

## Appendix D Potential funding sources

This appendix sets out the potential sources of funding available for flood risk management works in North Somerset.

A matrix of funding sources and benefits is presented in Figure D-1 at the end of this section. It is designed to help with the initial identification of those funding sources most likely to be suitable based on the anticipated outcomes and outputs of a measure. The top section focuses on the primary benefit of flood risk management measures (i.e. to reduce the risk of flooding to various types of receptor), whilst the bottom section focuses on opportunities to create, promote or enhance 'other' benefits. To use the matrix select the receptor(s) that will benefit from a reduction in flood risk as a result of the measure under consideration and read along the row to identify the funding sources with the highest potential. Next, read down the funding source column to identify other outputs and outcomes which could increase the likelihood of accessing this funding source. For example, it is unlikely that European Union funding could be secured for a flood risk scheme in isolation. However if there was a flood risk scheme which was fully integrated with urban regeneration and community education, for example, these additional benefits could be brought to the fore to maximise the likelihood of securing European Union funding.

The matrix in Figure D-1 is intended as an initial guide to help direct fundraising efforts. If project or area specific knowledge suggests a funding source may have greater or lesser potential than is suggested by this matrix then such evidence should take precedence.

### D.1 Dedicated flood risk management funding sources

These should make up the majority of the funding mix for delivering the LFRMS measures, supported by other alternative sources of funding identified as being potentially suitable based on the type of measure, anticipated outputs/outcomes, and the size of the funding gap (i.e. the element of a project's cost which cannot be funded through one or more of these dedicated sources).

In relation to flood risk management, capital funding from Government is provided through **Flood and Coastal Erosion Risk Management Grant-in-Aid (FCRM GiA)**<sup>1</sup>. This is provided by Defra and administered and managed by the Environment Agency, although funding approvals are also subject to the consent of the relevant Regional Flood and Coastal Committee<sup>2</sup> (RFCC) and overall availability of funding from all potential sources. FCRM GiA is available to projects relating to all sources of flooding, and has historically been the most important source of funding for flood risk management and coastal erosion schemes. Defined 'Outcome Measures' are used to determine which applications will receive funding, and how much.

To receive an element of FCRM GiA projects will need to meet strict criteria and, as a minimum in every case, demonstrate that in present value terms the expected whole-

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<sup>1</sup> This is formerly known as Flood Defence Grant in Aid (FDGiA)

<sup>2</sup> North Somerset is within the Wessex RFCC area

life benefits exceed the whole-life costs of the scheme. There are four categories under which projects can attract FCRM GiA. These are:

- All benefits arising as a result of the investment, less those valued under the other outcome measures (Outcome Measure 1)
- Households moved from one category of flood risk to a lower category (Outcome Measure 2)
- Households better protected against coastal erosion (Outcome Measure 3)
- Statutory environmental obligations met through flood and coastal erosion risk management (Outcome Measure 4)

The maximum amount of funding available for each project will be based on the value of qualifying benefits under Outcome Measures 1, 2 and 3, plus the number of environmental outcomes achieved under Outcome Measure 4, each multiplied by the relevant payment rate. The total is then divided by the whole life costs of the project and expressed as a percentage score; the 'Raw OM Score'. Contributions from other sources<sup>3</sup> can be added into the Partnership Funding Calculator<sup>4</sup> to allow the raw score to be translated into a Partnership Funding score representing the percentage of project costs that has been secured (and therefore the size of any funding gap), with all projects requiring a score of at least 100% to qualify for any FCRM GiA. Each year, the initial priority of projects for national funding is ranked according to their Partnership Funding scores<sup>5</sup>, to produce an affordable national programme. The minimum score needed to qualify for FCRM GiA is not fixed because of annual differences in the number and cost of schemes and in the total budget available. In recent years the amount of national funding available has been significantly lower than the amount needed to fund all the schemes scoring 100% or more. Given the current economic circumstances and the number of cost beneficial schemes in the pipeline, the threshold score is expected to remain above 100% for the foreseeable future.

To secure FCRM GiA, projects will need to develop a strong partnership base and investigate all possible benefits to help leverage contributions from alternative sources, looking beyond any capital construction to outcomes that touch on access, health, education, environment and ways of tackling the various forms of deprivation that exist.

Detailed explanatory notes and a spreadsheet calculator tool are available to guide practitioners through the FCRM GiA application process. Up to date information, including a full table of the outcome measures (OMs) and benefits under each that will qualify for national funding is available at: <http://www.environment-agency.gov.uk/research/planning/33700.aspx>

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<sup>3</sup> Further information on alternative funding sources for flood risk management is available in the following publications: Securing alternative sources of funding for flood and coastal erosion risk management (Local Government Association, February 2011), and: [Partnership funding and collaborative delivery of local flood risk management: a practical resource for LLFAs \(Defra, March 2012\)](#)

<sup>4</sup> Available from the Environment Agency's website

<sup>5</sup> The determination of priority projects also takes into account statutory obligations, health and safety issues and time limited contributions

**Local Levy** is raised by the RFCC by way of a levy (precept) on County and Metropolitan Councils, Unitary Authorities and London Boroughs. Funds raised using this existing RFCC local levy will count as a local contribution in terms of the FCRM GiA process, even though the levy is supported by funding through the Department of Communities and Local Government. Local Levy funding can be used to support flood risk management projects that do not attract 100% national funding through Flood Defence Grant in Aid (FCRM GiA), thus enabling locally important projects to be undertaken to reduce the risk of flooding within the RFCC area. Not all locally strategic areas are viewed as regionally strategic. Aligning the outcomes of local schemes to help meet regional priorities wherever possible will increase the likelihood of accessing Local Levy. Sometimes it can take persistence and lateral thinking to make the case for regional prioritisation. Engaging proactively with the RFCC and gaining the support of local RFCC representative will be key to success.

## D.2 Lead Local Flood Authority (LLFA) grant for new responsibilities

In December 2010 Defra announced £21million worth of grants to provide additional funding specifically to support to councils with LLFA status (in addition to existing Formula Grant arrangements) to perform new roles and duties under the Flood and Water Management Act and Flood Risk Regulations. Once allocated, these funds are not ring-fenced so in order to access them it is important to raise awareness of flood risk and keep it near the top of the local political agenda. North Somerset has been allocated £265,400 per year for 2011/12 – 2015/16. There is no certainty of funding from Central Government beyond 2015/16.

## D.3 Local Authority Capital & Revenue Funding

In addition to the Defra grant available until 2015/16, local authorities have additional capital and revenue budgets which could be used to supplement investment in flood risk management. This is particularly relevant where measures or schemes, such as SUDS, can be identified which create multiple benefits across a number of NSC's duties such as highways and public open space. However, it must be stated that in the current economic times there are budgetary constraints across NSC, which will limit the availability of additional capital and revenue funding which can be allocated towards flood risk management.

An overview of the potential additional capital and revenue sources available within NSC are outlined below.

- **Council tax** - subject to limits on overall budgets and the need for investment on other priorities, NSC may choose to invest in local flood alleviation schemes out of income generated from existing council tax fees.
- **Formula Grant** - Council tax makes up on average only around 25% of a local authority's annual income. Their main income comes from central government (DCLG) in the form of Formula Grant. Formula Grant is a blanket term for the main sources of general Government funding for English local authorities. Within NSC a portion of the Formula Grant is allocated to flood risk management.
- **Well-being power** – under Section 2 of the Local Government Act local authorities can use their well-being power to support partnership activity, including local flood risk management, with commercial, private, and third

sector partners as well as other public organisations. Flood risk management measures have significant potential to meet many of the criteria needed to justify providing funds under well-being powers, which focus on promoting the economic, social and environmental well-being of an area. Examples could be providing new (or regenerating existing) water-based leisure facilities or improving access to open spaces for residents of a deprived area as part of a wider flood risk scheme.

- **Business rate supplement** – NSC has the power to levy a local Business Rate Supplement and to retain the proceeds for investment in that area. Proceeds must be spent on projects which contribute to the economic development of the local area. In areas where particular businesses are at risk of flooding there may be a willingness to collect additional revenue to undertake flood risk management works. The levy would need to be balanced to ensure businesses remain viable, and close working with the business community is essential.
- **Business Improvement Districts** – this is a defined area within which businesses pay an additional tax or fee in order to fund improvements within the district's boundaries. Flood risk management schemes could potentially access funding from this source if they could be demonstrated to provide specific benefits to businesses within the area.

Finally, there is limited potential for local authorities to access a range of loan and finance arrangements which could be used for flood defence measures. In the UK these are not currently widely implemented.

#### **D.4 Funding sources relating to development and regeneration**

**Section 106 agreements** can be used to support the provision of services and infrastructure, including flood risk management measures. The agreements provide a means to ensure that a proposed development contributes to the creation of a sustainable environment, particularly by securing contributions towards the provision of infrastructure and facilities. Site viability is key to a developer's willingness to contribute to this type of agreement. The earlier any LFRM costs associated with a site are identified the better, therefore, since developers can then factor these costs into the price of the land and make better informed decisions as to the overall viability of the site.

**Community Infrastructure Levy (CIL)** is a new 'tariff' style charge which local authorities in England and Wales are empowered, but not required, to charge on all new houses (and other buildings / extensions to buildings of more than 100m<sup>2</sup>), to be spent on local and sub-regional infrastructure to support the development of the area. Key to obtaining funding towards flood risk schemes from this source will be proactive infrastructure planning through the Infrastructure Delivery Plan process. This provides a high level summary of anticipated major infrastructure funding requirements that the Council will be seeking to fund partially or fully through CIL, and schemes which are included in the IDP will be more likely to obtain CIL contributions. It is important to note that CIL will be in high demand across a wide range of infrastructure proposals and therefore it is anticipated that existing mainstream funding will continue to bear the main burden for infrastructure delivery.

The **New Homes Bonus** match funds the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable

homes. It is intended to remove the disincentive to development posed by increased strain on public services and reduced amenities by providing local authorities with the means to mitigate the strain the increased population causes. This income is not ring-fenced so its allocation within a local authority will depend upon local political priorities. To access this funding source flood risk management measures would need to demonstrate that they meet a number of local priorities, as demand is likely to be extremely high. North Somerset has been allocated a total of £3,008,907 for 2013/14.

## D.5 Regional Growth Fund

The Regional Growth Fund (RGF) is a £2.4bn fund operating across England from 2011 to 2015. It supports projects and programmes that lever private sector investment to create economic growth and sustainable employment. Private sector companies and public/private partnerships are eligible to bid. The minimum threshold for bids is £1m. Although in theory this funding source could be suitable for local flood risk management measures, the first 2 rounds of RGF bidding were massively oversubscribed and the high level of demand makes it unlikely to offer a realistic source of funding for most LFRM schemes.

## D.6 Private beneficiary funding

Defra's partnership funding approach emphasises the "beneficiary pays" philosophy for flood risk management. This typically relates to the **private individuals or companies** who stand to benefit the most from a proposed measure, such as a **major landowner** whose land or property would be better protected as a result. In addition, some organisations (or philanthropic individuals) may choose to contribute for other reasons.

**Corporate bodies** may be persuaded to contribute to flood risk management measures. There are a number of ways to approach corporate giving. The guiding rule though is that they do not give away as much money as the public believes; they are a successful business for a reason, and all approaches need to be made with this in mind. For every penny that they provide they need to see a clear commercial benefit be it in terms of marketing, promotion, training, or reduction in flood risk.

- Employee Volunteering: Brings in very little financial support but can provide good PR and will boost volunteer numbers.
- Sponsorship: Generally provides low level support, averaging around a few thousand. It is normally used to raise the profile of the company in the local community so needs to be high profile.
- Beneficiary Contributions: If the business case can be made then this can be the most time and cost effective way of securing financial support. There are currently limited case study examples of beneficiary contributions from companies or corporate bodies. However, one such example is the Sandwich tidal flood defence scheme, where a private company provided significant funding towards the scheme<sup>6</sup>.

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<sup>6</sup> More information is available at <http://www.environment-agency.gov.uk/news/146249.aspx>

## D.7 Private sector finance (PPP/PFI)

Public Private Partnerships are alliances between private companies and either public bodies, local authorities or central government, set up to deliver a public project or service and typically involve the joint ownership of a special purpose vehicle established under company law to deliver a particular project. Private Finance Initiatives (PFI) represent a more formal approach to Public Private Partnerships in which the public sector contracts to purchase services on a long-term basis so as to take advantage of private sector management skills (incentivised by having private finance at risk). The private sector partner takes on responsibility for providing a public service, including maintaining, enhancing or constructing the necessary infrastructure and the public sector specifies a level of service in return for an annual payment, called a unitary charge.

These arrangements have some key disadvantages, the most notable of which is the high initial cost of establishing the various alliances. In addition, private sector investors are likely to want to see a return in the short to medium term. Investment cycles may also vary for each organisation and business sector involved. The timing and management of investment returns needs to be carefully considered to ensure that the benefits outweigh the costs.

The 20 year Broadland Flood Alleviation Project, which is a £140m contract that began in 2001, is an excellent example of where a flood alleviation scheme is being successfully delivered using a Public Private Partnership funding approach. This scheme provides a range of flood defence improvement, maintenance and emergency response services in the Norfolk Broads<sup>7</sup>.

## D.8 Non-Government Organisations (NGOs) and charitable trusts

Many LFRM projects are on a fairly small, localised scale and may struggle to access, or attract funding from, sources outlined here. In these instances grants or donations from sources such as **Non-Government Organisations** (NGOs) or charities can provide an additional/alternative route for funding. NGOs are non-profit, voluntary citizens' groups organised on a local, national or international level. They tend to be task-oriented, driven by people with a common interest, and may be organized to provide analysis and expertise around specific issues. For example, local citizens with a common interest in protecting their town against flood risk could form an NGO, and/or potentially establish a trust fund, to undertake necessary works (such as implementation of SUDS measures to reduce surface water flooding, or ongoing maintenance of local flood defences, for example).

There are thousands of **grant making trusts**. They range from small family run outfits who give away a few hundred pounds to professional concerns making multi-million pound grants. For every concern or section of society that you can think of, there will be a trust set up to support it. Some trusts exist to support heritage, others wildlife, many are concerned with community level interventions to address poverty, education, access and so on.

Applicants usually need to be a registered charity. Application is usually by a simple application form or a two page project summary. Most trusts, but not all, favour outcome led projects so this needs to be borne in mind when packaging up projects.

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<sup>7</sup> More information at <http://www.bfap.org/>

Trusts are unlikely to fund a bridge for example but they may want to fund a programme of education that takes school children out of the class room and onto site to learn about flooding as part of a wider project looking at increasing the child's awareness of their impact on the environment.

Trusts tend to need a tailored, personal approach. Once made, these relationships can last for years and can be very fruitful but they can be quite labour intensive to start with, requiring some effort for an uncertain reward.

Broadly speaking it takes 6 months from application to decision; the decision will not necessarily be a straightforward yes or no, they may part fund or request certain amendments.

## **D.9 Community Fundraising and Events**

Community fundraising means raising money via the community through a series of volunteer run events, sponsorship, and via established local groups. It usually requires a specialist community fundraiser who can set up the mechanisms needed and provide support to the community champions leading the events. It is a time consuming way of raising small sums of money, but a great way to deliver community engagement and ownership which can in itself help a project to qualify for other sources of funding. The connection for participant and donor needs to be immediate, obvious and usually altruistic. In Cockermouth, Cumbria, the local community raised £215,000 towards the flood alleviation scheme, with contributions coming from local residents and businesses<sup>8</sup>.

## **D.10 Public Appeals**

Closely allied with community fundraising, public appeals tend to be cost heavy. A well-targeted warm appeal can command a rate of return of around 1 in 4 where one pound is spent to raise four, more typical is the 1 in 2 rate which reflects a more mixed target audience. The best public appeals tap into an established community need or awareness and can be run via the local media and the internet. A 'friends of scheme is often a good way to get this type of mechanism kick-started.

## **D.11 Lottery**

All the major lottery funding providers (Heritage Lottery Fund, Big Lottery, Arts Council) have clear guidelines and funding streams. Each of these operates on slightly different timescales and has various specific requirements. Grants from a few hundred to several million (depending on the type and scale of project) are awarded to sport, heritage and community activities and projects that make a positive contribution towards education, health and the environment in local communities. Flood risk management projects may be eligible if they can demonstrate that they do this, for example by improving social cohesion through volunteering to clean up local waterways. One example is Awards for All, which provides grants for projects that will help to improve the lives of individuals, boost creativity or encourage more people to get involved in local communities.

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<sup>8</sup> <http://www.cumbriacrack.com/2013/03/18/cockermouth-flood-alleviation-scheme-funded-by-a-partnership-approach/>

The lottery funding providers accept a range of applicants from registered charities to Local Authorities and informal partnerships. An online funding search is available (<http://www.lotteryfunding.org.uk/uk/funding-internet-search.htm>) to help applicants identify the types of lottery funding that may be suitable for a specific project.

Application timeframes vary considerably; the smaller applications can take three months from submission to award with larger ones taking up to three years. They usually require match funding of up to 25%. The application process is quite complex and specialist funding advice may be required.

## **D.12 European Union (EU)**

EU funding is a complex and specialist field. Some authorities have invested proactively in this area of fundraising and are experienced in obtaining funds through this route; for example Cornwall and the Isles of Scilly prepared a detailed evidence base to bid for Convergence status in 2005 and thereby gained access to funding through this European economic regeneration programme.

Funding from the EU generally needs to be for projects which are innovative. Applicants need to be in a partnership that includes at least four other projects spread across the EU and they need to demonstrate the transference of learning across the areas.

Grants tend to be in the region of a few million spread across all participants. The administrative burden on the main applicant can be considerable and needs to be considered when budgeting for EU fundraising.

## **D.13 Defra grants & pilots**

Defra occasionally makes funding available through one-off grants and pilot projects. Working together, risk management authorities within North Somerset should bear this in mind and be prepared to identify and apply for appropriate opportunities if and when they arise.

## **D.14 Landfill Tax**

If the project site is within a certain distance of a landfill site funding can be sought from a range of landfill operators. There are a range of criteria that govern these grants but they look at supporting:

- Remediation of polluted land
- Reduction, prevention or mitigation of effects of pollution
- Provision of a public park or amenity
- Conservation of a specific species or habitat
- Repair or maintenance of a place of worship or of historical significance

Each landfill operator then applies its own criteria. Applications are by a published form to set deadlines. Depending on the size of the landfill operator grants can range from a few thousand to 250 thousand pounds.

## **D.15 Volunteering**

Well run, high quality volunteering actually costs money, but by incorporating structured volunteering opportunities the project increases its community

engagement and develops a sense of ownership in both the problem and solution. Volunteering can be used to bring in funding by counting as match funding. By enhancing a volunteer project with structured training funding can be obtained from back to work schemes and government initiatives to tackle the growing number of people not in education, employment or training (NEETS).



		Funders																							
Benefits		Flood Defence Grant in Aid (FDGiA)	Local Levy funding	FCRM GiA	Council tax (including Levies and Precepts)	Local authority Formula Grant	New Homes Bonus	Business Rate Supplement	Business Improvement Districts	Wellbeing funding	Developer based contributions (S106)	Community Infrastructure Levy (CIL)	Public Works Loan Board (PWLB)	Tax Increment Funding	Asset backed financing	Regional Growth Fund	Private beneficiary funding	Private Sector Finance (PPP/PFI)	NGOs & charitable trusts	European Union funding	Defra one-off grants and pilot projects	Water Framework Directive (WFD) funding	Catchment restoration fund	Lottery funding (various)	Landfill Tax
Reduced risk of flooding	Existing private homes	Green	Green	Green	Green	Yellow	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Yellow	Red	Green	Red	Red	Yellow	Red
	Existing social housing	Green	Green	Green	Green	Yellow	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Green	Red	Red	Yellow	Red
	Existing businesses	Yellow	Yellow	Green	Green	Yellow	Yellow	Green	Green	Red	Red	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Red	Yellow	Red	Red	Red	Yellow	Red
	Highways infrastructure	Yellow	Yellow	Green	Green	Yellow	Green	Red	Red	Red	Red	Green	Yellow	Yellow	Yellow	Red	Yellow	Green	Red	Red	Red	Red	Red	Yellow	Red
	Railway infrastructure	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Green	Green	Red	Red	Red	Red	Red	Yellow	Red
	Water / wastewater infrastructure	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Green	Yellow	Red	Yellow	Red	Yellow	Red	Red	Red
	Gas utility infrastructure	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Green	Yellow	Red	Red	Red	Red	Red	Red	Red
	Electricity utility infrastructure	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Green	Yellow	Red	Red	Red	Red	Red	Red	Red
	Public infrastructure & assets (e.g. hospitals, schools)	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Yellow	Red	Green	Yellow	Yellow	Yellow	Red	Yellow	Green	Red	Red	Yellow	Red	Red	Yellow	Red
	Development land	Red	Red	Red	Red	Red	Green	Yellow	Yellow	Red	Green	Green	Red	Red	Red	Red	Green	Red	Red	Red	Red	Red	Red	Red	Red
Creates, promotes or enhances	Community education	Yellow	Yellow	Green	Yellow	Yellow	Red	Red	Green	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Green	Green	Red	Red	Red	Green	Yellow
	Urban regeneration	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Red	Red	Red	Yellow	Red
	Economic growth	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Yellow	Red	Green	Red	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Green	Red	Red	Red	Red	Red
	New development	Red	Red	Red	Red	Green	Yellow	Yellow	Red	Green	Green	Red	Red	Red	Red	Red	Green	Green	Red	Red	Red	Red	Red	Red	Red
	Water quality	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Yellow	Green	Green	Green	Green	Yellow	Green
	Biodiversity	Green	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Green	Green	Red	Red	Yellow	Yellow	Yellow
	Public amenity	Yellow	Yellow	Green	Green	Green	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Green	Green	Red	Red	Red	Green	Green
	Cultural heritage	Yellow	Yellow	Yellow	Green	Green	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Green	Green	Yellow	Red	Red	Green	Green
	Mental health	Yellow	Yellow	Yellow	Green	Green	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Green	Green	Yellow	Red	Red	Green	Yellow
	Physical health	Yellow	Yellow	Yellow	Green	Green	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Green	Green	Yellow	Red	Red	Green	Yellow
	Community cohesion	Yellow	Yellow	Yellow	Green	Green	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Green	Green	Yellow	Red	Red	Green	Yellow
	Community resilience <sup>(1)</sup>	Green	Green	Green	Green	Yellow	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Green	Green	Green	Red	Red	Yellow	Yellow

**Key**  
 Green Strong potential  
 Yellow Modest potential  
 Red Low potential

Note: This matrix is intended as an initial guide to help direct fundraising efforts. If project- or area- specific knowledge suggests a funding source may have greater or lesser potential than is suggested by this matrix then such evidence should take precedence.  
 (1) \*Refers to 'soft' measures which improve a community's ability to respond and recover effectively; for example community flood plans, flood wardens, etc. Structural resilience measures such as individual property protection are included in reduced flood risk to existing homes.

Figure D-1 Funding sources and potential