ANGUS COUNCIL

26 JUNE 2025

BRECHIN RECOVERY AND REGENERATION

REPORT BY SHARON FAULKNER, DIRECTOR OF HR, OD, DIGITAL ENABLEMENT, IT & BUSINESS SUPPORT

1. ABSTRACT

1.1 This report provides an update on the progress of work since the report to Communities Committee on 26 November 2024 and sets out recommendations to further advance work to deliver flood protection improvement and the future development of Brechin and the River Street Area.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

2.1 Work in relation to the recovery and regeneration of Brechin aligns to the following priorities in the Angus Council Plan 2023-2028 (2024 update).

Caring for our Economy

Support businesses to grow and invest in Angus.

Caring for our Place

- Take action to mitigate against climate change by delivering our Transition to Net Zero Action Plan: 2022 to 2030.
- Coordinate activity and develop a vision for our places, through relevant plans and strategies.
- Engage with communities to support their ambitions to deliver on local aspirations through a place framework.

3. RECOMMENDATIONS

- 3.1 It is recommended that Council:
- (i) agrees that a full managed retreat is discounted from further consideration as outlined in Section 5.2;
- (ii) agrees not to progress the reinstatement of affected Council housing stock in the River Street Area (as defined in Appendix 1) meaning current and future voids will not be considered for new tenancies;
- (iii) agrees the remaining options in relation to Council housing stock detailed at 5.3 will form the basis of engagement with the Service Leader, Housing reporting to a future Housing Committee on the outcome;
- (iv) agrees that the construction of a full replacement Flood Protection Scheme is discounted from further consideration due to the reasons outlined in Section 5.4;
- (v) agrees the allocation of £100k from the Year 4 UK Shared Prosperity Fund 2025/26 to progress design work to increase the height of the existing Flood Protection Scheme as outlined in Section 5.5 and delegates authority to the Director of Infrastructure and Environment to progress and report on the outcome of the design work to the Communities Committee;

- (vi) delegates authority to the Director of Infrastructure and Environment to take forward the proposal to progress with demolition of the Inch Leisure Centre building, adjacent storage building and astro turf football pitch, subject to negotiated agreement on settlement with insurance, statutory common good consultation and if required, consent of the Court as outlined in Section 5.6;
- (vii) delegates authority to the Director of Infrastructure and Environment to take forward the proposal to progress with demolition of the Meikle Mill block of flats, subject to consent from Scottish Ministers as outlined in Section 5.6; and
- (viii) notes that subject to approval of the above recommendations officers progress with next steps including engagement with the community, key stakeholders and partners, as outlined in Appendix 3, and acknowledges that this engagement will be phased and ongoing, with feedback used to inform options that will be brought back to the relevant committees at appropriate stages.

4. BACKGROUND

- 4.1 At its meeting on 26 November 2024, the Communities Committee considered a report summarising the next steps for Brechin and the Brechin River Street Area (BRSA) following the impacts of Storm Babet in October 2023. The report highlighted progress made so far and outlined key challenges in preparing a detailed project and engagement plan, Report 352/24 refers.
- 4.2 The Committee agreed measures to advance the recovery and regeneration efforts, namely the Committee:
 - ii) noted the next stage of work required to develop a shortlist of options, with the Director of HR, OD, Digital Enablement, IT, and Business Support chairing the Brechin Recovery Group. The group was tasked with regularly updating the committee on progress. Members were also provided with updates through the April 2025 Information Report, which detailed ongoing efforts in Brechin's recovery and regeneration.
 - ii) approved the formation of a Steering Group consisting of elected members and officers to oversee the options appraisal process and engagement activities. The Steering Group included the Convenor of the Communities Committee and the three Brechin and Edzell Ward Members, alongside key officer representatives.
- 4.3 Following these agreements, the Steering Group was established to guide the development of the shortlisted options arising from the two technical reports: the Housing Options Report and the Flood Protection Options Appraisal. These detailed reports assessed potential strategies for addressing housing needs and improving flood protection in the BRSA.
- 4.4 The Steering Group has met each month in 2025 to date to review the issues affecting the BRSA and work collaboratively to refine and expand the proposed options. Relevant officers provided technical and professional advice to chart the proposed next steps which the Steering Group has finalised and are presented in this report.
- 4.5 Report 352/24 to the Communities Committee noted the aim to begin a further phase of engagement in January 2025. With agreement of the Steering Group, officers have undertaken further work to assess the technical viability of options identified and scope deliverable recovery options concurrently with the development of a meaningful engagement plan. This report seeks endorsement of recommendations arising from the work of the Steering Group that refine the range of options for public engagement.
- 4.6 Subject to approval of the recommendations in this report, the Steering Group will work with community members to establish the reference group noted in the recent Information Report update to Communities Committee and initiate the further engagement needed.

5. PROPOSALS

5.1 The range of options identified in the original technical reports relating to the BRSA are broad and to some extent, interconnected. This report provides an overview of the key current proposals following detailed work by the appointed Steering Group. Approval is sought for the exclusion of specific non-viable options to allow full development of the remaining options for wider engagement.

The following sections set out the detail of the proposals being made to Angus Council at this stage to enable the distinct, yet related, components of practical recovery work to take place:

5.2 Council Full Managed Retreat

- 5.2.1 In terms of disaster recovery, a 'managed retreat' generally refers to the planned removal of people and built development from an area of risk. For the context of the River Street Area, it would represent consideration of a strategy of action and investment seeking to remove all homes and properties from unacceptable flood risk to create a vacated, re-naturalised area of flood plain.
- 5.2.2 The flood recovery options being examined further are seeking to improve the environment and defences for all residents and businesses of the River Street Area wherever possible. While flood risk to the area will remain in the future, rather than an extreme approach being taken at this point to retreat homes and businesses from the river, it is considered that preferential options remain that can restore the area, improve flood protection and work alongside enhanced community resilience and awareness of how to minimise risk to life and property from future floods. It is therefore proposed, due to the complexities in progressing such an option, financial cost and precedent, that Full Managed Retreat is not an option for consideration as per recommendation (i).

5.3 Council Housing Stock and Housing Options

- 5.3.1 The <u>Housing Options Report</u> assessed different scenarios for council housing affected by flooding and presented three main options:
 - Relocation: Demolition of directly impacted Council stock and relocation of tenants to elsewhere in Brechin or the surrounding area.
 - Remodelling: Part demolition of properties closest to the riverbank and the remaining properties being remodelled to minimise future flooding risk
 - Reinstatement: Return all the properties in the flood affected area to their original state with everyone having the option to move back to their original home

The report recommended not progressing with the reinstatement option as properties performed poorly in terms of condition and demand.

- 5.3.2 If the recommendation in this report not to progress with the reinstatement option is accepted, the council will not immediately remove the remaining housing stock. Future housing options are complex and depend on various factors, including resident confidence and community sentiment.
- 5.3.3 It is therefore proposed that the council seeks the views of the community (including council and housing association tenants, private homeowners and the wider Brechin community) through a series of different methods including surveys, face to face meetings and workshops to explore and agree future housing aspirations. Discussion will focus on a more detailed set of options which are drawn from the remaining relocation and remodelling options in the Housing Options Report. These are as follows:
 - removal of the council housing stock;
 - removal of the council housing stock and the creation of new housing stock elsewhere within the town;
 - remodelling of the council housing stock to include demolition and replacement with a different mix of units; and
 - potential sale of the council housing stock on the premise that there would need to be control
 over future occupiers who are invested in the community

5.4 Full Flood Protection Scheme Replacement

- 5.4.1 Whilst cost was not considered a primary factor in the assessment of options, an element for consideration of a Flood Protection Scheme (FPS) replacement is the Benefit Cost Ratio and comparisons against alternative options. The <u>Flood Protection Options Appraisal</u> estimated the cost of a FPS replacement at circa £34.2M whilst only offering a Benefit Cost Ratio (BCR) of 0.20. A BCR of above 1.0 is generally required to achieve funding of capital projects. The scale of work and timescales would also have significant impact on the local community as it would need to be set back from the current location, potentially encroaching on existing housing areas, and would have significant visual impacts and significant challenges in securing any planning consent. It was not confirmed whether the design of a replacement FPS was feasible given the site constraints.
- 5.4.2 It is therefore proposed that the Council does not undertake any further work on exploring a full FPS Replacement. Although a replacement FPS in this location would likely protect against another flood event of the scale of Storm Babet, it is not expected to be able to achieve a standard of protection that would be suitably resilient to account for future climate change impacts, and its significant estimated cost does not represent an affordable or value for money option.

5.5 Flood Protection Scheme Uplift and Lowering of Gravel Bar

- 5.5.1 A recommendation of the Flood Protection Options Appraisal, published October 2024, was to consider an engineering solution that would raise the existing FPS defences by 0.5m along its full length and combine with works to lower the gravel bar in the adjacent part of the South Esk down to close to the average water level
- 5.5.2 It was estimated in the technical report that an uplift to defences by circa 0.5m, combined with lowering the gravel bar, would offer flood protection up to a peak flow of circa 460 m³/s. The estimated peak flow during Storm Babet was 434 m³/s. The proposed height achieved by the uplift of the existing FPS defences would therefore be higher than the estimated 'height' of the River South Esk in October 2023 when flood waters overtopped the existing defences.
- 5.5.3 The estimated cost of this option was £2.9M and therefore offers a BCR of 1.01 which is above the positive level of a cost benefit analysis. The option to uplift the FPS and lower the gravel bar gives the benefit of bringing significant improvement to the level of flood protection for the River Street Area compared to the existing defences, with less disruption and a quicker period of construction than many of the alternative engineering related options.
- 5.5.4 Officers have sought to establish how combining FPS engineering options with housing recovery options could alter their respective cost benefit analysis, prior to establishing preferred combined options to discuss further with the local community. This is a complex consideration with many potentially variable factors. Therefore, to assist full consideration on the costs, timescales and benefits or impacts of this option it is proposed to commission and progress initial design work. This work is likely to take 6-9 months at a cost in the region of £100k. Officers would then review the findings prior to discussing these with the local community and Council, to review and refine any design.
- 5.5.5 Report 142/25 considered by Policy and Resources Committee on 15 May 2025 agreed the allocation of funding from the Year 4 programme of the UK Shared Prosperity Fund and noted a remaining balance of £341k. It is proposed that £100k of this remaining balance be directed to support the design and feasibility work for the FPS Uplift and Gravel Bar Lowering option.

5.6 Future of the Inch Area

- 5.6.1 At the western edge of the River Street Area, the flood also caused extensive damage to the former leisure centre, a storage building that the Council's Parks service uses, Council owned properties at Meikle Mill and adjacent private properties to the south of River Street. This Inch area is delineated at Appendix 2.
- 5.6.2 The Council has received an offer from its Insurers to settle the claim in relation to these properties. This is to be finalised however the value offered is considered sufficient to cover the full cost of demolishing both the former Leisure Centre and the storage building. The former Leisure Centre is currently vacant, while the adjacent storage building is used by the Council's

Parks team for storage of materials and prior to Storm Babet was occupied by Brechin Pipe Band group.

- 5.6.3 The Steering Group considered the Inch Leisure Centre which was surplus to requirements and was lying empty prior to the damage caused by Storm Babet. The future of the building and adjacent storage building has been considered and it is proposed to progress their demolition. The removal of the neighbouring astro turf football pitch, which is derelict and in a state of disrepair, would also be undertaken. Following demolition, the area of land would be grassed and reinstated as open space. Future potential opportunities and uses will be the subject of a specific element of community engagement to support any future funding bids.
- 5.6.4 It is noted that this area is common good land and therefore the proposal to demolish is subject to an 8-week statutory public consultation. If there are negative responses received which are not subsequently resolved, then a further report will be brought back to Policy & Resources Committee. It is still to be determined if the land is inalienable common good. If it is considered inalienable common good then, in addition to a statutory consultation, the consent of the Court may also require to be sought before the proposal to demolish can be implemented. It is estimated that this process could take between 12-18 months.
- 5.6.5 It is further proposed that Angus Council agrees to progress the demolition of the Council owned Meikle Mill properties, subject to consent from Scottish Ministers. Guidance on the Disposal of Assets from HRAs requires three tests to be satisfied before General Consent to dispose can be applied. The first test requires a full valuation to be carried out to determine whether a separate consultation exercise is required. A valuation has been instructed and the guidance will be followed on receipt.
- 5.6.6 Demolition of the Meikle Mill block is recommended as a standalone project due to the unique nature of the issues. This three-storey property had its ground floor level extensively damaged in the flood and has not been reinstated. The upper-level flats are also vacant, with potential for significant internal structural repairs being required from pre-flood damage caused by past tenant activity. The building has also been subject to ongoing vandalism. In common with other properties in the BRSA, the Meikle Mill properties have historically been difficult to let and due to the build nature, would require high levels of ongoing repair and maintenance if retained.
- 5.6.7 It is proposed that a decision to demolish and reinstate these aspects is taken to maximise the opportunity to take a holistic approach to the development of the land in this area and maximise the potential for cost efficiencies by combining the leisure centre and Meikle Mill demolition and reinstatement processes.

6. COMMUNITY AND STAKEHOLDER COMMUNICATION AND ENGAGEMENT

- 6.1 The process of recovery involves a range of technical, infrastructure and environmental as well as personal, emotional and financial aspects. Each aspect having long-term impact and complex, often individual trajectories. Housing officers have therefore continued to undertake welfare checks for residents still living in properties in BRSA and weekly drop-in sessions for residents remain available at the Crickety in Brechin, where a range of issues can be addressed, including ongoing support with insurance claims, health and wellbeing support and assistance with other emerging issues. Regular newsletters are sent out to residents and Engage Angus has been updated to reflect ongoing and upcoming actions and events.
- 6.2 A Community Resilience Roadshow was held in Brechin in May 2025, delivered in partnership with the Scottish Flood Forum, emergency services partners, SSEN, the Angus Council Flood Team, and the Angus Community Resilience Forum. The event aimed to raise awareness of household resilience options and to support residents in preparing for, responding to, and recovering from floods, storms and other emergencies. Scottish Community Development Centre and Angus Council officers hosted a discussion space to engage with community members interested in forming a residents' group subject to the approval of recommendations in this report.
- 6.3 The Steering Group has agreed to adopt a phased approach to community engagement reflecting the different strands of work that will be undertaken. It is recognised that certain aspects of the recovery, such as housing options and delivering a flood protection scheme, will take more time and may have specific requirements. It may be possible to progress other elements, such as

supporting the development of a wider Community Resilience Plan, more quickly. Appendix 3 outlines the next steps following approval of this paper.

7. FINANCIAL IMPLICATIONS

7.1 Staff Resources

Given existing staff resource pressures and the technical and design requirements to support the development of options and engagement, additional resource will be required. Any additional funding requirement will require to be identified, and a request submitted for approval. Funding sources are available should this be required to keep the Brechin recovery work on track and avoid unnecessary delays. It is expected that the ongoing community engagement proposed in this report can be met from within existing staffing resources, but this will be kept under review.

7.2 Flood Protection Uplift Design Work

Work to develop initial designs for the FPS Uplift and Gravel Bar Lowering option (Section 5.5 refers) is estimated to cost £100k and members are asked to agree that this work be funded from available funding from the 2025/26 UK Shared Prosperity Fund allocation.

7.3 Demolition Works & Other Costs

As outlined in section 5.6.2, the insurance settlement is expected to cover the whole of the demolition costs. However, if after further site investigations and tendering for the works, this was not the case, it will be necessary for any remaining cost to be met from the Brechin Common Good Fund. There is no budget provision for such potential excess costs in the Brechin Common Good Fund budget for 2025/26, but the Fund does have sufficient reserve balances available should an element of demolition costs require to be funded in this way. It should also be noted that the derelict astro turf football pitch was not insured, and the cost of its removal will need to be contained by the Brechin Common Good Fund subject to the relevant procedures. The demolition will reduce maintenance costs and remove liability risks for the Brechin Common Good Fund. The cost of the 8-week public consultation required under Section 104 of the Community Empowerment (Scotland) Act and the potential cost of seeking Court approval in relation to inalienable common good land will require to be met from the Brechin Common Good in line with existing Council policy.

7.4 Demolition costs for the Meikle Mill block of flats are estimated to be between £70k and £90k excluding VAT. These costs would require to be met from the 2024/29 HRA Capital Plan. Although there is no specific provision in the 2024/29 Housing Capital Plan, this will be reviewed and considered for inclusion as part of work on the 2025/30 Housing Capital Plan.

7.5 Housing Revenue Account (HRA) Costs

The Council owned vacant properties in the BRSA now also incur costs for Council Tax liabilities. The 56 properties in scope were awarded a Council Tax Exemption, effective from 23 October 2023 for a maximum period of 12 months, ending 23 October 2024. For the period 24 October 2024 to 31 March 2025 the 56 liable properties were charged 90% Council Tax (10% unoccupied property discount), amounting to £29,099.38 for the period. For the period 1 April 2025 to 31 March 2026, there are 79 vacant properties in scope subject to a 90% charge. This amounts to £90,830.78. This figure is expected to increase as more tenancies are terminated and following periods of Council Tax exemption, the properties will also be subject to a 90% charge. These costs will require to be met from within the existing Housing Revenue Budget.

7.6 Vacant Council housing stock results in loss of rental income. The properties (79, as of 30 May 2025) consist of a range of sizes and types, with differing rental charges and historical occupation levels. The total void loss for Angus Council housing stock (from 23 October 2023 to 30 May 2025) in the River Street area is approximately £485k which will impact on the 2025/26 Housing revenue budget due to this being backdated. The average weekly void loss currently stands at £5.85k, and this figure is expected to increase as more tenancies are terminated and properties remain vacant. This loss of rent is placing increasing financial pressure on the Housing Revenue Account which will require to absorb the loss of this income.

7.7 Whilst the costs to the HRA in Council Tax and lost rent for the affected properties are significant, they need to be viewed in the context of the baseline Net Present Value (NPV) of the stock preflood, minus £15 million over 30 years, equating to a £500k loss per year.

7.8 Angus Public Infrastructure Fund (APIF)

This Fund was set up as part of the 2025/26 Budget setting process to support investment in infrastructure across Angus. A total of £21.6 million over 4 financial years (2025/26 to 2028/29) is estimated to be available. The use of this funding will be a matter for a future meeting of the Council or the relevant Committee to consider. There is potential for the fund to support investment in Brechin flood protection and other non-housing related work.

8. RISK MANAGEMENT

- 8.1 Progressing with the recommendations as outlined in this report will not eliminate flood risk however can support a reduced level of risk in the area and therefore work on community resilience needs to continue.
- 8.2 There is risk that the proposed initial design work could be abortive, if future funding or planning permission is not secured or if an alternative approach emerges. However, the FPS Uplift and Gravel Bar Lowering option currently represents the most positive FPS related recovery option for the area and one which can enhance flood protection for all residents and businesses within the Brechin BRSA.

9. ENVIRONMENTAL IMPLICATIONS

9.1 The impacts of climate underpin the types of extreme weather events such as those experienced through Storm Babet. Environmental implications will be considered as part of the detailed design work for the flood protection scheme uplift and works to lower the gravel bar as well as underpin the development of housing options.

10. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

10.1 An Equality Impact Assessment has been carried out and is attached.

11. CHILDREN'S RIGHTS AND WELLBEING IMPACT ASSESSMENT

11.1 A Children's Rights and Wellbeing Impact Assessment has been carried out within the EIA.

12. CONSULTATION

12.1 The Brechin Steering Group, Chief Executive, Deputy Chief Executive, Director of Finance, Director of Infrastructure and Environment and the Acting Director of Legal, Governance and Change have been consulted on the content of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

List of Appendices:

Appendix 1 – Map of Brechin River Street Area

Appendix 2 - Map of Inch Area

Appendix 3 – Outline next steps – Phase 1

Appendix 4 – Equality Impact Assessment

REPORT AUTHOR: Sharon Faulkner EMAIL: FaulknerS@angus.gov.uk