

SURREY COUNTY COUNCIL**CABINET MEMBER FOR HIGHWAYS, TRANSPORT AND FLOODING****DATE:** 11 APRIL 2017**LEAD OFFICER:** TREVOR PUGH, STRATEGIC DIRECTOR FOR ENVIRONMENT AND INFRASTRUCTURE**SUBJECT:** GODALMING FLOOD ALLEVIATION SCHEME**SUMMARY OF ISSUE:**

The town of Godalming, in Waverley, is situated on the River Wey and has suffered from significant repeated flooding in recent years. The Environment Agency (EA) have developed a flood alleviation scheme for the area in order to manage this risk and Surrey County Council (SCC) have been asked to contribute to the cost of the scheme.

RECOMMENDATIONS:

It is recommended that the Cabinet Member for Highways, Transport and the Environment approves a contribution of £350,000 towards construction of the Godalming Flood Alleviation Scheme.

REASON FOR RECOMMENDATIONS:

SCC are designated Lead Local Flood Authority (LLFA) under the Flood and Water Management Act (2010). As part of this role the Council works with other Risk Management Authorities to develop and deliver flood alleviation schemes.

A number of properties in Godalming have been subject to internal property flooding and local infrastructure has been significantly damaged in recent flood events. SCC's contribution to the Godalming Flood Alleviation Scheme (FAS) will enable the scheme to be taken forward and when constructed, will significantly reduce flood risk to the local area.

Investing in flood and maintenance schemes is a key action under the Resident Experience goal of SCC's corporate strategy. Contributing to the Godalming Flood Alleviation Scheme demonstrates the Council's commitment to this goal.

DETAILS:**Background**

1. The town of Godalming, in Waverley, is situated on the River Wey and has suffered from significant repeated flooding in recent years. Notable events include September 1968, February 1990, autumn 2000 and December 2013.
2. Flooding in Godalming consists of both fluvial flooding, primarily from the River Wey and its tributary the Hell Ditch, and surface water run-off.

3. In the Christmas 2013 event, the catchment received its heaviest rainfall in recent history resulting in at least 54 properties suffering internal flooding in the Catteshall Road and Meadow area of Godalming. The weather also affected much of the infrastructure in the area resulting in power cuts, sewer inundation, phone outages and the closure of highway infrastructure.
4. Following the flooding, the EA commenced an assessment of properties at risk of flooding and options to reduce the risk and impact. Modelling carried out as part of this assessment concluded that 78 residential and 44 commercial properties are at risk in a 1 in 100 year flood event. The assessment also concluded that there are a number of cost-beneficial options to alleviate flooding in the area and recommended that these should be developed further.
5. The Waverley Infrastructure Resilience Group (WIRG) was set up immediately after the flooding in 2013. The Group comprised of representatives from key infrastructure providers and emergency planners/responders, including SCC as Highway Authority, LLFA and Emergency Planning Lead. The Group, chaired by Jeremy Hunt MP for South West Surrey, agreed that it would form the Sponsor Group for the Godalming FAS which is also co-chaired by Councillor Peter Martin and attended by the EA, SCC, Waverley Borough Council (WBC), Godalming Town Council Flood Group, Thames Water and other utility providers and the Chairperson of the Regional Flood and Coastal Committee. Given the support from a wide range of partners – including a senior MP – the scheme is the subject of significant public interest and SCC should be seen to follow-up on its commitment to contribute.

Funding and Costs

6. The terms of reference for the Sponsor Group is to champion the development of the scheme as well as to secure the necessary funding. DEFRA's Partnership Funding rules for flood alleviation schemes mean that only a proportion of the costs of delivering a scheme will come from Central Government as Flood Defence Grant in Aid (FDGiA). The remainder of the funding should come from other sources. This Partnership Funding system is based on the concept that where there are local benefits, financial contributions for a scheme are to be sourced locally.
7. The Thames Regional Flood and Coastal Committee (TRFCC) have set principles as to how it uses its Flood Defence Levy to close funding gaps for such schemes. These enable the Levy to make up the funding gap to 100% where local authorities and partners are able to fund 30% of the scheme. In this case, the TRFCC have agreed to fund £2,238,000 of the Godalming FAS, providing that SCC, WBC and other local organisations and businesses fund the remaining shortfall.
8. At an early stage of development of the scheme, Godalming Town Council (GTC) and WBC committed to waive costs associated with using their land (which was valued by the EA to be equivalent to c£220,000), while SCC and a local business offered to support the scheme with a £50,000 contribution each. These contributions, coupled with the FDGiA funding outlined above, left a budget shortfall of approximately £430,000 as identified in the project's initial assessment. Through the WIRG, WBC, GTC and SCC discussed how the funding gap could be filled and what proportion of funding the respective

organisations should contribute based on factors including income from Council Tax and ownership of infrastructure, land and assets. It was agreed that SCC would contribute an additional £300,000, bringing the total SCC contribution to £350,000, while WBC would provide £100,000, other partners and GTC (including Thames Water and SEC) funding the balance of £30,000 with GTC funding the ongoing maintenance costs.

9. The total cost for construction and development of the scheme, of which the SCC contribution of £350,000 is part, is estimated at £3,950,000. Maintenance costs are £126,000 bringing the total cost of the scheme to £4,076,000.
10. The following table gives an overview of how much of the necessary funding will be provided by Central Government through FDGiA funding, and how much funding in the form of additional contributions has been agreed in principle. A memorandum of understanding has been agreed by partners committing them to the scheme although the size of contributions will be formalised in legal agreements.

Annualised funding profile (£000s)	Prev Yrs	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4+	Total
Grant in Aid	100	83		780			963
Thames Region FD Levy Funding	148	124	181	1490	295		2,238
Partnership funding:-							
Surrey County Council			150	200	-	-	350
Waverley Borough Council			100		-	-	100
Godalming Town Council					-	126**	126
Other Contributions:							
Local Business etc				80	-	-	80
Land contribution			219*				219
Project Total	248	207	600	2600	295	126	4,076

*Includes assumed land costs contribution in kind (including from Godalming Town Council)
 ** £125,793 consists of agreed contribution of £1,257.93 annual maintenance contribution

Deliverables

11. The main deliverables of this financial contribution will be activities that contribute to the development and construction of flood defences in the Meadow and Catteshall Road area of Godalming.
12. SCC's contribution will be for capital activities associated with the development and construction of the scheme, including development activities up to and including Full Business Case, ecological and ground surveys, detailed design and construction. It will not be used for revenue activities such as ongoing maintenance.
13. The constructed flood defences will consist of:
 - 1000mm flood wall including 150mm freeboard along the banks of the River Wey in the Meadow area of Godalming
 - Earth moving works to accommodate the flood wall and improve the 'natural' landscape's ability to reduce the risk of flooding.

- Flood gate located on Catteshall Road.
14. The benefits constructing of this flood defence include:
- Reduced flood risk to 78 residential and 44 business properties.
 - Protection of A3100 (Meadow), a key route between Guildford and Godalming.
 - Improved Surface Water Drainage.
 - Protection of other minor roads in the area including Catteshall Road.
 - Resilience of a number of highways assets including the Catteshall Road Bridge over the Hell Ditch.

CONSULTATION:

15. The WIRG have led discussions regarding the agreed funding contributions and support the amount SCC is proposing to put forward.
16. The Godalming Flood Action Group have been consulted in the development of the scheme and are supportive of the proposals.
17. The funding contribution has been scrutinised and approved by SCC's Investment Panel.

RISK MANAGEMENT AND IMPLICATIONS:

Reputational:

18. There is a very significant reputational risk should SCC's contribution not be made and the scheme consequently not be realised. Many flood affected residents since the last major flood event in 2014 have been consulted on the scheme and previous commitments made by the relevant authorities mean there is an expectation that the scheme will go ahead. The local MP Jeremy Hunt is also expecting that the project will proceed given the development that has taken place to date and should it not, there is likely to be a negative response from residents and other RMAs who have committed to the scheme. This could jeopardise the viability of future joint projects and the aims of Surrey's Local Flood Risk Management Strategy. *Mitigation:* SCC contribution is realised.
19. Scheme is not taken forward due to lack of funding or political reasons.
20. Scheme is taken forward but does not provide the benefits residents expect. *Mitigation:* SCC to work with partners to engage with communities and keep them appraised of progress and changes to the scheme in order to manage expectations.
21. Scheme is not completed within proposed timescales. *Mitigation:* SCC to work with partners to engage with communities and provide regular updates as to when each phase of the scheme is due to be completed.

Financial:

22. Scheme is not taken forward due to lack of funding or political reasons. *Mitigation:* the project is subject to the major project approval process as set by HM Treasury in the 'Green Book', meaning that robust planning and business cases have been developed/are in development to support the scheme and greatly enhance its viability. This reduces a number of risks associated with the project.
23. Overspend on original cost estimate meaning SCC will be expected to contribute more funding beyond £350,000 commitment. *Mitigation:* The funding agreement that is to be signed if the contribution is given states that SCC would not be asked to make additional contributions in the event of an overspend on the scheme. Therefore the financial commitment would not exceed the £350,000 stated.

Financial and Value for Money Implications

24. The cost of this scheme to SCC will be £350,000, paid over two years (16/17 and 17/18). The funding will be sourced from the Council's Flood Resilience budget.

Section 151 Officer Commentary

25. The Council's proposed contribution to the Godalming FAS can be met from the Flood Resilience capital budget, which is included in the Medium Term Financial Plan. The Council's contribution will be limited to £350,000, and future maintenance costs are expected to be met by partners.

Legal Implications – Monitoring Officer

26. As a Lead Local Flood Authority the County Council is required by section 9 of the Flood and Water Management Act (2010) to have a strategy for local flood risk management in its area (a Local Flood Risk Management Strategy - LFRMS), which addresses the cost and benefits of measures to achieve its objectives and how they are to be paid for. The County Council may therefore contribute to schemes such as the Godalming FAS where they are identified in the LFRMS.

In addition, section 60 of the Land Drainage Act (1991) gives the Council powers to contribute to the expenses of drainage works:

"A local authority may contribute, or undertake to contribute, to the expenses of the carrying out or maintenance of any drainage works by a drainage body such an amount as, having regard to the public benefit to be derived therefrom, appears to the local authority to be proper."

Equalities and Diversity

27. Because this report concerns a funding contribution to an EA-led flood alleviation scheme, no Equality Impact Assessment has been developed. Any equalities matters will be considered by the EA as part of their project management of the scheme.

WHAT HAPPENS NEXT:

28. Following approval of the contribution, funding will be provided to the project and the scheme progressed.

29. Project timeline:

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|---------------------------------------------|-------------------------------|
| • Enablement works and ground investigation | November 2016 – March 2017 |
| • Detailed design and planning | February 2017 – December 2017 |
| • Main construction starts | Spring 2018 |
| • Operational readiness (water tight) | Autumn 2018 |
| • Completion | Spring 2019 |

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Consulted:

Investment Panel
Waverley Infrastructure Resilience Group
Godalming Flood Group

Annexes:

Annex – Outline Business Case

Sources/background papers:

None
