

Committee(s)	Dated:
Finance Committee – For decision Policy and Resources Committee – For decision	05062018 07062018
Subject: Funding Request for Flood Risk and Other Environmental Resilience Work During 2018/19 and 2019/20	Public
Report of: Carolyn Dwyer, Director of the Built Environment	For Decision
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Summary

Managing flood risk is a statutory duty of the City of London Corporation as the Lead Local Flood Authority for the City of London. The Government accepted that this was a new burden resulting from the Flood and Water Management Act (2010) and until 2015/16 made a specific grant to local authorities to cover this additional cost. The Government has stated that it will maintain this grant funding at the same level in real terms until 2020 but, to increase local government financial flexibility, subsequent grants have been received as part of the local government financial settlement (Revenue Support Grant). The Government has stated that flood risk grants will be identified as visible lines in the settlement, and that this visibility will help support vital work undertaken to manage flood risk locally, striking the right balance between flexibility and clarity over expected levels of flood risk investment.

This report is seeking an allocation of part of the Government grant received to undertake flood risk management and other activities to improve the City's resilience to flooding in accordance with the statutory responsibilities under the 2010 Act. In particular, the funding will enable the City Corporation to make further progress on actions required by its City of London Local Flood Risk Management Strategy 2014. The funding bid is for £122,000 each year for 2018/19 and 2019/20. The funds will be principally used to continue with Sustainable Drainage System statutory assessments for all major developments, to fund a new fixed term post to hasten the preparation of Local Flood Risk Management Plans for specific parts of the City, and to improve future resilience of the City at a time of rapid social, economic, environmental and technological change.

Mitigating local flood risk through the preparation and implementation of appropriate flood risk management strategies and Sustainable Drainage System projects will increase the City's resilience and its attractiveness as a world leading international financial and business centre. Not undertaking this work will increase the local flood risks with potentially serious personal safety, commercial and reputational consequences if the worst were to happen.

Recommendation(s)

Members are recommended to:

- Approve a resource base increase of £122,000 funded from the Finance Committee contingency in 2018/19 and from the non-ring-fenced new burdens flood risk management element of Government Grant in 2019/20 for future resilience work in the City including measures to reduce the risk and impact of flooding.
- Finance Committee approval is subject to confirmation by Policy and Resources Committee

Main Report

Background

1. High profile flooding incidents during the past decade led to the Government reviewing national flood management arrangements. This resulted in the Flood and Water Management Act (2010) giving new powers and responsibilities to local authorities which have been introduced in stages. Each local authority was made the 'Lead Local Flood Authority' for its local area with responsibilities to assess local flood risks and to prepare strategies for mitigating those risks.
2. The City of London Corporation is the Lead Local Flood Authority for the City of London and the responsibilities of this new role are overseen by the Planning and Transportation Committee. Many departments have a role to play in managing flood risk and the work is coordinated through an officer group led by the Dept. of the Built Environment. DBE's planning service have led on key tasks such as the preparation and review of statutory flood risk assessments to improve our understanding of the flood risk the City faces. The conclusion was that the City is at relatively low risk of most types of flooding but some parts of the City are at relatively higher risk of surface water flooding during and after heavy rainfall.

Current Position

3. The statutory flood risk assessments informed the preparation and adoption of the City's Local Flood Risk Management Strategy (2014) which includes a new commitment to prepare Local Flood Risk Management Plans for those parts of the City that have a relatively higher flood risk. DBE's District Surveyor's division has also led on a new statutory task of assessing new major development applications for their flood risk mitigation measures (Sustainable Drainage Systems - SUDS). Such resilience activities have been funded to date by ring-fenced 'new burdens' Government grant but that source has recently been merged into the non-ring-fenced local government financial settlement. Therefore there is now a need to use some of the non-ring-fenced Government Grant to fund further progress on flood risk and related environmental resilience matters.

Options

4. The City Corporation is already committed to preparing Local Flood Risk Management Plans for relatively higher risk areas in accordance with its adopted City of London Flood Risk Management Strategy. The 'new burdens' funding being sought will enable these Management Plans to be prepared during 2018-2020 and will also enable Sustainable Drainage System statutory assessments to be carried out for all major developments. Both actions will be in fulfilment of statutory duties under the Flood and Water Management Act 2010. In addition some funding is proposed to progress wider sustainability aims including climate change mitigation and adaptation initiatives.
5. Not funding these 'new burdens' in the way proposed will delay preparation of Local Flood Risk Management Plans for relatively higher risk parts of the City until alternative funds are identified. This could adversely affect the resilience of those areas and their ability to recover quickly after the event. It could adversely affect people who live or work in such areas and the operation of local businesses.

Proposals

6. Existing staff resources within DBE's planning service and the previously ring-fenced Government Grant have been used to date to oversee preparation of the flood risk assessments, the management strategy and SUDS statutory assessments. However further funding is now needed to sustain the SUDS statutory assessments and to provide additional temporary dedicated staff and consultancy support to progress the required Local Flood Risk Management Plans. The new temporary fixed term post (to end March 2020) will be line managed by the existing Senior Sustainability Officer, who has responsibility for flood risk work within DBE. Additional work is also needed on environmental sustainability and resilience in order to address climate change implications.
7. Key components of the proposed additional funding are summarised in Table 1 below. They comprise funding for SUDS statutory assessments, funding for a new temporary resilience officer post to focus on the preparation and implementation of local flood risk management plans, expansion of existing sustainability and environmental resilience activities, and funding for consultancy support with flood risk management plan preparation, consultation and other resilience issues.

Table 1: Proposed Additional Funding for Environmental Resilience

Purpose	2018/19	2019/20
Sustainable Drainage System consultation assessments	£30,000	£44,000
Future resilience officer post (20 months fixed term to March 2020)	£32,000	£48,000
Expansion of existing sustainability and resilience activities	£10,000	£10,000
Consultancy support re flood risk, greening and resilience	£50,000	£20,000
Total	£122,000	£122,000

Corporate & Strategic Implications

8. Flood risk mitigation and other environmental resilience work will help deliver the aims and outcomes of the Corporate Plan 2018-2023 and the emerging Responsible Business Strategy. In particular, environmental resilience will advance Outcome 1 that 'people are safe and feel safe'. Sustainable drainage projects and other greening projects will also contribute to the delivery of Outcome 11 'clean air, land and water and a thriving and sustainable natural environment' and to Outcome 12 'spaces are secure, resilient and well-maintained'.

Financial Implications

9. The additional resources required to deliver essential flood risk mitigation measures and meet the City's statutory duties as the Lead Local Authority for flood risk in the City of London cannot be met from within the Director's existing local risk resources.
10. The Chamberlain has been consulted on this proposal and the risk was recognised in the Medium Term Financial Strategy. The allocation of £122,000 each year during 2018/19 and 2019/20 for future resilience work in the City will enable this important work to progress in a timely manner. The amount proposed has been related to City-specific resilience projects and temporary staffing needs as set out in paragraph 7, Table 1.
11. The proposed funding allocation of £122,000 is within the non-ring-fenced funds identified for flood risk and Sustainable Drainage (SUDS) matters in the local government financial settlement (Revenue Support Grant) which are £137,000 in 2018/19 and £140,000 in 2019/20.
12. As no specific funding allocation was made in the 2018/19 estimates, it is requested that the funding pressure is met from the Finance Committee contingency and an allocation is made in 2019/20 from the Government Grant non-ring-fenced flood risk and SUDS provision.

Health Implications

13. Flooding could adversely affect the health and wellbeing of those who live or work in areas that have a potential flood risk due to the flood itself or exposure to resultant pollution. The proposed flood risk mitigation work would provide some reassurance that measures are being taken to reduce the risk and to mitigate its effects.

Conclusion

14. The new burdens placed on the City of London Corporation by the Flood and Water Management Act (2010) need additional funding for the role of 'Lead Local Flood Authority' for the City of London to be carried out. The Government has

provided additional funding, initially as specific grant from DCLG and DEFRA, and since 2016/17 as visible lines in the local government financial settlement (Revenue Support Grant). Although this funding is no longer provided separately, it is intended that it will still be available where justified to fund the expected level of investment in environmental resilience including local flood risk management. Approval of this funding bid will enable the City Corporation to continue to meet its responsibilities as a Lead Local Flood authority and to strengthen the City's resilience in response to climate change.

Appendices - None

Background Papers

City of London Local Flood Risk Management Strategy 2014.
City of London Strategic Flood Risk Assessment update 2017
For both see <https://www.cityoflondon.gov.uk/services/environment-and-planning/sustainability/Pages/Flood-risk-in-the-square-mile.aspx>

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