

If you are unsure about anything within these notes, then please contact Flood Risk Management (FRM) team using the details at the end of this document.

Funding to deliver Flood mitigation schemes will always be challenging, no matter what the economic climate at the time. However, the Lead Local Flood Authority (LLFA) will always strive to work with all partners, to try and achieve a common goal, which is to reduce the risk of flooding to properties and business. Below explains what funding, Derbyshire County Council has access to, and how this may be obtained.

Regional Flood and Coastal Committees

Regional Flood and Coastal Committees (RFCCs) are committees established and managed by the Environment Agency under the Flood and Water Management Act (FWMA). The committees are made up of elected members (appointed by LLFAs) and independent members with relevant flood risk management experience. The committees meet four times a year for three key purposes:

- To ensure there are coherent plans for identifying, communicating, and managing flood (and coastal erosion) risks across catchments (and shorelines);
- To promote efficient, targeted and risk-based investment in flood and coastal erosion risk management that optimises value for money and benefits for local communities; and
- To provide a link between the Environment Agency, LLFAs, other Risk Management Authorities (RMA) and relevant bodies to promote a mutual understanding of flood and coastal erosion risks in its area.

Only elected members and selected RFCC members from the Environment Agency can vote on RFCC matters. Derbyshire's representatives look to ensure that Derbyshire's priorities are put forward to the RFCC.

Derbyshire falls within three RFCC committee regions, and is represented by an elected member who represents Derbyshire's interests:

| RFCC | Area of Derbyshire represented | Representation |
|------------------|--|----------------|
| Midlands (Trent) | The majority of Derbyshire falls within this committee region. | Full seat |
| Yorkshire | The northeast parts of Derbyshire fall within this committee region. | Full seat |
| North-west | Only very small parts of the north-west of Derbyshire fall within this committee area. | Observer |

National funding for flood risk management

Flood and Coastal Erosion Risk Management Grant in Aid Funding (FCERM GiA)

The main source of funding available for flood risk management schemes is FCERM GiA, a national funding source made available by the government. This money can be bid for by the Environment Agency, Local Authorities, and Internal Drainage Boards to deliver flood risk management projects. In some instances, Highways Authorities and water companies can also bid for this money in collaboration with another RMA. Local communities and/or flood action groups can work with any of these organisations to develop a scheme and put in an application for funding on their behalf.

FCERM GiA can be bid for a variety of projects ranging from large, engineered schemes to individual property level protection, reducing flood risk from surface water, groundwater and rivers and streams. However, the schemes must demonstrate that the investment would be cost beneficial, buildable, and not detrimental to the environment.

Local Levy Funding

Local Levy is generated through Local Authorities who are levied by the Environment Agency under the Environment Agency (Levies) (England and Wales) Regulations (2011). The amount of money 'levied' by each authority is dependent on the number of Council Tax Band D equivalent households and above within the authority's area. The use of Local Levy is agreed by the RFCCs.

Local Levy funding can be either used support locally important schemes that require additional financial support to make them viable on the national scale or can also be used to fully fund small scale relatively inexpensive locally important flood risk management projects or investigations/studies.

The amount of levied money is agreed annually at the RFCC meetings, and the committee members who are representatives from Local Authorities can vote to increase the percentage amount of money levied each year. For a

range of other available funding sources please refer to the table at the end of this guidance note.

National funding allocation process

FCERM GiA funding is allocated through what's known as "Partnership funding". The aim of this process is to share the costs between national and local sources of funding. This approach allows any worthwhile project (where benefits are greater than costs) to qualify for government money (GiA).

The success of this approach depends on:-

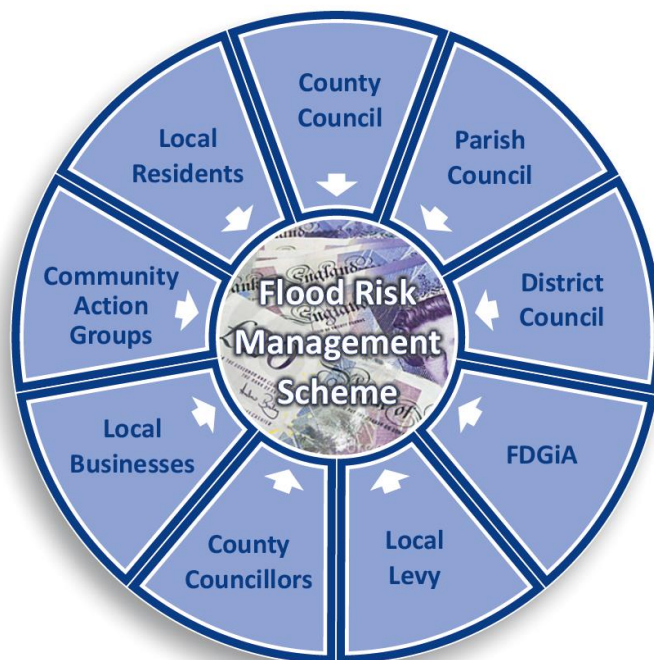
- creating strong partnerships
- clearly defining roles for responsible organisations and their partners
- securing and managing contributions to help reduce flood and coastal erosion risks and achieve more benefits for the economy, local people, and the environment

The amount of the project funding available from FCERM GiA is dependent on three factors:

- The value of benefits for householders as a result of the project, expressed as the number of homes which are moved from one level of flood risk to a lower level of flood risk;
- The value of other benefits of the project such as benefits to business, social benefits, agricultural productivity, and protection for critical infrastructure; and
- The environmental benefits of the project (such as providing environmental enhancements as part of the overall scheme).

Specific information is required regarding the three factors (discussed earlier) so that its benefits can be compared, in a consistent and transparent manner, with other projects.

The likelihood of securing FCERM GiA or even Local Levy funding can significantly increase when other sources of funding are secured, even if the contributions are small in some cases.



Some of the funding sources that support a flood risk management scheme

Additional funding contributions increase the PF (partnership funding) score for the scheme. Therefore, the higher the PF score and the more partnership funding a scheme can attract to support a bid, the better the chance of the scheme attracting FCERM GiA funding.

National expenditure programme

In the 2020 budget, government doubled its investment in flood and coastal erosion scheme construction in England. They committed a record £5.2 billion between 1 April 2021 and 31 March 2027.

This 6-year flood and coastal erosion risk management investment programme runs from 1 April 2021 to 31 March 2027.

The LLFA to date has secured funding for a number of schemes across this six-year period. The six-year capital programme is reviewed on an annual basis and retains some flexibility which allows new schemes to be integrated into the on-going programme of works. For more information, please contact the FRM team.

Funding for Catchment Management Schemes

As well as funding for flood risk management, Central Government allocates money to support other initiatives that improve and/or enhance the environment. A range of funding is available to support work within each river catchment across the Country. The LLFA is working with all relevant organisations/bodies looking to maximise the benefits of this funding through flood risk management schemes.

Funding for Countryside Schemes

The **Countryside Stewardship** scheme which is a government scheme to provide incentives for land managers to adapt to more effective environmental practices will eventually be phased out and replaced by the Environmental Land Management Scheme (ELMS) from 2024 onwards.

The ELMS scheme will incentivise and reward farmers and land managers for delivering in the following key areas:-

- clean and plentiful water
- clean air
- thriving plants and wildlife
- protection from environmental hazards
- reduction of and adaptation to climate change
- beauty, heritage, and engagement with the environment

Further information on this scheme can be obtained at <https://www.gov.uk/government/publications/environmental-land-management-schemes-overview/environmental-land-management-scheme-overview>

Funding for Local Projects

Derbyshire County Council's Partnership Funding

In recent years the County Council has made available a small amount of partnership funding to help community level initiatives across the County. This funding remains under constant review due to the ever constant demands on corporate finances. This limited funding must be strategically prioritised in an attempt to ensure that we are helping to protect to most at risk communities within the County. For further information about prioritisation please refer to the **Prioritisation Guidance Notes**.

Community Fundraising Activities

In order to raise funds at a local level, a community may look to hold a community fundraising activity, particularly when looking to fund something that could benefit the wider community. For further information and guidance, you may wish to speak with your local District/Town Council or speak to a member of the FRM team.

Frequently asked questions

Can a member of the public bid for FCERM GiA?

The FRM team at the County Council or another RMA can bid for money for a scheme on behalf of a member of the public or local community flood action group. Prior to submitting any bids, the FRM team would assess whether a scheme would be viable for the funding taking into account the benefits of a scheme such as the number of homes protected and other financial, social, and environmental benefits. To enquire about the possibility of bidding for money please contact the FRM team on the details at the end of the guidance.

Can a bid for FCERM GiA be made to obtain money to protect one house?

It is very unlikely that a scheme will be cost proportionate to obtain funding from the FCERM GiA process for one property.

There are other ways of helping to reduce the flood risk to an individual property which are explained within the County Council's local strategy. In some instances where a small number of properties are at a significant risk the FRM team may seek to obtain funding from the RFCC's for just Local Levy. However, this would be assessed on a case-by-case basis.

How can I provide funding to support a scheme for FCERM GiA?

If it is identified that a scheme may be viable to receive funding from the FCERM GiA and Local Levy process then as many partnership contribution sources will be required, in order to boost the chances of that scheme receiving nationally allocated funds. Once a scheme has been allocated funding, all partnership funding sources will be sought. The County Council FRM team will provide more support and guidance once the funding is required to be collated and injected into the scheme.

Contained in a table at the end of these guidance notes is an overview of the various other funding sources available for supporting flood mitigation projects.

Derbyshire County Council
Flood Risk Management Team
Economy, Transport and Communities
County Hall, Matlock, Derbyshire, DE4 3AG
Call Derbyshire: (01629) 533190
Email: flood.team@derbyshire.gov.uk

The following table illustrates some other sources of funding that may be available to support flood risk management.

| Type of Funding | | Description |
|------------------|---|---|
| National Funding | Defra grants | DCLG Local Services Grant is non-ring-fenced grant and requires the Lead Local Flood Authority (LLFA) to make a strong internal business case to secure this money to deliver their statutory obligations. |
| | Other funding incentives | Government continues to provide national pots of funding available, which could be used to deliver a Flood mitigation scheme. Eg; Levelling up Funding. |
| European Funding | | |
| | Local Enterprise Funding (LEP) | The LEP for Derbyshire is known as D2N2 (funding for Derby, Derbyshire, Nottingham, and Nottinghamshire). This funding is available to support and encourage economic growth in the D2N2 region. |
| Local Funding | S106 agreements | Section 106 of the Town and Country Planning Act (1990) allows a local planning authority to enter an agreement with a developer to support the provision of services and infrastructure. S106 agreements can be used to ensure that money is available to manage flood risk. |
| | Elected members | Elected members may have small amounts of money available. Money therefore may be available to enable elected members to support local community-based schemes/initiatives. |
| | District/ Borough Councils | District/Borough authorities sometimes have available funds to support schemes as part of their Land Drainage Authority functions. |
| | Parish/Town Councils | Parish/Town Councils sometimes have a small amount of money available to support local schemes/initiatives. |
| | Community Infrastructure Levy (CIL) | CIL allows district/borough councils to raise funds from new development in their area in order to pay for the impact it has on local infrastructure. |
| Other | Private beneficiary (Local & national businesses) | National or local businesses may be able to release some money to support projects where they stand to benefit from the proposed scheme. |

| | | |
|--|---|---|
| | Water Companies | Water companies are able to raise funds through prices they charge for their customers; however, these prices are heavily regulated by OFWAT. Water companies invest money in schemes to remove properties from flood risk register (a register of properties internally affected by sewer flooding). Where there are multiple sources for a flood event the water company may work in partnership with other RMAs. |
| | Local communities/ community action groups/trusts/Non- Government Organisations | Local community group or members of the local community may wish to support a project where they stand to benefit from the proposed scheme. Any support can raise the partnership funding score of a scheme submitted to the FCERM GiA process. The money likely to be available will vary depending on the deprivation of a community. |
| | Asset backed securities | Finances raised on the back of assets created or enhance through flood risk management projects that deliver a range of benefits. |