

COAST TO CAPITAL LOCAL GROWTH FUND BUSINESS CASE

Project Title:	Valley Gardens Phase 3
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This document provides a template for a Business Case (BC) in support of Coast to Capital's investment in a project to be funded through the Local Growth Fund.

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

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

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. Phase 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 Phase 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, 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 collision rates, 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 Phase 1-2, and in line with C2C's 2014 Strategic Economic Plan, Valley Gardens Phase 3 has the potential to bring city-wide benefits to Brighton by tackling severance and improving connectivity in the city centre and towards the seafront. To achieve this, the main components of the preferred option 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, thanks 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, 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 accident reductions.

The scheme also has the potential to support the regeneration of the Valley Gardens area and economic growth for Brighton and 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 reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m ⁽¹⁾
Public realm benefits	£1.893m
Supporting growth of the KIBS sector	£6.168m ⁽²⁾
Journey time (dis)benefits	-£17.042m
TOTAL	£7.811m

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

⁽²⁾ 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 accidents, an increase in public space, walking and cycling benefits, increased land values, and through supporting the growth of the KIBS sector in Brighton and Hove, it is clear from the summary table above that the total economic impact of the scheme is suppressed by 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 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 with ongoing congestion and poor public realm 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

	<p>increase capacity and footfall and unlock new employment space</p> <p>Capital investment to increase high value tourism to the Coast to Capital region <input type="checkbox"/></p>
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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’s built and natural environment and to support its growth as a strong and prosperous city is a key focus of Brighton & Hove City Council’s (BHCC) 2016 City Plan Part One. The City Plan Part One includes the objective to make sure Brighton 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 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 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 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 and 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"> • Simplified road layout and traffic infrastructure • Improved environment and landscaping
Places for people that encourage social	<ul style="list-style-type: none"> • Revitalising Valley Gardens as city-centre

interaction and mixed communities	park and destination, increasing the amount 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"> • Reducing severance and improving capacity for cyclists and pedestrians • Removing physical and perceived barriers to east-west connectivity
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"> • Supporting higher value land uses • Reducing fear of crime • Improving pedestrian access to neighbouring cultural landmarks • Creation/enhancement of new and existing amenity spaces providing new opportunities for local businesses

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 9,000m² 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
Total Project Cost	£7.84m	100%
Applicant own funds	£1.84m	23%
Other public funds	-	-
Private sector funds	-	-
Funding requested from Coast to Capital LEP	£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

A key 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, 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.

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
- 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'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 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 location for Brighton, as with Phases 1 and 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

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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'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 Brighton landmark and tourist attraction. The route plays an important role in establishing the first and last views of many of Brighton's key attractions and seafront to visitors. As the geographical centre of Brighton, Valley Gardens has the potential to become a central hub for city-life and Brighton's visitor economy. At present, however, this key corridor for Brighton 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 as one of the UK's top tourist destinations.

The solution 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. Phase 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, its visitor economy and the role of the Valley Gardens/A23 corridor

Brighton 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's unique offer to visitors. Brighton's unique offer combines Regency architecture, of which the Brighton Pavilion is perhaps the most notable example, Victorian piers and buildings, such as the town hall, and a contemporary cultural offer that includes the annual Brighton Festival and an LGBT Pride event of a national scale.

Brighton's role as a major tourist destination for the UK is reflected in its economic performance and visitor numbers. Brighton & Hove has a total population of 287,200¹ and has 137,000 employees². It is estimated that tourism supported almost 21,800 actual jobs (or almost 16,000 FTE jobs)³ across Brighton & Hove in 2016, which equates to approximately one in six of Brighton and Hove's total employee jobs. The number of people visiting the city is also growing. In 2016, Brighton attracted 11,234,000 visitors, up 6.4% on the previous year⁴. 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 2015⁵.

Brighton is home to many nationally-significant visitor attractions, most notably, Brighton Palace 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 London⁶. The pier attracted a total of more than 4.6m visitors in 2016⁷ and sits directly opposite the pier roundabout at the terminus of the A23 and Valley Gardens corridor. The A23 is a major access point for many people visiting Brighton, 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 base in the city located

¹ Office of National Statistics (ONS), Population Estimates 2016

² ONS, Business Register and Employment Survey (BRES) 2016

³ Tourism South East, The economic impact of tourism in Brighton & Hove 2016

⁴ Ibid.

⁵ Ibid.

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

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

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% nationally⁸. 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 sectors⁹. 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, 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.

⁸ ONS, Business register and employment survey 2016

⁹ 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

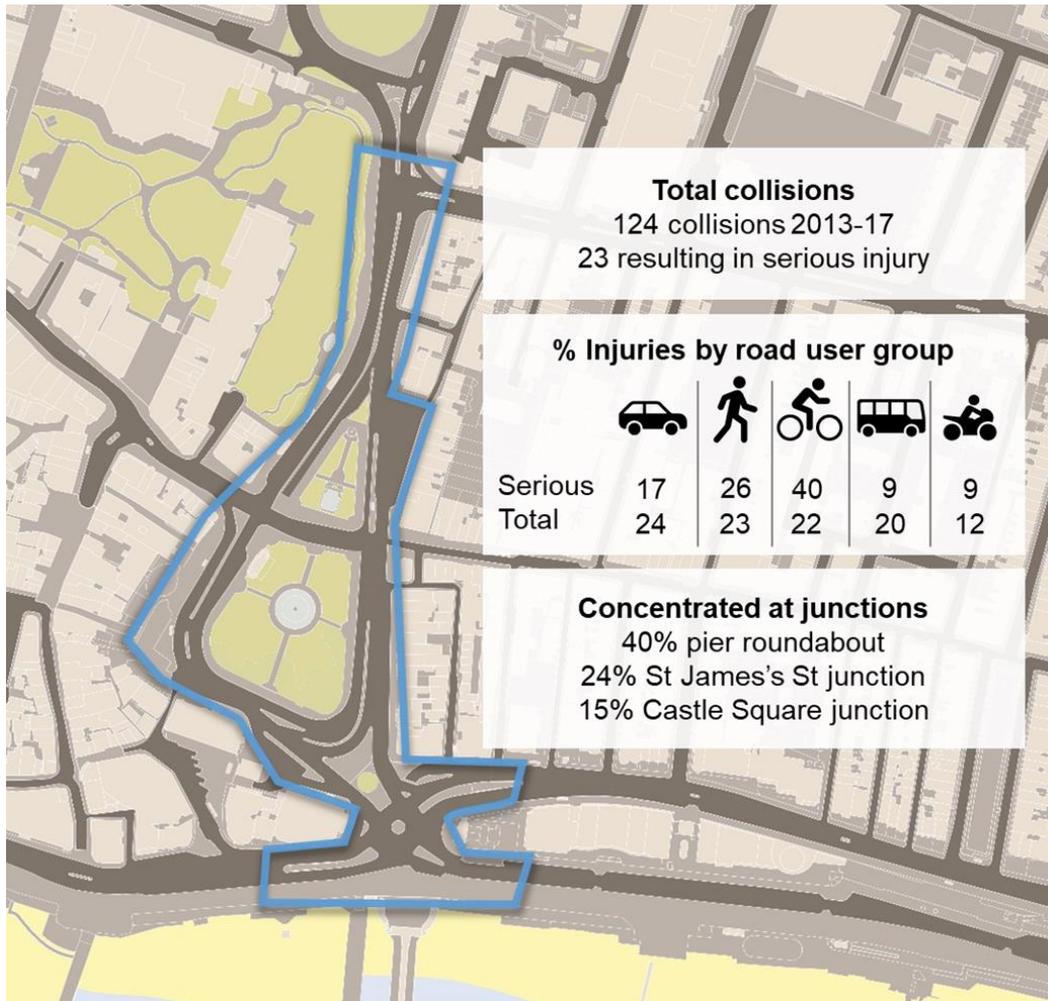


- **High levels of congestion and collisions**

As a primary access point to the Brighton seafront, the route suffers 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'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 Brighton'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 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 area¹⁰.

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 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.

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

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 Estate¹¹. Figure 15 (right) shows a bird's-eye view of the re-designed public space and pedestrian footway in front of the pier.

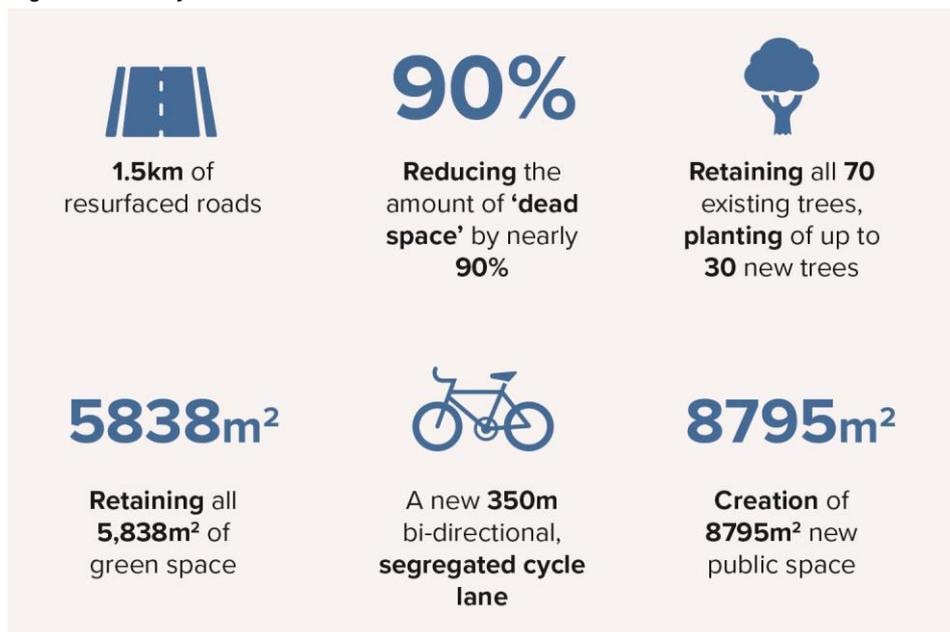


Source: Mott MacDonald.

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

¹¹ Figure 14 shows 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.

Figure 15: Valley Gardens Phase 3 enhancements



Benefits of the Valley Gardens Phase 3 scheme for Brighton and 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 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 and 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 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 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 plan, 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

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 Policy Special Area 3 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 Phase 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)

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.

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
- Drive time slot on local radio

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.

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
Department for Transport	<ul style="list-style-type: none"> • Adherence to regulations • Impact on neighbouring projects
Internal council stakeholders , 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"> • That the project can be implemented and links coherently with Phases 1-2 • Provision of high-quality bus infrastructure and bus priority • Protection and maintenance of seafront structures • That designs contribute to managing congestion • Design and operation of on-street parking • Road safety • Management of the seafront • Historic buildings and their setting • Management of parks and green spaces • Compliance with Equality Act • Access for public refuse collection and street cleaning • Increasing visitors and achieving high visitor satisfaction • Improving the setting of the Royal Pavilion Estate and managing its security • Events can continue to operate and improve facilities for enhancing events • Crime reduction
Connected City Transport Partnership	<ul style="list-style-type: none"> • Forum for discussion and comment on scheme proposals as they emerge
Public transport operators , including Brighton & Hove Bus Company, Big Lemon Compass Bus, Metro Bus and Stagecoach	<ul style="list-style-type: none"> • 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
Coach operators , including National Express and operators of visitor coaches	<ul style="list-style-type: none"> • Services can run through the scheme area without an adverse impact on current journey times • Access to coach station is retained and/or sufficient coach stand capacity is incorporated into designs • Adequate capacity for coach parking is provided across the city and for drop-off in the city centre/ on the seafront
Bike share operator , Hourbike	<ul style="list-style-type: none"> • Existing hub capacity is retained and ideally extended

Taxi service providers	<ul style="list-style-type: none"> • Journey times for taxis are not negatively impacted • That adequate taxi rank capacity is provided
Transport user groups	<p>Various, including:</p> <ul style="list-style-type: none"> • Bus journey times are improved and bus stop facilities upgraded with better routes to them • Provision of high quality cycle routes and addressing missing links • Maintenance of seafront cycle facility during events and congested periods • Designs provide a safer environment for powered two wheelers • Designs improve traffic flow and reduce congestion • That the designs cater for the needs of disabled people and provide improvements on the existing layout • That the scheme accommodates the needs of all users
Residents' groups	<ul style="list-style-type: none"> • Various with full engagement through the public consultations
Local conservation groups	<ul style="list-style-type: none"> • The setting of historic buildings is preserved
Emergency services , including Sussex Police, East Sussex Fire and Rescue, Sussex East Coast Ambulance Service	<ul style="list-style-type: none"> • Continued access for vehicles and maintenance of response times • Community safety
Businesses and Business Groups , 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"> • Scheme helps to encourage additional visitors and supports businesses in the scheme and adjoining areas • Access to frontages and private parking is maintained • Public realm better accommodates visitors • Events can continue as present
Schools , including Carlton Hill Primary School and Middle Street Primary School	<ul style="list-style-type: none"> • School and parents interested in safer routes to school
National bodies including Historic England and Environment Agency	<ul style="list-style-type: none"> • The setting of historic buildings is improved • The scheme does not increase vulnerability of the area to flooding
Utility companies	<ul style="list-style-type: none"> • Maintenance of existing infrastructure and ease of access to this within a future scheme

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 and local access traffic will use the west of the 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 Edward Street junction was the subject of a recent redesign 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 regeneration.

The Waterfront Project aims to construct a new exhibition 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 arena 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 Terraces 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. The Phase 3 area is bounded by two of Brighton'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.

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)
Do nothing, minimum or status quo	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
Proposed option	Option 1: All traffic on the east. 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)	£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.
Alternative options:	Option 2: Informal roundabouts. 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	£6.943million (excl. VAT)	£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

	congestion and possible accessibility issues (further explanation is provided in Box 2 below).			sector, valued at £6.168m.
	Option 3: Buses on west with signalised junction. 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)	£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.
	Option 4: Buses on west with retention of roundabout on seafront. 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)	£6million	1.8km of resurfaced roads and 0.35km cycle track. Anticipated accident reduction benefits of £11.424. Public realm enhancements valued at £1.326m. Support growth of KIBS sector, valued at £6.168m.

Box 2:

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

	<p>accessible option because of the type of crossings proposed and the alignment of these.</p> <ul style="list-style-type: none"> • Significant benefits for walking and cycling access within and across the Phase 3 area. 	
Alternative options:	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Lower economic benefits. • Options 3 and 4 have a greater capital cost and funding requirement. • All alternative options have a lesser increase in public space, with correspondingly lower monetary benefits. • 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. • 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. • Option 2 is also not expected to generate the required public and stakeholder support and as such there are questions over its deliverability. • The creation or retention of signalised junctions in Options 3 and 4 provides added complexity. • 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.

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 see 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 Phase 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.

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

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 ahead¹².
- 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.

¹² Based on COBALT analysis over a 60-year forecast period.

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 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

As a key corridor in Brighton, 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 use 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'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 reduction benefits	£11.001m
Active travel (walking and cycling) benefits	£1.495m
Land value uplift benefits	£4.295m ⁽¹⁾
Public realm benefits	£1.893m
KIBS sector benefits	£6.168m ⁽²⁾
Journey time (dis)benefits	-£17.042m
TOTAL	£7.811m

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

⁽²⁾ 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 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 period¹³, as assessed using the DfT's COBALT (COst and Benefit to Accidents – Light Touch) program. As the COBALT software only 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%. 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.

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.

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 noted¹⁴, 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

¹³ % 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.

¹⁴ 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 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.

The safety improvements and accident 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

3.10) Skills projects only- Impact on Skills Provision

N/A

3.11) Business and enterprise projects only- Impact on business growth																																		
N/A																																		
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?																																		
N/A																																		
3.13) If your project results in service and other improvements then please provide baseline data below.																																		
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																														
	Figure	Year	Figure	By when																														

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

In line with the approach adopted for Phases 1 and 2 of the Valley Gardens project, procurement will be split into four key stages: preliminary design, detailed technical design, construction and operations.

Stage 1: Concept Scheme / Preliminary Design

Preliminary design was led by Mott MacDonald, procured through Brighton & 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.

Stage 2: Detailed Design

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.

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 and 2, given the nature of the scheme, Brighton & Hove 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 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.

No state aid has been granted to this project.

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

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	£0.00
19/20	£2,541,241.00	£2,000,000.00
20/21	£5,082,483.00	£4,000,000.00
Total	£7,840,000.00	£6,000,000.00

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

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 12)	£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.~~811m~~,811,404 over a 20-year period. Against a 2010 present value cost (2010 prices) of £6.~~309m~~,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 and 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 £1,840,000 to fund the capital costs of the project.

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? 2019-2020

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	April 2018	June 2018

identification and sifting (BHCC Stage 1)		
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 Strategy & Policy

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

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 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 David Parker (Head of Transport Projects).

Project Assurance: Emma Sheridan (Transport Business Development Manager)

Core Project Board membership comprises:

Internal Project Sponsor: Mark Prior (Head of Transport)

Transport Policy & Strategy: Andrew Renaut (Transport Strategy & Planning Manager)

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 Decision Making will take place at Brighton & Hove 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
- Drive time slot on local radio (Stage 2 only).

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 evaluation¹⁵. 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 guidance¹⁶.

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

- Peak period general traffic journey times
- 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

¹⁵ These documents include: HM Treasury Green Book, RDA Impact Evaluation Framework, 3Rs Guidance, Additionality Guide and WebTAG.

¹⁶ 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>

year of operation or at intervals to be agreed between the LEP and BHCC.

At this stage, we anticipate 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.

Declaration:	I certify that the information provided in this Business Case is complete and correct at the time of submission.
Signature:	
Print Name:	
Title:	
Date:	

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.**