

BRIGHTON & HOVE CITY COUNCIL
ENVIRONMENT, TRANSPORT & SUSTAINABILITY COMMITTEE

4.00pm 27 NOVEMBER 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillor Mitchell (Chair) Horan (Deputy Chair), Wares (Opposition Spokesperson), Littman (Group Spokesperson), Atkinson, Brown, Greenbaum, Miller, Peltzer Dunn and Robins

PART ONE

41 VALLEY GARDENS PHASE 3 - (ROYAL PAVILION TO SEAFRONT) APPROVAL OF BUSINESS CASE

- 41.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture that requested approval of the draft Business Case for Valley Gardens Phase 3 and permission to submit the Business Case to the Coast to Capital Local Enterprise Board (C2C LEP) and to negotiate and sign the Business Case Funding Agreement subject to the C2C LEP's decision to approve the release the Local Growth Fund (LGF) allocation.
- 41.2 Referring to page 50, Councillor Peltzer Dunn noted the uplift in land value of £4.295m and asked what land this referred to and what professional advice had been sought and when.
- 41.3 A consultant from Mott MacDonald explained that the land value uplift was set in accordance with methodology from the Department for Housing, Communities & Local Government (DHCLG) and for this phase of the scheme, that had been set in a study area. This was a standardised assessment of what result changes in connectivity would have for land prices and in this instance that had been found to be an 8% value within the area of influence of this phase of the scheme.
- 41.4 Councillor Peltzer Dunn asked what research had been conducted into the land value uplift of privately owned land.
- 41.5 A consultant from Mott MacDonald clarified that the methodology was applied to all properties within the study area.
- 41.6 Councillor Peltzer Dunn noted that the committee had heard from a tourist attraction operator that the scheme would have a detrimental impact upon their business and tourism across the city and asked if an assumption had been made upon the possible reduction in tourism across the city.

- 41.7 A consultant from Mott MacDonald explained that a criteria had been applied to guidance required and mandated by national funding bodies and very detailed analysis of possible impact upon the local tourism economy was not something expected or applicable.
- 41.8 Referring to paragraph 3.18, Councillor Peltzer Dunn noted that the Benefit Cost Ratio (BCR) of the scheme rated the project as low value for money.
- 41.9 The Assistant Director- City Transport explained that this applied to the economic case that was one of five overall cases in total in the Business Case. The Assistant Director- City Transport stated that it was very hard to quantify the non-economic positives of the scheme such as improvements to the pedestrian and public realm, cycling facilities, public transport and overall public health.
- 41.10 Councillor Peltzer Dunn noted that the committee had made a decision to agree a preferred option without any information detailed in the report on the impact on Madeira Drive in relation to possible impacts on tourism and public safety. Councillor Peltzer Dunn added that the committee had been informed at its previous meeting that there was an agreed action plan for marshalling and stewarding special events on Madeira Drive for 30 days a year and that no traffic modelling had been undertaken on the proposed changes. Councillor Peltzer Dunn asked if that remained the case.
- 41.11 The Head of Transport Strategy & Projects confirmed that the statements made at the previous meeting were correct. The Head of Transport Strategy & Projects stated that subject to approval of the report before committee, all of comments and representations made in the consultation and at the meeting would be considered and any issues identified corrected as part of the detailed design phase with that in turn submitted to a future committee meeting for consideration.
- 41.12 Councillor Littman enquired as to how time constrained the committee decision was in terms of the decision timetable set by the C2C LEP.
- 41.13 The Executive Director, Economy, Environment & Culture explained that the C2C LEP primary concern was that any project used its allocated funding in the period that they were required to spend their Local Growth Funding (LGF) within. The Executive Director, Economy, Environment & Culture stated the report set out the timetable for this specific project.
- 41.14 Councillor Littman asked that given the time pressures of the scheme and the representations made to the committee by various interest groups and organisations, what protocols were in place to ensure the projected achieves the priorities it was focussed upon.
- 41.15 The Head of Transport Strategy & Projects explained that the priorities would be reflected in the detailed design to be reported to the committee following assessment of the consultation responses and representations made to the committee. The Head of Transport Strategy & Projects stated that any changes would be measured and tested against those priorities.

- 41.16 Councillor Wares stated that a consistency in the answers provided to the representations that had been made to the committee was the scheme was at a preliminary stage and all of the consultation responses and representations would be assessed. Councillor Wares asked to what extent the project was capable of being altered or amended and whether that could include minor issues or whether that could be fundamental shifts such as the proposed route of public transport or reinstatement of the Aquarium Roundabout in the design.
- 41.17 The Head of Transport Strategy & Projects clarified that the responses to the consultation and various representations still had to be collated and assessed and therefore, the level of potential change could not yet be pre-empted.
- 41.18 The Chair stated that the committee had reached a decision to agree a preferred option and undertake public consultation on that option and all the information received would be analysed.
- 41.19 Councillor Wares stated that he did not feel he had received an answer to his question and asked for clarification on whether the scheme could be fundamentally changed or not. Councillor Wares noted that the proposed Business Case made a multitude of references to Option 1 and with the BCR already very narrow, he felt there was minimal scope for change and the potential for the whole Business Case to fail if the BCR fell below the acceptable level.
- 41.20 The Chair stated that any the impact of any revisions was very difficult to pre-judge and could lead to positive or negative result for the BCR.
- 41.21 The Executive Director, Economy, Environment & Culture stated that agreement of the Business Case would not prevent further design change. The Executive Director, Economy, Environment & Culture added that the should any significant changes be required to the scheme following consideration of the consultation responses, that would be reported to the C2C LEP in an open way and was a situation that had occurred in the past on previous projects.
- 41.22 The Assistant Director- City Transport added that the creation of the detailed design would look at fundamental aspects of the scheme such as locations of bus stops and length of priority lanes not just minor tweaks. The Assistant Director- City Transport stated that changes could have an impact upon the BCR however, the BCR, was one element of five elements in the Business Case.
- 41.23 Councillor Miller queried the accuracy of the predictions of the BCR and how the conclusions had been reached. Specifically, Councillor Miller queried how the prediction of a casualty reduction rate of 44% had been reached. Furthermore, Councillor Miller noted that the only disbenefit identified as detailed on page 50 of the agenda was journey time and queried why the potential drop in visitor number and tourism had not been included. In addition, an appendix A to the Business Case submission was detailed on page 90 of the agenda but did not appear to have been provided.
- 41.24 The Head of Transport Strategy & Projects explained that there had been an oversight in providing appendix A of the Business Case which was a technical note produced by

Mott MacDonald to explain the journey time calculations and this would be circulated subsequent to the meeting.

- 41.25 In relation to the questions raised by Councillor Miller, a consultant from Mott MacDonald replied that the project assessment and submission was to the standardised and accepted government methodology for providing funding through the LEP. A proportional approach had been undertaken for the project that didn't necessarily capture every benefit and disbenefit as some would be difficult to quantify however, as much information had been included as possible. Accident and casualty rates had been undertaken using a software program that used a modelled analysis to predict what impact changes would have and was an established and robust analysis for the type of scheme. The analysis of disbenefits had been arrived at using a software package that had been refined over a sixty year period that simulated vehicle movements. The prescribed guidance did not request or require analysis of issues that were uncertain or unknown and therefore, speculation upon the potential impact upon tourism and business had not been included.
- 41.26 Councillor Peltzer Dunn commented that the previous meeting of the committee had agreed to receive a report to its January meeting detailing the outcome of the consultation however; this report stated that the committee would be requested to receive the consultation results, updated design and agree a finalised design to that meeting which was not what Members had agreed.
- 41.27 The Chair stated that the report that would be received to the January committee would be robust and detail and reflect all of the main themes of the consultation and list the suggestions and concerns raised through that process. The Chair stated that Members would expect to see in that report changes to the scheme where that was possible, feasible and logical to do so. The Chair explained that she did not see any difference in what was proposed in the report with what had been agreed at previous meeting and reminded the committee that the report requested approval of the Business Case and was not approval of the final, detailed design.
- 41.28 Councillor Wares observed that every report previously received by the committee had set the value of the project at £7.25m yet page 94 of this report set out an increase to that cost of £7.84m that appeared to indicate an overspend before Phase 3 had been agreed. Councillor Wares stated that he been informed that the project had a budget variance of plus or minus 20% that could bring the cost down to below £7.25m or increase it to £9.4m. In addition, Councillor Wares noted that page 95 of the report stated that the council had committed £1.48m however; he was unaware of any decision made to that end. Councillor Wares expressed his concern for the discrepancies in the figures provided and the potential assurances being given to C2C LEP regarding its financial commitments and asked for clarification.
- 41.29 The Head of Transport Strategy & Projects confirmed that the figure provided on page 95 of the agenda was incorrect and the Business Case would be amended ahead of submission to reflect the accurate budget figure of £7.25m based upon £6m of LGF funding and £1.25m contribution from or through the council.

- 41.30 Referring to page 91 of the agenda and the businesses positively impacted, Councillor Wares queried why the Palace Pier had been included in that list when they had made representation earlier in the meeting to speak against elements of the scheme.
- 41.31 The Chair stated that the observation was based upon modelling of the scheme that indicated that the introduction of a signalised junction would aid pedestrian access to the Palace Pier.
- 41.32 Councillor Wares asked if page 91 and paragraph 3.8 of the Business Case would need to be amended in light of the fact the Palace Pier did not support the scheme as it was currently proposed.
- 41.33 A consultant from Mott MacDonald replied that the wording was based upon their professional experience as one of the largest national providers of such schemes and set out in the guidance provided by the Department for Transport (DfT). Their professional experience and the evidence available indicated that in the large majority of instances, schemes that promoted active frontages and increased footfall tended to lead to benefits to local businesses.
- 41.34 Referring to page 65 and the list of benefits and disbenefits, Councillor Wares whether the land value uplift figure reflected the comments made by businesses located in the Old Steine area.
- 41.35 The Chair stated the scheme was based upon a technical assessment and modelling and not perceptions of a scheme that was not yet finalised.
- 41.36 Councillor Wares replied that he fully understood however; the committee had to balance that technical assessment against the representations made that largely went against the findings of that assessment.
- 41.37 The Chair replied that the issue was precisely why central government was reviewing its technical requirements for regeneration schemes such as this as it did not capture qualitative impacts. The Chair stated that until that review was completed, there was no other choice than to model the project as a highways scheme.
- 41.38 The Executive Director, Economy, Environment & Culture clarified that the report the committee were considering was the draft Business Case based upon the outline design agreed as was required by the C2C LEP. On that basis, a distinction should be made between that proposal and the representations made to the committee earlier in the meeting that would form part of the preliminary design consultation process with the detailed design submitted to a future meeting for discussion.
- 41.39 Councillor Wares noted his concern with conducting a consultation and preparing a Business Case simultaneously. Councillor Wares noted several omissions to the report including: the benefits or disbenefits to the tourism sector in relation to the Knowledge Intensive Business Services (KIBS) and the impact on local businesses of increased journey times, specifically the taxi trade. Councillor Wares stated his view that the project Business Case was very sensitive on the BCR and it was important to get right.

- 41.40 A consultant from Mott MacDonald clarified that the modelling for KIBS was consistent with the first two phases of the scheme that was accepted by C2C LEP for investment. It was explained that successful transport schemes were one of the key factors leading to increased investment in a local economy and whilst there were limitations in applying this on a scheme by scheme basis; it was a common approach in similar schemes nationally. In relation to visitor economy impacts, a consultant from Mott MacDonald explained that whilst the importance of tourism to Brighton was very well understood, nationally, it had been found very difficult to disaggregate visitor economy impacts from the wider economic benefits. Furthermore, it had been found that separation of visitor economy impacts had led to 'double counting' of the economic impact of schemes. In relation to the question raised in relation to journey times, a consultant from Mott MacDonald explained that the modelling system used only had certain parameters and did not allow very specific testing such as that.
- 41.41 Councillor Wares noted that there had been extensive discussion at the previous meeting on the impact upon traffic at Dukes Mound the scheme and the proposed Waterfront development would have. Councillor Wares noted that whilst there were several references in the report to both, they were not currently in the scope of the project. Councillor Wares stated that given there were approximately 50 coaches parked on Madeira Drive during the winter months and 150 coaches parked during the summer months, whether it would have been reasonable to include this area in the scheme.
- 41.42 The Head of Transport Strategy & Projects explained that Dukes Mound and Madeira Drive had not been included in the original scope of the project. Subsequent to an options appraisal and further work, it had become clear that to maximise the benefits of the scheme, peripheral changes would be considered and taken into account and transport officers were in direct liaison with colleagues to ensure any future impacts were captured and that would be reported to the committee as part of the request to approve the detailed design.
- 41.43 Councillor Wares stated that he made several requests for a breakdown of the accident reduction benefit, specifically relating to pedestrian accidents at the Aquarium Roundabout compared to the rest of Phase 3 as well as journey time data but had not received a response.
- 41.44 The Chair stated that the information could be provided to Councillor Wares however; it should be noted that the scheme was seeking to reduce accidents and injury to all users including cyclists, drivers as well as pedestrians.
- 41.45 Councillor Miller noted that there had been several corrections made to the financial figures on page 94 of the agenda and asked what impact that would have upon the BCR as that was now based on incorrect figures.
- 41.46 The Head of Transport Strategy & Projects explained that a budget figure of £7.25m was provisionally available to deliver the project. Based on further work undertaken since the committee met in October, scheme delivery as expected to be £7.84m. That figure was likely to fluctuate as the scheme progressed to its final design. A consultant from Mott MacDonald clarified that the Business Case had been developed to a construction cost of £7.84m.

- 41.47 On behalf of the Conservative Group, Councillor Wares moved the following motion to amend recommendations 2.1 and 2.2 and add 2.3 as shown below in ***bold italics*** and where struck through:
- 2.1 That the Committee ***notes*** ~~approves~~ the draft Business Case for Valley Gardens Phase 3, as attached at Appendix 2.
- 2.2 That the Committee ***requests officers to review a new option (option 3a) based on option 3 as detailed in Item 29 on the ETS Committee agenda dated 9th October 2018 taking account of public, trade and business representations and other than minor alterations and improvements to the aquarium roundabout and surrounding public realm, retains the aquarium roundabout as existing that would also remove the changes to Maderia Drive.*** ~~grants delegated authority to the Executive Director for Economy, Environment & Culture to:-~~
- a) ~~finalise and submit the Business Case for Valley Gardens Phase 3 to the Coast to Capital Local Enterprise Partnership Board; and~~
- b) ~~negotiate and sign the Business Case Funding Agreement, subject to the Local Enterprise Partnership Board's decision to approve the release of the Local Growth Fund allocation.~~
- 2.3 That officers develop the new option 3a and brings to a future ETS Committee the revised option 3a as requested in 2.2 and taking account of representations and further public consultation together with an amended Business Case to reflect the new option 3a for consideration.***
- 41.48 Introducing the motion, Councillor Wares stated that he believed that the preferred Option 1 would be found not to be viable as more and more stakeholders and residents expressed their view that the Option would not work for them. Councillor Wares stated that he had no confidence that there would be seismic change to the proposal and therefore, was unlikely to be agreed. On that basis, Councillor Wares believed that Phase 3 should be halted and a revision to the original Option 3 be started. Councillor Wares explained that would include running public transport down the west side of the Pavilion with general traffic on the eastern side of Valley Gardens, abandoning the removal of the Aquarium Roundabout save for minor tweaks, abandoning the conversion of Madeira Drive to a one way street with the process on developing and consulting on that Option begun immediately and run in parallel to the preparation of a new Business Case.
- 41.49 Councillor Miller formally seconded the motion.
- 41.50 Councillor Peltzer Dunn expressed his support for the motion highlighting that 180,000 vehicles per year used Madeira Drive and the proposal for a one way system would likely have a catastrophic impact. Councillor Peltzer Dunn added that he believed that a new proposal that was more specific to the city's needs was required.
- 41.51 Councillor Miller stated that he fully supported the motion on the basis that he was sceptical of the replacement of the Aquarium Roundabout with a T-Junction and

because of his doubts regarding the traffic modelling. Councillor Miller added that there appeared to be some doubt and confusion in relation to the budget figures used, that the benefits and disbenefits of the scheme were insufficient and a seven minute increase in journey time was unacceptable.

41.52 The Chair then put the motion to the vote. At the request of Councillor Wares, the Chair agreed to a recorded vote with the following outcome:

Councillor Atkinson: Against
Councillor Brown: For
Councillor Greenbaum: Against
Councillor Horan: Against
Councillor Littman: Against
Councillor Miller: For
Councillor Mitchell: Against
Councillor Peltzer Dunn: For
Councillor Robins: Against
Councillor Wares: For

Total:
For: 4
Against: 6
Abstentions: 0

41.53 Therefore, the motion failed.

41.54 The Chair then put the recommendations to the vote. At the request of Councillor Wares, the Chair agreed to a recorded vote with the following outcome:

Councillor Atkinson: For
Councillor Brown: Against
Councillor Greenbaum: For
Councillor Horan: For
Councillor Littman: For
Councillor Miller: Against
Councillor Mitchell: For
Councillor Peltzer Dunn: Against
Councillor Robins: For
Councillor Wares: Against

Total:
For: 6
Against: 4
Abstentions: 0

41.55 Therefore, the report recommendations were agreed.

41.56 **RESOLVED-**

- 1) That the Committee approves the draft Business Case for Valley Gardens Phase 3, as attached at Appendix 2.
- 2) That the Committee grants delegated authority to the Executive Director for Economy, Environment & Culture to:-
 - a) finalise and submit the Business Case for Valley Gardens Phase 3 to the Coast to Capital Local Enterprise Partnership Board; and
 - b) negotiate and sign the Business Case Funding Agreement, subject to the Local Enterprise Partnership Board's decision to approve the release of the Local Growth Fund allocation.

