



# Water Level and Flood and Coastal Erosion Risk Management Funding

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## Background

- Split Floods Vote – Defra/DCLG
- Pre 2004 – Funding issues
- Funding for capital projects
- Flood Reviews – Peter Bye 1998, Michael Pitt 2007
- Flood and Water Management Act 2010
- Lead Local Flood Authorities
- Partnership Funding
- Local Government changes



## Environment Agency Funding

- Flood Risk Management Grant in Aid 2016/17
- Regional Flood and Coastal Committees (Local Income)
  - Local Levy £33.5M
  - Internal Drainage Board Precept £8.0M
  - General Drainage Charge (Anglian RFCCs only) £4.4M
  - Partnership Funding Contributions (Programme Dependent)
- Six Year Capital Programme £600m contributions needed
  - Growth Funding – Section 31 Agreements
  - Commuted sums tracking
  - Benefits in Kind



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## Local Authority Funding

➤ LA receive Government funding - 2014/2015- through grant (Environmental and Regulatory Services) – not ring fenced:

	Revenue £m	Cap Charge £m	Total £m
541 Defences against flooding	26,093	6,003	32,096
543 Land drainage and related work	17,729	1,877	19,607
544 Land drainage and related work –			
Including Levy / Special levies	24,868	4	24,872
547 Coast protection	13,915	5,866	19,781



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## IDB Funding

- Agricultural Drainage Rates
- Special Levies on Local Authorities
- Highland or Foreign Water Contributions
- Precept to the Environment Agency
- Other funding – e.g. Somerset Rivers Authority



## Local Authority Funding Changes

- Desire to free local authorities from centralised control
- Empower local democracy to be accountable for its own decisions rather than point finger upwards
- Remove the relationship between central government handouts and services delivered
- Enable the join up of funding for similar activities
- Effective April 2011 (SR10 announcement)
  - Removal of centrally-imposed ring fences on LA spend
  - Community Infrastructure Levy – S106
- Effective April 2012
  - General power of competency
  - Community Infrastructure Levy now spent on non-infrastructure items - communities
- Effective April 2013
  - Funding Changes
  - 2020 funding review



## Place Based Budgets-

- Establishment of Combined Authorities – Greater Manchester etc.
- Increasingly devolved budgets across Government
- Community devolution 2010- Community right to challenge (delivery & assets) -Includes private property – pause to bid if for sale
- Pooling of budgets to enable more value to be driven from available funding.
  - Public Sector Co-operation Agreements
  - Ability of communities to raise their own funding for water level /FCERM management (Charities & Community Interest Companies)
  - Taxation changes to benefit partnership funding contributions



## Future

- More devolved budgets across Government
- Localisation of Business Rates £23bn?
  - 1. Exemptions and Thresholds for Business Rates
  - 2. Collection risk with local councils
  - 3. Uncertainty re: central funding - consultation
  - 4. Could lead to urban/rural redistribution
- Consultation expected over summer