

**GREATER MANCHESTER PLANNING & HOUSING COMMISSION**

Date: 17 January 2017  
Subject: Flood and Water Investment Programme 2015 - 2021  
Report of: Nick Pearson, Environment Agency

---

**PURPOSE OF REPORT**

To update the commission on the Environment Agency's flood risk capital Investment Programme 2015 – 2021 and to highlight the need for all districts to provide support in delivering capital projects through partnership, cooperation and investment. The report also recommends the commission to consider what role it can play in helping to align planning, regeneration and flood risk investment opportunities.

**RECOMMENDATIONS**

That the Commission note the progress being made as part of the capital Investment Programme 2015 – 2021 and to encourage support in delivering this programme across the districts.

That the Commission discuss their role in helping the GM Flood and Water Management Board to align planning, regeneration and flood risk investment opportunities across Greater Manchester.

**CONTACT OFFICERS**

Nick Pearson, FCRM Senior Advisor, Environment Agency  
([Nicholas.pearson@environment-agency.gov.uk](mailto:Nicholas.pearson@environment-agency.gov.uk))

Sally Whiting, Programme Team Leader, Environment Agency  
([Sally.whiting@environment-agency.gov.uk](mailto:Sally.whiting@environment-agency.gov.uk))

## 1. PURPOSE

The purpose of this report is to update the Commission on the Environment Agency's flood risk capital Investment Programme 2015/16 – 2020/21, and to advise of measures being taken to ensure delivery. The report also aims to encourage support from districts in delivering the capital Investment Programme through partnership, co-operation and investment.

## 2. BACKGROUND

- 2.1 In return for an investment of £2.3bn, Defra has set a target that the Investment Programme delivers, nationally, 300,000 properties at increased protection against flooding and/or coastal erosion between 2015 - 2021. There are further, additional targets within this funding settlement such as a demonstration of 10% efficiencies, and also 15% partnership funding.
- 2.2 In Greater Manchester, it is estimated that £22m Grant in Aid (GiA), over the 6 year funding settlement period will deliver 4,000 no. of properties at reduced risk, with a further £4 - 11m of Partnership funding from sources such as Local Levy, Lead Local Flood Authorities (LLFAs) or commercial organisations.
- 2.3 Within Greater Manchester, projects can be delivered by the Environment Agency or other Risk Management Authorities, which most often means Lead Local Flood Authorities - although any Risk Management Authority may apply for Grant in Aid.
- 2.4 In a previous Planning and Housing Commission meeting a request was made for greater visibility of the programme and also an understanding of progress, and where acceleration is possible. This is set out below.

### SUMMARY OF THE INVESTMENT PROGRAMME IN GM (DRAFT INDICATIVE)

	GiA - 2017/18 £	GiA - 2018/19 £	GiA - 2019/20 £	GiA - 2020/21 £	Total
EA	3,789,000	919,000	3,185,000	2,034,000	9,927,000
LA	4,270,000	2,684,010	3,920,580	1,858,000	12,732,590

- 2.5 (A complete table of projects will be sent to the PHC upon ratification by the Regional Flood and Coastal Committee at their meeting later this month)
- 2.6 An additional c.£4m of Local Levy is also marked against projects within GM within the Investment Period, including £2m allocated to schemes in Rochdale and Littleborough and £1m to a scheme in Radcliffe and Redvales (Bury).

Additionally, there is a potential £48m of projects beyond the 2021 Investment Period.

- 2.7 Should all the projects be shown to be viable and attract sufficient funding, there are up to 11,000 properties that could potentially move to a reduced flood risk band. This figure includes projects without allocation and beyond the investment period 2020/2021.

### **3. AUTUMN STATEMENT 2016**

- 3.1 The schemes in Rochdale and Littleborough and Radcliffe and Redvales (Bury) have allocations of Grant in Aid, Local Levy and contributions from the Local Authorities. However this is not yet sufficient to fully fund them.
- 3.2 We submitted a bid as part of the Autumn Statement for some additional central Government funding which would have acted as a further contribution to the schemes.
- 3.3 In the Autumn Statement HM Treasury chose to focus investment in the flood resilience of transport infrastructure. We believe some of this is for improvements in the Greater Manchester area but have not yet seen the detail. £20m of additional funding was provided for Flood and Coastal Risk Management (FCRM) schemes, but the schemes funded were not in the North West. This additional funding to other parts of the country may ease pressure on the Investment Programme for other projects, including those in GM, and create opportunities over the next four years.
- 3.4 Both aforementioned schemes have Grant in Aid allocations in 2017/18 and beyond and we are continuing with the project and business case development and to explore other sources of funding.

### **4. PARTNERSHIP FUNDING AND ELIGIBILITY FOR FUNDING**

- 4.1 Projects within the Investment Programme will ordinarily fall out of districts' Local Flood Risk Management Strategies, Environment Agency Catchment Flood Management Plans, and increasingly so in the future, the EA Communities at Risk database. In assessing the likelihood of a capital project progressing beyond business case, there will usually be an initial assessment examining the critical variables within the Partnership Funding Calculator: likely cost of scheme, number of properties at risk (and at what degree of risk), level of deprivation within the area and level of Partnership Funding. Habitat creation may also increase amount of Grant in Aid available.
- 4.2 This assessment begins to highlight the amount of external funding required to reduce risk to an area and would form a starting point of negotiations and discussions with partners.
- 4.3 Close partnership working between individual districts and the EA, as well as achieving efficiencies where possible, will help to maximise the number of properties benefitting from reduced flood risk. Many future projects will require some Partnership Funding and by close collaboration between the

Environment Agency and other Risk Management Authorities can identify those areas of highest priority for investment. Areas undergoing development and regeneration can often align well with areas requiring flood risk reduction and we should be actively exploring opportunities to align investments. It is also hoped that, together, we can help to explore alternative avenues of funding required to ensure full funding.

## **5. FACTORS AFFECTING PROGRAMME/TIMESCALES**

- 5.1 Any projects in the EA Investment Programme should be using the principles of the 5-case Business Model, which requires a Strategic Outline Case (SOC), followed by an Outline Business Case (OBC) and finally a Full Business Case (FBC). These three stages could be described as Scoping (SOC), Planning (OBC) and Procurement (FBC).
- 5.2 Construction work may only begin once the above 3 phases have been satisfactorily been completed and within this issues such as Ground Investigation, Ecological surveys and negotiations with potential contributors are all required to be completed before construction contract award.
- 5.3 Two such projects are the Radcliffe and Redvales and Rochdale and Littleborough FCRM Schemes. These are currently at Outline Business Case with preferred options being developed. Over the next 12 months, the preferred options will be developed and taken to the Environment Agency's Large Project Review Group for assurance. These will then be taken through tender and to Full Business Case.
- 5.4 This can be a time consuming process, and when and where Risk Management Authorities don't have such a dedicated project management resource, preparing the business cases may take even longer. As such the Environment Agency has recently proposed to the Regional Flood and Coastal Committee (RFCC) and the GM Flood and Water Management Board to employ a dedicated resource for GM, using RFCC Local Levy, to assist districts in developing projects currently in the Investment Programme. There is a significant level of risk from surface water and non-main watercourses across GM and it is hoped that this resource can accelerate projects thus reducing this risk more quickly. It should be noted that securing Grant in Aid is a competitive process and districts having a dedicated resource who is regularly working within the Defra guidelines is hoped to be a real step forward.
- 5.5 This paper recommends the Commission's support of this post.
- 5.6 There are a number of other measures to move the programme along. Often there are opportunities for packaging of projects (or stages of projects), using a single contractor for a number of projects, usually in the same geographical area, which are at different stages. This can deliver some significant efficiencies. EA projects are increasingly being packaged but there may also be scope for packages of LLFA projects or EA/LLFA projects combined.

5.7 Districts may also help to accelerate their key projects by developing the raw project data as early as is possible so that it is possible to apply for Local Levy to bring projects outside of the 6-year (2015 -2021) Investment Programme, into it. One example of this occurring in the latest bid is a Manchester CC-led project in Wythenshawe.

## **6. RECOMMENDATIONS**

6.1 That the Commission note the progress being made as part of the capital Investment Programme 2015 – 2021 and to encourage support in delivering this programme across the districts.

6.2 That the Commission discuss their role in helping the GM Flood and Water Management Board to align planning, regeneration and flood risk investment opportunities across Greater Manchester.