

BRIGHTON & HOVE CITY COUNCIL
SCRUTINY PANEL ON SEAFRONT INFRASTRUCTURE

9.00am 25 MARCH 2014

COMMITTEE ROOM 1, HOVE TOWN HALL

MINUTES

Present: Councillor Mitchell (Chair)

Also in attendance: Councillors Brown and Davey, Angela Benson (co-optee)

PART ONE

6 CHAIR'S INTRODUCTION

- 6.1 The Chair (GM) welcomed everyone to the second meeting of this scrutiny panel. The first meeting on the 18th March had been very successful and the panel had heard from a number of community representatives.

7 PROCEDURAL BUSINESS

- 7.1 There were no declarations of interest and no declarations of party whip.

8 WITNESSES

- 8.1 **Geoff Raw (GR), Executive Director for Environment, Development and Housing** began by saying how pleased he was that this scrutiny panel was being held as it was essential for the regeneration of the seafront. Our offer to tourists and visitors was vital, so the council needed to think about the next 5-10 years of investment needed in this area. Over the last few years the council had developed two key strategies.

- 8.2 Firstly, an economic development strategy which had:

i) Identified the tourism offer as essential to the well-being of the local economy, in particular our regular visitors as well as new international tourists. It was vital to know who they were, how much they spent and how to improve the offer to generate more spend. While the city wanted to encourage all visitors, there is an opportunity to bring more tourist spend Brighton & Hove which would mean more jobs.

ii) The importance of the conference and business offer. One of our distinctive attractions was the cultural facilities the city could offer to conference visitors. This in

turn attracted other non-tourism related businesses and helped to attract skilled people to the city, such as Richard Florida who has written about the importance of place in attracting and hosting 'creative communities' is a useful reference source in thinking about how we support economic growth in the city. Making attractive places to visit makes for attractive places to live and in turn makes the location more attractive for more businesses. There were a lot of wonderful coastal towns in the UK, but as tourist destinations alone most did not offer high value jobs or high wages. So we needed to plan how we can add more value to our tourist and visitor economy and exploit the interplay between the wider economy and the tourism economy and the higher value jobs and the financial gain they bring to the city as a whole including the city council.

- 8.3 Secondly, the draft Seafront Strategy. This had raised aspirations and set a vision for different areas of use along the seafront. It had stopped short however at defining an investment strategy. The council needed to produce an investment strategy for the seafront, both for itself and other potential public and private investors.
- 8.4 Given public expenditure constraints, there would not be billions to draw down from government to invest in the seafront and public funds alone were not a panacea. The council needed to use public money to lever in private money. Developments which could do this, included sites at the:
 - Conference Centre
 - Black Rock
 - King Alfred
 - Marina
- 8.5 These developments would need significant private investment. However, the council as the landowner was in a good position to lever in these resources. The scrutiny panel could help to steer the direction and inform officers involved in the procurement process for projects such as the King Alfred. The council was in discussions with Standard Life Investment about the Black Rock and Churchill Square sites. It was also in discussions with other developers about developments at the Marina.
- 8.6 It was important to 'string the pearls' of seafront development sites together, to spur a critical mass of investment. Nothing succeeds like success. If you can build investment confidence then the city can be positioned for strong economic growth. Both the council and the city needed to run at pace with the work of the Economic and Seafront Strategies, to develop the Vision for the seafront and secure the public and private investment.
- 8.7 GR referenced the National Geographic international top 10. It was a very ambitious target for Brighton & Hove, as cities like Rio de Janeiro featured in this top 10. However the city should be ambitious, as it was the premiere beach destination in the UK. The city had 10m visitors in 2013, and this was likely to grow - but only if the offer was sufficiently attractive.
- 8.8 The council was keen to explore what would draw higher spend visitors and higher investing businesses. There may be a need to reinvent ourselves with developments such as:

- i360,
- A new improved conference offer,
- New residential accommodation at sites such as King Alfred.

8.9 Lessons could be learnt in how to approach development opportunities, including:

- Being more business minded,
- Looking at what opportunities could these developments bring in terms of business rate income, New Homes Bonuses, Council Tax receipts and government investment – it was especially important for members to understand this
- Gathering good information to inform discussions with residents and businesses, particularly as development schemes came forward.

8.10 It would be great if the panel could engage with businesses and residents to develop a view on:

- Realistic options,
- Real opportunities,
- What businesses need.

8.11 The City Deal engagement with government and the Greater Brighton Economic Board – which involves neighbouring authorities were good vehicles to draw together the key public bodies.

8.12 Q: What opportunities were available for the Greater Brighton area and the strategic economic plan, and how might the seafront feature?

The Government has asked for information on how much resources we can put into projects, and it was known how the Government would follow this through. The seafront was part of this equation and improving the transport infrastructure was also part of the bid. There could also be major project funding via the Local Economic Partnership, some of which would touch on the seafront. There was the need to consider ‘what is a seaside offer?’ The business offer would come partly from ports, such as Shoreham. There was a need to develop new businesses and the City Deal had identified six growth areas, including investment in high value eco-tech employment. The location would be very important for businesses and employees.

8.13 Q: The city attracts day visitors, overnight and conference visitors. At the moment, the visitors come predominantly for the day so how can we attract more overnight visitors who have a significantly higher spend?

GR told the panel that on average the overnight visitor spent 9x more than a day visitor. There was the opportunity to capture more of that market, now that London was the most visited city in the world. However, one needed a strong offer to capture this market.

8.14 The value of developments like the i360 was in developing a critical mass of attractions to entice this market. This can enable joint ticketing, tours round the city and using the capacity of hotels. International visitors expected four and five star hotels and the expansion of Gatwick could bring more foreign trade. Out of those arriving at Gatwick,

currently 90% of visitors went to London and 10% travelled to Brighton. So there needed to be a strong offer to those who arrive in Gatwick. The rail link needed to be improved to increase the capacity and transport visitors to the city. Sundays were a very big problem on Network Rail. There currently was spare capacity on the railways at off-peak times, so increasing off peak usage would generation additional revenue for the train operating company and would prove a profit incentive. One could market timed visits to the city to encourage visitors to come at off-peak times. Spreading out visitors throughout the year could be far more beneficial to the city than a smaller number of huge visitor peaks.

8.15 Q: Has there been any specific information gathered from tourist about what they thought of the seafront?

GR told the panel that carrying out such a survey could be one of their recommendations.

8.16 Q: Members are aware that reports on specific investment opportunities have come to committee, but there never has been a comprehensive report on the state of the seafront and the money it needed. Given that seafront structures were now on the risk register and Shelter Hall was being propped up, why had nothing been put to members? There was also a need to look at the different kinds of bids, what were our priorities and what could be achieved with our own limited capital programme.

GR told the panel that the Seafront Strategy had raised aspirations but had not identified all of the business opportunities. The Transport team had done a significant amount to develop bids, but there was no investment overarching strategy as yet. The council would produce this investment strategy to give a more comprehensive understanding of the amount needed to be spent on the seafront. This needs to take full account of how such work would be funded, identify what were the private finance opportunities and what the council would contribute. This was vital as it was not always clear to Members and the wider community what the funding opportunities are, albeit funding opportunities did exist in both public and private sectors. These opportunities needed to be brought together, and the council was already making progress on this.

8.17 GM said that it was likely to be a key recommendation that there needed to be a project board and project plan for this issue.

8.18 Q: It seemed difficult to make a business case for carrying out works to Madeira Terrace, could you make such a case for this?

GR told the panel that the funding available tended to be for economic growth purposes and in many cases involved loan payments. Unless a section of the seafront was about to collapse then the investment priority needed to be in things which could generate an income return. It wasn't apparent how the Terraces would generate an income return and income revenue.

8.19 The Riptide Gym, for example, would take around three to four months to restore as an area and if investment was put into that structure it would at least generate an income stream to contribute to pay back that investment. The Arches neighbouring the i360

were being fitted out to create a more lettable space. Given the public expenditure constraints the council had to think with a more commercial hat on. The council was asset rich but was set to become cash poor as central government grant is reduced. Hence it had to think long and hard about sweating its assets to generate more revenue. In short, therefore it was more difficult to see the business case for prioritising Madeira Terrace over other places.

- 8.20 Michael Levy (ML) suggested to the panel that a long glass building could be placed under the terraces, to turn into a space such as an artists' workshop: like Crystal Palace. One may lose some parking in the process.
- 8.21 GR emphasised the need to look at the business case and the Seafront Strategy had identified zones for the seafront to guide where to situate developments. On top of this we needed to look at where to get public and private money for the seafront.
- 8.22 **Q: How would you draw tourists and visitors along the seafront, in order to generate a greater spend across a wider area?**
- 8.23 The panel needed to keep thinking about what makes business sense to carry out on the seafront, especially in terms of what resources could be levered in.
- 8.24 **Mark Ireland (MI), Head of Strategic Finance & Procurement** began by describing the financial context which was faced by all councils. There were a different set of drivers for the authority than from a few years ago. Despite the economy coming out of recession and experiencing growth, there was still a huge national budget deficit and the country was still half way through a period of austerity. The council, like others, was likely to face further reductions in funding until at least 2019/20. In the current year the council was getting £78m of general funding, which could be reduced to £2m by 2019/20. This was a huge loss of funding and if the council was to sit back and do nothing it would result in a substantial reduction in council services. Actions needed included:
- Increasing income streams and investigating new ones
 - Introducing better ways of doing things and value for money programmes.
- 8.25 Increasingly the council received its funding based on incentives. Grants used to be distributed based on fundamental principles of need which could not be influenced by local authorities. The biggest change had been the ability from April 2013 onwards of councils to retain some of their business rates. The seafront is critical to the local economy and therefore in the growth of the base of business rates. If the council does not pro-actively develop the sector, then this income stream could reduce. The council could experience a significant drop in current annual income of £51.6m (which was its current share of business rates) if the local economy worsened.
- 8.26 MI explained that other incentives for councils included the council tax reduction scheme, for which the funding was fixed. If the council was able to promote more people finding jobs in the city there would be a reduced demand for discounts on this tax, then less money was needed by the council. Another was the New Homes Bonus paid to councils building new homes and bringing homes back into use. Previously councils did not use to have an incentive to grow the council tax base, as any increase was offset by

a £1 for £1 reduction in grant. Now the council would receive an incentive to grow the base. There are new funding opportunities; but they were increasingly competitive. The critical factor in attracting funding was to be able to demonstrate that the project was creating and maintaining sustainable jobs. For example, the Local Enterprise Partnership (LEP) and the Coastal Community Funds had to demonstrate that the schemes they approve were growing or maintaining jobs.

8.27 MI felt it was essential that the council had a good grasp of what income and jobs were generated by the seafront and other information needed to inform our bids for funding.

8.28 **Q: What would an investment strategy for the seafront look like?**

MI explained that an investment strategy would need to contain:

- Base of information about each of the structures,
- A statement on what you want to achieve and knowing how measurable this is,
- An assessment of what absolutely has to be done, for example to comply with Health and Safety legislation,
- The inclusion of all the elements of the needed investment,
- The incorporation of all possible returns, or leverage of private funding, and other public streams of finance
- The need to cast the net as widely as possible and explore different solutions that may be available for different parts of the seafront.

8.29 GR told the panel that there were methodologies to predict the return on investment to look at how public funding can be turned into increased jobs and the additional leverage. This could be a recommendation of the panel to help members make an informed decision, after looking with rigour at the return that can be gained from investment decisions. A distinction also needed to be made between using the following sources of BHCC money:

- Business rates
- Rents
- New Homes Bonus.

8.30 There should be a rigorous look at the returns from each form of funding to determine what should be done on the seafront. For example, the biggest business rate return would come from large retail stores being built on the seafront. So members needed this kind of information.

8.31 **Q: Do you support the proposal to ring fence the income from the seafront to be spent back on the seafront?**

MI explained that he was not a fan of ring fencing because it can eliminate choice, especially in times of limited resources. He felt it was not realistic to ring fence the existing income, as this would upset existing budgets. However the new income streams which could be being generated by the seafront, such as the income from the i360 (which could generate £1.2m p.a.) – that has been ring fenced for reinvestment in the seafront.

8.32 **Q: Is this new income ring fenced for the seafront, as has not seen this written down?**

MI said that this was one of the recommendations of the i360 report agreed by Policy & Resources Committee on 6 March 2014.

8.33 **Q: Do you know what other funding opportunities have been gained by other local authorities?**

MI told the panel that all seaside areas have looked at putting together a package of funding from different sources. For example the Coastal Communities Fund, which BHCC had not been successful so far in bidding for, had given £1.5m - £2m for a range of seafront projects. An example is the funding Sunderland gained for its seafront infrastructure. This funding primarily relates to sustainable jobs, so needed to be able to demonstrate this in any bid.

8.34 **Michael Levy (ML), Owner of Castor & Pollux Art Gallery** told the panel that his gallery was the largest independent art space on the beach, comprising of 3 arches in the middle of the seafront. One arch was a gallery, another a bookshop and then last a workshop. The space had been very shabby when he had begun renting it, so he had spent a lot of money making the space ready to use. He employed 2 part time members of staff, compared to 8 years ago when he had 5 staff – in the good old days.

8.35 He was often asked *‘what is such a nice place, of such quality, doing in a place like this?’* This was because his art gallery was surrounded by shabbiness and mess. He opened the business every day, unlike most of the businesses which were weather dependent so opened when it was forecast to be good. He mainly catered for local people (around 50% of his market), so visitors were a bonus. In his experience the locals use the beach all year round, except in the summer. ML felt that the middle section was the shabby part of the beach.

8.36 His sales were lowest in January and building up through summer. They had to employ extra people in summer to keep an eye on the large number of people coming into the gallery. He felt that the best bit of the season was from September to Christmas, and thought that some of the other businesses and galleries did not always see the benefits of winter. He sometimes went on holiday in August. However it was made harder by there being no shelter on the seafront and no public seating. This meant there was nowhere for people to sit in the rain. Often February can be a busy month.

8.37 It was still a struggle to finish a year in profit. Energy costs were rising and the impact of internet mail order e.g. Amazon were factors that all businesses had to deal with. Making a profit was getting harder and posing more of a challenge. However, the gallery had been there for 15 years and was a forward looking business. It had opened at the same time as some other businesses such as Due South and the Riptide Gym. Lately the surroundings had become shabby and dirty and the railings had not been painted for years. There used to be a daily wash of the seafront.

8.38 ML visited other European seafronts regularly and sees streets swept and a sense of optimism, but he felt that the Brighton & Hove seafront seems to be neglected. One can worry about the structures, but if you do not look after what we already have it will look

neglected. There were three large recycling bins directly outside the business which tend to be only used by the local residents. These bins can easily fill up with rubbish piled around them leaving the visitors having to squeeze past them. There are also ugly temporary toilets (or portacabins) on the seafront, when this is supposed to be a beautiful European city.

8.39 The arch which housed his gallery had always leaked like a sewer, it supports the road and unsurprisingly it leaks. There had been an attempt 15 years ago to put a membrane over the structure, which had worked fantastically for three weeks until it was dug up by a utilities company.

8.40 ML would like to see a year round seafront being encouraged by:

- Council-run festivals in the off peak seasons,
- A solution being found to the rubbish,
- Providing decent lights, for example decorative lights on the lower promenade which could also increase safety and reduce the probability of drug dealing,
- Using different symbols on lamp posts to signify different areas - like the Miffy symbols in Amsterdam and Rotterdam,
- The city does not have a major art gallery, like St Ives does. So a museum, such as a Tate, would be a significant draw.

8.41 **Q: When going on our tour of the seafront, I was horrified by the rows of bins there. How do you feel about them?**

ML explained that they take their bins in. In the heat the beach stank and the pavement gets covered with chips, vomit and ice cream and needed regular clearing up.

8.42 **Q: I am very surprised that you have decreased trade in the summer, do you think it would be beneficial to make the areas on the seafront more zoned e.g. from more high end areas to the 'kiss me quick' ones? Also do you have to work harder to promote your business, as it could seem more cut off on the seafront?**

ML told the panel that he would not support zones for fears that it could ghettoise certain areas. He preferred to see it spread out like a necklace. There were very smart areas and very shabby areas, but he did not want a gallery in Bond Street. He felt that now people walked the whole length of the seafront. He explained that while he did use the internet and Facebook to promote his business, it was not really dependent on this kind of promotion and people came to Brighton to get away from it all.

8.43 **Q: Do you have any ideas on how money could usefully be spent on the seafront?**

ML believed that small things could make a significant difference without spending much money. He would like to see major art exhibitions as part of the Brighton Festival. While he loved the Brighton Museum, it was not a nice modern gallery like Bexhill.

8.44 **Q: Are there any traders groups on the seafront which work together?**

ML explained that he really did not have the time to participate. He was aware of a traders' group up towards the fishing museum. But his experience when running a pottery business at Camden Lock, was that these can be a moaning shop.

8.45 Q: Well done for being in business for 15 years, do you have a feel for the turnover of businesses in that time?

ML thought the clubs changed hands a lot and it was thought that they paid a very low rent due to an arrangement when the beach was regenerated 20 years ago. He thought there was not such a high turnover among the artist's units. This was because you had to spend so much money on the structures to make them workable, that then you could not afford to leave. His business was lucky to clear £10,000 and he was lucky to be subsidised by a partner with a proper job.

8.46 Toni Manuel (TM) clarified that bars and clubs on the seafront paid a commercial rent.

8.47 **Andrew Renault (AR), Head of Transport Strategy and Projects and Leon Bellis (LB), Senior Engineer** gave a presentation to the panel meeting. AR began by explaining that the council was the responsible as a Highway Authority under the 1980 Highways Act. The role of the seafront structures were to:

- Support the road and promenade above them,
- House businesses (which made it so interesting to hear the perspective of a trader before them).

8.48 There were three kinds of structures:

- Arch/bridge
- Retaining walls
- Railings – protective.

8.49 The majority were over 120 years old and their main issues were the age of the structures and the need to bring them up to modern standards.

8.50 The main area of the structures was from the Peace Statue to the Marina and their total asset value equalled £300m. The management of the assets had been higgledy-piggledy when governed by East Sussex. Now all the structures have been mapped and agreed with GOSE in 2005. The asset value of £300m represented the gross replacement cost under CIPFA guidance. Councils were encouraged to develop an asset management strategy for these structures. Each year the council produced an annual return to central government about these assets.

8.51 The seafront had moved south over time and had different construction techniques, leading to the number of problems that the council was now encountering.

8.52 By the end of the 1700s the seafront was being developed and hotels started to be built on top of the existing small chalk cliff which is now hidden, some of these buildings collapsed onto the beach below the cliffs which have fallen due to erosion. So the Arches were built to stabilise the cliff face and provide a roadway to the south of the town. In the mid-1800s Brighton & Hove became increasingly prosperous, so the

structures were extended to give the place a proper promenade and widened carriageway to accommodate the increase in traffic, Pool Valley (old harbour) was filled in so visitors could travel from East to West. Most of the issues arise from the construction undertaken between the 1880's to the early 1900's, in particular the filler-beam deck type construction; which was an early form of reinforced concrete. The bulk of the masonry arches which pass under the A259 are in a reasonable condition.

8.53 There was a need to keep a close eye on the condition of the Arches using inspections, surveys and structural assessments. This information was fed into the Structures Management System (SMS) database which records:

- Issues,
- Problems,
- Inspection dates
- Works needed
- Structural conditions.

8.54 Sample condition photographs were shown to the panel which showed:

- Typical seafront façade with subsidence and cracks, with a filler-beam deck pushing southwards,
- Deck failure due to a steel beam crack,
- A propped up arch.

8.55 The potential consequences of these structures failing could be catastrophic. Including:

- Loss of life,
- Loss of trade,
- Loss of reputation as a destination.

8.56 AR described the potential disruption to movement and access which could be caused when works were carried out to these structures e.g. the diversion of 36,000+ vehicles, 30,000 pedestrians and 2,500 cyclists per day. So the council needed to manage the effect on these movements, when they had to carry out works.

8.57 There were alternatives to renewing structures, such as propping them up or backfill with concrete, closed in perpetuity (to make safe) - but these were not good options where the structures were occupied.

8.58 The estimated current costs of structural works was £80m, based on the costs of rebuilding. It was a national recommendation by ADEPT, that there should be an annual spend of 1% of the £300m asset value on the maintenance, repair and enhancement of this kind of assets. So this would equate to £3m per annum to be spent on the seafront structures. Alas, the council did not currently achieve that figure.

8.59 AR explained that there were a number of sources of funding for seafront structures.

- The key source was Local Transport Plan (LTP) funding, which was allocated through the council's decision making process.

- The council had unfortunately not been successful in securing 'Pinchpoint' Funds.
- S.106 from developments.

8.60 Future funding could include

- The LEP Local Growth Fund (LGF) which directly supported jobs and housing. The housing angle was hard to include in bids for the seafront, however the linkages were being made between commercial occupation and jobs.
- The LTP funding allocations would be split 50:50 between integrated transport and maintenance. The council was due to receive its highest level in 2014/15. Whenever there was a peak in funding, it related to seafront structures which needed tackling.

8.61 The funding for 2014/15 was to include £1.42m from the next year's capital programme and would have to be paid back in the next year's programme. Slides were then shown of successful works to seafront structures including the Carousels, the Rotunda and Free Shelter Hall.

8.62 Works to the seafront were linked to transport and other major projects. The themes of the Seafront Strategy linked the seafront architecture and coastal protection, for example improving the lighting. Regeneration was carried out by improving transport to increase economic opportunities in this area.

8.63 Connectivity along the seafront was very important:

- A259,
- Accessibility both along and to the seafront,
- Improve the pinch points on the seafront when visitors and cars meet.

8.64 Their work was based on the Seafront Strategy which was used to:

- Identify opportunities and where improvements were needed,
- Tie up the investment strategy,
- Include programme of works which needed to be done.

8.65 **Q: This has been a concentration on the Brighton seafront, but are there any problems at the Hove end of the seafront?**

LB told the panel that there were not the same problems with highways structures, retaining walls and railways in the Hove area. The area from the Peace Statue to the Marina was where the real issues lay.

8.66 AR explained that the edge of the public highway was the end of the responsibility for LB. A different part of the council was responsible for the Hove End footways.

8.67 **Q: If £1.4m from the capital programme was being used to complete the work on the Arches, will the money from the LTP need to be paid back into the capital reserves next year?**

AR explained that there was £7m in the indicative programme for the 15/16 allocations for the capital programme. This will be reduced by the £1.2m to offset the spend on the Arches.

8.68 Q: Will this mean a reduced amount of money from the LTP being spent on the seafront in that year?

AR said that this could not be pre-empted. The council had to use the LTP for a range of funding including road safety and cycling routes and it all had to come out of these funds. There was the need to look at all the priorities. Officers would recommend a programme to the relevant Committee.

8.69 Q: Was there a difficulty in being reactive and trying to keep up with the works needed on the seafront? It seemed as if one was relying on the LTP, one had to do the work year-on-year.

AR said that if the Local Growth Fund was successful then there would be more funding for these transport schemes and more money to allocate to the priorities for the seafront structures.

8.70 Q: Given the asset value of the seafront structures, the fact of being on the corporate risk register and the suggested spend of 1% - should this mean that the council should be spending £3m pa on the seafront structures on top of any grants given?

AR explained that this 1% spend was a national recommendation and represented the recommended level of investment in such an asset. It was not necessarily a target. The priorities would be set as a transport authority, but 1% would go towards keeping the structures in good order. But the seafront had a unique situation which made its funding needs even more acute.

8.71 LB told the panel that the council had identified a 16-20 year programme to arrest the decline, using the ADEPT supported process. But they had to accept that the 1% ideal suggested by ADEPT may be difficult to achieve. But over that 16-20 year programme, sometimes the level of spend may be £3m - but not always, maybe more, maybe less; depending on the complexity and scale of the structural works. But in all probability the construction programme could be arranged to span over two financial years.

8.72 Q: If historically there has been an underspend on these structures, will £3m be enough to keep the seafront structures in order?

LB told the panel that there were fundamental failings in the infrastructure and the council was playing catch up. The works currently being undertaken are reactive rather than planned, due to the risks and lack of previous funding for works. There was a need for a long term commitment to funding and £3m pa would allow us to catch up with the at risk structures; such as the Shelter Hall and then allow programming in future works. The programme is designed in such a way that while construction is being undertaken on one phase, the next phase is being designed at the same time; thereby creating a rolling programme. This was needed as there are many consents needed before construction works are started such as; Planning, Conservation, heritage and Statutory

Undertakers permissions etc. Eventually there would come a time when there was another Shelter Hall, this was just a matter of time. This would also lead to the eviction of the tenant/business, leading to a loss of income to the council together with further expense to the council in the form of compensation payouts and propping empty structures.

8.73 Q: So will the council will be taking 16 to 20 years to catch up to the seafront structures being in an OK state?

LB explained that each of the construction projects on the seafront, such as the works being done to the Arches, east and west of the i360, have a minimum design working life of 120 years. So the council would not expect to go back and do any significant work in that area for the next 120 years, thereby generating a guaranteed income stream from that structure for that time period.

8.74 But the Shelter Hall situation is common and it was only a matter of time before it happened again. This could mean that the seafront was slowly closed down due to unsafe structures. The council was doing its best to regenerate the seafront. It was trying to catch up and stop being reactive by identifying work that needed to be done in advance. However one needed to plan and design those works in advance and negotiate with the occupiers. This was unlike the Shelter Hall situation where occupiers had to be evicted in an emergency. With planned works, one can liaise with tenants when the works are to take place and then let them back in on completion, this would define clear time frames which businesses could work round. If the decline of the seafront is not arrested, the council will have to prop up other structures and will not be able to give the affected occupiers a clear idea of when they can return.

8.75 GM thanked the witnesses so far and said that such clear and challenging information meant that the panel would be greatly assisted in its task and hoped this work could help to underpin future investment. There was a need to be inventive when focussing bids for the seafront, although it was difficult when they were expected to include housing.

8.76 **Nick Hibberd (NH), Head of City Regeneration** explained that he managed the City Regeneration service which had been created to include the major regeneration projects team, the International Team and Economic Development. The service was created about 15 months ago as part of a shift from being reactive to provide a pro-active, co-ordinated and corporate approach to delivering regeneration and infrastructure projects. This also reflected a changing national policy framework in relation to economic development and a renewed focus of local authorities upon driving economic growth as indicated by Mark Ireland

8.77 He suggested that the issue of investment in seafront structures needed to be seen in the wider strategic context of:

- The whole seafront as a key investment area for the city
- The wider development and regeneration of the city,
- Coast to Capital area, including the Coast to Capital Draft Strategic Economic Plan and Growth Deal bid.

- 8.78 There was a changing framework for local government finance which increasingly requires robust business cases for any planned projects that might require public investment. Increasingly local authorities are seeking opportunities to generate returns on investment. For example the new revenue from sources such as the i360, which could then be spent on the seafront infrastructure. In terms of the impact that major regeneration projects can have, NH explained that when regeneration was done well it could be used to create key anchor points that attract investment and visitors along the seafront. It could be used to enhance the offer, both spatially – by broadening the offer beyond the current focus between the two piers, and in time – by extending the offer all year round through providing a range of attractions, events and conferencing opportunities. Developments such as the i360 and the King Alfred could be used to draw visitors along the seafront. This would improve the offer by day, throughout the year and increase use at different times. The retail and conference offer could also be improved.
- 8.79 NH gave the example of the recent success from the emerging regeneration of London Road which has led to new businesses and new benefits being brought to that area. It was hoped that the i360 would have a similar affect; bringing new visitors, increasing their dwell time and raising the footfall. The work of the seafront would in turn act as a catalyst to attracting new businesses and investment to Preston Road.
- 8.80 There was an increasing focus on working with the Greater Brighton Area. The City Deal and Greater Brighton Economic Board meant that stronger discussions could be had with government and wider city region partners. The council had been supporting the Coast to Capital LEP develop their six year Strategic Economic Plan and programme for investing in the area, including the Local Growth Bid to government. This was a competitive process between LEPs and determined by government. A bid for £0.5bn had been developed across the area, with a significant amount focussed on transport and infrastructure. The seafront was a key investment zone identified within the draft Strategic Economic Plan, with the A259 corridor a vital component. The government has indicated that any Growth Deal funding is likely to be focussed upon areas where the impact would be the greatest in terms of new housing, employment space and jobs. However a lot of work has been taking place with transport colleagues to demonstrate that investment in the seafront is important in terms of sustaining and creating new jobs, and whilst incorporating new housing along the seafront might not be a focus of the Seafront Strategy, some sites such as the King Alfred project did contain housing in the proposals.
- 8.81 There was a need for information on how investment in transport could act as a catalyst for regeneration and economic growth. It was a challenge to gain access to funding and it was expected that there would be a strong relationship between using public funds: private leverage. A balance also needed to be struck so that one could retain the distinctive characteristics of the seafront whilst attracting new investment and improving its condition.
- 8.82 The council also had an International Team, so we could look at the opportunities to attract international funding such as European Structural & Investment Funds. While transport was not a theme that has been prioritised by UK government for Structural Funds, there may be opportunities to include transport or seafront infrastructure in bids such as:

- Coastal Communities Fund
- Horizon 20:20 Interreg Funding.

8.83 In all cases of funding bid, there is an increasing trend towards demonstrating the impact of funding in sustaining and creating new jobs.

8.84 **Q: Should there be a project board for the seafront, as it could be seen as a suitable subject for an investment programme board?**

NH told the panel that he did not think the seafront was a single project. He favoured a programme management approach, which recognised that it included a range of projects that were interdependent.

8.85 **Q: Do you think that this is an area of work which should be headed up by one person?**

NH thought that it wasn't necessary to have a single head, as so many projects were involved along the seafront. However the overall programme could be co-ordinated by one person to ensure a co-ordinated approach across the individual projects.

8.86 **Q: The seafront seems to have fallen between many areas, because no one person has been responsible for it as a project. With the Investment Programme approach, would the seafront come under your responsibility?**

NH explained that he was involved in co-ordinating investment programmes at a range of levels. For example he was co-ordinating the Greater Brighton Investment programme and the work of the LEP for the Greater Brighton area and he saw the seafront as a key investment area within the wider city and city region investment programme.

8.87 NH explained that there was an increasing focus upon ensuring that each project and programme of projects have clear lines of accountability. For each major project it is important that there is a lead officer from ELT and identified programme or project manager and clear roles and accountabilities of each member of any programme or project board. The City Regeneration service has a strong focus on ensuring projects have clear governance, but that does not necessarily mean that any seafront investment programme should be led by that service. As long as roles, responsibilities and lines of accountability are clear then it could be led by transport or another service.

8.88 **Q: There was a need to be careful and not delegate such a large project to a person without power. The issue of the seafront was too big to be able to avoid this kind of problem, so what was the most effective way of putting together a programme of works for the seafront?**

NH explained that the projects in programmes, such as the i360, need to be looked at together to see the interdependencies otherwise one person would have too much responsibility.

8.89 The panel stated that there was a need to set priorities for the seafront and balance these with the areas which can generate income.

8.90 **Ian Shurrock (IS) Head of Sport and Leisure and Toni Manuel (TM) the Seafront Development Manager** began by explaining that IS managed four teams all linked to the seafront:

- Seafront Office – daily management of the seafront
- Outdoor Events
- Sports Facilities e.g. the King Alfred
- Sports Development

8.91 IS explained that the seafront was one of our largest outdoor sports area, for activities such as Healthwalks. The draft Seafront Strategy remained in draft because it had been used as the basis of a comprehensive consultation process. An internal officer workshop had brought together a wide range of those involved in this area. It had been prompted by increasing concern over the ongoing maintenance costs on the seafront. For example the £500,000 to paint the railings which last happened 2-3 years ago. The Strategy then went out to public consultation. The development of the draft Strategy and consultation had been undertaken by a small team of IS, TM, Jane Pinnock and Jo Thompson in Planning.

8.92 The Strategy had two key approaches

- Recognising the character of different areas such as from Hove Lagoon to Saltdean and suggesting different uses for those areas & setting priorities for action across the seafront,
- Themes e.g. Active Seafront.

8.93 Mark Jones had commented in the previous meeting about not making the character areas too prescriptive, just setting general themes for these areas. IS agreed that the character areas were intended to identify the priority for an area but not be totally prescriptive. For example, Hove Lagoon as a sports area, but there was still the need for other areas to do sports on the seafront.

8.94 The consultation received 725 responses, which was one of the highest for a consultation on a council strategy. However major issues in relation to the seafront infrastructure had become apparent during the work on the draft Strategy. Therefore the Strategy had been put on hold while the council looked at the scale of the need for the capital investment. Now the Strategy was also pending the outcome of this scrutiny panel. It was hoped that the panel can take on board the work of the Strategy alongside the evidence it gathers, in order to suggest a way forward. What was needed was to link the Seafront Strategy with an investment strategy. Improvements could be secured even with relatively small scale investment, such as that from s. 106. In addition, a strategy for the seafront could help make approval for new attractions/improvements from the Planning process easier to achieve. Suggestions from the Panel on such a document would be welcomed.

8.95 **Q: Was the public consultation carried out with just residents, or did it involve tourists and other visitors?**

IS told the panel that members of the public were primarily consulted on the Strategy, and that it was also circulated to amenity groups. At the public consultation sessions on the Seafront, it was interesting that many tourists did not feel that they should comment on the Seafront as they were not residents.

8.96 Q: Did the Strategy find out how tourists use the area and what are they looking for from the seafront?

IS explained that he felt that between the piers was very much the focal point of the tourism offer. It could be explored whether the offer could be spread out geographically on to Madeira Drive. It was a further piece of work to identify the wishes and needs of tourists.

8.97 AB told the rest of the panel that work had been done in Hastings which concluded that visitors did not want the older activities they associated with visiting in their childhood to be removed from the seashores they visited. This suggested that Brighton & Hove may need particular activities to appeal to the family market and may need to find out what this sector wanted from the city. There was also the need to find out why people would alter from being a day visitor to the city to making an overnight stay. The seafront is often seen as a free visit, but this could be a way of looking at how to generate greater income from it.

8.98 TM told the panel that there was a definite gap, that visitors as a whole were surveyed on why they came to Brighton & Hove. But there was no data on why people chose to visit this seafront and how much they might spend. If a development was planned in the area it would be so useful to have information for example on visitors to the Volks Railway and their potential spend. AB said that it would be important to know this kind of information when trying to assess whether it would be practicable to introduce a tourism tax.

8.99 Q: Would an investment strategy for the seafront be part of the shopping list of what is needed to tackle this issue?

IS told the panel that any investment strategy would need to dovetail with the Seafront Strategy. The scale of capital investment required meant that there was a need to balance the amount of money needed for on-going maintenance of the seafront with the capital investment needs of the seafront. A £50,000 grant for the swimming club, showed that small grants can have a big impact on a particular user group.

8.100 Q: Do you think there is the need for a shopping list of what is needed so we can be ready to go for any funding opportunities which come up for the seafront?

IS told the panel that opportunities for the seafront area were identified in the maps in the Seafront Strategy.

8.101 **Martin Eade (ME), Coast Protection Engineer** explained that local authorities don't have to defend their coast as it was not a statutory obligation. However if it was not defended then the beach and the seafront will be gone. The Brighton & Hove coastline could be divided into 2 areas:

- East of the Marina – only the cliffs and the Undercliff walk,
- West of the Marina was the popular bit.

8.102 The East and West sides of the coast line had different needs. The west side was experiencing more difficulties, for example at Shoreham Port which had been enormously damaged in the last few months. The city boundary was in Shoreham Port and it has not yet been resolved whether the City Council can bid for grant aid to support coast defence work there. It would be particularly difficult if there was not general revenue money available. Coastal defence is seen as a national priority but applying for funding from the Environment Agency is a very complex and longwinded process. It typically takes two years to develop a shoreline management plan and then a further two years to turn such a plan into an action plan or a strategy after which an application can then be made for grant aid towards actual works. The Environment Agency must approve each of these steps, this process can take decades. The first application for the reconstruction of the Undercliff walk was made in 1984, the project was completed in 2006.

8.103 They were currently looking at work between the Marina and the River Adur. This planning process had started in 2001, a strategy study had been completed in 2003, rejected two years later for being out of date. They were hoping to go to Committee on this on the 1st July this year (2014) to seek committee approval to the submission of a further strategy study to the Environment Agency for approval. If approved by the Environment Agency then this allows them to submit capital programme bids. If this work outline in the 2003 strategy had commenced in 2003, one may not have seen the flooding happen to those 20-30 properties which happened on Valentine's day. Climate change means the current defences are becoming less effective. The required capital funding was there, it was necessary to keep pushing to get it. The Environment Agency's influence was increasing, in the future they could take over control of coastal protection as well as sea defence, which could see local authorities lose a lot of control.

8.104 **Q: What are the highlights of the report going to committee in July?**

ME explained that the strategy was focussed on the coast from the river Adur to the Marina. It has revealed that there are a number of areas which will require attention over coming years - Shoreham Port, the area in front of the King Alfred and around the Palace Pier, works would include extending the length of the groynes and increasing the size of the beaches. The easterly drift of beach material meant that the beached defending the Port were decreasing in effectiveness. Last autumn, money from the Environment Agency had enabled us to move shingle from the Marina to Shoreham Port. The cliffs were also a singular problem but they are not part of the July report.

8.105 **Q: The cliffs around Asda made people worry that they might fall down. Was erosion escalating this issue and could it lead to significant problems?**

ME told the panel that cliff instability was a difficult area and nobody knew how much of the cliff could fall down. It would be beneficial if research was done to gain more information. There was a close link between weather and cliff instability, and work was being done to try and predict it. In 2001 there had been a substantial collapse which had shut Asda for approximately four months. As a result cliff stabilisation works have been carried out. The work had been done in two stages to minimise the size of the collapse:

- Mesh,
- Bolts.

8.106 The cost was met from the LTP as the cliffs behind Asda were not seen as coastal defence. AR told the panel that the cliffs were supporting the road above and so any fall in cliffs would affect how transport will continue to flow in the city, which is why the LTP had been used to fund. ME finished by telling the panel that, at present, it was not possible to predict when cliff collapses would result in the coast road becoming impassable.

8.107 Howard Barden (HB), Head of Tourism told the panel that the tourist economy was worth £800m to the city and we welcome over 8 m visitors each year to Brighton & Hove. 13% of the local workforce (18,000 people) were employed in the city because of tourism. Data which was taken from the Tourism South East Impact study in 2012.

8.108 A VisitEngland survey gave us an insight into visitor satisfaction. It found that 72% of all visitors to the city went to the beach or seaside during their visit. This equates to 6m people, and does not include residents who take their family to the seafront when they come to visit. The big majority of those visitors to the seafront are drawn to the area between the Piers.

8.109 The visitors to the seafront mirror the characteristics of the overall visitors to the city. We have a very broad visitor profile in terms of age, life stage and socio-economic groups. This means that there is a need to cater for all kinds of groups when planning for what the seaside needs to deliver. It also means that the beach and seafront is critical to the tourism offer. It is also a visual icon and our shop window as it plays host to the following activities:

- Informal recreation
- Formal recreation
- Events, including during the Brighton Festival
- Retail and dining offer (with around 20 eating establishments and 20 bars)

8.110 When compared to other seaside destinations, visitors go to the beach in Brighton by 1% more. This could be because the seafront is part of:

- An all year offer, unlike some other seaside resorts
- The night time economy, including those bars and restaurants
- The attractions, such as the Pier and the Wheel are open at night

8.111 However the survey found that Brighton & Hove was somewhat lagging behind in different elements of visitor satisfaction. For example:

- 19% of visitors rated the beach as 'excellent' for clean and well maintained compared to 27% of seaside destinations as a whole. Cityclean do a good job, but this area had high use and the visitors have a high impact on the seafront
- 22% of our visitors rated us as excellent in terms of a beach that is safe and suitable for bathing, compared to 26% nationally

- The current offer may not be appealing to older people (empty nesters)

8.112 HB agreed to forward a copy of this survey to the panel.

8.113 **Q: The desirability of putting up some developments to act as a focal point for the seafront, such as art galleries, has been mentioned. Can you think of any other ideas, for example to meet the needs of older visitors?**

HB was not sure how one managed to put the case for the building of a new art gallery as these were often developed in more deprived areas. He believed that the i360 represented a fundamental step forward. He also believed that a more representative survey may be needed to provide suggestions on how to prioritise developments and services for particular groups and sections of the seafront.

8.114 **Robert Edwards, Committee Member Kingscliffe Society and Brighton Society** explained that the Kingscliffe Society was the main amenity and conservation group for the area between the Steine and Sussex Square. This took in the area of the beach between the Pier to the Banjo Groyne on the border of St James Road. This included the Madeira Wall and Terrace and many listed structures. He had long campaigned for the significance and vulnerability of this area.

8.115 The overall typography of the city was of high chalk downland and steep shingle beaches, leading down to wide uninterrupted sea views. The groynes and the piers, as well as the Lido, make a fundamental sense. Most conservation groups would not welcome intrusive structures on the south side and do not welcome modern structures on the Palace Pier. We recommend adherence to the existing roofline as the maximum height of structures at Peter Pan. The draft Seafront Strategy was like a breath of fresh air and was very lucid in content. There was also for the area an admirable character study by the council.

8.116 The Kingscliffe Society approved of the principle of 28 days of events on Madeira Drive. They would like terraces to be restored at the Aquarium and hoped for the replacement of the worst existing features. They cherished the uncluttered open promenade on Madeira Drive. However there was a chronic need for more amenities like the Peter Pan playground as well as:

- Deckchairs
- Benches
- Kiosks
- Cafes
- Parasols
- Shelters
- Toilets
- Showers

8.117 The Society appreciated the appeal of the Yellowwave but it encroached over too much of the shingle beach. There was respect for the care taken on siting new developments on the seafront. However there did seem to be a terrible purple light coming from the beach volley ball court. RE felt that the eastern half of Madeira Terrace was desolate and so the kayaks were a wonderful site and increased the use of this part of the seafront.

Would it be possible to learn from some of the developments and actions which have renewed Hove Lagoon?

8.118 It would be extremely useful to have an extension of the street light from Peter Pan to Black Rock and they felt that the large information sign was very effective and well used. It was suggested that a seasonal open top bus could run along the seafront. The Society welcomed the repairs to the Bandstand and the Madeira Lift be a which last year had been a really reliable and functioning lift. It was felt that public awareness of the issues facing the seafront needed to be raised and their needed to be better guidance.

8.119 **Q: Does your Society have a view on the Terraces and potential sources of funding, especially as it may not quality for Heritage Lottery Funding?**

RE told the panel that the Society would like to consider if the Terraces, Shelter Hall and the lampposts and other structures could be promoted to Grade 2* listing. He had visited San Sebastian, Nice and Vienna and elsewhere and these show pieces ought to be kept in world class condition. New developments could be based on innovative ideas, not just depending on being able to build an ice arena or such like single big speculation at Black Rock.

9 DATE OF NEXT MEETING

9.1 The date of the next meeting was 11.04.14.

10 A.O.B

10.1 There was none.

The meeting concluded at 12 noon.

Signed

Chair

Dated this

day of