

Defra Ref: DPI/H2265/20/13 (Public Inquiry)
River Medway Flood Relief Leigh Storage Scheme

This note sets out the funding sources for the expansion of the Leigh Flood Storage Area (FSA).

Below is an extract taken from the Environment Agency's Outline Business Case (OBC). The full document is core document 1.15. The OBC, in effect, is a justification for a flood and coastal risk management project that the Environment Agency wants to progress. Not only does it set out the flood risk grounds for flood risk works but also how the project will be funded.

Tim Connell's statement at section 7.3 discusses the funding.

The sources of funding are:

- 1 Flood defence grant in aid;
- 2 Local levy;
- 3 Contribution from Kent County Council;
- 4 Contribution from the South East Local Enterprise Partnership;
- 5 Contribution from Tonbridge and Malling Borough Council; and
- 6 Contribution from Maidstone Borough Council.

By way of explanation:

- Grant in aid is a contribution to the project from central Government granted following an application from the Environment Agency.
- The South East Local Enterprise Partnership supports local growth opportunities, encourages business development and promotes economic development. It encourages investment in the South East to deliver economic growth. Contributing to the expansion of the Leigh FSA is a way of encouraging investment in Kent.
- Local levy is a contribution towards flood defence expenditure collected through Council Tax under the Environment Agency (Levies) (England and Wales) Regulations 2011 .

The Environment Agency entered into two agreements with funding partners to facilitate contributions towards the cost of the expansion of the FSA, as follows:

- 24th April 2015 between the Environment Agency (1) Kent County Council (2) Maidstone Borough Council (3) Tonbridge and Malling Borough Council (4)
- 12th June 2018 between the Environment Agency (1) Kent County Council (2)

The remainder of the funds for the project are sourced from Government grant in aid.

The total cost of the project is £21,276,000. Therefore, approximately 75% of the project costs will come from grant in aid.

Extract from OBC:

Scheme cash cost (£k)	FDGiA (£k)	MIOS funding (£k)	Partnership funding required (£k)
21,276	11,286	4,684	5,306

Table 1 – Cash cost funding values

In addition to FCERM GiA this project has secured funding from the local authority partners and the LEP. These include:

- Kent County Council: £2,575k;
- SELEP: £2,296k;
- Tonbridge and Malling Borough Council: £575k;
- Maidstone Borough Council £75k;

The project also has Local levy funding of £100k.

The total funding secured to date is £5,621k.

Table 18 details the proposed annualised funding profile from both partners and GiA.

	Medway FSA	Leigh Expansion and Hildenborough Embankments Scheme							
LEHES Year	2015-2017	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24+	Total Funding
SELEP (£k)		140	885	1,448					2,473
KCC (£k)	75					2,500			2,575
GiA (£k)				127	1,965	3,756	6,698	2,932	15,478
TMBC (£k)	75					500			575
Maidstone BC (£k)	75								75
Levy (£k)	15	85							100
Total (£k)	240	225	885	1,575	1,965	6,756	6,698	2,932	21,276

Table 2 – Proposed funding profile

Environment Agency
29th April 2021