

# Response ID ANON-ZVPN-5QZQ-Y

Submitted to Reforming our approach to floods funding  
Submitted on 2025-07-29 16:26:17

## Contents

## Foreword

## Executive Summary

## Part 1: Our new strategic vision for investment in flood resilience & coastal erosion in England

## Part 2: Response guidance

### 1 Would you like your response to be confidential?

No

### 2 If you answered yes to Question 1, please give your reason(s)

Free text box:

### 3 What is your full name?

Free text box:

Emily Fox

### 4 What is your email address?

Free text box:

emily.fox@surreycc.gov.uk

### 5 Who are you responding as? (Select one option only)

other

### 6 If you answered a 'local authority', an 'environmental group', an 'insurance company', a 'water or sewerage company' or 'other' in Question 5, please specify.

Free text box:

Association of Directors of Environment, Economy, Planning and Transport (ADEPT) - Flood and Water Management Group.

ADEPT is the voice of place directors who are responsible for providing day to day services including local highways, recycling, waste and planning. ADEPT members are at the very heart of delivering clean sustainable growth, tackling climate change at a local level. We manage the projects that are fundamental to creating more resilient, inclusive and safe communities, economies and infrastructure.

## Part 3: Changing our approach to funding flood and coastal erosion projects

### 7 To what extent do you agree with our overall proposed approach to funding FCERM projects as set out in Part 3?

Agree

### 8 Please explain your answer to Question 7.

Free text box:

There is strong support for change with a general feeling that the current system is ineffective. However, when put to our members there were areas of concern and detail that would require further clarity:

To ensure that funding is spread equitably amongst the type of scheme, including smaller surface water schemes, we would recommend that a cap is applied to the different elements, i.e. Asset Refurbishment. It would be important to avoid the situation prior to the current Partnership Funding model whereby only larger, more costly schemes with significant benefits would be funded. Smaller schemes such as those delivered by LLFA's would have been unlikely to attract Grant in Aid funding despite delivering locally important outcomes. The prioritisation mechanisms alongside the size and distribution of available funding pots must ensure that investment is shared equitably amongst the range of schemes and to avoid the risk of smaller schemes being deprioritised.

Other areas of concern included:

- It is essential that partnership contributions continue to be encouraged. These remain a valuable source of co-funding while also securing “buy-in” from partners in the development of a scheme.
- There may be a risk that smaller schemes may be deprioritised under the new model, or that larger schemes may be disaggregated to keep under the £3 million cap.
- The proposed £3 million cap is considered insufficient, particularly for coastal capital maintenance schemes which typically require larger investments.
- Increased competition for limited funds by focusing on nature-based solution and allowing NGOs direct access to funding may reduce availability for essential flood improvements.
- Allowing NGO's direct access to funding would need appropriate guardrails and the organisations must be required to coordinate with the relevant Risk Management Authority, align with their Strategies and catchment plans, and avoid double counting.
- It needs to be recognised that different organisations have varying priorities, which could complicate coordinated delivery and dilute strategic focus, this needs to be considered carefully in the prioritisation process.

The proposals should look to avoid those smaller schemes never being eligible for Grant in Aid funding. If they do not then there could be secondary impacts on the RFCC's use of Local Levy who may be pressured into funding those schemes instead. This shift could fundamentally change the role of the levy, to the primary source of capital funding for many projects. If levy is increasingly used to substitute for GiA, we risk undermining its flexibility. There may be less scope to fund preparatory work, such as feasibility studies and investigations, which are essential to unlock future capital schemes.

Whilst removing the need to identify and secure partnership funding will likely create some efficiencies, there remains significant inefficiencies with the forms and business cases required to access allocated funding. The administration of the funding needs to be simplified further with the Project Appraisal Guidance being changed to reflect this. Inefficiencies result in frequent delays to project delivery including disproportional economic assessments, repetitive and time-consuming form filling, repeated sources of data and requirements for multiple approvals.

A suggested approach would include:

1. One route of approval for business cases and associated forms (RFCC approval and no further need of approval with DEFRA following this).
2. One version of the truth (one system for project information linked to administration forms).
3. Simpler proportional economic analysis (particularly for smaller projects).

9 Are there any other approaches to funding flood projects you feel would be effective?

Free text box:

10 You will now be asked about the three principles in turn. To what extent do you agree that Principle 1 - the first £3 million of eligible project costs to be notionally provided by Defra through a Contribution Free Allowance - described in Part 3 is an appropriate way to fund FCERM projects. As set out in Part 3, the allocation of funding to a project using these principles would be confirmed once the project has passed through the programme prioritisation step (see Part 4).

Agree

11 Please explain your answer to Question 10.

Free text box:

The universal £3 million contribution free allowance is cautiously welcomed but may need moderation against different types of schemes. For coastal schemes, the threshold could be considered too low as that type of scheme is generally above £3m. However, for small surface water schemes it could be considered the value is too high meaning there are too many smaller schemes to be fully funded leading to higher competition and less schemes being delivered.

12 To what extent do you agree that Principle 2 - a single basic rate of Defra funding to be 'notionally' applied to all new FCERM project costs above the £3 million Contribution Free Allowance, regardless of their outcomes - described in Part 3 is an appropriate way to fund FCERM projects. As set out in Part 3, the allocation of funding to a project using these principles would be confirmed once the project has passed through the programme prioritisation step (see Part 4).

Agree

13 Please explain your answer to Question 12.

Free text box:

Again, this proposal is cautiously welcomed but would require some moderation against project types. The requirement could be considered onerous for high value but simple projects such as coastal recharge, yet on some projects with multiple outcome and beneficiaries could reduce the amount of partnership funding and therefore limit how much investment can be delivered programme wide.

14 To what extent do you agree that Principle 3 - All FCERM refurbishment projects are fully funded (refurbishment projects are those that restore existing assets that have fallen below designed levels of operation or are at the end of their design life) - described in Part 3 is an appropriate way to fund FCERM projects. As set out in Part 3, the allocation of funding to a project using these principles would be confirmed once the project has passed through the programme prioritisation step (see Part 4).

Agree

15 Please explain your answer to Question 14.

Free text box:

Supported in principle, we do not want to go back to the 2011 funding mechanism where new assets were significantly favoured over maintain and refurbishing existing ones. There are though many assets nationally in need of refurbishment and we would be concerned that this could take up a large amount of the available funding and take investment away from new projects. It would be important to see how the scoring and prioritisation process would work, including how it would take account of both flood and coastal assets.

16 Do you agree Property Flood Resilience (PFR) (resistance measures), as described under 'Other considerations' in Part 3, is an appropriate option to include in government funded flood risk mitigation?

Agree

17 Please explain your answer to Question 16.

Free text box:

We support the inclusion of Property Flood Resilience (PFR) as appropriate for flood risk funding.

There are several challenges currently affecting progress, particularly around the supply chain, which continues to be a significant constraint. In addition, community support is lacking, making it harder to implement effective solutions on the ground.

Opportunities to develop county-wide Property Flood Resilience (PFR) schemes could offer support to smaller communities. However, delivering PFR at the individual property level within such schemes remains problematic within current business case requirements.

We need to be using the best tools available in a coordinated and integrated way and need to manage the issue of double counting of benefits. For example, a property cannot be claimed under both a Natural Flood Management (NFM) project and a PFR scheme, even if both interventions are relevant.

18 Do you think that the overall proposals for funding flood and coastal erosion projects will support the right amount of natural flood management? Are there other proposals you think we should consider?

Don't know

19 Please explain your answer to Question 18.

Free text box:

Determining the right amount of Natural Flood Management (NFM) is a complex issue. There is a trade-off between what is environmentally beneficial and what is most effective for reducing flood risk. In some cases, the most practical solution might be as simple as installing a drain, but the current processes often do not support such straightforward interventions.

A key barrier is the speed at which funding is delivered. Delays in accessing funds can stall progress and reduce the impact of well-planned projects. The recent closure of the Farming SFI (Round 2) Grant has only added to this challenge. This grant could have worked in tandem with NFM initiatives, and its absence represents a missed opportunity for integrated delivery.

Another area of uncertainty is how funding will be allocated across different types of interventions—NFM, engineered solutions, and refurbishment. Without a clear and blended approach to funding, it will be difficult to deliver comprehensive schemes that provide immediate and lasting benefits.

20 Do you believe there are any benefits and/or challenges of the current 2012 rule that have not been identified in Part 3?

Free text box:

Despite the planning policies to discourage development on flood prone places this still continues. There are instances when planners go against LLFA advice. If the EA object it must go all the way up to the Minister for the LPA to overrule it. LLFA's should have similar powers.

Surface water risk remains a particular issue, we have clearly defined boundaries for Flood Zones but not for surface water. The nature of risk means you cannot just say don't build anywhere where surface water flooding is an issue. LLFA advice should be given greater weight.

We are also aware of several examples where decisions to site housing were made on good faith at the time on the flood risk data available but have either subsequently flooded or been shown as at increased risk of flooding from revised mapping.

With increasing impacts of climate change and revised flood mapping some properties that were not shown as at risk when built, are now at risk. This leaves residents with uninsurable, unsellable, homes. The 2012 rule should be amended to take matters such as these into account.

21 Do you think a similar provision to the '2012 rule' remains necessary under the new approach?

Free text box:

We believe it would be appropriate to retain an amended 2012 rule that both strengthens its principles whilst bringing in flexibility to address concerns raised above where flood risk circumstances have changed. The rule should continue to discourage inappropriate development but not discriminate individual residents who purchased property in good faith.

22 Please outline any potential effects of the proposals outlined in Part 3 on groups with a protected characteristic.

Free text box:

#### Part 4: Changing our approach to prioritising the delivery of flood and coastal erosion projects

23 Which of these options do you think that FCERM projects should be prioritised for delivery (select one)?

Bolstering projects that achieve priority outcomes (approach 2)

24 Please explain your answer to Question 23.

Free text box:

We believe that by bolstering projects that achieve priority outcomes this will give greater opportunity for local priority schemes to be delivered that align with a more strategic approach.

There is no clear interpretation of value and how it is defined. Prioritisation needs to be appropriate to the scale of works and their outcomes.

If partnership/local contributions can be achieved, then this needs to be seen as a positive and not reduce its status on the priority list. There needs to be a mechanism to ensure this does not favour certain locations over others, i.e. urbanised areas with large businesses

Areas where property prices are lower, generate less council tax and therefore achievable contributions would be lower. This would mean local authorities would not be able to contribute as much as more affluent areas of the country.

Appraisal guidance will need to be updated to account for any changes to the prioritisation process.

25 Please rank in order of preference the 5 potential outcomes that could be prioritised through prioritisation Approach 2: (with 1 being the highest preference and 5 being the lowest preference):

Please rank in order of preference the 5 potential outcomes that could be prioritised through the new Floods Investment Framework (with 1 being the highest preference and 5 being the lowest preference): - Supporting economic growth and the wider economy:

3

Please rank in order of preference the 5 potential outcomes that could be prioritised through the new Floods Investment Framework (with 1 being the highest preference and 5 being the lowest preference): - Deprived areas:

2

Please rank in order of preference the 5 potential outcomes that could be prioritised through the new Floods Investment Framework (with 1 being the highest preference and 5 being the lowest preference): - Specific types of flood resilience intervention, such as natural flood management:

5

Please rank in order of preference the 5 potential outcomes that could be prioritised through the new Floods Investment Framework (with 1 being the highest preference and 5 being the lowest preference): - Specific types of communities, e.g. rural or coastal communities:

4

Please rank in order of preference the 5 potential outcomes that could be prioritised through the new Floods Investment Framework (with 1 being the highest preference and 5 being the lowest preference): - Local choice:

1

26 Please explain your rankings in Question 25.

Free text box:

The top 3 are interchangeable however they are all dependant on the type of location being protected i.e. rural, coastal, heavily urbanised with business opportunities etc. So, the order of importance is likely to change significantly for each of these.

Local choice is only good if everyone knows about it and is based on a collaborative approach. This should be devolved down to Local Authority's as they know the area's best.

Prioritising schemes locally needs to be agreed at a local scale and not then being placed into competition with other schemes nationally.

Deprived areas should be high on the list so that the most vulnerable get protection from schemes.

Economic growth should still be a high priority but not at the expense of communities where there is a high or continuous flood risk and little potential for economic growth such as rural/coastal communities.

The type of community and flood improvement measures will depend on each other and will be reflective in the cost benefit analysis.

27 Are there any other outcomes we should consider prioritising through prioritisation Approach 2?

Free text box:

Frequency of flooding should also be a consideration. This will enable us to support vulnerable locations that regularly flood but may not achieve a standard cost benefit analysis. Additional weighting therefore needs to be included.

28 Please outline any potential effects of the proposals outlined in Part 4 on groups with a protected characteristic.

Free text box:

Delivery of flood improvements should be available for all and therefore should not affect groups with a protected characteristic. It is essential that flood improvements take into account vulnerable characteristics and ensure they are not prejudiced or worsened by any interventions.

## Part 5: Transition arrangements

29 How confident are you that the transition arrangements described are sufficient to ensure continued delivery of projects nearing construction and/or projects already under construction?

Not confident

30 Please explain your answer to Question 29.

Free text box:

Needs to be a resolution period or buffer as some projects may suffer. Stakeholders may lose interest or pull out of schemes if they know it will be fully funded in April 2026.

There is a huge push for local authorities to get projects in contract before the cut-off date. There are concerns that those unable to do so by this date will then need to prepare an entirely new business case. There needs to be an agreed transition period whereby those projects already significantly progressed can be submitted using the current format. This will avoid unnecessary delivery issues with current ongoing projects.

ADEPT Flood and Water Management Group would request an opportunity to comment further after the findings of this consultation to both feed into the process and gain a better understanding of the outcomes to enable us to prepare for any changes in a timely manner.

31 Please outline any potential effects of the proposals outlined in Part 5 on groups with a protected characteristic.

Free text box:

Delivery of flood improvements should be available for all and therefore should not affect groups with a protected characteristic. It is essential that flood improvements take into account vulnerable characteristics and ensure they are not prejudiced or worsened by any interventions.

## Part 6: Call for evidence on alternative sources of funding for flood risk management

32 To what extent do you agree with the four proposed principles guiding our work on alternative sources of funding (outlined in Part 6) – viability, fairness, sustainability and efficiency?

Somewhat agree

33 If you disagree with any of the proposed principles in Question 32, please explain why.

Free text box:

We do not disagree but have concerns about the viability principle. Local authorities may not have the necessary resources and skills to effectively engage and sell a scheme to potential stakeholders.

34 To what extent do you agree with the five areas we are planning to explore to identify alternative sources of funding (outlined in Part 6) – insurance sector, water and sewerage companies, land and property value uplift, local funding and building on the existing system?

Somewhat agree

35 If you disagree with any of the proposed areas in Question 34, please explain why.

Free text box:

We do not disagree but to date these opportunities have not materialised, despite best effort.

36 Are there any areas that you feel we are missing? Please explain your answer.

Free text box:

We have produced several suggestions to consider:

- The use of offsets to benefit from other schemes for example nature recovery or green finance. This would have multiple benefits for the same scheme including biodiversity, amenity, potential heat reduction, carbon capture etc.
- Reform of The Land Drainage Act 1991 to enable LLFA's to charge more for Land Drainage consents. LLFA's to receive the funds to enable investment and maintenance in other areas.
- Transport, utilities, Food Networks, other key infrastructure, and networks that are essential to England's residents and economy. By getting investment for flood alleviation and resilience from these areas we can protect the assets that are essential to everyday life, whilst ensuring the stakeholders can continue to operate in the face of climate change. This will add to economic growth, improved resilience, and a reduction in recovery costs.

37 Please provide any further feedback on our proposed areas for alternative sources of funding (insurance sector, water and sewerage companies, land and property value uplift, local funding and building on the existing system), including any additional evidence you would like us to consider in support of your answers.

Free text box:

#### 1. Insurance companies - using claims/refusals data to target investment

There is potential for collaboration between local authorities and the insurance sector to better map flood risk hotspots based on claims data, refusals, and patterns of increased premiums. This could identify clusters where intervention would most benefit both communities and insurers. Co-funding arrangements could be explored in areas where flood mitigation would restore insurance availability or reduce losses, offering a clear return on investment for insurers and better outcomes for residents.

#### 2. Water and sewerage companies - fines and partnership models

- Reinvesting water company fines into local resilience. But this would require a change in how penalties are allocated nationally. Fines levied on water and sewerage companies for pollution incidents or service failures (e.g. sewage spills) could be ring-fenced and locally reinvested into flood and water resilience schemes, especially in the communities affected.
- There needs to be bigger incentives for them to engage with LLFA's - stronger regulatory expectation (via DWMPs or Ofwat) that water companies fund or co-fund schemes where they are a driver of risk, especially for sewer flooding.
- Local Authorities should have a formal right to escalate poor engagement or request intervention. Now that it has been announced that Ofwat is changing could this be built into the new regulating authority?

#### 3. Land and Property Uplift - incentivising flood resilience through financial mechanisms

- We suggest tangible incentives should be offered, such as targeted grant or council tax rebate for landowners who enable flood management works (e.g. NFM, storage areas), CIL reductions for developers incorporating verified SuDS or flood alleviation measures beyond policy minimums.
- A framework similar to Biodiversity Net Gain that rewards landowners for flood mitigation services,
- A national register of schemes that have demonstrably improved flood resilience or reduced insurance premiums, to evidence and increase perceived property value benefits. This could be mapped nationally to enable easy-access information.

#### 4. Local funding - Devolving to Mayoral Authorities and Strategic Local Partnerships

- By devolving funding to Mayoral Strategic authorities there is the potential of aligning investment in flood alleviation with Local Nature Recovery Strategies and Spatial Delivery Strategies we could unlock more opportunities for funding.
  - In non-mayoral areas, similar principles should apply, with councils supported to convene integrated delivery at catchment or functional scale.
- #### 5. Building on the existing system

To understand where investment is already happening and what is making it attractive would require networking and case studies, similar to the Mansfield Project. Severn Trent have done a lot of engagement with other RMA's including reports, webinars, case studies to show how they made the project happen and the challenges they faced. We recommend:

- Ongoing or refreshed funding rounds equivalent to Green Recovery, but with more inclusive access for small or rural authorities.
- Central support to develop and share delivery case studies (including where schemes failed to progress, and why).
- Support for early-stage scheme development and risk mitigation, including land access negotiation and viability assessments, which currently rely heavily on local authorities carrying upfront cost and risk.

#### 6. Other considerations

There are concerns that cost of investments made will be passed on to the customers. For example, insurance premiums go up or water bills increase, this is something we would want to avoid. If possible, it should be made clear through cost/benefit analysis that the investment in flood alleviation schemes will improve their revenue and resilience and improve customer relations and that a price-hike is not necessary.

#### Upfront Funding to De-Risk Early Work

Small/rural authorities often face unfunded upfront burdens (feasibility studies, permissions, community engagement) before it is clear whether a scheme is fundable under FDGiA. This creates risk-aversion and under delivery. A ring-fenced, proportionate “early-stage development fund” would reduce these barriers, especially for surface water and small engineered schemes that may not score highly enough in traditional assessments but offer major local benefits.

38 Please outline any potential effects of the alternative sources of funding work on groups with a protected characteristic.

Free text box:

If bills were to raise to fund projects and programmes this could negatively impact those who are on a low income or disabled.

### Part 7: Call for evidence on local choice, English devolution and opportunities for flood risk management

39 In your opinion, how can Regional Flood and Coastal Committees be empowered to deliver greater local choice in flood investment programme decisions?

Free text box:

We have some reservations about empowering RFCC's. Some work well and others not so well. To truly support this, we would like to see some changes in how they are set up and ran.

- We believe that RFCC's would work better if they were independent from the EA.

- We would also like to make sure that LLFA's are fairly represented. This would ensure that the whole catchment and region were considered and the expertise of those who know the local areas best are properly utilised.

- There have been instances where RFCC's seem to favour schemes that benefit main rivers or large cities compared to smaller catchments and ordinary watercourses.

- RFCC's should also give greater consideration to Local Flood Risk Management Plans and other local strategies and policies. This would ensure consistency across organisations, the breaking down of silo-working and a reduction in conflicting priorities.

- RFCC's are often very high-level and strategic. This makes it difficult to understand what is happening at the local level especially for the much larger RFCC's. Statistics and numbers are often so high-level they become meaningless to the people expected to make the decision i.e. Cabinet Members.

- 'Connected by water' developed by South Yorkshire Mayoral Authority is a good example of partnership working. Where all the relevant RMA's work together to tackle flooding and water management.

- Ring fence funding for each area to avoid unnecessary competition, e.g. rural areas against heavily urbanised areas. Have a set budget locally that we can all individually vote and bid for from within our own RFCC would be welcome.

40 What changes do you believe are needed to support and enable Regional Mayors to enhance partnership working with other organisations for flood risk management?

Free text box:

The breaking down of silos. There are many RMA's, NGO's and companies trying to contribute to flood risk management. But these are largely done independently. There needs to be a joined-up approach if we are to be truly effective at reducing flood risk. A strategic group, run by the Regional Mayor, could be a way of achieving this.

41 How do you believe Regional Mayors can enable integrated approaches to strategic flood planning? What changes are needed to achieve this and how can risks be managed?

Free text box:

- By engaging with local authorities and lead local flood authorities.

- By aligning flood risk management plans with other key areas such as growth and spatial strategies.

- By adopting a catchment-based approach the regional mayors could ensure that progress is not hampered by county borders or separate ways of working between different organisations.

42 In your opinion, how can Regional Mayors support or enhance governance arrangements for Local Flood Risk Management Strategies? What changes are needed to achieve this and how can risks be managed?

Free text box:

Mayors should support the ambitions of the Local Flood Risk Management Strategies by making it easier for the local authorities to get things done. This could be done devolving funding to the local authorities.

The LLFA's should then have more input into how this funding is spent. It is the LLFA who is responsible for managing surface water and ordinary watercourses as defined in The Flood and Water Management Act 2010. They have the expertise and local knowledge that is invaluable when making strategic decisions.

A key aspect that all local authorities are struggling with is the maintenance of assets. Currently the majority of maintenance plans are reactive rather than proactive as there are not enough funds to maintain every asset and a severe lack of resources. This can lead to reputational damage with the authorities' residents. Local Authorities often have to seek outside contracts, and these can often be complicated and time-consuming. By devolving funding and with mayoral support we would like to see every asset on a stringent maintenance programme. This alone would mitigate a lot of flood risk on a local level and go some way to restore the resident's faith in their local services.

43 In your opinion, what are the risks and opportunities of devolving some of the flood funding budget to either local or mayoral authorities in the longer-term? How could risks be mitigated?

Free text box:

#### Opportunities

- We would like to see LLFA's have control over the local flood funding budget. This would utilise the invaluable expertise and experience that they have at a local level.

- Another opportunity is Integrated Spatial Development. Flood Risk management, along with nature recovery, infrastructure programming, energy efficiency and climate adaptation could be looked at as a whole rather than individually. This would create big impacts for the economy, residents and potentially provision of "green jobs" whilst tackling some of the key issues the nation is facing.

#### Risks

- To devolve funding to the Regional Mayor would require changes to legislation. This is unnecessary and costly when the expertise already lies within the LLFA's.

- Differing departmental priorities – Each government department operates with its own set of priorities which may not include flood risk. Defra also has its own set of priorities that may not align with flood risk management.

- Local strategies – These could become inconsistent where more than one unitary exists. The mayoral authority should ensure that all unitaries in their region are aligned to in their policies and strategies.

By devolving funding powers to the Local authorities/LLFA's with overview by the Regional Mayor the majority of these risks could be mitigated.

44 What changes do you believe are needed to enable and encourage Regional Mayors to consider flood risk management when making revenue raising and spending decisions?

Free text box:

- By making Flood Risk Management a key requirement of any Spatial Strategies.

- Greater clarity and understanding on the local needs. This can be achieved by working closely with LLFA's and RMA's and using their expertise to deliver programmes, projects and strategies.

- Changes to legislation and reform of IDB land charges to make it more about water level management. This would give either LLFA's or strategic authorities the ability to raise funds.

45 Please outline any potential effects of the local choice, English devolution and opportunities for flood risk management work on groups with a protected characteristic.

Free text box:

## Part 8: Consultee Feedback on the Online Survey

46 Overall, how satisfied are you with our online consultation tool?

Satisfied

47 Please give us any comments you have on the tool, including suggestions on how we could improve it.

Free text box:



Annex A: Partnership Funding policy Summary

Annex B: Glossary