

## **ANNEX A**

### **Flood Risk Management Working Group**

**26 September 2023**

#### **Attendees**

Alice Hall - SG (Chair)

[REDACTED: REGULATION 11(2)] – SG,

[REDACTED: REGULATION 11(2)] – SG, Flood Risk Management Team

[REDACTED: REGULATION 11(2)] – SG, SG Flood Risk Management Team

[REDACTED: REGULATION 11(2)] - SG LG Finance

[REDACTED: REGULATION 11(2)] – COSLA

[REDACTED: REGULATION 11(2)] -COSLA

[REDACTED: REGULATION 11(2)] - SCOTS

[REDACTED: REGULATION 11(2)] – SEPA

[REDACTED: REGULATION 11(2)] – Inverclyde Council Director of Finance

[REDACTED: REGULATION 11(2)] – SEPA

[REDACTED: REGULATION 11(2)] - City of Edinburgh Council, Director of Finance

[REDACTED: REGULATION 11(2)] – COSLA

[REDACTED: REGULATION 11(2)] - Chair of the Lead Local Authority Forum

[REDACTED: REGULATION 11(2)] - SCOTS

#### **Apologies**

Mark Boyd– North Ayrshire Council, Director of Finance

#### **Note of Discussion**

1. The Chair opened the meeting.

#### **Cycles 1 and 2**

1. Feedback was given from the Directors of Finance meeting that had been held on 6 September:-
2. There are continued concerns about affordability of cycle one schemes and implications for cycle 2.
3. There was agreement that there needed to be better oversight of the costs throughout the programme for taking forward flood protection schemes.
4. DoFs support all the recommendations made by the FRM sub-group
5. Better linkages need to be made across other funding streams – mention was made of some active travel funding use of which is linked to a FRM scheme for example.
6. SG noted that they had written to LAs on 14 August setting out recommendations agreed to date and asking for a response on recommendation 4. Deadline for a response was 30 September.
7. The Group discussed recommendation 9, related to cost controls. It was agreed that the recommendation should be amended. This would allow greater flexibility should the issue of cost controls need to be revisited once more information is known about which flood protection

schemes from cycle one will be withdrawn.

8. It was proposed that recommendation 9 be amended as follows:
9. It is not recommended that further cost controls are introduced for cycle one schemes at this stage. This will be reviewed once the recommendation 2 deadline has passed. Cost controls should be applied for future cycles with a method to be confirmed.
10. It was noted by the Group that the quantum of funding after 2026 still had to be agreed by Scottish Ministers and Council Leaders.
11. It was agreed that affordability of cycle 1 schemes would be reassessed again in March 2024 when there would be greater clarity about which schemes were progressing. There should also be clarity on the quantum available for taking forward cycle 2 schemes by March 2024.
12. The Group discussed whether there are any other actions we can take to improve our understanding of delivery climate and causes of cost inflation.
13. The Group agreed that the timeline of decision making points should be drawn up and which could be communicated to LAs.

### **Staged approach**

1. There was a discussion about how the staged approach for cycle 2 schemes could be governed. It was considered that there should be 2 separate elements - technical governance and financial governance.
2. The point was made that ultimately it would be for Ministers and Council Leaders to agree how the funding should be used but it would not be for them to make decision about individual schemes.
3. Concerns were raised about a LA led peer scrutiny approach due to a possible conflict of interest. The question of whether funding should be provided to set up a new group to consider technical issues was also raised. It was agreed that the issue needed further consideration and governance models used in other projects (City Deal, Schools) could be investigated.

### **ACTIONS:-**

Recommendation 9 be amended as follows:

- It is not recommended that further cost controls are introduced for cycle one schemes at this stage. This will be reviewed once the recommendation 2 deadline has passed. Cost controls should be applied for future cycles with a method to be confirmed.