

ABERDEEN CITY COUNCIL

COMMITTEE	Net Zero, Environment and Transport Committee
DATE	20 June 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Den Burn Restoration – Funding Update
REPORT NUMBER	COM/23/175
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Sue Cumming
TERMS OF REFERENCE	1 and 6

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress in securing funding to develop and deliver the Den Burn Restoration, and to seek Committee approval to enter into the Memorandum of Understanding with SEPA to develop the project further.

2. RECOMMENDATIONS

That Committee:-

- 2.1 note the success of funding secured to date and instruct the Interim Chief Officer Governance following consultation with the Chief Officer Strategic Place Planning to enter into a Memorandum of Understanding with SEPA detailing how Aberdeen City Council and SEPA will work together to try to further develop the project; and
- 2.2 instruct the Chief Officer Strategic Place Planning to: continue to seek additional funding; evolve the project scope in line with available funding; and report back to this Committee once the required funding has been secured.

3. CURRENT SITUATION

- 3.1 The Net Zero, Environment and Transport Committee, held on the 10th January 2023 (COM/23/024), instructed the Chief Officer - Strategic Place Planning to explore opportunities for external funding to deliver this project and report back. This report sets out the proposed funding arrangements for the design stage and updates members on progress to secure construction funding.
- 3.2 The Den Burn Restoration project is a 2.3km stretch from Maidencraig to Kingsgate and aims to:
- Improve the burn by re-meandering to remove straight sections, returning it to a more natural course;

- Create an enhanced wetland habitat;
- Improve biodiversity for the area;
- Reconnect people to nature;
- Provide paths to link communities and improve recreation; and
- Improve the aesthetics of the blue/green infrastructure network.

3.3 The project is complex and will be delivered over several years. Detailed design will be informed by geomorphology, flood modelling and ecological surveys. Civil engineering will be required to create new meanders along the burn and divert the water course along the new route. Due to the scale of the project, it may require further environmental assessment however, the medium to long term environmental, health and wellbeing, and social benefits of the project outweigh the longer delivery time.

3.4 Following the last report to this Committee, work has been undertaken to obtain revised costs, where possible, and investigate potential funding sources. Currently the project is at concept stage with some project design costs estimated from 2021. Further indicative costs have been obtained for ecological survey, ground contamination, planning, as well as public engagement, project management and contingency.

Table 1 sets out the various sources of funding that have been secured and others being investigated. SEPA have agreed in principle to provide 50% of the burn restoration funding, from their Water Environment Fund (WEF).

3.5 The Council's Natural Environment Policy team have been holding fortnightly meetings with SEPA to help design the project and create a strong working relationship with them.

3.6 This project has also secured Bus Lane Enforcement (BLE) funding, covering 50% of the costs of the path works element of the project. In addition, NESTRANS have agreed to fund the other 50% and have agreed that if required they could fund 100%. It is now considered that the project will be able to attract further match funding from other sources which is outlined in the Financial Implications section.

3.7 The funding offered to date is for capital work only and there is currently no revenue funding for this project. If this project is to be constructed a revenue budget will be required to maintain the paths and bridges to ensure this infrastructure remains useable for the foreseeable future. Only by having a well maintained path network that is accessible for all, will the health, wellbeing and social benefits associated with this project be met.

3.8 Approval is sought to continue with the proposed funding approach and to sign the Memorandum of Understanding (MoU) with SEPA to start detailed design of the project. The MoU is not legally binding nor a funding agreement.

4. FINANCIAL IMPLICATIONS

- 4.1 As set out above SEPA have agreed to fund 50% of this project which includes detailed design and construction through SEPA's Water Environment Fund. Official written confirmation has been sent and we have replied with a holding statement in May.
- 4.2 The estimated costs from 2021 for geomorphology and flood risk for the project are approximately £230K for the whole stretch. However, this did not include updating technical site surveys needed to inform design, community engagement, carbon sequestration assessment, project management or pre-planning application fees. The revised cost for detailed design is more likely in the region of £400K with 50% secured from various funders. An additional £200K match funding is required for the detailed design stage. Only after detailed design is completed can accurate construction costs be obtained but is expected to be in the region of £2.1 Million pounds.
- 4.3 The project has been approved funding from BLE funding to cover 50% of the path works with NESTRANS. In addition, NESTRANS have agreed that they could fund all the path works for design and for construction. At this stage it is expected both NESTRANS and BLE money will be used to fund the project, this is partly as it may increase options for funding maintenance of the path in the future.
- 4.4 SEPA have agreed to fund 50% towards the entire scope of the project to cover design and construction over several years. The detail of this funding is shown in Table 1. Timing of additional funding sources to match SEPA's funding will be time sensitive.
- 4.5 Additional funding is also being sought and is detailed below in Table 1. If Aberdeen City Council are unable to obtain funding for Just Transition Fund or timescales no longer align, we will re-evaluate the project and only stretches 7 and 8 of the Den Burn will be restored if other suitable funding cannot be obtained. The design cost of the restoring stretches 7 and 8 only is approximately £215K.

Table 1: Outlines funding sources secured and proposed.

Source	To Fund	Amount	Timescales	Notes
Funding secured				
SEPA	Burn design and construction	50% agreed Actual amount dependant on securing match funding.	Secured in April. Draw down is subject to securing match funding and will be in increments.	Funding offer been sent out and holding statement provided.

Source	To Fund	Amount	Timescales	Notes
Bus Lane Enforcement (BLE)	Path design and construction	50%	Secured via Net Zero, Environment and Transport Committee 24 th of May 2023	As 50% match funding for NESTRANS. Option to also seek a maintenance budget.
NESTRANS	Path design and construction	50%	Provided on written confirmation that project will be funded	As 50% match for BLE funding. Option to seek a maintenance budget.
Further funding options				
Just Transition Fund (JTF) Just Transition Fund: year one projects - gov.scot (www.gov.scot)	Design and Construction	£200K	Fund was to open in March but has been delayed while ScotGov improve application process.	Similar projects funded previously. Aiming to host meeting with JTF prior to submission to promote project and gage interest.
Private sector investment	Design and construction	Initially Design only £200K	Approach private companies June/July	Some initial discussions taking place with companies.
UK Shared Prosperity Fund	Design stage	£40K	Apply in 2023 for funds in 2024/25	Apply if Just Transition Fund unsuccessful.
Vattenfall Community Fund	Design	£15K per year, max £30K/3 Years.	April 2024 and decision July 2024	Apply if Just Transition Fund unsuccessful.

4.6 It is proposed that the project will be fully funded by external funding sources and project delivered over several years. Funding offered to date is for capital works only. If this project is progressed to construction it will require a new ongoing revenue budget to maintain paths and bridges.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications.

6. ENVIRONMENTAL IMPLICATIONS

6.1 It is proposed to complete the project in phases to a) take advantage of external funding and b) minimise the impact on wildlife seasons. There will be some habitat disturbance during construction, which will be appropriately managed and overall offset by the medium to long term gains for biodiversity.

- 6.2 This is a 'nature positive' project, contributing to our LOIP Stretch Outcome 15 of protecting/managing 26% of Aberdeen area by 2026.
- 6.3 Earlier this year Aberdeen City Council declared a Climate and Nature Emergency. To address these twin interlinked crises, works adapting to climate change and biodiversity loss will need to be undertaken in Aberdeen. This will include providing high quality blue/ green infrastructure within the city to provide resilience to nature and people. This proposal fits within Aberdeen Adapts and Climate Adaptation Framework by providing a nature-based solution in protecting water quality and creating high quality habitat for nature. This project is also listed in the Aberdeen City Council Climate Change Project Register 2021 –2025, page 13.
- 6.4 Where possible local materials will be used such as fallen dead trees and plants from local nurseries to ensure that sustainability has been considered and carbon emissions are kept low.

7. RISK

- 7.1 The Den Burn Restoration project is an active project with SEPA who are keen to work on the project to at least detailed design as either a full project or a partial restoration. The Natural Environment Policy Team agree that working on this project to detailed design would be beneficial so at a later date the Council could easily obtain revised costs for construction.
- 7.2 Environmental Services who are responsible for path management have identified the lack of certainty over an annual maintenance budget as a risk to the project if constructed. The new path associated with this project will create links to existing paths to loop around the burn and cross it using bridges. To ensure that bridges and paths are kept in good useable condition an annual maintenance budget will be required. Maintenance funding for path work is normally difficult to obtain. A couple of options are through BLE and NESTRANS but these are not well tried and tested to offer the funding security needed for this project. In addition, a funding application would need to be applied every year to secure funding. The Natural Environment Policy Team will work with Environment Services to design a low maintenance path where possible but the project will require an annual maintenance budget in the medium to long term.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risk but not delivering project would risk commitment to our Biodiversity Duty and Nature Conservation Strategy	We have regular meetings with SEPA about this project and they are happy we are meeting the WEF objectives. We plan to have a meeting with the Just Transition Panel to raise awareness of the project and gage interest	Low	N/A
Compliance	No significant risk but not delivering project would risk commitment to our Biodiversity Duty and Nature Conservation Strategy	Local Authorities are being encouraged to be nature positive by 2030. To achieve this, we need to be proactive and take opportunities to improve biodiversity when they arise, such as delivering this project, especially when there are multiple benefits that can be achieved.	Low	N/A
Operational	No Significant Risk for detailed design.	Design to reflect no/low maintenance options	Low	N/A
Financial	Funding may not be granted by other external sources required to fund the project. If project is progressed to construction appropriate revenue funding	With the WEF funding from SEPA, BLE and Nestrans funding it should be easier to attract other external funding partners.	Low	Yes

	will need to be allocated.			
Reputational	No Significant Risk but not being seen to deal with the nature crises/biodiversity loss whilst also enhancing the local environment for recreation etc may have a negative reputational risk	Ensuring we work collaboratively internally with different ACC departments to ensure it delivers multiple benefits both internally and externally.	Low	N/A

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
Aberdeen City Council Policy Statement	Impact of Report
<u>Working in Partnership for Aberdeen</u>	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <ul style="list-style-type: none"> • We Strive to achieve Net Zero to ensure a Just Transition is fair, both economically and socially for the citizens of Aberdeen. • Improving active travel infrastructure. • Seek to make Aberdeen a UNICEF child friendly City by creating outdoor spaces that they can enjoy and help with their health and wellbeing.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	
Prosperous Place Stretch Outcomes	<p>The proposals within this report impact in two areas of the delivery plan. The proposal will support the delivery of LOIP Stretch Outcome 14 Increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026. and 15 – Addressing the nature crisis by protecting/ managing 26% of Aberdeen’s area for nature by 2026.</p> <p>The paper updates on the funding situation and seeks approval to progress project further to detailed project design. Delivering the Den Burn Restoration project would improve biodiversity whilst improving people’s experience of active travel to help maintain the habit of active travel.</p>
Prosperous People (Children & Young People)	The proposals will support the delivery of LOIP Stretch Outcome 4

	<p>95% of children (0-5 years) will reach their expected developmental milestones by the time of their child health reviews by 2026. Through Key Driver 4.3 Improving health and reducing inequalities. Stretch outcome 5</p> <p>90% of children and young people will report that their experiences of mental health and wellbeing have been listened to by 2026. This is reflected in interactions, activities, supports and services. Through Key Driver 5.2 Increasing children’s knowledge and understanding of their own physical and mental wellbeing and take an early intervention and prevention approach.</p>
<p>Regional and City Strategies <u>Regional Strategies:</u> Aberdeen Adapts, Regional Transport Strategy) <u>City Strategies and Strategic Plans</u> (Local Development Plan) <u>Council Strategies</u> (LOIP)</p>	<p>The proposal of the Den Burn restoration within this report supports Net Zero Aberdeen, Aberdeen Adapts, the Strategic Development Plan and Local Development Plan by creating blue/green infrastructure within the city to provide resilience to climate change for nature and people. In addition, this proposal promotes active travel and aims to enhance user experience to create and maintain long term active travel habits, supporting the Local Transport Strategy.</p> <p>Supports LOIP as referred to in above table</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

Den Burn Restoration –Project Continuation COM23/024
 BEGIN Project CHI15207
 Flooding Mitigation Projects CH17165
 Den Burn Project Start Up Sheet

11. APPENDICES

Appendix A Den Burn Feasibility

Appendix B Appendix F extract of Den Burn Valley Options

Appendix C Memorandum of Understanding (MoU)

12. REPORT AUTHOR CONTACT DETAILS

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