

Merton Meadow Flood Alleviation Scheme

Decision maker: Cabinet Member for Economy and Growth

Decision date: 9 September 2024

Report by: Interim Head of Housing Development

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Widemarsh; Hereford City

Purpose

The purpose of this report is to seek approval for spend up to £800,000 of the Brownfield Land Release Fund (BLRF) grant fund previously awarded by government for the Merton Meadow sites in Hereford. The grant funding will be utilised to masterplan the area including the detailed flood alleviation design required to enable these key city centre sites to come forward for development.

Recommendation(s)

That:

- a) **The Service Director for Economy and Growth, in consultation with the Cabinet Member for Economy and Growth, to be given delegated authority to spend up to £800,000 of the Brownfield Land Release Fund Grant to procure and award a contract to complete the masterplanning and detailed design stage of the proposed Merton Meadow development up to the end of RIBA stage 4 including seeking planning approval for the works.**

Alternative options

1. Not to proceed with the release of the grant to be used for the delivery of the flood alleviation works. This option is not recommended as the council will fail to adhere to the terms of the grant (such as spending the grant by the end of 2025) and thus the grant will be retracted, all monies will need to be returned, and the area will continue to be blighted by flooding and thus no development/regeneration of these key strategic sites will be possible.

Key considerations

2. The council previously secured a £2 million Brownfield Land Release Fund (BLRF) to enable the development of the Merton Meadow sites to the north of Hereford City Centre. The sites are currently used as surface level car parking. The decision to accept the grant funding in 2021 can be found here: [Decision - Accept the grant offered For Brownfield Land Release Fund \(BLRF\) for Merton Meadow, Hereford - Herefordshire Council](#)
3. The purpose of the grant funding is to;
 - a. To address the strategic need to regenerate this gateway area of the city.
 - b. deliver much needed affordable and social housing as defined in the Herefordshire Housing Market Needs Assessment 2021,
 - c. provide key worker accommodation to support local health and education institutions
 - d. address flooding issues, affecting these and surrounding properties
 - e. improve biodiversity
 - f. improve access links between the new railway station transport hub and city centre.
4. The original grant application stated that the project would unlock up to 210 new dwellings. The project will also unlock significant growth at a key gateway location, creating opportunities for inter-generational inner city living on currently under utilised land. This will enable people to live, work in the city centre, spend time and money in local businesses.
5. To take the proposed development forward, we need to appoint a technical design team to masterplan this area of the city, and in particular to complete the detailed design of the flood alleviation scheme required to unlock development. To be able to produce the designs for the flood alleviation, there is a need to qualify and quantify the nature of the development across the wider Merton Meadows sites, so that the surface water drainage requirements for these development opportunities, are provided for by the flood alleviation scheme.

6. Subject to approval of this decision, the council will seek to procure and appoint a design team in compliance with our Contract Procedure Rules. It is intended that this will be via a direct award via the Fusion 21 Framework, to ensure that we secure the appropriate skills required within the available timeframe. The design team will undertake appropriate stakeholder and public engagement, due diligence and produce a series of masterplan concepts for approval prior to submitting a hybrid planning application in late December 2024. This will aim to secure outline consent for the wider development and detailed approval for the flood alleviation works.
7. The creation of inter-generational inner city living will unlock these landmark underused gateway sites on the edge of the city centre for development, alleviate the flooding that has blighted this area and contribute to the transformation and regeneration of this area of the city centre. There will be a specific focus on improving the local environment through the provision of blue/ green infrastructure, including a possible wetland area.

Community impact

8. There is a critical shortage of affordable housing across Herefordshire. The Council plan sets out how the council will deliver for the people of Herefordshire, the priorities enshrined in the plan are focussed on
 - a. People,
 - b. Place,
 - c. Growth and
 - d. Transformation.
9. This proposal will deliver across all these priorities, it will enable residents to realise their potential by providing a range of housing types and tenures, in sustainable communities close to the city centre, improve biodiversity through the creation of new blue/green infrastructure, resolve environmental issues, support key local employers and learning Institutions, thus underpinning our economic growth and wellbeing policies. The Council Plan specific states that we will deliver affordable housing in the right locations. *It states 'to address the need for affordable housing across the county we will work with housing partners to meet the target of 16,100 homes being built by 2041'.*
10. The project will also support the regeneration of the city centre, bringing inner city living to the heart of Hereford generating leisure, culture and retail spend.
11. The council's policy in relation to this site are set out in
 - a. [Herefordshire Council Plan-2024-28](#)
 - b. [Herefordshire Housing Market Need Assessment 2021](#)
 - c. [Herefordshire Green and Blue Infrastructure Strategy 2023](#)
 - d. [Herefordshire Strategic Housing Market Assessment June 2008](#)
 - e. [Hereford City Strategic Flood Risk Assessment level-2 August-2020](#)

Environmental Impact

12. Achieving high environmental standards is a key focus of the project. The proposed development will;
 - a. Promote links between environmental sustainability economic growth and wellbeing
 - b. Prevent and reduce pollution and protect our environment
 - c. Promote the use of appropriate renewable and green energy,
 - d. Promote the adoption of sustainable building standards.
 - e. Act as an exemplar scheme that supports a planning system that protects and enhances landscape, biodiversity and seeks to ensure that development is sustainable
 - f. The location of the sites and creation of sustainable mixed tenure and multi-generational homes will help reduce reliance on the car by enabling the use of alternative modes of transport and thus reduce carbon emissions,
 - g. The flood alleviation works will increase flood resilience, and combined with sustainable urban drainage solutions (SuD's) will help reduce levels of phosphate pollution in the County's rivers.
 - h. Lead to the creation of new Blue Green infrastructure that will improve the bio net diversity of the city.

The development of this project has and will continue to seek to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
14. The development will seek to ensure the highest possible standards of accessibility, and to create affordable housing to meet local social needs. An Equality Impact Assessment will be undertaken on each design option to consider the most beneficial outcome.
15. When the design team is appointed, we will convey to them their responsibilities under the Public Sector Equality Duty to ensure that equality is factored into their planning at the earliest possible stage.

Resource implications

16. This decision seeks approval to spend up to £800,000 of the £2,000,000 BRLF grant awarded for the development of the Merton Meadow sites. This will be utilised to procure and appoint a design team, to complete the master-planning of the area, establish a detailed flood alleviation scheme design and seek planning approval. A further decision will be brought forward once the design work is complete. There will be no ongoing revenue impact as the future maintenance of the alleviation scheme will be encompassed in the management service charges that will be apportioned to each development management company set up for each site. The funding as set out below is included in the capital programme.

| Capital cost of project £'000 | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|---|------------|------------|----------|--------------|-------------|
| | £000 | £000 | £000 | £000 | £000 |
| Design and planning flood alleviation works | 600 | 200 | 0 | 0 | £800 |
| | | | | | |
| TOTAL | 600 | 200 | 0 | 0 | £800 |
| | | | | | |

| Funding streams (indicate whether base budget / external / grant / capital borrowing) | 2024/25 | 2025/26 | Total |
|---|-------------|------------|------------|
| | £000 | £000 | £000 |
| BLRF Grant | 600 | 200 | 800 |
| | | | |
| | | | |
| | | | |
| TOTAL | 6000 | 200 | 800 |

Legal implications

17. The terms and conditions of the BRLF grant must be adhered to and procurement must be undertaken in accordance with the Council's Contract Procedure Rules. Risk management

| Risk / opportunity | Mitigation |
|---|---|
| Funding – if the funding cannot be released then the design work cannot be completed planning obtained and the flood works delivered in the required timescales and thus there is the risk of clawback. | The BLRF grant has already been accepted and received by the council and therefore this decision is under the council's control |
| Timescales - due to the timescale conditions of the grant i.e that the first land transfer or development commenced on site by November 2025, the council is unable to undertake the appropriate design, planning and tender works in time to meet the deadline for discharge of the condition. | To achieve the required timescale it is proposed to use a compliant framework to appoint 1 design team and use technical support consultants with past knowledge of the sites. |
| Meeting land sale timescale to satisfy grant condition | Early engagement with delivery partner/buyer for the smaller Social rent homes site to agree in principle sale/deliver model. |
| Cost of works exceeds grant budget. | The eventual costs of the on site works will be determined by the design and planning process and a tender process. Thus there will be the opportunity to value engineer the designs to fit in with the available budget. There will also be the opportunity to defer some of the costs into the development of the sites released. |

Consultees

18. A Political Group Consultation was held on Thursday 29 August. There was broad support for the proposed development of the currently underutilised sites, and that long standing plans for the area are now being brought forward. Comments included a desire to ensure there is a commitment to blue and green infrastructure in the area including a possible wetland, and that we seek to achieve the highest possible environmental standards in the construction phase. That the masterplan should build on previous work commissioned for the area, and that the council should maintain some control of the social housing elements once established to ensure they meet local needs. We need to consider how alternative car parking can be made available to the city centre.
19. Project consultation has also taken place with key internal stakeholders and portfolio holders to form the basis of the tender brief.
20. Engagement has also taken place with possible end user groups such as Wye Valley Trust (WVT), NMITE, Hereford FC and Connexus Housing.

21. As the project moves into the design stage the project team will undertake a full programme of stakeholder, member and public engagement to seek feedback/support for the draft proposals. The final proposal that form the basis of the planning application will evolve to accommodate relevant feedback
22. The planning application will be subject to full public scrutiny via the planning process.

Appendices

None

Background papers

None identified

Report Reviewers Used for appraising this report:

| Please note this section must be completed before the report can be published | | |
|---|---------------------|--|
| Governance | John Coleman | Date 03/09/2024 |
| Finance | Karen Morris | Date 04/09/2024 |
| Legal | Emma-Jane Brewerton | Date 05/09/2024 |
| Communications | Luenne Featherstone | Date 03/09/2024 |
| Equality Duty | Harriett Yellin | Date 21/08/2024 |
| Procurement | Carrie Christopher | Date 22/08/2024 |
| Risk | Jessica Karia | Date 21/08/2024 |
| Approved by | Ross Cook | Date Click or tap to enter a date. |

[Note: Please remember to overwrite or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.