

ADA response to:

Reforming our approach to floods funding

Including a call for evidence on: alternative sources of funding; and English devolution and flood risk management

Submitted: 29 July 2025

Part 2: Responding to the Consultation

Question 1. Would you like your response to be confidential? (Required)

• Yes • No

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

N/A

Question 3. What is your full name? (Required)

Ian Moodie

Question 4. What is your email address?

ian.moodie@ada.org.uk

Question 5. Who are you responding as? (Required) (Select one option only):

• ~~An individual. You are responding with your personal views, rather than as an official representative of a business, business association or other organisation.~~ • ~~A farmer/landowner~~
• ~~A local authority~~ • ~~An environmental group~~ • ~~An insurance company~~ • ~~A water or sewerage company~~ • ~~An internal drainage board~~ • Other

Question 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.

ADA (Association of Drainage Authorities)

Part 3: Changing our 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?

• Strongly Agree • **Agree** • Neutral • Disagree • Strongly Disagree • Don't know

Question 8. Please explain your answer to Question 7.

Overall, ADA feels that the proposed approach represents a positive step change that seeks to simplify the approach to funding and take account of the growing pressure on existing assets and systems. However, ADA members are frustrated that there is not a wider review of some of

the fundamental aspects of flood funding for the revenue management and maintenance of assets and systems, and a deeper look at how we value the benefits of schemes or proportion such benefits between schemes within a given area where there are multiple forms of flood risk. In ADA's view Defra 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.

ADA members question whether the necessary revisions to floods funding policy are achievable within the short timescales set for implementation by 01 April 2026, and are concerned that the short nature of the time to make change is constraining the ability of the review to build a more resilient system of funding in the long term.

ADA welcomes that the consultation recognises that FCRM refurbishment projects can target several assets that form part of a system of flood defences. Our lowland landscapes often contain 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 and look at wider benefits that such assets provide in creating more climate resilient communities and landscapes, such as where these assets help to safely retain water in the landscape. This would greatly assist with managing water as a resource, and enable the transfer of water for abstraction, irrigation, small scale storage (farm scale reservoirs), and management of environmentally sensitive wetland areas.

Too often when assessing the national picture of flood risk asset health and condition we have constrained this view to the assets and systems operated by the Environment Agency, and often to the exclusion of linear assets such as embanked watercourses in our lowlands. This represents a collective weakness and it is frustrating that we have not found the means to create a more unified system to collate asset condition across all assets types and RMAs. This needs to be addressed, especially in our extensive lowland landscapes where Environment Agency and IDB assets are interrelated and co-dependent in that they manage risk for the same communities. This remains a concern when utilising data from NaFRA2.

There is a serious imbalance across RMAs, in that the Environment Agency can manage 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

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

The proposals in Part 3 should be weighed up against, a standard % grant allocation to funding new FCERM assets, e.g. grant allocation for 95% of all eligible costs.

ADA would also suggest that consideration should be given to a more integrated funding system for water level management assets and systems in lowland landscapes, such as the Fens, that recognise their joint role in conserving and managing water resources, as well as to flood risk management. This could build on some of the learning being established through the Fens

2100+ project, IDB Storm Recovery & Asset Improvement Grant, and Lowland Agricultural Peat Small Infrastructure Pilots.

ADA would welcome further consideration of how we can incentivise low value, low complexity minor refurbishment works, packaging and delivering 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, whilst maximising broader benefits such as retaining water within the landscape, and incorporating nature based solutions. Many IDBs currently fund such works 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 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. 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).

~~• Strongly Agree •~~ **• Agree •** ~~• Neutral •~~ ~~• Disagree •~~ ~~• Strongly Disagree •~~ ~~• Don't know~~

Question 11. Please explain your answer to Question 10.

ADA supports the introduction of a Contribution Free Allowance (CFA) and flat-rate funding as steps toward unlocking stalled schemes and enabling more equitable access to funding.

CFA is a welcome simplification, particularly for small schemes, but its success depends on well-planned transparent prioritisation and clear rules around where a project exceeds £3 million.

However, with a £3 million threshold there is the risk of enabling perverse investment decisions:

- a. disaggregation of larger projects,*
 - b. reduced investment certainty for smaller RMAs,*
 - c. proliferation of 'strategy' projects.*
-
- a. This could be the **disaggregation of larger projects** into component parts. We need to avoid suddenly having lots of £2.9 million 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 £3 million, especially if this occurs after contract award. With all Risk Management Authorities treated equally.*
 - b. We want to ensure that there is clarity around **funding for capital projects undertaken by smaller risk management authorities**, such as IDBs. The risk is that should this policy approach be undertaken with the continued annual prioritisation approach, a smaller RMA will either i) need to fully fund a scheme, or ii) provide 10% contributions above £3million, or iii) needs no finance as it is 100% grant funded (under £3 million). Planning for either extreme of this and annual uncertainty will be very challenging and inefficient for RMAs, with the RMA 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 currently fund themselves, even though they are capital grant eligible, preferring to hold back the benefits within their drainage districts for more major refurbishment or enhancement works, 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.

- c. We are also concerned at the **growing cost and number of “strategy” projects** that outline future approaches to flood risk management without delivering physical benefits. The new funding rules could lead to a proliferation of such projects (under £3 million), and there will need to be suitable measures and assurance in place to avoid this.

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).

• Strongly Agree • Agree • ~~Neutral~~ • Disagree • Strongly Disagree • Don't know

Question 13. Please explain your answer to Question 12.

ADA agrees that this principle simplifies the policy and makes it clearer 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, for smaller local RMAs, they will need long term confidence around the prioritisation of their schemes, as it will not be feasible for smaller bodies to raise local funding through drainage rates and special levy without understanding whether that means either:

- a. *needing to fully fund a scheme, or*
- b. *provide 10% contributions, or*
- c. *needs no finance as it is 100% grant funded.*

Planning for either extreme of this and annual uncertainty will be very challenging and inefficient for smaller RMAs, with fully funding major works unaffordable in most cases.

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 • Agree • ~~Neutral~~ • Disagree • Strongly Disagree • Don't know

Question 15. Please explain your answer to Question 14.

ADA strongly supports 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.

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.

Enacting this at an asset level will likely not achieve efficient delivery and arrest the overall decline in asset health, particularly in extensive lowland landscapes, 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, major asset/asset system refurbishments, right through to complex asset/asset system refurbishments that will be delivered across multiple delivery years.

For some IDBs, system refurbishment may involve rationalising pumping stations and their drainage systems where feasible, or constructing new more energy efficient pumps, better placed to conserve water resources within the landscape. Here 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, rather than like for like replacement, 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? • Strongly Agree • **Agree** • Neutral • Disagree • Strongly Disagree • Don't know

Question 17. Please explain your answer to Question 16.

Property flood resilience (PFR) is valuable for residual or unviable-risk areas, but focus should remain on community-scale schemes (e.g. clusters of 10+ homes). PFR must not be used to shift risk from public systems onto individuals or mask infrastructure underinvestment. It remains important that any funded project does not pre-judge its preferred option under an appraisal, so PFR needs to be assessed as the right intervention choice, as part of a more strategic adaption pathway for an area, and/or as part of small-scale investment ahead of more major capital works, or as a more affordable solution where residual flood risks remain at the periphery of a flood defence scheme.

There is a need to grow the PFR sector, and ADA welcomes the recent formation of a new International Property Flood Resilience Association to raise the quality of these products and apply them beyond simply homes into other sectors such as agriculture.

There is a growing need 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?

◆ Agree ◆ Disagree ◆ ~~Don't know~~

Question 19. Please explain your answer to Question 18.

In ADA's view this is not the best question to ask. We should be seeking to utilise Natural Flood Management (NFM) where it is appraised as being the most suitable intervention approach to manage a specific risk of flooding, and ideally in coordination with a range of interventions. This should not be prejudged as a preferred option. At the same time we should be looking to innovate and incorporate natural based solutions within our existing heavily engineered assets and systems. In doing so we must not lose sight of the need to continue to managed and maintain these assets and systems. For instance we would highlight the learning from the Dutch water boards 'Bloemrijke dijken' approach to managing their embanked assets.

Furthermore, within extensive lowland landscapes such as the Fens we need to look more broadly at the concept of natural flood management. Nature-based solutions within these lowlands are the best solutions to flood risk, water resources, and nature are not re-wiggling rivers, introducing beavers, or woody dams, but more agile and sensitive pumping and water level management measures that supports and enhances the undervalued but thriving ecology within manmade watercourses that crisscross the lowland landscape. We need to value and invest in assets and systems that retain more water safely within our lowlands if we are going to enable economic growth in these landscapes and surrounding landscapes whilst at the same time enhancing our environment. We would therefore suggest that the focus within any policy to be on integrating nature-based solutions rather than NFM alone. A number of recent interventions by IDBs already embrace nature-based solutions, including projects delivered through two recent Defra grant schemes to IDBs (Lowland Agricultural Peat Small Infrastructure Pilots, and the IDB Storm Recovery & Asset Improvement Fund), these demonstrate the potential for further growth with the right funding and incentives.

Whilst we support and welcome closer working between Environmental NGOs and Risk Management Authorities and a deepening of the alignment between environmental enhancements and flood resilience outcomes, ADA does not support allowing non-risk management authorities to apply on their own for flood investment to deliver natural flood management and sustainable drainage projects. ADA is concerned that this could significantly over expand the number of smaller projects, putting further additional pressure upon the prioritisation process, and consequently increasing the resource required to undertake this work.

The proposal presents the risk of sparking competing and/or non-complementary investment choices between Environmental NGOs and Risk Management Authorities. RMAs must have regard for national and local risk management strategies, and up hold their statutory responsibilities on behalf of the communities and landscapes they serve, enabling non-RMAs would raise concerns over reputational risk, and a concern that other factors beyond the delivery of better flood and water management would take precedence and create local conflicts. What we need is a policy and an implementation framework that engenders innovation and collaboration, with a broader suite of delivery options to manage flood resilience within complex landscapes.

Instead of this approach, ADA would welcome more investment in, and long term incentives for, farmers and land managers to integrate more NFM solutions into the landscape through agri-environment schemes (such as the SFI grant), better still where these measures also boost the retention of water within the soil and landscape.

Should such a policy of programme submissions from non-RMAs be taken forwards there will need to be a process to ensure that all relevant RMAs are fully consulted and have an approval and oversight role to avoid abortive work, given that the legislative consent of the EA, IDBs and LLFAs may also be required for such 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?

Yes. The planning system is not a perfect system, and often makes compromises over competing needs and demands. The 2012 rule has largely failed to discourage inappropriate development and penalises the residents of such properties which face flooding without seemingly having an effect on disincentivising poor planning decisions, which can override flood risk highlighted by RMAs.

Continued, considerable housing and commercial development within extensive lowland areas in England and areas of higher land that would become isolated during a flood event, puts pressure on lowland flood risk management assets and systems operated by the EA and IDBs.

Excluding benefits from properties built post 2012, means the value of investment in flood infrastructure can be significantly undervalued. This needs to be changed within the prioritisation method of this new policy.

Furthermore, our understanding and mapping of flood risk has changed over time and it is certainly true that properties that were built since 2012 without flood risk being highlighted as a substantial concern have since experienced flooding. This is particularly the case in relation to surface water flooding and changes in surrounding development can result in increasing flood risk on properties built after 2012. Flood mapping has always been imperfect within lowland landscapes such as the Fens with mapping methodologies struggling with an artificial landscape that is heavily reliant upon pumping and embankments and the conveyance and capacity of watercourses.

Instead of simply excluding properties built after an arbitrary date, this would be better resolved through more robust planning rules related to flood risk, ensuring that the evidence from all RMAs to planning authorities is given due regard, and the implementation of Schedule 3 of the Flood & Water Management Act 2010. ADA supports calls for the withdrawal of the automatic right for new builds to connect to the surface water drainage system without the agreement of those RMAs managing the water downstream.

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

No. We think an arbitrary cut off date should be scrapped, but we need to incentivise more robust planning decisions in relation to flood risk, ensure that the view of all RMAs is headed by planning authorities, and incentivise or require greater delivery of sustainable drainage systems that are properly managed and maintained in the long term. ADA supports calls for the

withdrawal of the automatic right for new builds to connect to the surface water drainage system without the agreement of those RMAs managing the water downstream.

Contributions from developers should be secured at a system, county, or landscape level and appropriately banked and ring-fenced for future refurbishment, replacement, or improvements of the flood infrastructure that:

- a. affords protection to the development, and/or*
- b. has enabled the development, and/or*
- c. receives and manage water from the development.*

Flood grant then supplements these contributions, which should be accessible to and/or held by the relevant RMAs.

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

None identified.

Part 4: Changing our approach to prioritising the delivery of flood and coastal erosion 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)**
- ~~2. Bolstering projects that achieve priority outcomes (approach 2)~~
- ~~3. Incentives to secure additional partnership funding contributions (approach 3)~~
- ~~4. None of the above~~
- ~~5. Other~~

Question 24. Please explain your answer to Question 23.

Prioritisation will be the key challenge in enacting the proposed policy. Prioritisation needs to be fair, transparent, and objective within a level playing field. Potential bias towards the Environment Agency led projects 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. Consequently, any future system of governance must include senior representatives from all RMA types (specifically from LLFAs and IDBs) to ensure a balanced approach.

On balance we feel a value for money prioritisation is the simplest and therefore most suitable approach. ADA strongly recommends that work is carried out to look more deeply at the detail of such prioritisation and what value for money looks like in this space. How do we measure value for money? Efficiency savings, carbon reductions, and climate resilience, agricultural and rural flooding, and the integration of water resources with flood risk management are all

significantly undervalued within the current appraisal of value for money for flood defence grant in aid.

ADA also believes that any prioritisation should take a system led approach to investment rather than looking at individual capital projects. Look at the multiple risks, needs, beneficiaries within a catchment or coastline and apportion investment. Then look to make best use of that investment between new projects and maintaining the existing systems and assets.

Current methodologies within appraisal guidance struggle to grasp the impact on an area or community of the cumulative impact of flood risk from different sources, particularly in areas where there is overlapping fluvial, surface water, groundwater, and coastal flood risk. In lowland areas of England such as the Fens or Humberhead Levels 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. The current funding system has become reliant on benefit apportionment where the tangible benefits from reducing flooding within a given area are apportioned to projects tackling a specific form of flooding, whilst other significant types of flood risk remain without recourse to FDGiA support. This can lead to arbitrary decisions over the allocation of the receivers of benefits within a geographical area to specific schemes, especially where a community or landscape face multiple sources of flood risk. Consequently, this can often promote the delivery of nationally backed schemes above locally perceived priorities in some instances. This can create a significant barrier to engaging with local communities and promoting better understanding of the risks posed where vulnerable communities are subject to risk from multiple sources of flood risk. It also may use up the flood risk benefits in an area on a scheme that may have found it easier to attract partnership funding from commercial sources than the remaining more local schemes. In turn this perpetuates an unhelpful competition between local and national RMAs where they are delivering different types of scheme. This is often contentious given that a single organisation, the Environment Agency, develops schemes and oversees the prioritisation and allocation process.

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. ADA preference is for an inclusive mechanism separate from any specific delivery body, to measure value for money from capital investment in flood risk and water level management. However, ADA is concerned that the current basis for assessing value for money is outdated, and lacks nuance, especially around the importance of fluvial assets and systems within lowland landscapes that not only serve a critical flood defence function, but also provided water level management services to the aquatic environment, agriculture, business and those who live and work in these areas. Furthermore, such water level management services are becoming increasingly important to building resilience to our changing climate. Pumping stations, weirs, sluices, watercourses and embankments are indispensable for a healthy water balance in these landscapes: they retain or drain water and ensure the right balance between too much and too little water.

ADA welcomes the recent advancement in the National Assessment of Flood Risk. NaFRA2 does represent the latest evidence, however there remains substantial gaps, as highlighted above, in its assessment. Most notably, we understand that it uses Environment Agency asset data only, and the modelling approach does not work in pumped catchments. In the Fens there is no local model that has been used within NaFRA2.

Consequently, ADA suggests that a separate system for funding and prioritisation should be considered for building greater climate resilience for the water level management assets and systems of our extensive lowland landscapes that integrates an inclusive funding mechanism for drought mitigation and flood risk management within the landscape, as provided by the network of IDB and EA assets that is being investigated through Fens 2100+.

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):

- 1. Supporting economic growth and the wider economy*
- 2. Local choice*
- 3. Specific types of communities, e.g. rural or coastal communities*
- 4. Deprived areas*
- 5. Specific types of flood resilience intervention, such as natural flood management*

Question 26. Please explain your rankings in Question 25.

Should primarily be outcomes driven rather than outputs (i.e. specific types of interventions).

In ADA's view we should avoid outcomes that prioritise one type of intervention over another. There needs to be an objective appraisal that identifies the right intervention(s) for the right place.

ADA does recognise that there are specific challenges associated with flood risk and water management in rural and coastal areas. Deprived communities have lower benefits so weighting these makes a more level playing field for prioritisation and there is less subjectivity involved, but the same could be said for agricultural benefit, which is currently devalued in the appraisal system. ADA therefore has considered deprived communities as a 'specific type of community'.

If we are to apply greater Local Choice, a clear framework and suitably objective governance for decision making will be needed, with decision-makers empowered and accountable for their choices. RFCCs, their governance, and how they are supported and require reform and strengthening.

Any prioritisation towards supporting economic growth and the wider economy must 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, and other measures such as water storage, that enable and/or supports critical infrastructure needed for economic growth and the wider climate resilience of our landscape.

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

Yes. The following outcomes need to be better assessed and valued within scheme appraisal and prioritisation:

1. **retaining water safely.** *where water level management infrastructure enables the retention and management of water resources within the landscape alongside the flood risk management function they provide,*
2. **multiple sources of flooding** | *consideration of where there are overlapping sources/types of flooding being mitigated by a scheme,*
3. **linear infrastructure** | *The current methodology does not properly weigh the value of reducing flood risk to linear infrastructure such as roads, rail, gas and electricity. Yet it is often the cost and impact from failures to these linear systems that is highlighted during flood events in terms of human and economic costs, and have much wider impacts to communities far beyond the directly flooded area.*
4. **carbon reduction,** *where water retention reduces carbon emissions and soil loss, particularly from our lowland peat soils,*
5. **energy efficiency,** *where refurbishment, replacement, and asset rationalisation can reduce the energy demand for FCERM assets, particularly relevant to pumped catchments, thus reducing carbon emissions.*
6. **agricultural land and property.** *Funding for schemes in rural areas is an on-going concern for ADA. The current methodology and guidance for valuing the benefit associated with a flood defence scheme undervalues the long term benefit to society provided by farmland in terms of the food production and environmental services it provides to the UK economy. The current methodology applies discounted market values, related to government subsidy at an average per hectare amount. This was as a consequence of single farm payments under the European Common Agricultural Policy being paid to land managers largely on the basis of land area. The changes to agricultural subsidy brought about by the United Kingdom's departure from the European Union are now transitioning these payments to land managers to be focused on the delivery of public benefit and ecosystem services. ADA would strongly support the updating of the Flood & Coastal Defence Appraisal Guidance Economic Appraisal Supplementary Note to Operating Authorities: Valuation of Agricultural Land and Output for Appraisal Purposes in recognition of the transition of agricultural subsidy for land managers towards payments for public goods and ecosystem services rather than hectareage. ADA considers that the methodology should take account of the true value per hectare of agricultural land taking account of its regional productive capability; and the output per hectare to the food processing and manufacturing sectors as well as its amenity and conservation value to society. A revised assessment methodology for valuing productive agricultural land was recently trialled by partners involved in the Environment Agency's Future Fens – Flood Risk Management, as part of the programme's Baseline Report (2020). ADA would support this revised assessment methodology being utilised within an updated Supplementary Note.*

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

None raised.

Part 5: 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?

- ~~Very Confident~~
- ~~Confident~~
- ~~Neutral~~
- **Not confident**
- ~~Not confident at all~~
- ~~Don't know~~

Question 30. Please explain your answer to Question 29.

Whilst using contractual commitment as the key milestone for transitional arrangements is particularly relevant and easy to govern for Environment Agency led projects, different transitional arrangements are needed for other Risk Management Authorities for schemes that are between outline business case (OBC) approval and contractual commitment.

ADA would recommend a longer transition period for larger FCERM schemes currently in development. For example, the replacement of Hobhole Pumping Station is being led by Witham Fourth District IDB. Planning for this asset began in 2023 when the benefits for the catchment became available following previous refurbishment, £6.6 million of funding has been obtained to develop the design and the outline business case. This is approximately 50% complete and the OBC will be completed by Autumn 2026 and is being prepared in line with the existing funding rules. There is £2.1 billion of benefits relying on this important asset which is at the end of its working life. The risk is that this project gets an approved OBC and the new rules kick in before the IDB can get into contract and this will then necessitate a revised OBC to account for the new rules, at great cost and waste of existing effort – which is significant. Therefore, ADA suggests that for larger schemes (e.g. >£25 million), have a longer transition period, or are accepted under the existing rules once the OBC has been accepted.

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

None raised.

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

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?

- ☒ Strongly agree
- ☒ Somewhat agree
- ☒ Neutral
- ☒ Somewhat disagree
- ☒ Strongly disagree
- ☒ Don't know

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

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?

- ☒ Strongly agree
- ☒ Somewhat agree
- ☒ Neutral
- ☒ Somewhat disagree
- ☒ Strongly disagree
- ☒ Don't know

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

Many of these alternative sources have been explored for funding in the past to little or no effect, and in some cases, such as insurance and water and sewerage companies, would still result in increasing insurance/water bill costs for residents across the country, thus having a very similar effect as increased taxation.

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

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 managed by other RMAs. However, water companies make no routine financial contribution in this regard.

Accessing private investment and unlocking alternative sources of funding for flood risk management would be valuable, but that requires RMAs having the requisite resources, skills, evidence, expertise and training to make the case for wider investment from businesses and development. This is a significant gap for RMAs at the moment.

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.

Part 7: 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?

RFCCs provide a means for local representation in funding decisions around flood risk management on a catchment basis, although there may be an argument that some of these regions are too large and disparate to enable effective and objective decision-making.

ADA would support further empowering RFCCs to make greater local choices based on regional priorities within catchments. We would support additional advice, training and support for RFCCs that could enable them to make local choices within a much clearer framework, that looks at each areas strategic needs and provides suitably objective governance for decision making, with decision-makers empowered and directly accountable.

ADA would welcome Defra exploring the following reforms to RFCCs:

- *Governance and secretariat of RFCCs being separated from Environment Agency operational accountabilities.*
- *Creating clear guidance and training for RFCC members,*
- *Statutory guidance for the appointment of members to RFCCs.*
- *Clarifying that their primary role should be in setting strategic regional priorities for investment in flood risk management rather than rubberstamping EA officers' prioritisations.*
- *Independent appointment panels for those RFCC members currently appointed by the Environment Agency.*
- *Improved governance, for example management of member interest especially within heightened prioritisation decision making.*
- *Direct inclusion of mayoral authorities as RFCC members, where they invest in regional flood risk management.*

Whilst IDBs annually contribute to RFCCs through precept funding, there is currently no formal mechanism for them to be represented on these committees. As such consideration should be given to the criteria for EA appointed members on the committee where there are a larger number of IDBs within an RFCC area, e.g. the RFCCs for Wessex, Anglian (Northern, Great Ouse, and Eastern), Trent, South East, and Yorkshire.

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?

For combined authorities to take a greater role they require clear roles and responsibilities for flood risk management, ADA would support including regional mayors within the structure of RFCCs and ensuring that investment is targeted through regional priorities.

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?

Need to ensure that solutions are looked at a catchment scale rather than to local authority boundaries. Our preference would be to further empower LLFAs, RFCCs, and IDBs to make and deliver local choices, but mayoral authorities investing to support local economic growth.

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?

It is disappointing that the consultation document does not acknowledge the critical role of the Internal Drainage Board sector within Part 7. Today there is a need to further evolve the role of IDBs to ensure that they continue to enable local lowland communities to come together democratically to understand and direct the future management of water levels that they need to sustain the homes, businesses and environment of their local aquatic landscapes.

ADA strongly supports legislative change to further underpin IDBs' governance role within lowland water level management, including a change of their collective name from internal drainage boards, to water management boards, or water level boards. We would also welcome support from government to encourage and enable IDBs to grow in scale by coming together where they have common cause with their neighbouring or nearby boards within our river basins, and also enable the creation of new or expanded internal drainage boards where locally supported. We think that this would also enable greater subsidiarity within the flood and water level management of lowland landscapes, a move in keeping with the direction of the government's recently published English Devolution White Paper (2024).

To this end ADA has been working closely with Defra on The English Drainage Boards (Alternative Valuation Calculation) Regulations 2024. IDBs use a land valuation calculation to apportion their expenses between landowners and local authorities. This is based on historic ratings data which is missing or incomplete and is preventing new IDBs from being created and existing IDBs from expanding their boundaries. To address this, the government has made a technical change to the Land Drainage Act 1991, via the Environment Act 2021, setting out a new valuation calculation which enables the use of more up-to-date data from the Valuation Office Agency. This approach will apply to drainage rates and special levies, to ensure consistency in the

apportionment of expenses. ADA strongly supports the enabling of these regulations at the earliest opportunity.

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?

No comment.

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?

No comment.

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 raised.

Part 8: Consultee feedback on the online survey

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

- ◆ ~~Very satisfied~~
- ◆ ~~Satisfied~~
- **Neither satisfied nor dissatisfied**
- ◆ ~~Dissatisfied~~
- ◆ ~~Very dissatisfied~~
- ◆ ~~Don't know~~

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