

**REPORT TO:** Cabinet Member – Environmental  
Cabinet Member – Technical Services  
Cabinet

**DATE:** 6<sup>th</sup> April 2011  
6<sup>th</sup> April 2011  
14<sup>th</sup> April 2011

**SUBJECT:** **Flood and Coastal Erosion Risk Management**

**WARDS  
AFFECTED:** All

**REPORT OF:** Peter Moore  
Environmental & Technical Services Director

**CONTACT  
OFFICER:** Graham Lymbery  
Project Leader - Coastal Defence  
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**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To seek approval for amendments to the Staffing Establishment in order to make adequate provision for undertaking new statutory duties relating to Flood Risk Management.

**REASON WHY DECISION REQUIRED:**

With effect from April 2011 the Council will be the designated Lead Local Flood Authority. This new role brings with it substantial new duties and some adjustment to the staffing establishment is considered necessary in order to adequately deliver these duties without impacting on other key frontline service delivery.

**RECOMMENDATION(S):**

That the Cabinet Member Environmental and Cabinet Member Technical Services:

1. Note the content of the report and endorse the recommendations to Cabinet.

That Cabinet:

1. Consider the impact of the new duties, together with existing flood defence and coastal defence responsibilities;
2. Note Sefton's specific grant allocations within the Local Government Finance Settlement of £120,600 in 2011/12 and £157,900 in 2012/13.
3. Approve the allocation of £70,000 out of the above funding to the Flood and Coastal Erosion Risk Management function, from April 2011/12, to enable adequate delivery of the new duties, through the creation of 1.0 FTE new post. This post will provide a redeployment opportunity for staff under risk of

redundancy as a result of the Council's budget savings in 2011/12.

**KEY DECISION:** No

**FORWARD PLAN:** No

**IMPLEMENTATION DATE:** Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

**ALTERNATIVE OPTIONS:** The Council could choose not to allocate additional funding for the delivery of the additional duties. This would place the Council at risk of failing to discharge its duties under the Flood Risk Regulations 2009 and the Flood and Water Management Act 2010 and severely reduce the Council's ability to understand, plan and manage the risks from flooding and coastal erosion. Failure to comply with the new duties could result in infraction proceedings under the European Commission Floods Directive.

**IMPLICATIONS:**

**Budget/Policy Framework:** The Council recently identified Flood Defence and Coastal Protection as frontline services.

**Financial:**

The Government has provided funding in the form of a Specific Grant to meet the cost of carrying out the Authority's new duties in relation to local flood risk management. Revenue grant allocations for 2011/12 and 2012/13 were announced in December 2010 as part of the Local Government Finance Settlement. Sefton's grant allocations are £120,600 in 2011/12 and £157,900 in 2012/13. Funding for 2013/14 is not expected to be announced until December 2012. It will be necessary to review the level of service in 12 months time when the remaining provisions are fully enacted and again in 2013 when the future funding levels are known.

There are no capital financial implications arising from this report however the Government are proposing a different approach to funding new capital projects with effect from 1<sup>st</sup> April 2012 which may require additional local investment depending on the levels of benefits, outcomes and local need.

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £
Gross Increase in Capital Expenditure	Nil	Nil	Nil	Nil
Funded by:				
Sefton Capital Resources				

Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure	65k	65k	65k	65k
Funded by:				
Sefton funded Resources	65k	65k	65k	65k
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?	N/A			

**Legal:**

The new duties are mandatory statutory duties placed on the Council as the Local Lead Flood Authority.

**Risk Assessment:**

The new duties placed upon the Council set out a clear approach to the management of flood risk and the development of plans to address this risk.

**Asset Management:**

The new duties placed upon the Council set out a clear approach to the management of flood risk which includes the assessment and maintenance of flood defence assets.

**CONSULTATION UNDERTAKEN/VIEWS**

**FD714 /2011** - The Head of Corporate Finance & ICT has been consulted and her comments have been incorporated into this report.

**LD 00047/11** - The Head of Corporate Legal Services has been consulted and any comments have been incorporated into this report.

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		

4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

#### **LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

Report to Cabinet Member Environmental, 12<sup>th</sup> January 2011, and Cabinet Member Technical Services on 26<sup>th</sup> January 2011, *Local Flood Risk Management*.

Report to Cabinet, 17th December 2009, *Watercourse Maintenance and Flooding Working Group – Addressing the Recommendations*.

Report to Cabinet, 25th November 2009, *Climate Change and Inland Flooding in Sefton*.

Report to Cabinet, 1<sup>st</sup> October 2009, *Watercourse Maintenance and Flooding Working Group – Final Report*

Report to Overview And Scrutiny Committee (Regeneration And Environmental Services), 15<sup>th</sup> September 2009, *Watercourse Maintenance & Flooding Working Group - Final Report*.

#### **Background**

1. Flood and Coastal Erosion Risk Management is a significant issue for Sefton given its long coast and extensive areas of low lying land, approximately 90% of its area relies on pumped drainage. Understandably in this context Flood Defence and Coastal Protection were categorised as front-line services in the recent service-prioritisation process. Mechanisms are well established for the management of flood risk from the sea and rivers, new legislation now aims to manage flood risk from all sources including sewers, surface water and ground water and places a responsibility on the Council to take the lead in this process.
2. In August 2009 the Overview and Scrutiny Committee (Regeneration and Environmental Services) approved and referred to Cabinet the report of the Watercourse Maintenance and Flooding Working Group. Cabinet considered the report in October and December 2009 and resolved that approval be given to the proposed action to implement the recommendations set out in the report.

3. In November 2009 Cabinet also considered a report, *Climate Change and Inland Flooding in Sefton*, which set out the effects that climate change may have on inland flooding in Sefton and identified changes and improvements which, if implemented, would reduce these effects now and in the future. Cabinet resolved that: the report be noted; the proposals set out in the report be supported; and the provision of revenue growth of £122K in drainage budgets, in particular for land drainage, be considered further during the 2010/11 budget process. No growth was subsequently provided for in the budget setting process.
4. On 8<sup>th</sup> March 2011 Overview and Scrutiny Committee (Regeneration and Environmental Services) reviewed progress against the report referred to in paragraph 2 above and resolved to “*recommend to Cabinet that the funding of £121,000 [referred to in paragraph 19 below] be ring-fenced for flood and water management duties*”.
5. There are a number of current issues/pressures that necessitate a review of the delivery of these functions in order to develop a more comprehensive and holistic approach to Flood and Coastal Erosion Risk Management, including:
  - Existing responsibilities for flood defence and coastal protection within Sefton;
  - Sefton’s lead role in delivering the North-West Regional Coastal Monitoring Programme;
  - The Client/Project Sponsor role overseeing work contracted to Capita Symonds;
  - New mandatory statutory duties placed on the Council as Lead Local Flood Authority (LLFA).

#### Existing Responsibilities for Flood Defence and Coastal Protection

6. The Coastal Defence Team, within the Environmental & Technical Services Department, is currently resourced with 2 full-time-equivalent (FTE) staff for undertaking the Council’s existing responsibilities relating to coastal erosion and coastal flood risk management, including: understanding/planning for risk and implementing the responses to risk. The team also takes the lead on developing a coast-wide response to coastal change, including impacts of climate change. Key activities at present for the team include the delivery of coastal defences at Hightown and implementing the recommendations of the recently adopted Shoreline Management Plan.

#### North West Regional Coastal Monitoring Programme

7. As coastal processes are not contained within administrative boundaries, the coastal authorities in the North-West of England and North Wales work together on key strategic activities. One such activity is the delivery of a coordinated monitoring programme. The programme for England is 100% grant-funded by the Environment Agency and although separate to the Welsh programme is

coordinated with it. Sefton has acted as the lead authority for the current three-year programme (2008/9-2010/11): applying for and administering the grant-funding; distributing funding to other local authorities for them to undertake work; and procuring and supervising delivery of regional activities on behalf of the partnership (including bathymetric surveys, deployment of wave buoys and aerial photography). This activity, together with some additional EU-funded project work, is currently delivered by 3.5 FTE staff fully funded from this source.

8. Sefton has recently received confirmation from the Environment Agency that the next five-year programme (2011/12-2015/16) has been approved (see Annex 1), it is intended that Sefton will again act as lead authority for this programme with associated staff costs funded from the programme.

#### Client/Project Sponsor Role for Drainage

9. At the time of the Major Service Review (MSR), October 2008, the drainage engineering service formerly delivered by the Council was externalised and contracted to Capita Symonds. Whilst the service is commonly referred to as drainage its roles include: dealing with inland flooding from ordinary watercourses; work with the Environment Agency in relation to flooding from main rivers; dealing with flooding from other sources when it occurs; maintaining the highway drainage network; and other associated activities.
10. In implementing the MSR a decision was made to keep the retained Client function as small as possible and no specific provision was made for a Client/Project Sponsor role relating to the drainage service as described. This was subsequently recognised as a significant gap that needed addressing to ensure appropriate direction and best value from service delivery, as well as to maximise potential for securing external investment in this area of work (e.g. from DEFRA and Environment Agency). In September 2009 the Client/Project Sponsor role was assigned to the Coastal Defence Team, as suitable expertise existed within that team, but no provision was made at that time for additional resource within the Team.

#### New Lead Local Flood Authority Duties

11. Implementation of the Flood Risk Regulations 2009 established the Council as a Lead Local Flood Authority (LLFA). These regulations enact provisions of the European Commission Floods Directive (Directive 2007/60/EC) on the assessment and management of flood risks and aim to reduce the likelihood and consequence of flooding through the identification of areas at risk of flooding (from all sources) and the development of Flood Risk Management Plans. Along with this general duty to provide a leadership role in relation to flooding from all sources the Flood and Water Management Act 2010, passed by Government in spring 2010 but with a phased commencement, also places significant specific new duties on Local Authorities and requires a strategic approach to the management of flood risk, with the key steps and timetable for action set out within the Act. Key elements of the new duties include:

- The development of a Preliminary Flood Risk Assessment;
- Taking the lead for local flood risk;
- Reporting back on our actions via Scrutiny and Review Committee;
- Investigating flood events;
- Developing and maintaining an asset register;
- Consenting works on ordinary watercourses;
- Being the approving body for Sustainable Urban Drainage Systems.

12. If the LLFA does not carry out its duties as identified in the Act then it is at risk of: complaints to the Local Government Ombudsman; legal action for the breach of statutory duty taken by anyone who suffers loss by the Council's failure to carry out the duty; the Minister directing that another authority carry out the flood and coastal risk management function (if this happens it is assumed that all funding allocated from government will be passed to the other authority); and it could result in fines being imposed on the UK Government by Europe (again it would be reasonable to assume that the Government would take some action against the Council in these circumstances).

13. In addition to these legal implications, there are high financial and social implications associated with flooding (e.g. flood damage and emergency response), failure to manage flood risk could incur significantly greater costs than managing it. Failure to undertake these duties would lead to an increase in flood risk in the borough. Members will be aware of recent international, national and local incidents (e.g. urban flooding in Bootle and the breach in the River Alt embankment at Lunt Meadows) compliance with the new duties will improve our understanding, management and response to such risks.

### **Proposed Future Approach to Flood and Coastal Erosion Risk Management**

14. With a minor revision to the current delivery of flood defence and coastal protection functions and the allocation of limited additional resource it is considered possible to develop a more comprehensive and holistic approach to Flood and Coastal Erosion Risk Management (FCERM) that would address the issues/pressures identified within paragraph 2 above. Flood and Coastal Erosion Risk Management can be broadly split up into six activities:

- *Understanding Risk* – including knowing what assets there are and their condition, monitoring natural processes and analysis of this data, researching gaps in understanding. This underpins all other elements of FCERM.
- *Planning our response to risk* – including strategies/plans and the associated consultation/studies required to develop them. These plans and strategies will set out the response to risk and the principal approaches form the next four activities.
- *Maintain and improve assets* – where it is cost effective to do so.

- *Public awareness* – the assets we build and maintain can only reduce the risk not remove it and in some circumstances it is not cost effective to protect properties at risk from flooding. This risk needs to be communicated to the public so that they can take appropriate action, from registering for flood warnings to implementing resilience measures to their property. Similarly, the public need to be advised of the risk from coastal erosion.
  - *Avoid inappropriate development* – this relates to the location of development and the nature/form of the development and is an extremely cost effective approach to risk management.
  - *Emergency Planning* – there will always be residual risk and plans need to be in place to deal with the consequences when these risks materialise.
15. It is proposed that this more comprehensive approach to FCERM be delivered through a restructured (and re-designated) Coastal Defence Team, supplemented by the addition of 1 FTE core-funded post, to enable it to adequately undertake the existing functions of the team, the Client/Project Sponsor role for drainage engineering works and the bulk of the new duties identified above.
16. Ensuring understanding of risk is reflected in development plans and decisions to avoid/control inappropriate development would be undertaken within the Planning service. The Planning service would also manage the consents for work to ordinary watercourses and approval of Sustainable Urban Drainage Systems (SUDS). Whilst it is felt that the new requirements may necessitate additional resource within the planning service, the responsibilities relating to SUDS have not yet been enacted and the full impact is not yet fully understood. It is therefore proposed to review the impact and capacity to deliver the new duties within existing resources over the next 12 months.
17. Whilst every effort would be made to secure external funding for any specific studies necessary (where such funding is available) limited provision for additional non-staff-related revenue expenditure will be necessary for this purpose and potentially for additional technical advice relating to consent for work to ordinary watercourses and Sustainable Urban Drainage Systems.

### **Financial Implications**

18. The approach proposed within this report has been developed within the context of the current significant reduction in Council funding. Whilst detailed guidance on some of the new duties (e.g. approval of Sustainable Urban Drainage Systems) is still to be issued by the Government the proposal has been developed on the basis of identifying the minimum resource required and the most cost-effective deployment of that resource to deliver against the new duties and the other issues/pressures identified in paragraph 5.



19. Within this overall picture of reducing resource, in recognition of the significant new duties, the Government have provided a non ring-fenced Specific Grant within Sefton's Local Government Finance Settlement for 2011/12 and 2012/13 (£121,000 in 2011/12 and £158,000 in 2012/13). This specific grant has not so far been allocated within the MTFP and budget setting processes.
20. The cost of the above proposal, subject to some further detailed work (e.g. Job Evaluation assessments reflecting the new responsibilities), would be approximately £65,000. Recruitment to the additional 1 FTE core-funded post would be through redeployment of "at risk" staff, providing some mitigation against savings-related redundancy. It will be necessary to review the level of service in 12 months time when the remaining provisions, referred to in paragraph 16, are fully enacted and again in 2013 when the future funding levels are known.