Proudly managing water levels in the Fens since 1862

Defra consultation: Reforming floods funding

https://consult.defra.gov.uk/floods-and-water/reforming-our-approach-to-floods-funding/

Consultation response on behalf of the Middle Level Commissioners and 29 administered Internal Drainage Boards (IDBs) – *Listed in Appendix 1.*

Our response has been submitted online via Defra's Citizen Space consultation hub. This document contains our response to the consultation in a format we can publish and share for transparency purposes.

About us

The Middle Level Commissioners (MLC) have been proudly managing water in the Fens since 1862 for a variety of purposes; flood resilience, land drainage, navigation, water resources and environmental stewardship. The MLC provides a variety of services to over 30 other Internal Drainage Boards (including currently administering 29 of these) within and around the Middle Level of the Fens, representing c25% of the sector nationally.

Given the extent of land shrinkage, the Middle Level of the Fens is unique in England in that it has three tiers of water management with 24 Internal Drainage Boards (IDBs) pumping (via over 70 pumping stations) and/or gravity draining into the MLC system which acts as a giant flood defence with high level carrier watercourses protecting people and property 24/7 365. Excess water from the system is pumped up to three times, including at the UK's largest flood defence pumping station (St Germans) to evacuate it into the Environment Agency's Great Ouse Tidal River where it then flows out to sea. It is our understanding that the Middle Level catchment is the largest area in the country without any gravity outfall and totally reliant on pumping water 'uphill' from below sea level.

Our consultation response has been developed by MLC senior staff who, prior to joining, have collectively over sixty years working in asset management, project delivery, flood funding allocation, programming and assurance at the Environment Agency, working locally, regionally and nationally.

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30 June 2025

Consultation Response

Changing the approach to funding flood and coastal erosion projects:

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

• Agree

Question 8. Please explain your answer to Question 7.

We agree that the proposed approach represents a positive step change, especially when considered alongside the 10 Year Infrastructure Strategy. We strongly support the intent to "Fix the Foundations" but we feel the "Plan for Change" needs to go further and deeper than is set out within the consultation document in order to meet the objectives of being strategic to deliver timely interventions that build national resilience.

There are also important aspects of flood funding policy that have not been set out in the proposals and any policy is only as strong as its implementation. There are considerable changes needed to implement the policy successfully, especially with a 1st April 2026 launch.

Key question:
Will the policy have its intended objective to arrest the decline in asset health and "fix the foundations" if it is implemented at an asset level and without a healthy balance of funding for asset maintenance?

It is pleasing that the consultation recognises that FCRM refurbishment projects can target several assets that form part of a system of flood defences. In landscapes such as we have in the Fens, this recognition is seriously understated and warrants a deep dive as the policy and implementation framework is finalised. We have large, complex systems of hundreds of assets owned and operated by many different Risk Management Authorities that form a landscape scale flood defence system. It is therefore crucial that FCRM interventions, be they new assets, refurbished assets, nature-based solutions or sustainable drainage are developed and delivered at a system or even a landscape level. The policy needs to enable this. The Environment Agency led Fens 2100+ programme is developing its *Case for Change* with the intent to publish in Autumn 2025, and it is therefore crucial that the funding policy leads draw from this seminal work.

We understand that the current national picture of flood risk asset health and condition is limited to Environment Agency asset data. This represents a collective weakness over the last 25 years not to have driven, populated and used one single system. There is therefore no single version of asset truth upon which to set this policy and judge its success. This limited asset picture then, we assume, forms a component of NAFRA2 which is proposed to orchestrate the funding prioritisation. This needs to be addressed, especially in the Fens and other lowland landscapes where Environment Agency and IDB assets are interrelated and co-dependent in that they manage risk for the same communities.

We also need a significant change to scale delivery and be less bound by organisational boundaries. It should also be noted that main river assets, owned by the Environment Agency, are not necessarily the dominant player within the Fens. The policy and its implementation framework must be truly inclusive, objective and unbiased, treating all Risk Management Authorities equally.

It is pleasing that the policy consultation suggests that there continues to be no exclusions in terms of type of asset and type of works which will drive base eligibility for funding, in that it is the objective not the solution that determines eligibility. We assume that a new version of the 'Memorandum relating to capital grants for other risk management authorities in England' (Grant Memorandum) will be developed and consulted on ahead of policy launch?

We welcome the clarity of terminology descriptions within the Glossary within the consultation document, albeit it is disappointing that Internal Drainage Boards are not included. Standard descriptions are crucial and have been missing over the years leading to a variation of understanding. It is important that this is addressed within documentation to support and assure more consistent use.

There are important areas of flood funding policy that have not been catered for within the consultation that need in our view to have a focus within the final policy and its implementation framework, namely:

1 How will asset decommissioning be funded and prioritised?
2 Given there will likely be continued urgent/emergency works as assets that have not been prioritised for funding fail, what will be the funding approach in these circumstances, and how will this be inclusive across all Risk Management Authorities?
3 How will project development be funded in a way that's fair and creates a level playing field across all Risk Management Authorities. We need to have a reasonable assessment of cost, timescales and viability firstly to inform the investment programme and secondly to then develop projects to Outline Business Case (OBC) stage?
4 FCRM Strategy projects are not referenced directly within the consultation and clarity in this regard is essential.
5 How will all Risk Management Authorities' legal requirements be funded within the policy, for example; compliance with The Eels Regulations and Reservoirs Act, operational health & safety compliance and compliance with environmental legislation including ambitions for improved lowland peat water level management?
6 The consultation alludes to "Mega Projects" potentially having their own funding arrangement and sitting outside of this policy. What is the definition or threshold for a "Mega Project" and ought delivery under Fens 2100+ be classed as a "Mega Programme?
7 How will the Environment Agency make provision for capital Highland Water payments to IDBs as per S57 Land Drainage Act 1991? (See below)
8 How will programme overheads and resourcing be funded under this policy and be inclusive with a level playing field across all Risk Management Authorities? (See below)

Highland Water
The Land Drainage Act 1991 (s57) makes provision for a financial payment by the Environment Agency to the IDB and MLC for a fair contribution for their expenses associated with managing the quantity of water that their district receives from lands at a higher level. This is called a Highland Water Contribution (HWC). The payment of HWC is discretionary with a right to appeal to the Minister.

We provided a document called 'The Highland Water Conundrum' to the Minister, Defra and Environment Agency earlier this year with a suite of recommendations for reform. That document ought to be used as evidence as the funding policy is finalised. In terms of capital funding, the following was included within the document:

Prior to the introduction of Defra's Partnership Funding Policy for FCERM capital works, IDBs were eligible for a standard rate of 45% grant. They were then eligible to claim a Capital Highland Water Contribution on the 55%. For example, for the construction of the current St Germans Pumping Station, MLC received 35% (the Highland Water to Total Water agreement for St Germans) of the 55% of scheme costs not covered by the standard grant rate.

From 2011/12 onwards, the Partnership Funding Policy and associated calculator has enabled IDBs to be eligible for up to 100% grant if they can demonstrate having an agreed strategic approach. The current Anglian Highland Water Procedure changed the approach to how the capital HWCs would be claimed from a standalone claim to the justification being woven into a scheme's business case. The eligibility for capital HWC to be a component of any Partnership Funding gap on eligible schemes for IDBs with highlands remains, however there is no clear process or guidance for this and corporate knowledge within the Environment Agency and IDBs has likely diluted over time.

RECOMMENDATION 20
Defra, the Environment Agency and the Association of Drainage Authorities (ADA) to work together to clarify Capital Highland Water alongside/as part of the upcoming government review of Partnership Funding and introduce clear guidance and procedures.

<u>Programme Overheads & Resourcing</u>
It is understood that between 10-15% of the capital grant allocation to the Environment Agency is invested in the overheads associated with the overall programme, including delivery framework management and funding for staff salaries in the FCRM Directorate, Support Services and Local Operations. This is not included within Figure 3.3 within the consultation.

It has been previously recognised within the Environment Agency that given the increasing proportion of the investment programme being delivered by Local Authorities and IDBs, that greater transparency on this was needed in terms of i) the value of the overheads to all Risk Management Authorities and ii) the service Local Authorities and IDBs should expect proportionate to their collective delivery contribution.

There is a serious imbalance across RMAs, in that the Environment Agency can ebb and flow its resourcing proactively at a programme level using capital grant allocations, whereas particularly small public authorities can only access capital grant to scale its resourcing once an individual project's allocation is approved. This is a huge issue for IDBs which are 'asset rich' but 'cash and resources poor'.

A new resourcing model for IDB capital works is crucial if this policy is to achieve its objectives. At the MLC we have circa £170m of major capital works required for our infrastructure over the next 8 years. We have 1 FTE in our Technical Services team focussed on capital project development and delivery. There is then a large programme of capital works for the thirty IDBs we provide services for, none of whom have their own technical staff. We need to scale up to have a small team of 8-10 FTEs dedicated to project and contract management for capital delivery as part of an integrated approach with the supply chain, and we need to accommodate increased client inputs from our Operations, Ecological Services and M&E teams, as well as the IDBs themselves. The uncomfortable reality is we cannot grow to meet this demand with the current funding policy and IDB financing arrangements, whilst remaining affordable to ratepayers and Special Levies.

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

We need to collectively establish what the role of IDBs' 'core' finance (raised via drainage rates and Special Levies) realistically ought to be within the funding model for capital works, especially if the policy is to be enacted at an asset rather than system level.

This proposed policy and a continued annual prioritisation approach will likely lead to a limbo situation where an IDB either i) needs to fully fund a scheme, or ii) provide 10% contributions or iii) needs no finance as it is 100% grant funded. Planning for either extreme of this and annual uncertainty will be very challenging and inefficient, with fully funding major works unaffordable in most cases. The same will be true for Environment Agency assets and for RFCCs to consider in how they use their Local Levy funding.

There are low value, low complexity minor refurbishment works (for example; replacing pumping station control panels) that many IDBs fund themselves, even though they are capital grant eligible, preferring to hold back their benefits for more major refurbishment or replacements, and because the bureaucracy of securing between £10-£50k of capital grant is disproportionate. There is the opportunity to package and deliver these at a system and landscape scale – improving standardisation, reducing ongoing maintenance costs, maximising economies of scale, increasing asset life and reducing the risk of failure.

There may be an opportunity within the funding policy and its implementation to consider if and how (current or adapted) Public Works Loan Board facilities open to Local Authorities and IDBs could be used strategically to optimise the outcomes of the overall investment programme.

Question 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).

- Neutral

Question 11. Please explain your answer to Question 10.

We welcome the intent of the Contribution Free Allowance (CFA) to unlock delivery of relatively small investments, however we are neutral on this principle as its success very much depends upon how the principle is enacted and the risks highlighted below are mitigated.

We question whether the CFA is adding a layer of unnecessary complexity, in that the human and financial costs of its implementation (and the risks below) may outweigh the benefits. This ought to be weighed up against, for example, a standard 95% grant allocation to funding new FCERM assets.

With a £3m cap there is the risk of enabling perverse investment decisions, with the main risk being disaggregation of investments. Another risk is a proliferation of strategic/strategy projects. There will need to be suitable measures and assurance in place to avoid this. The ability to package schemes for delivery to yield efficiencies needs to be enabled not constrained by this principle.

Project development will be key to ensure cost and risk provision within the programme are reasonable. We need to avoid suddenly having lots of £2.9m projects with risk contingency either under or over-estimated to keep below a cap to secure 100% grant. The cost control on such projects becomes even more critical, as is having policy clarity on what happens if and when cost is forecast to exceed £3m, especially if this occurs after contract award. With all Risk Management Authorities treated equally.

Question 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

Question 13. Please explain your answer to Question 12.

We agree that this principle simplifies the policy and makes it very clear what level of contributions Risk Management Authorities need to plan for. This will enable clearer investment strategies to be developed at an asset, organisational, RFCC, asset system and landscape level. However, the 'limbo' position described in our response to Q9 potentially negates some of the benefit of this principle.

Question 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).

• Strongly Agree

Question 15. Please explain your answer to Question 14.

The MLC and our IDBs manage systems of assets that are flood defences. We therefore strongly agree with the policy intent to 'Fix the Foundations" and the recognition of the value provided by existing infrastructure. As implied by the consultation document, it is crucial that all assets that perform an FCRM function are treated equally in terms of funding eligibility (see Q8).

We strongly support the principle of fully grant funding capital maintenance and asset refurbishment as long as the principle is enacted at system and/or landscape level. As per our response to Q8, enacting this at an asset level will likely not achieve efficient delivery and arrest the overall decline in asset health, particularly in geographies such as the Fens that are 'asset rich'.

The policy needs to recognise and work for a range of scales of refurbishment and capital maintenance, across all types of assets that perform FCRM functions. There are straightforward minor asset refurbishments (see Q9 response), major asset/asset system refurbishments right through to complex asset/asset system refurbishments such as the remaining phases of the Middle Level System River Management Scheme (MLSRMS) that will be in the order of £100m across multiple delivery years. For some IDBs, system refurbishment may involve rationalising pumping stations and their drainage systems where feasible.

Like the disaggregation risk described in response to Q11, there is the risk of perverse investment choices that needs to be mitigated within policy implementation. Namely that asset refurbishment needs to be assessed as the right approach, not simply the easiest approach to secure full funding. A change solution may be the best and wisest investment.

Question 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

Question 17. Please explain your answer to Question 16.

Absolutely. Given our lowland topography and the existing flood defence asset base in the Middle Level, PFR is not a component of the FCRM toolkit where there is need or demand from properties or communities locally, however we recognise its criticality elsewhere. It remains important that any project does not pre-judge its preferred option under an appraisal, so PFR needs to be assessed as the right intervention choice.

Mainstreaming PFR and supporting the growth of the sector is important and we welcome the early advances of the PFR suppliers into developing products for the agricultural sector. Innovation and growth in this area is crucial as PFR could become an important FCRM measure locally in contingency planning and/or as part an adaption pathway and/or as part of small-scale investment ahead of more major capital works.

For IDBs that own property that are at risk to breach and exceedance, it would be sensible if grant funding to install PFR measures was made available by default as part of the finalisation of this policy.

Question 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

Question 19. Please explain your answer to Question 18.

This is a difficult question to answer as how does anyone know what the right amount of one specific type of intervention is? What remains crucial is that Natural Flood Management is appraised as being the most suitable intervention approach to manage a specific flood risk and that we do not pre-judge a preferred option.

If one considers the Fens at a landscape scale, there is huge potential for Natural Flood Management, e.g. saltmarsh in the Wash acting as a buffer to the flood threat from the sea, to slowing the flow and removing volumes of water in the highlands of the major river catchments that feed into the Fens (the later will help address the 'Highland Water conundrum' and provide financial revenue savings to the EA and IDBs). However, if you look at an asset or micro level within the Fens itself, the concept of NFM within an entirely artificial landscape is a challenging one to rationalise. This risks 'pigeon-holing' the Fens as nature unfriendly and stifling innovation.

In reality, current interventions in the Fens by IDBs already embrace nature-based solutions with growth potential in this sphere. Nature-based solutions in the Fens is not re-wiggling rivers, introducing beavers or woody dams but more about, for example, agile and sensitive pumping and water level management that supports and enhances the undervalued but thriving ecology within IDB drains, alongside nature friendly revetment.

Iconic projects such as the Great Fen, of which we are a project partner alongside the Environment Agency, and the visions for wetlands in the Fens being explored by the RSPB and WWT, require significant traditional water management infrastructure to manage their water needs and therefore are difficult to class as NFM, but are true nature-based solutions that it is appropriate for flood funding to contribute towards where the work supports the delivery of flood resilience outcomes. We would therefore suggest that the focus within any policy to be on nature-based solutions rather than NFM alone.

Whilst we support and welcome the objective to widen out the type of organisations eligible for flood grant and deepen the ownership of flood resilience outcomes. Particulary within our large and complex asset systems in the Fens, the proposals do present the risk of sparking competing and/or non-complementary investment choices between Environmental NGOs and Risk Management Authorities. What we need is a policy and an implementation framework that sparks the opposite – innovation and collaboration, with a broader suite of delivery options to manage flood resilience within complex landscapes. There will need to be checks and balances in this regard within the programme submissions from non-RMAs, and within ours and IDB districts and catchments we would seek an approval role of some form to avoid abortive work, given that our consent under our legislation may also be required for works.

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

Flood mapping has always been imperfect within the Fens with mapping methodologies struggling with entirely pumped catchments, an artificial landscape and the concept of undefended scenarios. This largely means the NPPF has not in our view, as yet, been an effective tool in terms of regulating growth within the Fens.

Over the last 25 years, there has been and continues to be considerable housing and commercial development within MLC and IDB districts, on Fen islands (that would become isolated in do nothing or major breach event) and in our highland areas. Collectively this is placing extreme pressure on ours and IDB systems that are at capacity, and therefore the development is increasing flood risk to all. Development tends not to be flood resilient and resistant and cannot be classed as safe for the lifetime of development.

Excluding benefits from properties built post 2012, from Fen islands and from highland areas, means the value of investment in flood infrastructure in the Fens is significantly undervalued. This needs to be addressed within the prioritisation method of this new policy.

In the Middle Level, the 2012 rule in our view has failed to discourage inappropriate development. There is also no one accessible version of baseline data tracking development over time that can be used within appraisals.

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

Any rule may be as impractical as the 2012 rule. There ought to be standard framework whereby contributions from developers, ideally secured at a system, county or landscape level are appropriately banked and ring-fenced for future refurbishment, replacement or improvements of the flood infrastructure that i) affords protection to the development and/or ii) has enabled the development and/or iii) receives and manage water from the development. Flood grant then supplements this.

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

None identified.

Prioritising the delivery of FCERM projects:

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

1. Overall FCERM project value for money and flood risk (approach 1)

Question 24. Please explain your answer to Question 23.

Prioritisation will be the key challenge in enacting this policy. Prioritisation needs to be fair, transparent, and objective within a level playing field. Potential bias towards the Environment Agency from within the Environment Agency also needs to be mitigated in the way funding allocations and approvals are governed locally and nationally, recognising the challenges of individual staff and teams separating operational accountabilities for assets and communities with their strategic overview accountabilities for funding allocation, programming and approvals.

On balance we feel a value for money prioritisation is the simplest and therefore most suitable approach. However, as the consultation acknowledges and we highlight within Q8, there will be factors emerge where ‘moderation’ is needed. Such moderation must be governed in a clear transparent way, including direct consultation with those negatively impacted by projects being moderated ahead of them in any prioritisation.

As per our Q8 response, the policy needs to be enacted at asset system level to succeed and potentially landscape scale in the case of the Fens. Prioritisation likewise needs to be more strategic.

Additionally, it is important to understand the baseline distribution of existing FCRM infrastructure (even if this is currently limited to Environment Agency assets) to consider how geographies (regions, areas, catchments) are supported through prioritisation of allocations commensurate with the relative scale of their existing asset bases. This will help RFCCs consider their role and use of Local Levy funding. For example, in terms of EA maintained flood assets, the Great Ouse catchment (within which we are part and is within the EA’s East Anglia Area) has a larger number of assets than five Environment Agency Areas.

<u>National Assessment of Flood Risk</u>
As per Q8, we welcome the advancement in the National Assessment of Flood Risk. NaFRA2 does represent the latest evidence, however we collectively need to be very mindful of its areas for future development. Our understanding is that it uses Environment Agency asset data only, and the modelling approach is imperfect in pumped catchments. In the Fens there is no local model that has been used within NaFRA2. It therefore needs to be applied to prioritisation and used within any VFM assessments with caution and with moderation.

There needs to be a single version of the asset truth and a drive to make continual improvements to NaFRA to maximise it’s potential. An offer from the MLC, if we were to receive additional support, we would be happy to pioneer the population and use of AIMS (or the system that feeds NaFRA) with our asset information. This would help us collectively start the journey of building a single version of the asset truth and for us help kick-start improvements in our own asset management approach. This work would then establish the suitability of the system to host IDB asset information and would help estimate the resources and timescales associated in then populating the system by the 111 other IDBs in England.

Certainty

As highlighted in Q9, this proposed policy and a continued annual prioritisation approach will likely lead to a limbo situation where an IDB either needs to i) fully fund a scheme, or ii) provide 10% contributions or iii) needs no finance as it is 100% grant funded. Planning for either extreme of this and annual uncertainty will be very challenging and inefficient, with fully funding major works unaffordable in most cases. The same will be true for Environment Agency assets and for RFCCs to consider in how they use their Local Levy funding.

We risk returning to the weaknesses of the ‘Priority Score’ allocation method that preceded the Partnership Funding calculator approach. Given the nature of IDB capital works this needs to be well planned across years given narrow windows for works (operationally and environmentally) and specialist supplier lead times. Knee-jerk delivery to make use of one year funding allocations is risky, inefficient and misses the opportunity for packaging and delivering at scale. Complex refurbishment of systems can take multiple years to plan and deliver (especially if the resourcing imbalances identified in Q8 are not addressed), therefore certainty across financial years is imperative.

Assessing Value for Money

If VFM is to be used as a prioritisation method and within project business cases, then there needs to be a clear framework for how this is calculated. As per Q8 there needs to be fair, inclusive, level playing field allocation towards project development and resources to ensure all Risk Management Authorities have equal opportunity, and figures used for allocations are reasonably evidenced.

In terms of benefits, the policy needs to be clear about what are and aren’t included as well as if and how benefits apportionment will work, particularly if the policy is applied at an asset level rather than an asset system or landscape level. In the Fens we have tiers of water management and multi-layered infrastructure owned by different RMAs that provide benefit to overlapping geographies affording resilience often against multiple sources of flood risk. A clear policy on asset ranking, double-counting and benefits apportionment is important as well as a methodology by which this is agreed and owned across RMAs. The model and approach used for the Great Ouse Fens between the Environment Agency and multiple IDBs has been considered as national best practice.

The Environment Agency’s Great Ouse Fens baselining work (2020) highlighted a broader range of benefits than accounted for within routine appraisal given the nuances of flood protection within pumped catchments and lowland areas. As per Q20, benefits associated with providing resilience and services to Fen islands, IDB highland areas and properties built after 2012 need to be factored into VFM assessments.

Question 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):

Deprived areas (1)
Supporting economic growth and the wider economy (2)
Local choice (3)

Specific types of communities, e.g. rural or coastal communities (4)
Specific types of flood resilience intervention, such as natural flood management (5)

Question 26. Please explain your rankings in Question 25.

It is pleasing that the consultation acknowledges the challenges of adding additional outcomes into the prioritisation approach.

The lowest rankings are the easiest to determine and explain, in that we should avoid outcomes that prioritise one type of intervention over another. This breaches a base principle we all learnt when starting our careers in flood resilience, i.e. the need for an objective appraisal that identifies the right intervention(s) for the right place. Likewise, prioritising specific types of communities is loaded with subjectivity. It implies we can easily define a community and then all have the same definition and feel part of said community. Communities exist at different scales and not all are fixed.

Local Choice would need a clear framework and suitably objective governance for decision making, with decision-makers empowered and directly accountable to the communities negatively impacted by any decision. RFCCs, RFCC governance, and how RFCCs are supported and advised by Environment Agency officers would require reform and strengthening in our local experience. There is the opportunity with Fens 2100+ for suitable governance to form and evolve that could become the Local Choice decision-maker for allocation and prioritisation within the landscape. This should be actively explored.

Any prioritisation towards supporting economic growth and the wider economy would need to ensure we are not enabling development in unsuitable locations and increasing future risks and costs, especially if the level of maintenance investment does not keep pace and therefore overall asset health will continue to decline.

However, there is opportunity within a VFM calculation to weight the indirect benefits associated with providing flood resilience that enables and/or supports critical infrastructure needed for economic growth. For example, our infrastructure affords protection to the East Coast Mainline and the primary freight route from the port of Felixstowe (largest container port in UK) to the Midlands and the North. Looking forward, our infrastructure and operations will be key in enabling the proposed Fens Reservoir which is a key solution to addressing water scarcity issues stifling housing and economic growth in Cambridge. How do we reflect a proportion of current and future value added to UK PLC within any VFM assessment?

Deprived communities have lower benefits so weighting these makes a more level playing field for prioritisation and there is less subjectivity involved.

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

Food and energy security ought to be factors within ‘Supporting economic growth and the wider economy’ if that is used for an additional prioritisation outcome.

It is not clear from the consultation how the legal responsibilities of Risk Management Authorities will be prioritised within the new approach, with a level playing field. Compliance with crucial legislation where Defra is the policy lead ought to be prioritised. In particular environmental legislation, the Eel Regulations, the Reservoirs Act and supporting lowland peat management objectives.

The Eel Regulations is particularly relevant for IDBs. The proposed policy and its implementation may not enable an IDB to deliver their responsibilities and ensure compliance or exemption within regulatory timescales. Equally, the regulatory timescales may not align with optimum FCRM intervention points for an asset. If this is the case, the Environment Agency must take account of grant funding availability and optimal FCRM intervention points within its regulatory approach.

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

None identified.

Transition arrangements:

Question 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?

• Confident

Question 30. Please explain your answer to Question 29.

Whist using contractual commitment as the key milestone for transitionary arrangements is particularly relevant and easy to govern for Environment Agency led projects, however given that funding and grant approvals for Local Authorities and IDBs is currently at Outline Business Case (OBC) stage, it may be that different transitionary arrangements are needed for other Risk Management Authorities for schemes that are between OBC approval and contractual commitment.

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

None identified.

Call for evidence:

Question 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

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

As it stands the policy proposal provides no incentive or reward for bringing inward investment to reduce the cost of projects to flood grant. If we are to learn from (rather than return to) the Partnership Funding policy approach, we'd suggest that contributions from major benefiting sectors need to be tackled at a programme or landscape scale, with project/asset-system level contributions led locally to secure multiple benefits beyond flood resilience.

We generally agree with the principles. It may be prudent to add a 'scale' principle, in order to ensure that efforts are targeted for the greatest benefit at a programme rather than project level.

This will avoid potential investment sectors/organisations being approached in a scattergun manner at different levels by a variety of Risk Management Authorities.

Question 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

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

No response.

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

The commentary within the consultation regarding water and sewage companies as one of the five areas feels somewhat limited in our view. Firstly, the policy proposed does not seem to stimulate a step-change in how investment in water management infrastructure is funded and delivered, with many flood assets providing wider water management services (e.g. for water resources and navigation) and the opportunity for water sector infrastructure to provide flood resilience functions. Secondly, the role of water and sewage companies goes well beyond surface water risk, in that they also benefit from flood resilience services afforded by flood assets however make no routine financial contribution in this regard.

We may be fairly unique in this regard nationally, but given the enabling role that our infrastructure and operations will provide in terms of the Fens Reservoir (see Q25) there is a case for the investment requirements in our infrastructure to be funded directly via the RAPID programme or as a devolved settlement to the Cambridgeshire mayor or as a funding deal struck nationally between RAPID and Defra/EA in terms of flood grant. There is the opportunity for collaborative delivery between MLC and Anglian Water within the delivery alliance that is formed for the Fens Reservoir that may be the most efficient and effective way to deliver works at scale whilst making best use of collective resources and capabilities.

Question 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.

No response.

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

None identified.

Call for evidence on local choice, English devolution and opportunities for flood risk management

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

We are within the geography of the Anglian (Great Ouse) Regional Flood & Coastal Committee as are all bar two of the IDBs we currently administer. The two IDBs are within Anglian (Northern) RFCC.

It is disappointing that the consultation document does not acknowledge the critical role of the Internal Drainage Board sector within Part 7 with the focus being on Lead Local Flood Authorities who in reality have little to no role in managing local flood risk within our districts. This is an area we have suggested needs significant focus within the next generation of their Local Flood Risk Management Strategies.

In our local experience, as per Q26, RFCCs, RFCC governance, and how RFCCs are supported and advised by Environment Agency officers would require reform and strengthening in our local experience. This would be a sizeable change programme in itself and running parallel with major reforms to Local Government this may be challenging to enact. Local Choice would need a much clearer framework and suitably objective governance for decision making, with decision-makers empowered and directly accountable to the communities negatively impacted by any re-prioritisation decision.

Reform needed may need to include:
- Payment for membership.
- Independent appointment panels for current Environment Agency appointments.
- Governance and secretariat of RFCCs being separated from Environment Agency operational accountabilities.
- RFCC Chairs reporting to Defra rather than the Environment Agency Area Directors.
- Improved governance, for example management of member interest especially within heightened prioritisation decision making.
- Direct inclusion of mayors/mayoral authorities as RFCC members.

The Anglian (Great Ouse) RFCC, relative to the likely scale of their asset base compared to other RFCCs (and the comparative number of Risk Management Authorities within RFCCs), has traditionally raised a very limited amount of Local Levy to invest through Local Choices compared to other RFCCs. This means that the funding policy proposals and any increased Local Choice role will potentially be a more sizeable change for our RFCC than in other parts of the country.

It may be that the time has come to create a Fens Regional Flood & Coastal Committee, covering the majority of the current boundaries of Anglian (Great Ouse) and Anglian (Northern) RFCC. This would mean flood resilience governance of the Fens landscape (including the highland catchments) could be driven via one model with much stronger links and more senior representation from Local Authorities (post their reform) and to the Lincolnshire and Cambridgeshire mayoral authorities.

Question 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?

Within the Middle Level of the Fens we have complexity in the number of Risk Management Authorities and catchment boundaries that do not align with administrative boundaries, eg St Germans Pumping Station (the largest in the UK) is located in Norfolk however mostly serves and benefits Cambridgeshire. Local Government reform in Cambridgeshire and Norfolk will we hope simplifies the number of authorities involved, reducing the number of Local Authorities we and the mayors need to work with.

There is also reform agenda to explore for Internal Drainage Boards locally that needs investment in resourcing to develop and enact to further strengthen and simply governance.

Water is key in Cambridgeshire and Norfolk and therefore clear roles for the existing and any new Combined Authority and mayors are essential. This may need changes to the Floods & Water Management Act. For the Fens, a supportive alliance between Cambridgeshire, Lincolnshire and Norfolk is essential at mayoral level.

Bringing the mayors (or Combined Authority Chief Executives) directly into RFCCs as members would be a way to enable their role, reduce the risk of duplicated governance and raise the bar in terms of RFCC governance and accountability for Local Choice. In combination with creating a Fens RFCC, this would be very powerful change and reflect a statement of intent commensurate with the urgency reflected in the Future Fens Integrated Adaptation: Climate Change Risk Assessment published earlier this year.

Question 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?

The convening powers of the mayors and their direct connection to government needs to be enabled and maximised for flood resilience outcomes. Ideally, they require clear roles and responsibilities, this could include the Combined Authorities becoming the Lead Local Flood Authority (LLFA) and therefore having direct responsibility for Local FRM strategies that could be aligned within the more regional growth and investment plans.

Question 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?

See responses to Q40 and Q41.

Question 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?

We need to remember the seminal learning from the Easter 1998 floods which highlighted the issues that local raising of finances for flood defence had created over many years that led to the centralisation of grant to the Environment Agency. Greater devolution ought to come with a national framework, standards and/or assurance to mitigate the risk of overly divergent approaches to investment across the country and to ensure the National FCERM Strategy is enacted consistently.

We feel there is sufficient evidence and foundations for a renewed devolution approach to flood funding. As mentioned in previous responses, allocations and local choice enacted at a landscape level could provide a realistic middle ground between full centralisation and full devolution.

Question 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?

In addition to the points made under Q40, Q41 and Q43 the points made within Q8 and Q24 is crucial, in that we need a single version of the asset truth to inform and enable local and national decisions, along with a pathway for continuous improvement of the National Flood Risk Assessment such that we collectively can have greater confidence in its application within complex lowland landscapes such as the Fens.

Question 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.

None identified.

Appendix 1

Response on behalf of the following IDBs

IDB
Middle Level Commissioners
Benwick IDB
Bluntisham IDB
Churchfield & Pawfield IDB
Conington & Holme IDB
Curf & Wimblington Combined IDB
Euximoor IDB
Haddenham Level Drainage Commissioners
Hundred Foot Washes IDB
Hundred of Wisbech IDB
Manea & Welney District Commissioners
March East IDB
March 5th District Drainage Commissioners
March 6th District Drainage Commissioners
March 3rd District Drainage Commissioners
March West & White Fen IDB
Needham & Laddus IDB
Nightlayers IDB
Nordelph IDB
Over & Willingham IDB
Ramsey First (Hollow) IDB
Ramsey Fourth (Middlemoor) IDB
Ramsey Upwood & Great Raveley IDB
Ransonmoor Drainage Commissioners
Sawtry IDB
Sutton & Mepal IDB
Swavesey IDB
Upwell IDB
Waldersey IDB
Warboys, Somersham & Pidley IDB