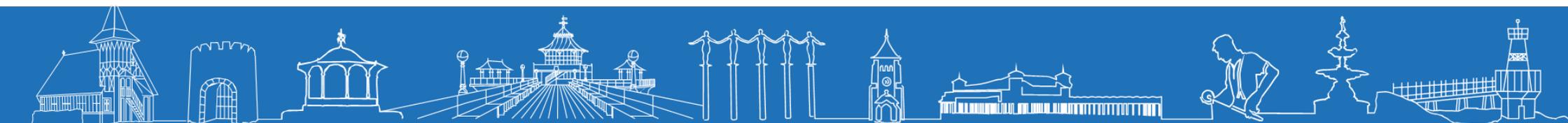


# Local Flood Risk Management Strategy for North Somerset

## Part C – A Guide to Flood Risk Funding



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## 1.0 Introduction



North Somerset Council, along with other risk management authorities in the country, has a limited budget and resources to deliver flood risk measures. So, it is essential to identify how and from where resources will be available to fund flood risk management activities.

Funding for flood risk management work is split into two different categories:

### Capital Works

- New flood defences
- Replacement of an asset
- Works to extend the life of an asset
- Works to improve an asset

### Revenue activities

- Maintenance and repair

This guide focuses on capital funding. Revenue funding typically comes from the organisations responsible for maintaining the asset. Refer to [Part B – A Guide to North Somerset Flood Risk Management Authorities](#).

As the Lead Local Flood Authority, North Somerset does not have a statutory responsibility for delivering capital schemes to improve resilience to flooding or maintenance work. Despite this, the North Somerset Council will work towards their ambitions to improve flood resilience for local communities and will progress schemes when they are viable and funding is available.

## 2.0 National capital funding

If a significant new flood defence is to be built, it will likely require capital funding from the government. This is known as grant-in-aid funding and is subject to the government's partnership funding policy. The Environment Agency manages this.

The amount of funding that can be applied for is calculated based on the cost of the scheme compared with the benefits of the scheme.

If a scheme were to protect properties from flooding, it would prevent property damage. The cost of that damage can be calculated. If the scheme's cost is less than the damage costs prevented, it will be eligible for funding.

For example:



**Cost of walls (scheme) to protect homes (£)**

must be less than

**Money saved by not flooding (benefits) (£)**

If a scheme protects 10 properties from flooding and saves **£300,000** in repair costs, this is known as the 'benefit' of the scheme



**£500,000 - cost of scheme more than benefits - not eligible for funding**

**£400,000 - cost of scheme more than benefits - not eligible for funding**

**£300,000 - benefits of scheme (how much is saved by not flooding)**

**£200,000 - cost of scheme less than benefits - eligible for funding**

**£100,000 - cost of scheme less than benefits - eligible for funding**

The funding that can be claimed is based on the difference between the costs and the benefits. A scheme where the benefits are five times the cost of the scheme will get more funding than a scheme where the benefits are only two times the cost of the scheme.

Benefits can also come from improving the natural environment, which would benefit wildlife.

The remainder of the funding must come from other local sources, such as those that will benefit from a scheme; this could be:

- local communities
- businesses
- developers
- local councils

This is known as partnership funding.

Due to budget constraints, most of the funding must be available from national sources and other partners for an extensive scheme to progress in North Somerset. It should also be noted that this funding mechanism does not provide staff time to manage projects, which is a considerable constraint in the delivery of schemes.

One of North Somerset Council's actions will be to look at what schemes will be possible to deliver with no constraints and identify the funding needed to progress them and the likelihood of the schemes progressing.

This work will establish areas where larger schemes may be built.

### 3.0 Local Levy Funding

North Somerset Council pays around £300,000 per year (22/23) to the Environment Agency for what is known as a Local Levy. This is available as a pot of funding that risk management authorities across the Wessex area can apply for. The local levy funds help to finance studies for large schemes or schemes which protect smaller communities that would not otherwise be eligible for total national funding.

Any project that gets local levy funding must still show that the scheme's cost does not exceed the scheme's benefits as with grant-in-aid funding.

The funding is managed by The Wessex Regional Flood and Coastal Committee. The Regional Flood and Coastal Committee (RFCC) is a committee established by the Environment Agency under the Flood and Water Management Act 2010 that brings together members appointed by Lead Local Flood Authorities (LLFAs) and independent members with relevant experience.

They also oversee investment by the Environment Agency locally to encourage efficient, targeted and risk-based investment in flood and coastal erosion risk management that represents value for money and benefits local communities.

## 4.0 North Somerset Council Funding

North Somerset Council's average yearly budget for flood risk work is:

- £50,000 revenue per year for general strategy work, including studies, telemetry, software, reservoir management and coastal erosion management.
- £500,000 revenue is spent on highway drainage maintenance, including gully emptying, jetting and

minor repairs. £800,000 is spent on highway drainage capital schemes.

For the 2022/2023 financial year, the following was also spent:

- £20,000 spent on natural flood management
- £20,000 spent on property level resilience
- £150,000 for reservoir maintenance and improvements
- £400,000 for coastal walls repair in Weston super Mare and Clevedon

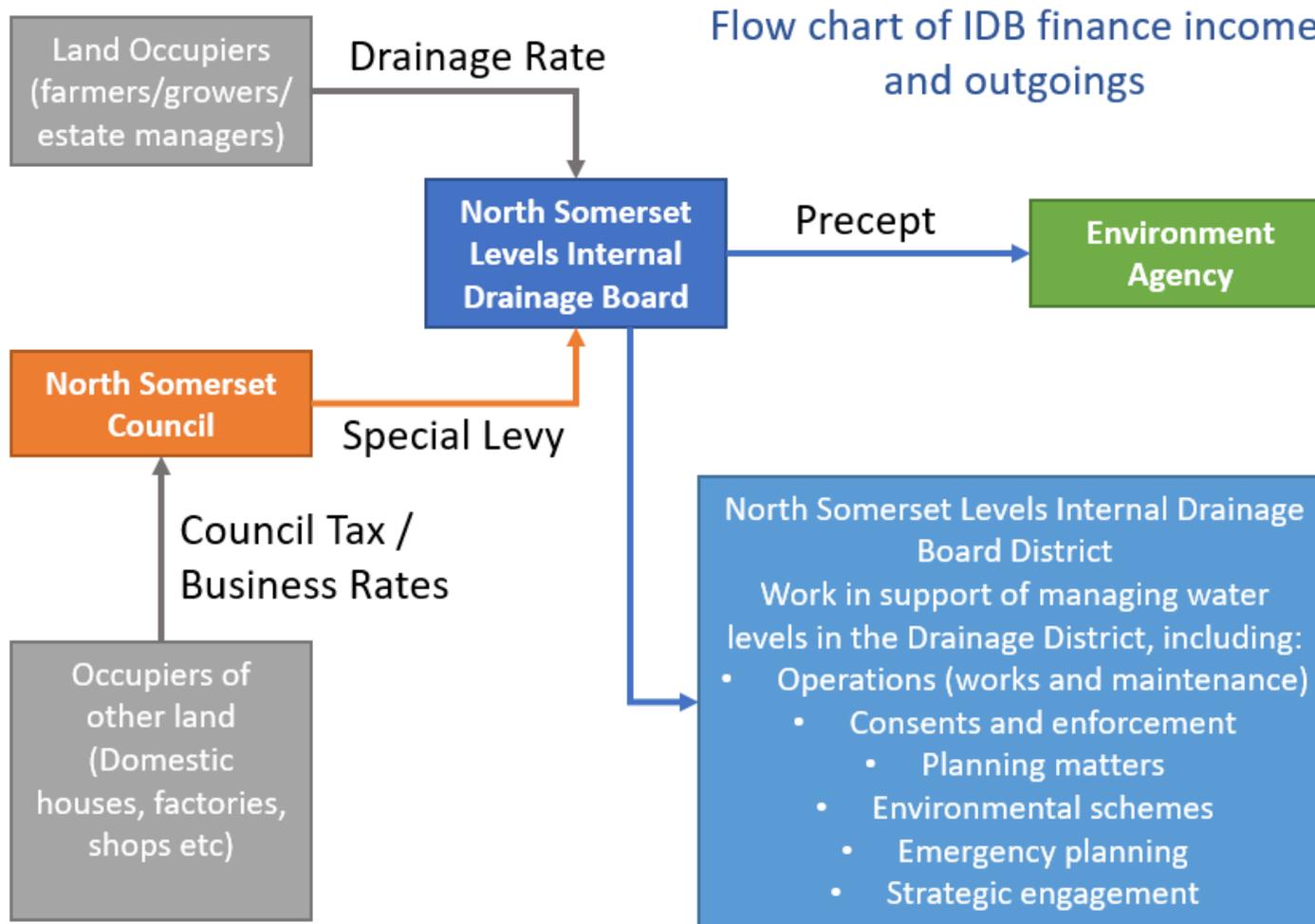
## 5.0 Internal Drainage Board Funding

The local beneficiaries of their work predominantly fund the cost of undertaking their essential functions. Each IDB sets a budget for its planned work in the forthcoming year and any investments it needs to make for future projects. The funding then comes from:

- Drainage rates collected from agricultural land and buildings within the Internal Drainage District
- Special Levies issued on North Somerset Council

Breakdown of funding source	North Somerset Levels IDB
Paid from North Somerset Council to IDBs (special levy)	£568,039
Drainage Rates collected by IDB from agricultural landowners	£93,879
Paid from IDBs to the Environment Agency as a local precept	£114,824
<b>Total IDB operational budget for the delivery of works</b>	<b>£547,094</b>

\* North Somerset Council also pay £17,486 to the Axe Brue IDB, as 0.2% of the district is within North Somerset.



## 6.0 Wessex Water Funding



Like all water companies, Wessex Water gets all its funding from its customers. Bristol Water supplies drinking water in North Somerset, and Wessex Water only provides sewerage services. This includes both foul drainage and surface water drainage.

Wessex Water produces a business plan every five years that identifies the investment in its network. Across the region of 2.8 million customers (North Somerset 100,000 customers),

Wessex Water spends the following:



## 7.0 Environment Agency (EA) Funding

Although the EA do not undertake works to manage local flood risk, their activities can impact them because small watercourses eventually flow into large rivers that the EA manages.

Most of the funding for the EA comes through a grant from Department for Environment Food & Rural Affairs. The EA spends £1,652 million annually across England. 71% of this is grant-in-aid funding, and any scheme must meet the same financial requirements discussed previously.

The EA is split into regions, and North Somerset is in the Wessex area, which covers South Gloucestershire, Bristol, North Somerset, Somerset, Bath and North East Somerset, Dorset, Wiltshire, Bournemouth, and part of Hampshire.

Locally the EA will be using £16.4m of Local Levy funding to help secure £214m of Grant-in-Aid, which will be used to better protect 7,500 properties across Wessex over the next five years.

<https://www.gov.uk/government/groups/wessex-regional-flood-and-coastal-committee>

## 8.0 Other Funding

Flood risk schemes that contribute to wider environmental objectives can also attract grants that are not available for flood risk schemes only.

For example, it may be possible to get grants from:

- National Lottery Funding
- Woodland Trust
- Natural England
- Catchment Partnerships
- Landfill Community Fund

Biodiversity net gain may also provide opportunities to combine funding to provide multiple benefits.

Green finance may also be available in long terms loans.