

Portfolio Holder Decision

Approval to remove flood risk schemes from the DEFRA programme

Portfolio Holder	Portfolio Holder for Fire & Rescue and Community Safety
Date of decision	10 March 2023
	Signed

1. Decision taken

Approval is given to remove the following schemes: Princethorpe, Coughton, Shottery (Stratford-upon-Avon), Gaydon, Long Itchington and Long Marston, from the 6-year DEFRA Flood and Coastal Erosion Risk Management programme (2021-2027).

2. Reasons for decisions

The Environment Agency (EA) have approached all Risk Management Authorities (RMAs) to remove schemes that have low delivery confidence within the current DEFRA 6 year programme, so that they have a realistic programme for delivery. In the case of Warwickshire, these schemes are in; Princethorpe, Coughton, Shottery (Stratford-upon-Avon), Gaydon, Long Itchington and Long Marston.

The Council has the option to move these schemes back further into the next programme (delivery beyond 2027) but, given that the evidence indicates (see Background information) that there are currently not viable schemes in these locations, the recommendation is that the schemes are removed from the DEFRA list. Should new information become available, the Council can resubmit these schemes for funding.

Removal of the schemes now gives more flexibility in the next DEFRA programme to either to be more responsive to a potential future flood event, or to reprioritise through the updated risk ranking due later this year. The schemes submitted into the current 6-year DEFRA programme (2021-2027) in Warwickshire were based on the top 40 communities identified at risk from surface water flood risk, using the Surface Water Management Plan (SWMP) produced by the Flood Risk Management (FRM) team in 2015, this can be found at the link below.

<https://www.warwickshire.gov.uk/flooding/flood-risk-management-surface-water-management-plan>

A number of the schemes that are currently being delivered, were submitted in the previous DEFRA programme period, but have all experienced delays in delivery and viability. The remaining locations, listed in section 1 above, recommended for removal

from the DEFRA list have already been deferred twice, due to ongoing concerns regarding viability. Since the schemes were first proposed more than 7 years ago some of the communities have experienced little or no further flooding and if a refreshed economic appraisal were to be undertaken now the schemes are unlikely to be categorised as viable.

As outlined in the background information section, Warwickshire schemes do not attract large amounts of external funding and are usually Property Flood Resilience (PFR) schemes which can only be delivered with the express consent of the property owner to work on their home fitting measures such as flood doors and self-closing airbricks. The affordability of a PFR scheme is dependent on the number of residents who sign up to the scheme. The schemes being recommended for removal from the DEFRA list have experienced low uptake, with some having less than 50% of residents taking up the scheme. In some communities, such as Welford on Avon, no properties have signed up for PFR, despite active concern from residents regarding flooding over the past 5 years and multiple rounds of engagement. Common reasons for residents not taking up the scheme include; perception that it will blight their home, unwillingness to take on ownership and maintenance of the assets, scepticism that PFR is the correct solution, or they do not believe that they are at risk. **The low uptake impacts the affordability by reducing the properties included and reducing the amount of funding available, which in turn either makes the scheme economically unviable or requires a disproportionate contribution from the Council.** Funding is awarded based on schemes having a positive cost-benefit ratio, and where low numbers of properties are included in the scheme, the cost of installations are higher than the benefits of flood damages avoided.

Whilst we have been delivering current schemes, we have not yet commenced community engagement in the communities related to the schemes proposed to be removed. As such, the schemes recommended for removal have not yet been discussed and delivery promised to the communities, meaning there is no current expectation for delivery of a flood scheme. The schemes it is proposed to remove are highlighted below with a brief description of their flooding mechanisms and some of the issues;

Princethorpe (Dunsmore & Leam Valley District)

Located in Rugby Borough, the village suffers from flooding from an ordinary watercourse that runs along the highway and is crossed by several private drives, in addition to surface water from the Fosse Way. The proposed scheme is PFR to better protect 5 properties, however only 2 of them have been confirmed to have previously flooded over 10 years ago, which is not enough for a viable scheme.

Coughton (Studley Division)

Located in Stratford District, the village suffers surface water flooding from a small unnamed ordinary watercourse located west of the settlement which impounds (holds water back) flows against the highway of the A435. The proposed scheme is PFR to better protect 10 properties however, more recent interactions and reports suggest that some of the reported flooding may be due to spray from vehicular traffic, getting through the leadwork of windows. Such ingress would not meet the Defra definition of internal flooding, meaning we are not able to secure funding for these properties. Consideration will be given as to whether this location is suitable for retro-fit Sustainable Drainage (SuDS) trial in conjunction with County Highways.

Shottery (Stratford West Division)

Shottery is an area of Stratford town which has historically had issues with main river flooding from the Shottery Brook and as such must be led by the Environment Agency as the appropriate Risk Management Authority. The Council is unable to move a scheme forward in this location, as previous schemes with main river flooding have not been taken forward in partnership due to PFR not always being appropriate for main river flood depths and ensuring the uptake is sufficient. The proposed scheme is PFR to better protect 14 properties.

Gaydon (Kineton & Red Horse Division)

Located in Stratford District, Gaydon has historically suffered from surface water flooding from a mixture of overland flow, exceedance of culverts and ditches and surcharge of the highway network. Exceedance is when there is more water than the culvert has capacity to cope with, leading to surcharge when water backs up into pipes that can no longer discharge because of high water levels in the culvert. 13 properties have previously been identified as at risk of surface water flooding with the main risk areas Church Road, Church Walk and Banbury Road. However the reports do not contain sufficient detail to confirm the extent of flooding or whether properties were internally flooded. It should be noted that the last significant flooding reported in Gaydon was 15 years ago in 2007, and as such information to put together a business case for a viable scheme is not available.

Long Itchington (Feldon Division)

Located in Stratford District, Long Itchington has previously suffered from flooding from the main river Itchen and surface water flooding from smaller watercourses. The main river flooding has had a defence installed by the EA to better protect the properties at risk and the Lead Local Flood Authority (LLFA) have not had any reports of internal flooding since the EA scheme was implemented. Properties previously protected by the EA scheme have to be excluded, as this would constitute double counting, and as such we would not be eligible for funding for enough properties to make the scheme viable.

Long Marston (Bidford & Welford Division)

Located in Stratford District, Long Marston has experienced flooding issues from surface water and small ordinary watercourses. The scheme proposed is PFR for 15 properties, however the Lead Local Flood Authority (LLFA) has not had reports of internal property flooding in Long Marston for 15 years since 2007. The reports on record do not hold enough detail to be able to claim funding without further significant investment on appraisal, as outlined in the financial implications section.

Work is currently on-going to update the risk rankings on which the original list of schemes put forward for the DEFRA 6 year programme was based upon. This update to the risk rankings will include more recent flood records from flood events since the previous version produced in 2015, with 868 new reports of flooding (254 of these internally affecting property). Along with an increase the accuracy of surface water mapping, this will provide a more up to date and better understanding of risk in the county, which will lead to a revised rank of communities at risk. The recommendation to

remove the remaining schemes will allow for future appraisals to take account of the revised risk rankings and give a more updated picture of where resource would be best focused. The schemes highlighted can be readded to the programme at a later date if further flooding occurs in these locations.

3. Background information

DEFRA 6 year programme process

The Flood Risk Management (FRM) team acting as LLFA are able to bid for funding from the national Flood and Coastal Erosion Risk Management Grant in Aid (FCERM GiA) funding, administered for DEFRA by the Environment Agency (EA). In order to obtain this funding, the LLFA must submit an Outline Business Case (OBC) to the EA outlining the preferred scheme to better protect properties from flooding. Until the OBC is approved the funding is not secured and as such, these schemes are not part of the Council's capital programme, they remain only as a strategic allocation on the DEFRA 6 year programme.

The OBC must demonstrate that the preferred option meets the specified cost benefit returns and the necessary reduction in flood risk to qualify for FCERM GiA. The vast majority of funding is secured to reduce risk to residential properties, that are at risk of internal flooding. Additionally, partnership match-funding must be provided from the Local Levy and the Council. The process to compile the necessary data and technical justification for the OBC and get this approved by the EA can take up to 2 years prior to the year of delivery. Issues arising during this process including community engagement and ensuring the economic appraisal of the schemes has the appropriate benefit-cost ratio to gain approval, can further increase the time taken or show the scheme to not be viable at all.

Warwickshire PFR

As previously outlined, flood schemes are funded through a combination of FCERM GiA and Local Levy. The amount of FCERM GiA that schemes are eligible for is based on the severity of flooding and the number of properties better protected by the scheme. The nature of Warwickshire's communities being spread out with small pockets of properties at very significant surface water flood risk, means that OBC's for our schemes often do not attract large amounts of external funding. The funding is based on the number of properties better protected, and as such small clusters of properties do not provide enough benefits in comparison to larger groups. This leads to the most cost beneficial option in all schemes delivered so far in Warwickshire being Property Flood Resilience (PFR). Unlike more traditional schemes, such as flood embankments, flood storage areas and flood walls; PFR can only be delivered with the express consent of the property owner to work on their home fitting measures such as flood doors and self closing airbricks.

Relative to other LLFA's, Warwickshire has a lot of experience delivering PFR, with 8 schemes delivered, better protecting 102 properties. Delivery of these schemes has identified common issues with affordability and uptake, which have been highlighted in this paper.

4. Financial implications

The six schemes on the DEFRA list are not part of the Council's capital programme. Approval to add the schemes to the capital programme only happens when they receive DEFRA approval. At this point the County Council is also required to resource its share of any matched funding.

The removal of the six schemes from the DEFRA 6-year programme will mean the future cost of resourcing any matched funding is avoided. The table below lists the future years schemes and the amount of FCERM GiA they have as a strategic allocation (not yet secured by an OBC). It shows that the total cost of the six schemes is £1.050m, with a third of the funding coming from an FCERM GiA allocation and two-thirds from local funding sources including the County Council. The figures are based on the average PFR cost per property of £15,000 (total scheme cost divided by the number of properties). However, larger and more complex properties in existing schemes have been double or triple this cost per property.

Scheme Location	DEFRA original planned year of delivery	Unsecured Strategic Allocation (FCERM GiA)	Number of properties	Shortfall in funding
Princethorpe	23/24	£21,275	5	£53,725
Coughton	24/25	£43,035	10	£106,965
Shottery (Stratford-upon Avon)	25/26	£55,000	14	£155,000
Gaydon	26/27	£108,000	13	£87,000
Long Marston	26/27	£53,115	13	£147,887
Long Itchington	26/27	£66,248	15	£158,752
			Total:	£703,329

Table 1: Schemes to be removed economic and property figures

As highlighted in Table 1 all of the future schemes have a significant shortfall in funding which will require bids to Local Levy and a WCC contribution. The removal of the schemes will remove the financial requirement on WCC, to make a contribution to ensure the schemes are fully funded.

The strategic allocation of funding from the DEFRA programme is not secured until an OBC is submitted and as such this does not represent a loss of funding to WCC if these schemes do not go ahead. Additionally, the shortfall highlighted in Table 1 is also based on all properties taking part in the scheme. If the uptake is less than 50%, as per the current trend, the contribution required from WCC will also be higher as the amount of FCERM GiA will drop.

The removal of the future years' schemes will release capacity in terms of officer time taken to progress the scheme from start to finish of the process of applying for FCERM GiA and Local Levy and engaging with residents to have the appropriate number of properties 'signed up'. The capacity will instead be redirected towards partnership schemes with partners such as Severn Trent or the EA.

Additionally, there will be a cost saving from not incurring technical appraisal costs, such as hydraulic modelling. This up-front appraisal cost is not recoverable, so for schemes

that are then shown to be unviable or have no uptake such as Welford, these represent sunk costs. For the last 5 schemes in delivery, £76,325 has been spent on appraisal costs up to the submission of the OBC. In locations such as Lower Brailes, where technical issues meant multiple consultants were used, the appraisal cost is not always proportionate to the number of properties in the scheme.

The above considerations all demonstrate a future saving to WCC, in terms of both cash and releasing capacity for higher priority activity. The removal of the schemes does have financial implications for residents, associated with their properties flooding if the schemes do not go ahead. This cost is likely to be passed on to their insurers but there may be associated costs for the Council, such as emergency accommodation etc, should a flood event occur.

5. Environmental implications

The proposed schemes would have had minimal impact on the environment given that PFR measures are fitted to individual houses, and so do not have an impact on loss of habitat or the water environment that are sometimes associated with more traditional schemes.

The environmental benefit of the schemes not taking place would be a reduction in carbon associated with manufacture and installation of the products. This is especially pertinent where measures have been installed and then subsequently not taken care of by residents, leading to replacement products being required with a further carbon input.

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Urgent matter?	No
Confidential or exempt?	No
Is the decision contrary to the budget and policy framework?	No

List of background papers

Environment Agency Exception Report January 2023

Members and officers consulted and informed

Portfolio Holder – Councillor Andy Crump

Corporate Board – Mark Ryder

Legal – Caroline Gutteridge

Finance – Virginia Rennie, Strategy and Commissioning Manager (Strategic Finance)

Equality – Joanna Kemp

Democratic Services – Isabelle Moorhouse

Councillors – Clarke, Chilvers and D’Arcy

Local Member(s): Cllr Roberts, Cllr Mills, Cllr Kettle, Cllr Kerridge, Cllr Fradgley, Cllr Pemberton