

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 23 January 2024

TITLE	Bristol Avon Flood Strategy	
Ward(s)	Hotwells and Harbourside, Central, Bedminster, Southville, Lawrence Hill, Brislington West, Brislington East, St George Troopers Hill, Avonmouth & Lawrence Weston	
Author: Shaun Hartley	Job title: Project Director, Bristol Avon Flood Strategy	
Cabinet lead: Cllr Nicola Beech, Cabinet Member for Strategic Planning, Resilience & Floods	Executive Director lead: John Smith, Interim Executive Director of the Growth and Regeneration Directorate	
Proposal origin: BCC Staff		
Decision maker: Cabinet Member Decision forum: Cabinet		
Purpose of Report:		
<ol style="list-style-type: none"> To seek approval of the Outline Business Case (OBC) for the Bristol Avon Flood Strategy and to approve its submission to the Environment Agency for assurance review. To seek approval to bid for, accept and spend funding to progress the development of detailed designs, Full Business Case (FBC) and consents. 		
Evidence Base:		
<ol style="list-style-type: none"> The OBC for the Bristol Avon Flood Strategy sets out the preferred approach to managing flood risk throughout Bristol City centre and surrounding areas from the river Avon. Once the delivery of defences is reasonably certain, new development will be able to progress in areas that will be protected once the defences are constructed, provided they appropriately manage the interim risk. This is crucial to enable the strategic growth and regeneration sites in the city centre to progress. The Strategic Outline Case and supporting Strategic Environmental Assessment underwent public consultation from 26th October – 20th December 2020. The consultation marked a major milestone for the project and generated interest from a range of individuals, groups and organisations. The feedback was overwhelmingly positive, with 84% of respondents ‘agreeing’ or ‘strongly agreeing’ with the proposal for adaptive flood defences which allow for changes in height over time. We are seeking approval from Cabinet to endorse the preferred approach of adaptive raised defences to manage the risk of flooding from the river Avon as set out in the OBC, noting these are an evolution of the proposals in the SOC as further design and investigation work has been completed. We also seek approval to progress to the development of a phased FBC and to apply for grant funding to support its development. Parts of Bristol city centre are at flood risk from the River Avon during 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. The flood risk continues to worsen however, such that by the end of the century, climate change predictions indicate that this same number of homes would more-likely-than-not be flooded every year, 		

while the extent of a major flood would increase to around 4,500 existing properties. The social, economic and environmental impact would be lasting and widespread across the South-West.

5. Future projections of flood threat pose a significant constraint to potential development, which will continue to negatively impact the attractiveness of the city region for investment. This brings a risk that Bristol will not be able to deliver fully on its sustainable development ambitions and in particular house-building targets (including St Phillips Marsh and part of Western Harbour). This in turn would increase pressure on neighbouring authorities and greenbelt, so there is a clear regional context, which extends beyond housing to movement of people and goods, provision of services and security of local employment. Furthermore, unless the flood threat is suitably mitigated, there is a risk that the updated Local Plan would not pass examination.
6. The council is working in partnership 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 create value and amenity for Bristol year-round, not just when the river levels are high. By designing defences that improve public spaces, we will provide new green spaces, better access to the river, enhanced heritage features, and improved active travel routes that link new and existing communities to places of work and leisure. This approach will also support the city's journey to a low-carbon economy, by safeguarding the natural environment and avoiding the disruption, damage and resource consumption that follows a flood event. By adopting this strategic approach, we can protect Bristol and create a more healthy, sustainable and resilient city region.
7. 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 (i.e. adjusted over time) raised defences as set out in the Strategic Outline Case (SOC). The OBC takes this design concept forward, providing a reference design in support of the next formal stage of the business case.
8. Recent planning inquiry outcomes have permitted development in flood risk areas, provided such development addresses its own flood risk and mitigates any impact on others. This creates a significant risk, through piecemeal development, to the delivery of a coherent approach for flood defences. If they continue, such planning outcomes would erode the opportunity to provide the wider social and environmental benefits being promoted by the council and Environment Agency. It is therefore imperative that development which is inconsistent with the Strategy is resisted. The draft Local Plan, in which the flood strategy has its own policy as reference for development, has now been produced and approved by full council for submission to the Planning Inspectorate for public examination. Examination is expected to take place in 2024 prior to adoption in 2025 but is now a material consideration as the direction of travel. The 'Development in areas of flood risk Planning Position Statement' was also produced in 2022 to consolidate the Council's position in respect of emerging development in the Strategy area and remains valid (ref to background documents).
9. The OBC has updated the forecast cost to deliver Phase 1 of the Strategy, and re-baselined this to a revised timing for the conclusion of the FBC in 2028. This is now £255m in present value (at 2028) terms. The OBC identifies potential for Flood Defence Grant in Aid (FDGiA) funding of £211m. Other contributions remain unchanged from the Cabinet Key Decision in October 2022. The project is developing an iterative plan for funding the delivery, including identifying a range of credible sources and mechanisms to resolve the shortfall. Delivery of the capital works will require public funding but opportunities for private sector investment through the development process is also anticipated. Gaining an appreciation of how the capital cost will be met builds confidence in delivery of the scheme and the existing commitment of Strategic CIL and council reserves is positive for the project. The flood defences delivered in Phase 1 will be designed to be adapted during Phase 2, expected to be in the 2060s, as influenced by the effects of climate change as then understood. The funding for Phase 2 is not required to be secured before Phase 1 is delivered.
10. For the Council to construct and maintain the flood defences on the River Avon, the Environment Agency 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 is being introduced to provide a pathway to the final legal agreement. These started with a Memorandum of Agreement, which consolidated the intent to work

together. Building on this is the Initial Collaborative Agreement, to capture the funding and planning obligations to increase confidence in delivery. These first two agreements have been signed by both parties. The final agreement, with versions potentially needed for each sub-project (or build stage) of Phase 1, will delegate powers for delivery and management of the defences.

11. Progress: Since the adoption of the Strategic Outline Case in March 2021, the focus has been on developing the funding strategy and Outline Business Case. This has included (non-exhaustive):
 - Autumn 2021 engaged key stakeholders and convened workshop. Recommendations from that were embedded into the workstreams.
 - Technical work includes improving flood modelling evidence, including with more detailed survey information to reduce the risk, to better define necessary works upstream and downstream, and reviewing budget allowances for works at Entrance Lock and Netham Lock.
 - Identification of potential future funding sources from the council, to demonstrate commitment to delivering the scheme. This culminated in Cabinet endorsement of several decisions in October 2022 (see background information) relating to commitment of CIL, EDF and council reserves, but still leaves a funding gap. It is recognised that the council cannot fund infrastructure of this scale by itself.
 - The Funding Strategy work seeks to identify a range of credible sources to address the remaining funding need, with further investigation into their feasibility needed. This remains a work in progress.
 - Increasing alignment with the West of England Combined Authority over the delivery phasing for the Temple Quarter and St Philip's Marsh regeneration area, with reference to the part it may play in the design and delivery of the defences in that area, noting this will be influenced by its forthcoming masterplanning work.
 - Grant funding of £1.75m from the Environment Agency secured for the project to repair the Underfall Yard sluices. This is an essential enabling project for the future flood defence work and is anticipated to start on site in summer 2024.
12. Next steps:
 - Prior to proceeding into the FBC, a detailed estimate for the cost of this stage will be examined on a value-for-money basis to determine whether all outlay is essential at this time or whether some could be deferred, or work descoped with consideration of the programme position.
 - Work on the Funding Strategy will be prioritised to build confidence that the flood defence works can be fully funded and that the spending on the FBC work will not be nugatory.
 - Both the Funding Strategy and the estimated costs for the FBC will be reviewed by the Section 151 Officer, or a delegated officer, before spending begins on the FBC.

Cabinet Member / Officer Recommendations:

That Cabinet

1. Approves the Outline Business Case and notes and approves its submission to the Environment Agency for its assurance review.
2. Notes the capital cost for delivery (in 2028 present value terms) of Phase 1 construction is estimated at £255m, of which approximately £251m (also in 2028 present value terms) of funding through Defra's Flood Defence Grant in Aid, WECA's Economic Development Fund, council reserves and Community Infrastructure Levy is identified in principle.
3. Authorises the Executive Director for Growth and Regeneration, in consultation with the S151 Officer and the Cabinet Member for Finance, Governance and Performance, to apply for and enter into agreements or contracts to spend grant funding of £2.2m Local Levy raised by the Wessex Regional Flood and Coastal Committee in support of the delivery of the Full Business Case and supporting activities.
4. Authorises the Executive Director for Growth and Regeneration, in consultation with the S151 Officer and the Cabinet Member for Finance, Governance and Performance, to apply for and enter into agreements or contracts to spend funding of up to £10m from the West of England Combined Authority, in support of the delivery of the Full Business Case and supporting activities.
5. Authorises the Executive Director for Growth and Regeneration, in consultation with the S151 Officer and the Cabinet Member for Finance, Governance and Performance, to enter into agreements or contracts to spend

the council's capital reserves (as previously allocated to the delivery of the strategy) in support of the delivery of the Full Business Case and supporting activities.

Corporate Strategy alignment:

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

1. 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.
2. 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.
3. Pursuing economic growth (Fair and Inclusive). The proposals are estimated to bring over £8bn of benefits to the region and over £2bn of benefit to the UK as a whole.

City Benefits:

Implementation of the Bristol Avon Flood Strategy will protect Bristol from the threat of flooding from the river Avon for many decades. It will promote a more sustainable and physically active city, while unlocking the potential for significant investment in the city delivering more homes, infrastructure and space for businesses in areas currently subject to 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 generated by enabling the delivery of new places to live, work and visit, focusing on inclusive growth by eradicating the risk of some neighbourhoods falling behind on account of flood risk threat.

Consultation Details:

Public consultation

Public consultation on the SOC took place in autumn / winter 2020 and the consultation report is available in the background documents. No further public consultation has been carried out on the basis that no material changes have taken place to the proposed approach consulted on at SOC stage.

Further public consultation will take place during FBC stage, informed by the consenting process.

Scrutiny

An update on the project was provided to the Growth and Regeneration Scrutiny Commission was held on 27 November 2023. The Commission noted the progress and recognised the strategic significance and regional importance of the project.

Background Documents:

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

Details of the consultation carried out at SOC stage can also be found at [Bristol Avon Flood Strategy consultation | Ask Bristol Consultation and Engagement Hub](#)

Cabinet Report October 2022 [ModernGov - bristol.gov.uk](#)

Development in flood risk areas PPS [Development in areas of flood risk \(bristol.gov.uk\)](#)

Revenue Cost	£nil	Source of Revenue Funding	n/a
Capital Cost	£255million	Source of Capital Funding	Defra Grant, council reserves, CIL and EDF
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

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

1. Finance Advice: This Cabinet Report requests approval to endorse the principle of adaptive defence laid out in the Outline Business Case (OBC), note the expected Phase One capital costs of £255 million and agree to proceed with the development of a Full Business Case (FBC). We will need to confirm the cost of the FBC before work starts in earnest and prioritise work on the Funding Strategy to offer assurance that the flood works can be delivered. The Phase One costs are currently based on 2028 prices, but this figure may change if programme delivery is further delayed.

Funding the development of the FBC relies on £2.2 million from Local Levy raised by the Wessex Regional Flood and Coastal Committee (which has pledged that funding should the remainder of the FBC costs be met), up to a further £9.925 million from the Council’s reserves which were set aside for this purpose in the approval of the Strategic Outline Case and a contribution from the West of England Combined Authority which may match the Council’s contribution. A division of funding for the FBC has been agreed in principle with WECA to demonstrate the commitment of all parties. We are now confirming the cost profile with reference to where the funding currently sits.

The production of the FBC will enable us to bid for funding for delivery of Phase One. OBC analysis demonstrates a compelling case for Defra Flood Defence Grant in Aid with an estimated value of £211m, subject to Environment Agency assurance and assuming a continuation of grant allocation rules beyond April 2027.

Finance Business Partner: Ben Hegarty, Finance Business Partner Growth and Regeneration, 09 January 2024.

2. Legal Advice: The submission of bids for grant funding does not raise any specific legal implications. Legal Services will advise and assist in relation to the grant agreements.

The consultation responses must be conscientiously taken into account in finalising the decision. The leading cases on consultation provide that consultation should occur when proposals are at a formative stage, should give sufficient reasons for any proposal to permit intelligent consideration and should allow adequate time for consideration and response. There must be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.

Legal Team Leader: Husinara Jones – Team Manager/Solicitor – 11 January 2024

3. Implications on IT:

I can see no implications on IT in regard to this activity.

IT Team Leader:

Alex Simpson – Lead Enterprise Architect – 04th December 2023

4. HR Advice:

There are no HR implications evident

HR Partner:

Celia Williams – HR Business Partner – 06 December 2023

EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	15 November 2023
Cabinet Member sign-off	Cllr Nicola Beech, Cabinet Member for Strategic Planning, Resilience & Floods	20 November 2023
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	20 December 2023

Appendix A – Further essential background / detail on the proposal • BAFS Outline Business Case	YES
Appendix B – Details of consultation carried out - internal and external Refer to background documents	NO
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	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO