This report provides an update on the progress being made on the proposed flood alleviation scheme for the River South Esk at Brechin and makes recommendations with respect to the progression of various matters. This report also updates the committee in relation to the funding for flood prevention schemes generally.

1 RECOMMENDATION

1.1 It is recommended that the committee:

(i) notes the current state of development of the project, including design development and statutory approvals for the Brechin Flood Prevention Scheme;

(ii) notes the current state of development of the assessment of short-term protection measures;

(iii) notes the current position in respect of the promotion of the removal of the gravel bank opposite River Street;

(iv) notes the current position on the capital funding options for the main flood alleviation scheme as published based on recent ministerial correspondence and contact with COSLA;

(v) agrees to the continued development of the Brechin Flood Prevention Scheme as detailed in this report; and

(vi) instructs that a further detailed report be brought back to the Infrastructure Services Committee following the publication of the detailed Spending Review 2011 outcomes in November/December to consider the implications of the review on the future funding required.

2 BACKGROUND

2.1 The previous update on the Brechin Flood Prevention Scheme project was reported to the Infrastructure Services Committee on 1 March 2011 (Report No 181/11) and to the Strategic Policy Committee of 14 June 2011 (Report No. 397/11) with updates on the proposed removal of the gravel bank from the river opposite River Street, and funding for the formally promoted flood prevention scheme.

3 CURRENT POSITION

3.1 The project is multi-faceted and has a number of major interdependent strands. The current position on each of these major strands is set out with appropriate sub-headings in this section of the report.
3.2 Flood Prevention Scheme Submission

3.2.1 As has been reported previously, the proposed scheme was published on 27 August 2010 under the Flood Prevention (Scotland) Act 1961 and submitted for confirmation to the Scottish Government as the statutory process of obtaining statutory consent for the project under the 1961 Act, notwithstanding the uncertainties regarding the affordability and funding of the project to the council. A formal objection to the FPS has been received, which the Head of Roads is negotiating with the objector to endeavour to reach agreement regarding the withdrawal of the objection although the objector has indicated that he is unlikely to withdraw his objection.

3.3 Hydraulic Modelling and Environmental Assessment

3.3.1 As authorised by committee on 1 March 2011, the Head of Roads has procured specialist consultants for hydraulic modelling and for environmental assessments, appointing JBA Consulting. The services are ongoing and are scheduled to be completed by March 2012.

3.4 City Drainage System and Scottish Water Infrastructure

3.4.1 As has been reported previously, the effectiveness of a flood alleviation scheme in the vicinity of River Street, Brechin is interdependent upon Scottish Water’s sewer network which has combined storm overflows that feed into the river. Since the last committee report, Scottish Water have been passed the hydraulic model (previously prepared by HR Wallingford on Angus Council’s behalf) and is now undertaking further drainage infrastructure and urban pollution management modelling with their appointed consultant, MWH, to address pollution concerns raised by SEPA. This study is being carried out in parallel to the Integrated (River & Drainage) catchment modelling currently being undertaken by Angus Council’s consultant, JBA Consulting (see item 3.5.2 below) and is understood to be due for completion in March 2012.

3.4.2 The council and Scottish Water have been liaising and cooperating closely to share survey costs and results from their separate studies. The ongoing surveys include flow, asset (manhole) and pipe CCTV work. The reports and data from all these surveys are being shared between authorities to improve the hydraulic modelling of the city drainage system. The surveys are also necessary to investigate and progress the short term measures (see paragraph 3.7.1 below). In particular, for non-return valve fitment and to investigate how the hydraulic capacity of the Den Burn culvert can be improved by the removal of debris and other obstructions or otherwise. The fitment of non-return valves to prevent river water back-flowing into the city drainage system when the river is high has been discussed in detail with Scottish Water, but further investigations now being carried out are required before Scottish Water would be able to commit to fitting non-return valves on its drainage system. There would be little point in fitting non-return valves to the council’s drainage system if Scottish Water were not to fit valves to its system as back-flows from the river would by-pass the council’s valves via Scottish Water’s system. Further detailed discussions will be necessary between both authorities after the relevant surveys and then after the separate modelling studies have been completed, but in the meantime the council will continue to develop the approved short term measures.

3.4.3 There remains no commitment from Scottish Water to funding any capital works required until these are fully defined. The Head of Roads will continue to liaise with Scottish Water to reach agreement on these matters and will report on progress to a future meeting of the Infrastructure Services Committee.

3.5 Land Acquisition

3.5.1 Substantive discussions are ongoing with the aim of securing outline agreements with directly affected landowners regarding the scheme and the proposed accommodation works. In addition, and given the sustained objection from a relevant land owner consideration is being
given to promoting Compulsory Purchase Orders, which if required would be subject of future reporting to Committee.

3.6 Public Local Inquiries

3.6.1 Given the objection to the Flood Prevention Scheme, it is considered likely that a Public Local Inquiry will be required to allow the Scottish Ministers to make a decision on determination of the Scheme. Additionally, it is considered likely given the objection to the publication of the Scheme that objections will be received for the planning application and compulsory purchase orders.

3.7 Key Milestones

3.7.1 Three future key milestones have been identified where committee approval to proceed with the development and implementation of the Scheme will be required. The first of these will be to consider the implications of the detailed Spending Review 2011 and the availability of additional funding to implement the Scheme. Subject to approval to proceed from committee and undertaking further development of the Scheme, the second and third key milestones have been identified where commitments of significant funding are required to complete the development of the Scheme and to procure the construction works. The timing of the key milestones is shown below in Table 1.

3.7.2 In light of the objection to the Flood Prevention Scheme and the identified need to allow for a Public Local Inquiry, and the likelihood that objections will be received to the planning application and compulsory purchase orders the approval process has been extended from that previously reported. Accordingly the programme for the delivery and implementation of the Scheme as detailed in previous reports to committee has been reviewed - see Table 1 below. This shows that the approval process for the Scheme is now envisaged to run to early 2014 and the key milestones for decisions from committee to proceed to the subsequent stages. Construction would commence in summer 2014 for a period of two to three years.

Table 1: Revised Programme for the Delivery and Implementation of the Brechin Flood Prevention Scheme (Based on approval to proceed from committee in June 2012)

<table>
<thead>
<tr>
<th>Action</th>
<th>Provisional Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydraulic Modelling and Environmental Assessment Commission</td>
<td>Ongoing-March 2012</td>
</tr>
<tr>
<td><strong>Key Milestone 1:</strong> Further detailed report to the Infrastructure Services Committee following the publication of the detailed Spending Review 2011 to consider the implications of the review on the future additional funding required implementing the Scheme.</td>
<td>February 2012</td>
</tr>
<tr>
<td><strong>Subject to Key Milestone 1 being achieved:</strong> Submit Proposal of Planning Application Notice</td>
<td>March 2012</td>
</tr>
<tr>
<td>Environmental Statement Complete</td>
<td>April 2012</td>
</tr>
<tr>
<td><strong>Key Milestone 2:</strong> Approval from committee to submitting the Scheme for planning permission from Infrastructure Services and Corporate Services Committees for progressing the land acquisition stage and compulsory purchase orders as required.</td>
<td>June 2012</td>
</tr>
</tbody>
</table>
### Subject to Key Milestone 2 being achieved:
Submit Planning Application (start of public consultation) and begin CPO Landowner Consultation

<table>
<thead>
<tr>
<th>Action</th>
<th>Provisional Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete CPO Landowner Consultation</td>
<td>September 2012</td>
</tr>
<tr>
<td>Infrastructure Services and Corporate Services Committees approval to make CPO</td>
<td>October 2012</td>
</tr>
<tr>
<td>Make CPO &amp; Submit to Scottish Ministers for Confirmation</td>
<td>November 2012</td>
</tr>
<tr>
<td>Planning Application Approval / Decision</td>
<td>December 2012</td>
</tr>
<tr>
<td>Possible Conjoined (Triple Headed) Public Local Inquiry (FPS, Planning &amp; CPO)</td>
<td>Summer 2013</td>
</tr>
</tbody>
</table>

### Key Milestone 3:
Report to Infrastructure Services Committees with recommendations based on the outcome of the Public Local Inquiry requesting procurement authority.

<table>
<thead>
<tr>
<th>Action</th>
<th>Provisional Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject to Key Milestone 3 being achieved:</td>
<td>October 2013 - April 2014</td>
</tr>
<tr>
<td>Preparation of CAR Licence, Finalise Design and Procurement of Utility Diversions and main Construction Works. During this time, the required design works for Scottish Water apparatus, allowed for as a risk allocation to the overall Scheme, would need to be completed.</td>
<td></td>
</tr>
<tr>
<td>Submit CAR Licence Application to SEPA</td>
<td>November 2013</td>
</tr>
<tr>
<td>Scottish Ministers Decision on CPO (Publish confirmed CPO or otherwise)</td>
<td>January 2014</td>
</tr>
<tr>
<td>CAR Licence from SEPA</td>
<td>February 2014</td>
</tr>
<tr>
<td>Make “General Vesting Declaration” for Land Acquisition</td>
<td>April 2014</td>
</tr>
<tr>
<td>Utility Diversionary Works (River Street)</td>
<td>April – June 2014</td>
</tr>
<tr>
<td>Award Construction Contract</td>
<td>April 2014</td>
</tr>
<tr>
<td>Take Title and Occupation</td>
<td>May 2014</td>
</tr>
<tr>
<td><strong>Construction Works Begin on 1st Phase</strong></td>
<td>July 2014</td>
</tr>
</tbody>
</table>

### Notes
1. Period for confirmation of CPO is based on average taken as advised by Scottish Government.

#### 3.8 Short-Term Protection Measures

3.8.1 The installation of non-return valves at unprotected watercourses and road drainage outfalls at a cost of some £130,000 to prevent backflows to the drainage systems from the river occurring. As discussed in Section 3.5, these works await the results of the modelling study. It is still envisaged that these works could commence in the second half of 2011/12 and be completed in 2012/13.
3.8.2 The removal of an apparent partial blockage or constriction in the Den Burn culvert at the junction of River Street and Witch den Road is proposed, which has been a cause of surcharging and flooding, at an estimated cost of £66,000. The removal of the constriction in the Den Burn culvert has been held-up due to delays by the survey company in carrying out the survey investigation. However, it is planned that works to remove the blockage/constriction would still be completed within the current financial year subject to confirmation that there are no downstream implications.

3.8.3 Breaching of the levees to fields downstream of Brechin Bridge to reduce the risk of flooding to East Mill Industrial Estate is proposed. The estimated cost of the river modelling work and subsequent breaching of the levee is £100,000. The breaching of the levees will require further landowner discussions and agreement, and the results of further river modelling to quantify the reduction in flood risk. It is still envisaged that construction works could commence in the summer 2012 provided landowner agreement is obtained.

3.8.4 The raising of low points on the existing embankment at East Mill Caravan Park may raise the level of flood protection to fluvial flooding, at an estimated cost of £30,000. Further discussions with the landowner are required before the raising of the low points on the existing embankment could be undertaken. Subject to agreement, these construction works could be undertaken in summer 2012. However, at present it is considered unlikely that an agreement to undertake the works will be reached with the landowner who is not in favour of the proposed works.

3.8.5 The assessment of the significance of these measures is on-going, which will allow for a prioritisation of these measures to be made. As detailed in previous reports, resources are available within existing Roads’ budgets to cover staff costs for the development of these assessments through 2011/12, and funding for implementation of these measures in 2012/13 and future years will be subject to further consideration.

3.8.6 It should be noted that much of the survey work, investigations, modelling and option appraisal work necessary to inform and implement the above four measures are included for within the drainage/river modelling and environmental commissions which JBA Consulting have been awarded in June and August 2011 respectively. These commissions will also seek additional short-term protection measures which become apparent as the studies develop. Recommendations for such additional short-term measures will be made to committee in due course.

3.8.7 As aspects of this work may have the potential to impact on the qualifying species in the Special Area of Conservation, discussions will be held with the Appropriate Regulatory Bodies (SNH and SEPA) to obtain advice on licence requirements, “Guidance and Best Practice prior to work commencing on site.”

3.9 **Removal of the Established Gravel Bank (Opposite River Street)**

3.9.1 The Head of Roads has continued to progress the removal of the gravel bank in the River South Esk at Brechin for the purpose of increasing the flow carrying capacity of the river channel in this location. As detailed in previous reports to committee, in order to carry out the removal of the gravel bank three separate statutory approvals are required. These are:

- Planning Permission from the Local Authority
- Controlled Activities Regulations Licence from the Scottish Environment Protection Agency (SEPA)
- Species Licence from the Scottish Government (now SNH)

3.9.2 **Planning Application under the Town & Country Planning (Scotland) Act 1997**

3.9.2.1 A planning application was lodged with Angus Council for the removal of the gravel bank on 23 May 2011. The Planning Division notified Roads Division that an Environmental Statement
was required in support of the application and under delegated powers Consultant AECOM was appointed to undertake this.

3.9.2.2 AECOM's conclusion was that, with appropriate mitigation there would be no adverse effects on the integrity of the River South Esk SAC, in terms of its qualifying features and conservation objectives.

3.9.2.3 SEPA raised no objections to the planning application for the proposal. SNH have requested that before the planning application is determined further survey work is undertaken. This consists of an otter survey and sediment samples to indicate the mobility of the sediments and the likely impact on the fresh water pearl mussels, which have now been undertaken.

3.9.2.4 The anticipated determination of this application was therefore delayed due to the time required for the additional surveys required to be carried out.

3.9.3 Licence under Schedule 5 of the Wildlife and Countryside Act 1981

3.9.3.1 An application for a Protected Species Licence was made to the Scottish Government on 22 June 2011 and following discussion between Angus Council Roads Division and the Scottish Government about the proposal the licence was rejected, as planning permission is now required before such determination, which was not required previously. In addition, the whole licence procedure has now changed with Scottish Natural Heritage acting as the licensing authority for protected species from 5 June 2011 (previously the Scottish Government). Once the planning permission is in place a new application will be made to SNH for a species licence.

3.9.4 CAR Licence Application

3.9.4.1 An application for a complex licence under the relevant Water Environment (Controlled Activities) Regulations 2011 was made to SEPA on 5 April 2011. SEPA are in the process of considering the application and have requested further information in support of the application. Most of this information has already been provided to SEPA however, a report has been prepared by JBA (Consultant for Brechin FPS) on the geomorphological impacts of the gravel bank removal. A meeting has been arranged to discuss the findings of this work and following this the final version of the report will be submitted to SEPA. SEPA will decide whether to issue a licence with appropriate mitigation conditions. In the determination SEPA will take account of SNH's comments and the outcome of the planning application. The conditions will in all likelihood include a requirement that the works can only be undertaken between June and October based on the adverse impact on the spawning of the Atlantic Salmon, which has conservation status under the EC Habitats & Species Directive.

3.9.5 Summary on Removal of Gravel Bank

3.9.5.1 As the planning permission and the CAR licence have not yet been approved, which is to be followed by a species licence required from SNH, the removal of the gravel bank will not occur in 2011. If all the approvals are in place a contract can be let for the work to be carried out within the June to October 2012 period when engineering activities are allowed.

4 PROPOSALS

4.1 As members will be aware the Scottish Government has been undertaking a three year Spending Review over the summer. High level outcomes from that Spending Review were announced in late September but there remains a lot of work to be carried out to agree how resources will be distributed. It is known from correspondence with Government that future arrangements for funding flooding issues is to be part of these wider Spending Review / distribution considerations. The detailed outcomes of the Spending Review at individual local authority level are expected to be known in late November /early December and given this position it is proposed that a further detailed report be brought back to this committee in early 2012 following the publication of the detailed Spending Review outcomes to consider the implications for the Brechin Flood Prevention Scheme. It is vital to note that the availability of sufficient funding for this scheme is currently not assured from sources directly available to
the council and that certainty on funding from government sources or other external sources will be essential to enable progression of the project beyond the current financial year. Accordingly the outcome of the spending review and the decisions made pursuant to the envisaged report next calendar year will be a critical milestone in the development of the project (see also Section 6.8 below).

4.2 It is proposed that further reports will be brought to future committees seeking approval to proceed at later Key Milestones (reference Table 1). These reports will include:

(i)  a request for approval from committee to submit the Scheme for planning permission from Infrastructure Services and Corporate Services Committees to progress to the land acquisition stage and compulsory purchase orders as required; and

(ii) a request for procurement authority for construction of the Scheme based on the outcome of the Public Local Inquiry.

4.3 In the meantime, it is proposed that the development of the Brechin FPS and associated works continue within current budget allocations to the end of financial year 2011/12.

5 RISKS

5.1 There are no updates to the risk management exercise undertaken to identify where the risks that can impact against achievement of objectives were identified, the consequences evaluated and proposals identified to manage the risks, which was detailed in Report 603/10.

6 FINANCIAL IMPLICATIONS

6.1 The funding and expenditure profile for the project was detailed in Report 603/10 and the updated position, which shows current forecast of expenditure, as detailed in the 2011/12 Final Capital Budget Volume - General and Housing (Report No. 589/11 refers) is set out in the table below:

<table>
<thead>
<tr>
<th>Current Provision</th>
<th>Estimated Total Cost £000</th>
<th>Actual to 31/03/11 £000</th>
<th>Budget 2011/12 £000</th>
<th>Estimate 2012/13 £000</th>
<th>Estimate 2013/14 £000</th>
<th>Later Years £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brechin Flood Prevention Scheme</td>
<td>14,238</td>
<td>1,570</td>
<td>294</td>
<td>1,255</td>
<td>4,448</td>
<td>6,671</td>
</tr>
<tr>
<td>Additional Funding (to be secure)</td>
<td>(12,038)</td>
<td>-</td>
<td>-</td>
<td>(1,143)</td>
<td>(4,358)</td>
<td>(6,537)</td>
</tr>
<tr>
<td><strong>Net Cost</strong></td>
<td><strong>2,200</strong></td>
<td><strong>1,570</strong></td>
<td><strong>294</strong></td>
<td><strong>112</strong></td>
<td><strong>90</strong></td>
<td><strong>134</strong></td>
</tr>
</tbody>
</table>

6.2 The anticipated Public Local Inquiries identified in Section 3.3 will incur additional costs for the PLI as well as additional staff costs. At this time, it is considered that these costs can be contained within the net funding allowance already allowed for the project within the Financial Plan through re-profiling the funding allocation over financial years 2012/13, 2013/14 and future years. The proposed funding for delivery of the Scheme as per the revised programme, detailed in Section 3.7, is shown below:-
The proposed Key Milestones detailed in Section 3.7 identify where approval to the additional funding required to deliver the Scheme and commitment of identified funding allowance are required from committee. In the first instance, it is proposed that Key Milestone 1 will consider the availability of additional funding to implement the Scheme. It is proposed that based on the outcome of the first Key Milestone, Key Milestone 2 will approve the submission of the Scheme for planning permission and progression of the land acquisition. It is further proposed that the outcome of the PLIs represents the final key milestone, Key Milestone 3, where the approval of the committee on the implementation of the Scheme will be required. In this case, provided that the funding for the implementation of the Scheme and the acquisition of land has been confirmed, it is envisaged that this report would seek procurement authority for the construction of the Scheme and payments for the land required. The revised expenditure profile for the project will be adjusted as part of the preparation of the 2012/13 Capital Budget.

It is proposed that the available net funding of £294,000 within 2011/12 be utilised for the hydraulic modelling and environmental assessment commission, further design development and continuing consideration to the phasing of the works to meet the requirements of the planning approval, affordability and funding.

It is proposed that the available net funding of £170,000 within 2012/13 be initially utilised to conclude the detailed design process based on the results of the hydraulic modelling and environmental assessment. At this stage, a further report will be brought to committee, as this is a key milestone where the approval of the committee on future of the Scheme will be required. Provided that the required funding for the implementation of the Scheme had been established, it is envisaged that this report would seek approval to submit the Scheme for planning permission and also progress the land acquisition stage and compulsory purchase orders as required. In the event that the currently envisaged project is not capable of delivery due to engineering or affordability issues, it is likely that much of the work undertaken to progress to Scheme to this stage will be of use in taking forward other options, thereby mitigating potentially abortive costs.

It is proposed that the remaining available net funding of £166,000 within 2013/14 be utilised to prepare the CAR Licence, finalise the design based on the outcomes of the approvals/PLI and procure the utility diversions and the main construction works. Additional funding estimated to be £298,000 to cover the costs of the required design costs for the Scottish Water apparatus, which is allowed for as a risk allowance in the overall Scheme budget, would need to be secured from Scottish Water or undertaken by them to match our delivery programme, unless the early release of other additional funding that would be required to deliver the Scheme can be arranged.

It is proposed that land acquisition costs would be paid in 2014/15 along with utility diversion costs and the start of construction costs. It is envisaged that the main construction works will be phased over two or three financial years, depending on funding, from summer 2014/15 through to 2016/17.

Funding Issues Associated with Flood Prevention Schemes

As was reported previously (Report Nos. 181/11 and 397/11 refer), the funding arrangements for this project are currently the subject of ongoing consideration in light of the revised method of distributing funds to flood prevention schemes.
In order to clarify the council’s understanding of the capital funding of flooding schemes beyond the 2011/12 settlement, the Chief Executive wrote to the Scottish Finance Secretary, John Swinney MSP to seek clarification in this matter (see Appendix 1).

The Council received a response by letter from Roseanna Cunningham MSP, the Minister for Environment and Climate Change (see Appendix 2) advising inter alia that the government has committed to discuss with COSLA how funding for flood prevention schemes should be distributed to local authorities from 2012-13 onwards, and further urged Angus Council to feed in the questions posed in its earlier letter through COSLA to inform these discussions.

The council made representations to Scottish Ministers through COSLA in order that funding issues for capital intensive Flood Prevention Schemes could be raised formally as part of the Spending Review process.

It is known that a number of other councils have raised similar concerns about funding for flooding and at this stage we await the outcome of the Government’s deliberations on future funding arrangements for flooding.

Recent distribution of existing funding for flooding has seen this spread across all council areas based on properties at risk, now defined by Potentially Vulnerable Areas. However, this is an area of concern for a number of councils which are struggling to deliver large scale capital investment for flooding, which is often born out of established need, based on this distribution. This situation can be applied to Angus Council for Flood Prevention Schemes currently identified on the Capital Plan, namely Brechin Flood Prevention Scheme and under Arbroath Flood Strategy, the Brothock Burn Flood Prevention Scheme.

It has previously been difficult to get capital into the spending review discussions in recent years. However, given the significant cuts to capital and increased lobbying, at both council and MSP level, this has been specifically raised with Scottish Ministers. It is understood that consideration is currently being given to the issue. At this stage it is unclear whether there will be changes to the funding for flood protection schemes requiring capital investment beyond the means of current council funding allocations from the Scottish Government.

The major additional funding to implement the Brechin FPS will be required in 2014/15 and in subsequent years. It is therefore proposed that a further detailed report be brought back to this committee following the publication of the detailed Spending Review 2011 outcomes in November/December to consider the implications of the review on the future additional funding required.

In the meantime, it is proposed that the development of the Brechin FPS and associated works continue within current budget allocations to the end of 2011/12.

Removal of the Established Gravel Bank (opposite River Street)

The costs for the removal of the gravel bank were identified and approved in Report 397/11.

As reported previously to this committee (Report 603/10), the progression of a FPS has potential implications for property owners and for occupiers in terms of alleged interference with privacy, home or family life (Article 8) and peaceful enjoyment of their possessions (First Protocol, Article 1). However, it is considered that any actual or apprehended infringement of such Convention Rights is justified in the public interest and in accordance with the council’s duty to carry out works to reduce the likelihood of flooding of land.

The issues dealt with in this report have been the subject of consideration from an equalities perspective. An equalities impact assessment has been undertaken.
9 ANGUS COMMUNITY PLAN AND SINGLE OUTCOME AGREEMENT

9.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2011-2014:

- Our communities are safe, secure and vibrant
- Our natural and built environment is protected and enjoyed

10 CONSULTATION

10.1 The Chief Executive, Director of Corporate Services, Head of Finance, and Head of Law and Administration were consulted in the preparation of this report.

11 CONCLUSION

11.1 The 2011/12 Final Capital Budget Volume - General and Housing contains provision for the Brechin Flood Prevention Scheme, but requires additional funding to be secured before the scheme can be implemented. The uncertainty regarding future funding allocations from Scottish Government raises very serious concerns over the future funding arrangements for the project as a whole and this needs continued careful consideration, which will be reported to future committee meetings.

11.2 The development of the design and statutory approvals for the Brechin FPS continue and there has been progress made on the associated development of the short-term protection measures and promotion of the removal of the gravel bank opposite River Street.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

NOTE:

The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

Report 397/11 - Brechin Flood Alleviation Scheme – South Esk – Updated Position – Strategic Policy Committee 14 June 2011

Report 181/11 - Brechin Flood Alleviation Scheme – South Esk – Updated Position - Infrastructure Services Committee 1 March 2011

Report 603/10 - Brechin Flood Alleviation Scheme – South Esk – Updated Position - Infrastructure Services Committee 24 August 2010

Report 800/09 - Brechin Flood Alleviation Scheme – South Esk – Updated Position – Angus Council 5 November 2009

Report 808/08 - Brechin Flood Alleviation Scheme – South Esk – Update - 26 August Infrastructure Services Committee 2008

Roads/JG/WS
Letter from David Sawers, Chief Executive, Angus Council to Scottish Finance Secretary, John Swinney MSP

DSS/IL/JA/BAK  13 01 13

8 February 2011

Mr John Swinney, MSP
Cabinet Secretary
Finance & Sustainable Growth
The Scottish Parliament
EDINBURGH
EH99 1SP

Dear Mr Swinney

Future Funding Arrangements for Flood Prevention/Coastal Protection Schemes

I refer to the above subject and write seeking clarification on the future funding arrangements that will be in place for flood prevention/coastal protection schemes that local authorities are seeking to progress beyond 2011/12.

Angus Council currently has two substantial proposed flood prevention schemes included in its Financial Plan; one in Brechin and another related to Arbroath. Neither is scheduled to incur significant spend in 2011/12, but from 2011/12 onwards it is estimated that the Brechin project will incur a gross spend of £12.633 million and the Arbroath project a gross spend of £6.990 million. These projects are currently shown however with significant additional Government funding to be secured; £12.038 million and £5.440 million respectively, such that the net spend positions are considerably reduced from the gross positions (£0.595m and £1.550m respectively). This reflects the previous approach of supporting Flood Prevention Schemes with ring-fenced grants allocated via a bidding process.

The Council is seeking to progress these projects but the schemes, as currently presented, are considered unaffordable in the context of the capital resources currently available to the Council. This combined with the uncertainty that surrounds the future funding arrangements for flood prevention/coastal protection affects the Council’s ability to plan effectively for the medium to longer term.

It is recognised that under the current funding arrangements the Council, as part of its 2011/12 General Capital Grant (£10.980m), has been allocated a sum of £0.292 million in relation to flood prevention / coastal protection, some 0.7% of the total £42 million available nationally for this purpose. Whilst no specific detail has been provided with regard to the methodology used to distribute the £42 million in 2011/12, based on previous communications from the Government, it is assumed that the flood prevention / coastal protection funding has been allocated on the following basis:

- grant for committed projects is top sliced from the total sum available of £42 million – no allocation has been provided to Angus Council as part of the top slicing; and
the uncommitted balance of grant is distributed to local authorities based on the number of properties in the area at risk from flooding - £0.292 million has been allocated to Angus Council from the uncommitted balance.

The Council understands that as funding for any currently committed projects reduces this will potentially leave a higher uncommitted balance available for more general distribution. I would however appreciate confirmation of the distribution methodology applied in 2011/12 and whether the assumptions as set out above are indeed correct.

Notwithstanding that Angus Council may receive more than the £0.292 million in future years, distribution on the basis of the number of properties in the area at risk from flooding is unlikely to result in the Council receiving a significant amount of extra funding in this regard. On the basis of these assumptions therefore, it appears likely that funding received by Angus Council via the General Capital Grant for flood prevention / coastal protection works will fall significantly short of the funding required to achieve the net spend positions for the two flooding projects as set out above.

To date the Council has invested resources in the development of these two Schemes and a Flood Prevention Scheme (FPS) under the Flood Prevention (Scotland) Act 1961 has been promoted for the Brechin Scheme, based on the currently envisaged scope of the scheme. It is therefore essential as part of our medium term financial planning arrangements that there is clarity around the future funding arrangements for Flood Prevention / Coastal Protection projects.

The enactment of the new Flood Risk Management Act places new burdens on local authorities with regard to the proper management of flood risk. The Scottish Government has sought to support the implementation of the new Flood Risk Management Act by providing specific resources within each authority's revenue grant support for 2011/12 and this is welcomed. The question however remains whether any specific funding, outwith the General Capital Grant, is or will be available to local authorities to allow specific flood prevention schemes to be progressed? If so, how much is available and what are the arrangements / criteria for accessing these resources? It is clear that in the absence of any specific resources to fund specific flood prevention / coastal protection schemes this will severely inhibit councils' ability to deliver these critical projects.

I should be grateful if you would consider this issue and provide a response at the earliest opportunity.

Yours sincerely

David S Sawers
Chief Executive
APPENDIX 2

Letter from Roseanna Cunningham MSP, the Minister for Environment and Climate Change to David Sawers, Chief Executive, Angus Council

Ministeir airson na h-Árainnreachd agus Atharrachadh Aimsir
Minister for Environment and Climate Change
Roisin Chonaitheann BPA
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Ar faidhle/Our ref: 2011/0005424
17 March 2011

Dearest Mr. Sawers,

Thank you for your letter of 8 March 2011 to the Cabinet Secretary for Finance and Sustainable Growth seeking clarification on local authorities future funding arrangements for flood prevention/coastal protection schemes. I am replying as flood risk management is part of my Ministerial portfolio.

I can confirm that your understanding of the funding methodology used to distribute the General Capital Grant in 2011-12 is correct.

The rolling up of a number of former ring-fenced grants into the General Capital Grant from April 2008 significantly increases the flexibility available to local authorities to determine where they apply the resources available to them. By reflecting the differing distributions of the former ring-fenced grants the distribution of the General Capital Grant continues to reflect the varying needs of different local authorities, for example in relation to flooding. The Grant also includes a significant proportion, over 50% in 2011-12, that is not related to the former ring-fenced grants and reflects a general need for capital investment. It is the responsibility of individual local authorities to determine for themselves how they use the full range of the resources available to them.

The Scottish Government recognises that there are lessons to be learnt from the experience of funding flood protection schemes within the current local government settlement arrangements.

Continued/..
The Government has committed to discuss with COSLA how funding for flood prevention schemes should be distributed to local authorities from 2012-13 onwards.

I would urge Angus Council to feed in the questions posed by your letter through COSLA to help inform these discussions.

I hope you find this helpful.

Yours sincerely,

Roseanna Cunningham