

**TRANSPORT AND WORKS ACT 1992
TRANSPORT AND WORKS (INQUIRIES PROCEDURE) RULES 2004
TOWN AND COUNTRY PLANNING ACT 1990
BOSTON BARRIER ORDER**

**DOCUMENT EA/12/1
PROOF OF EVIDENCE
OF
JAMES FAIRMAN**

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1 Name, Qualifications and Introduction

- 1.1 My name is James Fairman; I am a Member of the Royal Institution of Chartered Surveyors. Since 2003, I have specialised in professional valuation work in a wide variety over the United Kingdom.
- 1.2 I trained at university as a Surveyor and subsequently became a Commercial Valuer and Residential Valuer, and am also adept in analysing building defects; I am a qualified Building Surveyor. My dissertation subject was "Flooding and the Fens Risk Awareness Amongst the Property Profession" where I looked at the general level of awareness relating to threats to land and property from estimated sea level rises and the effect that this had on surveyors valuations with regards to loan security valuations.
- 1.3 I am a Director of Poyntons Consultancy and am RICS accredited in the General Practice of Chartered Surveyors dealing with commercial agency, valuation and professional matters primarily in the south of the county.
- 1.4 My practice is based in Boston, Lincolnshire, and I am involved in various valuations and acquisitions nationwide.
- 1.5 I have been working for firms of Chartered Surveyors since 1992. I started with Thomas Balderston & Co, a firm of Chartered Surveyors in Boston, Lincolnshire. Subsequent employers include Pygott and Crone, Sleaford and Boston, Lincolnshire, Head of the Commercial Departments and also Valuation Departments for Boston and South Lincolnshire.
- 1.6 I also held a similar role for Brown and Co., a firm of Chartered Surveyors, along with Savills, Lincoln.
- 1.7 I have been a panel valuer for all the major banks and lending sources for valuations for loan security and have been involved in the sale and letting of most forms of residential and commercial property over the last 25 year period.
- 1.8 I regularly provide expert witness reports for court cases involving property litigation and provide expert reports for legal firms on a variety of valuation issues.
- 1.9 I acquire property for small pension funds in the East Midlands and head a management department looking after various investments for a variety of clients.
- 1.10 Poyntons Consultancy are involved in planning applications, business rating appeals and produce a variety of professional reports related to property valuation.
- 1.11 We also act for the Port of Boston with regards to the letting of warehouse space and were involved in the acquisition of land relating to the proposed southern relief road for Boston, which was subsequently abandoned.

2 Scope of Evidence

2.1 Appearing in Support

2.1.1 Having seen the effects of flooding within the town and studied it at some length, I am appearing in support of the Environment Agency and the Proposed Tidal Barrier.

2.2 Impact of Flooding

2.2.1 Boston is unusual in that it is located on the South Lincolnshire Fens, where not only is much of it located at levels below sea level but it is also in the unfortunate position of having a tidal river flowing through the town into the North Sea.

2.2.2 The effects of heavy rainfall, tidal surge, rising sea levels and other factors suggest that the risk of tidal flooding and alluvial flooding is increasing.

2.2.3 The effects of flooding can of course be catastrophic. There is the immediate effect on the town centre neighbourhoods where brackish (salinated) water flowing into properties causes an immediate threat to life and damage to property, causing months of hardship with regards to the reinstatement of properties and the relocation of the people that are affected.

2.2.4 Tidal water can also have a devastating effect on infrastructure and agricultural land, where the salination of soils can take five years to disappear after a flooding event.

2.2.5 In my opinion, the most immediate effect of flooding is the 'threat' of flooding and the potential withdrawal of insurance for commercial properties and infrastructure. This would immediately create a breach in covenant to a lender where a mortgage is involved. Withdrawal of flood insurance means the borrower therefore does not have 'All Risks' cover and the property is unsaleable and becomes devalued.

2.3 Scheme Need

2.3.1 The Environment Agency have created flood maps for the United Kingdom in terms of the risk of flooding. They have classified the country in a number of flood zones.

2.3.2 Developments which are located in what is termed Flood Zone 1 and being less than 1 hectare do not require Flood Risk Assessment to be approved by the Environment Agency. An exception to this is if the development is close to a river or the sea.

2.3.3 Properties that are located in what is termed Zone 2 and 3, do require Flood Risk Assessments for development, including changes of use and minor developments.

2.3.4 The whole of Boston has been placed in Flood Zone 3, which by the Environment Agency's own definition currently has a high probability of flooding.

2.3.5 After the barrier is built it would be logical to assume that this Flood Zone assessment will be downgraded significantly.

- 2.3.6 The fact that Boston is located within a high flood risk area gives very poor perception to the general public of Boston as a flood risk area.
- 2.3.7 This in turn makes the town unattractive for all forms of investment which will be the case until the barrier is constructed.
- 2.3.8 The Boston Barrier aims to improve the height of sea defences for use on the occasions where a combination of high tidal activity, tidal surge, wind speed and wind direction all come together to create a probability of an overtopping event or flood event.
- 2.3.9 The scheme is essential to reduce the risk of tidal flooding in Boston.

3 Impacts of Flooding in Boston

3.1 Impacts on Boston

- 3.1.1 Research carried out by the Royal Institution of Chartered Surveyors looking at areas within England which have experienced floods suggests that there is a severe impact on capital valuations of affected properties.
- 3.1.2 The RICS Flood Committee has concluded that in areas where there is a likelihood of flooding, values can be reduced to 20% of the original value if the property were not to be affected by flooding. In other words, a house with a value of £150,000 would be worth only £30,000 if it is located within an area which is considered likely to flood.
- 3.1.3 In the event that the property is located in an area which may be considered likely to flood, the property could still be severely affected in valuation terms and, even if no flood occurs, the insurance for the property could be withdrawn.
- 3.1.4 In the Government's Reinsurance Scheme, a commitment has been made to provide insurance for residential properties which are located within areas considered likely to flood. However, this scheme does not extend to infrastructure or commercial property which makes up a significant bulk of any area's assets.
- 3.1.5 In the case of Boston, the event of the December 2013 flood directly affected over 400 homes within the town centre. It needs to be borne in mind that this was a relatively minor over-topping event which lasted for a mere 20 minutes or thereabouts, yet the cumulative financial damage to individual properties ran into many millions of pounds.
- 3.1.6 The agricultural area surrounding Boston is some of the most fertile and productive in the country, much of it is at sea level or below and in the event of a major overtopping incident where the North Sea floods, it is estimated that the sea could encroach far inland along the Witham valley, down towards Peterborough in the south and also effect the tidal areas of Cambridgeshire Fens and parts of Norfolk.
- 3.1.7 The Boston Combined Strategy would help to mitigate some of the wider effects of flooding which could happen in the case of a large event.

3.2 Personal Experiences

- 3.2.1 I was directly involved in the clear up of the flood damage caused by the December 2013 event, working for a number of loss adjusters and insurance companies assessing the damage to housing in the affected areas of the town.
- 3.2.2 The average claim for damaged houses was in the region of £25,000 per unit.
- 3.2.3 Building works included the reinstatement of floors, skirting boards, walls, kitchen units and other sundry items contaminated by sewerage in the flood water.
- 3.2.4 There have been previous floods in the town, most notably in 1978 where water reached Boston Stump and other properties which led to tidal defences being somewhat improved after that date.
- 3.2.5 However, flood predictions for average sea level rises over the next 100 years have deteriorated with a number of factors combining to indicate that the number of overtopping events that may occur could well increase in frequency.
- 3.2.6 Unless preventative action is taken with schemes such as the Boston Barrier being implemented, risk of flooding into the town will increase and the effect on businesses could be catastrophic.
- 3.2.7 Immediate risk would be the threat of the withdrawal of insurance, having a drastic effect on the sales market for properties, especially those of a commercial or infrastructure nature.
- 3.2.8 It would not be possible to take out standard mortgages for affected properties as they would not have 'All Risks' cover which has to include flood insurance as part of the insured risks. This could greatly reduce any investment in the town as it would be seen by investors as an unsafe investment destination.

4 Benefits of the Scheme

- 4.1 The proposed scheme will improve Boston's flood defences to significantly reduce the probability of over-topping events which will help safeguard the town in the event of the potential of an over-topping incident allowing insurance cover to continue for the potentially affected properties and protecting agricultural land. This extends to over 14,000 properties in the area.
- 4.2 The new flood risk barrier will help to stimulate investment in the town as investors will see a decreased flood risk meaning that their properties will be far safer in regards to the risk from flooding.
- 4.3 This in turn will have an immediate effect on the residents of the town who will obviously benefit from new investment in buildings, infrastructure and other sectors.
- 4.4 If the risk of serious flooding is removed from the town of Boston then it will help the town to flourish in an economic environment, investments are seen to be secured as they are not at risk of being swept away by tidal flooding.

5 Conclusions

- 5.1 As a Qualified Valuer and experienced Chartered Surveyor, I feel that threat of an over-topping incident from the sea to the town of Boston could increase with the prediction in rising sea levels if no action is taken.
- 5.2 The Boston Barrier will mitigate this risk allowing insurance cover for properties to continue and help maintain values for buildings and valuable agricultural land.

6 Statement of Truth

I hereby declare that the contents of this proof of evidence are true.