul Crawford enquired why *"The Local Enterprise Partnership, the primary funding body for the Valley Gardens scheme, wrote to Councillors on February 1st setting out its funding conditions, including its requirement for full and effective public consultation. The ETSC meeting on the 7th of February was not given sight of this letter before it took the vital decision to delegate oversight of the project to officers. Would it be accurate to say that elected members were intentionally deprived of relevant information by senior officers prior to the decision to delegate?"*

Executive Officer Economy, Environment & Culture, Nick Hibberd at first obfuscated by replying: *"As officers we wouldn't say that that was the case. Members were given all the information they needed to be able to make a correct decision at that time and if I remember rightly, at 7th February committee there was some adjournment to ensure that members were full advised before they reconvened to make that decision."*

Cllr Wares then interjected: *"If I might suggest a correction to what might have been implied, there was a letter to the LEP to the council that came in before the 7th February committee that was not shared with members prior to. There was a response to a question in committee from members of the public to the existence of that letter and what it meant but the content and the detail of that letter was certainly not shared with members at the committee or prior."*

Officer Hibberd then effectively acknowledged that despite the February 7th meeting being convened specifically to discuss Valley Gardens Phase 3, that a letter received a full week before hand laying down funding conditions - that if not met, could prejudice the project **was not disclosed** to elected members of the committee. Nick Hibberd again: *"Councillor Wares is correct in saying that, the point I was trying to make was that the information that was given to members was sufficient for members to be able to make a sound decision."*

**Conclusion:** Executive Officer Nick Hibberd failed to provide elected councillors and committee members with crucial information about funding conditions ahead of an ETSC meeting convened to discuss the project. It remains unclear if they would subsequently have received the letter had it not been provided by the Valley Gardens Forum

This wasn't the only sticky moment for Officers on Tuesday evening...

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In response to reassurances from the committee chair that air pollution levels were under control, Cllr Lee wares asked the following question

*"Are you saying then that we don't have an air pollution issue in North Street that we don't need to address or that level that we do have are manageable and that we just carry on as we are?"*

The answer from the relevant council officer: Assistant Director - Transport, Mark Prior was as follows:

*"We do acknowledge that there are air quality issues in North street and have an active air quality monitor. Over the last five to ten years we've actually seen a dramatic improvement in air quality there."*

This answer is puzzling. The local 'active monitor' (BH10 by STA Travel Ship Street / North Street) showed that air quality deteriorated in the most recent measured period. NO2 Annual Mean Concentration (µg/m3) in 2016 were at 47.1 and a year later rose to 50.3 in 2017. Also, the Quarterly Twelve Month Rolling Mean µg/m3 along North Street increased over the same period. Applying the same research to the eastern side of Valley Gardens Equivalent, similar illegal levels of pollution are also shown by a different type of monitor at Brighton University on Grand Parade - **giving the lie to BHCC's 'Environmental Screening' that states that the 'open' area of the Old Steine will be immune from the worst effects of toxic pollutants.** All that before the proposed removal of three metres of paving to incorporate five traffic lanes on the east side of the Old Steine.

The legal position is straightforward: In the air quality directive (2008/EC/50) the EU has set two **limit** values for **nitrogen dioxide (NO2)** for the protection of human health: the **NO2** hourly **mean** value may not exceed 200 micrograms per cubic metre (µg/m3) more than 18 times in a year and the NO2 annual mean value may not exceed 40 micrograms per cubic metre.

**Conclusion:** As the question about pollution in North Street was flagged on the agenda for ETSC over a week before the meeting, the answer given was surprising to say the least...

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Cllr Wares asked the Committee Chair Cllr Pissaridou

*"...whether contrary to all previous reports and statements, that the Council does in fact not yet have the funding in place to deliver Valley Gardens Phase 3?"*

Cllr Pissaridou responded by standing by the official position that the funding was agreed in principle but acknowledged that *"The outcome of that process has not been completed and as you say, the LEP's next decision about making funding available to the council is now awaiting the outcome of the officers' meeting - the next meeting - with the Valley Gardens Forum."*

Cllr Wares then suggested

*"...if we asked for it, to the Chief Executive, of an audit being undertaken that reviews everything that's gone on, what was said, and when, and how things were presented in previous committees, and include all copies of correspondence between the council and the LEP that somehow is rarely or occasionally not shared with committee members so that no confusion can possibly exist?"*

The Chair asked Executive Officer Economy, Environment & Culture, Nick Hibberd to respond to this which he did as follows: *...any of the correspondence that has gone between the LEP and council officers is available to this committee for these committee members to see so I wouldn't want the committee to think that we would be hiding anything from you, if you'd like us to share that correspondence with you, very happy to do so, if you would like us to meet with you to take you through that correspondence and the chains of events that have led to various statements being made at this committee at different points in the process we'd be very happy to do so and perhaps that would avoid the need for a full audit of this issue."*

**Conclusion:** Senior Officers *"wouldn't want the committee to think that we would be hiding anything..."* and hope *"to avoid the need for a full audit of the issue"* The Officer couldn't have articulated the Forum's concerns any clearer. In the circumstances, of course there needs to be a full audit as suggested.

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After a succession of unintended reveals by council officers, perhaps the most significant exchange of the evening was the one that follows:

Cllr Wares asked: *"when full, and this time proper, public consultation will take place in respect to the major junction proposals at Duke's Mound?"*

Chair Cllr Pissaridou responded: *"The proposed changes to the junction at Duke's Mound, on Madeira Drive and the A259 Marine Parade are expected to take place within the highway boundary. As such, there will be no statutory requirement for consultation upon the design of the changes."*

**Conclusion:** There we have it! Despite the LEP's insistence that the drawdown of the grant *"should not be used as a reason not to follow proper consultation processes"*, when push come to shove, BHCC believe they have absolutely no obligation to consult with stakeholders or the wider community. The £6m question is whether the LEP wholeheartedly agree with this position.



## Hannah Gosling

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**From:** Valley Gardens Forum  
**Sent:** 23 July 2019 06:34  
**To:** Anthony Middleton  
**Cc:** Johnathan Sharrack; Cali Gasson; Tim Wates; Hannah Gosling; Mike La Rooy;  
**Subject:** Re: Valley Gardens ADR - an update

Dear Tony

A quick note following my email of 17 July. The Council confirmed to us last week that it will not afford the public an opportunity to state that they would prefer another option when it consults on the detailed design of its preferred option. BHCC have to date never consulted the public on any option other than its preferred option. We bring this to your attention as this statement runs contrary to the LEP's condition about public consultation.

This simple point is at the heart of the ongoing discussion between the parties and I trust you will find it helpful.

Best

Daniel

**Valley Gardens Forum**

w. [valleygardensforum.org.uk](http://valleygardensforum.org.uk)

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On Wed, Jul 17, 2019 at 8:43 AM Anthony Middleton <[anthony.middleton@valleygardensforum.org.uk](mailto:anthony.middleton@valleygardensforum.org.uk)> wrote:  
Many thanks Daniel

Kind regards

Tony

Sent from my iPhone

On 17 Jul 2019, at 08:24, Valley Gardens Forum <[valleygardensforum@valleygardensforum.org.uk](mailto:valleygardensforum@valleygardensforum.org.uk)> wrote:

Dear Tony

A brief note as promised to keep you informed about progress with mediation between BHCC and the Valley Gardens Forum. Please also refer to Cllr Lee Wares' letter - attached, requesting an audit regarding matters around VG3, which has been submitted for consideration by BHCC's Audit & Standards Committee next week.



At the conclusion of our meeting on the 2nd of July, a list of ten action points was agreed between the parties witnessed by our respective legal advisers. At this point we were given an assurance by BHCC that they should be in a position to complete those tasks and address issues raised one way or the other within two weeks. As of today, the Forum has carried out everything requested of it, but BHCC has not responded at all - save for the joint statement in which we "*committed to engaging constructively with each other*". The subsequent unwillingness of BHCC to address even the simplest tasks set at the meeting is puzzling - as without such a response, it can not be claimed that BHCC has made an attempt to satisfy LEP conditions set out in your letter to Executive Officer Nick Hibberd 1st February 2019. His failure to disclose this letter to the special ETS Committee meeting of the 7th of February, convened specifically to consider VG3, is referenced in Cllr Wares' correspondence.

I trust this information will be useful to you - and remain hopeful that continued dialogue between the Forum and the Council will make it possible to follow up with better news soon.

Best

Daniel

**Valley Gardens Forum**

t. 01273 244140

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<BHCC Audit & Standards Committee members question Cllr Lee Wares 230719.pdf>