

Brighton & Hove City Council

Budget Council

Agenda Item 94

Date of meeting 22 February 2024

GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2024/25

Brighton & Hove Independents amendment 1.

It is proposed to:

1. Stop the implementation of the current design of Valley Gardens phase 3 and work with the C2C LEP Investment Committee or its successor body, with the aim of achieving a scheme design that can be delivered with the £6 million grant from the LEP only.
2. Redirect the £1.813m planned resources dedicated to this scheme from the Local Transport Plan Grant, net of repayment of expended Local Growth Fund Grant, to maintaining existing roads and filling potholes.
3. Redirect the planned financing costs of the £5 million borrowing earmarked to support this scheme from 2025/26 onwards to help fund vital community services that are under threat.
4. Redirect the £20,000 S106 contribution to a project near the development from which this money was derived.

Chief Finance Officer Comments:

The proposal to stop the existing design of Valley Gardens Phase 3 would result in a 'Funding Withdrawal Notice' and the potential return £6 million Local Growth Funding received from C2C LEP with no assurance this funding would be reallocated to a revised scheme. However, the LEP has indicated informally to third parties that it is open to negotiations as it recognises that building costs have escalated and travel patterns changed.

The council has already expended £0.783 million of this funding to date and therefore this will require utilising funding allocated from the Local Transport Plan (LTP) Grant for this project to reimburse the LEP. This would leave £0.817m LTP Grant, earmarked for this project in future years, available for reallocation for transport related expenditure.

The £5 million borrowing allocated to this scheme would no longer be required and will therefore result in savings in the financing costs budget in 2025/26 onwards, helping to reduce the budget gap in future years.

Redirecting the S106 funding would be subject to the conditions attached to this resource.

The council has incurred £0.996m in costs for the project to date (including £0.213 from LTP funds) and this investment is very likely to be lost if no alternative scheme is supported by C2C LEP or its successor body.