



AGENDA

KENT FLOOD RISK MANAGEMENT COMMITTEE

Monday, 21st November, 2011, at 2.00 pm

Ask for: **Andrew Tait**

**Medway Room, Sessions House, County Hall,
Maidstone**

Telephone **01622 694942**

Tea/Coffee will be available 15 before the start of the meeting in the meeting room

Membership

Conservative (7): Mr R E King (Chairman), Mr A H T Bowles, Mr D L Brazier,
Mr M J Harrison, Mr C Hibberd and Mrs P A V Stockell

Liberal Democrat (1): Mr M J Vye

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

- 1 Substitutes
- 2 Declarations of Members' Interest relating to items on today's agenda
- 3 Minutes of the meeting on 23 May 2011 (Pages 1 - 4)
- 4 Flood Defence Financing (Pages 5 - 10)
- 5 Kent Resilience Forum Reservoir Inundation Plan (Pages 11 - 12)
- 6 Flood Risk Management in Kent - Oral Update on progress
- 7 Dates of future meetings

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
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Friday, 11 November 2011

KENT COUNTY COUNCIL

FLOOD RISK MANAGEMENT COMMITTEE

MINUTES of a meeting of the Flood Risk Management Committee held in the Medway Room, Sessions House, County Hall, Maidstone on Monday, 23 May 2011.

PRESENT: Mr R E King (Chairman), Mr D L Brazier, Mr M J Harrison, Mr C Hibberd, Mrs P A V Stockell Mr M J Vye

IN ATTENDANCE: Mr M Tant (Flood Risk Management Officer), Mr T Harwood (Senior Emergency Planning Officer) Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS**9. Minutes of the meeting on 28 January 2010**

(Item 3)

RESOLVED that subject to the amendment of Minute 2 (4) to indicate that “both KCC and the Environment Agency were committed to and working towards this goal” the Minutes of the meeting held on 28 January 2011 are correctly recorded and that they be signed by the Chairman.

10. Exercise Watermark feedback

(Item 4)

(1) Mr Harwood reported that a number of Members of the Committee had visited Kent Police HQ on 10 March 2011 in order to see the multi-agency Strategic Response Unit in operation during Exercise Watermark (a national wide-area flood response exercise).

(2) Mr Harwood said that the exercise scenario had been much more demanding than expected, involving the need for the total evacuation of some 30,000 people from the town of Sheerness and surrounding areas. The Multi-Agency Strategic Co-ordinating Group, chaired by Chief Supt Alastair Hope had been praised by the UK and French Government observers for the effectiveness of its response. The close and professional working relationship between the three participating local authorities (KCC, Medway Council and Swale BC) was specifically raised as a positive outcome at the multi-agency exercise debrief.

(3) The exercise had tested the ability of the partner agencies to evacuate and shelter great numbers of people, thus requiring optimum use of available resources. As a learning point, work was now well underway to pre-identify “evacuation and shelter hubs” where large numbers of people could be accommodated at a single destination (such as the Oakwood complex in Maidstone or the University of Kent at Canterbury) and the transportation logistics to support them. The Kent County Council’s Rest Centre Guidelines were currently being updated to take account of this work.

(4) Mr Harwood said that Exercise Watermark had provided many learning points in terms of the need to develop improved logistics for evacuation, shelter and identification of vulnerable people. Improved arrangements were also needed to improve local community resilience. To this end, an event was planned for a mid Kent conference venue. It would take place on Saturday, 30 July and would involve the KALC and invited residents associations (representing unparished areas within an identified flood risk zone). Attendees would be provided with a CD containing a template of a community resilience plan for completion by their organisation, together with other supporting information. Mr Harwood agreed to inform the Committee Members of the details once the arrangements for this event were confirmed.

(5) Mr Harwood explained that a “league table” had been produced which identified those communities most vulnerable to flooding. Local Members were being asked to assist in providing local knowledge (including local organisations which might be in a position to support). Particular emphasis for this Member local knowledge was placed on urban and unparished areas such as Sheerness.

(6) Members of the Committee commented that they had been impressed by the calmness and competence they had observed during their visit to Police HQ. Mr Harwood agreed to circulate the debrief report from Exercise Watermark, which would be available in mid June.

(7) The Chairman asked to what extent the broadcast media had been involved in the Exercise. Mr Harwood replied that there had been a media cell which had provided both real and simulated media involvement. A follow-up exercise “Exercise Saturn” (also involving the broadcast media) would be taking place later that week, simulating a flooding emergency impacting upon Dungeness “A” station. This would test the technical assets of KCC and its contractors, including the logistics of mobilising and moving significant quantities of plant and other assets at short notice.

(8) RESOLVED that the report on the effectiveness of the response to the major flooding event simulated by Exercise Watermark be noted, together with the lessons to be learned.

11. Preliminary Flood Risk Assessment

(Item 5)

(1) A brief written report had been circulated to members of the Committee before the meeting and was also tabled at the meeting.

(2) Mr Tant reported that the Environment Agency had identified no part of the administrative area of Kent as a Flood Risk Area (i.e. one at risk of surface water flooding), although the County’s overall rating was the highest in the country. Ten areas in England (including Chatham/Gillingham) had been identified as Flood Risk Areas.

(3) Mr Tant then summarised the purpose of the Preliminary Flood Risk Assessment (PFRA). It was to provide an overview of local flood risk from surface water, groundwater and ordinary watercourses. It would achieve this by collating historic flood evidence and identifying areas of future flood risk and significant flood risk. The definition of an area of significant flood risk was one which would affect

30,000 people or more and where the likelihood of an occurrence was 1 every 200 years.

(4) Mr Tant commented that the benefit of having no Flood Risk Areas in Kent was that it enabled the County to develop its own priorities. Kent would not now need to undertake any further work on the Preliminary Flood Risk Assessment once it had been submitted to the Environment Agency by the deadline date of 22 June 2011. Kent's response would not recommend that the Environment Agency should amend the national flood map.

(5) Members of the Committee commented that the terms "Significant Flood Risk" and "Flood Risk Area" were likely to confuse the public because it would be unclear to them that these definitions applied to surface water only and did not include fluvial and coastal flooding (where the risk was usually greater).

(6) Mr Tant informed the Committee that the PFRA would contain a table dividing the County into 48 areas, assessing them in terms of the risk from 1 in 200 year surface water events and ranking each area according to the number of dwellings at risk.

(7) RESOLVED that the report be noted.

12. Local Flood Risk Management Strategy

(Item 6)

(1) Mr Tant informed the Committee that the County Council had to prepare a Local Flood Risk Management Strategy. This would relate purely to local flooding (from surface water, groundwater and ordinary watercourses). This Strategy would use the PFRA process to identify target areas.

(2) DEFRA would provide direct funding for this work. Kent would receive £260k in 2011/12 rising to £750k in each of the four years from 2012/13.

(3) Preliminary Flood Studies would be undertaken in (1) Thames Gateway (including Swanley), (2) Swale and Canterbury, (3) Thanet, (4) Maidstone, the Medway Gap, and (5) Folkestone and Hythe. Work was currently underway in Dover, Deal and Paddock Wood.

(4) During discussion of this item it was agreed to invite the Environment Agency to the next meeting in order for the Committee to ascertain how their work on coastal and fluvial flooding complemented KCC's work. It was considered that this would also assist the public to have a clear overall picture.

(5) RESOLVED that the report be noted.

13. New responsibilities for Flood Management

(Item 7)

(1) Mr Tant reported that further responsibilities of the Flood and Water Management Act 2010 had commenced in April 2011.

(2) Mr Tant reported that the County Council had a duty to maintain a register of features and structures that had a significant role in flooding. Work on a pilot scheme had already commenced in East Kent.

(3) The County Council now had a duty to investigate flooding incidents. This was required whenever the Council considered it to be appropriate and where no other authority was undertaking an investigation.

(4) The Committee noted a letter from the Chairman of the transitional Southern Regional Flood and Coastal Committee setting out this new Committee's role in guiding the Environment Agency's flood and coastal erosion risk management activities in the region. These would include raising a levy for local schemes, approving the Environment Agency's regional programme and assisting lead Local Flood Authorities in developing their local strategies.

(5) RESOLVED that the report be noted.

14. Kent Members' Flood Management Training

(Item 8)

(1) Mr Tant reported that the District Councils had not appointed a representative to the Committee because of the uncertainty surrounding the local government elections.

(2) The Committee agreed that a seminar should be arranged in the autumn to inform Members of flood risk developments, including the County Council's broadened role. Representatives from the District Councils and from the Kent Association of Local Councils would be invited to attend. It was considered that, if possible, this should be held in late September with the next Committee taking place in October.

(3) RESOLVED that a seminar be arranged in the early autumn, which all Members of the Council will be invited to attend, together with representatives from the District Councils and Kent Association of Local Councils.

15. Property Level Flood Protection

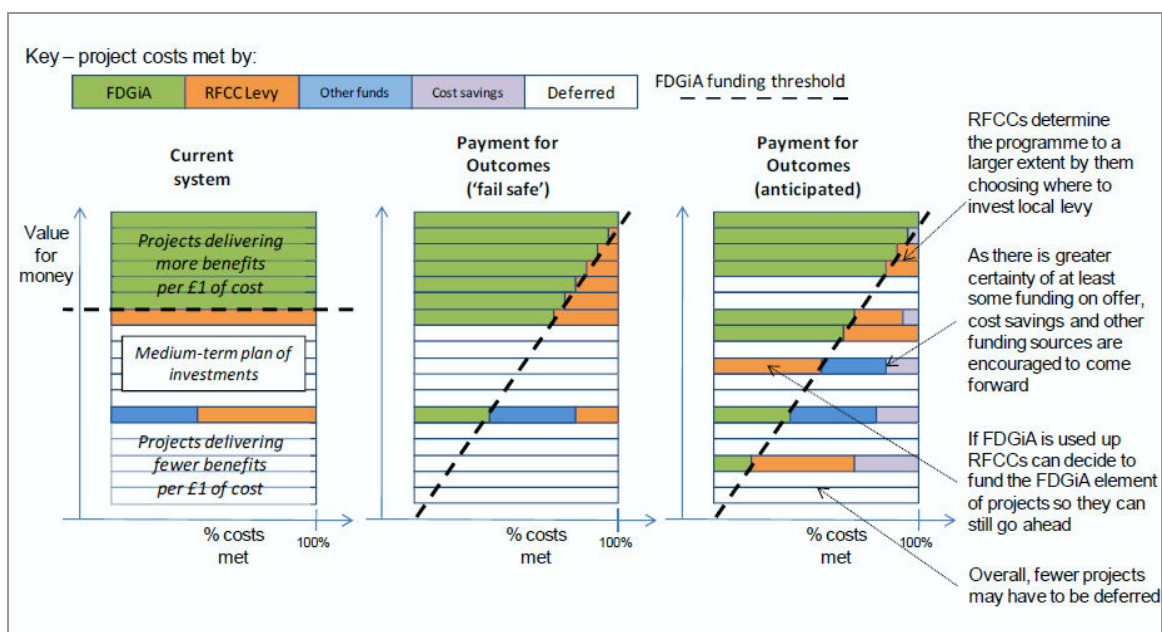
(Item 9)

(1) Mr Tant informed the Committee that the Environment Agency had made £2 million available for property level flood protection in 2011/12. A grant of £112.5k from this pot had been provided for the defence of 30 basement properties in Dover. Dover District Council would be the lead authority for this project.

By: Max Tant, Flood Risk Manager
To: Kent Flood Risk Management Committee – 21 November 2011
Subject: Flood Defence Financing
Classification: Unrestricted

1 Introduction

- (1) Flood defences and coastal erosion risk management schemes are generally paid for from a government grant called Flood Defence Grant in Aid (FDGiA) which is administered by the Environment Agency (EA) on behalf of Defra.
- (2) Defra has recently announced changes to the way FDGiA will work from April 2012.
- (3) In the past a number of schemes would receive full FDGiA funding each year if they met a certain cost-benefit ratio, while schemes that did not achieve this ratio would receive no grant.
- (4) Under the new funding mechanism, Payment for Outcomes, each scheme will receive funding according to the benefits it delivers against defined outcome measures. For instance the number of homes protected or the amount of habit created.
- (5) The funds allocated like this may be sufficient to develop the scheme. If they are not sufficient the difference will have to be made up from other “local” sources of funding.
- (6) The figure below illustrates how the scheme will work.



- (7) In order to qualify for any FDGiA funds under this scheme any necessary local sources must be secure before an application can be made.

2 Flood defences in Kent

- (1) Kent is one of the most at risk areas of England from flooding, it is estimated that 86,000 properties are at risk from rivers and or the sea and 76,000 are at risk from surface water flooding.
- (2) Kent faces significant challenges over the coming years to continue to protect areas that currently benefit from defences and to ensure that more defences can be built. The table below illustrates the planned flood defence work in Kent, which does not include any surface water management schemes yet.

Year	Total deliverable programme (est)	FDGiA potential allocation	Contribution required
2011 / 12	£19 million	£17 million - confirmed	£2 million
2012 / 13	£12.5 million	£9.3 million	£3.2 million
2013 / 14	£16 million	£9.3 million	£6.7 million
2014 / 15	£9 million	£4.5 million	£4.5 million

- (3) A number of these schemes include funds to refurbish existing flood defences that are reaching the end of their life.
- (4) Given the considerable shortfall in funds and the importance to Kent of flood defence schemes it is important to identify potential funding options that can be used to ensure all the schemes can be delivered.

3 Local funding options

(1) Overview

- (a) There are a number of options for raising funds to meet the local contribution, which include:
- (i) Local levy;
 - (ii) CIL and Section 106;
 - (iii) Council Tax;
 - (iv) Business rates;
 - (v) Tax Increment Financing; and
 - (vi) Charitable donations.
- (b) It should be noted that where funds are required up front for a scheme a local authority may need to raise a loan to meet the contribution and then use some of the above mechanisms to finance

the loan. In such instances the total loan repayment may be significantly larger than the initial contribution.

- (c) For instance, for a loan of £1m with a repayment term of 25 years (longer loan repayment periods are not available to local authorities) the annual repayment would be approximately £90k per annum or approximately £2.25m in total.

(2) Local levy

- (a) The local levy is a fund administered on a regional basis by the Regional Flood and Coastal Committee (RFCC). Kent is in the Southern Region RFCC, which stretches along the south coast from Hampshire to Kent. All upper tier local authorities in the RFCC region contribute to the local levy according to the number of Band D properties in their district.
- (b) The Southern Region local levy is currently approximately £1.177m, which is one of the lowest in the country, despite this region have one of the largest risks. KCC currently contributes approximately £330k to the Southern Region local levy.
- (c) The RFCC has 14 members drawn from the elected members of the contributing authorities (KCC has three members), and eight technical appointees.
- (d) The local levy can be distributed to flood defence schemes at the discretion of the RFCC. It is often used to fund locally important schemes which would otherwise not receive funding.
- (e) In this transitional period to the new Payment for Outcomes mechanism the local levy is likely to be used to finance feasibility studies to ensure that schemes can get to the stage where they can bid for FDGiA.

(3) Community Infrastructure Levy and Section 106

- (a) Community Infrastructure Levy (CIL) and Section 106 are ways of raising money from new developments to pay for essential infrastructure that the development needs. These can only be used to fund infrastructure that the development directly benefits from.
- (b) CIL is a new mechanism for raising funds and CIL charging schedules are currently under development in Kent. There are many competing objectives for CIL to meet aside from flood defences.
- (c) These options may be suitable for developments in areas which already benefit from flood defences that may require refurbishment. However, FDGiA contributions are not calculated on houses constructed after January 2012, it is unclear at present if this includes areas that already benefit that are regenerated.

(4) Council Tax

- (a) The local district council has the power to raise council tax. Parish and county councils can raise a precept on the district which is added

to the local authority's council tax (the can Police Authority and Fire and Rescue Service have similar powers).

- (b) All of the properties within the administrative area of the council tax raising council would have to pay the increase, even if they did not receive a benefit from the scheme.
- (c) The table below provides an illustration of the increase in council taxes of financing a £1m loan repaid over 25 years. These figures are estimates and will change according to the number of homes in each council area.

Authority	Bearsted Parish Council	Maidstone District Council	Kent County Council
Area tax raised over	Bearsted Parish (approx. 4,200 houses)	Maidstone District (approx. 64,000 houses)	Kent County (approx. 550,000 houses)
Council tax increase per band D property per annum	£24.6	£1.49	£0.16
Council tax increase range, for band A to H per annum	£16.4 to £49.2	£0.99 to £2.98	£0.11 to £0.33

- (d) Where a small scheme is proposed with a small local contribution that could be argued to impact a parish or parishes a council tax precept may be a viable option for raising some of these funds. Distributing the funds over a large area may lessen the financial impact but be harder to justify to houses that do not benefit.

(5) Business rates

- (a) Upper tier authorities can choose to raise a supplementary business rate of up to 2p in the £ (£s of rent) for all businesses with a rateable value of £50,000 or more. Business rates are currently 43.3p in the £ (not including any rate relief).
- (b) The area subject to the increase would be determined by the upper tier authority. The increase would be subject to a ballot of all businesses in the area that would be affected.
- (c) Supplementary business rates would be an attractive way of financing this sort of investment as it is easier for businesses to identify the benefits of flood defences and to justify, financially, the increased costs offset against reduced business disruption, damage to property, loss of stock and insurance premiums. However, the impact on future business growth should be considered

(6) Tax Increment Financing

- (a) Currently a local authority can only borrow money to fund this sort of capital investment under “prudential borrowing” rules. The borrowing must be funded from future savings. If savings cannot be made the only way borrowing can be funded is through raising local tax.
- (b) Tax Increment Financing (TIF) is used in other countries (notably America and Scotland) to fund major infrastructure by borrowing against future tax revenues. A local authority may raise money upfront to pay for infrastructure, on the basis that the increased business rate revenues generated by the scheme can be used to repay that initial investment.
- (c) Under current legislation TIF is illegal in England. The government is currently consulting on returning business rate base growth to the local authority area in which it is raised. This would remove the legal barrier to TIF.
- (d) The earliest business rate growth can be localised under the proposals is 2013/14. After this date the local or upper tier authority could use TIF.
- (e) TIF is unlikely to be the panacea to fund all infrastructure requirements. It should only be used where there is a clear link between the new infrastructure and a net future business rate base growth. For instance it is unlikely to be useful for refurbishing existing defences.

(7) Charitable donations

- (a) One-off contributions from individuals and businesses can contribute to the funding of schemes. Donations could include land needed for a scheme as well as money.
- (b) KCC has the power to hold a lottery within Kent.

4 Cost saving options

- (1) The Payment for Outcomes model encourages efficiencies and cost savings as the government contribution is fixed by the benefits of the scheme, therefore any savings are passed on to the funding partners.
- (2) Local authorities in Kent should seek any opportunity to contribute to the design or maintenance of a scheme to keep costs down. For instance in Dover the property level protection scheme is being designed by Dover District Council, potentially saving £15,000 from a total scheme of £112,500.

5 Conclusions

- (1) There are a number of mechanisms to raise funds for flood defence schemes. A range of options may be suitable to some schemes, although many options have restrictions which mean they will not be applicable to all schemes.
- (2) Cost saving options should always be sought to ease the burden on local funding sources.

6 Recommendations

- (1) The Committee is invited to note the report.

Max Tant

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Background papers: None

By: Tony Harwood, Senior Emergency Planning Officer

To: Kent Flood Risk Management Committee. 21 November 2011

Subject: Kent Resilience Forum Off-site Reservoir Inundation Emergency Plan

Classification: Unrestricted

For: Decision

1. Purpose of report

1.1 The Flood Risk Management Committee is requested to the note sign-off of the KCC Emergency Planning drafted KRF Off-site Reservoir Inundation Emergency Plan (on 13/10/2011).

2. Background

2.1 Sir Michael Pitt, in his review of the flood-related emergencies during the summer floods of 2007, observed a lack of preparedness for a reservoir failure and made a number of recommendations for action. In October 2009 the Government published guidance providing information and advice informing contingency planning against the risk of reservoir inundation.

2.2 Responding to this agenda the KRF Severe Weather Sub-group initiated a Reservoir Inundation Task and Finish Group, chaired by the Environment Agency, supported by Kent County Council and tasked with production of a generic KRF Off-site Reservoir Inundation Emergency Plan. KCC Emergency Planning drafted the plan. This Plan will be published electronically with these agenda papers in due course.

3. Proposal – Key Principles

3.1 The KRF Off-site Reservoir Inundation Emergency Plan has followed the approach set out in the relevant Government guidance, A Framework for Reservoir Inundation Preparedness Planning.

3.2 A consultation exercise, across Kent Resilience Forum partners, and input gleaned from previous discussion of this plan by the KRF Executive has led to a range of refinements being introduced.

4. Resource Implications

4.1 It is considered that adoption of a KRF Off-site Reservoir Inundation Emergency Plan can be accommodated within partners existing staffing and financial planning structures.

5. Recommendations

That the Committee:

- a) Note the sign-off the KRF Off-site Reservoir Inundation Emergency Plan for use by Kent Resilience Forum partners.

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Background papers: None