

LGA response to draft National Flood and Coastal Erosion Risk Management (FCERM) Strategy for England

July 2019

About the Local Government Association (LGA)

The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

Summary

The strategy sets out a variety of different measures to be delivered across risk management authorities, including Lead Local Flood Authorities (LLFAs), district councils and highways authorities. Whilst we broadly support the strategy's ambition and the nature of the challenge we face in managing flooding and coastal change, we are concerned that it does not sufficiently recognise that many of the proposed measures are in addition to current activity. With councils in England facing an overall funding gap of £8 billion by 2025, it is vital that any new activity arising from the strategy is resourced. The final strategy should identify how new resources will be made available to ensure that councils and other risk management authorities can deliver the envisioned activity or alternatively the strategy will need to be realistic about the existing capacity to deliver.

General comments

Our response focuses on the need for councils to have the right skills, capacity and resources and a more flexible funding model to deliver flood and coastal resilience in the future.

Skills, capacity and resources

Whilst we welcome the ambition in the draft strategy and councils want to continue to work with partners to create climate resilient places, they are not in a position to take on the level of additional activity that the strategy proposes without either significant additional investment or by ceasing existing activity. Councils are already under-resourced to deliver their existing local flood risk management and statutory consultee responsibilities. The strategy measures will simply exacerbate the existing pressures unless sufficient additional resources are provided. By way of example, in 2019-20 the new burdens assessment funding for the LLFA statutory consultee role is on average £11,818, but the average cost has been calculated to be more than £65,000. In addition, our analysis has shown that the median cost to process a single land drainage consent application is £250, five times the nationally set £50 application fee. We would be happy to share our detailed analysis with the Environment Agency. On that basis, the strategy should commit to working with councils and the government to ensure that councils are sufficiently resourced to fulfil

existing roles and responsibilities. The strategy should also commit to identifying opportunities to unlock additional resources for councils (and other partners) by joining up flood risk, growth and water resource management agendas. In addition, there is a key opportunity, subject to the right funding and powers being in place, for councils to play a stronger leadership role in shaping and driving these agendas at a local level, in turn delivering better outcomes for local communities.

In addition, to ensuring councils have sufficient funding to deliver current and new roles and responsibilities, it is also vital that the right skills are in place across all risk management authorities and relevant partners to deliver the strategy's ambition. The Environment Agency, in its strategic overview role, should bring together partner organisations in the flood and coastal erosion risk management sector to understand where skills, capacity, and resource issues at national and local level are a barrier to meeting this ambition. Where gaps exist partners should work together to design new skills or capacity programmes, in order to address need and create a more diverse workforce. As an example, development of a formal mechanism for sharing expertise and experience of flood risk appraisal approaches could help authorities with less experience of delivering FCERM projects and encourage greater collaboration.

Funding flood and coastal resilience

We welcome the draft strategy's recognition that the tools needed to deliver resilience will vary from place to place, that the scale of 'place' is best defined at local rather than national level and that there cannot be a 'one size fits all' approach.

However, at the same time the strategy assumes that the national flood and coastal resilience partnership funding model will continue in its current format. It is difficult to reconcile this model, which allocates funding on a prioritised basis according to national outcome measures, with the strategy's ambition to deliver flexible local place-based solutions. In particular, the existing model tends to mean smaller, more rural and dispersed areas are unable to complete for funding. Other areas have catchment areas that are characterised by industry, commerce and critical infrastructure, yet little residential accommodation, meaning national funding contributions to such areas are very low. That is why the LGA has previously called for capital and revenue funding to be devolved into a single place based pot to allow local areas to support a more diverse set of outcomes that meet local priorities.

If the strategy is to deliver on its ambition, there is an urgent need to look at existing funding mechanisms for funding flood and coastal resilience (including the partnership funding model) to see if they are fit-for-purpose and can support the delivery of a refocused flooding and coastal change resilience agenda. This should form part of the measures in the final strategy. The LGA has commissioned research that includes an options appraisal of potential alternative frameworks which could enable councils to play a greater role in the local allocation of funding for flood and coastal resilience, as well as ensure that greater emphasis is given to wider benefits of flood and coastal resilience schemes. Some of these would involve small tweaks to existing systems with others requiring larger scale reform. For example:

- changes to the partnership funding calculator so that greater weighting is given to whole life benefits (Outcome Measure 1), to support delivery of schemes or projects with lower numbers of properties at risk, but that can deliver much wider benefits than just flood risk.
- councils having greater involvement in the funding assurance process through inclusion on Environment Agency assurance and review boards.

- enabling councils to self-assure small FCERM projects (up to a threshold spend) to help create a more streamlined process that meets local needs.
- enabling councils to retain the local levy funding that they currently provided to Regional Flood and Coastal Committees, to enable projects to be undertaken in line with their local flood risk management strategies
- introduction of a multi-year block grant (capital and revenue) funding approach to flood and coastal erosion risk management for local authorities

We welcome the proposals in the strategy to explore new options for delivering more private funding and financing for flooding and coastal change. In response to a written parliamentary question (October 2018), the government confirmed that since the start of the current six-year investment cycle (2015-2021) that the following contributions had been secured for investment in flood and coastal resilience schemes:

- £31 million directly from private sector – over £2 million of which comes from utility companies;
- £204 million from local authorities; and
- £119 million from local authority ‘local levy’ funding that has been allocated to specific schemes

The small proportion of contributions secured from the private sector clearly demonstrates that there is an urgent need to look at how increased levels of investment can be realised. In addition, given that councils in England are facing an overall funding gap of £8 billion by 2025, it is unlikely that the current level of contributions from local authorities will be sustainable in the long-term. Our research identified a number of challenges with securing funding for flood and coastal resilience activity including: complexity of the funding application process; difficulty securing external contributions to develop and/or maintain schemes; issues with funding timescales and aligning investment cycles with potential funders. The action plan accompanying the final strategy should include actions to address these challenges. We have identified a number of recommendations which could form part of this:

- Updating information on the partnership funding sources available to support flood and coastal resilience schemes
- Investigating an approach whereby beneficiaries of an FCERM scheme are required to make mandatory rather than voluntary contributions
- Identifying opportunities for greater alignment of local priorities and investment cycles from potential funders.

Finally, it is not clear whether the strategy, as currently drafted, is a strategy for the Environment Agency, or if it is a joint strategy for all relevant risk management organisations and stakeholders with an interest in flood and coastal erosion risk management. If it is meant to be the latter, the final strategy needs to provide clarity on this and should also go further in recognising and accommodating the roles and priorities of other partners.