

THE GREAT OUSE FENS TACTICAL PLAN - CHANGES TO FLOOD RISK FUNDING

To: Environment & Sustainability Committee

Meeting Date: 17th September 2020

From: Steve Cox – Executive Director, Place and Economy

Electoral division(s): All

Forward Plan ref: N/A **Key decision:** No

Outcome: Members understand the need for and endorse the overall concept, approach and framework of the Fens Tactical Plans.

Recommendation: Endorse the overall concept, approach and framework of the Fens Tactical Plans.

<i>Officer contact:</i>	<i>Member contacts:</i>
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1. BACKGROUND

The Great Ouse Fens

- 1.1 The Fens are a vast artificial, man-made landscape which has been reclaimed from the Wash, coastal and estuarine wetlands, over many centuries. This land, which is mostly at or below sea level, has been artificially drained and continues to be protected from floods by drainage banks and pumps, due to the importance of the land to agriculture and now a significant population. These drainage systems provide flood protection to a large number of settlements, properties, and local infrastructure and extend across Cambridgeshire, Norfolk, Suffolk and Lincolnshire.
- 1.2 The Tactical Plan and this Committee report refer to what has been termed the 'Great Ouse Fens' (see **Appendix 1**). This covers the catchment of the River Great Ouse in Cambridgeshire, Norfolk and Suffolk. Its boundary to the West is formed of the right bank of the River Nene.

Changes to flood funding approach in the Fens

- 1.3 In Defra's 2011 policy statements (Partnership Funding¹), there is a requirement that flood management projects demonstrate and evidence a strategic approach to ensure value for money for Flood and Coastal Erosion Risk Management Grant in Aid (FCERM GiA).
- 1.4 With climate change projections and ageing assets, flood risk management authorities (RMAs) need to collectively tighten up the strategic approach in the Fens and think even more long-term. This will enable us all to maximise financial leverage and present a stronger more considered investment case to funding bodies.
- 1.5 A long term approach to management of flood risk in the Fens is being established through a project called 'Flood Risk Management for the Fens' which will create a jointly owned partnership strategic plan for management over the next 50-100 years. This project will take several years to complete given its importance and complexity, so in the meantime a shorter term approach has been established using the 'Tactical Plan Approach'. This paper focuses on explaining that approach so that partners have an agreed way forward that could be valid for up to 15 years.
- 1.6 There is a direct link between officers using this new Tactical Plan approach and the amount of funding that the council can access for flood projects in the Fens. Unless the council can evidence a strategic approach government will cap the amount of FCERM GiA (at 45%) that we can receive towards schemes. All RMAs in the Great Ouse Fens area have therefore worked together to develop such a strategic approach. This work now needs to be signed off by the council, who, in its role as Lead Local Flood Authority (LLFA), is as one of those collaborating partners.
- 1.7 Members should note that the approach taken by the Fens Tactical Plan Approach has already been approved by the Boards of Cambridgeshire's Internal Drainage Boards, the Regional Flood and Coastal Committee (upon which we have appointed members) and by the Environment Agency. Anglian Water and Cambridgeshire and Norfolk County Councils are still to sign it off.

¹ Partnership Funding means that the costs of FCERM projects are shared between national and local sources of funding. This is intended to encourage more cost effective solutions and enable greater local engagement with and ownership of schemes. Any scheme where the benefits are greater than the costs can now qualify for a contribution from FCERM GiA and can therefore proceed if the remaining match funding can be found from partner contributions.

2 MAIN ISSUES

Great Ouse Fens Tactical Plan

- 2.1 In the meantime we need to understand the maintenance and capital work needed to continue to manage flood risk over the coming six-year capital FCERM GiA settlement cycles. The local Environment Agency teams across East Anglia therefore agreed with national colleagues that they would come up with a better way of presenting the picture of future investment to enable more effective conversations with Government about the short, medium and long term plans for the area. It was agreed that they would produce a Tactical Plan for all sub catchments of the Fens covering all flood risk management assets and all sources of flooding. The aim of these plans is to demonstrate the short term programme of works required over the next 15 years, the costs, the benefits that would be achieved and how government funding should be allocated to the projects to limit the risk of abortive projects and ensure best value.
- 2.2 The starting point was the expectation from Government that, in light of the need for a long term strategy, work in the Fens will only continue to maintain the current height of defences until the Flood Risk Management for the Fens project has set out the preferred long term direction. Therefore for the majority of assets, in the short term, we should not be supporting projects that promote a longer term solution or seek to improve the standard of service provided.
- 2.3 Through the process described below, the Environment Agency's Partnership and Strategic Overview team worked in partnership with officers from Cambridgeshire and Norfolk County Councils, the IDBs and Anglian Water (collectively known as the Technical Group) to produce a tactical plan for the South Level, Middle Level, East of Tidal Ouse, West of Tidal Ouse and Kings Lynn catchments. The plan has been worked up one flood cell at a time with the flood cells or sub catchments being defined by IDB districts.
- 2.4 Within each catchment a spreadsheet of everyone's collective drainage assets and their relevant capital and revenue costs over the next 15 years was prepared. A new process was then developed by the partners to work out how government funding could be apportioned strategically between the assets. This new process is set out below and the outputs have been added into the spreadsheet. This forms the Tactical Plan, i.e. there is no accompanying report. The technical group has developed what is effectively a strategic economic approach. This now needs to be signed off and followed for the next 15 years in order to meet government requirements for a strategic approach.
- 2.5 The headlines from the Tactical Plan are that a £237.6M investment is requirement to sustain the Great Ouse Fens flood and drainage infrastructure over the next 15 years. Of this £157.2M would be eligible for FCERM GiA with an additional £80.4M of Partnership Funding required.

Benefit apportionment and funding eligibility

- 2.6 Flood risk management projects proposed for the Fens area often require FCERM GiA or local levy funding in order to progress. Until now projects have been considered on a case by case basis with each partner separately working out the benefits of their schemes and preparing a business case to demonstrate that the costs and benefits of the scheme make it worthy of funding.

- 2.7 In the Great Ouse Fens, however this has not been straight forward, because our properties, land and assets are protected by more than one line of flood/drainage defence as follows:
- Highway drainage network
 - Riparian or awarded watercourses
 - IDB watercourses and embankments
 - IDB pumping stations
 - Environment Agency main rivers and embankments
 - Large scale defences benefitting huge areas such as washes and tidal defences
- 2.8 Understandably Government only want to pay once for a certain benefit (e.g. protection to one house or one farm) so if a number of flood defence assets or schemes all protect the same house, works to one of them can only honestly demonstrate a proportionate share of the benefit. The amount of benefit you can claim directly affects the amount of funding you are eligible for.
- 2.9 Prior to 2011 there was no system for this so it was first come first served in claiming the benefits. This led to 'double counting' of benefits. Since the introduction of Partnership Funding in 2011 there has been a requirement for risk management authorities to take a more strategic approach, or have their funding capped. RMAs managing different sources of risk can either work together to ensure that all types of flood risk are considered during a flood scheme, or, if delivering separate projects for different sources, they need to ensure that the benefits claimed are fairly split down between the different projects.
- 2.10 In the Fens with so many lines of defence, it is difficult to ensure that a single project (such as a pump refurbishment) tackles all sources of flood risk. A methodology for calculating the share of benefits that a scheme delivers (apportioning the benefits) was therefore needed.
- 2.11 Within the Tactical Plan each individual flood risk management asset was ranked on the flood risk benefit they provide. The rankings that have been used are below and an example is given in **Appendix 3**:
1. Flood Risk Management (FRM) Assets delivering benefits to the whole of a fenland catchment area
 2. Major FRM asset or scheme delivering benefits to multiple flood cells within a catchment area
 3. FRM assets that provide benefits to a small number of flood cells
 4. FRM assets delivering benefits to a single flood cell.
- 2.12 The total amount of benefits that could be claimed within a flood cell (i.e. the cost of economic damages avoided and number of properties being protected) was calculated based on the current government method and the requirement to maintain standard of service. These total flood cell benefit values were then split down according to the ranking system given to each asset. This creates a capped value of benefits that each asset can claim. A Present Value Benefit² figure, as required by Defra, is then generated in the Tactical Plan. This approach meets Defra's requirement for a strategic approach,

² a term used in cost-benefit analysis and project appraisal that refers to the discounted sum, or present value, of a stream of benefits associated with a project or proposal

preventing double counting or projects from claiming more benefits than they are eligible for.

Conclusions

- 2.13 The Tactical Plans are an economic approach (spreadsheet) governing how flood risk management authorities (RMAs) can apply for funding for asset works over the next 15 years. The Tactical Plans have been developed collaboratively with the relevant RMAs for the Great Fens area.
- 2.14 When applying for Grant in Aid, it is now much simpler for RMAs to complete the funding application. They can now look up the relevant Present Value benefit for the flood cell in which their project falls and insert this into the government Partnership Funding form. Previously it was a time consuming exercise to estimate Present Value Benefits from scratch.
- 2.15 The Environment Agency will maintain oversight of the Tactical Plan but each RMA will be expected to implement the Tactical Plan for their area (i.e. by managing their assets and applying for funding as required).
- 2.16 We need to bring this paper before the Committee now because:
- the Environment Agency has asked all flood risk management partners to sign off the approach,
 - Council LLFA officers will need to use this approach in upcoming funding applications for flood risk management projects with the Fens area to ensure that we can access the most appropriate amount of funding and demonstrate best value.

3 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

Our role as an RMA is in keeping with the council's ambitions to support adaption to climate change as set out in the Climate Change and Environment Strategy. Ensuring the council and its partners can access flood funding and continue to maintain their assets brings resilience to Cambridgeshire's communities.

3.2 Thriving places for people to live

Our role as an RMA is in keeping with the council's ambitions to support adaption to climate change as set out in the Climate Change and Environment Strategy. Ensuring the council and its partners can access flood funding and continue to maintain their assets brings resilience to Cambridgeshire's places which allows stronger economic development.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority

3.4 Net zero carbon emissions for Cambridgeshire by 2050

As the Fens is a flat landscape that is subsiding over time, in order to maintain the land for communities and for agriculture, water is pumped out to sea. This is currently a carbon intensive process. The Environment Agency, the National Farmers Union and other partners have similar carbon targets to the county council, which they plan to take into consideration in any future plans and strategies being developed. As part of the wider Fens work, a carbon assessment of all of the flood risk management assets in the Fens is being

commissioned. Later stages of the long-term strategy can then consider how best to approach and manage the carbon costs.

The council does not have many significant flood assets in the Fens, only highway drainage assets which manage surface water flows. The majority of these are hard infrastructure with an associated carbon cost. Government policy encourages public bodies and developers to move to the use of sustainable drainage systems (SuDS) to manage surface water. In the Fens, as this is an artificial pumped landscape, these need to be planned with a good understanding of the local drainage and soil types to ensure appropriate functionality.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The resource implications are contained within the body of the report.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

Members should note that the approach taken by the Fens Tactical Plan has already been approved by the Boards of the Cambridgeshire Internal Drainage Boards, the Regional Flood and Coastal Committee (upon which we have appointed members) and by the Environment Agency.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus De Silva
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Monitoring Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Elsa Evans
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Sarah Silk
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Quinton Carroll
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green

Source Documents	Location
Figure 1 – Location of the Great Ouse Fen catchments	Appendix 1
Figure 2 – Timescales for the ' Flood Risk Management in the Fens' project compared to the Fen Tactical Plans	Appendix 2
Examples of asset rankings	Appendix 3