

## SENIOR MANAGEMENT TEAM

### FLOOD POSITION STATEMENT

**Author:** Helen Sutton  
**Meeting date:** 31 August 2016

**Implications of report: (Please tick relevant item)**

Delivery of the Corporate Strategy		Impact on more than one directorate	
Delivery of the MTFS		Policy or strategy change	
Delivery of the Transformation Strategy		Business planning / Performance improvement	
Significant staffing impact		Corporate governance	
Equality and diversity		Significant change to service delivery	
Strategic risk		Financial implications not previously agreed	

**Issues for discussion:**

1. The current position of the Chorley Council Flood Relief Scheme, including volumes of applications and amounts of monies pending and already paid out.
2. An approach to the closing date for the Property Level Resilience Grant element of the Flood Relief Scheme.
3. An update on the Property Level Resilience Grant applications and issues with the contract with the surveyors, Pell Frischmann.
4. An overview of wider flooding issues in the borough and the action currently being taken to address these.
5. An update on the blocked gullies inspections carried out to date.

**Recommended decision**

6. In the absence of any guidance from the DCLG about a closing date for the grant applications, affected households and businesses are contacted to advise that the scheme may close shortly and the Pell Frischmann survey is no longer being offered. Guidance would also be provided on how they may obtain an alternative survey.
7. That the action being taken to address wider flooding issues in the borough is noted.
8. That the position on blocked gullies inspection is noted and no further inspection is carried out until the existing issues have been resolved.

**Background**

9. A total of 426 properties in the borough were confirmed as flooded as a result of Storm Eva on 26 December 2016.
10. DCLG guidance was issued as to the types of financial help that would be made available to those affected and the qualifying criteria that would apply.
11. These measures included direct financial help and relief from council tax and business rates payments.

12. Lancashire County Council, as the accountable body, also issued guidance based on that received from the DCLG.
13. The council was required to devise its own Flood Relief Scheme based upon this guidance and criteria.

### **Chorley Council Flood Relief Scheme**

14. Chorley Council's scheme was made up of a number of different elements based upon the DCLG guidance and also information provided by Lancashire County Council. The council tax discount and the business rates relief elements of the scheme were matters for the district councils to determine but the recommendation was that all districts take a similar approach.
15. The table at Appendix 1 is a summary of the financial support that was made available by Chorley.
16. An initial lack of clarity and a keenness to release information to affected residents as soon as possible meant that the initial letter from the council to those households affected advised that empty properties and 2nd homes would qualify for the 100% council tax discount.
17. These properties were not eligible in the final scheme issued by the DCLG. Whilst this does not mean the council cannot award the discount to these properties, we will not be reimbursed for the cost of these cases.
18. There are no second homes affected. The number of empty properties affected was 3 and the total value of relief issued £973,32. Community grant payments of £500 were not made to empty properties.
19. There was some confusion over the closure date for the community grant scheme. The final date for the payments of £500 was confirmed by the DCLG as 31 March 2016. There were three payments made after this date and it was not clear whether the council will be reimbursed for these payments. It has since been confirmed that a final claim will be made to LCC and that the Council should receive funding.
20. There was also a local discretionary relief fund. The Lancashire Flood Appeal. This was administered by the Community Foundation for Lancashire and raised money for those affected by the flooding. A total of 22 grants were made in the Chorley area, totalling £70,250.
21. The table below summarises the numbers of properties affected and the numbers of grants and discounts awarded:

	Number of Properties Awarded	Amount Awarded	Amount Received	Amount Outstanding	
Domestic properties confirmed as flooded	386	n/a	n/a	n/a	
Community grants of £500 paid before 31 March	386	£193,000	£191,500	£1,500	Final claim to be made to LCC in early September
Businesses confirmed flooded	32	n/a	n/a	n/a	Includes charitable organisations, church buildings and nursing homes
Business grants of £2,500 paid	22	£75,083	n/a	n/a	Delivered by BOOST Business Lancashire
Council tax	491	£182,328	£125,433	£56,895	Relief only awarded

flood discount					as a 'top-up'. Includes parallel discounts
Business rates relief	10	£18,362	£16,198	£2,164	Relief only awarded as a 'top-up'

22. The council tax flood discount figure awarded fluctuates. This is because discounts are awarded for 3 months at a time and reviewed at the end of this period. The initial discounts ended after 3 months where the flooded property had remained occupied. Parallel discounts were awarded where the flooded property was empty and the occupier was liable for the council tax at the temporary property. These discounts are ended on reoccupation of the flooded property.
23. There is £59,059 award outstanding from DCLG regarding council tax and business rate relief discounts. The final award will be made as part of a reconciliation on the flood portal when the discounts cease. The DCLG has recognised that interim payments may be required to help councils manage cash flow. The council will request an interim payment from DCLG in early September with the figures given in the table above.

### Property Level Resilience Grants

24. The purpose of this funding was to help homeowners and businesses fund measures that would make their properties more resilient to future flooding.
25. A number of options were explored in relation to the Property Level Resilience Grants. The DCLG guidance was that a survey be carried out to recommend suitable works for a property. The decision was made to use external resources and to fund the survey fee from the grant.
26. Where applicants were eager to start the grant process before the decision to use an external contractor, some properties have been surveyed by the council's building control inspector. Applicants could also use an alternative surveyor or use the online tool.
27. A contract was agreed on 2 March 2016 with Pell Frischmann Consultants Ltd. This was a joint procurement exercise with South Ribble Borough Council.
28. These surveys commenced 4 April 2016 and we have recently received confirmation that there are no outstanding surveys to be completed.
29. Pell Frischmann reported difficulties contacting residents and have stated that they have attempted to contact each owner/occupier at least 3 times.
30. The council has received invoices for 214 completed surveys at £294.00 each amounting to £62,916 plus VAT.
31. There were some amendments to and some clarification of the original contract and there is currently a dispute regarding the final charging structure.
32. It is the understanding of Chorley and South Ribble that the agreed survey fee of £294.00 per property was an aggregate figure to include the total number of completed surveys and a final inspection of 25% of those properties once the recommended works were completed. Any additional final inspections beyond this 25% were to be charged at £189.00 each.
33. We formally disputed the amount of the invoices and a meeting took place between Chorley, South Ribble and Pell Frischmann on 2 September to attempt to resolve the issue. In the meantime payment of 75% of the outstanding amount was made.
34. Consultation with the council's legal services team confirmed that there were a number of issues with attempted variations of the contract.
35. There are 4 appendices and they do not all appear to have been made valid variations to the contract. One of the appendices has only been signed by Pell Frischmann and not the council.
36. However there are additional emails and records from meetings which support the council's view of the pricing structure. The situation has been further complicated as the

lead officer on the project has now left the council and the contact at Pell Frischmann also appears to have been removed from the project.

37. At the meeting with Pell Frischmann it was agreed that they would honour the contract with respect to carrying out 25% final inspections of completed works and on their confirmation of this by email the council would pay the outstanding invoice amounts.
38. The following table summarises the numbers of surveys completed, outstanding and the position with the applications for the property level resilience grant received so far:

Surveys outstanding with building control	6	
Surveys completed or checked by building control	26	
Properties sent to PF	374	
Surveys outstanding with PF	0	
Surveys completed by PF	214	
Grant applications received	82	£346,630
Grant applications approved (including amounts paid)	81	£259,854
Grant payments made	24	£86,776

39. A DCLG portal is completed once every two weeks to inform of the latest position. LCC have confirmed last week that an interim claim can be made for the reimbursement of the grant as well as survey and inspection costs. An interim claim will be made in early September in line with the grant conditions,

#### **Closure date for the PLRG**

40. There has been no guidance from the DCLG as to a closure date for the Property Level Resilience Grants Scheme and the council have not as yet set a deadline for the receipt of applications.
41. It has been agreed with Pell Frischmann that they will not carry out any further surveys for the council. They have attempted to make contact with each property owner more than once. There a number of different companies who will carry out a survey and there is a free online survey tool available.
42. The owners of all affected properties who have not yet applied for the grant will be contacted and advised that the Pell Frischmann survey is no longer an option. Information about the alternatives will be provided and they will be advised of the risk of the grant scheme closing before they have had the opportunity to benefit from it.
43. It is clear from feedback from affected homeowners that some are not at the stage where an application would be appropriate. Reasons for this include waiting for quotations for work and outstanding queries with insurance companies. Some homeowners do not intend to apply for the grant at all.

#### **Issues with the contractor**

44. There were some early issues with the service delivered by Pell Frischmann. These included administrative errors such as sending the wrong survey to occupiers, survey recommendations being different to those discussed during the survey visit and reports of inexperienced surveyors visiting properties to carry out the surveys. Customers have also reported that appointments were made but not kept to. These issues have been raised with PF where we have been made aware of them and have been resolved.
45. Forms not being filled in with customers as per the agreement
46. Where a survey was disputed Pell Frischmann have liaised with customers to reach agreement within the recommendations of the survey.
47. There have been reports of customers having difficulty finding contractors available to carry out the recommended work.
48. Pell Frischmann have sought to recommend a company who are the UK's leading flood contractor. However, this firm were requesting part payment upfront and that payment be made directly to them rather than the customer. The council's position has been made to

clear to them and to our customers. The council will not recommend contractors, nor make payment upfront, nor enter into any potential contract with a contractor by paying them direct.

49. However, owing to the reported difficulties we have put a link on the council's website to the Flood Professionals website which provides information about flood risk and contractors.

### Customer survey

50. A council customer survey was sent to the owners of all flooded properties to gather feedback about the process of the application for the flood resilience grant.

51. There has been concern from the DCLG about the slow take-up of the grant and the customer survey has also been an opportunity to establish some of the reasons why customers were not applying for the grant.

52. A total of 418 surveys were sent out and there have been 121 responses prompting very mixed feedback.

53. The table indicates the level of satisfaction with the survey process:

Question	Responses	YES	NO
Have you applied for a PLR grant?	121	58	63
Do you intend to apply for a grant?	60	43	17
		% dissatisfied or very dissatisfied	% satisfied or very satisfied
How satisfied have you been with the quality of the survey information?	48	22.9%	50%
How satisfied have you been with the timescales involved in the survey process?	50	26%	54%
Taking everything into account, how satisfied were you with the overall service?	42	28.6%	50%
If you have not applied for the grant please give brief reasons why not.	66	See 51.	
What do you think has been done well?	35	See 52.	
What do you think could have been done better?	36	See 53.	

54. Reasons given for not applying for the grant included on-going negotiations with insurance companies and contractors and lack of time. Some customers also reported lack of time and insufficient funds where the cost was more than £5,000.

55. Things that had gone well included the response from the council after the flooding, timescales and a simple grant application process.

56. Things that could have been done better included a lack of information, a complicated application process and a poor service from the non-council surveyors.

### Recent work on wider flooding issues

57. Since the extensive flooding in December, there has been work taking place in a number of specific areas where flooding is a known issue. The main areas are as follows:

- a. The Common, Adlington where the council is working with United Utilities and LCC on an ongoing investigation into the causes and some remedial actions have been completed.

- b. Town Lane and Waterhouse Green, Whittle-le-Woods where the council have completed some remedial actions and are also due to meet with a community group in early September about local resilience measures that the council can support.
- c. Hurst Brook, Coppull where a site inspection has taken place to make an assessment. The planning enforcement team are currently reviewing if there are any planning breaches associated with recent development in the vicinity.
- d. Clematis Close Euxton where the council met with residents and has worked with LCC to provide a short to medium term solution of a new trash screen on the culvert and is working towards a longer term solution.
- e. Weldbank Lane, Chorley where a site visit with United Utilities and LCC has taken place. LCC are to inspect and clear highway drains to help improve the situation.

### **Making Space for Water**

58. This is a multi-agency group that features representatives of Chorley Council, Lancashire County Council, United Utilities and the Environment Agency. The group meets quarterly to discuss drainage and flooding problems and determine what actions can be taken. The LCC Flood Risk Management team chairs the meeting and maintains a list of flooding 'hotspots'. These will include localised issues where they have an impact upon the highway network.

### **Lancashire County Council Section 19 investigation**

- 59. The Flood and Water Management Act of 2010 placed a number of duties on Lead Local Flood Authorities (LLFAs) in relation to flood risk management. One of the principal duties is the responsibility to record and investigate flooding incidents within its area. These are more commonly known as Section 19 Investigations.
- 60. Owing to the severity of the December 2015 floods, LCC are in the process of undertaking a Section 19 investigation in order to ensure that their legal obligations are met and to ensure that affected communities are identified and appropriate prioritised actions are put in place. Due to the geographical distribution and magnitude of the events, LCC deemed that it was not an efficient or reasonable use of resources to initiate a detailed Section 19 investigation for every incident reported. Rather, they are taking a staged approach to the Section 19 investigation which will comprise of a Stage 1 Overarching Report and a Stage 2 Programme of Actions.
- 61. Stage 1 is almost complete and districts have been asked for their comments on the final draft. Stage 2 is expected to follow soon. This will take a priority approach to investigating and dealing with any flood issues. It is anticipated that LCC will ask districts for assistance wherever possible.
- 62. The priority approach will be on a county-wide basis and so there is a risk that those areas and issues seen as a priority for Chorley will not also be a priority for LCC.
- 63. There is also a risk that there will be some impact on resources as a result of this approach.

### **Community Resilience**

- 64. Following a letter from the council to parish councils in February asking if the council could support them with managing flood risks and assisting with a local response expressions of interest were received from Eccleston Parish Council, Whittle-le-Woods Parish Council and Adlington Town Council.
- 65. We are now liaising with these councils and community flood groups, and currently working on setting up community sandbag and equipment storage for local communities to readily access when flooding occurs in at-risk areas.

### **Croston Flood Risk Management Scheme**

- 66. Due for completion in October 2016, the scheme will decrease the river level through Croston during a flood event by restricting the amount of water flowing through the new structure and embankment, holding back the water in a flood storage basin upstream of

Eccleston. This will reduce the risk of the River Yarrow overtopping flood defences in the village and relieve some of the pressure on the surface water drains.

67. Although there is no guarantee there will be no further flooding in the village, it is expected the likelihood and severity of flooding will be significantly reduced and the village will be better protected from flooding.

### **Blocked gullies inspection**

68. A small number of the isolated incidents of flooding during Storm Eva were identified as being as the result of blocked gullies.
69. Concerns regarding the general level of highway defects have also prompted some work to be carried out to identify and report blocked gullies and other highway issues to LCC. The council has carried out a sample of inspections of work reported as complete by LCC. Of the 20 blocked gullies checked only 32% were clear.
70. These inspections are resource intensive and would appear to have little impact in speeding up a response. Discussions have indicated that LCC will only clear them if a whole stretch of gullies is blocked.
71. LCC's service level agreement is for highway defects to be inspected within 5 working days of receipt, and to be completed within 20 working days. LCC have admitted they would not meet this timescale due to the level of requests received.
72. LCC have provided their schedule for gully cleaning. Schedule 1 gullies are cleaned annually, typically these are on A and B roads. Schedule 2 gullies are cleaned every 18 months, these are mainly B roads. Other gullies are cleaned following a request.
73. In order to understand the performance issues the council officers will meet with LCC every 6 months to discuss highway issues and LCC will provide updates on highway improvements. This information will be shared with Members.

## APPENDIX 1

### Chorley Council Flood Relief Scheme Summary

Definition of a flooded domestic property: those homes where it is considered that water entered the property from the ground surface upwards, including basements and below ground floor level, garages if included in the fabric of the building, including occupied caravans and park homes.

Definition of a flooded business property: Business (including social enterprise) and charitable organisation properties where internal areas critical to the day to day operations (ie. Not storage sheds or warehouses) have been damaged.

Definition of an affected property: where the flood waters entered gardens or surrounding areas restricting access or disrupting essential services directly prevented them from trading as usual.

Scheme element	Eligibility	Award	Duration of award	Duration of scheme	Funding
Community Recovery Scheme	Domestic properties per household Empty or 2 <sup>nd</sup> homes excluded	£500	One-off payment	Ended 31 March 2016	DCLG via LCC as the accountable body
Business Support Scheme	Small or medium sized businesses flooded or severely affected	Up to £2,500	One-off payment	Ended 30 June 2016	Delivered by BOOST Business Lancashire
Council Tax Discount Scheme	Domestic properties flooded or unliveable Parallel discount at the property moved into if liable for council tax at that property  Empty homes and 2 <sup>nd</sup> homes	100% discount	Minimum of 3 months Beyond 3 months where properties remain empty ending on reoccupation up to a maximum of 12 months ie. 25 December  6 months	No end date has yet been agreed	DCLG
Business Rates Relief Scheme	Business properties including social enterprise and charitable organisations  Empty properties excluded	100% relief	Minimum of 3 months Beyond 3 months where properties remain empty until business starts re trading up to a maximum of 12 months ie. 25 December	No end date has yet been agreed	DCLG
Property Level Flood Resilience Grant	Owners of eligible residential or business properties for resilient repairs that would not otherwise be covered by insurance	Up to £5,000 incl VAT	One-off payment	No end date has yet been agreed	DCLG