TOURISM, DEVELOPMENT & CULTURE COMMITTEE	Agenda Item 9 Brighton & Hove City Council

Subject:		**Madeira Terrace Restoration - Petition response and next steps**	
Date of Meeting:		**20th June 2019**	
Report of:		**Executive Director, Economy, Environment & Culture**	
Contact Officer:	**Name:**	**Abigail Hone**	**Tel: 01273 292163**
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Ward(s) affected:		**East Brighton; Hanover & Elm Grove;**	

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 On 30 November 2017 Policy, Resources & Growth Committee noted a summary of progress on the 4 point plan for securing the regeneration of Madeira Drive including the restoration of Madeira Terrace and specifically progress with regard to the crowd funding campaign completed on 30 November 2017.

1.2 This report outlines the proposed next steps to restore Madeira Terrace and in doing so responds to the petition raised by 'Save Madeira Terrace Raffle Group'.

1.3 Approval and authorisation from the Tourism, Development & Culture Committee is sought regarding the recommendation in section 2 so early (RIBA Stage 0/1) design work can be carried out to prepare for the restoration of the first 30 Madeira Terrace arches (including the 3 crowd funded arches.

2. RECOMMENDATIONS:

2.1 That the Committee delegates authority to the Executive Director for Economy, Environment & Culture to procure and award a contract for early design stage work (RIBA 0-1) and engineering of 30 out of a total of 151 Madeira Terrace arches.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The restoration of Madeira Terrace to make it a repurposed structure fit for the future is a complex project. However, there is great potential for the Terrace to form the backdrop to the regeneration of the Eastern Seafront in Brighton & Hove.

3.2 The condition of the Grade II Listed Madeira Terrace remains one of the most challenging heritage infrastructure issues currently facing the city council. Brighton & Hove's seafront is a key economic driver and "shop window" for the city, and yet on-going maintenance of the structure is no longer possible due to

the level of deterioration which has seen sections of the structure progressively closed to the public since 2012.

3.3 Madeira Terrace is unique in that the 865m long structure, with 151 separate arches when constructed (in 3 phases from 1890) was to facilitate the act of 'promenading'. Perhaps unintentionally Madeira Terraces has provided a perfect 'grandstand' for the regular events that take place in, or at the end of, Madeira Drive.

3.4 The city council does not have the funds to restore the whole of Madeira Terrace, which has been estimated at more than £23M, so is working to restore the arches in stages.

3.5 Thanks to community efforts, £460,000 was raised to help fund the restoration of three arches. The council has explored the possibility of restoring these in isolation but because of the costs involved is proposing to include the community-funded arches as part of an initial phase to restore 30 arches which would be more cost-effective.

3.6 Community fundraising is also continuing and the council is facilitating an advisory panel, to include representatives from community, tourism and conservation groups, businesses and event organisers to contribute to the project as it moves forward.

3.7 The proposed next steps are to create designs for the first restored arches, explore potential uses for them and cost the work. This will help focus the project, ensure community input is included and provide a sound basis with which to take advantage of funding opportunities.

Petition response

3.8 On 28/3/19 Full Council heard a petition from Save Madeira Terraces Raffle Group which raised 2908 signatures through the ePetition on the Council's website. The petition opposed the council starting work towards delivery of 3 arches at the western end of Madeira Terrace and proposed restoration of 3 arches at the eastern end. The petition cited a number of other concerns related to Madeira Terrace though out of scope for the arches restoration work and requests such as opening the Madeira Lift all year round.

3.9 On the 30 November 2017 the Policy, Resources & Growth Committee set out a way forward for the Terrace that involved the idea of a 'pilot project' for 3 arches. However, when the project team began focussing on how to deliver the three CF arches the following findings became apparent:

- Restoration of 3 arches alone would be more costly than a larger number of arches due to not achieving economies of scale.

- At whatever point in the structure any restoration were to take place, an enabling works package would be required to secure, prop and possibly separate any unstable parts of the structure from the arches being restored. This would involve bespoke designed props to 'hold' the structure and

possibly dismantling adjacent arches. Costs for propping in other areas of the Madeira Terrace structure have been up to £220K to date.

- The appetite from the market for such a small and risky project like CF Arches was unknown and would need to be ascertained through the procurement process; the timetable for procurement of enabling works was estimated to be a minimum of 6 months.

- Due to timescales and the unforeseeable complexities with a heritage project such as Madeira Terrace, it was recommended a minimum 30% contingency was included as part of the restoration budget. Based on the cost estimates available at that time this was estimated at £105K

- Restoring the westernmost arches fitted with the only existing 'strategic outline business case', albeit for 52 arches not 3 (copy of this at **Appendix 1**) for the Terrace. The westernmost arches also experienced a higher level of existing footfall so good visibility and accessibility.

3.10 On 8th Feb 2019 petitioners highlighted they had discussed their proposal for the eastern arches with Ed Morton from The Morton Partnership, a structural engineering firm specialising in conservation restoration. They were keen to solicit independent advice from Ed Morton on which 3 arches were wisest to restore first out of the total 151.

3.11 Ed Morton's pro bono advice was given in a letter (see **Appendix 2**). His final conclusion were that a piece of work was necessary to 'clearly define the potential for uses of arches in the short to medium term, and perhaps the long term, and then to consider how the crowd funded works would benefit these'. Ed Morton stated that 'the repairs of the crowd funded arches should be linked to where there is greatest potential for works to be carried out in the nearer future'.

3.12 The petition and the advice received from Ed Morton helped to create an opportunity to re-think the CF arches idea and the best use of the crowd funding money to the restoration of Madeira Terraces as a whole.

3.13 Regardless of whether 3 arches or 30 arches are to be restored the preparatory work necessary is very similar; a design team needs to be procured and commissioned to work towards creating a costed and buildable solution. By focussing on a larger proportion of the arches it is anticipated the limited funds available to restore the arches can go further.

3.14 The estimated financial implications of procuring services for implementation of 3 arches and the lack of economies of scale able to be achieved mean the approach which now makes most sense is to incorporate the 3 CF Arches and associated funding in a larger proportion of restored arches.

Funding and funding bids:

3.15 Since 14 July 2016 when Policy Resources & Growth Committee endorsed the stage 1 funding application to the Coastal Communities Fund the council has continued to seek additional funding to restore Madeira Terrace by addressing an increasing conservation deficit.

3.16 In April 2017, the City Council's bid to the Coastal Communities Fund was unsuccessful and a 4 point plan followed to seek the necessary funding for the restoration of the Terraces.The 4 point plan involved the following fund raising elements:

1. ***Crowd-funding*****:** The council procured and promoted a crowd-funding platform and worked hard with corporate sponsors, tourist organisations and local residents. The council contributed £100K to the fund and a total of £460K was achieved.

2. ***Further bids for Government or Lottery funding:*** In April 2016, the city Council was successful in bidding for £50,000 from the Coastal Revival Fund to support the development of a Madeira Drive Regeneration Framework, with the aim of developing a strategic and comprehensive approach to the regeneration of the whole of the Madeira Drive, including Madeira Terraces and other regeneration projects such as Sea Lanes, Brighton Waterfront, and the Zip wire. This was followed in 2018 by two unsuccessful bids to Heritage Lottery Fund enterprise programme for projects bringing economic growth by investing in heritage. An Expression of Interest made to the renamed National Heritage Lottery Fund in April 2019 has resulted in the council being invited to submit a further bid. The team are considering the merits of making a further NLHF bid while a number of other projects have recently been funded by NLHF in the city, and also given the fact that previous bids have distracted from progressing other aspects of the project.

3. ***Harnessing local talent:*** The project team proposed putting out a call to the private sector for proposals with funding solutions. This proved more problematic to deliver. While some private sector organisations have shown interest and invested energy in formulating proposals for Madeira Drive and Terrace, these have involved a level of development that goes beyond a heritage led scheme supported by both PRG Committee and the local community.

4. ***Exploring uses for the area for now***: The project team proposed exploring possibilities for 'meanwhile' uses along Madeira Drive. This has included supporting the zip-wire venture with adjacent pop up businesses which opened in 2017 and the Sea Lanes pop up area which was recently given support to increase its offer on the eastern seafront.

3.17 Following the unsuccessful Coastal Communities Fund bid, during late 2017 and two bids to the Heritage Lottery Fund (HLF) were prepared and submitted by the project team in 2018. Both bids were unsuccessful due to the increasing competition for what is a shrinking pot of funding. Notwithstanding this, during recent budget rounds the city council has reserved £2m of funding to put towards the Madeira Terrace Restoration Project.

3.18 The HLF has now changed to the National Lottery Heritage Fund (NLHF). An Expression of Interest was made in April 2019 to NLHF to restore 30 arches. The idea was to reduce the amount requested from NLHF to a £1.5M against an estimated total cost of £4.5M to deliver 30 restored arches and attempt to give the council an increased chance of achieving funding from NLHF. The Expression of Interest was successful and the council were invited to submit a

Round 1 bid. The council have one year from April 2019 within which to submit a Round 1 bid should they choose to do so. NLHF outcome criteria has changed emphasis and key mandatory outcomes lean towards increased focus on how more people can be engaged in heritage as well as restoring physical infrastructure. Outcomes are around well-being, combatting loneliness, sustainability and volunteering and engaging communities with heritage. Given the time and energy that has gone into two previous unsuccessful HLF bids, the council's project team are considering the merits of producing a Round 1 bid.

3.19 The fundamental key issue remains the same: the council are not in a position to prioritise enough available funds towards the full restoration of Madeira Terrace, which after reviewing options in 2016 had an estimated total restoration cost of £23.6M (Strategic Outline Business Case 2017 **Appendix 1**). Heritage structures such as Madeira Terrace remain extremely difficult to fund as they generate no funds of their own and yet are very costly to maintain and restore. The business case to restore the Terrace has not changed and continues to require public subsidy to make it work.

Next steps:

3.20 In discussion with Historic England the dominant heritage values of Madeira Terrace lie in the social value of the structure; its function as a linear 'grandstand' to events on Madeira Drive and providing access to uninterrupted views from the mid level deck out to sea. As such, any future design work on the Terrace needs to include a deck design to support crowds and have the maintenance issues of the current deck designed out.

3.21 Appointing a design and engineering team to explore innovative design options for the Terrace, working designs through RIBA stages will bring the council closer to a more detailed understanding of the real costs of restoration works. Filling the gap of design helps reduce the amount of unknowns associated with implementation, thereby reducing cost risks. As with all restoration projects unknowns do arise hence any costings involved will include a 30% (minimum) contingency allowance.

3.22 Setting aside £550K for design and engineering would be done at risk, as at present it is estimated the Council do not have the capital to implement the build. However, this step is necessary if the Council are to move the restoration forward and better understand the real cost of implementation for a more manageable and cost effective number of arches. A detailed design and improved understanding of the costs would also put us in a better position to raise further funds. The £550k for this work will come from the council's £2m capital allocation to the terraces, not the Crowd Funding reserve.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 A 'do nothing' option is considered unacceptable as the current status quo of managed decline costs the council approximately £152K p.a. and means public access to the eastern seafront is restricted.

4.2 Brighton & Hove is a city with a growing population, constrained in its development by sea and Downs which means an area like Madeira Terrace

needs to work harder for the city. This involves maximising the use of prime seafront space and while also restoring the Terrace in a robust and sustainable fashion that prepares the city for the future.

4.3 Implementing 3 arches on their own would be a less effective use of limited resources and funds and so the initial focus on maximising the impact of all available funds toexploit economies of scale makes sense.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Project team members in the council have liaised regularly with Save Madeira Terraces Raffle Group and Madeira Terrace Past, Present and Future members whose primary membership base exists on Facebook.

5.2 Regular fortnightly meetings with the petitioners have been in place since 8th Feb 2019, as a result of these regular meetings open dialogue about the democratic process of raising a petition and the timescales involved, the content of the Expression of Interest to NLHF and appointing a design team have been discussed openly.

5.3 The petitioners requested the involvement of Ed Morton from the Morton Partnership to give his informed opinion on which arches to restore first and best use of the crowd funding money**.**

5.4 A meeting to bring together wider stakeholders for the Terrace took place on 9/5/19 and speakers from The Regency Society, Save Madeira Terrace Raffle Group and Building Green. Attendees from a variety of community groups, events organisers and volunteer groups were asked to help categorize the interest groups requiring representation on an Advisory Panel to work alongside the council as the restoration project develops.

5.5 The project team have liaised directly with the Communities team to highlight the Advisory Panel proposal and solicit confirmation that the approach to engage representation in the project is sound.

5.6 The 'Next Steps' section of this report was first discussed with petitioners at the beginning of April 2019 when an Expression of Interest was submitted to National Heritage Lottery Fund requesting funds on the basis of a proposal to restore 30 arches and to include the crowd funded arches within these same 30.

6. CONCLUSION

6.1 The Council don't yet have funds to restore the whole structure, or the 30 arches for which the design team will be procured. However by appointing a team of professionals and getting closer to a viable, buildable design we make the first steps into a repurposed Madeira Terrace, able to generate some revenue, begin to regenerate the eastern seafront and restore the iconic Terrace which forms a backdrop to some of the highest profile events in the city and get closer to our long term commitment to restoring the Terrace in 5 phases.

6.2 If members agree this proposed way forward a full Business Case will be developed to understand more fully the commercial and financial aspects of the

proposal. Working towards delivery of restoration of 30 arches is more likely to achieve the economies of scale necessary to generate greater value for money including the increased physical impact 30 arches is likely to have for generating revenue and public use.

6.3 Considerable effort by the council and community members to bring Madeira Terrace back into meaningful public use needs an injection of 'seed funding' to proceed with the incremental steps necessary for full restoration delivery.

6.4 While the procurement of a design team and the team's deliverables creates the risk of spending funds without the promise of implementation, doing nothing is not acceptable either.

6.5 Re-imagining the Terrace requires experts in design, engineering and sustainable technologies to create an adaptive, resilient structure incorporating regenerative design.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 Capital resources of £2.0m have been approved as part of the Council's corporate capital investment strategy to support the Madeira Terraces project. A recent crowdfunding campaign has also delivered funds of £0.440m funding to be used to implement the first 3 arches. The request for funding of £0.550m for a design exercise of the first 30 arches will be met from the £2.0m council capital allocation leaving a balance of £1.450m council investment and the £0.440m crowdfunding fund to deliver the restoration of 30 arches. Work will continue to identify additional funding including potential Heritage Lottery Funds to support the restoration project. A viable business case will be presented back to this committee in due course. It is estimated that ongoing annual maintenance and running costs associated with the terraces costs the council approximately £0.152m p.a.

Finance Officer Consulted: Rob Allen *Date: 23/05/19*

Legal Implications:

7.2 In accordance with Part 4 of the Council's Constitution, the Tourism, Development & Culture Committee is the appropriate decision-making` body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply with CSO 3.1, authority to enter into contracts in excess of £500,000 must be obtained by the relevant committee. The contract will also need to be sealed by the council.

7.3 The Council's Legal officers will advise in relation to the procurement process and the contract for the design and engineering work to ensure compliance with public procurement legislation and the Council's Contract Standing Orders (CSOs).

Lawyer Consulted: Wendy McRae-Smith *Date: 31/5/19*

Any Other Significant Implications:

7.3 A recent Internal Audit Report on the Seafront Investment Strategy (Strategic Risk 23) included progress on Madeira Terrace as key to the scope of the audit.

The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- To ensure that the controls documented in the strategic risk register against this risk are operating as intended. Also to identify any gaps in the assurance mapping.
- There is a particular emphasis on the progress made on the Madeira Terraces Project

The audit sought assurance that the controls to mitigate this risk were accurately reported in the strategic risk register, and that changes to these controls and the mitigation of these risks were promptly captured and communicated.

The key risks include:

- Scale of resources required; budget pressures linked with external funding bids, and work with commercial developers. Any fiscal changes impact on timing of projects and increased risk of structural failure causing rectification/rebuild rather than refurbishment.
- Prioritisation of work – linked to results from structural surveys, resource availability, and market capacity. Risks around ensuring that the council does the work that's needed rather than "popularist" work.

SUPPORTING DOCUMENTATION

Appendices:

1. Lockwood Project Strategic Outline Business Case
2. Letter from Ed Morton, The Morton Partnership 11/3/19

Background Documents

1. 30 November 2017 Policy, Resources & Growth Committee Report
2. Seafront Investment Strategy 2016-21
3. Madeira Drive Regeneration Framework (Jan 2017)