creating a better place
for people and wildlife

Environment Agency

Neil Parish MP
Chair
Environment, Food and Rural Affairs Committee
House of Commons
London
SW1A 0AA

Our ref: JB/EHB/7681

Date: 03 August 2020

Dear Neil,

Thank you for inviting us to give evidence to the Environment, Food and Rural Affairs Committee inquiry into flooding. We said we would write to you with some additional information.

£5.2 billion investment in flood and coastal erosion risk management, 2021-27

Between 2015 and 2021 we're spending £2.6 billion to better protect 300,000 homes, and between 2021 and 2027 we'll spend £5.2 billion to better protect 336,000 properties. You asked why a 100% increase in funding appears to deliver only a 12% increase in properties protected.

First: when construction cost inflation is taken into account, the new investment of £5.2 billion is a 50% increase in funding in real terms.

Second: a reduction in the benefit cost ratio over time demonstrates that our approach is working. Flood and coastal erosion risk management (FCERM) investment takes place where the risk is highest, wherever it is in the country, which means we focus on the most beneficial interventions first. The current programme has therefore already targeted those communities most at risk, helping deliver a number of schemes which better protect very large numbers of properties. For example, the Ipswich tidal defence barrier better protects about 2,000 homes and businesses, as does the Salford flood alleviation scheme, while the Exeter flood defence project better protects more than 3,000. Since 2015 we have already completed over 700 new FCERM projects across the country, and the next 6 year programme will help deliver 2,000 more. However, many of these will inevitably be smaller and more complicated schemes which, whilst still very worthwhile investments, have fewer benefits.

This all means we will have to work harder and invest more to better protect those communities which are still at significant risk of flooding, and this impacts the overall outcomes and costs of the next 6 year programme. The new partnership funding policy announced by the Government in April 2020 will help by enabling schemes to attract more government funding for environmental and social benefits. The next programme will have an increased focus on businesses, infrastructure and other

Chief Executive and Chair Offices, Environment Agency
Seacole Block, 2 Marsham Street, London, SW1P 4DF

http://www.gov.uk/environment-agency

wider benefits. It will also support the continual improvement of our flood warning service and our ability to respond to flood incidents.

The next 6 year programme is still in development so we are not yet able to quantify all of these benefits in detail, but in total we expect it will avoid over £30 billion of wider economic damages to the nation from flooding and coastal change. It will have a benefit cost ratio of over 5 to 1, compared to our current 6 year programme which is 8 to 1. Whilst this is a reduction it is still a very good return on investment and compares favourably with other major infrastructure programmes.

What isn't changing: we will continue to use a consistent set of criteria based on the Government's partnership funding policy to prioritise funding for schemes which will benefit the most people and property, wherever they are in the country. This includes schemes developed and promoted by local authorities and internal drainage boards. The Regional Flood and Coastal Committees will continue to play a key role making local choices and agreeing the final programmes in their areas. Despite the record new level of government investment, significant partnership funding contributions from local authorities and private sources will be needed to deliver the programme outcomes.

National Flood and Coastal Erosion Risk Management Strategy for England

We also wanted to take this opportunity to share some additional information about the Environment Agency's new National FCERM Strategy for England. The Strategy is published here:

https://www.gov.uk/government/publications/national-flood-and-coastal-erosion-risk-management-strategy-for-england--2

Further supporting materials on the Strategy can be found here:

https://consult.environment-agency.gov.uk/fcrm/fcerm-national-strategy-info/

The Strategy will lie before Parliament for 40 days, following which it will be formally adopted. From the point of adoption all risk management authorities must exercise their FCERM activities, including plans and strategies, consistently with the National Strategy. When the Strategy is adopted we will also publish a consultation response document that details how we have taken account of the responses received during the consultation on the draft Strategy last year.

Very best wishes,

Emma Howard Boyd J.D. Bevan

Emma Howard Boyd
Chair

James Bevan
Chief Executive

Chief Executive and Chair Offices, Environment Agency
Seacole Block, 2 Marsham Street, London, SW1P 4DF
http://www.gov.uk/environment-agency