

Annex 1: Summary table of definitions and qualifying criteria

Description	Asset refurbishment	Asset replacement	New assets changing the approach to risk management
Definition	<p>Activities mitigating for loss in asset design performance which are both:</p> <ul style="list-style-type: none"> not manageable with asset maintenance activities significant and permanent if not addressed 	<p>Activities replacing an existing asset which is at the end of its useful life with another asset serving the same community – even when not in the same location or using the same measures - and which:</p> <ul style="list-style-type: none"> sustains the SoS of the replaced asset continues the design performance of the replaced asset on an equivalent basis 	<p>Activities creating a new asset where no assets currently exist and activities changing an existing asset which secures a change by:</p> <ul style="list-style-type: none"> reducing the current SoP increasing the current SoP <p>Activities creating a new asset which does not change the SoP but takes a different approach to risk management using different types of measures</p>
Qualifying criteria	<p>The asset refurbishment activity has the primary purpose of managing flooding and coastal erosion risks</p> <p>The cost is greater than £5,000, excluding VAT</p> <p>The benefits from the intervention will last longer than one year</p> <p>The activity represents a more substantial intervention than a maintenance activity</p> <p>An asset is returned to its design performance by replacing, or substantially renewing, one or more asset elements or asset components, unless the activities are significant enough to be considered asset replacement or the asset has reasonably exceeded its previously expected useful life (see Section 4)</p> <p>The whole life cumulative cost does not exceed the cost of replacing the asset, unless agreed with the Environment Agency in advance and by exception</p> <p>The activity is planned and undertaken in accordance with the asset's expected asset management regime, where the benefits of the asset refurbishment activity are measurable over a longer period (this may include emergency works for reinstating asset performance (see Section 3.4.2))</p> <p>The activity secures the realisation of significant on-going benefits from the asset during its useful life</p>	<p>A replaced asset must have the primary purpose of managing flooding and coastal erosion risks</p> <p>The local need for on-going risk management measures can be demonstrated</p> <p>The proposed activities are not asset refurbishment activities or asset maintenance activities</p> <p>The current asset is demonstrably nearing the end of its original expected asset life:</p> <ul style="list-style-type: none"> it can no longer perform as designed to achieve on-going risk reduction to the required SoS asset refurbishment activities are no longer sufficient most of the asset, including any civil engineered structure, is due for replacement or renewal <p>A proportionate appraisal includes a range of options for sustaining the SoS and for changing the SoP</p> <p>The proposed FCERM asset does not change the SoS, the SoP or accommodate for future change in risk</p>	<p>The new asset must have the primary purpose of managing flooding and coastal erosion risks</p> <p>The local need for risk management measures can be demonstrated because:</p> <ul style="list-style-type: none"> there are no existing FCERM assets, or the current FCERM assets are unable to: <ul style="list-style-type: none"> achieve the reasonable risk management expectations of the community due to an insufficient SoP secure the outcomes and benefits which justify the current high SoP continue securing the existing SoP in a way which is sustainable in a changing climate <p>The proposed activities are not asset refurbishment activities or asset maintenance activities</p> <p>A proportionate appraisal includes a range of options for sustaining the SoS, for changing the approach to risk management</p>
Benefits	<p>Risk in the benefiting community does not change</p> <p>Sustain the standard of service (SoS)</p>	<p>Risk in the benefiting community does not change</p> <p>Sustain the standard of service (SoS)</p>	<p>Risk is managed differently in the benefiting community</p> <p>Sustain the standard of service (SoS)</p> <p>Change the standard of service (SoP)</p>
Grant eligibility	<p>100% of qualifying costs identified at FSoD approval (Gateway 2 or Gateway 3)</p>	<p>100% of the first £3m of qualifying costs identified at FSoD approval and 90% of qualifying costs over £3m identified at FSoD approval (Gateway 2 or Gateway 3)</p>	<p>100% of the first £3m of qualifying costs identified at FSoD approval and 90% of qualifying costs over £3m identified at FSoD approval (Gateway 2 or Gateway 3)</p>