

# Decision Pathway Report

**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 04 October 2022

<b>TITLE</b>	<b>Bristol Avon Flood Strategy</b>		
<b>Ward(s)</b>	Hotwells and Harbourside, Central, Bedminster, Southville, Lawrence Hill, Brislington West, Brislington East, St George Troopers Hill, Avonmouth & Lawrence Weston		
<b>Author:</b> Shaun Hartley	<b>Job title:</b> Project Director		
<b>Cabinet lead:</b> Cllr Nicola Beech, Cabinet Member for Strategic Planning, Resilience and Floods	<b>Executive Director lead:</b> Stephen Peacock, Executive Director of Growth and Regeneration		
<b>Proposal origin:</b> <i>BCC Staff</i>			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> <i>Cabinet</i>			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>To seek Cabinet endorsement of various components of the Bristol Avon Flood Strategy, including the joint working arrangements with the Environment Agency, as it progresses through to its delivery stages.</li> <li>To note the indicative future allocation of capital funding for the project and authorise the Executive Director to pursue funding bids.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>The flood problem: Parts of Bristol city centre are at increasing flood risk from the River Avon from high river flows and tidal surges. Currently, a severe flood from the River Avon would result in the flooding of some 1,300 homes and businesses. By the end of the century climate change is predicted to increase the chance of such floods to as much as once a year, whilst the extent of a major flood would increase to around 4,500 existing properties. The social and economic impact would be lasting and widespread across the South-West.</li> <li>The development impact: Future projections of flood threat pose a significant constraint (or blight) to potential development. This brings a risk that Bristol will not be able to deliver fully on its housing ambition (including St Phillips Marsh and part of Western Harbour). This in turn would increase pressure on neighbouring authorities and greenbelt. Critically, with the flood threat, there is a risk that the updated Local Plan would not pass examination.</li> <li>Recent planning enquiry outcomes have permitted development in flood risk areas, provided such development addresses its own flood risk. This creates a significant risk, through piecemeal development, to the delivery of a coherent approach for flood defences. In so doing, such planning outcomes could erode the opportunity to provide the wider social and environmental benefits being promoted by the Bristol Avon Flood Strategy. It is therefore imperative that development which is inconsistent with the Strategy is resisted while the ongoing update of the Local Plan will seek to embed this requirement into policy. Until the Local Plan is updated, a Planning Position Statement is proposed to consolidate the Council's position in respect of emerging development in the Strategy area (Appendix A3).</li> <li>The solution: We are working with the Environment Agency to deliver a long-term plan to better protect homes and businesses from flooding and enhance the riverside environment for all. Our ambition is for flood defences that work for Bristol year-round, not just when the river floods. By designing defences that improve public spaces, we will provide new green spaces, better access to the river, enhanced heritage features, and</li> </ol>			

improved transport connections including active travel routes. By using this strategic approach, we can protect Bristol and create a more healthy, sustainable and resilient city.

5. Following public consultation which demonstrated strong support for the proposals and technical approval by the Environment Agency, in March 2021 Cabinet endorsed the preferred approach of adaptive raised defences as set out in the Strategic Outline Case (SOC). The adaptive (phased) and integrated flood risk management strategy was forecast to total £249m. Phase 1 of the Strategy in the 2020s was forecast to cost £216m. The SOC identified potential for Flood Defence Grant in Aid (FDGiA) funding of £69m. The Economic Development Fund includes a £10m programme allocation which needs to be formally applied for. At SOC stage, Phase 1 had a £137m (~63%) funding gap. The project is developing a strategy for funding, alongside the approach to resolving the shortfall, to build confidence in delivery of the scheme. The emerging funding strategy is included in Appendix A4, which details both the high-level approach to the strategy and the range of potential sources of funding that will be explored. These include Community Infrastructure Levy (CIL), Council Reserves, WECA and other Central & Regional Government funding, as well as any private sector funding. The funding strategy will be further developed with the support of the EA. Engagement with WECA over funding opportunities is also ongoing. The flood defences will be designed to be adapted and extended during Phase 2, expected to be in the 2060s.
6. For the Council to construct and maintain the flood defences on the River Avon, the EA will need to delegate some of its statutory powers to the Council. This will need a legal agreement. A progressive series of agreements between the Council and the EA are being introduced to provide a pathway to the final legal agreement. These start with a Memorandum of Agreement, which consolidates the intent to work together. Building on this is the Initial Collaboration Agreement, to capture the funding and planning obligations to increase confidence in delivery. The final agreement, with versions expected to be needed for both Build Stage 1 and Build Stage 2, will delegate powers for delivery and management of the defences.
7. Progress: Since Strategic Outline Case adoption March 2021, the focus has been on developing the funding strategy and Outline Business Case.
  - Autumn 2021 engaged key stakeholders and convened workshop. Recommendations from that were embedded into the workstreams.
  - Outline Business Cases and plans to secure the additional funding required for the first phase of the strategy are currently being developed. Technical work includes improving flood modelling evidence to better define necessary works upstream and downstream, and reviewing budget allowances for works at Entrance Lock and Netham Lock.
  - Identification of potential future Council funding sources, as part-contribution to the overall capital cost, to demonstrate commitment to delivering the scheme.

#### **Cabinet Member / Officer Recommendations:**

That Cabinet

1. Approves the Initial Collaborative Agreement between Bristol City Council and the Environment Agency at Appendix A2, noting the Memorandum of Agreement between Bristol City Council and the Environment Agency (Appendix A1) setting out the partnership relationship between the two organisations for the purpose of delivering the project.
2. Notes the need for development to align with the Bristol Avon Flood Strategy, in advance of adoption of the updated Local Plan.
3. Notes the need to resist development that is incompatible with the emerging Strategy, including in respect of coherence and connectivity of the riverside corridor.
4. Approves the Planning Position Statement at Appendix A3 to reinforce and consolidate Bristol City Council's current position in respect of development in areas of flood risk.
5. Notes the emerging funding strategy principles as set out in Appendix A4.
6. Authorises the Executive Director, Growth and Regeneration, in consultation with the Deputy Mayor, City Economy, Finance and Performance, and the S151 Officer to prepare and submit a business case to apply to WECA for Economic Development Funds to the value of £10m, to support the delivery of the physical works,

as identified as Bristol City Council's programme allocation in the BAFS SOC.

7. Authorises the Executive Director, Growth and Regeneration, in consultation with the Deputy Mayor, City Economy, Finance and Performance, to approach WECA to prioritise support for the delivery of the physical works in future funding applications.
8. Approves an allocation of Community Infrastructure Levy towards delivery of the Bristol Avon Flood Strategy of £20.395m from FY 2025/6 to 2031/2 inclusive (being typically £3m/yr but £2.395m in 2026/7) into the budget setting process for 2023/24 for Full Council consideration in February 2023.
9. Notes Council's March 2022 budget allocation of £10m of Reserves towards delivery of the Bristol Avon Flood Strategy.

#### **Corporate Strategy alignment:**

The proposals align with the key themes of the corporate strategy, particularly by:

- Creating more resilient communities (Wellbeing). The proposals will enable communities currently at risk of flooding to be adequately protected from the risk of flooding over the next century, which will bring positive mental health benefits. The approach being advocated will also encourage improved physical health opportunities by providing walking and cycling routes along the river frontage.
- Taking steps to make Bristol a joined-up city (Well connected). Our vision shows how we intend to create measures that work for Bristol all year round and not just when flooding is expected. A key part of this is by integrating enhanced high-quality connectivity along the river.
- Pursuing economic growth (Fair and Inclusive). The proposals are estimated to bring over £7bn of benefits to the region and £1bn of benefit to the UK.
- In November 2018 the city councillors and the Mayor declared a Climate Emergency. In February 2020, the Mayor and One City partners declared an ecological emergency in response to the decline in wildlife in Bristol.
- One City Plan has an ambition for a city fully resilient and able to respond to rising water levels and localised flood risks. A priority is nature-based solutions delivering multiple benefits, e.g. improving habitats and reduce flooding and pollution across the West of England.

#### **Regional Benefits:**

Implementation of the Flood Risk Strategy will significantly enhance Bristol's resilience to the threat of flooding for many decades. It will also enable a greener city by promoting more active travel routes, while unlocking Bristol's potential for delivering more homes and businesses on brownfield sites currently subject to flood risk. The proposals will provide mental and physical public health benefits by enabling better walking and cycling links while reducing flood risk. The Strategy will help to address the climate and ecological emergencies by reducing the risk of flooding and incorporating biodiversity improvements. The proposal will enable social value to be captured by enabling the delivery of new places to live, work and visit, focusing on connectivity and inclusive growth.

#### **Consultation Details:**

A limited, informal consultation is underway on the Planning Position Statement. While not formally required as no new policy is being introduced, the Project Team considered it beneficial to seek limited feedback from some key stakeholders to ensure the successful impact of the Statement. This pre-alignment with interested parties is considered beneficial as it will strongly encourage a collaborative approach to the creation of plans for development that align with the aspirations of the Strategy.

Further public consultation is not required for the Outline Business Case stage of work, although interested parties are kept informed via the Community Engagement Team, with dedicated briefings by the Project leadership to key stakeholders in the region. Targeted public engagement to explore opportunities and inform emerging budget proposals at Entrance Lock and Netham Lock in Autumn 2022. Periodic project newsletters are available at the following web location:

[www.bristol.gov.uk/council-and-mayor/policies-plans-and-strategies/energy-and-environment/flood-risk-strategy](http://www.bristol.gov.uk/council-and-mayor/policies-plans-and-strategies/energy-and-environment/flood-risk-strategy)

*Historically*, the project has previously been consulted on during the Strategic Outline Case stage, notably the Strategic Outline Case itself and the supporting Strategic Environmental, from 26th October – 20th December 2020.

In addition to the public consultation, the project has also gone through a technical assurance process with the Environment Agency's Large Project Review Group and the SOC has been granted approval for progression to OBC. Details of this consultation and technical assurance were included in the previous Cabinet report for March 2021. They are not repeated in this report.

**Background Documents:**

The following documents are included in the Appendices:

- The emerging Funding Strategy (an evolving piece of work at the time of submission of this Paper, though with its principles established)
- Memorandum of Agreement between the Council and the Environment Agency
- Initial Collaborative Agreement between the Council and the Environment Agency
- Planning Position Statement

All historical technical reporting can be found at <https://www.ask.bristol.gov.uk/bristol-avon-flood-strategy-consultation>.

<b>Revenue Cost</b>	n/a	<b>Source of Revenue Funding</b>	n/a
<b>Capital Cost</b>	n/a	<b>Source of Capital Funding</b>	n/a
<b>One off cost</b> <input checked="" type="checkbox"/>	<b>Ongoing cost</b> <input checked="" type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

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

**Finance Advice:**

1. This report seeks Cabinet endorsement of various components of the Bristol Avon Flood Strategy and request delegated authority to progress various funding bids and proposals.
2. The current estimated cost of the Phase 1 of the flood risk management strategy totals £216m, as set out in the Statement of Case approved by Cabinet in March 2021. Work is actively being undertaken on the OBC which will provide an update on this figure and greater cost certainty. This is expected in Autumn 2023.
3. The following funding sources have been identified (pending formal applications) for the works:
  - a. EA FDGiA £69m (profile of this funding is critical to accelerating strategy).
  - b. BCC EDF £10m.
  - c. BCC earmarked reserves £10m.
4. This leaves a further £127m of funding to secure. This report seeks to unlock further funding sources, namely:
  - a. BCC Community Infrastructure Levy (CIL) through its inclusion in the BCC budget process for 2023/24, noting any decisions to allocate will be taken by council in Feb 2022 at £20.395m.
  - b. Explore £25m of funding through WECA
5. It is recognised that further funding will be required to fully fund the scheme. To this end work is being undertaken to update the funding strategy approved by Cabinet in Mar 21. The updated funding strategy is anticipated to set out the opportunities and a roadmap to secure additional funding.
6. It is worth noting that BCC has already committed significant funding toward the Cumberland Road Stabilisation and related works supporting the delivery of future flood defences.
7. It is recognised that the investment required to fund the strategy will be over the long term and the project will need to be split into phases, each of which will need to be fully funded before works commence. The acceleration of the necessary construction work will be largely dependent on funders ability to prioritise their contributions.
8. From a financial perspective all parties involved in the project will need to follow their due diligence and governance processes for business cases and funding bids to be successful.

**Finance Business Partner:** Kayode Olagundoye, Interim Finance Business Partner, Growth & Regeneration, 8<sup>th</sup> September 2022

**2. Legal Advice:**

The development of a Bristol Avon Flood Strategy is in compliance with the Councils functions and responsibilities as a local authority under the Water Resources Act 1991, as well as a Coast Protection Authority under the Coast Protection Act 1949 and as Harbour Authority, and as a risk management authority under the Flood and Water management Act 2010.

The Memorandum of Agreement is a high-level agreement between the EA and the Council on setting out the common objective and principles underpinning the cooperation between the EA and the Council in the development of a Bristol Avon Flood strategy. It sets out the approach to developing the Strategy, together with a funding strategy to support the scheme. It provides a framework for project governance and identifies the party's respective roles. It anticipates more formal arrangements between the parties once progress has been made on funding and planning policy issues, OBC etc.

The Collaboration Agreement addresses in more detail the period between OBC and FBC, identifying each party's financial and related contributions; identify further their roles and responsibilities and programme and governance arrangements for taking the project forward. It also begins to address the issues around funding of the Strategy, and the need for the Council to develop planning policy to support its implementation.

The intention going forward is for the parties to extend the Collaboration Agreement and/or conclude further agreement(s) which may involve the Council assuming directly some of the functions of the EA in order to commence the delivery of elements of the strategy on the ground.

**Legal Team Leader:** Eric Andrews; Legal Services; 19 August 2022

**3. Implications on IT:** There are no direct IT implications arising from this report. However, during the future development of an Outline Business Case, IT and Data & Insight colleagues should be engaged to assess needs and help identify potential project costs. These would include provision of IT equipment / access to any additional staff; considering any data sharing or systems integrations required between partners; any GIS/mapping needs and more. Assuming future works will not be funded from the General Fund, it is highly likely charges will apply for most IT/digital services and this will need to be factored in to costing and in to future IT delivery planning.

**IT Team Leader:** Tim Borrett, Director: Policy, Strategy and Digital, 11 August 2022

**4. HR Advice:** I have reviewed the proposals outlined in the attached and can confirm that there are no HR implications evident.

**HR Partner:** Chris Hather, HR Consultancy Manager - Growth and Regeneration, 10 August 2022

<b>EDM Sign-off</b>	Stephen Peacock, Executive Director Growth and Regeneration	10 August 2022
<b>Cabinet Member sign-off</b>	Cllr Beech, Cabinet Member for Strategic Planning, Resilience and Floods	22 August 2022
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	5 September 2022

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>YES</b>
<ul style="list-style-type: none"> <li>• A1 Memorandum of Agreement between the Council and Environment Agency</li> <li>• A2 Initial Collaborative Agreement between the Council and Environment Agency</li> <li>• A3 Planning Position Statement</li> <li>• A4 Emerging Funding Strategy principles</li> </ul>	
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>

<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>