

Appendix 6

THE WEST PIER TRUST – STATEMENT ON i360

Aims of the Trust

The West Pier Trust was created in 1978. It is a charity and a limited company which owns the pier and the rights that attach to it. It is non-profit making. The objects for which the Trust is established are:

- 1 to preserve and enhance for the public benefit the area comprising the Pier, the foreshore around and below it and their immediate surroundings which are hereinafter referred to as ‘the area of benefit’;
- 2 to promote high standards of planning and architecture in the area of benefit;
- 3 to secure the preservation protection development and improvement of features of historic interest in the area of benefit.

Benefits arising from construction of i360

Following the destruction of the greater part of the West Pier and after an approach by Marks Barfield with the i360 proposal, the Trust entered into an agreement with Marks Barfield for the construction of the i360 on the site of the root end of the pier. This brings the following direct benefits to the Trust:

- Construction of an iconic visitor attraction as innovative as the West Pier in its day;
- Addressing the problem of the derelict root end of the pier, the arches underneath and attracting investment in the immediate area;
- Securing retention and rebuilding of original Victorian Tollbooths, railings, parts of the cast iron supporting structure and other key artefacts from the original pier in the new building;
- Generating an annual income to enable the Trust to continue operating and meeting its aims.

Indirect benefits to the Trust and the seafront generally will be:

- The ability to fund, subject also to Heritage Lottery Funding, the reconstruction of one of the iconic 1866 octagonal pier kiosks from the West Pier as a Heritage Centre with AV displays about the history of the pier;
- Enabling the Trust to fulfil its obligation to clear the sea wreckage. A S106 Agreement requires the wreckage of the pier between the promenade and the “sea island” to be removed;
- The ability to continue to monitor the condition and safety of the “sea island” The structure is steadily deteriorating through the effects of wind and waves and has no long term future.

In the medium term, the Trust is looking at options for the use of the land it owns on the site of the old pier. The Trust has had various approaches from interested parties, including one for the construction of a new “commercial” pier which would have comprised a substantial development including a hotel, apartments, a theatre and retail. The Trust rejected this proposal for a number of practical and aesthetic reasons. However, the Trust is in the process of exploring whether some form of contemporary pier which would complement the vision and design of the i360 could be achieved. This work is in the early stages and would be supported in part by the income generated for the Trust by the i360.

If i360 was not to proceed, the Trust would have to give serious consideration to its own future. It would be the second major development proposal for the site to have achieved planning approval but not to proceed. In the light of this, the Trust would have to work with the City Council to consider whether any development could be achieved which would be acceptable in planning and financial terms while also meeting the aims of the Trust.

APPENDIX 7

UK Local Authority PWLB funded projects

Croydon – new Council accommodation	£160m PWLB loan to John Laing for the Local Asset Backed Vehicle and the development of new council accommodation. The Council borrowed at the PWLB rate and lend on to John Laing at the market rate for the construction period (3yrs) and the lease period (25 yrs)
LB Barnet	Providing PWLB funding for infrastructure to enable the regeneration of Brent Cross Cricklewood regeneration
Bradford Council	£6m loan to developer McAleer and Rushe for the mixed-use Southgate Development
Newport Council	Friars Walk, Queensbury Real Estate £90m loan
Leeds Arena	c£40m of PWLB (total construction cost £60m).£40m of PWLB secured against operator rental stream (£20m) and car parking income (£20m)
Headingley Stadium Carnegie Stand	c£12m. PWLB funded majority of the works secured against the cricket ground revenue stream.
ACC Liverpool Exhibition Centre extension	c£40m. Conference and exhibition centre extension including HQ hotel. Council PB for the full amount secured against hotel management agreement and business plan for the extension and wider ACC Liverpool venue.
York Barbican	c£1m. The capital expenditure is to be funded from £0.687m of SMG's external resources and between £1m and £1.113m from prudential borrowing. SMG will pay the Council an annual rental over a 30 year period as tenant and the rent agreed with SMG will be set in accordance with the relevant arm's length commercial terms. The rent will be used to cover the costs of the Council's prudential borrowing.
Bristol Arena	c£30m
Elmbridge Leisure	c£5.7m New Elmbridge Xcel Leisure Complex. £5.7 million of the total cost of the project (£15 million) is being financed through prudential borrowing, of which £5.5 million was borrowed during 2005/06 with the remaining £0.2 million to be borrowed during 2006/07.

London Borough of Bexley	c£16m. Used PB (or loan equivalent) to build Sidcup Leisure Centre as part of 30 year PPP scheme. For the Sidcup element of the scheme, PB was used to make a £16m payment to the private sector construction firm on the completion of construction. By making this large payment up front they have also reduced the annual unitary charge to the PPP consortium for the operation of the centres, long terms maintenance and financing costs.
St Albans	c£15.7m. New leisure developments at Westminster Lodge. The most significant single scheme is the redevelopment of the Westminster Lodge leisure facility (£24.7m).
	Revolving funds and Housing Vehicles
Surrey CC	Establishing a revolving loan and investment fund of £75m
Wokingham	Subsidiary housing vehicle
Wandsworth	Establishing a Private Rented Sector Initiative
Daventry	Housing Vehicle
Fife Council	Revolving infrastructure fund utilising prudential borrowing

Wider Implications of not proceeding

If the council were to consider not proceeding with the i360 project for the foreseeable future the following likely outcomes and impacts should be expected for the Seafront, the City and for the owners of the site, The West Pier Trust.

Impact of not proceeding upon the Seafront

- The seafront, as the shop window of the city, and a key economic driver for tourism, remains blighted by a derelict site at its centre.
- Resolution of the site remains uncertain, and the council is faced with the possibility of having to manage this decline.
- The financial position of the West Pier Trust in the short to medium term, without the financial injection from i360, would not support major infrastructure repairs for the arches beneath the current West Pier or demolition works or restoration for the root end.
- There is an adverse impact upon seafront businesses due to exposure to closure and/or business interruption (the former Shelter Hall at West Street and Madeira Terraces are recent illustrations of the impact of closure and costs associated).
- The loss of circa 700-735,000 visitors to the western seafront area impacts upon the ability to create thriving new businesses here, particularly within the western arches. Income projections from the east and western arches are amended downwards (affecting business rate and rental income).
- Seafront landscaping remains unresolved for the old boating lake (west of the site) and paddling pool area (east of the site).
- The re-building of the original West Pier Kiosk and a bid for £450-500,000 of Heritage Lottery Funding can no longer be progressed.
- There is a risk of potential closure of the section of Upper Promenade above the redundant arches owned by the West Pier Trust.
- The cost for restoration of the arches remains unresolved and the area has to be closed off indefinitely impacting upon the seafront businesses and the use and amenity for the wider area.

Impacts of not proceeding upon the City

- A catalyst for growth and additional support to the tourism economy will be lost.
- The long overdue additional foot traffic to assist Preston Street and other businesses in immediate locality (part of the Brighton Improvement District) will not ensue, resulting in ongoing difficulties being felt by these shops and restaurants.
- The city will lose a £4m capital sum which is allocated for the i360 project by the Local Enterprise Partnership.

Impacts of not proceeding upon the West Pier Trust

- Full refurbishment of the arches beneath the root end (as offices within the Heritage Centre of i360) will not take place and these will remain in situ and unresolved for an indefinite period. As described above, potential closure may be required.
- Funds to pursue future development options for a new sea based pier (to be enabled via income from lease payments by i360) are no longer available.
- The removal of beach and low tide pier supports is postponed – until funds can be identified (and these remain in situ on the beach)
- West Pier Trust Board are severely hampered in their ability to progress their heritage objectives and support future development work – see also Appendix 6.
- Heritage Lottery Funding (£450-500,000) to fund reinstatement of the original West Pier Octagonal Kiosk (as part of final landscaping proposals to east and west of i360 site) and to act as a future educational resource and focal point for heritage education) is no longer able to be progressed.
- The two original toll booths of the original West Pier (due for reinstatement as Ticket Booths as part of the i360) remain in storage and subject to further deterioration.

APPENDIX 9

Work Undertaken to date by Marks Barfield Architects

A significant amount of work has already been carried out on the Brighton i360 project and it is ready to start within 6-8 weeks of funding being secured. Marks Barfield have to date invested over £4m as risk capital to get the project “oven ready”. Specifically:

- All Permissions, consents and permits for the construction and operation of the i360 have been granted including:
 - (a) Brighton & Hove City Council has granted full planning permission and listed building consent for the Brighton i360 and has confirmed that the project has formally commenced for planning purposes.
 - (b) Under the related section 106 Agreement Brighton i360 Ltd will pay Brighton & Hove City Council a contribution of £77,000 pre-opening and 1% of ticket revenues from year two onwards.
 - (c) The Council has agreed terms to surrender its lease of part of the site and to grant licences for use of adjoining areas of the seafront during the construction period and thereafter for catering purposes.
 - (d) The Ministry of Transport has made the required Harbour Revision Order to permit the grant of the lease and the development.
 - (e) The necessary highways consents and orders are in place.
 - (f) Terms agreed with Southern Water for the sewer diversion.
- The terms of the 125 year lease have been agreed with the owners of the vacant site, the West Pier Trust. After opening a rent will be payable equal to 4% of ticket revenues.
- A fixed price construction contract is agreed with a single overriding contractor and other contracts substantially agreed with the specialist subcontractors, architects and engineers.
- Terms have been agreed for the long term operation and maintenance of the capsule and related mechanism.
- The high grade structural flat steel plate for the main tower has already been purchased, rolled and welded into sections, securing the steel supply and reducing risk against future rising steel prices.

- Advanced piling operation and a proportion of the listed building works to remove the pier beach structure has commenced.
- A full Site survey has been completed, including a detailed topographical survey, Site Investigation (ground conditions) survey, and survey of the "arches" to determine the extent of any remedial and restoration works
- The detailed design for Brighton i360 is completed and has been protected by the granting of a UK Patent (no. 0418879.3), European Design Registration (no. 000221700) and a PCT Patent Application (PCT/GB2005/00224).
- A European Community Trade Mark Registration No 3948494 for the 'i360' mark has been registered in classes 37, 41, 42 and 43. On financial close Marks Barfield will assign these and any other intellectual property rights to Brighton i360.
- Guaranteed income secured in principle through heads of terms with the catering contractor.
- Formal permission given by the Civil Aviation Authority to allow Brighton I-360 Ltd not to comply with the requirements of Article 133 of the Air Navigation Order 2005.
- Building Regulations conditional approval granted.
- Construction and Environmental Management Plan (CEMP) approved.
- Construction Traffic Management Plan (TMP) approved.
- Site Waste Management Plan (SWMP) approved.
- All pre-construction planning conditions satisfied.