

Written Response by the Welsh Assembly Government to the Report of the National Assembly Public Accounts Committee on Coastal Erosion and Tidal Flooding Risks in Wales: Committee Report (3) -03-10

We welcome this report and are pleased to take the thrust of the committee's report as a broad endorsement of the approach we have been taking since 2007 through our response to Sir Michael Pitt's review of the 2007 floods, our European funded projects and the development of the Flood and Water Management legislation. Almost all of the recommendations reflect the direction we are taking or are closely aligned with work in progress. We offer the following response to the seven recommendations in the report.

1 Recommendation

The Committee recommends that:

the Welsh Government provides the Public Accounts Committee with a detailed response to the recommendations made in the Auditor General for Wales's report on coastal erosion and tidal flooding risks in Wales.

Accepted

The Welsh Assembly Government accepts the recommendation and provides a detailed response to the recommendations made in the Auditor General for Wales's report on coastal erosion and tidal flooding risks in Wales at Annex A.

2 Recommendation

The Committee recommends that:

the Welsh Government clearly outlines what a risk-based approach looks like to stakeholders and the steps it is taking to deliver this.

Accepted

The Welsh Assembly Government has already set out its risk management approach. It was set out in detail in Annex A to the Consultation on the Flood and Water Management Bill and is reflected in guidance for Shoreline Management Plans and in guidance for the development of projects funded through our European Structural Funds Programme.

The new National Strategy for Flood and Coastal Erosion Risk Management, required under the Flood and Water Management Act 2010, will confirm the Assembly Government's policy and approach to flood and coastal erosion risk management. The consultation on the Strategy will take place in summer 2010 and the final Strategy published before the end of this Assembly. This consultation will be supported by a Communications Strategy currently being prepared to ensure that Welsh Government's policies are widely understood.

Under the terms of the Flood and Water Management Act 2010 the National Strategy must include details of all risk management authorities in Wales, their responsibilities, the Assembly Government's objectives for managing flood and coastal erosion risk, the measures proposed to achieve those objectives, how and when measures will be implemented, the costs and benefits of these measures, an assessment of the risks for the purpose of the strategy, how and when the strategy will be reviewed, the current and future impacts on risk management and how the Strategy contributes toward the wider environmental objectives.

Also, the Environment Agency Wales published a report 'flooding in Wales: A national assessment of flood risk' which sets out the current level of risk in Wales from rivers and the sea and what the Environment Agency is doing to manage it. The report details what a risk-based approach looks like and highlights the framework for managing flood risk.

3 Recommendation

The Committee recommends that:

In meeting recommendation 2, the Welsh Government should also:

- make a qualified assessment of the affordability of implementing this risk-based approach;
- ensure that sufficient resources, including financial and the necessary technical and project management capacity is made available;
- as well as considering its own internal resourcing, it should consider making best use of the expertise that exists within the EAW and other agencies such as the IDBs; and
- employ a directive leadership style that ensures the momentum of change and delivery of sustainable long term solutions

Accepted

As noted in response to recommendation 2, the National Strategy will set out the Assembly Government's objectives for managing flood and coastal erosion risk, the measures proposed to achieve those objectives, how and when measures will be implemented and the costs and benefits of these measures.

Figures provided by the Environment Agency in their report Future Flooding in Wales published in 2010 suggest that if we continue to implement the same defence focused approach that we have in the past, then to maintain the current levels of risk to 2035 we will need to more than treble current investment. Whether this is affordable will depend on Welsh Assembly Government objectives and the identified investment need set against available budgets. A risk management approach offers a wider choice of measures for managing both the frequency and impacts of flooding and dependant on the measures chosen the potential for a more cost effective approach to managing such risk.

Over the last two years additional, time-limited funding amounting to over £50m and representing a 50% increase in Wales 5 year capital investment programme has been secured from European Structural Funds and from the Assembly Government's Strategic Capital Investment Fund programme. This additional funding is being used to progress projects that would not otherwise have taken place and to facilitate the move to a risk management approach.

We have to recognise that the public spending will be severely constrained in the future and that flood and coastal erosion risk management investment will not be immune to that pressure. It is therefore vital that we ensure that investment is effectively planned and prioritised. We therefore intend to develop an investment plan, underpinned by a robust prioritisation process that brings together the priorities identified in Catchment Flood Management Plans, Shoreline Management Plans and Local Flood Risk Strategies and sets out when those particular priorities can expect to see investment.

That investment plan will be based on a clear assessment of the relative priority of different risks in different places and we will ensure that the methodology that underpins that comparative assessment is clear and transparent.

Since mid 2008 the Assembly Government team working on flood and coastal erosion risk management has been expanded with dedicated additional resources to bring in additional skills and additional expertise to support action on flood and coastal risk management activity. For 2010/2011 we are providing additional funding to Welsh local authorities to progress new duties and to build appropriate skills and capacity and are working closely with the Environment Agency and the Welsh Local Government Association to ensure that appropriate skills, capacity and expertise available across all organisations is deployed effectively in a way that minimises duplication.

The Assembly Government has taken, and will continue to take, a leadership role in shaping the delivery of an effective approach to flood and coastal erosion risk in Wales.

Since 2007, the Assembly Government has provided strong leadership by preparing new flood legislation, implementing Sir Michael Pitt's recommendations and by developing and commencing the implementation of a strategic investment programme that is driven by European funding and which embodies the risk management approach and partnership working in practice. All of these initiatives have been carried out through strong partnerships, robust project management and with support from key stakeholders.

The Assembly Government is developing a communications strategy that will enable effective dissemination of our flood and coastal erosion risk policies and priorities. This will be complemented by a community engagement framework that enables engagement at the community level by risk management authorities to enable local risks and solutions to be discussed, planned and implemented with the support and engagement of communities.

4 Recommendation

The Committee recommends that:

the Welsh Government states whether the New Approaches programme still exists, and how the objectives first set out under this programme align with subsequent developments e.g. the response to Pitt.

Accepted

The New Approaches Programme was always intended to facilitate the move from the traditional defence-focussed approach to flooding and coastal erosion to the more holistic risk management approach now in place.

The principles that formed the basis of the New Approaches Programme continue to underpin all of our work on flood and coastal erosion risk management. However, as explained in the letter of 1 March 2010 from the Director General for Sustainable Futures, Clive Bates, the New Approaches Programme itself was subsumed by a new flood agenda that was established in the wake of the 2007 floods.

The majority of the prime objectives of the New Approaches Programme such as refreshing flood and coastal erosion policy and defining risk management measures have been achieved with pace and with the support of key stakeholders through the implementation of the Pitt Review's recommendations, the introduction of the new legislation, the transposition of the EU Floods Directive and our approach to delivery of our European Structural Funds programme. We acknowledge that these were not closely linked to the New Approaches Programme at the time.

The National Strategy, as required by the Flood and Water Management Act 2010, will set out the Assembly Government's objectives in relation to flood and coastal erosion risk management. It will provide a comprehensive point of reference for all risk management authorities.

To inform our National Strategy, the Assembly Government will undertake a review of the changes which have taken place since the New Approaches Programme was launched in 2007 set against the programme's objectives. After that review, it is anticipated that the New Approaches Programme will be formally closed, with all future work directed under the National Strategy.

It is important to note that there was never the intention for the New Approaches Programme to be shared specifically with local communities. The intention was to develop and establish the new risk management philosophy with relevant operating bodies and for those authorities to then implement the new approach via a series of national delivery programmes. A significant element of the new approach was a robust and effective public engagement process. It was always envisaged that consultation and development of that process would take place primarily with professional partners and for these reasons it is not surprising that local communities are unaware of the approach.

We now have legislation that reflects a risk management approach and this has been translated into action on the ground and the National Strategy for Flood and Coastal Risk Management will drive our approach going forward.

5 Recommendation

The Committee recommend that:

the Welsh Government constructs and rolls-out a programme for communicating the general implications of a change in approach so that the citizens and communities that are at current or future risk can start to consider what a move away from the traditional defence-orientated approach means in reality. This programme should be rolled out across Wales, and not be restricted to specific coastal erosion or tidal flooding prevention schemes.

Partially Accepted

The Welsh Assembly Government recognises the critical importance of effective communication and engagement on flood and coastal erosion risk issues and we will be putting considerable emphasis on both in the future.

It is important however to deliver the right message through the most appropriate messenger. Given the potential impacts which flooding can have

on both individuals and communities, engagement at the local level where local issues and solutions can be considered in detail is essential. The Welsh Assembly Government recognises the importance of its own communications but considers that such engagement at the local level can best be achieved through local operating authorities such as the Environment Agency or local authorities and requires this as a condition of funding.

The Assembly Government is developing a communications strategy which will support the National Strategy and enable effective dissemination of our flood and coastal erosion risk policies and priorities. This communication strategy will include Wales-wide messages and other messages targeted at particular locations or groups. Targeting specific messages at particular audiences is key to enabling effective communication.

This communication strategy will be complemented by a community engagement framework, prepared by the Welsh Assembly Government that will enable risk management authorities to engage at community level to discuss local risks and solutions. Although all interventions must be set within the framework set at national level, the detailed discussion of particular risks and responses can only be dealt with effectively at local level.

6 Recommendation

The Committee recommend that:

the Welsh Government develops a transparent methodology for the assessment and prioritisation of coastal protection schemes so that citizens and communities can clearly understand the decisions that are made. This methodology should ensure consideration of risk-based alternatives to traditional defence schemes alongside considerations of proposals for traditional approaches. Risk-based alternatives should not only be considered when a traditional approach is deemed unaffordable.

Accepted.

Detailed procedures to assess flood and coastal erosion risk costs and benefits already exist. These procedures have recently been updated to better reflect the social and environmental benefits and to take account of risk management. These updated procedures are being trialled by the Environment Agency in Wales.

The Assembly Government accepts that these processes are complex and technical, that transparency for the citizen and communities can be improved and are committed to making the decision-making process more visible to the wider public.

Given that public spending will be severely constrained in the future, it is vital that we ensure that investment is effectively planned and prioritised. We therefore intend to develop an investment plan that brings together the priorities identified in Catchment Flood Management Plans, Shoreline Management Plans and Local Flood Risk Strategies and sets out when those particular priorities can expect to see investment.

That investment plan will be based on a clear assessment of the relative priority of different risks in different places and we will ensure that the

methodology that underpins that comparative assessment is clear, transparent and supports the move to a risk management approach.

During summer 2010, we will start to investigate that methodology which will then be subject to consultation. Once agreed, work will commence on developing the investment plan based on this methodology.

7 Recommendation

The Committee recommends that:

the Welsh government outlines its timetable for the publication of a national strategy for flood and coastal erosion risk management, under the Flood and Water Management Act, and the steps it has already taken to prepare for the publication of this strategy.

Accepted

The Welsh Assembly Government recognises the importance of the National Strategy in clarifying our policy for Wales and assisting Wales to adapt to the challenges posed by climate change.

The consultation on the National Strategy will build on the content and responses to the consultation on the Flood and Water Management Bill.

Work on developing a consultation on the National Strategy for Flood and Coastal Erosion Risk Management is already well advanced.

We have engaged key stakeholders including the Environment Agency, the Welsh Local Government Association, the Internal Drainage Boards and Dwr Cymru Welsh Water in developing the early drafts of the consultation document and we will continue to work with these organisations, other stakeholders and the public in taking the consultation forward.

The consultation on the National Strategy will take place over the summer of 2010 and, subject to the outcome of the consultation; the intention is that the final Strategy will be in place before the end of this Assembly.

Annex A

Response to the report of the Wales Auditor General's report on Coastal Erosion and Tidal Flooding Risks in Wales

The Welsh Assembly Government welcomes the seven recommendations contained in the Report, all of which are either accepted or partially accepted.

The Welsh Assembly Government is committed to improving the way we address flood and coastal erosion risk in Wales.

This study coincided with the aftermath of the 2007 floods which triggered a fundamental review of the response to those flood events and subsequent significant action here in Wales and in partnership with the previous UK Government. These initiatives have included new, comprehensive primary legislation on flood risk matters and have enabled additional funding to be secured through the Strategic Capital Investment Fund and the European Structural Funds. That funding has been used to drive a new approach to addressing flooding and coastal erosion in Wales.

These initiatives have been implemented across Wales with pace and have supported and delivered the New Approaches Programme's prime aim of facilitating the move toward a risk management approach in Wales

Significant improvements have been made in Wales since the launch of the New Approaches Programme with particular focus on understanding of risk, partnership working and collaboration, community engagement, consequence assessments and raising awareness. These changes will soon be consolidated within a National Strategy for Flood and Coastal Risk Management, underpinned by new legislation.

1 Recommendation

2.2 The Assembly Government should strengthen collaborative working with the Agency in England to improve efficiency and benefit from the sharing of skills, capacity and good practice. The Assembly Government could help to achieve this objective by giving the Agency a clear role to supervise the implementation of coastal erosion and tidal flood risk management policy on their behalf, and to use its expertise to support the implementation of the New Approaches Programme.

Accepted.

The Welsh Assembly Government has done much to strengthen collaborative working with the Environment Agency and will take opportunities where they arise in the future.

The Environment Agency is an Assembly Government Sponsored Body. It delivers flood risk management activities across Wales on behalf of Assembly Government and is the Assembly Government's technical adviser on flood risk and its management. The Assembly Government expects the Environment Agency to make all its expertise available for application in Wales and we have active engagement with teams in Wales and teams in England.

Traditionally there has been extensive sharing of information and experience between England and Wales at Government, Environment Agency and among consultants working in the field. Examples of collaborative working include the

following areas: on strategic planning and developing guidance for operating authorities (Catchment Flood Management Plans and Shoreline Management Plans), reservoir safety, risk assessment and mapping, asset management, flood warning and emergency response.

Following review of its flood and coastal risk management strategy the UK Government has delegated much of its responsibilities for flood and coastal risk management delivery in England to the Environment Agency. The Assembly Government has worked to maintain links as the Environment Agency has established its new strategic overview and an enhanced programme management role for flood and coastal risk matters in England.

In summer 2009, the Assembly Government consulted on roles and responsibilities for flood risk management authorities as part of the consultation on the draft Flood and Water Management Bill. Following that consultation, the Flood and Water Act 2010 brought forward a new oversight role for the Environment Agency relating to flood and coastal risk. This oversight role, together with additional powers and duties on flood risk management authorities, will support Welsh Assembly Government in implementing its flood and coastal erosion risk management approach in Wales.

Since 2007, the development of the new flood legislation, the transposition of the European Floods Directive (December 2009) and the implementation of Sir Michael Pitt's findings have resulted in strengthening of this collaborative working. The Flood Directive and the Flood and Water Management Act 2010 in particular provide a legislative requirement for collaboration including the coordination of plans at river basin level.

2 Recommendation

2.3 The Assembly Government needs to show stronger and more inclusive leadership in the shaping and delivery of the New Approaches Programme. It should:

- **integrate the New Approaches Programme effectively with its other strategies for the management of the coastal strip, such as Integrated Coastal Zone Management;**
- **provide clear project aims that will lead to the development of policy and a future strategic direction that is understood and owned by stakeholders;**
- **collaborate with the main stakeholders to develop an inclusive approach to the early engagement and leadership of communities at current or future risk from coastal erosion or tidal flooding;**
- **develop a strategy to relocate existing assets and people away from parts of the coast where the risk or cost of protecting against coastal erosion or tidal flooding is unacceptably high; and**
- **consider how it can overcome financial and other barriers that may prevent the success of this strategy.**

Accepted.

The Assembly Government has taken, and will continue to take, a leadership role in shaping the delivery of an effective approach to flood and coastal erosion risk in Wales.

The Assembly Government has taken the lead on developing the policy and

relevant provisions for Wales for new primary legislation on flood and coastal erosion risk, the implementation of Sir Michael Pitt's findings in Wales and leading the development of a strategic investment programme, using European Structural Funds, which puts risk management and partnership working into practice.

All these initiatives support the development of a risk management approach and have been carried out through strong partnerships with key stakeholders.

Specific actions that have been taken or are in progress which address the points in this recommendation include:

- Coastal Management - Shoreline Management Plans (SMPs) and Catchment Flood Management Plans are the strategic flood and coastal risk management plans which inform and support the Integrated Coastal Zone Management process in Wales. Existing SMPs are currently being reviewed to ensure that they fully reflect the anticipated impact of climate change. These reviews will be complete by 2011 and a risk management philosophy has been embedded within these strategic plans. Officials by reference to these plans will raise awareness of the risks, consequences and management policies across all departments of the Assembly Government.
- Future strategic direction - The Assembly Government set out its approach to flood and coastal erosion risk management in detail in Annex A to the Consultation on the Flood and Water Management Bill. The new, statutory National Strategy on Flood and Coastal Erosion Risk Management in Wales, which is being developed in partnership with key stakeholders, will set out our objectives and priorities for flood and coastal erosion risk.
- Collaboration - The Assembly Government is working with key stakeholders including the Environment Agency, local authorities and the Welsh Local Government Associations and other bodies including Internal Drainage Boards to develop a framework for ensuring effective community engagement.

The aim of this framework is to enable local engagement on specific risks and the options for their management, within the context of national objectives and priorities. It will provide a range of tools and methodologies for engagement that have been tested and shown to be effective and will ensure that individuals and communities are able to shape the flood risk service they receive.

The framework is being developed with strong support from key stakeholders with direction from the Assembly Government.

Effective collaboration between stakeholders and engagement with communities is a condition for all European Structural Funds supported projects and guidance has been developed, again in collaboration with key stakeholders, to support this approach.

- Relocation Strategy – our climate will change over this century and we

will see a rise in sea levels and an increase in the intensity of rainfall and this is being factored into revised Shoreline Management Plans, due for completion in 2011. Existing local Shoreline Management Plans have not identified any communities where relocation will be required over the next 50 years. It is premature to embark on the preparation a 'relocation strategy' until the revised Shoreline Management Plans are complete and it is clear if such a strategy is required.

The Assembly Government is aware of the work being undertaken in England on this matter and will draw on their experience and any lessons learnt.

- Financial barriers – at such time that the development of a 'relocation strategy' becomes appropriate, consideration of funding options and barriers will be a key focus.

3 ***Recommendation***

2.4 The Assembly Government, the Agency and local authorities need to develop a methodology to more accurately evaluate the social, environmental and economic cost and benefit of coastal defence schemes, assets and activities:

The Assembly Government should use this assessment to check the affordability of the New Approaches Programme and rebalance the funding provided to stakeholders. Investment should follow the direction of policy and, in particular, grant funding for local authority capital schemes targeted to allow appropriately sustainable and revenue-intensive activities to develop.

Accepted

Detailed procedures to evaluate flood and coastal erosion risk costs and benefits already exist. Project appraisal guidance has recently been updated and the Environment Agency are trialling this updated guidance for new schemes in Wales.

The Assembly Government recognises that these procedures will need to be reviewed in response to changes in policy and to ensure the effective targeting of all future funding (both revenue and capital) both geographically and across the potentially much wider range of measures reflected in the risk management approach.

We also recognise that public spending will be severely constrained in the future and that flood and coastal erosion risk management investment will not be immune to that pressure. It is therefore vital that we ensure that available investment is effectively planned and prioritised. We therefore intend to develop an investment plan that brings together the priorities identified in Catchment Flood Management Plans, Shoreline Management Plans and Local Flood Risk Strategies and sets out when those particular priorities can expect to see investment.

That investment plan will be based on a clear assessment of the relative priority of different risks in different places and we will ensure that the methodology that

underpins that comparative assessment is clear, transparent and supports the move to a risk management approach which will include addressing the balance between capital and revenue.

The new approach to risk management offers a wider choice of measures to manage risks and depending of the choice of measures offers a potentially more cost effective solution. Whether the investment plan is affordable will depend on the investment need set against the available budgets.

4

Recommendation

2.5 The Assembly Government needs to produce the clear policy and guidance necessary for local authorities to implement the New Approaches Programme and to plan for climate changes. In particular, local authorities need better guidance to control inappropriate development.

Partially Accepted.

The Assembly Government accepts the need for clarity and clear policy and guidance to ensure consistent implementation of a risk management approach in Wales.

The Assembly Government will provide that clarity through its National Strategy for Flood and Coastal Erosion Risk Management which we will be consulting on during the summer with the final strategy being launched before the end of this Assembly.

This strategy will set out the Assembly Government's objectives for managing flood and coastal erosion risk, the measures proposed to achieve those objectives, how and when measures will be implemented, the costs and benefits of these measures, an assessment of the risks for the purpose of the strategy and how and when the Strategy will be monitored and reviewed.

The Welsh Assembly Government will issue guidance to ensure the effective implementation of the Strategy.

Under the Flood and Water Management Act 2010 local authorities will be required to prepare and implement local flood risk management strategies which will support the National Strategy. The Assembly Government will issue guidance as to the content and implementation of these strategies.

The Assembly Government is encouraging the move to a risk management approach through its European Structural Funds supported investment programme. As part of the development and implementation of this programme, and in conjunction with key stakeholders including local authorities, detailed operational guidance has been developed. Initial guidance was issued in December 2009 and is being revised in light of a workshop held in March 2010 and findings from our pilot studies.

To date, 12 of the 22 local authorities in Wales are promoting such schemes. Shortlisted schemes to be included in the programme at a later date will raise this total to 20 of the local authorities in Wales.

Regarding better guidance to control inappropriate development, the Assembly

Government's Technical Advice Note (TAN) 15, provides a precautionary framework to ensure that new development is directed away from the flood plain and the evidence indicates that it is working.

Development Advice Maps underpinning TAN 15 are subject to review as information on flooding is improved and refined.

5 *Recommendation*

2.6 The Assembly Government should provide the supervision, expertise and additional capacity local authorities need to complete the review of SMPs, and to obtain better information on coastal erosion and tidal flood risk so that local elected members focus more on the longer-term risks and benefit for communities.

Accepted

Welsh Assembly Government provided financial support to the preparation of the first set of Shoreline Management Plans (SMPs). In 2009, the Assembly Government agreed an increase in grant rate to 85% amounting to approximately £1million to complete the review of the SMPs in Wales which will be completed in 2011.

The preparation of SMPs specifically requires the engagement of local elected members and the formal adoption by local authorities of the final SMP policies for their areas.

The Assembly Government is also funding the running costs of the Wales Coastal Monitoring Centre hosted by Gwynedd Council. The aim of the Centre is to co-ordinate coastal monitoring in Wales to achieve efficiencies and provide the coastal data required to inform long term decisions affecting coastal communities.

6 *Recommendation*

2.7 The Assembly Government must give public and private sector stakeholders, citizens and the insurance industry a clear understanding of strategic direction for the New Approaches Programme, and the roles and expectations of each stakeholder.

Accepted

Delivery of an effective risk management approach relies on actions by individuals, communities and the third sector, businesses, a range of public bodies and statutory undertakers and the insurance industry. The Assembly Government recognises that effective implementation requires people to understand our policy and what we are trying to achieve and to understand where they fit in and what others need to do.

The Assembly Government is developing a communications strategy that will enable effective dissemination of our flood and coastal erosion risk policies and priorities. This communication strategy will include Wales-wide messages and other messages targeted at particular locations or groups. Targeting specific messages at particular audiences is key to enabling effective communication.

The Assembly Government is also developing a framework for ensuring effective community engagement. The aim of this framework is to enable local

engagement on specific risks and the options for their management, within the context of national objectives and priorities. It will provide a range of tools and methodologies for engagement that have been tested and shown to be effective and will ensure that individuals and communities are able shape the flood risk service they receive.

7

Recommendation

2.8 The Assembly Government needs to ensure that investment in coastal infrastructure and activities to protect citizens provides more than just short-term solutions. The New Approaches Programme also needs to provide sustainable and long-term solutions to the risks posed by climate change.

Accepted.

The Assembly Government recognises the need to ensure that long term sustainable solutions are provided and is confident that the existing strategic planning framework coupled with the risk based approach can and will deliver this.

Our strategic plans (Catchment Flood Management Plans and Shoreline Management Plans) will consider the increasing impacts posed by climate change over the next 100 years and will determine sustainable short, medium and long term local coastal management policies to address conditions at the time. Implementation of those policies will be through targeted investment which would deliver appropriate measures to ensure effective management of the coastal risks faced by citizens and communities.