

## **CABINET MEMBER DECISION**

**Date of decision - 12 March 2026**

### **Delivery of Environment Agency Led Severn Stoke Flood Risk Management Scheme (FRMS)**

**Key Decision: Yes**

**Exempt: No**

**Decision subject to Call-in: No - The Chairman of the Overview and Scrutiny Board agreed that paragraph 17.6 (urgency) of the Overview and Scrutiny Procedure Rules applies, as any delay likely to be caused by the Call-in process would seriously prejudice the interest of the County Council. Environment Agency funding is required to be organised to enable the scheme to go ahead in spring 2026, to maximise value for money and reduce risk and project cost associated with further flooding events.**

---

#### **Relevant Cabinet Member**

Councillor Ian Cresswell, Cabinet Member for Environment & Communities

#### **Relevant Chief Officer**

Rachel Hill, Strategic Director for Economy and Infrastructure

#### **Local Member(s)**

Councillor Martin Allen

#### **Recommendation**

- 1. The Cabinet Member with Responsibility for Environment & Communities is recommended to:**
  - (a) Note the Environment Agency (EA) funding commitment for the Severn Stoke Flood Risk Management Scheme (FRMS) for 2026/27.**
  - (b) Authorise the Strategic Director for Economy & Infrastructure in consultation with the Cabinet Member for Environment & Communities to enter into a collaboration agreement with the EA for the provision of EA funding and the delivery of FRMS;**
  - (c) Authorise the Strategic Director for Economy & Infrastructure in consultation with the Cabinet Member for Environment & Communities to enter into contracts (and any other agreements) to construct and deliver the FRMS;**
  - (d) Note the existing WCC capital commitment of £250k towards the delivery of the scheme; and**

**(e) Recommend to Full Council that the funding from the EA for the scheme be added to the approved Capital Programme to be spent on the Severn Stoke Flood Risk Management Scheme.**

## **Background**

2. The proposed Severn Stoke Flood Risk Management Scheme (FRMS) is an Environment Agency (EA) led scheme that has been supported by the Severn Stoke community for several years. The Severn Stoke FRMS will include construction of a flood bank to the west of the village to reduce flood risk from the River Severn, with some work required on the Highway.

3. The EA has explored a number of delivery options to deliver the scheme, however were not able to identify an option that was economically viable or would reach the required quality standards. The Council has long been working with the EA, to support the development and, ultimately, the delivery of a FRMS in Severn Stoke. This support has included looking at different options for scheme delivery. The Council previously sought a quote through its Infrastructure Engineering Term Contract (IETC) for the delivery of the Severn Stoke FRMS Autumn 2025, but the EA funding was then found to be unavailable for 2026/27. On 22 January 2026 the EA announced funding was now available to progress with the FRMS if delivery was possible to start in 2025/26 and with construction being completed in 2026/27.

4. The Severn Stoke FRMS is a relatively simple scheme, a raised flood bank circling around the flood-prone homes, business and church), with a minor road, Ham Lane, crossing the line of the proposed flood bank, this will need reinstating on top of the new flood bank. A current overview and schematic are available in Appendix A and Appendix B.

5. Part of the Council's support has been to procure and oversee the development of the detailed design of the Severn Stoke FRMS. This design is complete and informed the initial quote for construction. However, this quote now needs to be revised to reflect the latest timescales associated with the positive funding announcement. This will reflect any delays linked to commencement of the scheme as it creates an increased risk of adverse weather events at the backend of the project.

6. Following this decision and consequent actions the Council, through their contractor, will manage the delivery of the scheme on behalf of the EA. Any financial risk associated with the delivery of the FRMS remains with the EA.

7. County Councillors, the local Flood Action Group, as well as the Parish Council, the District Council and the local MP, have all long-campaigned for the delivery of the Severn Stoke FRMS.

## **Reasons for decision**

8. The EA currently has the funding in place to cover the delivery of the Severn Stoke FRMS, but a proportion of the funding must be committed before the end of the financial year (2025/26) for the FRMS to progress, with the rest funded during 2026/27. Further to this, much material has been brought to the site, this was material from the work to widen the Southern Link Road (SLR), brought to Severn

Stoke that has reduced costs for the FRMS and the SLR, if the FRMS does not progress this will need to be removed.

9. If the EA's funding is not utilised now, the full EA funding required will not be available after 2026/27, but also general inflation will likely tip the FRMS into unaffordability in the future. Any delay to the decision being made presents a further risk to the FRMS as the revised quote will reflect increased risk, this could make the scheme unaffordable to the EA and economically unviable.

10. To secure the EA funding, the collaboration agreement and subsequent agreements must be agreed and FRMS mobilise in March 2026. The conditions of the collaboration agreement would be that the EA make payments to the Council to deliver the scheme, to be included in the Capital Programme.

## **Procurement**

11. On completion of the Collaboration Agreement with the EA, the preferred route is for an order to be placed using the Council's IETC.

## **Consultation**

12. Throughout the development of the FRMS the EA has led on direct engagement with the community, via the Parish Council and the local Flood Action Group, as well as engagement with the owners of the affected pub and the representatives of the church. In addition, the Parish Council, the District and County Councillors and the local MP have been engaged throughout. Most recently, following the recent funding announcement, the EA held an event in the local church in February 2026 to discuss the latest developments and answer questions from the community and the Parish Council.

13. The Severn Stoke FRMS has been through the planning process on three occasions. In March 2020 with a Screening Opinion (application reference 20/00228/SCR); then in November 2020, with an application for the Construction of permanent flood defence for the village of Severn Stoke with associated earthworks, which was approved (application reference 20/00668/FUL). There was then a need for an amended footprint so the application had to go back through planning in December 2021, again this was approved (Application reference 21/02035/FUL). These applications have allowed for further consultation with the community, as well as extensive consultation on matters such as ecology, archaeology and rights of way.

## **Options considered**

14. The following options for delivery have been considered:

15. Option 1 - The Council's contractor delivers the Ham Lane element of the Severn Stoke FRMS and the EA contractor delivers the remainder. Would remove the need for the EA to obtain the legal authority to rebuild the highway, but adds other legal complications and, more significantly, adds to complexity and cost, making the scheme too costly for the EA to pursue.

16. Option 2 - An EA contractor builds the whole Severn Stoke FRMS. Simplifies the delivery (one contractor delivers the whole scheme) but requires the need for a licence to rebuild the highway, the EA could not find an economically viable quote for delivering the FRMS.

17. Option 3 - An EA contractor builds the whole flood bank, with the Council's contractor rebuilding the highway. The only advantage of this option (compared to options 1 & 2) is that the scope of the highway-related licence is reduced. This option retains Option 1's complexity and cost disadvantages and has thus been ruled out.

18. Option 4 - In the earlier stages of development, Do Nothing and Do Minimum options were assessed, and ruled out.

19. Option 5 - Not agreeing to work with the EA and utilise their funding on the Severn Stoke FRMS or delaying the Severn Stoke FRMS, would result in the scheme not being delivered and the community exposed to continued flooding events. This option would cause reputational damage to the Council, and efficiencies associated with the provision and subsequent removal of material on site would be lost.

20. Option 6 - The preferred option is that the Council's contractor delivers the whole Severn Stoke FRMS and the EA provides the funding through a collaboration agreement. This is the only mechanism for successful delivery of the FRMS and resultant benefits to the community; this is the option this Decision supports.

## **Overview and Scrutiny**

21. The development of the Severn Stoke FRMS, and the Council's support of that process, has been detailed in successive editions of the Worcestershire Flood Risk Management Annual Report, a report that goes to the Environment Overview and Scrutiny Panel. Delivery of the FRMS aligns with the Corporate Plan, which targets an "*...increase in the number of homes and businesses protected from flooding*", and which establishes that the Council will work with the EA to "*... deliver more schemes to prevent and mitigate the impact of flooding*".

## **Legal Implications**

22. The Council and EA both have a range of statutory powers to carry out flood alleviation works. A Collaboration Agreement between both parties will provide for the funding of the works. The works will be undertaken by the Council using its existing Infrastructure Engineering Term Contract

## **Finance Implications**

23. Funding and resources provided by the Council have previously been utilised to develop the FRMS to this stage, and any further work required to be funded by the council has been capped at a value of £0.25 million as part of the approved capital programme.

24. The collaboration agreement confirms the EA will fund the scheme and places further financial risk with the EA. The cost of the scheme will be added to the Council's capital programme and funding will be received from the EA prior to being committed by the Council.

25. The funding schedule relating to this scheme is detailed in the following tables, which provides overall breakdown of scheme construction costs and funding profile. The current forecast expenditure is £3.1 million as detailed in **Table 1** and **Table 2** demonstrates that the Council's contribution is capped at a capital value of £0.25 million which is already accounted for in the currently approved capital programme.

26. Maximum contribution value from the Council is £250,000. EA is liable to cover all costs incurred due to risks being realised or changes to the Scope.

27. It should be noted that all figures are estimates for budgeting and forecasting only and are not a fixed price, cap, or target cost for the Construction Contract. The Council Cap applies to the Council's aggregate contribution, including any Council risk pot contribution. The EA bears and shall reimburse all outturn Construction Costs above the Council Cap in accordance with the Memorandum of Understanding.

**Table 1 – Construction Costs**

<b>Construction Costs</b>	
AGC Construction Estimate	£2,496,884.92
Site Supervision	£120,000.00
WCC Administrative / TQ/ Other unaccounted	£40,000.00
Sub-total	£2,656,884.92
Risk provision	£477,000.00
<b>Total project cost (forecast in February 2026)</b>	<b>£3,133,884.92</b>

**Table 2 – Construction funding profile including risk**

<b>Construction funding profile including risk</b>	
Worcestershire County Council	£250,000*
Environment Agency	£2,883,884.92
<b>Total project cost (forecast in February 2026)</b>	<b>£3,133,884.92</b>

28. The proposed payment profile from the EA to the Council is detailed in **Table 3**, this may change subject to the delivery of the scheme, however the Council will always receive funding in advance of incurring cost.

**Table 3 – Schedule of payments**

<b>Payment</b>	<b>Payment release criteria</b>	<b>Payment amount</b>
Payment 1	Immediately after signing the Collaboration Agreement and prior to the start of project mobilisation.	£1,000,000
Payment 2	Completion of Ham Lane civil construction works.	Minimum £1,000,000
Payment 3	Delivery to the working area of 75% of the cohesive fill material required for construction of the embankment.	Minimum £406,884.92 (£406,884.92 plus risk incurred when the payment criteria are achieved)
Payment 4 and subsequent payments if required (risk realisation)	Changes to estimated costs during construction prior to them being incurred by the Council.	The Council is only responsible to contribute £250,000 towards scheme delivery. The EA shall bear sole responsibility for all additional costs arising from or attributable to that change,

### **Human Resources**

29. The FRMS Scheme will be supported within the current capacity of the Economy and Infrastructure Directorate or through established commissioning routes. Costs are recoverable through the EA funding.

### **Risk Implications**

30. Failure to agree a collaboration agreement with the EA, not allowing the FRMS to progress, this risk is mitigated by using a recently agreed collaboration agreement between the parties for a similar scheme. Risk does remain linked to the revised quote from the contractor being outside of the EAs available funding, hence every effort being made to keep close to the original timescales. Not progressing will be a reputational risk to the Council and the EA and will expose the community to further flooding events.

31. Risk during delivery of the FRMS linked to delays and overspend caused by weather, flooding events and unanticipated complications, the financial risk remains with the EA not the Council. Risks linked to 'contractor failure' are mitigated through *previous due diligence completed on award of the IETC and similar schemes have been managed by the Council and their contractors in other areas of the county.*

## Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments

32. The Joint Impact Assessment (JIA) Screening IA reference number is #1060 The JIA screening did not identify any potential considerations requiring further assessment during implementation in respect of equality, public health and data protection. However, the JIA for Sustainability did identify that further impact analysis will be required alongside the actions already undertaken by the EA, this will be completed prior to committing to the construction contract.

### Supporting Information

- Appendix A – A brief overview of the proposed FRMS scheme
- Appendix B – An overview schematic of the proposed FRMS scheme

### Contact Points

#### Specific Contact Points for this report

Rachel Hill, Strategic Director for Economy and Infrastructure

Tel: 01905 843539

Email: [rhill@worcestershire.gov.uk](mailto:rhill@worcestershire.gov.uk)

Chris Riley, Highways Maintenance Operations Manager

Tel: 01905 846275

Email: [criley@worcestershire.gov.uk](mailto:criley@worcestershire.gov.uk)

### Background Papers

In the opinion of the proper officer (in this case the Strategic Director for Economy and Infrastructure) the following are the background papers relating to the subject matter of this report:

- [Environment Overview and Scrutiny Panel 03 October 2025 Flood Risk Management Annual Report / Update on Flooding 2024](#)
- [Flood Risk Management in Worcestershire Annual Report February 2024 – March 2025](#)

### Officer Clearance

Report Author

On behalf of the Strategic Director

On behalf of the Chief Finance Officer

On behalf of the Monitoring Officer

Ste Ashton – 2 March 2026

Rachel Hill – 4 March 2026

Steph Simcox – 26 February 2026

Clare Taylor