

## **City Deal and Growth Deal Programme** **Board**

### **Business Case Approval Form**

1. 1. Project Title and proposing organisation(s): Rising Brook, Rugeley Town Centre, Flood Alleviation Scheme Proposed by Environment Agency
2. Decision Date:  November 2015- final business case approval
3. Decision Summary: Recommendation etc.....  a) The City Deal and Growth Deal Programme Board is requested to approve the final business case.  b) The City Deal and Growth Deal Programme Board recommends to the LEP Executive Group that £750,000 of Local Growth Deal funding identified for 2016/17 is released to Rising Brook, Rugeley Flood Risk Management Project.
4. Is the decision exempt from being publically reported by the LEP (if so please specify the reasons why)  No
5. Options Considered:  An options appraisal was produced as part of the Environment Agency's business case, which was approved in October 2015. The Environment Agency's business case (known as the Project Appraisal Report) is an appendix to the LEP business case and was approved as part of the Environment Agency's project assurance process.  12 options were considered of which 4 were brought forward for consideration. The preferred option is <b>option 4</b> (Upstream Flood Storage)  <u>Strategic Case</u>  Provision of a flood storage area will help to ensure that opportunity sites in Rugeley town centre can be redeveloped as per Rugeley Town Centre Area Action Plan which was adopted in 2014 as part of the Local Plan Part 1 and provides the planning policy for the regeneration and investment in three opportunity sites within the town centre.

## The Economic case

<b>Sustainable Dimension</b>	<b>Overall Assessment of the Stafford Western Access Route</b>
Economic Impact	<ul style="list-style-type: none"><li>• Economic appraisal of the impacts of the flood storage area shows that the scheme would avoid damages of £37m during the 100 year life of the scheme.</li><li>• The scheme will allow development of opportunity sites as highlighted in Cannock Chase Local Plan, which are conservatively anticipated to lever in £11.7m in retail/commercial/mixed use schemes, £11.5m private sector investment in housing sites and creation of 8,000 square metres retail/commercial floor space.</li></ul>
Environmental Impact	<ul style="list-style-type: none"><li>• Some local impact on protected species (white claw crayfish). This will be mitigated by relocating them as part of the programme.</li><li>• Impact on archeology is low</li><li>• Landscape improvements to Hagley Playing Fields</li><li>• Some visual impact due to height of embankment that forms part of the flood storage area.</li></ul>
Social Impact	<ul style="list-style-type: none"><li>• Delivery of 330 new jobs</li><li>• 140 new homes.</li><li>• Potential for more sports pitches on Hagley Playing fields as part of landscaping</li></ul>
Distributional Impact	<ul style="list-style-type: none"><li>• There are no concerns about how benefits will be distributed between social and vulnerable groups.</li></ul>

## Commercial Case

The preferred delivery option is to tender for the construction of the project using an Environment Agency Framework Contractor. Framework contractors represent value for money and reduce delivery risks. They are all familiar with Environment Agency procedures and come with experience of delivering flood risk management schemes across the UK and abroad.

## Financial Case

In the first business case to the board (October 2014) a package of projects for Rugeley came forward with the flood storage scheme element estimated at between £1.8 -£2.4m. The appraisal carried out as part of the Environment Agency's business case signed off in October 2015 now costs the construction of the scheme at £3.155m with whole life costs (including maintenance) at £3.5m. The change in costs from the earlier business case is a result of early contractor involvement to identify key risks and construction costs. The Environment Agency will cover this cost increase. The project has now moved into the detailed design stage and this will involve a more detailed assessment and give a final project cost in February/ March 2016.

## Management Case

The Environment Agency is managing the scheme through its National Capital Project Management Service (NCPMS), following the PRINCE2 methodology.

The Environment Agency is confident that the scheme is deliverable as demonstrated by the approval of the business case. We have a clear governance structure that allocates clear roles and responsibilities for the delivery and management of the scheme.

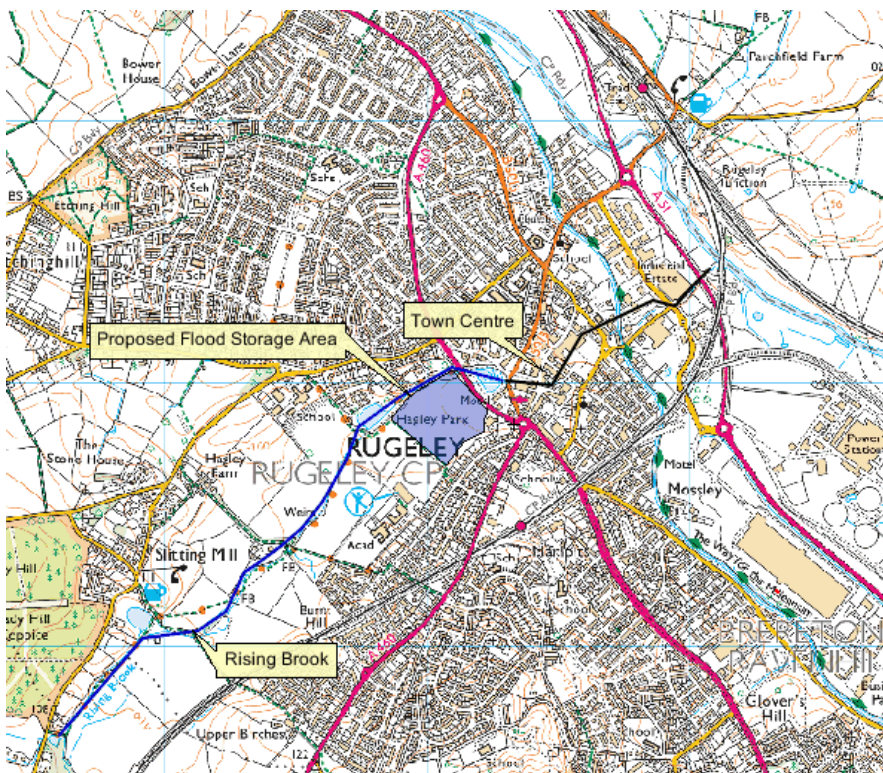
A project plan has been developed which identifies the tasks required to achieve key milestones and the critical path of the project. The main project dependency is the achievement of planning consent.

## 6. Consultation Process

We have a stakeholder engagement plan to ensure all affected parties are consulted. It contains details of all consultation held about the scheme to date. For example we held a formal public consultation event in March 2015 where the general public gave us their overwhelming support for the scheme. We also attended a Rugeley Town Council meeting and gained their support for which a letter of support is attached as an appendix.

Both Staffordshire County Council and Cannock Chase District Council are partners in the project and have full cabinet support. They both signed an MOU in March 2015 to underwrite the Local Growth Fund contribution.

## 7. Geographical Area of proposals



## 8. Community Impact Assessment:

### Key Issues:

The scheme will have positive effects on the local community. By removing the town centre from flood zone 3, we are enabling the future development of the opportunity sites in Rugeley town centre as highlighted in Cannock Chase District Local Plan Part 1. This will have the impact of creating 330 jobs and 140 new homes as well as removing the risk of flooding and the associated costs of clean up.

Provision of the flood storage area along with the wider package will help realise the long term transformation of Rugeley.

### Resource and VFM Analysis

The Environment Agency's cost benefit analysis shows that the scheme provides a cost benefit ratio of approximately 10:1. This is based on a scheme cost of £3.5m whole life costs (£3.155m construction costs plus maintenance costs) and Rugeley town centre avoiding £37m in damage over the 100 year life of the scheme. The cost benefit ratio doesn't include the added benefit of job creation, floor space created and new homes built.

### Risk Analysis:

A quantified cost risk estimate has been completed and has informed the risk budget for the total cost. For the purposes of securing the business case from within the Environment Agency a 95%ile risk was used and comes to £538,000. This will be regularly reviewed by the Environment Agency's project team.

### Legal Analysis:

The Flood Storage scheme will require planning consent which will be determined by Cannock Chase District Council with a decision expected by April 2016.

The Environment Agency has permission from Staffordshire County Council to use Hagley Playing Fields for the flood storage area. An agreement will be produced to outline responsibilities after the scheme is constructed.

The key points are that the Environment Agency will maintain the embankment that will be constructed as stated in the Reservoirs Act and Staffordshire County will be liable for routine maintenance of the playing fields, as they are currently.

There are some environmental issues that will require permits and include; Flood defence consent to be determined by the Environment Agency and relocation of protected species which will be regulated by Natural England. It is not anticipated that these will present any risks to the programme.

## 9. Implementation

A project plan is provided in the business case

Activity	Date
Environment Agency Business Case Approved	Oct 2015
Detailed Design	Oct 2015-Feb 2016
Planning permission approved	Apr 2016
Target price agreed by / Reservoir Safety team notified by	May 2016
Works start on site on	Jun 2016
Works substantially complete by	Oct 2016

## 10. Report Authors Name and Contact Details

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## 11. Decision Details

*For official use only – details of date considered by City Deal and Growth Deal Programme Board and any additional information for decision record*

