

STORM FRANK FLOODING EVENT – EXPENDITURE & FUNDING

1. Background

This document provides information with regard to the Storm Frank flood event on 29 & 30 December 2015, the Council's response to this and the cost and funding of this response.

2. Overview Of Flood Event / Response

Members will be aware of Report 83/16 Weather and Flooding Events, December 2015 and January 2016 presented to Communities Committee on 1 March 2016 which set out the events at the turn of the year and the council's response. As detailed in that Report the Angus area experienced a mix of fluvial and pluvial flooding with damage to the road infrastructure which exceeded the costs to trigger the Bellwin Scheme for financial assistance to the council.

In the period subsequent to Report 83/16 a substantial amount of repair works have been undertaken in both financial years 2015/16 and 2016/17. Whilst the repair work is now effectively complete, the flooding event highlighted a number of infrastructure and property vulnerabilities to flooding and some works are still on going to manage future events and mitigate further flood risks.

3. Flood Related Expenditure

3.1 Immediate Response

Expenditure to address the immediate aftermath of the flood events arose almost wholly within Technical & Property Services of the Communities Directorate. This related to activity to deal with flood water as well as protecting properties, emergency road repairs, drain collapses, clearing culverts, etc. There was also nominal spend in Chief Executive's' in relation to the Resilience Team coordination role.

The total expenditure reported by Directorates in 2015/16 for this immediate response was £847k. It is highlighted that this expenditure information has been gathered for the purposes of making a Bellwin Scheme claim to the Scottish Government and therefore includes only expenditure that is eligible under that Scheme.

The main area of expenditure outwith the eligibility of the Bellwin Scheme relates to the Housing Review Account where £30k was required in order to address the impact onto council housing.

In overall terms, therefore, the cost of the council's immediate response is estimated to be at least £877k, all of which was contained within available 2015/16 budgets primarily through the deferral of other expenditure.

3.2 Flood Grants

The Scottish Government implemented two flood grant schemes in response to the flooding events:-

- A £1,500 grant for properties: and
- A £3,000 grant for businesses.

Both of these grants were administered by local authorities on behalf of the Scottish Government.

The property grant scheme was open for applications between 18 January and 29 February 2016. 123 applications were received, with 101 being paid (£152k in total) and 22 ineligible (per the Scottish Government's eligibility criteria). The Scottish Government determined those local authorities which would be provided with grant funding to support the £1,500 property grants together with the total grant sum. Angus Council was awarded £900k of funding in this regard. In accordance with the Scottish Government's guidance, the excess of £748k (£900k - £152k) can be retained "in order to meet general reparation costs" in relation to the flooding events.

The business grant scheme was open for applications between 28 January and 11 March 2016. 25 applications were received, with 23 being paid (£69k in total) and 2 ineligible (per the Scottish Government's eligibility criteria). The £3,000 grants are being funded on a £ for £ basis by the Scottish Government on a retrospective basis and the grant will be paid to the Council in March 2017.

3.3 Reparation Costs

As well as responding to the immediate aftermath of the flood event, costs have arisen in dealing with the impact onto the Council's infrastructure. Again this is mainly in relation to Technical & Property Services with only one project related to Regulatory and Protective Services (Brechin Cathedral landslide).

Appendix A details information gathered in July 2016 to determine the extent of expenditure that required to be undertaken to redress the flood damage. The expenditure has been categorised as follows:-

- 1 – Expenditure which was deferred from 2015/16 in order to allow the immediate response to be funded (£427k). Total Bellwin expenditure by Communities in 2015/16 was £844k. In light of this, it is highlighted that the deferral of only £427k into 2016/17 means that Communities contained £417k of this £843k total during 2015/16 without any additional funding;

- 2a – Expenditure of a reparation nature which was complete or underway (£1.385m) and represents the long term damage from flooding;

- 2b – Expenditure of a reparation nature which had not yet commenced (£500k) which is investigatory and improvement to reduce repeat flooding events;

- 3 – Other works which are not related to the recent flooding events but could be taken forward if additional funding was provided (£612k) to mitigate future flood risks. These works represent Renewal & Repair Fund proposals for 2016/17 that could not be accommodated through the 2016/17 budget setting.

The total value of categories 1 to 3 above is £2.924m.

4. Flood Related Funding

The funding available to the council to address the flooding impact is outlined below.

- Bellwin Scheme – the council's final claim requires to be reviewed by Audit Scotland in order to determine the eligibility of all expenditure items. Assuming that all expenditure is determined as fully eligible, grant of £362k (£847k claim less £485k funding threshold) is available;
- £1,500 Property Flood Grant – as noted above unused funding of £748k is available;
- National capital grant from Scottish Government - £5m of funding was announced in January 2016 for those councils who were impacted by the flooding events. Bids to this fund are being coordinated via the Society of Chief Officers of Transportation in Scotland (SCOTS) to address reparation costs. The fund has been oversubscribed and the council has recently been notified that it has been successful in bidding for a pro-rata grant of £133k bid to this fund;
- Communities carry forward – of the projects detailed in Appendix A, £275k is already funded via approved budget carry forwards from 2015/16 in Report 248/16;
- 2016/17 Budget – in setting the 2016/17 budget £1m was set aside by the Council on a contingency basis in the likelihood that there would be additional costs arising from the flood events that would not be able to be contained in available budgets.

The funding position can be summarised as follows:-

Funding Source	Funding (£000)
Bellwin Scheme	362
£1,500 Property Grant	748
£5m National Grant	133
Communities Carry Forward	275
2016/17 Budget Setting	1,000
Total Funding	2,518

5. Allocation Of Funding

Consideration of the flooding related expenditure and funding was made by the Council Leader and the Chair of the Policy and Budget Strategy Group in August and September (following award of the £133k national capital grant). It was agreed that the full funding provision of £2.518m would be provided to the Communities Directorate in light of the ring-fenced nature of the funding and the reparation works required (per section 3.3 above).

The total funding provision of £2.518m means that all category 1 and 2 projects can be taken forward together with £206k of the category 3 projects (with these being noted in the attached appendix).