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**REPORT TO: POLICY & RESOURCES COMMITTEE ON 17<sup>TH</sup> NOVEMBER 2009**

**SUBJECT: FLOOD RESPONSE – FINANCIAL IMPLICATIONS**

**BY: CHIEF FINANCIAL OFFICER**

**1. REASON FOR REPORT**

- 1.1 To provide Members with an indication of the financial implications (associated with the roads infrastructure) arising from the flooding incident at the beginning of November and to provide an update on the financial implications of the flooding incident in September.

**2. REASON FOR URGENCY**

- 2.1 The flooding event at the beginning of November has resulted in damage to the road infrastructure and the committee needs to consider the financial implications of dealing with the repair works.

**3. RECOMMENDATION**

- 3.1 **It is recommended that Members note the contents of this report.**

**4. BACKGROUND**

- 4.1 An initial indication of the costs associated with the floods in early September were reported to this Committee on the 22<sup>nd</sup> September and to Economic Development and Infrastructure Services Committee on the 13<sup>th</sup> October.
- 4.2 The cost of dealing with an emergency response is borne by the Council. However, the Scottish Government does operate a scheme, the Bellwin Scheme, which can be applied at their discretion to assist with the financial burden created by an emergency. The scheme is aimed at assisting with the immediate response and uninsurable expenditure. The Council's insurance policy for dealing with flooding emergencies has an excess of £5M. There is a threshold of expenditure below which Bellwin does not apply. The current threshold for the Council is £408,968, eligible expenditure above this amount will be met by the Scottish Government. Further information on the eligible criteria were provided in the previous report to this committee.

**5. ASSESSMENT OF COSTS**

- 5.1 The costs arising from the flooding from 3<sup>rd</sup> to 4<sup>th</sup> of September 2009 (excluding initial response, housing and temporary accommodation costs) are as follows:

	£000
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Carriageway Repairs	80
Drainage Repairs	165
Verge and Embankment Repairs	120
Bridge Repairs (Minor)	220
West Street, Fochabers, Bridge Replacement	600
Total Cost of Works Committed	<u>£1,185K</u>

The repairs are being undertaken on a priority basis so that the additional financial burden to the Council is minimised and in some cases prioritised against other planned work. The highest priority has been given to the replacement of West Street Bridge, Fochabers so that normal access to the secondary school can be reinstated. The cost of these works has been incorporated within the Council's capital plan. Work required to Lands and Parks, Speyside Way, Footpaths and Cemetery Amenity Ground, Landslip repairs is estimated at £64,000 and budget required to undertake this work has not been identified and the works have not been committed. The requirement for an upstream trash screen above the West Street Fochabers Bridge is to be reviewed and has been estimated at a cost of £300,000.

- 5.2 Flooding on 1<sup>st</sup> to 2<sup>nd</sup> of November has added considerably to the list of repairs required. This latest event was most damaging in the North East corner of Scotland with Aberdeenshire suffering the worst of the rainfall and flooding. The flooding did extend into east Moray with damage caused mostly located to the east of the River Spey. During the period, all major rivers in Moray were on high alert and staff worked throughout the night to attend call received to sand bag property where possible and to monitor river levels.
- 5.3 It is believed that most of the damaged infrastructure has now been identified and inspected. In many cases, repair works have commenced. Staff involved in inspection and repair works have been stretched since this last occurrence.
- 5.4 The cost of repair works required from the November flooding is estimated as follows:-

	£000
Dealing with Initial Response	25
A98 Seatown Bridge, Cullen – abutment damage	55
Public Transport & School Transport Diversions	20
B9022 Isla Bridge – Pier Damage	75
Newmill Landslip	75
Other Bridges	9
Landslips, Road & Verge Repairs, Debris Removal	57
Buckie Area – Landslips on Coastal Slopes	63
Removal of Fallen Trees	5
Watercourse Damage and Cleaning Works	106
TOTAL	<u>490K</u>

Of these costs current indications are that around £190,000 will be eligible for Bellwin funding.

- 5.5 Council engineers are also in the process of assessing the repairs required to the coastal works at Lossiemouth East Beach breakwater. An initial estimate of £320,000 has been identified, although further work is required to establish the most effective method for dealing with the erosion damage.

## 6. **SUMMARY OF IMPLICATIONS**

### **(a) *Single Outcome Agreement/Service Improvement Plan***

Progressing with the Flood Alleviation Scheme is a priority of the Council.

### **(b) Policy and Legal**

None.

### **(c) Resources (Financial, Risks, Staffing and Property)**

The financial implications of the Flooding events in September and November are dealt with in the body of this report.

In addition to the repairs to coastal works at Lossiemouth East Beach breakwater the Flood Alleviation Team have identified potential schemes and have estimated probable costs for flood alleviation schemes at:

Fife-Keith, Newmill Land Drainage, Drybridge, Keith Isla Bank Mills, Arradoul, Garmouth and Buckie. In this regard, the Asset Management Working Group is co-ordinating a review of the 5 year capital plan with a view to providing information to Councillors in early December. A revised 5 year capital plan will then be presented to the Council as part of the financial plan to be considered on the 11<sup>th</sup> of February 2010. Members are reminded that on the 30<sup>th</sup> of September 2009 a report was provided to the Council providing an overview of the Financial Plan for the 4 years ahead. In light of the severe financial constraints faced by the Council, an assumption was included in the estimates for future years that a number of reductions would need to be made in the capital plan as follows:

- Waste Management £10M investment to be deferred.
- Road Infrastructure and School Estate Management Plan to be reduced by 20%.

In the report to the Council it was recognised that these assumptions would need to be considered in detail when reviewing the capital plan for the next 5 year period.

**(d) Consultations**

**The Head of Direct Services provided the information on the latest costs estimates associated with the flood damage.**

**7. CONCLUSION**

- 7.1 As a result of flooding earlier this month additional repair works in the order of £0.5M will be incurred by the Council and it is anticipated that approaching £0.2M of this will be recoverable through the Bellwin Scheme.
- 7.2 Other capital works associated with flooding and coastal erosion will need to be considered within the Council's capital plan for the next 5 years. Further background information on the 5 year capital plan will be provided to Councillors in early December with the aim of agreeing the capital allocations as part of the Council's financial plan to be considered on the 11<sup>th</sup> of February 2010.

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Background Papers:  
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