

<b>Subject:</b>	<b>Volks Railway Capital Project</b>		
<b>Date of Meeting:</b>	<b>24<sup>th</sup> January 2013</b>		
<b>Report of:</b>	<b>Interim Lead Cultural Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Toni Manuel</b>	<b>Tel:</b> 29-0394
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<b>Ward(s) affected:</b>	<b>East Brighton</b>		

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The Volks Railway is a much loved historic attraction, owned and operated by Brighton & Hove City Council on Brighton Seafront and is the world's oldest operating electric railway. The operation is hampered by the age and condition of the existing siding sheds.
- 1.2 Proposals have been developed to transform the railway and siding sheds with the majority of funding being sought from an application to the Coastal Communities Fund (CCF) and from existing funding already identified within the council's Capital Investment Programme.
- 1.3 The proposal has been granted Planning Consent.

**2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources Committee authorises the addition of £1.47m to the council's Capital Investment Programme funded from the Coastal Communities Fund (CCF) to fund investment in the Volks Railway siding sheds, renewable energy investment and a new custom built all weather train should the bid be successful.
- 2.2 That the Policy & Resources Committee agree to give delegated authority to the Strategic Director; Place to award the contracts following the recommendations of the evaluation panel and the results of the tendering process.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The Volks Railway siding sheds which house the fleet of heritage trains have reached the end of their operational life. The roof has for the last 10 years been shored up by scaffolding which itself now needs replacing. The building is no longer fit for purpose and Her Majesties Railway Inspectorate (HMRI) are increasingly concerned by the condition of the building and the ability for the

railway to continue operating safely. Capital funding of £0.245m for new sheds was identified in February 2009, however, this sum fell short of the estimate cost for new siding sheds. HMRI have continued to grant a certificate for the railway to operate on the basis that the council is working towards resolving this issue. However, if a solution is not found the indication is that the HMRI would not allow the railway to operate.

- 3.2 In April this year an application was submitted to the new CCF for a capital sum to fund a project centred on the Volks Railway siding sheds and renewable energy. The bid was put through to the next round and a stage 2 application was submitted in September 2012. The final decision on successful funding applications is due to be announced in January 2013.
- 3.3 The CCF is being administered on behalf of the Treasury by Big Fund and seeks to support coastal locations. The aim of the CCF is to support imaginative and innovative projects that promote jobs and growth and help to build stronger and more diverse local economies. Successful applicants need to demonstrate how their coastal community is better able to use their assets (physical, natural, social, economic and cultural) to promote sustainable economic growth and jobs.
- 3.4 The BHCC proposal seeks capital funding from the CCF to turn the world's oldest electric railway into the world's first renewably powered railway, using the skills base of environmental businesses within Brighton & Hove combined with world class, innovative design. The Volks Railway, built in 1883, runs for over a mile along the seafront during the summer. The first element of the scheme is to build a new train shed with public viewing gallery. The inclusion of a solar-panelled roof will provide a quarter of the renewable power needed to operate the railway. To supplement this energy supply, it is proposed that locations within the vicinity of the sheds will be converted into sites for state-of-the-art 'E\_Trees'. These strikingly designed renewable energy sources will be the first of their kind in the UK and will provide a new focus for ecotourism.
- 3.5 The introduction of a custom built all-weather train will enable more flexibility in the opening times of the railway extending the season and encouraging use of the seafront all year round. The proposal will promote sustainable economic growth by acting as a catalyst for development and job creation within existing green businesses. With the potential to become a national iconic landmark, the solar trees, alongside the development of the Volks Railway, will generate an increase in visitors to the city, create interest in a under used area of the seafront and provide connectivity between Brighton Marina and the centre of Brighton. All of these are ambitions that correlate well with the themes in the emerging seafront strategy.
- 3.6 The total funding secured from the CCF is £1,474,290 with a council contribution from borrowing of £245,000. The majority of the funds are for capital works however a small revenue stream for a 2 year communications and engagement programme is also included within the project costs. All elements of this project will be subject to a tender process and will follow the council's procurement guidelines and where necessary the EU procurement regulations.

## **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

4.1 A stakeholder mapping exercise was undertaken in the development of the CCF bid, and key priority stakeholders, groups and projects were identified. As part of the bid development, links have been formed with stakeholders to map potential beneficiaries and identify ways in which the project can support their activities. Strong stakeholder involvement throughout the project will be essential in maximising the positive impact of the project. A sample of stakeholders who have already expressed interest in the project is below, showing how they can influence, and be supported by, the communications and engagement programme:

- Environmental Industries – Environmental Industries Working Group and Sustainable Energy Working Group. The project will deliver an iconic demonstration attraction that will boost Brighton and Hove’s environmental industries and environmental image. The project will support environmental industries in showcasing Brighton and Hove’s environmental aspirations via events and demonstrations.
- The Local Chamber of Commerce has a Chamber Green Collective, representing businesses with an interest in sustainable growth. The chair of the collective has been consulted and indicated support for the project.
- VisitBrighton have provided data to show seasonal breakdown in visitor numbers, information regarding the economic value of tourism to the local economy, as well as providing insight to support the development of the proposal.
- The City Sustainability Partnership has been consulted.
- Schools have been consulted and have shown interest in the project, letters of support have been received from the Education Manager for the council’s environmental education programme and the Sussex Wildlife Trust’s Head of Education.
- City College Brighton & Hove has been consulted. They are planning to open a Green Academy in early 2013.

4.2 A survey of Madeira Drive businesses was undertaken to seek feedback on the proposal, and to establish likely impact on customer numbers, turnover and staffing. The project team undertook several site visits to evaluate potential for linkages and themes between attractions, additional ideas to improve the sustainability of the project and other opportunities.

4.3 Key stakeholders have been identified and consulted; feedback and letters of support are available as background documents.

## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 5.1 The £1.47m Coastal Communities Fund (CCF) contribution will provide capital investment alongside the £0.245m borrowing already within the council's Capital Investment Programme. This funding will be used to finance much needed investment in the siding sheds which are in urgent need of health & safety repairs. Investment will also be made into renewable energy in particular solar trees to support the running of the railway. This investment will provide efficiency savings in running costs associated with the railway as well as providing carbon reductions and therefore the council's Carbon Reduction Commitment costs. Furthermore the funding will finance the purchase of a new custom built all-weather train which will provide increased income streams associated with ticket sales. The increased ticket sales will meet the financing costs associated with the capital borrowing and additional running costs such as salaries. The train is expected to be operational for 2014 and further work will be required to determine the running costs and ticketing income associated with the new scheme. The CCF grant will also provide funding to support a two-year communications and engagement programme associated with the project.

*Finance Officer Consulted: Rob Allen*

*Date: 17/12/12*

### Legal Implications:

- 5.2 The proposed contract in relation to the train shed is below the EU Procurement Threshold for Works and will be procured in line with the requirements of Contract Standing Orders. We are investigating the procurement position in relation to the solar energy 'trees' and as this contract is likely to be for a sum above £70k, it will need to be in a form approved by the Head of Law.
- 5.3 There are no human rights implications.

*Lawyer Consulted:*

*Elizabeth Culbert*

*Date: 15/01/13*

### Equalities Implications:

- 5.4 The new all-weather train has been designed with wheelchair access and spaces, the idea being that the wheelchair user can remain in their chair which will be secured within the carriage for safety. This facility is not currently available on the original rolling stock as due to the railway's Listed status and heritage importance there are restrictions on making alterations.
- 5.5 The new train shed will feature a public viewing gallery to enable visitors to watch the restoration of the trains and this has been designed to be wheelchair accessible.

### Sustainability Implications:

- 5.6 The project will deliver an iconic demonstration attraction that will boost Brighton and Hove's environmental industries and environmental image. A

communications and engagement programme forms part of this project and will help to support environmental industries in showcasing Brighton and Hove's environmental aspirations via events and demonstrations. It will also encourage engagement with this sector through opportunities to contribute to the project's phase two with potential for extension of services and applications of E\_Trees and increasing opportunities for further investment. The need to develop the Environmental Industries Sector [2009] and Sustainable Energy Potential in [2011] in Brighton & Hove has been established through two detailed council scrutiny commissions. Industry working groups are now in place to take forward the recommendations from both pieces of work.

- 5.7 The feasibility of this project, its capacity to support the growth of both the Environmental Industries sector in general and the sustainable energy sector in particular has been discussed in detail with the two industry working groups established.
- 5.8 One of the scrutiny recommendations was for the council to work with its partners to increase the profile of the sector in the city, including demonstration projects to showcase the technology and stimulate the sector.
- 5.9 The Volks Railway will be powered by renewable energy. The capacity of solar panels to be installed on the train shed roof along with the capacity of the E\_Trees will produce enough power to run the trains year round including the increased hours and season. It will become an exemplar small scale sustainable transport mode. Improved environmental performance of the train service contributes to the city's CO<sub>2</sub> reduction targets contributing to the city's One Planet Living Zero Carbon targets and Eco-Tourism objectives. Increased sales, cost savings and profitability will support the creation of additional jobs, and improved marketing and interpretation materials.
- 5.10 A corridor of undisturbed vegetated shingle, an important coastal habitat which is described in Brighton & Hove's Draft Biodiversity Action Plan runs along key sections of the railway track, providing a valuable study resource and additional environmental benefits, as well as an attractive trackside view. Coastal vegetated shingle is an internationally rare habitat, occurring mainly in northern Europe, Japan and New Zealand. It is listed in Annex I of the EC Habitats Directive as a habitat requiring protection through Special Areas of Conservation.

#### Crime & Disorder Implications:

- 5.11 The intention is the light the E\_Trees and solar park thus creating a space which is attractive and secure at night. CCTV will also operate within the site.

#### Risk and Opportunity Management Implications:

- 5.12 Visitors and residents will benefit from an improved offer and an interesting new attraction; residents from increased employment, learning and volunteering opportunities, seafront businesses and other tourist attractions from increased visitor numbers and better seasonal balance to improve business resilience. Schools and colleges will have greater learning opportunities, and an improved on-site experience. Renewable technology and environmental businesses (the environmental industries sector) will benefit from the stimulus of a high-profile

demonstration project, its potential for replication (of the E\_Trees); raising the sector's reputation in Brighton & Hove and more widely, and to stimulate demand for renewables from businesses and residents.

- 5.13 The roof of the train sheds has for the last 10 years been shored up by scaffolding which itself now needs replacing. The building is no longer fit for purpose and Her Majesties Railway Inspectorate (HMRI) are increasingly concerned by the condition of the building and the ability for the railway to continue operating safely. HMRI have continued to grant a certificate for the railway to operate on the basis that the council is working towards resolving this issue. However, if a solution is not found the indication is that the HMRI would not allow the railway to operate and this heritage asset would be lost to the public.

Public Health Implications:

- 5.14 This project aims to create interest in an under used area of the seafront encouraging more people to appreciate and make use of the outdoor environment. In doing so this will have a positive impact on the physical and mental health of these residents and visitors as well as contributing to improved wellbeing and happiness.

Corporate / Citywide Implications:

- 5.15 This project contributes to the city's CO<sub>2</sub> reduction targets contributing to the council's One Planet Living Zero Carbon targets.
- 5.16 The project supports the council's draft Seafront Strategy which identifies Madeira Drive as a prime focus for regeneration and which seeks to promote the area as destination for family leisure activities. The redevelopment of the Volks Railway train sheds to include a viewing gallery and the introduction of the outdoor 'Solar Park' and event space will be a valuable addition to the public leisure attractions on this stretch of the seafront.
- 5.17 In 2013 the council, in conjunction with neighbouring local authorities will be submitting a bid for the South Downs to become a UNESCO Biosphere Reserve between the River Adur and River Ouse including the urban area of Brighton & Hove. This project links well with the objectives for a Biosphere Reserve, in particular with the schools programme, the beach habitat, and the opportunities for Eco-Tourism.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Officers fully investigated the alternative option of refurbishing the train sheds without introducing the solar elements, external landscaping and all-weather train. The budget costs associated with even a basic refurbishment still far exceeded the capital sum available through borrowing. When the Coastal Communities Fund was launched it became clear that solely a train shed replacement would not be eligible for funding as this would not fit the strict criteria and outcomes required. However, when included alongside the solar elements and extending the season of the railway the proposed scheme has clearly proven to achieve the key objectives, these are:

- better able to use their assets (physical, natural, social, economic and cultural) to promote sustainable economic growth and jobs;
- Coastal communities have greater capacity to create a sustainable economic future, and are better equipped to adapt to change;
- Partnerships are developed to support economic innovation, enterprise and investment, either within a community or across a number of coastal communities;
- People have more opportunities for training and skills development, including volunteering.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 This project will contribute to the sustainable economic future of the Volks Railway and the city through investing in this heritage attraction; bringing it up to date with an innovative approach to support the ongoing regeneration of Madeira Drive, building greater capacity for job creation in the visitor economy, and stimulating greater investment in the green economy, in particular the renewables sector.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

1. Volks Railway Solar Regeneration Project – visualisation images
2. Feedback and letters of support

