

# Transport and Environment Committee

10.00am, Tuesday, 4 June 2013

## Water of Leith Flood Prevention Scheme Phase 2 Update

|                      |  |
|----------------------|--|
| <b>Item number</b>   | 7.5  |
| <b>Report number</b> |  |
| <b>Wards</b>         | 6 – Corstorphine<br>7 – Sighthill/Gorgie<br>9 – Fountainbridge/Craiglockhart |

### Links

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|---------------------------------|--|
| <b>Coalition pledges</b>        | <a href="#">P28</a>                          |
| <b>Council outcomes</b>         | <a href="#">CO15</a><br><a href="#">CO21</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO4</a>                          |

### Mark Turley

Director of Services for Communities

Contact: Tom Dougall, Maintenance Manager

E-mail: [tom.dougall@edinburgh.gov.uk](mailto:tom.dougall@edinburgh.gov.uk) | Tel: 0131 469 3753

# Executive summary

## Water of Leith Flood Prevention Scheme Phase 2 Update

### Summary

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Phase 1 of the Water of Leith Flood Prevention Scheme (WoLFPS) is nearing completion and modifications to the reservoirs on the headwaters of the river were completed in 2010.

Lessons learned from previous contracts will be taken into account in relation to the design, risk allocation, contract documents and project governance for Phase 2. This will, in part, be informed by a gateway review of the project which has recently been undertaken by the Corporate Programme Office.

Phase 2 of the WoLFPS comprises flood defences at Murrayfield/Roseburn and at Coltbridge, Damside, Belford and Edinburgh Sports Club.

A different approach is now required given the budget constraints and the lessons learned from previous projects as it is no longer possible to provide in full the defences described in the Flood Prevention Order at this stage.

The anticipated cost of Phase 2 of the scheme as now proposed is £25.5m. Funding of £19.916m remains available from the overall Flood Defence budget. Sources of further capital funds are being explored to bring the total available to £25.5m.

Recognising budget limitations, work has been undertaken to reconfigure Phase 2. This results in concentrating efforts in the Murrayfield/Roseburn area where the greatest number of properties at risk are located. It should be noted that the river comes out of bank in this area at a lower flow than other areas (ie this area will flood first).

It is proposed that a working group, comprising elected members, community councils, other key stakeholders and Council officers, be formed to fully explore and investigate a reconfigured Phase 2 to ensure that it is fit for purpose.

Independent consultants will be engaged to undertake a review of the adequacy of the design and contract documentation carried out to date in relation to Phase 2. The procurement strategy, including appropriate allocation of risk, will also be revisited prior to tenders being invited for Phase 2.

As requested previously by the Committee, an update on the position with regard to future flood insurance to those in areas prone to flooding provided by the Association of British Insurers is included in this report.

## Recommendations

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It is recommended that the Committee:

- 1 notes that an initial review of the scope of Phase 2 was carried out by the design consultants which reconfigured the proposals at an estimated cost of £25.5m. A budget of £19.916m is available following completion of Phase 1. Capital budgets are being reviewed to ascertain how the shortfall in funding could be made available;
- 2 approves formation of a working group, comprising elected members, community councils, major stakeholders and Council officers to explore and investigate fully this reconfigured Phase 2 to ensure that it is fit for purpose;
- 3 notes that in order to achieve greater cost certainty on Phase 2 it is proposed to carry out an independent review of the design, risk allocation, and contract documentation carried out to date;
- 4 notes that a report on the project will be submitted to the Governance, Risk and Best Value Committee in summer 2013;
- 5 approves the necessary grants of servitude for the diversion of the gas main related to Council land ownership associated with Phase 2 of the Water of Leith FPS; and
- 6 notes the update on the position on the provision of flood insurance.

## Measures of success

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Modifications to the spillways at Threipmuir, Harlaw and Harperrig reservoirs, completed in 2010, are helping to mitigate flood levels downstream. These benefit all at risk properties along the length of the watercourse by providing additional storage capacity during storm events.

The reconfigured Phase 2 of the Water of Leith Flood Prevention Scheme as proposed would protect 478 residential properties, 14 commercial properties, including the National Rugby Stadium, the Ice Rink, the Chinese Consulate, sheltered accommodation and a medical practice at Murrayfield from flooding from the river up to a 1-in-200 year flood event with an allowance for climate change. However, in some areas where it is proposed to retain existing flood walls, the level of protection will be of the order of a 1-in-150 year event. It should also be noted that some of the proposed defences will be of an interim nature. These defences may make use of sandbags protected by earth and turf.

## Financial impact

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The budget available within the current Capital Investment Programme for completion of the Water of Leith Flood Prevention Scheme was £63.539m.

The budget remaining after construction of Phase 1 and the preparatory work to date on Phase 2 is £19.916m.

An initial review of the scope of Phase 2 has been carried out that focussed on the Roseburn/Murrayfield area. The revised scope has an estimated outturn cost of £25.500m.

Capital budgets are currently being reviewed to ascertain how the shortfall in funding of £5.584m could be made available to progress a reconfigured Phase 2.

## Equalities impact

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Consideration has been given to the relevance of the Equalities Act 2010 and it is considered that a full Equalities Impact Assessment (EqIA) is not required.

Opportunities have been taken within the scheme to address social inclusion in the development of the design of the scheme. Further measures will be adopted during the construction phase.

## Sustainability impact

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As part of the planning process an environmental impact assessment was carried out and an action plan prepared. The environmental impact of the scheme is mitigated by the agreed action plan which will be included in the contract documentation for Phase 2. This defines the contractors' work methods and the restoration of the areas post construction.

## Consultation and engagement

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There has been considerable consultation in the development of the approved flood scheme since the appointment of consultants in 2002, including a Public Inquiry in 2004.

Major consultations were undertaken in 2001 and 2002 prior to submission of the Flood Order. Further consultation took place in relation to the public local inquiry and subsequent newsletters have been circulated to inform residents and stakeholders of progress. Information has also been provided on the Council's website.

Briefing sessions have been undertaken for members of the Transport and Environment Committee on 6 March 2013 and for local elected members on 26 April 2013, in relation to Phase 2.

In view of the time taken from the start of the project to the present situation, the uncertainty of funding and of the timescale for the completion of the project it is considered necessary to develop a communications strategy to inform those affected by the outstanding works.

## Background reading/external references

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Appendices attached:

- Appendix 1: Phase 2 - Scope of Works
- Appendix 2: Diversion of SGN Gas Main – Murrayfield Area
- Appendix 3: Future governance structure
- Appendix 4: Project Finance
- Appendix 5: Flood Insurance

## Water of Leith Flood Prevention Scheme Phase 2 Update

### 1. Background

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- 1.1 On 24 November 2009, the Council agreed to complete the Water of Leith Flood Prevention Scheme in phases, as insufficient funds were available to accept tenders for construction of the whole scheme.
- 1.2 The Water of Leith Flood Prevention Schemes currently comprises advance works at the upstream reservoirs and three phases.
- 1.3 Advance works have been undertaken and completed at the upstream reservoirs to provide additional storage during storm events.
- 1.4 Phase 1 comprises defences at Bonnington, St Mark's Park, Warriston, Stockbridge Colonies and Veitch's Square.
- 1.5 Through a mediation process agreement has been reached with the Contractor for completion of Phase 1. This ensures cost and time certainty. A contract completion date of 31 August has been agreed.
- 1.6 It is intended that Phase 2 will involve the construction of defences concentrated in the Roseburn/Murrayfield area. The estimated outturn cost is £25.5m.
- 1.7 It is proposed that a working group, comprising elected members, community councils, other key stakeholders and Council officers, be formed to fully explore and investigate this reconfigured Phase 2 to ensure that it is fit for purpose.
- 1.8 The remainder of the scheme comprises defences at Balgreen, Gorgie, Saughton, Longstone, and on the Murray Burn at its confluence with the Water of Leith.

### 2. Main report

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#### Phase 1

- 2.1 Phase 1 is now scheduled to be completed by 31 August 2013 at an anticipated cost of £29.132m resulting in a remaining budget of £19.916m for Phase 2.

## **Phase 2**

- 2.2 Phase 2 as described in the Flood Prevention Order comprises flood defences at Murrayfield/Roseburn, Coltbridge, Damside, Belford and Edinburgh Sports Club. Further details are included at Appendix 1.
- 2.3 An initial review of the scope of Phase 2 of the Water of Leith FPS has been carried out by the Council's design consultant. This exercise focussed on flood defences at the Roseburn/Murrayfield area, where the majority of properties at risk are located. Phase 2 was reconfigured and this resulted in an estimated outturn cost of £25.5m.
- 2.4 It is proposed that a working group, comprising elected members, community councils, other key stakeholders and Council officers, be formed to fully explore and investigate this reconfigured Phase 2 to ensure that it is fit for purpose.
- 2.5 Major stakeholders would include the Scottish Rugby Union (SRU), Murrayfield Ice Rink, care homes, Parks and Education.
- 2.6 Following a discussion on Phase 1 at Full Council on 2 May 2013 and in a response to a Motion by Councillor Bagshaw it is confirmed that the revised proposals for Phase 2 will, where practicable, make use of natural flood defences and less heavily engineered solutions to reduce the impact on the environment and surrounding properties reflecting the current funding position.
- 2.7 The work carried out at the upstream reservoirs to create floodwater storage helps to reduce peak flows downstream, is to the benefit of all the properties along the Water of Leith. A further consequence of this reduced flow is to reduce the height and length of flood walls at many locations.
- 2.8 When the Scheme was originally promoted in April 2003 it was proposed that the back pitches at Murrayfield Stadium be utilised as a flood storage area. However this Option was rejected at the Public Local Inquiry in 2004 when the Reporter found in favour of the Scottish Rugby Union.
- 2.9 An allowance for risk has been assessed in the light of experience gained on Phase 1 and other contracts and takes account of the uncertainty that the impact of events at the national stadium and associated issues will have on the contractor's ability to programme work. In order to achieve greater clarity and to reduce third party risks it is intended to enter into dialogue with key stakeholders including the Scottish Rugby Union.

## **Diversion of Gas Main at Murrayfield**

- 2.10 The design solution adopted for the flood wall on the left bank at Murrayfield requires the diversion of a major gas distribution main. The need for and extent of the proposed diversion is set out in detail in Appendix 2.

- 2.11 Independent consultants will be appointed to review various aspects of the diversion of the gas main.
- 2.12 Associated with the diversion of the gas main, there is a need to agree a grant of servitude for that part of the route through land in Council ownership. Standing Orders require that the grant of servitude is approved by the Council and this is included in the recommendations within this report.
- 2.13 The process of agreeing a grant of servitude for the diversion of the gas main can take up to a year and could delay the start of construction of Phase 2 if agreement is not concluded on time.
- 2.14 In progressing Phase 2 there will be the need to allocate funds of approximately £1.94m to Scotland Gas Networks to carry out the diversion of the gas main at Murrayfield (as described in Appendix 2). This is included in the revised project cost and will be the subject of a future committee report.

### **Future phases**

- 2.15 The remaining work outstanding on the Water of Leith FPS comprises flood defences upstream at Balgreen, Saughton, Gorgie, Longstone, and on the Murray Burn near its confluence with the Water of Leith. At present, no funding has been identified to construct further phases, however, the design work done to date and the associated documentation has been stored for future use, pending availability of funds to complete the scheme.
- 2.16 There are no funds identified at present for future phases.

### **Lessons from previous contracts**

- 2.17 As approved by Full Council on 2 May 2013 lessons learned from Phase 1 will be taken into account in the preparation of the design, risk allocation, contract documentation and the proposed project governance for Phase 2 of the Water of Leith FPS.
- 2.18 The most contentious areas which led to disputes with the Contractor such as piling, temporary flood defences, and access (interface with residents and major stakeholders) and perceived ambiguities in the contract documentation will be addressed.
- 2.19 Independent consultants will be engaged to review the adequacy of the current design (including an assessment of the adequacy of the site information) and to review the draft contract documents, the allocation of risk within the contract, change control, the form of contract and funding arrangement prior to seeking tenders for construction of Phase 2.



- 2.20 The allocation of risk within the contract will be reviewed to ensure greater cost certainty. In the past the flexibility exercised with respect to change, in particular access, has resulted in increased cost. The degree of change on Phase 2 should be strictly controlled to ensure cost certainty. It should be noted that this may not reduce overall project costs; but there should be less variance in cost between time of award and completion.
- 2.21 The agreed budget for the proposed construction will contain a realistic allowance for risk and change. This budget will fully reflect the issues highlighted through detailed risk assessments as identified through the stakeholder engagement and at the working groups.
- 2.22 A gateway review has been undertaken by the Corporate Programme Office and was completed in May 2013.
- 2.23 The main findings of this review are that “good progress has been made in identifying and implementing lessons learned in Phase 1. Continued focus is required to ensure these are adequately embedded in the culture of the organisation. The level of confidence of a successful delivery in Phase 2 is Red/Amber, because whilst it is clear that lessons have been learned from Phase 1 and corrective action has been taken, there is insufficient evidence to demonstrate improved oversight and that processes are sufficiently established to avoid slippage and contractual issues in the future”.
- 2.24 As part of the assurance review a series of programme responses and actions to take forward the specific recommendations made will be put in place. Amongst other things, these involve the new governance arrangements, outlined below, risk management and site project management.
- 2.25 In terms of future reviews the CPO report states “It is recommended that a further assurance review is scheduled to coincide with the appointment of Phase 2 construction contractors. This will ensure best practice is embedded ahead of entering the delivery phase and to provide assurance as regards the project’s readiness to proceed to the next stage”.

### **Project Governance of Phase 2**

- 2.26 The roles of Project Manager and Supervisor are strictly defined in the New Engineering Contract (NEC). The Project Consultant currently holds both of these roles on Phase 1. For Phase 2 the NEC Project Manager will be employed directly by the Council. Consideration will also be given to the appointment of the other supervisory roles on site independently from the Designer.

- 2.27 A Strategic Project Board (Oversight Group) has been put in place to oversee and strengthen the management of the project. This multidisciplinary group comprises the Heads of Finance, Corporate Programmes and Transport. The Project Board will scrutinise and direct the work of the project team. The Project Manager will take instruction from this group in relation to changes to the project. The group will also determine the extent of powers delegated to the Project Manager.
- 2.28 In accordance with the Council's project governance arrangements a Council workgroup will meet regularly (at monthly intervals) throughout the project. The workgroup will be chaired by the Traffic and Engineering Manager and will comprise a multidisciplinary team to provide the appropriate level of technical, legal, property advice, direct the project manager, and report to the Strategic Project Board.
- 2.29 A Council client project manager will be added to the site team to oversee completion of this phase of the project.
- 2.30 The client project manager will have a defined role in the revised governance arrangements and will act as the decision maker on-site, dealing with any issues between the NEC Project Manager and the Contractor.
- 2.31 During construction phases there will be weekly control meetings, held on site, chaired by the client project manager, to ensure all matters are dealt with quickly and with the Council's best interests represented. In addition, there will be a monthly meeting chaired by the Council's Senior Responsible Officer (Head of Service or nominated representative) to ensure any issues requiring escalation from the weekly control meeting are dealt with.
- 2.32 A chart illustrating the new governance structure is included at Appendix 3.

## **Finance**

- 2.33 Appendix 4 details the funds that have been made available in the Council's Capital Investment Programme for construction of flood defences on the Braid Burn and on the Water of Leith. This includes contributions from the Scottish Government. The Council's approved Capital Investment Programme 2013-2018 has allocated all identified capital resources for this period.
- 2.34 The total funding allocated to date for Edinburgh's flood schemes is £106.539m.
- 2.35 The Braid Burn Flood Prevention Scheme which was completed in 2010 at a cost of £43m.
- 2.36 The budget available for the construction of the Water of Leith Flood Prevention Scheme was £63.539m.

- 2.37 The cost of the feasibility studies, design work, the public hearing, advance works at the upstream reservoirs and building strengthening at Howard Street carried out prior to seeking tenders for Phase 1 amounts to £14.438m. Construction of Phase 1 of the Water of Leith Flood Prevention Scheme, which covers the length of the river from Bonnington to Stockbridge, will be completed by August 2013 at an anticipated cost of £29.132m. For the avoidance of doubt, the £14.438m is not included in the £29.132m to complete Phase 1.
- 2.38 The cost of preparatory work on Phase 2 up to March 2012 was £53,000.
- 2.39 Following completion of preparatory works, alterations to the upstream reservoirs and construction of Phase 1 the budget remaining for future phases of the Water of Leith Flood Prevention Scheme is estimated to be £19.916m.
- 2.40 There remains a shortfall of £5.584m to complete the reconfigured Phase 2 and capital budgets are being reviewed with a view to funding the shortfall.
- 2.41 Assuming that £25.5m can be made available for this reconfigured Phase 2 then the spend profile is likely to be as shown in the table below on the basis of a site start in 2015.

| Financial year | Spend £m |
|----------------|----------|
| 2013-14        | £0.800   |
| 2014-15        | £4.200   |
| 2015-16        | £12.000  |
| 2016-17        | £8.500   |
| Total          | £25.500  |

## **Scottish Government Funding Position**

2.42 The Council has been in discussions with the Scottish Government and COSLA with a view to securing additional funds for completion of the Water of Leith Flood Prevention Scheme should these become available. The Scottish Government has confirmed that, at present, flood prevention schemes that have already attracted government funding or were promoted under the Flood Prevention (Scotland) Act 1961 would not benefit from future Scottish Government funding. Only new flood prevention schemes, promoted under the Flood Risk Management (Scotland) Act 2009, will benefit from funding from the Scottish Government in the future. The Water of Leith Flood Prevention Scheme was promoted under the 1961 Act and has already attracted Scottish Government funding. However, the Scottish Government is in discussions with COSLA as there are a number of flood prevention schemes that were promoted under the 1961 Act that are yet to be completed.

## **Communications Strategy**

- 2.43 It is recognised that the delay in completing the flood scheme and consequential impacts on residents and businesses is a sensitive issue which will need to be carefully managed.
- 2.44 It is proposed to develop a communications strategy to address matters arising from the review of the scope of Phase 2, and the timescale for delivering the outstanding permanent flood defences.
- 2.45 The communications strategy will therefore need to inform residents, businesses and other stakeholders affected by the scheme of the programme impact of the outstanding work to complete the Water of Leith Flood Prevention Scheme. A communications plan is being developed to inform stakeholders on progress and the way forward.

## **Flood Insurance Update**

2.46 There have been concerns from residents and businesses about the difficulty in obtaining insurance in areas at risk of flooding. The current agreement, between the Association of British Insurers (ABI) and the Government on the provision of insurance cover, is due to expire in July 2013. Negotiations are continuing between both parties and the outcome is unknown at present. An update on the position of the Association of British Insurers relating to the provision of insurance is included at Appendix 5.

### 3. Recommendations

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3.1 It is recommended that the Committee:

- 3.1.1 notes that an initial review of the scope of Phase 2 was carried out by the design consultants which reconfigured the proposals at an estimated cost of £25.5m. A budget of £19.916m is available following completion of Phase 1. Capital Budgets are being reviewed to ascertain how the shortfall in funding could be made available;
- 3.1.2 approves formation of a working group, comprising elected members, community councils, major stakeholders and Council officers to explore and investigate fully this reconfigured Phase 2 to ensure that it is fit for purpose;
- 3.1.3 notes that in order to achieve greater cost certainty on Phase 2 it is proposed to carry out an independent review of the design, risk allocation, and contract documentation carried out to date;
- 3.1.4 notes that a report on the project will be submitted to the Governance, Risk and Best Value Committee in summer 2013;
- 3.1.5 approves the necessary grants of servitude for the diversion of the gas main related to Council land ownership associated with Phase 2 of the Water of Leith FPS; and
- 3.1.6 notes the update on the position on the provision of flood insurance.

**Mark Turley**

Director of services for Communities

## Links

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|---------------------------------|--|
| <b>Coalition pledges</b>        | P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city  |
| <b>Council outcomes</b>         | CO15 – The public are protected.<br>CO21 – Safe – residents, visitors and businesses feel that Edinburgh is a safe city.   |
| <b>Single Outcome Agreement</b> | SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.  |
| <b>Appendices</b>               | Appendix 1: Phase 2 - Scope of Works;<br>Appendix 2: Diversion of SGN Gas Main – Murrayfield Area;<br>Appendix 3: Future governance structure;<br>Appendix 4: Project Finance; and<br>Appendix 5: Flood Insurance. |

## Appendix 1

### Phase 2 - Scope of Works

Phase 2 comprises the construction of flood defences at five locations between Damside and Murrayfield.

The majority of the work is at Murrayfield. The four downstream sites (Damside, Belford Bridge, Edinburgh Sports Club and Coltbridge) are relatively small in scale (circa £2.5m in total).

The works involve construction of flood defences in areas of residential housing, public park and on recreation land owned by the Scottish Rugby Union (SRU).

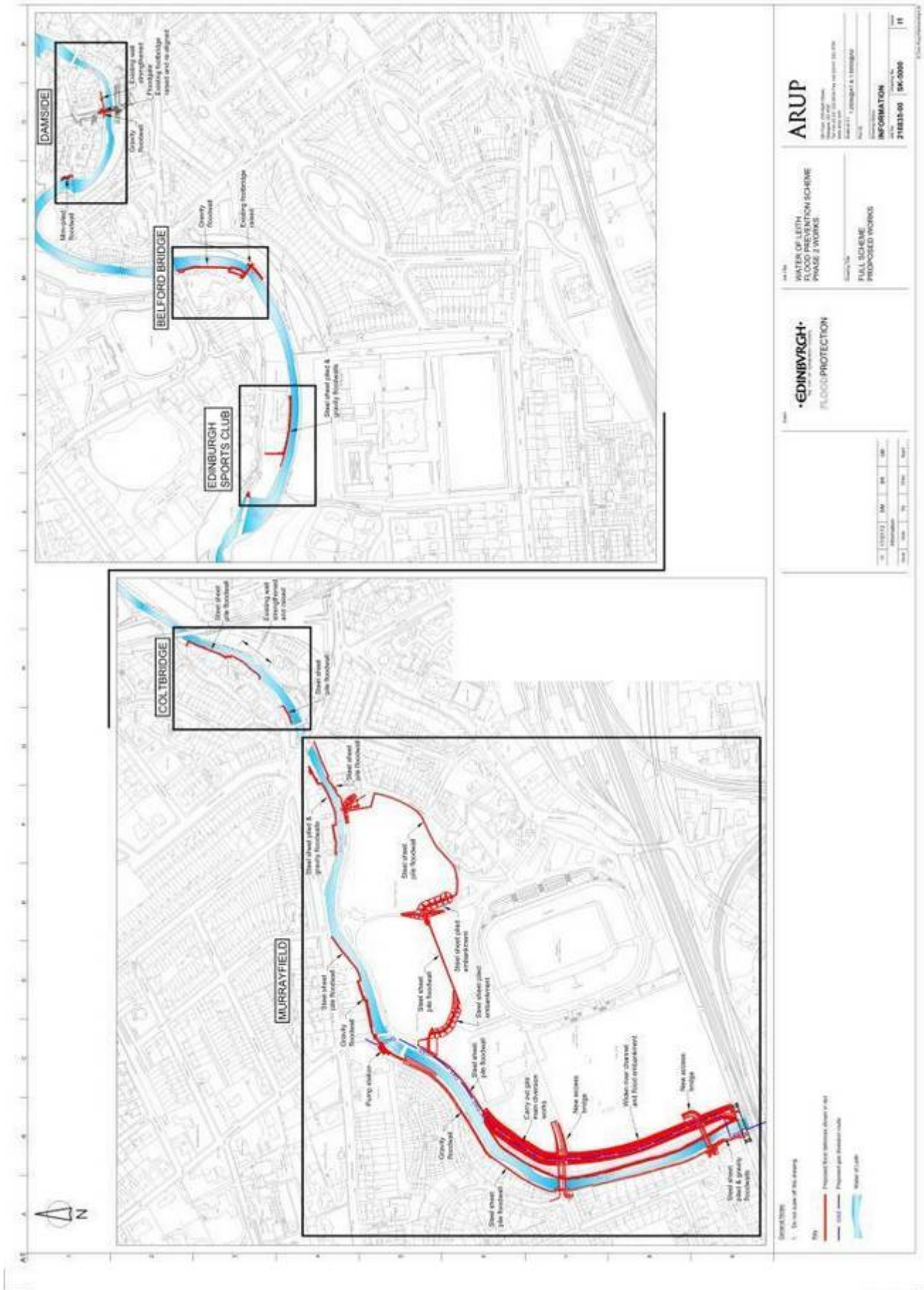
There is a high level of public and stakeholder interface, notably with the SRU, Murrayfield Ice Rink, Network Rail and the Tram project.

The majority of the Phase 2 has been designed by our consultant Arup, however, a limited amount of contractor design including the Stank Burn Pumping station, floodgates, demountable defences, sheet pile sections sizes for installation and a variety of small scale ancillary elements.

It is intended that the contract for the Phase 2 works will be an NEC Option B (as was Phase 1). This is a priced contract with a bill of quantities and defines the work to be carried out by the Contractor and the payment mechanism.

Phase 2 is estimated to protect the following residential and commercial properties along the Water of Leith:-

| Location              | Residential Properties | Commercial Properties |
|-----------------------|------------------------|-----------------------|
| Damside               | 6                      | 0                     |
| Belford Bridge        | 5                      | 1                     |
| Edinburgh Sports Club | 0                      | 1                     |
| Coltbridge            | 25                     | 4                     |
| Murrayfield           | 478                    | 14                    |



**ARUP**  
 21833-00 BK-0005  
 INFORMATION

**EDINBURGH+ FLOOD PROTECTION**

WATER OF LEITH FLOOD PREVENTION SCHEME  
 PHASE 2 WORKS  
 FULL SCHEME PROPOSED WORKS

Scale: 1:1000

North Arrow



## **Appendix 2**

### **Diversion of SGN Gas Main – Murrayfield area**

As a consequence of the need to install sheet piled foundations as part of the new flood defence wall on the left bank at Murrayfield, it is necessary to divert an existing large diameter cast iron gas main.

The risk of damaging the main during the piling work is too high. Delay arising from such damage during construction of the flood defences would be prohibitively expensive. To mitigate this, the decision was taken to divert the main.

There is a slight risk of damage to the new gas main during construction of the Phase 2 works but this will be mitigated by robust protection measures.

Discussions between the designer and Scotland Gas Networks (SGN) have resulted in a proposal to divert the gas main to the right bank along the route of the amended walkway. This route was chosen following an assessment of various diversion options.

The diversion route passes through land owned by City of Edinburgh Council, Scottish Rugby Union and Network Rail. Scotland Gas Networks is currently negotiating servitude agreements for the installation and future maintenance of the diverted gas main.

The diversion of the gas main is to be carried out by SGN as an advance contract allowing the main contractor free access to construct the new defences along the left bank.

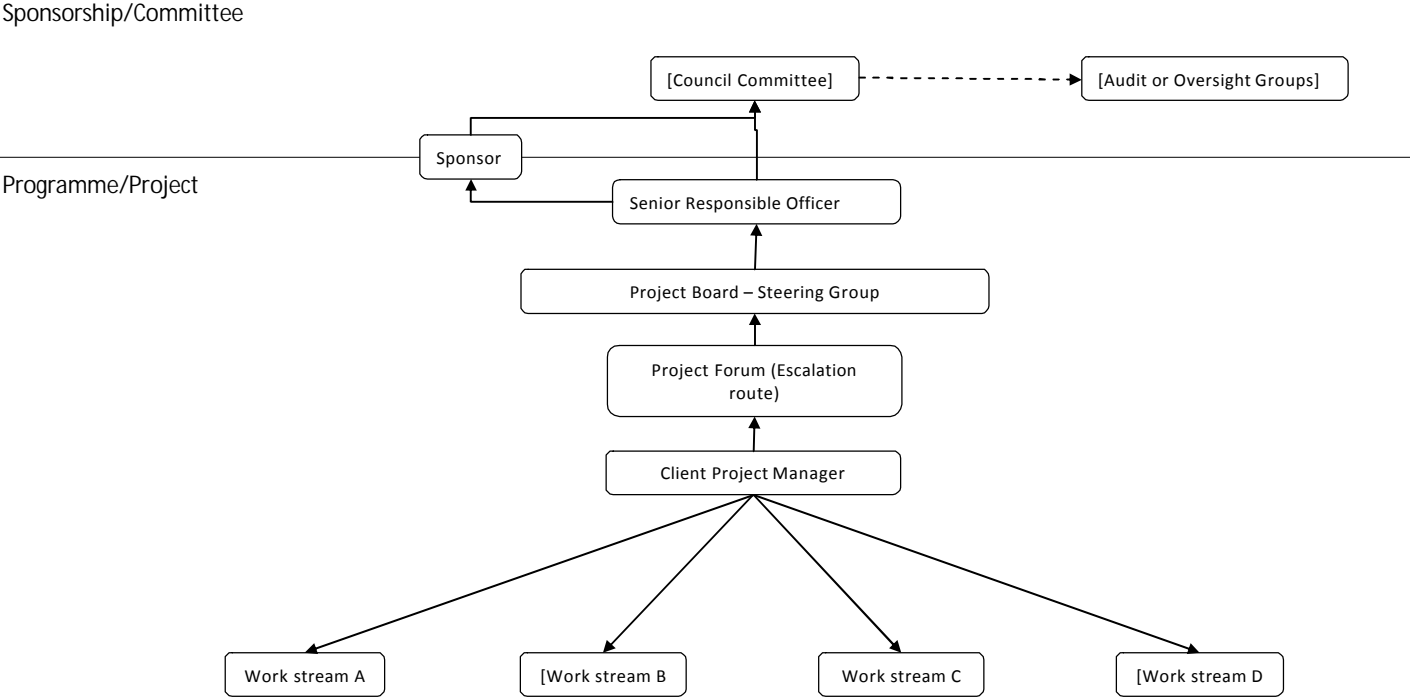
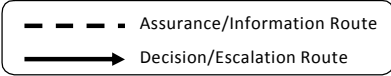
SGN will procure the work through an existing framework contract thus meeting the Council's requirement for competitive tendering.

Work on the gas main will only be confirmed by the Steering Group on confirmation of Phase 2 going ahead.

The estimated cost of this will be £1.94m (including risk). Committee approval is required to authorise transfer of funds to SGN to cover this element of the scheme.

# Appendix 3 - Project Governance

## Governance Structure



## **Appendix 4 Project Finance**

The following summarises the costs of the Water of Leith Flood Prevention Scheme as at February 2013.

### Summary of costs

|   |          |
|---|----------|
| Budget for Water of Leith FPS   | £63.539m |
| Preparatory Works   | £14.438m |
| Phase 1 (estimated)   | £29.132m |
| Costs incurred on Phase 2   | £0.053m  |
| Remaining budget available within the existing Capital Investment Programme 2013-2018 | £19.916m |

### Summary of cost to complete the remainder of the scheme

|   |          |
|---|----------|
| Phase 2 – initial reduced scope (estimated)                   | £25.500m |
| Contribution from within SfC capital budget (to be confirmed) | £5.584m  |
| Anticipated budget for Phase 2                                | £25.500m |

A summary of the flood schemes budget is shown in table overleaf.

Appendix 4

Revised 23 May 2013

Flood Prevention Schemes - Expenditure

|   | Earlier Years<br>2000 to 2012 | 2012/13       | 2013/14       | 2014/15       | Future<br>Years | Totals         |               |
|---|-------------------------------|---------------|---------------|---------------|-----------------|----------------|---------------|
|   |                               | £,000         |               |               |                 |                |               |
| Total SE Grant Received *   | 16,975                        |               |               |               |                 | 16,975         |               |
| Capital Investment Programme  | 49,779                        | 11,992        | 19,194        | 6,599         | 2,000           | 89,564         |               |
| <b>Flood Schemes Budget</b>   | <b>66,754</b>                 | <b>11,992</b> | <b>19,194</b> | <b>6,599</b>  | <b>2,000</b>    | <b>106,539</b> |               |
| <b>Contribution from within SfC capital budget. To be confirmed.</b>  |                               |               |               |               | 5,584           | 5,584          |               |
| <b>Braid Burn Flood Prevention Scheme</b>   |                               |               |               |               |                 |                |               |
| Braid Burn FPS Expenditure  | 42,250                        | Paid 4 Qtr    |               |               |                 | 42,250         |               |
| Braid Burn FPS Compensation (estimate)  |                               | 36            | 214           | 300           | 200             | 750            |               |
| <b>Braid Burn FPS - Total</b>   |                               |               |               |               |                 | <b>43,000</b>  |               |
| <b>Water of Leith Flood Prevention Scheme</b>   |                               |               |               |               |                 |                |               |
| <b>Budget available for Water of Leith</b>  |                               |               |               |               |                 | <b>63,539</b>  |               |
| <b>WoLFPS Advance Works</b> (including Reservoirs, building strengthening, feasibility, design of whole scheme including tender process etc.) | 14,215                        | 213           | 10            | 0             | 0               | 14,438         |               |
| <b>Preparatory work on Phase 2</b>  | 53                            |               |               |               |                 | 53             |               |
| <b>Water of Leith Phase 1</b>   |                               |               |               |               |                 | <b>29,132</b>  |               |
| <b>Total Committed Flood Schemes Expenditure</b>  | <b>66,754</b>                 | <b>7,986</b>  | <b>2,257</b>  | <b>10,039</b> | <b>4,682</b>    | <b>86,665</b>  |               |
| <b>Remaining budget for future phases</b>   |                               |               |               |               |                 | <b>19,916</b>  |               |
| Estimated WoLFPS Phase 2 Fees/ Surveys  | 0                             | 58            | 37            | 800           | 1,000           | 1,395          | 3,290         |
| Estimated WoLFPS Phase 2 Works Construction Costs   | 0                             |               |               |               | 1,200           | 9,940          | 11,140        |
| Estimated WoLFPS Phase 2 PU Costs   | 0                             |               |               |               | 2,000           | 2,550          | 4,550         |
| Estimated WoLFPS Phase 2 Risk / Change  | 0                             |               |               |               |                 | 4,920          | 4,920         |
| Estimated WoLFPS Phase 2 Condition Surveys  | 0                             |               |               |               |                 | 100            | 100           |
| Estimated WoLFPS Phase 2 Anticipated Compensation   | 0                             |               |               |               |                 | 1,500          | 1,500         |
| <b>Estimated WoLFPS Phase 2 total</b>   | <b>0</b>                      | <b>58</b>     | <b>37</b>     | <b>800</b>    | <b>4,200</b>    | <b>20,405</b>  | <b>25,500</b> |

Reservoir costs included in advance work

Phase 1 under construction (including Building Strengthening). Phases 2 & 3 - not committed.

\* Government grant no longer ring-fenced, but included in Single Outcome Agreement (SOA) between the Council and the Scottish Government

## Appendix 5 Flood Insurance

The Association of British Insurers (ABI) issued a 'Statement of Principles on the provision of flood insurance' in July 2008

The statement detailed the agreement between the Government and the insurance industry that the conditions should be in place to enable the insurance market to be able to provide flood insurance to the vast majority of households and small businesses after 1 July 2013.

The Statement of Principles included a commitment to continue to offer flood insurance for domestic properties and small businesses as a feature of policies until 30 June 2013 subject to plans being in place to reduce the risk below 'significant' i.e. below a 1.3% or 1-in-75 chance of occurring in any year.

This commitment was to provide policy terms reflecting the risk presented and the premiums charged would reflect this.

The commitment applied to existing properties and not to properties constructed after 1 January 2009.

Properties on the Water of Leith will remain above significant at several locations including the Murrayfield area if the whole scheme is not completed.

Recent reports have indicated that the ABI will not continue to provide flood insurance to properties at 'significant' risk of flooding after 30 June 2013.

In August 2012 the ABI announced that insurers remain committed to trying to find a new replacement solution for the current 'Statement of Principles' agreement that expires in June 2013 that is "better for customers and secures the availability and affordability of flood insurance"

Discussions between the ABI and the Government are ongoing.