

Wiltshire Council

Cabinet

24 March 2020

Subject: The Maltings – Phase 1 River Corridor Improvements

Cabinet Member: Cllr Philip Whitehead - Leader of the Council and Cabinet Member for Economic Development, Cllr Richard Clewer Deputy Leader and Cabinet Member for Corporate Services, Heritage, Arts, Tourism, Housing, Climate Change and Military-Civilian Integration, Cllr Simon Jacobs Cabinet Member for Finance and Procurement

Key Decision: Key

Executive Summary

This report follows previous reports to cabinet and council with respect to the regeneration of the Maltings in October and November 2019.

It identifies the subsequent requirement to deliver flood risk reduction and natural environment enhancements to the River Avon in particular which runs through the Maltings site.

Without addressing this requirement, new development on the site will be constrained as newly released flood mapping shows that more of the site is now in flood zone 2 and 3 than previously shown.

Proposal(s)

- 1. Agree to allocate £1.9m to the Maltings Phase 1 River Corridor Improvements from the 'Other Capital Schemes to be confirmed' approved budget.**
- 2. Agree to grant to the Environment Agency up to £2 million to deliver the Maltings Phase 1 River Corridor Improvements, using Local Growth Fund grant approved by the Swindon and Wiltshire Local Enterprise Partnership.**
- 3. Note that council officers will work collaboratively with the Environment Agency to secure additional funding required to deliver the whole scheme capital costs, the £1.9 million capital allocation serving as a backstop reserve in case this cannot be achieved from other available funding sources**
- 4. Delegate authority to enter into contract with the Environment Agency to the Director Housing & Commercial, in consultation with the Director Highways and Environment and Director of Finance and Procurement.**

Reason for Proposal(s)

The proposals of this report will not only re-establish the ability to develop on the Maltings site by mitigating flood risk and enhancing the natural environment, but will have wider benefits to the city of Salisbury, its residents, workers and visitors.

Alistair Cunningham, Chief Executive Officer, Place

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Purpose of Report

1. To update cabinet members on progress on delivering the regeneration of the Maltings and to set out how it is related to the delivery of the River Corridor improvements scheme as set out in the Central Area Framework which has recently been consulted on in public. This joint scheme with the Environment Agency will help reduce the flood risk to various areas in the city and improve leisure and recreational uses as well as ecology and biodiversity enhancements. It is vital to the delivery of the Central Car Park and Maltings regeneration scheme. For this reason, this report seeks approval from cabinet to allocate funding towards its delivery in line with the Outline Business Case approved by the Local Enterprise Partnership and the council's strategy to regenerate the Central Car Park and Maltings in Salisbury.

Relevance to the Council's Business Plan

2. This Scheme is vital to the delivery of regeneration on the Maltings and Central Car Park in Salisbury. It is also an important capital scheme in reducing the risk of flooding residences and businesses in the wider city area and enhance the historic and natural environment. Overall, the project will support the council's business plan priorities in growing the economy, and providing housing and development where it is needed.

Background

3. The strategy to implement regeneration of the Maltings and Central Car Park was reported to and approved by cabinet in October 2019, and further reported to Full Council in November 2019 to approve the allocation of capital finance to deliver the project.
4. As reported at that time, the council has been working with the Environment Agency (EA) and a range of stakeholders to plan and deliver improvements to the area around the River Avon and tributaries that pass through the Maltings and central Salisbury.

5. It has now become clear that development, as outlined in the endorsed masterplan, cannot proceed unless there are sufficient flood mitigation and improvements to the local natural environment.

Main Considerations for the Council

6. The delivery of the River Corridor Improvements Phase 1 is intrinsically linked to the successful redevelopment of the Maltings and Central Car Park (MCCP), one of the Council's strategic development sites allocated under Core Policy 21 of the Wiltshire Core Strategy. Since the adoption of the Core Strategy in 2015, a masterplan^[1] for the MCCP site has been prepared and endorsed (June 2019), setting out detailed requirements and relevant updates. Through further consultation with the EA it has become apparent that recent flood risk remodelling shows increased risk of flooding to the city centre than was previously predicted, with more residential and commercial properties being at risk, including land some of the land earmarked for development on the MCCP site.
7. Subsequently, work has been undertaken as part of the Salisbury Recovery programme on the production of the Salisbury Central Area Framework (CAF). The concept of a 'River Park' is an important element of the CAF, to which there has been a very high level of public support through two stages of public consultation^[2]. The CAF's River Park concept sets out an illustrative green infrastructure link through the central area of the city, incorporating the river corridors in the MCCP site at its core, extending to the Ashley Road/Fisherton Recreation Ground to the north, and towards Elizabeth Gardens to the south. The first phase River Corridor Improvements Scheme which this report proposes to allocate funding towards constitutes the initial phase of delivery of the 'River Park'. It will include the most critical elements of the scheme in terms of flood risk reduction and is being led by the EA in collaboration with the council, and will be subject to planning and consultation.
8. The key drivers behind the delivery of the River Park are:
 - To reduce flood risk on the Maltings and Central Car Park site and enable strategically important redevelopment of the central car park.
 - To reduce flood risk to existing residents and businesses in central Salisbury and the Ashley Road area.
 - To provide overall betterment to the internationally designated habitat and ecology of the River Avon watercourse and its margins.
 - To create new and improved spaces for public enjoyment of the river and dwell time in the city centre, in line with the endorsed masterplan for the Maltings and Central Car Park.
 - Building climate change resilience, in response to the climate emergency.

9. Phase 1 can be broadly split into three sub areas (A, B and C), as follows:

Phase 1A: Land at MCCP (north)

- Formation of a green corridor in accordance with the MCCP masterplan to introduce city centre flood resilience and create a new green park for community use

^[1] <http://www.wiltshire.gov.uk/spp-spd-maltings-and-central-car-park-masterplan-2019-june.pdf>

^[2] <http://www.wiltshire.gov.uk/salisbury-future>

- Removal of the Swimming Pool Gate EA sluice structure
- Introduction of a series of rock weirs on the main channel from the Avon/Millstream divergence
- Consideration of the potential need for bridge repairs/replacement
- Improved public interface with sections remodelled to form casual public areas
- Biodiversity protection and enhancement
- Potential improvements to Millstream, subject to EA assessments on the likely impacts on the watercourse and its ecology

Area 1B: Ashley Road Open Space

- Installation of a bund along Ashley Road
- Tree planting
- Retention of open space for community/sports uses
- Relocation of the play area to western end of the open space

Area 1C: Fisherton Recreation Ground

- Installation of bund the along SE and SW edges of the field
- Removal of Blackwell Hatches EA structure
- Repositioning of the Summerlock Stream offtake to be further upstream, with current connection to the main Avon channel to be infilled
- Creation of wetland habitat along the new reach of the Summerlock Stream for biodiversity and amenity improvements
- Retention/replacement of the sports/MUGA facilities on the western side of the field
- Potential for enhancement to pedestrian/cycle link to residential areas north of the city

Proposed timing:

Planning application for Phase 1 elements to be worked up in tandem with the masterplan for the scheme. The current programme objective is to submit a full planning application to strategic planning committee in early 2021.

10. Subject to cabinet agreeing to these proposals, officers will under delegated authority enter the council into a contract for delivery with the EA.

Overview and Scrutiny Engagement

11. This report is to be presented to the Financial Planning Task Group at its meeting of 19 March 2020.

Safeguarding Implications

12. The river corridor improvements will enhance the natural and urban environment in Salisbury and provide opportunities for enjoyment to children, young people and vulnerable adults.
13. As with any significant infrastructure project, risk assessments will be undertaken at the appropriate stages to identify and mitigate any risks that their may be of direct or indirect impacts on the safeguarding of children, young people and vulnerable adults. These will include immediate risks that may arise from the construction phase of the scheme to longer terms risks such as mitigating risks of accident associated with the river corridor.

Public Health Implications

14. The River Corridor Improvements will mitigate the impacts that flooding has on the physical and mental health of residents. The proposals will improve significant areas of the natural and urban environment in Salisbury, including air quality, which will bring public health and wellbeing benefits to residents, workers and visitors to the city. By encouraging people to cycle and walk in the city, the project will facilitate healthier living behaviours. They are critical to the regeneration of the Maltings and Central Car park which will also provide new housing, employment and cultural facilities all of which are positive determinants to public health.

Procurement Implications

15. It is proposed to grant funding to the Environment Agency towards delivery of the River Corridor Improvements scheme.
16. The Environment Agency has Frameworks (“Next Generation Supplier Arrangements”) in place, for delivery of the Scheme.

Equalities Impact of the Proposal

17. There are no equalities impacts arising from the proposal.

Environmental and Climate Change Considerations

18. The proposals will result in energy consumption remaining roughly at current levels.
19. The scheme will include new planting that will have a net positive effect on air quality. A wider objective of the scheme is also to encourage modal shift in transport patterns by encouraging people to walk and cycle in the city.
20. Further ground investigations around the area will be undertaken where necessary to ensure that there is a good understanding of ground contamination where present. The scheme Construction and Environmental Management Plan (CEMP) shall provide for the safe control and if necessary removal of contaminants.
21. The scheme will likely be delivered over the course of two years, which means that during that time there may be weather events which increase the risk of flooding during scheme construction. The scheme will therefore be carefully managed to ensure that in the event of extreme weather that flood risk will remain at least as well mitigated as it is at present during the build period.
22. The scheme will improve climate change resilience and proposals will include an appropriate allowance for climate change in line with industry guidance. In other words it will be built to accommodate the predicted increase in peak river flow and peak rainfall intensity.

Risks that may arise if the proposed decision and related work is not taken

23. The regeneration of the Maltings and Central Car Park will not be able to proceed as outlined in the masterplan, and the opportunity to work collaboratively with the EA to mitigate flood risk in the city of Salisbury will

fail to be taken, and funding which has been approved by the Local Enterprise Partnership will be lost.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

24. The principle risk is one of cost overrun. At present, the cost estimates upon which the requested capital allocation are based on early contractor involvement and cost consultancy to refine the estimates which include a high level of risk contingency to minimise the possibility that actual costs will be higher.

Financial Implications

25. The Phase 1 Scheme is projected to cost approximately £6 to 7 million.
26. Of this, funding either exists or has been allocated from the following funding sources:
- a. Local Levy via the Wessex Regional Flood and Coastal Committee £1.1 million
 - b. Local Growth Fund via the Swindon and Wiltshire Local Enterprise Partnership £2 million
 - c. Flood Defence Grant in Aid funding via Defra / EA £3 million
26. It is also estimated that £1 million Community Infrastructure Levy can be invested in the River Corridor Improvements scheme.
27. The EA and the council are working together on a funding strategy to cover both the full costs of the phase 1 scheme and the River Park project as a whole. Officers have noted the Government’s budget announcement that it will be investing a record £5.2 billion towards flood defences between 2021 and 2027.
27. The following table compares the overall budget requirement profile to deliver regeneration of the Maltings as reported to cabinet and council in 2019, with the new overall budget requirement which includes the costs of the River Corridor Improvements Scheme:

	October / November 2019 (not including River Corridor Phase 1 scheme)	March 2020 (including costs of River Corridor Phase 1 Scheme)
Overall cost plan	£30 million	£37 million
<i>Of which, the funding sources being:</i>		
LGF	£6 million	£6 million
Council borrowing	£24 million	£24 million
Local Levy		£1.1 million
Grant In Aid		£3 million
CIL		£1 million
Funding from other available funding sources, or as a backstop, from the requested allocation		£1.9 million

from the 'Other Capital Schemes to be confirmed' budget		
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27. The level of new investment sought will enable the delivery of a scheme having a positive land value uplift impact on the Maltings and Central Car Park site, and secure £3 million of match funding via the EA / Defra towards the scheme which in the absence of the council's commitment would be at significant risk.
30. Local Growth Funding must be defrayed by 31 March 2021. Therefore the contract with the Environment Agency will profile Local Growth Funding to be spent by this date, with the balance being spent on the Scheme in following years.
31. There will be ongoing maintenance and repairs costs over the scheme's lifetime of 50 years. Responsibility for maintenance of lies with the relevant landowner which in the case of the Maltings and Central Car Park site is Wiltshire Council. It is expected that there will not be a net overall increase compared with the existing maintenance costs associated with the watercourse, and there may be the opportunity to find savings as the infrastructure is renewed as part of this project.

Legal Implications

27. A Memorandum of Understanding between the council and the EA has been signed by both parties after consultation with Legal Services. The Memorandum sets out shared objectives and guiding principles of how the council and the EA would cooperate to deliver the River Corridor Improvements.
28. Subject to cabinet's agreement of this report's proposals, the council's Legal Services team will be instructed to draw up and agree with the EA's legal advisors a form of contract that both parties are able to enter into to enable the payment of grant to the EA and secure commitments as appropriate to ensure delivery of the project.

Workforce Implications

29. There are no workforce implications arising from this proposal.

Options Considered

30. Do minimum. In this scenario there would be insufficient delivery of flood and environmental mitigation to allow for new development on the Central Car Park and Maltings in line with the Masterplan. This will prevent council from realising value of its assets through regeneration of the site, and fail to realise the benefits that can be achieved by working together with the Environment Agency. It is therefore recommended to reject this option.

Conclusions

31. The River Corridor project will enable delivery of the Maltings and Central Car Park scheme, fulfilling an important council objective and helping to

ensure the long-term economic vitality of Salisbury. It will benefit the wider city of Salisbury by increasing flood and climate change resilience, and producing environmental benefits which residents, workers and visitors to the city will benefit from.

Parvis Khansari (Director - Highways and Environment), Simon Hendeby (Director - Housing and Commercial)

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Appendices

None

Background Papers

The following documents have been relied on in the preparation of this report:

Cabinet report Maltings and Central Car Park Regeneration Scheme October 2019

Council Report Maltings and Central Car Park Regeneration Scheme November 2019

Outline Business Case Submission to Swindon and Wiltshire Local Enterprise Partnership: Executive Summary for Publication December 2019

Maltings Masterplan and Salisbury Central Area Framework documents