

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.

There is no way of hiding from the current and future budget pressures faced by all public bodies within the country. However; often through times of adversity comes innovation and new ways of partnership working to achieve a common goal. This can be very much associated to the way in which the County Council as a Lead Local Flood Authority (LLFA) need to look at funding flood mitigation projects within Derbyshire.

Funding for Lead Local Flood Authority responsibilities

The Government has committed funding annually to support LLFAs in their 'new' flood risk management roles up to 2015. The funding has been allocated by Department for Environment and Rural Affairs (DEFRA), based on the individual risk each local authority faces. Beyond this period funding commitments are unclear and there are likely to be pressures on further funding given the significant challenges local government faces within the current spending review. This funding is not ring-fenced and in the current financial climate, with strong competition from other, more established service areas, LLFAs may need to make a strong business case locally to secure sufficient resources for delivery of their statutory obligations. The Local Flood Risk Management Strategy sets out an evidence base for retaining this funding based on the requirements now placed on the County Council for coordinating local flood risk sources.

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 committee members from the Environment Agency can vote on committee matters. Derbyshire's representatives look to ensure that Derbyshire's priorities are put forward to the committee.

The elected members who represent Derbyshire are able to take a technical officer to each meeting to help advice on any technical matters during the meeting. Elected members can choose to nominate a deputy to attend on their behalf; however a formal letter must be issued to the committee prior to the meeting to allow the nominated deputy to vote.

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

RFCC	Area of Derbyshire represented	Representation
Midlands	The majority of Derbyshire falls within this committee region.	Full seat
Yorkshire	The north east 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 (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 bidden 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 bidden for a variety of projects ranging from large engineered schemes to individual property level protection reducing flood risk from surface water, groundwater and fluvial sources. However the schemes

must demonstrate that the investment would be cost beneficial, buildable and not detrimental to the environment.

Local Levy

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 D¹ equivalent households and above within the authority's area. The use of Local Levy is agreed by the RFCCs.

Local Levy is mainly used to support locally important schemes that require additional financial support to make them viable on the national scale. Local Levy money 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 discussed at the RFCC meetings and the committee members who are representatives from Local Authorities can vote to increase or decrease 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

Historically the FCERM GiA allocation process has focussed on those schemes that have made the biggest contribution towards government targets (social, economic and environmental) per pound of investment required. In some cases schemes were 100% funded by this pot of money. A new system for funding allocation is now in place which allows schemes that may not be able to compete to achieve national targets but are locally important. The new system allows more schemes to be eligible for some national funding, including smaller surface water and Property Level Protection (PLP) schemes.

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

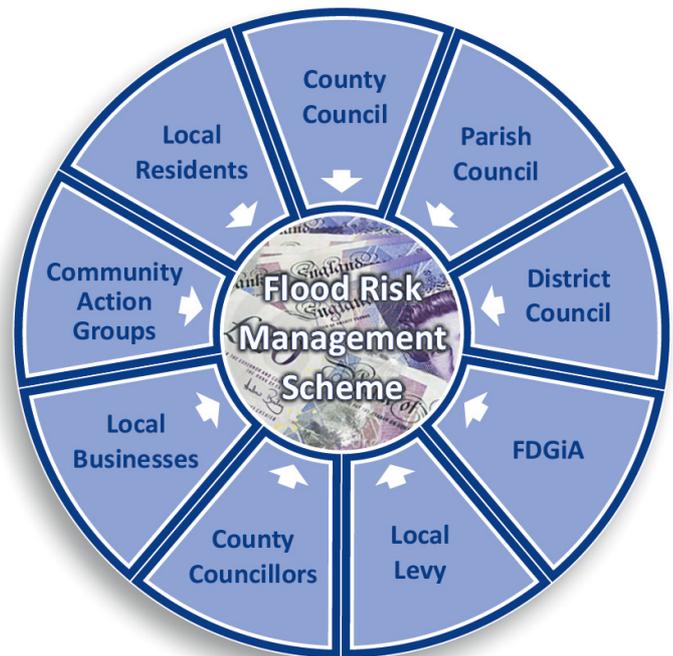
- The value of benefits for householders as a result of the project, expressed as the number of homes which are moved from one level of flood risk to a lower level of flood risk;
- The value of other benefits of the project such as benefits to business, social benefits, agricultural productivity and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

¹ For more information regarding property banding please refer to:
<http://www.voa.gov.uk/corporate/CouncilTax/howYourHomelsbanded.html>

- The environmental benefits of the project (such as contributions to the Water Framework Directive requirements).

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. 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.



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

National expenditure programme

In the 2014/15 financial year the government introduced a new six year capital programme (2015/16 to 2020/21), for inclusion in the Autumn Statement announcement in December 2014. This meant that the FRM team submitted a list of schemes (currently known about) to be considered for the six year capital investment.

The national 2015/16 to 2020/21 six year programme was prioritised in the following order:

- Projects which, for legal or health and safety reasons, need to be completed the following year.
- Approved projects which are already under construction.
- New projects which are prioritised based on the benefits they will deliver, taking into account the timing and availability of external contributions.

The County Council have secured funding for a number of schemes across this six year period. The six year capital programme is however to be reviewed on an annual basis and retains some flexibility which should enable

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 County Council are working with all relevant organisations/bodies looking to maximise the benefits of this funding through flood risk management schemes.

Funding for Countryside Schemes

Countryside Stewardship² has now replaced Environmental Stewardship in providing incentives for land managers to adapt to more effective environmental practices. Countryside Stewardship aims to protect and enhance the natural environment by improving flood management, landscape character, the historic environment and conservation. The scheme is run by Natural England and the Forestry Commission on behalf of DEFRA and is funded by the European Agricultural Fund for Rural Development: Europe investing in rural areas. Woodland Capital Grants and Water Capital Grants are available to farmers and land managers as part of the Countryside Stewardship. These grants are aimed at the woodland creation and diffuse pollution. For more information about the wide range of grants available please visit the website.

Funding for Local Projects

Derbyshire County Council's Partnership Funding

In recent years the County Council have 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 growing 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 **Communications Strategy and 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

² www.gov.uk/countryside-stewardship-grants

you may wish to speak with your local District/Town Council or speak to a member of the FRM team. For further information about community level activities please refer to the [Community Level Initiatives Guidance Notes](#).
Frequently asked questions

Can a member of the public bid for FCERM GiA?

A member of 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 number of homes 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 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 Environment
 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.
	Public Works Loan Board	Finance from Her Majesty's Treasury for public bodies which is most appropriate for delivering major capital schemes that deliver long term benefits to a community.
	Regional Growth Fund	Central government money to help regions reliant on public sector industries to realise private sector growth. Money available to specific projects that achieve regeneration and economic development goals.
European Funding	(e.g. EU Structure Fund, INTERREG)	There are various grants and development funds available at the European scale, mainly in support of schemes that facilitate commercial development, benefit deprived areas/groups or offer environmental benefits. INTERREG is a European scheme aimed to stimulate interregional cooperation in the EU encouraging regions to join together and share information and practices.
	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 through the authorities Member Community Leadership Scheme. This money is there 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 their DG5 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.