

Report to the Cabinet

Meeting to be held on Thursday, 20 January 2022

Report of the Head of Service - Highways

Part I

Electoral Division affected:
All

Corporate Priorities:
Delivering better services;
Protecting our Environment;

Department for Environment, Food and Rural Affairs Flood and Coastal Erosion Grant in Aid Capital Funding - Flood Risk Management Works and Studies

(Appendices 'A' and 'B' refer)

Contact for further information:

Rachel Crompton, Tel: (01772) 530150, Principal Flood Risk Officer,
rachel.crompton@lancashire.gov.uk

Brief Summary

This report seeks approval to add 10 externally funded projects into the county council's capital programme. The schemes will mainly be funded by the Department for the Environment, Food and Rural Affairs' Flood and Coastal Erosion Risk Management Grant in Aid capital funding programme, with one project funded by the North West Regional Flood and Coastal Committee's Local Levy. Additional funding will be contributed from the county council's existing staff revenue budgets where appropriate.

The total amount of funding which needs to be brought into the capital programme is £1,755,500.00, which will be claimed in stages over the programme period (2021-2027) as progress is made with the planned phases of each project.

Whilst the projects have not yet been formally confirmed by the Department for the Environment, Food and Rural Affairs, they have secured all local and regional approvals including that of the North West Regional Flood and Coastal Committee, meaning there is high confidence in the funds being made available early in 2022. Preparing now to receive the funds will enable work to start on the various projects at the earliest possible opportunity.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to approve the addition of 10 externally funded flood risk management projects identified in the report, and as set out at Appendix 'B', with a combined value of £1,755,500.00 into the 2022/23 drainage capital programme, subject to final project approvals to be notified by the Department for the Environment, Food and Rural Affairs early in 2022.

Detail

As a Risk Management Authority defined in the Flood and Water Management Act 2010, Lancashire County Council is eligible to apply for funding from the Department for the Environment, Food and Rural Affairs' Flood and Coastal Erosion Risk Management Grant in Aid programme to support flood risk management capital activities in Lancashire. The Flood and Coastal Erosion Risk Management Grant in Aid programme is administered for the Department for the Environment, Food and Rural Affairs by the Environment Agency.

These activities can be studies to identify flooding risks and potential options to reduce flood risk, also schemes to deliver flood risk management works on the ground.

The success of any bid for such funding depends on the potential reduction in flood risk for a defined number of households, following the current national procedures for establishing a suitable business case.

It is also an essential criterion for the award of Grant in Aid funding that projects must attract partnership contributions (a form of 'match-funding') to be added into the final funding regime. Partnership contributions can be made in a variety of ways for example 'benefit in kind', future maintenance commitments or staff time. As with previous projects of this nature, officers will use their best endeavours to develop projects which do not create new assets, maintenance liabilities or other future commitments for the council. Any such elements which may be part of an optimum solution will be subjected to further internal decision-making procedures before any commitments could be made.

Recent studies and projects in Lancashire which have been recently or are currently being funded through Flood and Coastal Erosion Risk Management Grant in Aid funding include:

- Flood Risk Management schemes at Croston, Preston and South Ribble, and at Rossall and Anchorsholme;
- Pumps at Irwell Vale and Croston;
- Culvert improvements at Preesall and Mawdesley;
- Surface water management schemes at Wesham and Slyne;
- Surface Water Management studies in Ormskirk, Burscough, Halton, Lancaster, Brinscall, Upper Irwell, and Burnley;

- Ordinary Water Course studies in Much Hoole, various locations in West Lancashire and Pendle,

The council's Flood Risk Management officers have identified 10 new projects as being eligible in principle for Flood and Coastal Erosion Risk Management Grant in Aid to be funded from 2022 onwards. The council submitted bids for these projects in June 2021 to meet the Department for the Environment, Food and Rural Affairs and Environment Agency deadlines and procedures in accordance with the process described in Appendix 'A'.

Locations and outline information for each of these projects are shown at Appendix 'B'. Further details will emerge as each of the projects are developed by the council's Flood Risk Management team with advice from specialist consultants, local stakeholders and other implicated Risk Management Authorities including the council's highways officers, the water companies, local Environment Agency teams and technical staff at the city and district councils where appropriate.

Further projects elsewhere around Lancashire will be identified as progress is made with identifying potential investment opportunities from the team's investigations and working in partnership with the other Risk Management Authorities in Lancashire.

The North West Regional Flood and Coastal Committee has been consulted on all the projects proposed by the region's Risk Management Authorities including the projects proposed by the county council. The Regional Flood and Coastal Committee completed the regional endorsement process in October 2021, before final national programming decisions are made by the Environment Agency using Department for the Environment, Food and Rural Affairs procedures.

It is expected that decisions on these 10 projects will be notified early in 2022. Once notification of the final national programme has been received, the council's Flood Risk Management team will develop more detailed investigation and design programmes for all the successful projects. Subject to the grants being awarded, the successful projects will extend over a number of years, depending on their complexity and any challenges that may be identified in the early stages.

In many cases, this project development work will be funded by the Flood and Coastal Erosion Risk Management Grant in Aid allocations, although in some cases this preparatory work will be done through 'business as normal' (existing staff revenue budgets) and won't be recharged to the capital budgets. Such staffing costs may be counted towards the partnership contributions that the Department for the Environment, Food and Rural Affairs requires evidence to demonstrate the commitment and resources contributed to each project by the Risk Management Authorities and other interested parties.

As well as its role in developing the national programme, the Regional Flood and Coastal Committee holds its own funds for investing in regional priorities. These are the Local Levy funds, which are collected annually from the region's lead local flood authorities (including the county council). The committee allocated these funds to the sub-regional partnerships to be invested in projects that are potentially not cost-

effective using Department for the Environment, Food and Rural Affairs' assessment procedure but are still found to be valuable in a regional context.

Lancashire County Council has one scheme currently going through the Regional Flood and Coastal Committee's local approvals procedure. If it is successful, the funds will be made available quickly and need to be used at relatively short notice. It is advisable to establish the capital budget for this project at the same time as those awaiting the Department for the Environment, Food and Rural Affairs' Flood and Coastal Erosion Risk Management Grant in Aid funding.

Progress on these and all other Flood Risk Management projects in the North West region will then be monitored and evaluated by the Regional Flood and Coastal Committee through its own procedures.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Flood risk

This report aims to minimise delays between the expected allocation of external funding and the council's officers making a start on the detailed investigation, design and delivery of flood risk management improvements.

Financial risk

The proposal in this report is to establish the capital budgets for the 10 projects referred to in Appendix 'B', in advance of the project funding being confirmed by the external bodies.

Because the dates of confirmation are managed by these external bodies and are not under the council's control, it is not possible to align them precisely with the council's decision-making procedures. The decisions therefore need to be taken either in advance as proposed, or after the allocations are confirmed.

If the budgets are established in advance of the funding confirmations, there will be less risk of delay in setting them up and in enabling spending to start on the relevant staff time, surveys and consultancy services.

If the confirmations are held up or not given as expected, the council's budgets can be amended or cancelled accordingly.

There is a small potential risk to the council, if the identified projects should over-run on costs. Each project is still progressing through staged business case

development and costs can be adjusted provided they remain within the Department for the Environment, Food and Rural Affairs guidelines. The risks are also mitigated by the built-in optimum bias of 20%, the ability for council officers to vie funds between projects in the programme, and the scope for amending scheme details at design and construction stages.

List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

None

Reason for inclusion in Part II, if appropriate

N/A