

**PURPOSE:** For reference**MEETING:** Cabinet**DATE:** 02 April 2019

TITLE	Avonmouth Severnside Enterprise Area Infrastructure Phase 2		
Ward(s)	Avonmouth and Lawrence Weston		
Author: Robin McDowell	Job title: Economic Development Team Manager		
Cabinet lead: Mayor	Executive Director lead: Colin Molton		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member			
Decision forum: <i>Cabinet</i>			
Purpose of Report:			
<ul style="list-style-type: none"> i) to seek the Cabinet Member’s approval of Phase 2 (detailed design and build) of the major capital scheme for the improvement of flood defence and ecological infrastructure for the Avonmouth Severnside Enterprise Area, which extends across the City of Bristol and South Gloucestershire boundary from Bristol Port to the Severn bridges, following a) completion of the Phase 1 scheme development (authorised by the Council, South Gloucestershire Council and the West of England Local Enterprise Partnership in June 2015) and b) approval on 28th September 2018 by the West of England Combined Authority (WECA) Joint Committee of up to £63.9 million from the West of England Economic Development Fund (EDF) for the scheme, which is conditional on ii) below. ii) to seek the Cabinet Member’s approval of the Council’s borrowing requirement of up to £31.95 million to co-finance the scheme, which is secured against the West of England EDF, and the associated timescales for its phased repayment from the EDF, as agreed by the West of England Business Rates Pooling Board. iii) to seek delegated authority for the Executive Director of Growth & Regeneration to conclude legal agreements between the Council, South Gloucestershire Council and the Environment Agency as the client partners. iv) to seek delegated authority for the Executive Director of Growth & Regeneration and S151 officer, to agree the necessary phasing of the scheme in line with funding release from all parties in this collaborative partnership scheme. 			
Evidence Base:			
<p>The Avonmouth & Severnside Integrated Development, Infrastructure and Flood Risk Management Study (2012) sought to identify the challenges to the Avonmouth Severnside Enterprise Area’s (ASEA) development and suggested a viable way forward to ensure that existing infrastructure and development within ASEA, which is adjacent to the protected (Special Area of Conservation) Severn Estuary area, remained sustainable and compliant with the Habitat Regulations. In particular, the Study explored the key challenges and opportunities to address and identified issues in relation to flood risk and ecology mitigation. It concluded that ASEA’s industrial development potential could be achieved through:</p> <ul style="list-style-type: none"> i) The continuing economic development of about 350 hectares (ha) of green field land within the extant 1957/58 planning permissions (generating significant employment opportunities in the area). ii) The development of a further 60ha of green field land within the study area (in doing so, allowing the opportunity for such land to be incorporated within Council Local Plans). <p>However, to fully realise such potential the Study identified that it was necessary to:</p> <ul style="list-style-type: none"> i) Reduce the increasing risk of flooding within the area and to better protect both existing and future (re)development and infrastructure. ii) Mitigate the impacts of development on the area’s important ecology by setting land in the area aside for habitat enhancement (such land provision effectively mitigating against potential objection to the Local Plan that could 			

prevent further development within Avonmouth).

- iii) Take an integrated approach to dealing with the area's challenges so as to avoid piecemeal development that increases the risk of flooding elsewhere, harms the area's ecology and has an adverse impact on the area's transport infrastructure.
- iv) Undertake further detailed studies to confirm details and costs of the flood defence, and ecology options, including, if appropriate, proposals for the phasing of those options.

The Phase 1 project to design and develop the ASEA flood defence and ecology works scheme was approved by West of England LEP, South Gloucestershire Council and Bristol City Council in 2015 and was managed by the Environment Agency and the two Councils over 2016-18, under a three-way Collaborative Agreement, resulting in a Full Business Case (see Appendix A) and planning applications being submitted to the two Local Planning Authorities. BCC Development Control Committee approved the application on 28th November 2018, and the equivalent SGC Committee approved the application on 7th February 2019, subject to various conditions.

Cabinet Member / Officer Recommendations: That Cabinet:

1. Approves the Council's involvement in the scheme for the design, construction and maintenance of flood defences and ecology mitigation works within the Avonmouth Severnside Enterprise Area (ASEA) detailed in Appendix A.
2. Approves the Council's contribution of up to a maximum of £31.95m for the scheme to be funded initially through borrowing but which will be reimbursed from the West of England Economic Development Fund (EDF) as detailed in the report.
3. Agrees the Council's capital programme be amended to incorporate the budget profile as set out in Table 1 to Appendix G of this report and associated funding sources as detailed in this report.
4. Agrees to reprofile £20m of the EDF to the scheme as referred to in Appendix A paragraph 35c and Appendix G).
5. Notes that it is intended that £36.6 m grant funding, in total, for the flood defence design build scheme will also be provided by DEFRA (administered by the Environment Agency)- £4m via the Wessex Regional Flood and Coastal Committee (confirmed) and £32.6m via Flood Defence Grant in Aid (business case approved but no allocation yet made – see Appendix A paragraphs 24-28 and Appendix G).
6. Delegates authority to the Strategic Director for Growth and Regeneration, in consultation with the Cabinet Member for Finance, Governance and Procurement, and the Director of Finance:
 - a) to agree the completion of the Inter-Authority Legal Agreement between the Council, Environment Agency, and South Gloucestershire Council, and
 - b) to take programme and financial decisions within the budget envelope and scheme of delegation as the project develops.
7. Approve the process for the award of the contract for the scheme, which has been procured via the Environment Agency's Water and Environmental Management Framework (Lot 4), on the basis of the Contract Award Report.
8. Acknowledges both the economic benefits and the financial and contractual risks associated with the implementation of the scheme, (as detailed in the report) and therefore, requires Officers to utilise the project governance arrangements to identify opportunities to re-programme the scheme as necessary to ensure (so far as practicable) the scheme can be completed within the budget envelope. It is noted that further Cabinet approval will be required to agree any scheme re-programming which has a financial impact on the Council.

Corporate Strategy alignment: The primary objective of the scheme is to promote sustainable growth and development, which underpins many of the Themes of the Corporate Strategy, particularly 'Fair and Inclusive' and 'Well Connected'. The scheme also demonstrates how BCC is delivering some of the core principles, e.g. improved city resilience, as well as our Values and Behaviours e.g. collaborative working and taking ownership.

City Benefits: The primary objective of the scheme is to promote sustainable economic growth and development and provide access to significant new employment for local communities in logistics, manufacturing, energy, waste and other industrial sectors over the next 20-30 years. It is estimated that, within the BCC sector of Avonmouth Severnside, 5,603 full time equivalent jobs will be created, generating an additional £358 m economic output (GVA). The scheme will also reduce the risk of flooding to existing commercial and residential communities in Avonmouth, with an allowance for climate change, thus improving the long-term health and sustainability of the area's citizens by significantly reducing the risk of a major incident that would otherwise cause significant health impacts.

Consultation Details: The project team has engaged with statutory and non-statutory stakeholders, operators, businesses, landowners, the public and Environment Agency, South Gloucestershire Council and Bristol City Council

internal teams. As part of the engagement process, several stakeholder sub-groups have been established and approached at key project stages. Two stakeholder meetings and a round of public exhibitions and roadshows have also been held. Feedback from the process has helped to shape the preferred options during the appraisal stage. The Preliminary Environmental Information Report (PEIR) has been consulted on internally and externally. The project team have engaged with Natural England on the Habitats Regulations Assessment. The Water Framework Directive assessment has been through an internal Environmental Agency engagement process with relevant specialists. The project team has continued this engagement to the completion of the detailed design phase of the project providing ample opportunity for partners and the local communities to give their views and shape the final design. Regular Newsletters have been sent to community groups in the Avonmouth and Lawrence Weston and wider area adjacent to ASEA, as well as local Ward Members, relevant Cabinet Members and the Mayor's Office. A summary of feedback from the engagement process and the Statement of Community Involvement submitted with the Planning Application to the Council are included in Appendix B.

Revenue Cost	£ 0 m	Source of Revenue Funding	N/A
Capital Cost	£ 67.9 m	Source of Capital Funding	West of England EDF and Defra
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

Finance Advice: Please see Appendix G

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth & Regeneration, 22/03/19

Legal Advice:

1. This scheme appears to be in line with the corporate strategy regarding inclusion and enhancing city resilience with increased business opportunities.
2. A tri-partite Inter Authority Collaboration Agreement will be put in place between South Gloucestershire Council (SGC) - as the lead and accounting party, BCC and the Environment Agency (EA). The EA's statutory powers are required to achieve the objectives of this project and the EA framework is to be used to procure the contractor. The Agreement acknowledges that the Environment Agency will lead in the procurement of the contractor (under its framework) and will enter into the contract. The two local authorities (BCC and SGC) commit to underwrite the costs of this contract in full. This would include any cost overruns (however arising), and according effective contract management/monitoring is essential. The initial draft of the Inter Authority Agreement has been provided by the Environment Agency and is currently being reviewed. Appropriate clauses will be sought to ensure an effective role for the Councils in contract management/monitoring in order to help protect their financial exposure.
3. It is understood that the combined funding from the two Councils (each is committing £31.95m) is sufficient to meet the estimated contract value (circa £48m) and all other related project costs. Additional funding is however being sought from DEFRA, (which if forthcoming will reduce the Councils borrowing requirements) but at this time this is not guaranteed. Accordingly should project costs exceed the council's current contribution (including increased contract payments) the Council will be required to meet these. The report makes clear that should this situation arise, steps will be taken to mitigate the financial impact on the Councils, and a further report will be made to cabinet.
4. The Council must comply with the requirements of the Public Sector Equality duty when making any decisions. The duty requires the decision maker to consider the need to promote equality for persons with "protected characteristics" and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. In order to do this the decision maker must have sufficient information about the effects of the proposed decision on the aims of the Duty. The Equalities Impact Assessment is designed to assist with compliance with this duty.
5. Further advice will be provided throughout the scheme as and when needed.

Legal Team Leader: Eric Andrews – 22/03/19

Implications on IT: There are no immediately identifiable implications for BCC IT in this initiative. Should any

implications emerge in this or future stages of this project, then they will need to be referred to IT Services via the appropriate business change routes in Change Services.

IT Team Leader: Ian Gale – 08/03/19

HR Advice: No direct HR implications envisaged.

HR Partner: Celia Williams – 18/03/19

EDM Sign-off	Colin Molton	25/03/2019
Cabinet Member sign-off	Mayor and Cllr Cheney	05/03/2019 & 03/12/18
CLB Sign-off	Mike Jackson	05/02/2019
For Key Decisions - Mayor's Office sign-off	Mayor's Office	25/03/2019

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	YES
Appendix H – Legal Advice	NO
<p>Appendix I – Combined Background papers</p> <p>Avonmouth Severnside Enterprise Area Infrastructure (Flood Defence & Eco-mitigation) Phase 2 – Full Business Case: 30 July 2018</p> <p>Council Report – City Deal Growth Incentive Proposals: 9 July 2013</p> <p>Cabinet Report – Avonmouth Severnside Enterprise Area Infrastructure Phase 1: 2 June 2015</p> <p>The Severnside/Avonmouth Wetland Habitat Project Stage 1: Distribution of Wetland Birds Within the Study Area: October 2010</p> <p>Avonmouth/Severnside Strategic Flood Risk Assessment Level 2: March 2011</p> <p>Severnside & Avonmouth, Wetland Habitat Project, Stage 2: Review of Consent at Severnside and Avonmouth Impact Assessment: December 2011</p> <p>Avonmouth and Severnside Integrated Development, Infrastructure and Flood Risk Management Study: February 2012</p> <p>Avonmouth Severnside Outline Development Strategy – Final Report: April 2012</p> <p>Avonmouth-Severnside Flood Management Optioneering Report: November 2013</p> <p>West of England Local Enterprise Partnership Flood Defence Outline Business Case: October 2014</p> <p>West of England Local Enterprise Partnership Ecology Mitigation Outline Business Case: Oct 2014</p> <p>West of England Local Enterprise Partnership Avonmouth Severnside Enterprise Area Phase 1 Full Business Case: October 2014</p> <p>Severn Estuary Shoreline Management Plan 2: February 2017</p>	Please list each paper
Appendix J – Exempt Information	YES
Appendix K – HR advice	NO
Appendix L – ICT	NO