# North West Regional Flood and Coastal Committee

## Minutes of meeting held on Friday, 8 April 2022

### Member present

Adrian Lythgo (Chairman)

Councillor Keith Little (Cumbria County Council)

Councillor Stephen Clarke (Lancashire Strategic Flood Risk Partnership)

Councillor Jane Hugo (Lancashire Strategic Flood Risk Partnership)

Councillor Alan Quinn (Greater Manchester Strategic Flood Risk Partnership)

Councillor David Meller (Greater Manchester Strategic Flood Risk Partnership)

Councillor Tony Brennan (Merseyside Strategic Flood Risk Partnership)

David Shaw (EA Appointed Member – Planning and Design)

David Harpley (EA Appointed Member – Conservation/ Natural Flood Management)

Paul Barnes (EA Appointed Member – Agriculture & Land Management)

Perry Hobbs (EA Appointed Member – Water Industry)

### Also in attendance

Carl Green, Chair of the North Wales and North West Coastal Group

Stewart Davies, EA Board Member

Keith Moyles (deputy for Cllr Elizabeth Grey, Merseyside Strategic Flood Risk Partnership)

Innes Thomson, Chief Executive of the Association of Drainage Authorities

Doug Coyle, Cumbria County Council

Shamus Giles, Cumbria County Council

Marcus Leigh, Lancashire Strategic Flood Risk Partnership

Clare Nolan-Barnes, Lancashire Strategic Flood Risk Partnership

Laura Makeating, Lancashire Strategic Flood Risk Partnership

Lorah Cheyne, Lancashire Strategic Flood Risk Partnership

Imran Munshi, Lancashire Strategic Flood Risk Partnership

Sarah Wardle, Merseyside Strategic Flood Risk Partnership

Tony Griffiths, United Utilities

Sharma Jencitis, United Utilities

Katie Eckford, North West Shoreline Management Plan Co-ordinator

**Environment Agency officers present**

Andy Brown, Area Flood and Coastal Risk Manager (Lancashire)

Ollie Hope, Area Flood and Coastal Risk Manager (GMMC)

Craig Higson, Natural Course Collaborative Officer

Matt Ellis, Sustainable Places (IGNITION Project)

Ruth Forrester, Operations (C&L)

Sally Whiting, Senior FCRM Specialist (GMMC)

Lottie McAlister, Acting RFCC Secretariat

David Graham, FCRM Programming Advisor (GMMC)

Sarah Fontana, Local Authority Project Advisor (GMMC)

Pete Miles, Partnerships & Strategic Overview Team Leader (C&L)

Iwan Lawton, Senior FCRM Advisor (C&L)

Tom McCormick, FCRM Advisor (C&L)

## 22 (11) Welcome, Chair's introduction and apologies for absence

Adrian formally opened the meeting, introduced himself and welcomed everyone back after two years without a face-to-face meeting. He invited members to introduce themselves to the rest of the room.

Adrian Lythgo noted the following apologies for absence: Cllr Elizabeth Grey, Chris Findley, Carolyn Otley, Neville Elstone, Suzana Ilic, Lesley Worswick, Keith Ashcroft, Fran Comyn, Jill Holden, Tracey Hartley, and Mary-Rose Muncaster.

Adrian Lythgo noted that, due to other commitments, Sharma Jencitis and Perry Hobbs (from United Utilities) would have to leave the meeting partway through, and that Tony Griffiths would replace Perry at that point.

Adrian Lythgo went on to welcome the following individuals to the meeting: Keith Moyles (representing the Merseyside Strategic Partnership in place of Cllr Elizabeth Grey), Katie Eckford (New Shoreline Management Plan Co-ordinator), Sarah Wardle (New Merseyside Partnership Coordinator), Lottie McAlister (EA officer, supporting in RFCC Secretariat role), Innes Thomson (Chief Executive of the Association of Drainage Authorities), and other guest speakers Ruth Forrester, Craig Higson and Matt Ellis.

There had been no declarations of interest.

Adrian Lythgo highlighted some of the information papers, beginning with the Quarterly Flooding Update Report (Info Item A). He noted the recent unsettled weather including three named storms. He highlighted that the low numbers of flooded properties seen following these significant events was a sign of the effectiveness of the work being done in local areas.

Adrian Lythgo provided a summary of his Quarterly Update, bringing specific attention to his recent visit to the Lancashire Climate Summit, where the future flooding risk posed was discussed extensively, given the rate of climate change.

Adrian Lythgo noted that the site visit to Smithills Estate after the meeting would be an opportunity to see new and innovative resilience measures in natural flood management, and an opportunity to meet or reacquaint with each other after two years. He expressed his appreciation for everyone's attendance.

Adrian Lythgo highlighted the recently published RFCC Business Plan which had received some media attention, particularly in Lancashire. Members have been keen for the RFCC to raise its profile within the partnerships and with partner organisations.

Finally, he highlighted the national update papers, one general (Info item E) and one on the Environment Act (Info item D) which contains some important provisions for the future of flood risk management.

## 22 (12) Minutes of the RFCC Meeting held on 28 January 2022

The minutes of the meeting held on 28 January 2022 were proposed by Cllr Stephen Clarke and seconded by Cllr Jane Hugo.

## 22 (13) Matters arising and actions from the last meeting

Adrian Lythgo highlighted that there were two matters arising from previous the meeting:

- Committee member David Shaw had asked about the Levy allocations for Business Plan delivery and enquired about how much of the 2021/22 allocation was to be spent.
- Feedback had been requested from the partnerships on the work of the National RMA Delivery Task and Finish Group, by mid Feb

Both matters have been actioned. Sally Whiting had provided supplementary information to David Shaw and other Business Plan Sponsors, and five feedback forms had been received from three partnerships.

There were no further comments.

## 22 (14) Natural Course

Adrian Lythgo introduced the first discussion item, presented by Craig Higson, noting that all the discussion items in the meeting link back to the RFCC's Business Plan in some way.

Craig Higson, a Senior Advisor at the Environment Agency, introduced himself as Natural Course Collaborative Officer. He explained that Natural Course is the only EU funded LIFE Integrated Project in the UK and focuses on the achievement of the Water Framework Directive (WFD) (a water quality rather than water quantity focus) and the barriers to achieving ‘good ecological status’ in the North West River Basin District. It is a collaborative project between public, private and third sector organisations including: Environment Agency, Natural England, Greater Manchester Combined Authority, the Rivers Trust, and United Utilities.

Craig Higson highlighted that the concepts being developed through Natural Course build capacity for new and different ways of working and that everything which is currently being worked on is designed to be scaled up to be delivered outside the NW basin.

Craig Higson explained that Natural Course started in 2015. Phase 3 ended in September 2021, and the most recent phase, Phase 4 began in October 2021 and is expected to run until 2025.

Phases 1 and 2 were very tactical and site based, for example weir removal, working out how to work with the fishing sector and were a chance to trial processes on a smaller scale.

Phase 3 was on a bigger scale and had a more tactical focus. Projects included working on the CLIMB (Challenging Links and Integrating Multiple Benefits) initiative in the Environment Agency which has a focus on improving integrated working across departments within the EA, and the Bringing The Irk to Life project, which has shown how to use natural capital to attract funding.

The projects being developed as part of the ongoing Phase 4 are far more strategic including topics such as citizen science. Natural Course are working with third sector organisations, as well as delivering a package of work to support strategic NW partnerships to become more business savvy, as well as helping them access funding to deliver bigger and better projects.

Craig Higson provided a brief overview of the Phase 4 projects of most relevance to flood and coastal erosion risk management. Most are based in Greater Manchester as the Natural Course programme had its roots in the Irwell catchment.

There were originally ambitions to fund the implementation of the NW River Basin Management plan to meet the requirements of the WFD, however initial analysis suggested that more than £100million over 5 years would be needed to deliver the plan.  Public funding alone would not be enough. There are innovative financing models being developed by GMCA and the Rivers Trust to identify and attract potential alternative sources of funding.

Craig Higson also highlighted that in Cumbria, an investable commercial model will be delivered in two catchments: Glenderamackin (working with West Cumbria Rivers Trust) and Windermere (with South Cumbria Rivers Trust). These will build on the Wyre Natural Flood Management Investment Readiness Project by replicating, scaling, and streamlining the transaction process.

One project addresses the opportunity to work better with developers and urban planners to deliver WFD, using consultants to engage with local authority planners to understand barriers to incorporating WFD requirements into local plans, and to develop a tool to aid this in future.

One project addresses the issue of urban diffuse pollution. Natural Course will develop a model to highlight the most polluted roads in Greater Manchester so that mitigation measures can be delivered, with a particular focus on how green infrastructure could contribute. Information sharing with London City Region is happening and Natural Course are working with Transport for Greater Manchester.

Another project was FCRM Natural Capital Mapping. This project developed a tool working with Jacobs and Liverpool John Moores University which allows a user to see natural capital within a given area, for example, habitat, and to identify areas that can be used to provide improvement e.g. carbon capture. It is hoped that this tool will be rolled out for use in the North West in the next 12 months.

Craig Higson ended his presentation by noting two more projects of interest:

- The Cheshire Hub which is a collaboration between United Utilities, Natural England, the Environment Agency and the Rivers Trust run to determine how to better come together and deliver common goals.

- Fylde Hub

- Cumbria Water Governance - identified problems and barriers around water governance and is putting in place a catchment manager, hosted by the Local Nature Partnership, to ensure that the water environment features appropriately on agendas and enables integrated decision making.

Adrian Lythgo thanked Craig Higson for his presentation, designed to raise awareness, and invited the group to raise any questions or provide comment.

Cllr Stephen Clarke commented that he was particularly worried about the fact that planning authorities were allowing developers to build right up to watercourses/ natural drainage systems and believes that this is something that should be addressed.

Andy Brown commented that it is the Lancashire partnership that are the lead for the planning and development ambition within the RFCC Business Plan and therefore there is an opportunity to address. He also recognised the value and need for all partnerships to engage with Natural Course. Finally, he wished to make members aware that in the last two weeks the legal agreement for the Wyre NFM Investment Readiness project had been signed, formalising the legal arrangement, and marking the start of this very significant, global first.

Craig Higson addressed Cllr Clarke's comment, noting that GMCA had also identified development near watercourses as an issue. He recognised that planning is a complex area and feels that planning authorities are probably not all aware of the important role they play, and the opportunities available. This is as much the case for WFD as for flood and coastal erosion risk management and will require raising the profile of these as considerations.

Paul Barnes asked Craig what they had identified as the biggest barrier to progress.

Craig Higson was not able to identify any single reason reflecting the complexity of water management and governance. Achieving consistency across the region is difficult and what has been tested in one area doesn't always easily translate to another partnership area. Recommendations for change were identified as part of the projects but realistically to achieve significant change needs influence at national government level.

Cllr Keith Little commented that he had been involved in the flooding in 2015 and that there were difficulties then getting people to buy into the scheme. He noted the opportunities to raise alternative funding so as not to rely on Local Levy. He highlighted the need for joint responsibility across different bodies. He thanked Craig Higson for his presentation and hoped that Cumbria County Council will continue to support Natural Course.

In response to the earlier comment about development and planning authorities, Keith Moyles commented that there is a national skills shortage when it comes to professionals trained in hydrometrics. Planners only know so much, so some sort of education would be valuable so that the planners and developers understand the impacts of developing so close to water.

Cllr Alan Quinn commented that, in his opinion, developers treat flood resilience as a low priority. For example, Bury are at the start of developing their local plan. He expressed his belief that SuDS (sustainable urban drainage systems) need to be a serious consideration, particularly with the increase in paved driveways and mock grass which contribute to increased flood risk. He highlighted the need for something to be done from a planning perspective, particularly with new builds which will not be considered for EA funding for flood defence schemes.

Adrian Lythgo noted the comments and highlighted that it was important to understand how Natural Course links back to the RFCC business plan.

Sally Whiting commented that there is an ongoing aim to integrate the RFCC business plan with projects like Natural Course as far as appropriate. She also reminded Members of the action within the plan for a campaign around paving over front gardens.

Keith Moyles commented again on the importance of understanding the impact around the materials used in paving gardens, raising awareness around that, further education is required.

Craig Higson concluded by noting that further information on Natural Course could be found at: https://naturalcourse.co.uk.

There were no further comments.

## 22 (15) IGNITION Project

Adrian Lythgo introduced Matt Ellis from the Environment Agency to present this item.

Matt Ellis began by noting the similarities with the Natural Course item, particularly around new development and funding. He explained that IGNITION's focus is on unlocking investment into sustainable urban drainage systems (SuDS), specifically in an urban context.

The project is looking to produce a replicable business model to finance urban green infrastructure that can be rolled out across different areas and projects, focusing on making a large number of small interventions that can easily be invested in by a range of different investors.

He explained that the presentation at this meeting was a precursor to a formal request to the RFCC for Local Levy support in the summer, with full business case and proposal, but emphasised that it was not an ask today.

The project is identifying SuDS sites in Greater Manchester, which can be used to mitigate flood risk in high risk areas as well as provide a range of social environmental and educational benefits. Matt again reiterated that IGNITION was all about replicability – developing programme pipelines for actions to be done again and again.

In order to identify the most valuable sites, IGNITION worked with United Utilities, using their Drainage and Wastewater Management Plan (DWMP) to identify sites where interventions would not only be viable, but also have the greatest impact and therefore ensure that the funded accessible was maximised. Levels of social deprivation were also taken into consideration. 16 sites (mostly schools) were identified for the pipeline, out of an initial 3000.

The programme of 16 sites includes a variety of different SuDS types, providing an opportunity to develop the evidence base for different SuDS mechanisms. Matt explained that initially it had been the hope that some of the financial mechanisms from UU's area based surface water charging structures would generate enough income stream that could be borrowed against to fund the programme. However, the reality was that this was not the case. This set back in accessing funding meant that they had to work with a range of partners to access the funding, including the RFCC.

Matt went on to discuss the emerging funding structures. He reflected specifically on the wider set of contributing parties being sought, and that it will sit under and be governed by the Greater Manchester Environment Fund. It will give a number of outputs beyond simply installing SuDS, including: experience of contracting and working with contractors to install the SuDS; real life understanding of the delivery process which will help with improving business cases in the future; and experience in working with site owners.

Matt explained what it would mean for the RFCC to get involved with the IGNITION project. The project offers an opportunity to participate in a partnership SuDS retrofit financing model to catalyse urban green infrastructure market development, it provides an opportunity to reduce flooding from sewer and surface water and the project allows for talks around high level regulatory changes.

Matt reiterated the huge efforts put into the project which ensures that it is a replicable process which can be relatively easily applied to numerous other sites both within and outside of GM.

He concluded the presentation by describing the next steps of the project with the next stage set to start in May 2022 with construction expected to begin over the October 2022 school half term.

Adrian Lythgo thanked Matt Ellis for the presentation and noted that the idea for RFCC support had come from an RFCC action planning workshop with the aim of accelerating SuDS retrofitting and developing innovative finance mechanisms. Adrian Lythgo again highlighted that it is important that benefits are replicable beyond Greater Manchester and can be rolled out across the North West region.

Adrian Lythgo invited any other comments.

Cllr Stephen Clarke noted that he was concerned by the idea of retrofitting and that SuDS should be incorporated in the planning process in the first place. He also raised the question of who was going to be responsible for the maintenance of the SuDS, especially in the long term – over the next 20-30 years?

Cllr Alan Quinn mentioned the Prestwich project where £2 million was spent on improvements to the High Street. City of Trees enquired about applying SuDS to this scheme which only happened because of Cllr Quinn's involvement in going to the council and presenting the idea. The scheme involved the planting of 30 trees and has proven to be effective. Cllr Quinn went on to note that all over the North West, ash trees are going to be removed as the result of die back, most of these trees are mature street trees, which only cost £2-5k to replace. Furthermore, Cllr Quinn suggested that any of the wood from the removed trees could be used to make furniture.

Adrian Lythgo noted that the blended financing approach as outlined by Matt Ellis has an application at the North West level.

Stuart Davies asked which types of SuDS might have synergy with geothermal energy potential.

Matt Ellis responded by noting that he shared Cllr Stephen Clarke's concerns about retrofitting and has been approached with regular concerns regarding maintenance. He went on to note that by working with public site owners, it can be understood how they will maintain these areas through their normal site maintenance routine. The project will also provide useful learning on this aspect.

With regards to Stuart Davies' comment, Matt Ellis noted that they hadn't looked at thermal pumps/integrating with solar as the current measures are very simple and the aim is to keep the cost down – but it is something that will be considered in future. Outside of the SuDS pipeline, IGNITION is looking at lots of new technology around green infrastructure e.g. living walls.

Laura Makeating asked whether the approach had been stress tested in terms of whether the flood risk and drainage problems could be solved in ways other than SuDS retrofitting e.g. NFM? She also asked, in relation to the RFCC Business Plan and Local Levy Strategy, whether this ask sets a precedent across the region for similar future projects and how they are funded. How is the funding gap for this type of work going to be plugged in the long term?

Matt Ellis first addressed the stress testing, noting that IGNITION has been looking specifically at urban areas. He noted that a range of interventions are needed everywhere as the result of the climate crisis, not just in specific areas. It was the potential to deliver co-benefits and nature-based solutions (e.g. natural capital, benefits for school children) which drove IGNITION towards SuDS. RMAs are not likely to front the full cost, hence looking at the blended funding scheme. A similar financing approach could readily be applied to NFM, green walls, blue/green infrastructure - this pipeline is just to prove the system and the concept.

Cllr Alan Quinn brought attention to a site of 400 homes in Bury next to the Irwell, partially owned by Homes England and the council (25%). He is keen to drive lots of environmental measures on the developers but this has been met with a cost viability challenge. He asked how to push this forward.

Matt Ellis responded that, in the instance that Cllr Quinn described, is a bit different to working with a public site owner, as there are lots of questions about maintenance from EA, UU, and highways. However, the local authority could be in quite a strong position to look at cooperating with other partners to set these requirements. Plus, if it can be made viable here, it can be used more readily at other similar sites. Matt offered to discuss this further with Cllr Quinn offline.

Finally, Matt provided the details of the project website: ignitiongm.co.uk for further information.

Adrian Lythgo responded to Laura Makeating's point about precedence, noting that IGNITION is something that is going on in the North West that could be taken forward elsewhere. He again highlighted that this was not a request for funding now, which needs to be formally pursued through the normal Finance Sub Group process. This was an opportunity for Matt to raise awareness of something exciting going on in the North West, and that there will be an ask in the future.

Adrian thanked Matthew Ellis for his presentation.

There were no further comments.

## 22 (16) Land Drainage Futures

Adrian Lythgo introduced Ruth Forrester from the Environment Agency and Innes Thompson from ADA to present this item.

Ruth Forrester opened the presentation and noted that they were not looking for any decisions today, the purpose of the presentation was just to inform and discuss.

Ruth Forrester went on to provide some context to the initiative, which has been running for the last 10 years. Internal Drainage Boards (IDBs) have a role in reducing flood risk, they are responsible for operating pumping stations, maintaining watercourses and other water level management structures in lowland areas. Up until the mid 1970s, there were 18 IDBs in operation in Cumbria and Lancashire but they were disbanded with the EA now responsible for the legacy activities. Nationally, this is the only area where IDBs were disbanded with 112 continuing to exist across the rest of the country.

Ruth Forrester explained that the EA are not funded to pump water for land drainage. Currently special permissions from the Board are required to spend money on these activities and as such the operation needs to end. The aim is to reach a conclusion that works in the right way, a shared agreement and one which delivers multiple outcomes.

Ruth Forrester thanked the committee for past Local Levy contributions to support this work and showed brief details of some of the ways this had been used. She noted that there has been a pause in spending the money while legislation changes were awaited but now this has happened it is likely they will still require the future indicative Local Levy allocations.

Ruth Forrester provided a summary of progress at the relevant locations, including noting some achievements to date:

- Thacka Pumping Station: work completed successfully and the pumping station has been handed over to individual farmers.
- Waver Wampool: Poor response to the initial consultation with insufficient support for establishing an IDB. The plan is to offer the community another opportunity to express support for a way forward.
- Lyth Valley: has been contentious about how a solution could be found/ if there needs to be a solution at all. However, all partners agree that progressing a water level management board is the preferred solution provided an arrangement can be found which reflects all needs.
- Alt Crossens: Similar to Lyth Valley but working with the NFU to form groups of landowners to maintain drainage channels themselves. This has mostly been done through catchment permits from the EA, and with the involvement of the Wildfowl and Wetlands Trust for Martin Mere. A range of groups (flood risk management authorities, NFU, farmers, Rivers Trust) are in agreement that they need to work together to resolve a way forward and a stakeholder group is being established.

Ruth then reflected more generally that over the last 10 years a lot has changed. There is now the National FCERM strategy, with its emphasis on resilience and adaptation, and on achieving wider benefits (including environmental), which are all reflected in the RFCC's Business Plan. As a result of the England Peat Action Plan, there was a Lowland Peat Taskforce created to identify recommendations in terms of the management of this important habitat. Brexit has led to the development of the Environmental Land Management Scheme which will pay farmers and land managers for providing public goods. And climate change and net zero carbon targets are also placing a focus on the carbon sequestration potential of these sites. This is all being enabled and influenced by the Environment Act. Overall it is about achieving locally delivered water management that meets all needs.

Innes Thompson then introduced himself and spoke about the role of IDBs, a legally defined term deriving from the Land Drainage Act. Today they manage water and hence moving forward he will be using the term Water Management Board (WMB).

Innes noted that Local Authorities have a role to play to collect the rates that a WMB would operate with via a Special Levy. This has been the arrangement since IDBs stopped collecting their own rates in the 1980s. The funding will be ring-fenced for this purpose. It is likely that the council will charge a handling fee.

Innes also reflected that it is not in the EA's remit to manage low flood risk systems, with their need to focus on higher risk areas, hence the need for another organisation that can be responsible for this and is better placed to provide the locally-driven, sustainable management of water.

Innes also wanted to raise awareness of Laura Makeating's role as the Vice Chair of the Association of SuDS Authorities who ADA have been working closely with.

Ruth Forrester noted that in the past IDBs were one of the few structures that could collect rates/levies in areas that they were deemed to be important. The Environment Act would now legally enable the establishment of new IDBs. The benefit of a new water management body could be to provide the opportunity to set the rates and raise a Special Levy to fund work in a specific geographic area, and to decide what works takes place, which could potentially include other (e.g. environmental) projects. Ruth went on to note that re-establishing IDBs/WMBs are not without their drawbacks, but it would mean that parameters can be set from the outset to design out any issues.

Innes Thompson highlighted that re-establishing an IDB would be a very democratic process. It would involve the local authorities in the area, it would have appointees from the local authorities on the board, as well as taking into account agricultural interest, all working together as co-decision makers. If the majority of funding comes from the Special Levy, then council representatives would have a +1 majority.

Adrian Lythgo also reflected that this is a complex process and extensive local engagement needs to be involved. He noted that if new water management boards were to be re-established then they would sit on the RFCC as risk management authority members.

Innes Thompson noted the importance of taking a catchment wide approach, ensuring that no stakeholder in the catchment area is excluded. He then welcomed any queries and invited the committee members to contact ADA who would provide any relevant information.

Adrian Lythgo asked Ruth Forrester to briefly refer to the Lowland Agricultural Peat Taskforce (LAPT).

Ruth Forrester introduced the LAPT, chaired by Robert Cauldwell, and explained that she represents the Environment Agency on the NW LAPT. The NW LAPT is looking at mapping lowland peat soils across the country and determining how carbon can be captured through peatland management whilst also sustaining sustainable farming. It aims to balance sustainable food production/ food security alongside tackling the climate emergency. Ruth Forrester went on to note that managing peat soils is one of the easiest and most effective ways of capturing carbon.

Cllr David Meller commented that this was an example of the good work the Local Levy can support. He noted that flooding issues are often difficult to solve and it can be frustrating especially when it comes to responsibility. He went on to note that if IDBs could cut through this, that would be a good thing, however, he worried that it could potentially add another layer of bureaucracy to an already complex system. He also asked for clarification on how these bodies will be funded.

Ruth Forrester responded to Cllr Meller's question on funding explaining that IDBs would be funded by two routes: an agricultural rate paid by agricultural landowners per hectare and a special levy collected by the local authority for other beneficiaries. With regards to clarity of responsibility, Ruth Forrester explained that a clear geographical boundary would be established, within which the IDB only would be the body responsible for water management. If there was a flooding issue within that boundary then they would take responsibility. This simplifies the question of responsibility.

Innes Thompson echoed that essentially the IDB would operate as a small local authority within a very specifically defined geographical boundary functioning with one single purpose and with specific named contacts. The funding coming in would be ringfenced so those contributing know exactly what they are getting.

Cllr David Meller and Adrian Lythgo thanked Ruth Forrester and Innes Thompson for their time and input.

There were no further comments.

## 22 (17) Recommendations from the Finance Sub Group

The following Finance Sub Group papers from the meeting on 18 March 2022 were made available to inform this item:

- Minutes from the 18 March RFCC Finance Sub Group
- Quick Wins review report (including revised guidance)
- 2022/23 FCERM Grant in Aid (GiA) Allocation (National EA paper)

Adrian Lythgo introduced David Graham (EA Programming Team) to provide this update. He also noted Neville Elstone's apologies as Chair of the Finance Sub Group.

**2021/22 Investment Programme**

David Graham highlighted, as already discussed at the January meeting, the challenges to delivering the scale of programme we now have leading to us not fully utilising the full Grant-in-Aid allocation for the North West in 2021/22. There was a similar picture across the country which ultimately resulted in the Environment Agency handing £150 million back to Defra for the 2021/22 financial year. He stated that this is a reprofiling of allocation across the programme and that discussions are ongoing with the Treasury about when and how the £150 million will be reprofiled back into the programme.

Cllr David Meller asked why the money was handed back.

Adrian Lythgo elaborated on the challenges currently impacting delivery, mostly due to COVID delaying progress and reducing resource capacity. He also reiterated that the money will be available in future years but at present it is unclear when. There are also cost inflation and resource capacity issues which will remain, even though the money will be returned, hence the need for a robust pipeline of schemes.

Cllr David Meller thanked Adrian Lythgo.

Cllr Alan Quinn raised the issue of landslips occurring due to high river levels during flood conditions, in particular one that had happened in Bury. He reported that consultants are currently working on it, but along the Irwell there are 40 areas identified to be at risk of a landslip. This type of work is not funded by GiA and is another sign that with climate change, risks will have to be seriously considered by councils.

David Graham went on to cover the forecast for the number homes that we expect to be better protected from our investment this year, reporting that this is significantly lower than the North West target based on the allocated funding. The target includes those homes still to be better protected from schemes in last year's programme that are not yet complete. Some of these will now complete later in the programme. He also noted that this was a demonstration of the impact of cost inflation on the programme.

Addressing the maintenance programme, David Graham noted that all staff costs and maintenance had increased slightly meaning that forecast spend is slightly above budget. The forecast underspend in GMMC Area comes as the result of delays in recruitment. David Graham then brought Andy Brown in to comment on the reasons for the forecast overspend in Cumbria and Lancashire Area.

Andy Brown commented that, after the tragic fatality of an EA staff member last year, as well as a number of near misses in Cumbria and Lancashire, there had been a re-focusing on keeping staff safe. This means that moving forward it is likely work may take slightly longer to deliver to ensure that it is carried out in the safest way possible and overall the programme will deliver slightly less. The impact on the programme cannot yet be fully quantified but Andy reported that he was confident it would only impact assets with the lowest associated flood risk, possibly those referenced in the previous agenda item. Andy Brown reported that the committee would be kept informed as this becomes clearer.

Cllr Alan Quinn commented that the Committee should support any processes the EA need to take to keep employees and processes as safe as possible.

Andy Brown thanked Cllr Alan Quinn for his support.

**Local Levy Programme:**

David Graham provided a brief update on the Local Levy programme, highlighting the forecast underspend of £2.1m for 2021/22.

Adrian Lythgo then fed back on the Finance Sub Group's approval of the appendix to support the RFCC's Business Plan, which sets out the specific actions that we have prioritised and will progress. The full version of the Business Plan, including the appendix, has now been published on The Flood Hub and formally launched.

Each of the three new Local Levy requests were then addressed and considered in turn.

## Rochdale and Littleborough scheme

Ollie Hope provided a reminder of this major and unusually complex scheme, on which the EA are working closely with Rochdale Borough Council. The current design includes upstream storage areas and raised defences through Rochdale town centre. Once the scheme is complete, 1081 properties will be better protected, and it will also deliver further benefits including habitat restoration and riverside regeneration.

Ollie Hope explained that a key planning application for the Littleborough section of the scheme was due to go in in April, after which the scheme will need to be fully funded to progress. He noted that since the outline business case costs have increased to £65 million. The scheme is still set to deliver £350 million of benefits and so far, a total of £30 million of partnership funding contributions have been secured from the Department for Education, other government departments, Network Rail and the Asset Replacement Allowance fund. However, there was still a gap in the funding package.

Ollie Hope then reiterated the ask for an additional £2 million of Local Levy which would ensure that the scheme continues to progress, with other sources of funding also being pursued.

Adrian Lythgo asked the committee if there were any questions/comments

Cllr Tony Brennan asked whether this additional funding would mitigate any risks

Ollie Hope answered that an additional £2 million would ensure that the Full Business Case can be presented with a clear, fully funded pathway to delivery, ensuring that the project stays on the critical path.

There were no further comments.

Adrian Lythgo asked for the RFCC's approval for the Local Levy funding, which was supported.

## Fleetwood and Copse Brook scheme

Andy Brown introduced this scheme which will better protect 2500 properties, many of which fall within the most deprived 10% in the UK. The scheme will act as a stimulant for regeneration for the town as well as for saltmarsh habitat regeneration. Members heard that the current cost of the scheme was £11.9 million, with £7.3 million available from FCERMGiA.

Andy Brown noted that the Local Levy contribution of £1.77 million would represent 15% of the total cost of the scheme, in line with the RFCC's Local Levy Strategy, with the funding being required in 2025/26. He also reported that they are seeking Other Government Department funding which is only confirmed once a year so there is a wait to see whether the scheme will benefit from that.

Adrian Lythgo asked for the RFCC's approval for the Local Levy funding, which was supported.

### Quick Wins

At this point, Adrian Lythgo invited Doug Coyle (Cumbria County Council) to provide an overview of the review of Quick Wins funding carried out by the RFCC Technical Advisory Group.

Doug Coyle began by outlining the definition of a Quick Win: an improvement that is visible, has immediate benefit and can be delivered quickly. Quick Wins should be easy to implement, inexpensive, and have a narrow and focused scope. Doug Coyle went on to explain the Quick Wins process and provided some examples.

Doug Coyle highlighted the recommendation of the Technical Advisory Group, following the review, that the Local Levy allocation for Quick Wins be increased from £50,000 to £100,000 per partnership per year. He noted that this would allow more Local Authorities to progress projects, some of which cost more than was previously available, and will therefore help ensure that the budget is fully utilised.

Adrian Lythgo invited any questions or comments. There were none.

Adrian Lythgo asked for the RFCC to approve the recommended increase in Local Levy funding for Quick Wins, which it did.

**Resolved:**
Following the recommendations from the RFCC Finance Sub Group Meeting, the Committee **approved** the following Local Levy allocations:

- An increase for Quick Wins from £50,000 to £100,000 per partnership per year.
- An additional £2million Local Levy contribution for the Rochdale and Littleborough FCERM Scheme.
- A £1.77 million contribution for the Fleetwood and Copse Brook FCERM Scheme.

### 2022/23 Investment Programme

Adrian Lythgo invited Ollie Hope to comment on the general pressures of cost inflation impacting the programme.

Ollie Hope provided a brief overview of the cost pressures that schemes across the NW are experiencing, including those close to or which have already begun construction. There are global pressures on supply chains causing cost inflation, being driven by a number of current affairs, including the war in Ukraine and ongoing COVID lockdowns in China. He highlighted that the costs of materials in general have increased by 20%, especially steel which has increased by 120%.

Ollie Hope explained that the risk is highest for more marginal schemes that have partnership funding scores close to 100%, which may be needing to seek additional funding, potentially coming forward in future to ask for Local Levy contributions. He went on to highlight that this is a challenge for the EA nationally as there is no additional provision for these increased costs within the partnership funding model, and changes are happening very quickly.

Ollie Hope reported that nationally there are 500 schemes across the country going through full business case which could potentially feel the pressure of inflation. Around half of these are local authority led schemes.

Ollie Hope then highlighted certain relevant schemes in the North West, in particular West Kirby in the Wirral, where it has been difficult to reach a final cost with Volker Stevin. This was not reached before the outbreak of the war in Ukraine and hence they were vulnerable to increased costs. He also noted that the Penketh and Whittle scheme was struggling with inflationary costs which has resulted in delays to the scheme.

Adrian Lythgo noted that all asks for Local Levy will come via the Finance Sub Group in the normal way, but that it is important to raise the issue for awareness of the risks and threats to delivery of the investment programme. Work will be ongoing to look at the pipeline and assess the risks to delivery.

Cllr Stephen Clarke expressed that there is a need for better visualisation of the programme spend and asked if it was possible for the partnerships to be provided with this.

Andy Brown confirmed that this should be available and that he has asked EA officers to investigate where information is not getting through.

Ollie Hope noted an action from the FSG to look at the programme as a whole and highlight schemes that were likely to be under pressure.

Cllr Alan Quinn noted that this highlights that hard engineering is vulnerable to cost increases which suggests there should be a refocus on nature-based solutions as cheaper and more sustainable alternatives.

Cllr Keith Little expressed the importance of having closer working relationships between the EA and RMAs to determine where multiple benefits could be achieved.

There were no further comments.

## 22 (18) Variation of Composition of the NW RFCC

Andy Brown made the Committee aware of the local government reform affecting structures in Cumbria and explained that the Committee needed to agree how to move forward ahead of the formal consultation needed to vary the composition of the North West RFCC. Andy set out the proposal for the arrangement to stay as it is, with Cumbria keeping one member on the RFCC, which who would in future represent both the Cumbria authorities.

Once endorsed by the EA Board, the proposal will go to a 6-week public consultation over the summer, with EA Board approval in October, Ministerial approval in Oct/Nov and implementation from April 2023.

Cllr Keith Little expressed his pleasure to be on the RFCC, his hope to remain until 2023, and that he will be working with both new authorities and will keep the Committee Chair and EA updated.

Adrian Lythgo reinforced the fundamental principle of the proposal for Cumbria to still have one vote on the RFCC.

**Resolved: The Committee:**

- Noted the implications of local government reorganisation in Cumbria for the composition of the Committee.
- Noted the process and timeline.
- Approved that the proposal and move to public consultation, once parliamentary approval has been granted for the reorganisation.

## 22 (19) Any other business

Cllr Stephen Clarke fed back that the screen was too far away to be seen by all committee members.

Adrian Lythgo, on behalf of UU, wanted to bring attention to the DWMP Portal which had made information available to partners to look at through a secure portal. Adrian Lythgo fed back that UU were disappointed at the current level of uptake so this was a plea to encourage officers to sign up. If officers have not had the email they should contact to Sharma Jencitis (UU).

Adrian went on to note that Rachel Harmer has been unwell, she is on the mend but not back to full health yet and invited those present to sign the card for her upcoming birthday.

Adrian thanked Andy Brown who had been successful in securing the national role of Deputy Manager of Incident Management Strategy and Resilience, and as such this would be his last meeting. Moving forward, Ben Scott (Area Flood Risk Manager for Greater Manchester) will be picking up Andy’s role as lead for the RFCC.

Finally, Adrian Lythgo reminded those present of the site visit after the meeting to the Smithills Estate. He thanked everyone and closed the meeting.

## 22 (20) Dates of future meetings

RFCC meetings:

Friday, 15 July 2022; Friday, 28 October 2022; Friday, 27 January 2023.

RFCC Finance Sub Group meetings:

Friday, 24 June 2022; Thursday, 6 October 2022; Thursday, 12 January 2023.