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| London Councils’ Transport & Environment Committee | | | | | | | |
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| Flooding Investment in London | | | | | | Item no: | 06 |
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| Report by: | Jennifer Sibley | | Job title: | | Principal Policy Officer | | |
| Date: | 13 October 2016 | | | | | | |
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| **Summary** | This report provides TEC with an update on progress of the Thames Regional Flood and Coastal Committee’s (Thames RFCC) six year capital programme. It also provides an update on the work to increase local authority capacity to put forward capital projects for funding, and provides the business case presented by the Environment Agency for an increase in local levy. |
| **Recommendations** | Members are asked to note the report.  Members are asked to provide a steer to the TEC members who sit on the Thames RFCC regarding a levy increase of 1.99 per cent for 2017/18. |

**Background**

1. This report provides TEC with the annual update on the work of the Thames Regional Flood and Coastal Committee (Thames RFCC). This follows on from the last report TEC received, in March 2016, which provided an update on the work of boroughs on their statutory flood risk management duties.
2. There are twelve Regional Flood and Coastal Committees in England. The Thames RFCC covers an area that includes London, Surrey, Berkshire, Hertfordshire, Oxfordshire and parts of Warwickshire, Gloucestershire, Hampshire and Essex. It brings together all London boroughs, unitary authorities and county councils in their statutory role as Lead Local Flood Authorities with the Environment Agency and specialist independent members. TEC appoints seven elected members to the Thames RFCC who represent their sub-regional partnerships on behalf of London.
   * West (covers Hillingdon, Hounslow, Ealing, Brent, Harrow and Barnet) represented by Cllr Dean Cohen.
   * North (covers Hackney, Tower Hamlets, Haringey, Enfield, Waltham Forest and Newham) represented by Cllr Daniel Anderson.
   * North East (covers Havering, Barking and Dagenham and Redbridge) represented by Cllr Lynda Rice.
   * North Central (covers Hammersmith and Fulham, Kensington and Chelsea, City of Westminster, City of London, Camden and Islington) represented by Cllr Timothy Coleridge.
   * South Central (covers Lambeth and Southwark) represented by Cllr Jennifer Brathwaite.
   * South East (covers Bromley, Lewisham, Greenwich and Bexley) represented by Cllr Alan Smith.
   * South West (covers Richmond upon Thames, Kingston upon Thames, Sutton, Merton, Wandsworth and Croydon) represented by Cllr Nick Draper.
3. One of the Thames RFCC’s roles is to identify projects that could be funded to reduce the risk of flooding to households and businesses. Local authorities can submit projects for scrutiny and funding that address the flooding risk that they are responsible for; surface water, groundwater and flooding from ordinary watercourses. The Environment Agency does the same for main river flooding, including from the Thames.
4. There are three sources of funding for capital projects: Grant in Aid provided by the government; local levy which is paid by local authorities on an annual basis; and third party contributions, usually secured from beneficiaries of the scheme.
5. The government has agreed a six year programme of capital improvements with each RFCC which runs from 2015/16 to 2020/21.
6. In December 2014 TEC received a business case from the Thames RFCC for an annual local levy increase of 1.99% each year of the six year programme, payable by all Lead Local Flood Authorities in the Thames catchment area. TEC voted to give ‘in principle’ support for a levy increase in each year of the six year capital programme (to 2020/21) with the understanding that it would receive annual updates on progress. TEC supported a levy increase in October 2015 for the financial year 2016/17.

**London’s flooding risk**

1. London continues to be at high risk of flooding, especially from surface water and groundwater flooding. Recent weather events in summer 2016 and over the winter of 2015/16 saw localised flooding and disruption in a number of boroughs. As boroughs have statutory responsibility for this type of flooding, the Thames RFCC continues to encourage boroughs to put forward schemes for funding to address this.

**Thames RFCC core priorities and achievements over the last financial year**

1. The Thames RFCC exceeded its overall targets for properties with reduced risk across the catchment during 2015/16. Currently, performance to reduce tidal flood risk is very strong and there is also a drive to make progress in reducing flood risk from tributaries of the Thames across London. This year saw the opening of the £15.3m Salmons Brook Scheme which reduces risk to 2,587 homes in Enfield and Edmonton. Good progress is being made on the major Lewisham and Catford scheme and other potential projects to manage flood risk from tributaries are in development or under investigation. Although there continue to be challenges associated with delivering schemes to reduce surface water risk, which is a less established area of flood risk management, a growing number of investigations are being undertaken and there are now a number of completed projects across London that demonstrate what can be achieved. These often deliver environmental improvements, reduced flood risk to properties and greater infrastructure resilience.
2. The move to a six year programme is enabling projects that address complex flooding problems involving multiple sources of risk to be taken forward. Previously, these projects often stalled or were considered too difficult to address. There is now growing appreciation that slowing the flow of water in the upper Thames catchment can help to reduce flood risk lower in the catchment, including in London. A strategy is being developed for the deployment of temporary defences which identifies where a combination of demountable metal barriers and pumping can help to reduce flood risk.
3. The Thames RFCC is keen to take an even longer term view of flood risk and identify opportunities for aligning flood risk management with other investment programmes, such as infrastructure delivery and redevelopment. As part of this process, each of the sub-regional partnerships is being invited to consider its future ambitions for flood risk management in an integrated way. This is putting Thames RFCC in a strong position to bid for future government funding. A pilot is being undertaken in the Lee Valley to improve the links with major regeneration and development projects. If successful, this approach will be rolled out across the Thames RFCC area. The aim is to reduce current flood risk whilst also mitigating future flood risks from development.
4. The Thames RFCC is working more closely with Thames Water, as Thames Water has recently introduced dedicated Infrastructure Planning Leads for each sub-regional partnership. Thames Water is preparing its business plan for the period 2020-2025, and is encouraging local authorities to put forward integrated schemes for consideration as part of this process.
5. The link between flood risk management and planning, including building control and sustainable drainage, has been a significant theme this year. The Thames RFCC has created a portfolio of issues it is pursuing with DCLG to secure improvements in the way these two areas of policy work together.
6. The Thames RFCC has supported better understanding and modelling of groundwater flood risk. This is a notable issue in parts of South London. A feature of this type of flood risk is that it can occur for long periods when groundwater levels are high.

*LLFA Project Advisors Team*

1. The Thames RFCC identified last year through its risk register that capacity within local authorities to develop projects for capital funding was a significant risk. With funding secured from government to deliver a capital programme with required outcomes, the Thames RFCC decided to address this to avoid any risk of losing the funding to other parts of the country.
2. London Councils has been involved together with the Environment Agency, GLA, Thames Water and local authorities from within and outside London to develop the proposal further. A Project Board with elected and independent members from the Thames RFCC has been established, and has met twice. An officer Steering Group continues to meet monthly to support the new team become established. Five Advisors have been appointed and have started work. They are likely to focus on London. An interim Team Leader is in place, seconded from RB Kensington and Chelsea with two permanent Team Leaders having accepted offers of employment and starting before Christmas. Further recruitment of the outside London team will commence shortly. The teams are likely to be mobile, deployed for their skills and spend time working closely with local authorities.
3. The team has produced an initial shortlist of local authority led projects that are at risk of not delivering. This will be further refined in the coming months. The team are also establishing a baseline from which success and the value the team is adding can be measured.

**Business case**

1. The Environment Agency, on behalf of the Thames RFCC, has provided a Business Case at Appendix A which sets out the reasons for supporting another year’s levy increase in line with the 2014 ‘in principle’ decision.
2. At the core of the recommendation in the Business Case is the value of maintaining a Major Projects Fund. This enables the Thames RFCC to invest in major, long-term and often complex projects. Without another year’s levy increase, this Major Project Fund is likely to be drawn down over the course of the six year programme, as set out last year. As anticipated by the Thames RFCC, this fund was relied upon in 2015/16 to underwrite projects which were initiated with Levy and subsequently attracted national Grant in Aid.
3. The table below sets out indicative levels of levy which would be paid by each London borough in 2017/18.

|  | **Levy paid in**  **2016/17** | **1.99% increase on levy paid in 2016/17** | **Estimate for levy in 2017/18 if 1.99% increase applied** |
| --- | --- | --- | --- |
| Barking & Dagenham | £103,980 | £2,069 | £106,049 |
| Barnet | £307,599 | £6,121 | £313,720 |
| Bexley | £75,070 | £1,494 | £76,564 |
| Brent | £202,879 | £4,037 | £206,916 |
| Bromley | £215,638 | £4,291 | £219,929 |
| Camden | £200,029 | £3,981 | £204,009 |
| City of Westminster | £284,543 | £5,662 | £290,206 |
| City of London | £16,007 | £319 | £16,325 |
| Croydon | £267,754 | £5,328 | £273,083 |
| Ealing | £248,472 | £4,945 | £253,417 |
| Enfield | £214,388 | £4,266 | £218,654 |
| Greenwich | £157,402 | £3,132 | £160,534 |
| Hackney | £151,440 | £3,014 | £154,454 |
| Hammersmith & Fulham | £168,299 | £3,349 | £171,648 |
| Haringey | £164,058 | £3,265 | £167,322 |
| Harrow | £186,390 | £3,709 | £190,100 |
| Havering | £180,403 | £3,590 | £183,993 |
| Hillingdon | £217,690 | £4,332 | £222,022 |
| Hounslow | £182,230 | £3,626 | £185,856 |
| Islington | £171,251 | £3,408 | £174,659 |
| Kensington and Chelsea | £215,720 | £4,293 | £220,012 |
| Kingston upon Thames | £137,170 | £2,730 | £139,899 |
| Lambeth | £229,099 | £4,559 | £233,658 |
| Lewisham | £178,500 | £3,552 | £182,052 |
| Merton | £162,130 | £3,226 | £165,356 |
| Newham | £155,765 | £3,100 | £158,865 |
| Redbridge | £189,429 | £3,770 | £193,199 |
| Richmond upon Thames | £194,794 | £3,876 | £198,671 |
| Southwark | £207,373 | £4,127 | £211,500 |
| Sutton | £160,408 | £3,192 | £163,600 |
| Tower Hamlets | £189,784 | £3,777 | £193,561 |
| Waltham Forest | £163,392 | £3,251 | £166,643 |
| Wandsworth | £285,800 | £5,687 | £291,487 |

*Note: data supplied by the Environment Agency. Levy is calculated based on the number of Band D properties a borough has in April each year. Until this is calculated, the above figures for 2017/18 remain subject to change.*

**Projects overview**

1. There are currently 72 schemes in London that will be funded in 2017/18 as part of the Thames RFCC capital programme, and the programme is balanced to ensure that overall every sub-regional partnership benefits from more investment than its levy contribution. Most London boroughs have projects as part of the programme. The Thames RFCC wants to encourage the authorities that do not have projects on the programme to develop them, and this is what the new LLFA Project Advisor Team will help more boroughs do.
2. The full project list for the Thames RFCC for 2017/18 is provided at Appendix B. This list shows which projects have been allocated money in 2017/18, the source of funding and the forecasted spend.

**Recommendations:**

Members are asked to note the report.

Members are asked to provide a steer to the TEC members who sit on the Thames RFCC regarding a levy increase.

**Financial Implications**

1. There are no financial implications for London Councils arising from this report. If the Thames RFCC does vote for a levy increase then all London Boroughs will need to budget for this increase in April 2017.

**Legal Implications**

1. There are no legal implications for London Councils arising from this report.

**Equalities Implications**

1. There are no equalities implications for London Councils arising from this report.

**Appendix A** – Levy Business Case for London within the Thames Catchment

**Appendix B** – 2016/17 Capital Programme Project List