

Taking a Strategic Approach to Investment in FCERM

Cornwall Council Case Study

Draft Investment Plan (v2)

September 2012

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Preamble

Cornwall Council (CC), as a Lead Local Flood Authority (LLFA), has offered to be a case study for Defra's R&D project (FD2656) which is examining strategic investment planning in flood and coastal risk management (FRM). One of the aims of this research is to develop an "Investment Plan" for each case study in order to test ideas and develop a potential template(s) for use by other LLFAs and their partners. This draft Plan was produced by the research project team, which included JBA Consulting, Cornwall Council and the Environment Agency Flood Risk Management Strategic Overview Team. The final approval of the content of the draft Plan resided with Cornwall Council. The study is a pilot produced by JBA in consultation with Cornwall Council. The information contained in the report is illustrative / indicative. The scheme information and funding scenarios presented are subject to Cornwall Council and Environment Agency approvals

The Investment Plan sets out which FRM schemes could be funded and how. It includes schemes related to all sources of flooding within Cornwall. The Plan's focus is on the short term (i.e. next 3 years). This decision was taken in part because of the lack of data on potential investment choices beyond this, but also to focus limited project resources in the most useful way. It should be noted that this draft Plan has not benefitted from wider input and review – this will be vital for any "real" Investment Plan to succeed – and it is expected that this will be completed by Cornwall Council officers in the coming months.

Refer to the main R&D report (FD2656) for further information about the research.

Executive Summary

Context

This Executive Summary is presented in order to provide decision makers / investors in Flood Risk Management (FRM) in Cornwall concise insight into the viable local FRM improvement opportunities and how they might be funded.

Please note that Cornwall Council (<http://www.cornwall.gov.uk/>) is currently working on their Local Flood Risk Management Strategy, which includes development of this Investment Plan. As such, this document is a working draft and there are areas where work is still in progress (highlighted throughout). Schemes and investment planning tools used to aid development of this outline Investment Plan made use of data supplied up to end June 2012.

Scale of the problem

Cornwall has some 69,000 properties (43,000 residential) predicted currently to be at risk of surface water flooding (at least 0.1m deep) during an extreme rainfall event with an annual probability of 0.5% (1 in 200 year return period event). There are over 12,500 properties (8,000 residential) predicted to be affected by the fluvial flood risk (from rivers) with a probability of at least 1% (1 in 100 year return period event) across Cornwall and 3,500 properties (2,000 residential) at risk of tidal flooding with an annual probability of 0.5% (1 in 200 year return period event) around the Cornish coast. In addition, coastal erosion, wave action and storm surges will affect coastal communities. As a result of climate change and potential sea level rise, these flood and coastal risks to properties and life are likely to increase significantly in coming years if capital investment in flood risk management is not made.

Flood Risk Management Funding Framework

Central Government Flood Defence Grant in Aid (FDGiA) is the major funding source and this is accessed in accordance with Defra's "Partnership Funding" policy. At present, £160million pa is invested nationally by government through FDGiA, with a further £30million from Regional Flood and Coastal Committees (RFCC) through Local Levy, and £25million from "partnership funding" – contributions from other sources. Government policy is for the latter to grow significantly and the rules for accessing FDGiA have been adjusted to assist this.

LLFAs (and other flood "Risk Management Authorities") are required to submit an annual Plan, referred to as the Medium Term Plan (MTP), to the Environment Agency. This plan indicates whether FDGiA is sought and provides the key information needed for the Agency to assess what, if any, level of FDGiA support is possible. This assessment includes the performance of the scheme in delivering against Defra Outcome Measures. A "Sanctioned List" is then published for each region determining the allocations. Regional Flood and Coastal Committees (RFCCs) have an important role to play. They are the key decision makers in terms of support for the MTP and can also influence which scheme FDGiA is actually allocated to once funds are allocated within the region.

Therefore, the priority is to find local funds to support bids for FDGiA – use the possibility of obtaining FDGiA to lever in local funds. There is a community engagement and political process too. The Local FRM Strategy identifies and prioritises FRM activity. Also, where schemes are not likely to be supported by RFCC and FDGiA then this needs to be clearly communicated to the local community and relevant authority.

The Local FRM Strategy is currently under development and this initial Investment Plan has been used to inform its development. The Investment Plan will need to be revisited on completion of the Local Strategy and annually thereafter, as a minimum, to support the MTP process.

What can be achieved in the short term

Cornwall Council currently has a list of potential short term schemes (21 in total) that they are investigating. The programme set out would reduce flood risk to a range of businesses and approximately 700 homes throughout Cornwall. Although this is a modest number compared to the total at risk, it represents a significant funding challenge.

It is anticipated that the local funding required in the short term will need to come from a variety of sources, from other RMAs and the RFCC, beneficiaries of schemes and a limited resource direct from the council as Lead Local Flood Authority. An indicative level of funding has been set out in terms of what would be required for the next three years (funding sources estimated for purposes of the draft Investment Plan). If the funding gap identified is not filled then it is likely that the number of schemes would not proceed and/or schemes scaled back. This would result in fewer properties being protected, protection of a less reliable form and to a lower standard.

The scenario testing we have completed to date using indicative figures only, suggests that if we pay off schemes in decreasing order of OM scores, we could attract up to £4,871k of FDGiA (assuming we secure £1,500k of local funds) protecting in the order of 600 households.

The longer term

Cornwall Council (<http://www.cornwall.gov.uk/>) is currently working on their Local Flood Risk Management Strategy, which includes development of this Investment Plan and aspirations over the longer term. Details will be provided in future iterations of this Investment Plan.

For further information please contact Cornwall Council.

1. Flood Risk Management Funding and the Aims of this Investment Plan

Defra introduced Resilience Partnership Funding for Flood and Coastal Risk Management (FCERM) in May 2011. The new partnership funding policy means that central government money (Flood Defence Grant in Aid - FDGiA) is potentially available to meet the costs, partially or in full, of any worthwhile scheme, instead of meeting the full costs of just a limited number of schemes. The level of funding is now based on the outcomes and benefits being delivered. Funding can also be obtained to deliver required health and safety improvements on existing flood risk management assets. The Partnership Funding policy context and FDGiA processes are explained on [Defra's](#) and the [Environment Agency's](#) (EA) websites.

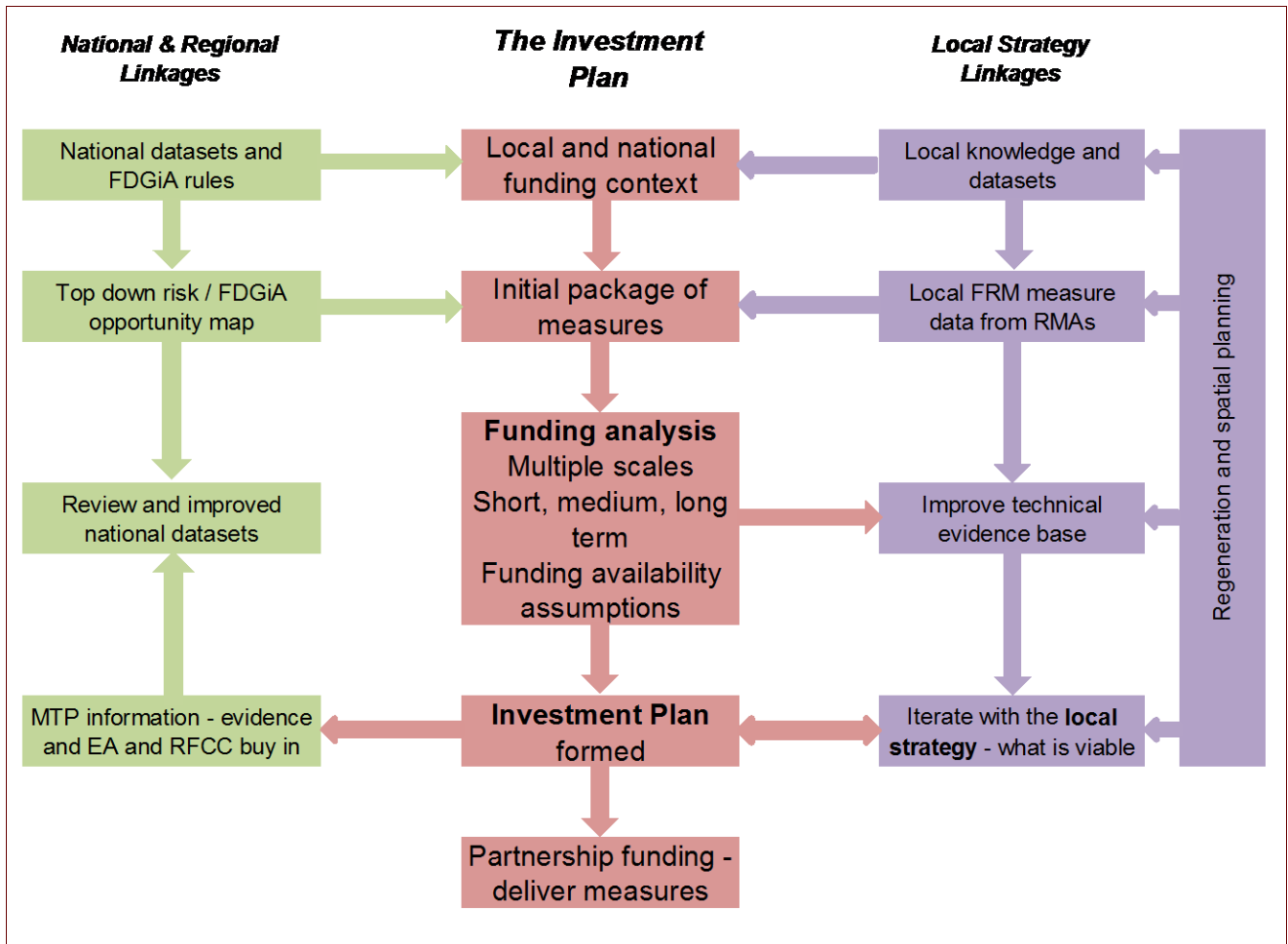
LLFAs now have a leadership role to oversee the delivery of all flood risk management in their area, and to support this, they are required under the Flood and Water Management Act 2010 (FWMA) to produce a Local Flood Risk Management Strategy. A Local FRM Strategy needs to grasp the opportunity to align stakeholders, particularly those with available funding, with those who would benefit from further investment in flood risk management. Within this process, developing options for investment will need to test the local appetite for reducing the risk against willingness to meet any additional costs not covered by central government support via Flood Defence Grant in Aid. With money comes influence: local democracy and engagement is vital. But the policy change is set against a backdrop of limited resources and low economic activity.

Hence, the Local FRM Strategy will require a strategic investment plan to ensure funding will be available to support the management of flood and coastal risks. In essence, the purpose of the investment plans would be to assess the challenges of funding local FRM projects, balancing the benefits of tackling each source of risk over time against the national and local costs of doing so. In explicitly trading-off appetite for risk against investment costs and affordability, it is hoped that the resulting Investment Plan will create:

- Good engagement amongst key decision makers, partners, communities and other stakeholders.
- More effective and transparent prioritisation between potentially competing projects throughout the county and also between projects tackling different sources of risk.
- A compelling business case for external contributions and other local investment, by showing that relatively small amounts of local investment over time may have a big impact in terms of long-term residual risk for each sector and area, with implications for property and land values, and insurability.

The process to form an Investment Plan is presented below:

Figure 1: The formation of an Investment Plan



2. The Local Vision for Investment in Flood Risk Management

Context

This draft Investment Plan was prepared in August and September 2012, based on work earlier in 2012, in parallel with the development of a draft Local Flood Risk Management (FRM) Strategy. The draft Investment Plan has been through one “iteration” and is based on an assessment of the most realistic way forward for investment in Cornwall at this time: this Investment Plan will need to be reviewed in partnership with other Risk Management Authorities and subject to wider consultation before it is finalised.

The Investment Plan includes:

- A list of candidate flood alleviation projects for investment in the short-term;
- Assessing the potential for these projects to receive national FDGiA funding;
- Where schemes are unlikely to be affordable, it suggests where a different approach may be needed, such as a reduced standard of protection or property resilience measures;
- A review of strategic medium and long-term investment options, for which further detail would need to be developed over time. This could be a key area for future iterations of the Investment Plan; and
- A description of how any identified funding gaps might be filled, either by drawing upon partners’ resources or pursuing wider sources of funding.

Overview of Flood Risk in Cornwall

The administrative area of Cornwall Council covers around 3600 km². It has a coastline of around 700 km in length and contains about 4000 km of rivers, of which less than 20%, by length, are designated [Main Rivers](#).

Being a peninsula, nowhere in Cornwall is very far from the sea. This means that the rivers tend to be relatively short and the river catchments are small compared to those in many other counties. All rivers in Cornwall, apart from western tributaries to the Tamar, discharge to the coast within the county and no rivers enter or leave the LLFA area to or from any other LLFA areas.

Cornwall is susceptible to flooding from the sea, rivers and surface water. River flooding may be aggravated by tidal “locking” during high tides. Cornwall also has a number of “Rapid Response Catchments” whereby rivers react quickly to intense rainfall events, providing little opportunity for flood warnings or evacuations. An infamous example of this was the [Boscastle event of 2004](#). Most recently, in November 2010, around 400 properties were flooded in mid Cornwall through a combination of surface water and rapidly responding watercourses, and around a dozen Cornish coastal communities suffered serious flooding in autumn 2004, when spring tides combined with an Atlantic storm.

As part of the data gathering exercise for the 2011 Preliminary [Flood Risk Assessment \(PFRA\) for Cornwall](#), approximately 2,500 historic flood events were recorded across the county. These usually involve a number of sources and consequences; surface water, river and tidal flooding often occur in combination. [A chronology of major flood events](#) was compiled as part of the PFRA process.

Cornwall has some 69,000 properties (43,000 residential) predicted currently to be at risk of surface water flooding (at least 0.1m deep) during an extreme rainfall event with an annual probability of 0.5% (1 in 200 year return period event). There are over 12,500 properties (8,000 residential) predicted to be affected by fluvial flood risk (from rivers) with a probability of at least 1% (1 in 100 year return period event) across Cornwall and 3,500 properties (2,000 residential) at risk of tidal flooding with an annual probability of 0.5% (1 in 200 year return period event) around the Cornish coast. In addition, coastal erosion, wave action and storm surges will affect coastal communities. As a result of climate change and potential sea level rise, this risk to properties and life is likely to increase significantly in coming years if capital investment in flood risk management is not made.

Leading on from the PFRA, the Local FRM Strategy for Cornwall takes a community based approach, identifying issues that are pertinent to each town that was identified within the PFRA as being of high priority in terms of potential flood risk. The local strategy will help prioritise local FCRM priorities and community needs to inform the investment plan.

Objectives for managing local flood risk

Cornwall Council (<http://www.cornwall.gov.uk/>) is currently working on their Local Flood Risk Management Strategy, which includes development of their objectives for managing local flood risk. Details will be provided in future iterations of this Investment Plan.

For further information please contact Cornwall Council.

3. Schemes, Priorities and Funding

Cornwall Council has recently delivered Individual Property Protection (IPP) schemes to approximately 150 properties that were hit by flooding in November 2010. This was the biggest passive scheme in the country. In addition a number of improvements have been made to the highway drainage and Cornwall Council are also liaising with South West Water to ensure other drainage improvements in the area.

We are about to start construction of a community level flood scheme for Altarnun. This will increase the standard of protection to a small community from less than 1 in 5 years to 1 in 100 years.

A partnership project between the Council and the Agency has delivered a £3M project to upgrade tidal defences at Lighterage Quay in Truro, providing protection to more than 30 homes and 180 businesses. The scheme was unveiled by Lord Chris Smith in September 2012.

We have played a key role in establishing the Cornwall Community Flood Forum.

Cornwall Council submitted a strong MTP bid to the EA in June 2012. This included 13 schemes for 2013/14 to address coastal flood and erosion risk, as well as fluvial and surface water flood risk in communities across Cornwall.

We have bid for around £1.35million of FDGiA for 2013/14. We are likely to know the outcome of the bid in autumn 2012 and believe we have a good chance of being allocated around £750k.

We are pursuing additional funding from a range of sources to strengthen our bid, including Local Levy, Cornwall Council capital, developers and South West Water contributions.

Cornwall Council (<http://www.cornwall.gov.uk/>) is currently working on their Local Flood Risk Management Strategy, which includes making decisions on how future schemes will be selected, prioritised and consideration of where potential sources of funding may be available.

For the purposes of this draft Investment Plan, Cornwall Council collated a list of short term schemes (up to 3 years) and identified potential funding routes. Further development of this is currently in progress and therefore details provided within this draft Investment Plan should be considered as preliminary only. Note that Cornwall Council are also in the process of considering their medium and long term schemes, details of which will be provided in future iterations of this Investment Plan.

For further information please contact Cornwall Council.

Table 1: Potential short term schemes list (3 years)

ID	Scheme name	Estimated scheme cost	No. of households benefiting	Local FRM Strategy priority	Potential local funding sources	Partners
1	Bude Breakwater Refurbishment	£525k	50	High	Further information will be provided as Cornwall Council develops the Investment Plan further.	
2	Bude Canal Sea Defence Refurbishment	£165k	20	High		
4	Coverack Old Sea Wall Refurbishment	£310k	10	High		
7	Hannafore Sea Defence Refurbishment	£100k	15	High		
12	Pednolva Walk Sea Wall Refurbishment, St Ives	£550k	15	High		
13	Plaidy Coast Protection Works	£55k	5	Medium		
14	Porthleven Harbour Walls Refurbishment	£300k	50	Medium		
17	Sloop Slipway Demountable Flood Defences, St Ives	£20k	-	High		
21	IPP East Cornwall CFMP Area	£99k	18	High		
22	IPP West Cornwall CFMP Area	£99k	18	High		
23	IPP Tamar CFMP Area	£99k	18	High		
24	Prideaux and St Blazey Catchment Improvements	£290k	70	High		
25	Redruth Brewery Quarter Flood Risk Improvements	£2,900k	28	Medium		
26	Bude flood defence refurbishment project	£743k	28	High		

ID	Scheme name	Estimated scheme cost	No. of households benefiting	Local FRM Strategy priority	Potential local funding sources	Partners
27	Sandy River Improvements project	£607k	92	Medium		
28	Helston	£1,392k	81	Medium		
29	Chyandour Downstream	£783k	14	Medium		
30	Perranporth (Bolingey River) flood defence scheme	£1,010k	108	Medium		
31	Tredenham Close pumping station and drainage improvements	£508k	30	High		
32	Ladock FAS	£512k	12	High		
33	Calstock flood defence improvements	£731k	20	Medium		

What can be afforded

There are several aspects to this. Firstly, an understanding of the scale of the problem and the likely costs to address them is needed. The amount of funding support that can be accessed with modest or no reliance on local funding sources / local population can then be examined (most likely via FDGiA). The amount of “added value” gained by seeking local contribution (referred to as local partnership funds by EA / Defra) can be assessed and consideration given to the merits of alternative investment strategies with such monies. Finally, consultation can then be completed, confirming the appetite for investment in FRM and then the Investment Plan can be finalised.

In the past, most FCERM capital schemes have been built using Defra central government funding, known as Flood Defence Grant in Aid (FDGiA). Allocation of funding has been based on a national prioritisation. Local Levy (raised through the former Regional Flood Defence Committees, now Regional Flood and Coastal Committees) was allocated towards local priorities, including projects that could not attract FDGiA. Both sources of funding are approved by Regional Flood and Coastal Committees.

Clearly, access to FDGiA is vital for any substantial FRM investment programme. Planned spending on this is captured in the EA’s Medium Term Plan (or Sanctioned List). In order to attract FDGiA, projects need to be devised in order to achieve outcomes stated by Defra (Outcome Measures). Further details on this are included on the [EA website](#). The higher the Partnership Funding Score (score adjusted based on how much local partnership funding is to be provided) the more likely it is that FDGiA funding will be forthcoming. The Partnership Funding score is presented as a percentage and a value of over 100% may be sufficient to gain entry on the MTP and attract FDGiA to a project. However, in 2011-2012, the transitional year for the new partnership approach to funding, this worked out at 120%, and for 2012-2013 this appears likely to be 150% or more.

The main way that Partnership Funding scores are “topped up” at present is through RFCC Local Levy. RFCCs across the country currently take different approaches to how Local Levy should be allocated, for example this could be used to “top up” the cost of schemes that do not achieve full FDGiA funding, used to fully fund schemes that attract no FDGiA or used for maintenance activities. An RFCC can reallocate funding from higher scoring schemes to any project with a score above 100%.

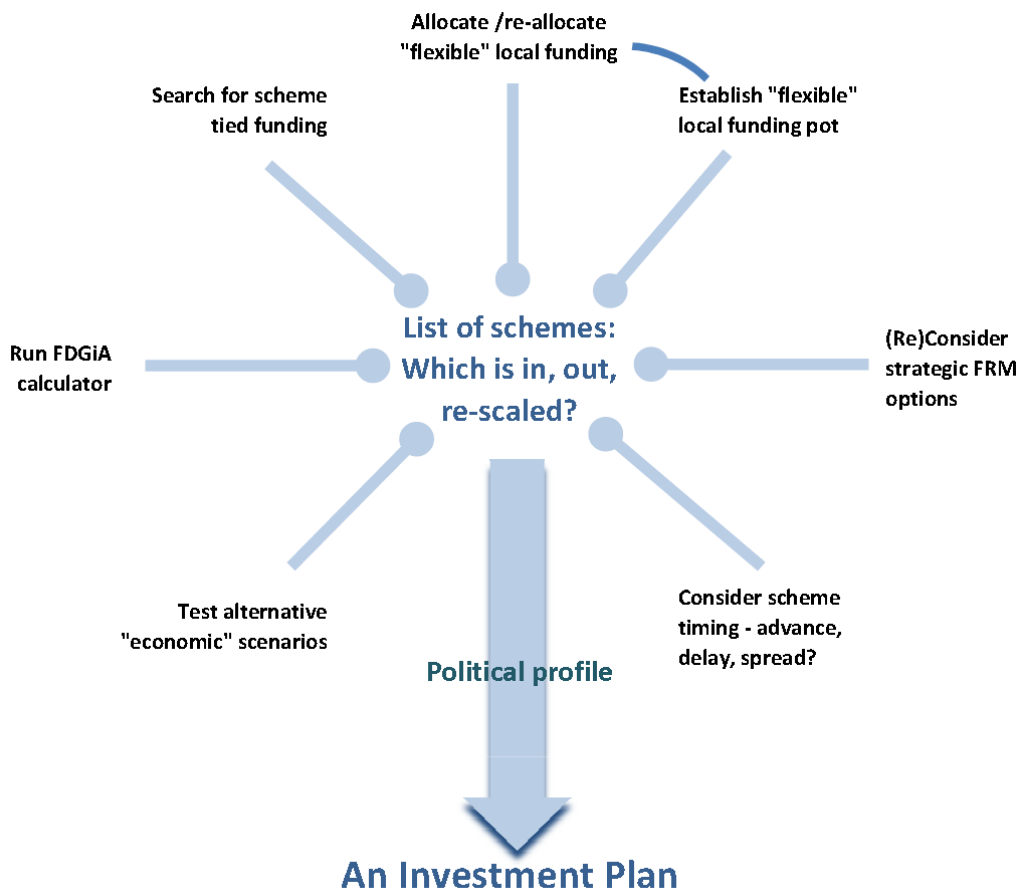
Now there is an emphasis on funding from external contributions towards schemes because FDGiA is allocated based on the benefits a scheme delivers, which may not cover the full costs. Even where FDGiA will cover these costs, there will still be a case to be made for local contributions, which will allow the overall amount of FDGiA that is available nationally to go further and may also increase the amount of FRM funding available locally.

The amount of FDGiA and Local Levy available to a scheme is unknown until all bids have been received and processed by the Environment Agency and RFCCs, but it is possible to estimate short-term projections, based on an assumed Partnership Funding score threshold and an assumed amount of Local Levy that could be retained within Cornwall. The amount paid to the South West RFCC that covers Cornwall was £192,661 (figures from 2011/12).

Figure 2 below shows the themes considered when developing an Investment Plan and list of schemes that are to be promoted. The following terms need to be understood:

- The “FDGiA or Partnership Funding calculator” is an EA tool that can be used to determine how much FDGiA may be available for a scheme. It is available from the [EA’s website](#).
- “Flexible local funding” are funds that can be found locally and can be directed towards schemes of the LLFA (and its partners) choosing. This type of funding is very useful as it can be used to “top up” schemes to lever in funds such as FDGiA or can be used to fully fund strong local priorities. Local Levy is currently the best example of this. Could more flexible funding be found if communities and their political representatives were consulted and engaged? What impact would this have?

Figure 2: Assessment process leading to an Investment Plan



Scenarios used to test investment choices

A range of scenarios has been used to test the potential viability of delivering the schemes listed in Table 1. They are:

1. Further **austerity**, poor local outlook and strong competition for FDGiA;
2. **As present**, including current Partnership Funding score needed to obtain FDGiA and RFCC Local Levy support in line with contributions made;
3. As above but having an **enhanced local contribution**; and
4. **Economic recovery**, with a lower FDGiA Partnership Funding score threshold and further enhanced local contributions.

The results of each of these scenarios can be found in Appendix A of this Investment Plan. As set out in Appendix A, each scenario has a number of assumptions, including the availability and sources of funding, and also timing, cost of schemes (detailed design work may not yet have taken place) and community support. The background and baseline data that supports this assessment is provided in Appendix B. Further iterations of this Investment Plan, for example on an annual basis, should aim to reduce this uncertainty, by using data from recent studies and by gauging local support for schemes through consultation.

The most likely scenario for the short-term (over the next 3 years) is scenario 2b, as there is no evidence to suggest that FDGiA thresholds are going to reduce in the near future. Indeed, the 150% PF score threshold for funding assumed in Scenario 2b may be too low – current indications are that 180% is likely to be the threshold score to gain entry to the Sanctioned List this year. The results from Scenario 2b are shown in the table 2.

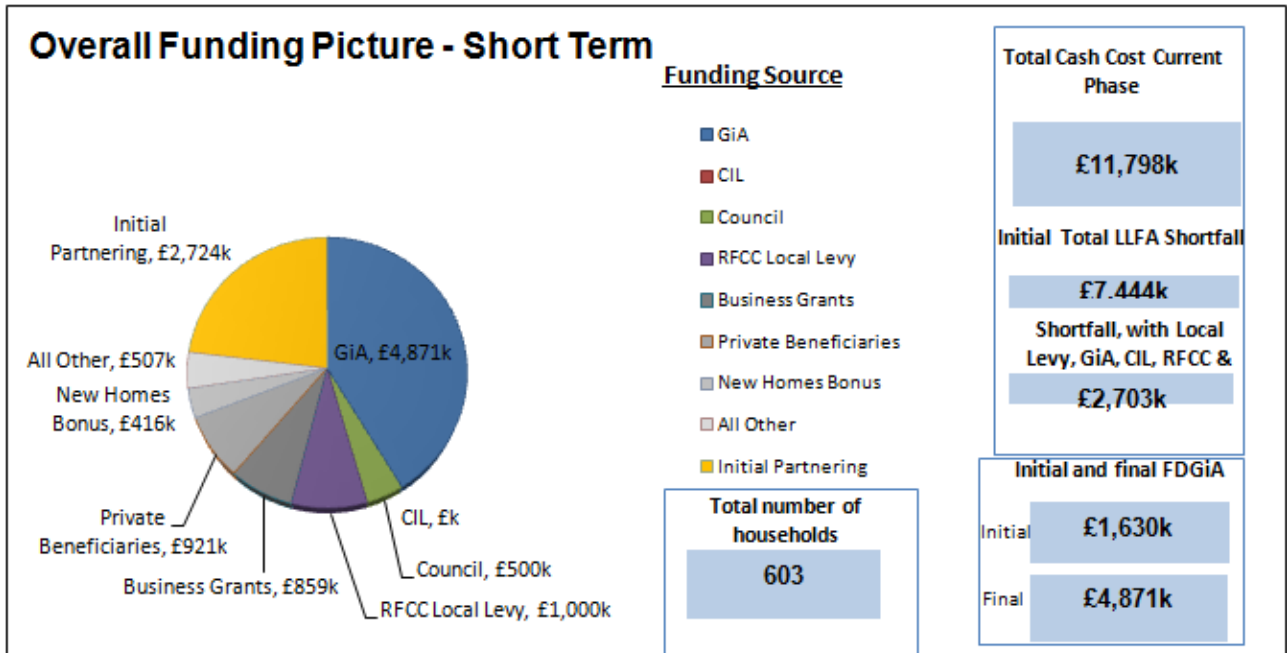
Within this short term package, 603 households would benefit. The main locations that benefit from the short term investment programme would be Perranporth, Helston, Prideaux and Blazy.

Table 2: Funding analysis for Scenario 2b (funding over 3 years)

FDGiA achieved (with OM score threshold of 150%)	£4,871k
Secured / highly likely local contribution	£2,724k
Potential - Community Infrastructure Levy / other council led flexible development related funding	£0k
Potential - RFCC Local Levy	£1,000k
Potential - Other Contributions from the Council	£500k
Total Cash Cost of Short-Term Schemes	£11,798k
Total Shortfall / Further Local Funding to Secure	£2,703k

An investment tool has been used to assess how such sources of funding might map out in terms of investment in particular schemes and the remaining funding gap. The output from this is provided in Appendix C. The diagram below shows the distribution of funding for Scenario 2b and possible ways in which the funding gap might be filled.

Figure 3: Pie chart distribution of sources of funding for the most likely scenario (2b)



A summary of different forms and sources of funding, which may be available to the Council to fund the flood risk management measures, will be provided in the Local FRM Strategy. Whilst the viability of securing the different sources of funding required to fill the shortfall identified above has not yet been established, the Council will continue to bid for relevant funding as and when the opportunity arises to support future flood alleviation schemes.

4. The Investment Plan – Package of FRM Schemes

Cornwall Council (<http://www.cornwall.gov.uk/>) is currently working on their Local Flood Risk Management Strategy and future iterations of this Investment Plan, and therefore further details for this section will be available at a later stage.

For further information please contact Cornwall Council.

Short term schemes

Based on the scenarios and analysis presented in the previous section, the Council, as Lead Local Flood Authority, aims to facilitate the delivery of the following schemes in the short term (next 3 years).

Table 3 – Indicative Financing of Schemes for Delivery

Scheme name	Scheme cost	Possible FDGiA	Secured or likely local government contribution	Funding gap to fill	Potential sources to fill gap
Bude Breakwater Refurbishment	£525k	£503k	To be completed in later iterations of the Investment Plan	To be completed in later iterations of the Investment Plan	To be completed in later iterations of the Investment Plan
Bude Canal Sea Defence Refurbishment	£165k	£165k			
Coverack Old Sea Wall Refurbishment	£310k	£k			
Hannafore Sea Defence Refurbishment	£100k	£100k			
Pednolva Walk Sea Wall Refurbishment, St Ives	£550k	£k			
Plaidy Coast Protection Works	£55k	£55k			
Porthleven Harbour Walls Refurbishment	£300k	£300k			
Sloop Slipway Demountable Flood Defences, St Ives	£20k	£17k			
IPP East Cornwall CFMP Area	£99k	£30k			
IPP West Cornwall CFMP Area	£99k	£30k			

Scheme name	Scheme cost	Possible FDGiA	Secured or likely local government contribution	Funding gap to fill	Potential sources to fill gap
IPP Tamar CFMP Area	£99k	£30k			
Prideaux and St Blazey Catchment Improvements	£290k	£147k			
Redruth Brewery Quarter Flood Risk Improvements	£2,900k	£k			
Bude flood defence refurbishment project	£743k	£386k			
Sandy River Improvements project	£607k	£376k			
Helston	£1,392k	£1,057k			
Chyandour Downstream	£783k	£k			
Perranporth (Bolingey River) flood defence scheme	£1,010k	£1,010k			
Tredenham Close pumping station and drainage improvements	£508k	£k			
Ladock FAS	£512k	£k			
Calstock flood defence improvements	£731k	£665k			

Quick wins

Cornwall Council continues to seek quick wins and in addition to these, there are schemes which are already within the FDGiA MTP.

Flexible funding

There is an opportunity to get local levy allocated to schemes which would otherwise not be financially viable. The findings of this Investment Plan will inform discussions with the Local Partnership to support this.

How to turn the Investment Plan into an annual programme of works

The background work completed for this Investment Plan has highlighted the need to secure a range of sources of funding. As we develop our Local FRM Strategy we will be considering actions that need to be included. For example our actions are likely to include for us to continue bidding for funding as well as influencing Community Infrastructure Strategies and Transport Infrastructure Plans, as and when they are developed. Where it is not possible to fill this funding gap then it will be necessary to investigate alternative solutions to reduce the costs of the schemes.

It is evident that a number of schemes will require further investigation and pre-feasibility assessment to reduce the uncertainties within the Investment Plan. These investigations will be highlighted in the Local FRM Strategy Action Plan.

5. Action Plan

General dates and actions

The following diagram (Figure 4) summarises the process by which FDGiA is allocated by the EA and RFCCs on behalf of Defra, and the key dates in the process. FRM authorities need to submit their draft Medium Term Plans (MTPs) to the RFCC by mid July each year. In October the RFCC provide an indicative programme of works likely to receive FDGiA funding, with the final allocation approved in February.

A summary of the procedure for applying for grant and securing approval for flood risk management and coastal erosion studies, strategies and projects is provided by the EA on their [website](#).

Financial planning at Cornwall Council is based on the “Capital Gateway” process. A Capital Gateway Panel has been set up to provide a robust two stage challenge to the granting of approval for schemes to be added to the Capital Programme.

The Panel has four key objectives:

To review and challenge any proposals for new schemes including:

1. Challenging the outline business case for proposed new capital schemes.
2. Challenging the detailed business case for proposed new schemes.

As required, to review those schemes within the capital programme that have no, or partial, contractual commitments and to:

3. To robustly challenge the requirement for an individual scheme, or a programme of capital works, to remain within the programme.
4. To provide clear justification for the proposed removal of any schemes from the programme.

For new schemes that require Council resources to fund them, an initial Outline Business Case must be prepared which will be submitted to a ‘First Stage’ gateway panel. The panel will either approve the scheme onto a ‘Second Stage’ gateway, or reject its further progress. Figure 5 demonstrates this process. It is necessary to align the processes in Figures 4 and 5.

This Investment Plan will inform the FDGiA bidding process and will ensure that early and effective discussions take place, before key submission dates. These discussions will involve all relevant partners and stakeholders and in particular the EA, to ensure that they are aware of the LLFA’s intentions for future funding bids.

Figure 4: EA Medium term financial planning diagram

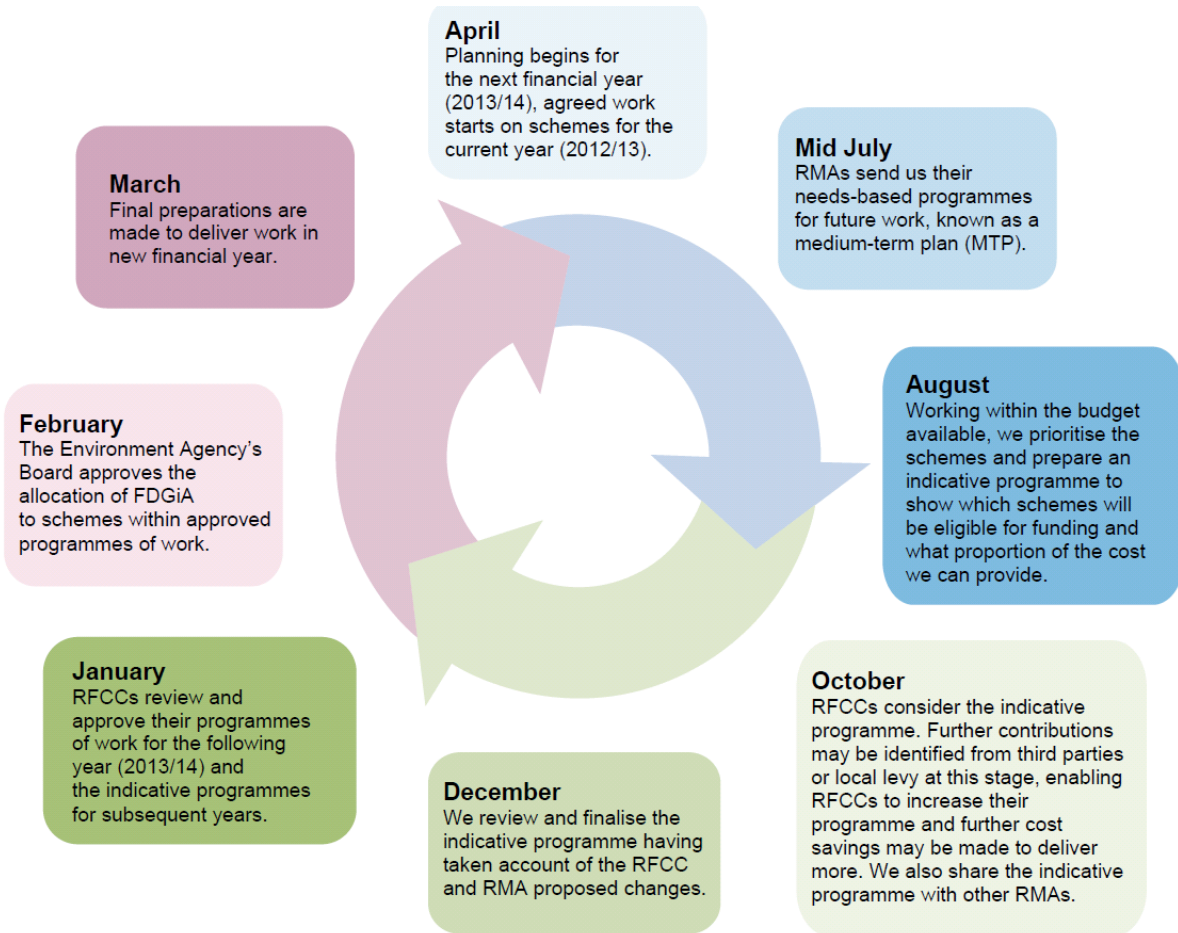
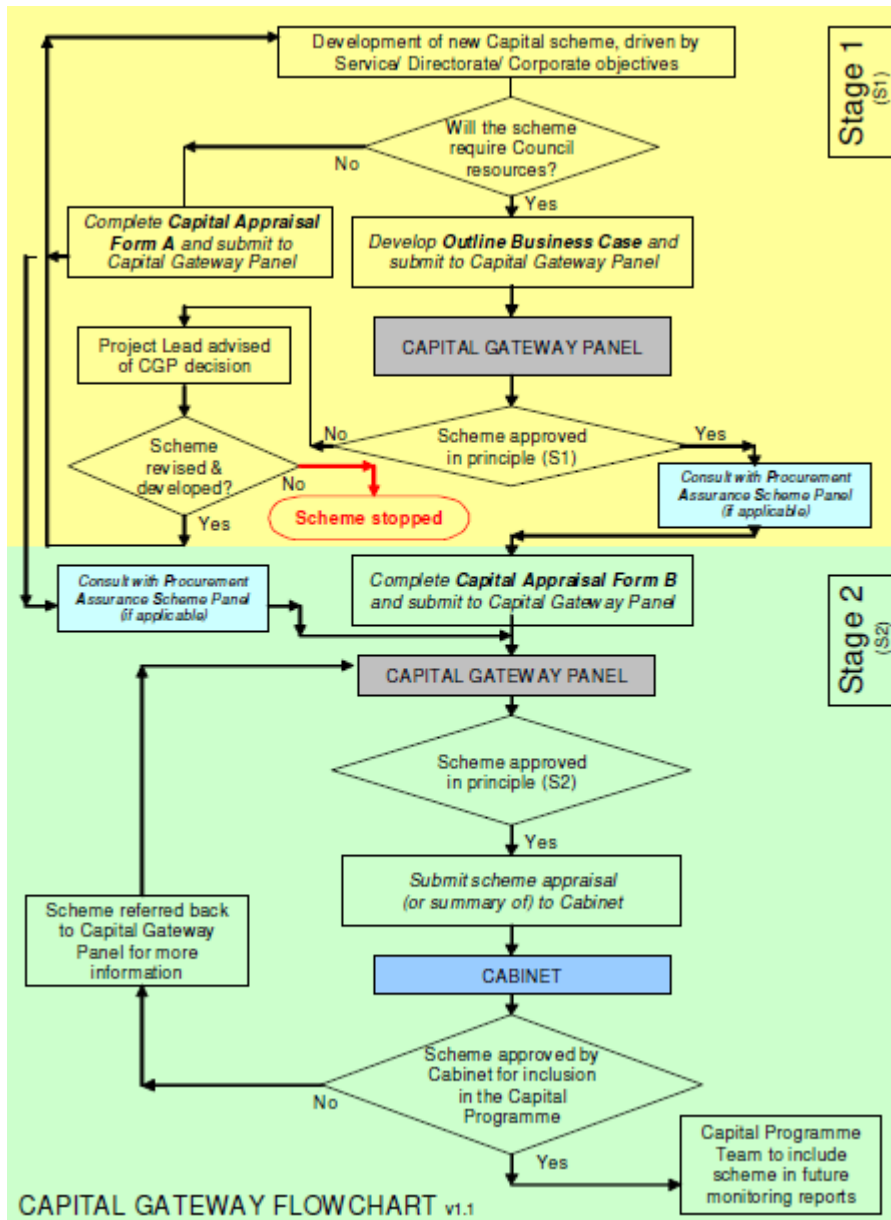


Figure 5: Cornwall Council Capital Gateway flowchart



Scheme level dates and actions

To be confirmed in later iterations of the Investment Plan, this will include consideration and completion of the table below.

Table 4: Matrix of scheme-level actions

Scheme	Consult partners?	Seek extra funding?	Technical development needed?	Confirm RFCC support?	Confirm financial support from borough/ district councils?	Key programme dates

6. Formal adoption and sign-off

This version of the Investment Plan is considered to be an 'initial outline'. Its aim is to present the range of ambition and the most likely outcome of flood risk management investment (a do minimum short term programme).

This Investment Plan provides a platform from which Cornwall Council can move forward with their Investment Planning as they worked towards completion of their Local Flood Risk Management Strategy. This outline will be used as a baseline for engaging the Environment Agency and other Risk Management Authorities, who over the coming months, will be consulted with to develop the Investment Plan in to a 'consultation draft'.

At this stage, consultation will be required with a range of other partners, including local politicians and internal finance teams to get their agreement. This consultation process would also enable ideas to be brought forward for generating more funding to deliver a more robust programme. This process would then inform later revisions of the Investment Plan and the Local FRM Strategy, in particular future actions required. Cornwall Council is currently investigating how the final investment plan will be signed off.

This section of the Investment Plan will be updated once a formal process for its approval is agreed with all parties, including the Council, RFCC and other partners.

Appendices

Appendix A: “Funding Share” Tool Scenarios

Please note that the study is a pilot produced by JBA in consultation with Cornwall Council. The information contained in this appendix is illustrative / indicative. The scheme information and funding scenarios (and funding amounts) presented are subject to Cornwall Council and Environment Agency approvals.

A range of scenarios has been run, based on:

- **Scenario 1:** Harder times, poor local outlook and stiff competition for FDGiA;
- **Scenario 2a:** As present (assuming 130% FDGiA Outcome Measure score threshold);
- **Scenario 2b:** As present (assuming 150% FDGiA Outcome Measure score threshold);
- **Scenario 3:** Having an enhanced local contribution; and
- **Scenario 4:** Sunny outlook, with a lower FDGiA Outcome Measure score threshold (note not run as all schemes were paid off after scenario 3).

Each scenario has a number of assumptions, including the availability and sources of funding. These are set out in Table A-1 below along with the results of the analysis. For Scenario 2 (considered the most likely scenario), a range of methods for distributing flexible funding amongst the schemes were tested – for example, applying funding to those schemes with the smallest funding gap first, or to those schemes with the highest priority first, or based on the OM scores. For Cornwall Council, the investment tools highlighted that the best option to release as much FDGiA funding as possible was to pay off schemes in decreasing order of OM scores. Therefore, all results presented in table A-1 used this option.

Table A-1: Indicative results of Funding Share Tool analysis

	Scenario 1	Scenario 2a	Scenario 2b	Scenario 3	Scenario 4
FDGiA OM Score threshold	180%	130%	150%	130%	100%
Community Infrastructure Levy	£0k	£0k	£0k	£0k	
RFCC Local Levy	£500k	£1,000k	£1,000k	£1,000k	
Other Contributions from the Council	£0k	£500k	£500k	£2,000k	
Initial FDGiA^	£465k	£4,183k	£1,630k	£4,183k	
Final FDGiA Obtained*	£1,712k	£5,904k	£4,871k	£6,097k	
Total Cash Cost of Schemes	£11,798k	£11,798k	£11,798k	£11,798k	
Total Final Shortfall	£6,862k	£1,670k	£2,703	£0k	
Schemes funded	1, 2, 4, 7, 13, 14, 30	1, 2, 4, 7, 12, 13, 14, 17, 21-24, 26-28, 30, 33	1, 2, 4, 7, 13, 14, 17, 21-24, 26-28, 30, 33	All schemes	
Funding gap to fill	12, 17, 21-29, 31-33	25, 29, 31, 32	12, 25, 29, 31, 32	n/a	

^Prior to allocating funding shaded grey. *After allocating funding shaded grey. Note funding assumed available over a 3 year period.

Appendix B: “Tool Interface”

A standalone read-only version of the populated Tool Interface is available as an excel spreadsheet separate to this document.

Appendix C: Results of Funding Share Tool for Scenarios

Figure C-1: Funding Share Tool for Scenario 1

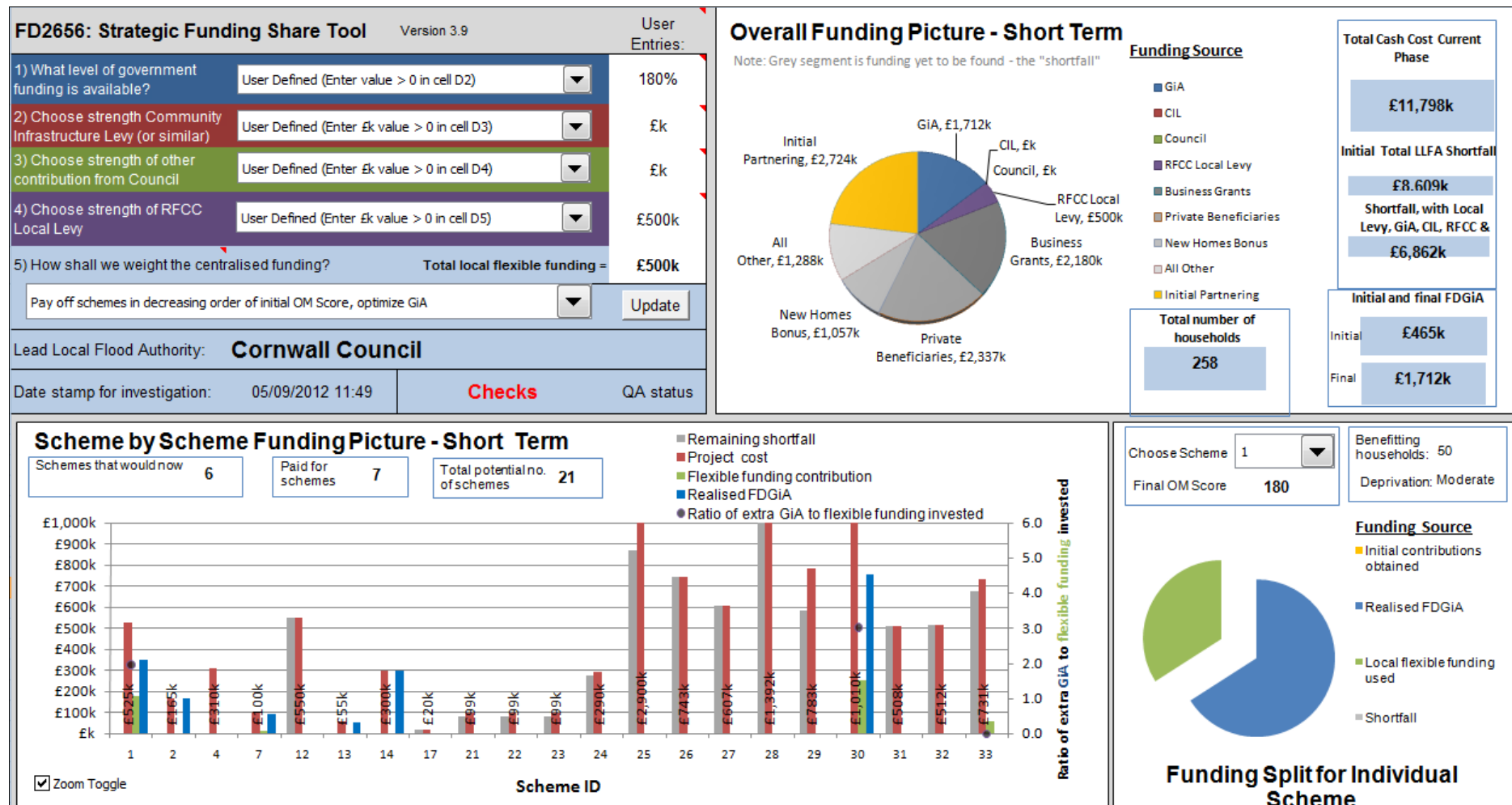


Figure C-2: Funding Share Tool for Scenario 2a

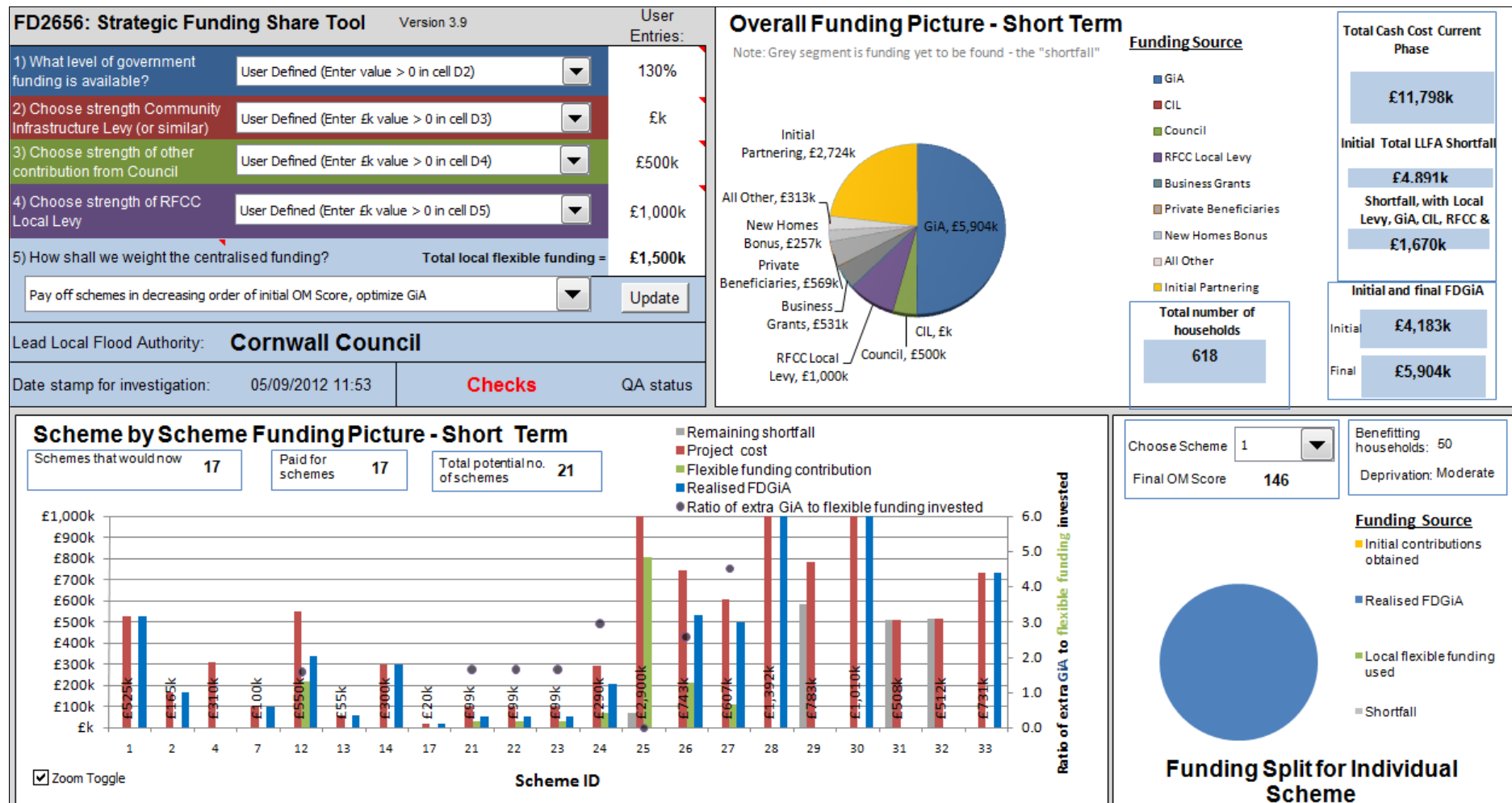


Figure C-3: Funding Share Tool for Scenario 2b

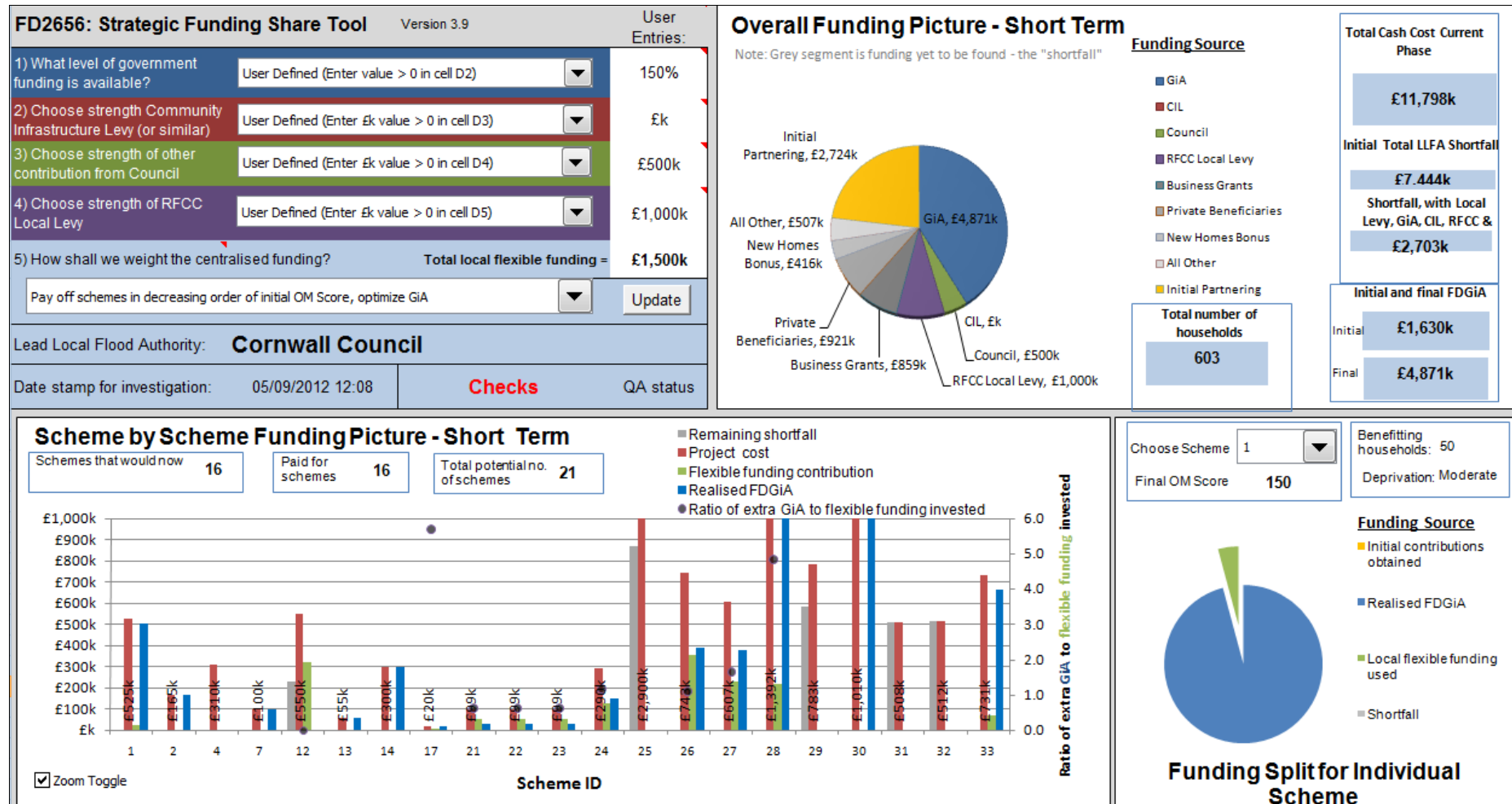


Figure C-3: Funding Share Tool for Scenario 3

