

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

RIVERS MEDWAY, TEISE AND BEULT FLOOD ALLEVIATION – PROJECT FUNDING

Final Decision-Maker	Policy & Resources Committee
Lead Director	Director of Finance & Business Improvement
Lead Officer and Report Author	Head of Finance & Resources
Classification	<p>Exempt – The information contained within the report has been considered exempt under the following paragraph of Part I of schedule 12A to the Local Government Act 1972:-</p> <p>3 = Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p><u>Public Interest Test</u></p> <p>It is in the public interest that this report be taken in private because it relates to commercially sensitive information.</p>
Wards affected	All

This report makes the following recommendations to Policy & Resources Committee:

- 1) To continue to work with the Environment Agency through the Executive Board;
- 2) To support the county's proposal for property level protection if insufficient resources are made available to achieve the flood storage areas on the rivers Beult and Teise;
- 3) To approach the Environment Agency in relation to possible local arrangements that can be agreed for areas of flooding outside of Yalding;
- 4) To enhance the resources available in the capital programme by up to £850,000 subject to match funding from partner organisations;
- 5) To commence discussions with all of the effected Parish Councils on the most effective use of the limited resources.

This report relates to the following corporate priorities:

Flood alleviation impacts upon the character of the borough and supports making the borough an attractive place for all.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy & Resources Committee	29 June 2016

RIVERS MEDWAY, TEISE AND BEULT FLOOD ALLEVIATION – OPTION APPRAISAL

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on developments in relation to flood alleviation options since the last report was considered at its meeting on 27 April 2016.
 - 1.2 The report considers the decision of Kent County Council and Tonbridge & Malling Borough Council in relation to funding. It also identifies the options they have chosen from the schemes modelled by the Environment Agency and set out in detail in the report to this committee on 27 April 2016.
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2. INTRODUCTION AND BACKGROUND

BACKGROUND

- 2.1 The Council has engaged with the Environment Agency (EA), Kent County Council (KCC) and Tonbridge & Malling Borough Council (TMBC) to consider a range of actions to protect communities prone to flooding along the river Medway and the rivers Teise and Beult that flow into the Medway near the point of major flooding. For this Council the work is centred on the Yalding area and the town centre.
- 2.2 The Council has appointed Arcadis as consultants to monitor and review the work of the Environment Agency and to advise the Council on viability and appropriateness of options. To date Arcadis have considered all of the modelling work completed by the EA and advised officers on the appropriateness of the conclusions reached by the EA.
- 2.3 Arising from the last report the Committee made the following decision:
 - 1) *That the Council continues to engage with its flood alleviation partners to identify routes to deliver funding for all flood alleviation options currently modelled by the Environment Agency as well as proposed methods of protection as set out in Section 2.22 of the exempt report of the Head of Finance and Resources; and*
 - 2) *That the Council requests that the Environment Agency does not commence public consultation on flood alleviation measures for the Rivers Medway, Teise and Beult until all the relevant information is available for the measures as set out in paragraph 2.22 and Appendix A to the exempt report of the Head of Finance and Resources and that before consultation commences, Maidstone Borough Council Members and Parish Councils are briefed."*
- 2.4 Since the decision at the Committee's meeting on 27 April 2016, officers and local ward members have worked with the EA and public consultation has not yet occurred. In addition discussions have continued with partners in relation to option appraisal and funding.

- 2.5 This Council to date has committed a maximum sum of £250,000 towards modelling and option appraisal. The assumption of Cabinet when the resources were set aside in 2014 was that the balance remaining after option appraisal would be available as a base amount for contribution to the programme of works.
- 2.6 From a similar viewpoint to this Council, Tonbridge and Malling Borough Council has committed a maximum sum of £500,000 to the project. This resource is partially for the modelling and option appraisal and the balance as a contribution to the chosen programme of works.
- 2.7 In a recent letter from the Leader of KCC, this Council was informed that the county intended to contribute £4,000,000 towards the flood alleviation work. The letter also made reference to a bid for local growth fund resources totalling £4,545,000.
- 2.8 Following the commitment made by Councillor Paul Carter, in Yalding during the 2013/14 flood, the county resources would be used in protection measures for Tonbridge and for Yalding. The letter emphasised the funding would be utilised for those areas only. This effectively excludes many other areas where flooding occurred within the borough and for which the various options modelled by the Environment Agency had sought to identify protection measures.
- 2.9 Councillor Fran Wilson, as Leader of Maidstone Borough Council, wrote in reply to the Leader of KCC for clarity on the distribution of funding and support for the many areas where flooding was as significant as Yalding. In some cases modelling suggests a proportionately larger central contribution and therefore a more effective scheme in those areas.
- 2.10 As a result of this letter the Leader of Maidstone Borough Council and the Head of Finance & Resources were invited to a meeting with the Leader of KCC. At that meeting Councillor Paul Carter set out the county's intentions:

Leigh Barrier & Tonbridge

- 2.11 The improvements to the Leigh Barrier have been matched with funding for works at East Peckham to create a wider scheme that generates business growth. Current proposed funding is as follows:

Source	£	Comment
Scheme Cost per KMEP Papers	24,600,000	
Kent County Council	-2,500,000	
Tonbridge & Malling Borough Council	-1,000,000	£500,000 in TMBC capital programme
Local Growth Fund	-4,545,000	
Business (Developer Contribution)	-2,000,000	
Shortfall	14,555,000	Source- Environment Agency?

- 2.12 The Leader of KCC set out an expectation that TMBC would actually contribute £1,000,000 although their capital programme contained the balance of an original £500,000 commitment. There is a need for

£2,000,000 in developer or business contribution. Including these uncertain elements the table above still shows a significant shortfall in the scheme and the expected contribution from the Environment Agency would need to be £14,555,000. This is a 60% contribution to the scheme.

Yalding

- 2.13 The county contribution to work in Yalding would be the balance of the £4,000,000 they have committed. A sum of £1,500,000.
- 2.14 The Leader of KCC expressed the view that that the most beneficial use of this resource would be property level protection through grant aiding individual property owners. The county proposal is that £10,000 individual grants would mean support to 150 properties which is a greater number than would be protected, in that area by the flood storage area scheme on the river Beult.
- 2.15 The county's proposal excludes the options previously considered and modelled by the EA for flood storage areas on the rivers Beult & Teise as the cost/benefit analysis suggest low value for money from partner contributions.
- 2.16 In response to the detail set out by the Leader of KCC both the Leader of Maidstone Borough Council and the Head of Finance and Resources advised the following:
- a) The most cost effective use of resources to gain maximum contribution from the EA was the River Teise FSA;
 - b) There has been no confirmation, at this time, of a contribution from the EA to property level protection in Yalding;
 - c) The Leigh Barrier improvement scheme as set out in the bid for local growth fund resources required significant developer contribution and the figures were not clear; and
 - d) Maidstone would need to utilise the contribution it may be able to provide to benefit residents throughout the whole of the area affected by the flood and not just the Yalding area.
- 2.17 As a consequence of that meeting a further letter was sent to the Leader of KCC to request written confirmation of the sums involved and the county's intentions. The letter requested either the agenda and decision papers in relation to the county's approach or a direct letter from the Leader of the Council confirming the contribution and the limitations on its use.
- 2.18 At the time of production of this agenda no response had been received from the county council.

Conclusions

- 2.19 Having made clear their intentions, the conditions and the amount of resources that the County is prepared to make available for flood alleviation in the borough, this committee must now reach a conclusion on the most appropriate next step.
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3. AVAILABLE OPTIONS

- 3.1 **Option 1:** The primary decision required by the committee is whether or not to continue the work of the executive group or to accept that the group will no longer work on a single proposal to bring about a programme of alleviation works over a large area of the Medway from Tonbridge to Maidstone and the river Medway tributaries along that route. If the committee feels that the benefit of the executive group is now minimal it would be essential to commence negotiations with the Environment Agency directly or through the Council's consultants, Arcadia.
- 3.2 In recent discussions with the Environment Agency the council has reached an agreement over funding for flood alleviation works in the Town Centre as part of the Bridges Gyrotory project. The negotiations suggest that it is possible for the Council to work outside the partnership in negotiating over funding with the Environment Agency.
- 3.3 **Option 2:** Given the decision of the county council to promote property level protection grants within Yalding, the committee will need to decide whether support for this option is suitable as an alternative to the projects to construct flood storage areas. While the council could continue to promote storage areas on either or both the rivers Beult and Teise it cannot afford to provide the full partnership funding required to achieve them without the support of a major partner such as KCC.
- 3.4 **Option 3:** The committee could also consider a contribution from resources available to the capital programme. Resources for the programme are set aside for infrastructure delivery with a small amount remaining for commercial acquisitions. At this time the programme already includes an annual contribution to flood alleviation of £50,000 per annum. The original sum of £250,000 has been partly used, less than £100,000, on the modelling and consultants costs leaving a little over £150,000. To reach the amount proposed by the county of £1,000,000 would require a further investment of approximately £850,000.
- 3.5 The current capital programme does not utilise all of the resources that area available to the council between now and 2020/21. This money is however set aside for infrastructure. Following a recent decision of this committee to commit £3,100,000 to further improvements in the Town Centre, Week Street & Gabrielle's Hill, the balance remaining is approximately £3,500,000. Other schemes
- 3.6 **Option 4:** The committee should consider the appropriate time to engage with parish councils in the area and make them fully aware of the modelling to date and the decisions of the various partner organisations.

The Parish Councils could be better placed to communicate the facts to the affected residents and may be able to develop and contribute towards self-help schemes in the area including economies of scale in the award of contracts.

- 3.7 While there has been representation on the flood funding forum from Maidstone KALC it is clear that more in-depth engagement will be required soon. Given the county's stated intention it may be considered unreasonable to not engage in confidential discussions with the parish councils surrounding Yalding.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In the current circumstances the executive group's work with the EA seems to be approaching the end of its effectiveness. That does not mean that continued work with the EA will not improve the situation that the Council now finds itself in. The Council could approach the Environment Agency regarding support for the various levels of, and options for, individual and grouped property protection.
- 4.2 The committee will need to consider the effectiveness of further discussions with KCC to bring about the full programme of works or the option to focus on property level protection throughout the affected area of the borough and indicate its preference to officers and the Leader of the Council.
- 4.3 The committee will need to make a decision on its financial commitment to the areas affected by the flood. The Leader of KCC was keen to see a contribution equivalent to the amount provided by TMBC and this would require an additional £850,000 contribution.
- 4.4 The Council should also discuss local funding options with affected Parish Councils.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The EA and other partners wish to engage with residents on the final chosen proposals as soon as possible. While the engagement may be difficult due to the change of message from the county, this Council should be ready to engage and therefore certain of the options that it is prepared to support and to what extent it will provide support to those options.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The message arising from the completed review will be difficult to deliver and it is possible that the most affected homes will not be supported by defensive works specific to the property due to age, listed status, construction type and ground floor flooring.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Impact on Corporate Priorities</p>	<p>The decision will impact upon the protection of the character of the borough as any solution will have implications for the villages and the homes within the flood area.</p> <p>Flood alleviation impacts upon the character of the borough and supports making the borough an attractive place for all.</p>	<p>Head of Finance & Resources</p>
<p>Risk Management</p>	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk.</p> <p>Delivery of resources to resolve this matter, given the low level of partner funding available to areas within the borough, would not be adequate to improve circumstances for the majority of affected homes.</p> <p>It is essential that the Council works with other funding partners if these schemes are to be delivered effectively.</p>	<p>Head of Finance & Resources</p>
<p>Financial</p>	<p>Resources do not exist for a capital programme of the magnitude required to bring forward the originally proposed schemes. Funding towards the cost of the proposed localised resilience measures could be resourced from earmarked reserves currently held for infrastructure work.</p>	<p>Head of Finance & Resources</p>
<p>Staffing</p>	<p>No specific impact.</p>	<p>Head of Finance & Resources</p>

Legal		Head of Finance & Resources
Equality Impact Needs Assessment	The proposed solution could be delivered flexibly, while adjustments are possible to ensure equality in some cases the level of benefit is dependent upon the type of property and not the resident's circumstances	Head of Finance & Resources
Environmental/Sustainable Development	These proposals have a significant environmental impact. The actual result would depend on the type of protection measure proposed in each case and would require assessment property by property.	Head of Finance & Resources
Community Safety	The flooding risk has an impact on community safety and on emergency planning. Both have reacted appropriately in recent events and meet the requirements of the Council's responsibilities.	Head of Finance & Resources
Human Rights Act	Unknown	Head of Finance & Resources
Procurement	Unknown	Head of Finance & Resources
Asset Management	Unknown	Head of Finance & Resources

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

9. BACKGROUND PAPERS

None