



Oxfordshire Local Enterprise Partnership

Creating new private sector jobs for Oxfordshire

Oxfordshire Strategic Economic Plan – Outline business case

Project Name	Growth Enabling Infrastructure - The Oxford Flood Risk Management Strategy (OFRMS)
Project Location	River Thames Corridor including areas of Oxford City, Vale of White Horse and South Oxfordshire District Council all within Oxfordshire County Council.
Project promoter(s)	Oxfordshire County Council and the Environment Agency
Partnership Bodies	<p>Please provide details of partnership bodies (if any) you plan to work with within the design and delivery of the proposed scheme</p> <p>Oxfordshire County Council, Oxford City Council, Vale of White Horse District Council, Oxford University, Network Rail, and Thames Water. There may also be an opportunity to work with Chiltern Railways, First Great Western, Cross Country, BMW, and other private sector partners.</p>
Brief project description (300 words max)	<p><i>This section should set out the rationale for the scheme and evidence on strategic fit of the proposal. It should also contain analysis of the existing problems, identify barriers preventing growth, explain how the preferred scheme was selected and explain predicted impacts, including any which may arise from the scheme not going ahead.</i></p> <p>The long term economic success of Oxfordshire will depend on being able to grow and stay open for business. The Oxford Flood Risk Management Strategy (OFRMS) is a critical piece of enabling infrastructure that will keep key transport links clear, businesses open and a workforce able to concentrate on work rather than the recovery of their property from flood damage. It will conserve and enhance Oxford’s special environment and provide a greater draw for visitors.</p> <p>Loss of the transport infrastructure due to flooding, experienced in 2003, 2007, 2012, 2013 and 2014 has an impact on existing businesses and on the confidence of new businesses investing in the area. The worst affected areas , for example the Botley Road saw businesses such as Dixons reporting losses in revenue of over £100,000 as a result of being closed for over a week due to floods.</p> <p>The graph shows the number of businesses that reported disruption to travel of employees and suppliers as a result of the 2013 floods. All businesses reported a loss of expected custom as a result of flooding.</p>

	Environmental and Ground Studies									
	Detailed design									
	Land Purchase and Construction									
Total Cost of project	The current estimated total cost of the Western Conveyance scheme is £112.5 million (based on present value cash costs).									
Money already secured or committed	<p>The Western Conveyance channel would eligible for around £35 - 40 million Grant in Aid funding based on the flood reduction outcomes it will deliver. This is not secured funds but the project has been submitted to the Environment Agency six year programme of work (from 15/16 onwards), which is awaiting approval from Defra. Approval of this is dependant on third party contributions towards the total cost.</p> <p>In addition, the Thames Regional Flood and Coastal Committee (RFCC) have pledged £12.5million towards this project should it secure other funding. Cllr Rodney Rose Deputy Leader, Oxfordshire County Council is the Oxfordshire representative on this committee.</p>									
Private sector investment secured or committed	<p>A number of private sector investors have been identified including Network Rail and Thames Water who have both shown interest in the proposed strategy. There are also companies who are reliant on the transport links through Oxfordshire who will be approached regarding the proposals. There is the opportunity for third parties to contribute “Benefit in Kind”, such as waiving compensation costs, carrying out work on our behalf, etc which will be explored.</p>									
Investment and funding requirements	<i>Please fill out table in appendix 1</i>									
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Strategic case – <i>please fill out those that are relevant to the project</i>	
	<i>The vision and priorities of the LEP are set out below. Please explain briefly how the project relates to this vision and objectives.</i>
Local Investment Plan Priority Project	<p><i>Is the project a priority project that requires external funded, as reported SPIP (See SPIP Meeting item 3 appendix 1), if the project is a sub project of one of the larger transport packages, please explain the linkages.</i></p> <p>OFRMS was introduced to the SPIP Executive on 14 November 2013. The scheme is strongly supported by Rodney Rose Deputy Leader of Oxfordshire County Council, Sue Scane Director Designate for Environment & Economy Oxfordshire County Council and Nigel Tipple Chief Executive of Oxfordshire LEP.</p> <p>In order to secure the government Grant in Aid funding for flood risk management the scheme needs to ensure contributions from third party beneficiaries.</p>
LA Local Plans	<p><i>Does the project support adopted or draft local plan policy?</i></p> <p>OFRMS is in line with all the local and county council planning authority Flood Risk Policies</p> <p>Oxford City’s Local Plan sets out that it is clear from the SHLAA that there are not enough suitable and available sites in Flood Zones 1 and 2 to meet their housing targets. The Oxford Flood Risk Strategy (OFRMS) will increase the amount of land at a lower level of flood risk and therefore the amount of land that could be available for development.</p> <p>Initial modelling shows the middle size channel would reduce the functional flood plain by 77 hectares, Flood Zone 3 area (the 1:100 year outline) of 64 hectares. A reduction in Flood Zone 2 area (the 1:1000 year outline) of 14 hectares.</p> <p>Once the exact size/location of the channel has been confirmed as part of the detailed design the exact location and amount of land will be confirmed and shared with the county and district councils. The main areas that benefit are: parts of New Botley, Osney Mead Industrial Estate; Osney, New Osney, Grandpont, New Hinksey (Abingdon Road) and South Hinksey.</p> <p>OFRMS also has the potential to also enhance biodiversity by creating a new watercourse and linear country park and is therefore in line with Oxford City’s Policy CS12 on biodiversity and South Oxfordshire’s Green Infrastructure Policy CSG1 and Policy CSB1 Conservation and improvement of biodiversity.</p>
Other LA policies/strategy	<p><i>Does the project support Local Transport Plan, LDO, AAP’s Masterplanning, SPD’s, European Structural Investment Funds strategy (see http://www.oxfordshirelep.org.uk/cms/content/eu-strategy)</i></p> <p>The scheme is also recognised on Oxford City’s Community Infrastructure Levy Regulation 123 list for potential future funding.</p>
National Policy	<p><i>Alignment with NPPF, National Transport policy etc.</i></p> <p>The OFRMS would be designed to be in line with national and local planning policy.</p>
Market Demand	<p><i>Demand from local stakeholders, e.g. District Councils, LEP, User groups, Business groups</i></p> <p>Various partners and community groups have jointly formed the Oxford Area Flood Partnership. The aim of this group is to further reduce flood risk in a co-ordinated way. Business groups are also very conscious of the impacts flooding has on them, such as the loss of trade during the recent 2012, 2013 and 2014 floods.</p> <p>Throughout 2014 we have worked closely with the LEP and their members on the drafting of the Oxfordshire Flood Risk Management Strategy section of their Oxfordshire Strategic Economic Plan. We also supported the set up and delivery of the Oxford Flood Summit on 21 March. The summit looked at the damage flooding causes to Oxfordshire’s economy and the benefits that OFRMS will bring. The summit brought together local authorities, utility companies and government bodies that have</p>

	<p>all agreed to work together towards finding the best solution to Oxford's flood problems. Schemes to reduce residential property and business flood risk in Abingdon are also being developed as part of this proposal.</p> <p>A sponsoring group has been set up consisting of key partners of the scheme, including the LEP, to gain commitment and to take an active role in its progression. Representatives of all areas and organisations have agreed to work closely together to develop the actions contained within the strategy and fund further detailed designs. This would include working with major stakeholders such as affected landowners to increase support for the scheme.</p> <p>All of the local MPs have pledged their support. On 10 April 2014, the EA met Sir Tony Baldry , Nicola Blackwood, Andrew Smith, John Howell, and both Ed Vaizey's and David Cameron's researchers, together with Oxford County Council and the Head of Estates for the University of Oxford to discuss their steer and involvement. Philip Hammond also attended and chaired the meeting under his role as Flood Envoy for the Thames Valley. He was very impressed and supportive of the LEP bid and asked Oxford County Council to keep him informed of progress. Another meeting was requested in June to discuss this further.</p>
<p>Economic case – <i>please stated any assumptions or conversion used</i></p>	
<p>Direct outputs</p>	<p><i>Briefly describe the main direct outputs likely to be achieved as a result of the project e.g. no. of jobs created or net gain in employment or retail floorspace etc.</i></p> <p>Enabling infrastructure – road and rail links kept open making Oxford a more attractive proposition for investment.</p> <p>Additional land along the Botley Road and Abingdon Road will be brought into a developable condition due to the reduced flood risk.</p> <p>Under the Environment Agency's current maintenance regime there are 1680 in Flood Zone 3 (the 1:100 year outline) but this figure will be reduced to 578 with the Western Conveyance Channel in place. These properties are also offered better protection against climate change scenarios. (Reference Table 4 in the Draft Oxford Initial Assessment Economic Appraisal Report v3 dated May 14)</p> <p>For every £1 spent on this enabling infrastructure, £10 will be saved in avoided flood damages to residential and commercial properties, transport infrastructure etc. We are looking to improve this ratio further through the detailed design process (reference Table 8 in the Draft Oxford Initial Assessment Economic Appraisal Report v3 dated May 14)</p>
<p>Other 'indirect' outputs</p>	<p><i>Briefly describe any indirect outputs likely as a result of this project e.g. no. of jobs or homes enabled</i></p> <p>There will be a temporary increase in employment over the course of the multi-year construction phase.</p> <p>A large linear multifunctional green park could be created as part of this scheme. This enhancement of Oxfordshire's Green Infrastructure will have the potential to increase inward investment, visitor spending, environmental cost-saving such as pollution filtration, flood risk reduction and the mitigation of temperature extremes, health improvement such as mental ill-health and stress, employment generation.</p>
<p>Management Case</p>	
<p>Identify any likely constraints</p>	<p><i>e.g. land acquisition including any need for a Compulsory Purchase Order, legal issues, planning issues, estimated timelines to resolve these</i></p> <p>There will be a need for land acquisition for the proposed Western Conveyance Channel. Although the exact route of the channel has not yet been determined, the key landowners along the route have been identified. Options for working with them are being progressed as part of the Sponsoring Group agenda.</p> <p>The sponsoring group does have university estates representation; however, it is</p>

	individual colleges that are the landowners. The proposed approach may be through land acquisition but we would also look to sound out the willingness of different parties to waive their right to compensation or to gift the land.				
Major Barriers to Delivery	<p><i>Specify any major barriers which might impact upon the delivery programme in the project plan and outline mitigation measures for them</i></p> <p>Funding for flood defence from central government is made on a payment for outcomes approach. Moving a property from a higher flood risk band to a lower one attracts £"x" thousands towards a project. The current funding gap needs to be met by partnership funding from the public and private sectors. The current funding gap for this scheme is around £63 million.</p>				
Overall Deliverability <i>(Tick one box – based on assessment of project milestones and barriers to delivery)</i>					
	Highly Deliverable	Readily Deliverable	No Major Barriers	Moderate Delivery Risk	Significant Delivery Risk
2015/16-2016/17	x				
2017/18-2018/19		x			
2019/20-2020/21				x	
2021/22-2030/31				x	
Delivery experience (300 words max)	<p><i>Briefly describe any similar schemes the promoter has delivered in the past 5 years, including details of whether these were completed to time and budget (and if not, whether there were any mitigating circumstances)</i></p> <p>Although not constructed in the last five years, the Jubilee River is a very similar project. The 11.6 km man made flood relief channel is part of the Maidenhead, Windsor and Eton Flood Alleviation Scheme (MWEFAS). It diverts floodwater from the Thames down a new channel rather than through Maidenhead. The scheme cost £110 million to construct. Used during large floods in January 2003, December 2013 and February 2014 it protected an estimated 1,000 properties and avoided £30m worth of damage to property and the economy.</p> <p>Locally, with partners Cherwell District Council, Network Rail and Thames Water we delivered the £17-million Banbury Flood Alleviation Scheme. This reduces the risk of river flooding to 440 homes and 70 businesses and protects the town’s transport links and water supply.</p> <p>Before the scheme, some properties had a 20 per cent chance of flooding in any one year. The scheme has greatly reduced this risk to a 0.5 per cent chance.</p> <p>Landscaping work includes a new circular walk north of Banbury and plans with Cherwell District Council to develop a country park easily accessible from the town. This will create over 12 hectares of wildlife habitat, such as seasonal ponds and wet grassland.</p> <p>The £6.6million Haydon Wick Flood Alleviation Scheme in Swindon was officially opened on 1 November 2013 by Justin Tomlinson MP.</p> <p>This project was one of the most challenging we have ever had to build. It proved very difficult to thread a flood defence through such a heavily urbanised area.</p> <p>The new flood defence will protect 118 residential properties, four commercial properties and an electricity sub-station. This scheme was funded in partnership with Swindon Borough Council and Thames Water.</p> <p>We have a country wide proven track record of delivering enabling infrastructure</p>				

	schemes which reduce flood risk that in turn facilitate economic growth.
Senior Responsible Officer Declaration	
As Senior Responsible Officer for OFRMS I hereby submit this Strategic Outline Business Case for consideration on behalf of The Environment Agency and confirm that I have the necessary authority to do so.	
Name:	Joanna Larmour
Position:	Project Executive, Oxford and Abingdon Scheme West Thames T: 01189 535955 M: 07771624169 E: joanna.larmour@environment-agency.gov.uk Flood and Coastal Risk Management, Environment Agency
Signed:	
Date:	

Appendix 1: Investment and funding details and requirements

Investment/Funding Required									
<p><i>Before preparing a scheme proposal for submission, scheme promoters should ensure they understand the financial implications of developing the scheme, including any future maintenance of the asset:</i></p> <ul style="list-style-type: none"> • <i>Identify the expected sources of funding;</i> • <i>Indicate the level of funding committed to developing the proposal and if any additional resources are likely to be required;</i> • <i>Briefly state any concerns about affordability; and</i> • <i>State what level of local contribution is anticipated (this doesn't have to be secured when the SOBC is submitted)</i> 									
£112.5 million	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021-2031	Total
Scheme Development Funding									
Local Authority	£0.4m	£1.0m	£1.0m						
Other public Sector*	£0.1m	£0.2m	£1.0m	£1.0m					
Private Sector									
Scheme Implementation									
Growth Deal Funding			£1.8m	£5m	£10m	£15m	£15m	£15m	
Local Authority								£1m	
Other public Sector					£4m	£20m	£20m	£1m	
Private Sector Contribution (<i>Including developer contributions, S.106, S.278 works</i>)									

* FDGiA and Local Levy are included in Other public Sector funding

The Vision and priorities of the Oxfordshire Local Enterprise Partnership are as follows:

Vision:

To make Oxfordshire a globally competitive, knowledge-based economy, open for business and at the heart of UK-wide economic growth, innovation and private sector job creation.

Objectives:

- To support Oxfordshire's businesses
- Helping business to access the finance they need
- To foster and encourage innovation in all sectors
- To make sure Oxfordshire's residents have the right skills to access job opportunities
- To plan and develop the right infrastructure to aid economic growth
- Encourage more businesses to locate and invest in Oxfordshire
- To ensure all areas in Oxfordshire have access to superfast broadband