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Llywodraeth Cymru
Welsh Government

Mike Hedges AM
Chair of Climate Change, Rural Affairs and Environment Committee,

27 January 2020

Dear Mike

**Flooding in Wales – Response to recommendations made by the Climate Change,
Rural Affairs and Environment Committee**

I would like to thank you and the Committee for your detailed report published December 2020.

I acknowledge the conclusions made within the report and enclose a detailed response to these, accepting all 14 recommendations.

I will be happy to discuss the responses to your report further if necessary.

Regards

Lesley Griffiths AS/MS
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Minister for Environment, Energy and Rural Affairs

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Written Response by the Welsh Government to the report of the Climate Change, Environment & Rural Affairs Committee entitled Flooding in Wales

The storm events of 2020 emphasised the need to reinforce our strategic priorities for flood prevention, resilience and climate adaptation. I witnessed first-hand the devastation flooding can bring to communities and the impact it has had on our infrastructure and economy.

I am pleased to see the Committee evidence received suggested the Welsh Government responded swiftly and positively to the flooding events, and how we provided a range of financial assistance to authorities and homeowners.

Our network of flood assets again showed their worth by protecting tens of thousands of homes. We are learning lessons from those floods. They have helped strengthen our new Strategy and the Welsh Government's resolve to do more. This Government wants to leave a legacy for future generations in Wales, placing management of water at the heart of decision making whilst planning effectively for the rising challenge of climate change, and reducing the risk to life.

Climate change will bring rising sea levels and more intense storms. I recognise Wales faces tough decisions on how to defend low-lying coastal areas and fluvial floodplains, in particular along estuaries and in our steep-sided valleys. We can reduce risk to existing homes but we also need to ensure poor development decisions are not made now which put more people at risk in the future.

Our new National Strategy for Flood and Coastal Erosion Risk Management sets out how Wales will respond to these challenges. It emphasises the importance of clear communication on risk and strengthens our stance in areas including natural flood management, coastal adaptation, planning and prevention, linking with Welsh legislation and other policy areas to ensure a collective approach.

This Government has boosted investment through the introduction of the Coastal Risk Management Programme and more flexible funding to support delivery. This makes it all the more important to work with our communities to tailor alleviation projects to each location, then monitor their effectiveness and communicate how risk is being managed, so the public can remain involved and benefit from safer places. This transparency not only builds trust and maximises benefits from investment, it will also foster a collective responsibility to ensure we all play our part in helping reduce risk.

Detailed Responses to the report's recommendations are set out below:

Recommendation 1

The Committee recommends that

The Minister should report back to the Committee before the end of this Senedd term setting out her view on the operation of the new National Strategy during the first winter since its introduction. This should include an indication of whether she believes changes will be necessary to the Strategy.

Response: Accept in principle

The National Strategy for Flood and Coastal Erosion Risk Management in Wales was published October 2020. Reporting back on the National Strategy whose objectives and measures are set over 10 years would be inconclusive at this time.

NRW are responsible for reporting on the National Strategy under Section 18 of the Flood and Water Management Act 2010. These reports are published every two years and independently reviewed by the Flood and Coastal Erosion Committee, as set out in the new Strategy. The next Section 18 report is due 2022.

The National Strategy sets out how we intend to manage the risks from flooding and coastal erosion across Wales over the life of this document, which will be 10 years unless significant policy updates are required prior to that time.

Whilst measures are designed to be clear and deliverable over the next decade, the Strategy has been drafted with a longer-term, strategic view, recognising the nature of flood and coastal erosion risk with respect to the challenges of climate change.

I will write to the Committee and bring forward a statement to plenary on progress later this year.

Financial Implications: No Financial Implications.

Recommendation 2

The Committee recommends that

The Minister should set out what effective community engagement looks like in relation to flood risk management. She should explain how the Welsh Government intends to support local authorities and NRW in delivering effective community engagement and clarify whether additional resources will be provided for this purpose.

Response: Accept

All Flood Risk Management Authorities (RMAs) have a part to play in community engagement and communicating risk with their communities.

The new National Strategy sets out how this can be done with examples of good practice. Emphasising the need for collaborative working with our communities, including engagement with young people and schools. Ultimately, it remains for our RMAs to decide how best to undertake their community engagement and outreach work, with funding support from the Welsh Government.

NRW are responsible for leading on a national programme of flood awareness in Wales, helping communities understand their flood risk and practical steps they can take to manage events. They also help volunteers from communities to develop and maintain their own Community Flood Plans.

NRW has helped over 1000 communities, schools and businesses across Wales developing flood plans and gained commendation through an independent review. Having recently reviewed their awareness programme, further work is underway to improve and enhance access to information, activities and digital warning and informing platforms.

Local Authorities also play a role in raising awareness and engagement of flood risk in communities with support from NRW.

NRW are fully funded for their revenue activities and staffing as well as their online activities, such as flood advice, risk and mapping information. Local Authorities are able to utilise their FCERM revenue grant for community engagement. In addition, we encourage engagement work around flood and coastal capital projects. Such activities are eligible for capital grant on every FCERM scheme.

Financial Implications: No additional financial implications

Recommendation 3

The Committee recommends that

The Minister should consider what scope there is to remove 'end of year' constraints for emergency funding.

Response: Accept

Despite the February flooding occurring towards the end of the financial year, the FCERM funding for repairs and improvements to assets was able to be utilised in 2020/21. Similar agreements were put in place for the major storms of winter 2013/14.

The Emergency Financial Assistance Scheme (EFAS) is intended to provide additional support where the financial implications of an incident are considered to be so significant as to be unreasonable for an authority to manage completely from within its own funding.

Year-end constraints are a feature of the overall arrangements for public funding and expenditure reflecting the annual approval of financial provision by both UK Parliament and Senedd Cymru.

EFAS predominantly relates to the immediate aftermath of an incident. The scheme therefore covers the revenue costs of dealing with the response phase of an incident, normally considered to be two months. This period therefore will not necessarily coincide with a year end.

In this case the Minister for Housing and Local Government activated EFAS in response to the February storms and extended the qualifying period for incurring costs in dealing with the immediate response phase from 9 February 2020 to 9 May 2020. Exceptionally the scheme was extended further to include discretionary business rate relief rates and council tax relief for up to three months as qualifying expenditure. A total of almost £2million was paid to five authorities with qualifying expenditure for EFAS. This funding was managed over the year end.

We recognise the challenges that this particular incident posed arising from the combination of significant flooding over a prolonged period, the emerging challenge of the pandemic and associated lockdown which started from 23 March 2020 and the financial year end.

We will ensure that where emergency incidents occur close to or across a year end we consider with affected local authorities when emergency expenditure is likely to occur and jointly manage any year end impact.

Financial Implications: There are no additional financial implications.

There is no specific budget set aside for emergency flood repairs or the EFAS scheme (other than a notional budget of £1,000 in the Housing and Local Government MEG). When a scheme is activated, there is an expectation that any in-year pressure created will be managed utilising underspends, firstly within the directorate and then across Welsh Government.

Recommendation 4

The Committee recommends that

The Minister should explain what financial support was made available to local authorities to meet any increase in costs arising from the management of the Discretionary Assistance Fund following the flooding.

Response: Accept

WG asked emergency response teams within Local Authorities to become registered Discretionary Assistance Fund (DAF) partners in order to support applications in the same way that third sector organisations and other statutory organisations do as members of the DAF partner network. Some households applied independently to the DAF, with eligibility criteria verified against local authority supplied lists which reduced burden on LAs and helped speed up payments.

Local Authorities were not given additional financial support by Welsh Government to manage the DAF function as they were already supporting flooded households directly as part of their work to assist with the flooding.

Financial Implications: No financial implications.

Recommendation 5

The Committee recommends that

The Welsh Government should clarify what work it has undertaken to assess the level of funding that will be required to meet capital repair costs. It should also clarify what level of funding has been requested from the UK Government for this purpose.

Response: Accept

Immediately following the February storms I made 100% grant funding available to all Flood Risk Management Authorities to undertake emergency repairs and improvements to their flood assets, totalling £4.66m this year.

In recognition that damage sustained to other infrastructure assets would need substantial financial provision over a longer timeframe, a recovery scheme was established under Section 31 of the Local Government Act by the Minister for Housing and Local Government. This recovery funding could provide financial assistance for both capital and / or revenue expenditure.

The Local Authority bids included a number of critical projects which needed to commence in order to conclude prior to the onset of winter and prevent any further damage. Authorities were therefore asked that where they considered it is essential to proceed with urgent and emergency works immediately, they should do so with confidence that the Welsh Government would provide the necessary financial support in 2020-21. This was estimated to be £4m revenue and £19m Capital.

The total required to meet all repairs has been estimated to be £6m revenue and £99m capital to cover costs up to 2023-24.

Financial Implications: No financial implications.

Recommendation 6

The Committee recommends that

The Welsh Government should provide an update on the latest position on securing funding from the UK Government to meet capital repair costs, including the level of funding agreed and when it is likely to be made available to local authorities. The Welsh Government should also outline what further consideration has been given to contingency arrangements if the UK Government does not provide an appropriate level of funding.

Response: Accept

Since the Committee published its report on 9 December, the UKG has agreed to a claim of £31m in 2020-21 to support essential flood repair work in Wales. We are glad that as a first step, our urgent calls for the initial funding Wales needs to address the damage caused by the intense storms have been met.

The funding will be formally provided by the UK Government in the UK supplementary estimates toward the end of the 2020-21 financial year. In advance of a resolution assurances were provided to local authorities to enable emergency works identified for 2020-21 to proceed. The funding will be regularised in the Third Supplementary Budget in early February.

However this agreement with the UK Government does not recognise our repeated calls for urgent action to secure funding to cover flood repair costs beyond 2020-21 and the longer term issue of coal tips associated with Wales' industrial legacy. The Welsh Government's position remains that Welsh communities should not be expected to pick up the bill for the remediation of legacy coal tips. The coal tips pre-date devolution, and Wales is disproportionately affected. We have consistently called for the UK Government to provide Wales with the fairness, flexibility and clarity needed to support and protect its communities and businesses, and reiterated that current funding does not reflect the scale of the issues Wales faces. We will continue to push for a long term settlement.

Financial Implications: No additional financial implications.

Recommendation 7

The Committee recommends that

The Welsh Government should report back to the Committee on the latest assessment of the cost of ensuring the safety of coal tips, and on progress towards securing funding from the UK Government.

Response: Accept in principle

We would be content to share relevant information with the Committee at the appropriate time; subject to the understanding any information shared would not negatively impact any negotiation being taking forward with the UK Government.

Works to assess and identify tip maintenance requirement are ongoing and there are a number of sensitive factors outstanding.

Based on the first round of inspections undertaken by the Coal Authority and local authorities from March to July 2020, an evaluation of up to £32 million was estimated to undertake the costs of necessary works to coal tips. This evaluation was estimated at a time when work was still on-going to determine the number of coal tips across Wales and the number of high risk tips.

The Coal Authority, with support from local authorities have commenced a second round of ground inspections of all high risk tips. These inspections will continue over the next few months. These inspection will help to provide greater clarity on the level of works required to bring all tips up to a stable condition. However, a long-term remediation programme is required and costings for this programme are being considered but will be substantial.

There are also the immediate costs to address the damage from the February 2021 floods, including the remediation costs for Tylorstown as well as the recent landslip at Wattstown. Current estimates from Rhondda Cynon Taf put the repair costs at Tylorstown at £14.5 plus million. £2.5 million for this year for removing the 60,000 tonnes of spoil and £10 plus million next year remediating the top side of the tip and therefore making it safe.

The Minister for Finance and Trefnydd met with the Chief Secretary to the Treasury on 10 December at which time the CST agreed to a package of £31 million for 20-21 costs associated with the flooding damage from Storms Ciara and Dennis and also coal tip safety.

Of this sum, £9 million was for coal tips, which included:

- £2.5 million for Phase 3 works at Tylorstown – the removal of the debris from the Rhondda Fach River;
- £800,000 revenue costs for the Coal Authority; and
- £5.5 million for local authority costs for maintenance of coal tips in 20-21- within this sum £110,000 for works at Wattstown was included.

Financial Implications: Other than the agreed £9m coal tips package, any additional costs will be drawn from existing programme budgets.

Recommendation 8

The Committee recommends that

The Welsh Government's approach to revenue allocation for flooding should take account of current and projected future flood risk in local authority areas.

Response: Accept in principle

As part of the changes to the Flood and Coastal Erosion Risk Management Programme to develop a single investment programme, where all capital funding is prioritised according to risk, we consulted with all Risk Management Authorities.

In prioritising capital funding, flood risk from all sources is considered alongside other criteria including evidence of past flood events, numbers of properties benefitting and other benefits brought to a project.

In terms of revenue, we will consult with the Local Authorities on this recommendation on how revenue could be allocated according to risk. However, in doing so we would not just be looking at the risks from surface water flooding, this would need to be done looking at the combined risk from surface water flooding, fluvial flooding, flooding from the sea and coastal erosion.

Financial Implications: No additional financial implications, this recommendation is about how the funding is allocated.

Recommendation 9

The Committee recommends that

The Welsh Government should provide details of work undertaken to assess the revenue costs for local authorities of delivering the Measures set out in the new National Strategy, and clarify whether additional funding will be made available to meet these costs.

Response: Accept

The National Strategy does not set out where flood and coastal interventions will take place. It sets the framework for the Risk Management Authorities to work within.

Its measures work from existing duties and responsibilities and set out better ways of working. It enhances ongoing work with Local Authorities and NRW, to supports better understanding whilst further streamlining and improve existing processes.

In most cases there are no additional funding requirements, whilst in others, such as promoting more outreach and communication there are significant long term cost savings in working collaboratively.

All flood risk management funding is allocated on an annual basis, taking into account specific areas of delivery to meet requirements. As such, where there are additional requirements, for example through updating Shoreline Management Plan data, funding will be provided to the relevant lead organisation(s).

Throughout the preparation of the National Strategy, we collaborated with WLGA, all of our Risk Management Authorities, the Flood and Coastal Erosion Committee, community interest groups and through public consultation events around Wales to agree and set the measures.

The Welsh Government will continue to offer revenue support to local authorities in addition to their annual revenue support grant. We have increased the maximum amount each can apply for this year from £60,000 to £200,000.

Financial Implications: No additional financial implications, this is allocated from existing programme budgets.

Recommendation 10

The Committee recommends that

The Welsh Government should explain what assessment has been made of the capital costs for local authorities of delivering the new National Strategy. The Welsh Government should also explain the discussions it has had with authorities about how these costs will be met, in light of authorities' current funding arrangements.

Response: Accept

Capital funding provision is set out in the National Strategy with additional guidance in our new FCERM Grant Memorandum (2020). There is no duty for Local Authorities to invest in flood and coastal erosion risk management assets.

Welsh Ministers are able to provide grants in respect of costs associated with flood and coastal risk management. Through our capital programme we make funding available for the development and construction of flood and coastal alleviation projects across Wales.

From April 2020 this now includes 100% funding for all preparatory work in advance of a scheme. We have also increased the grant rate for the construction of coastal projects to bring in line with other schemes at 85%.

Local Authorities are now only expected to provide 15% of the costs of the construction phase only, which may be shared with other beneficiaries through partnership contributions.

We have asked the Flood and Coastal Erosion Committee to further explore resourcing and how better to promote partnership funding as a measure in the National Strategy.

Financial Implications: No additional financial implications.

Recommendation 11

The Committee recommends that

The Welsh Government should explain what funding is available to local authorities to meet the cost of improvements to the highway infrastructure to reduce flood risk, and for repair works following a flood event.

Response: Accept

The Resilient Roads Fund of £16.9 million will support 18 schemes across 13 local authorities, and will be spent on schemes to mitigate and adapt to the effects of climate change, including addressing disruptions caused on the highway network by the severe weather.

We have recently invited local authorities to apply for grant funding from the Resilient Roads Fund in 2021-22.

Financial Implications: No additional financial implications.

Recommendation 12

The Committee recommends that

The Welsh Government should explain what assessment it has made of the revenue costs for NRW of delivering each of the relevant Measures set out in the new National Strategy, and clarify whether additional funding will be made available to meet these costs.

Response: Accept in principle

NRW were key in co-drafting of the National Strategy and collaborated on all the relevant Measures ensuring they were deliverable and achievable in the required timelines.

As per our response to Recommendation 9, the new National Strategy does not increase work unnecessarily, but further strengthens our policies on communication, catchment approaches, collaborative working and forward planning. It complements new legislation thus improving processes and procedures set in the previous Strategy.

Its measures work from existing duties and responsibilities and set out better ways of working. It enhances ongoing work with Local Authorities and NRW, to support better understanding whilst further streamlining and improve existing processes.

All FCERM funding is allocated on an annual basis, taking into account specific areas of delivery to meet requirements. In most cases there are no additional funding requirements, whilst in others, such as promoting more outreach and communication there are significant long term cost savings in working collaboratively and reducing complexity.

Where there are any additional requirements funding can be provided to the relevant lead organisation(s), subject to available budgets. For example, an additional £1.25 million revenue was allocated to NRW in 2020-21 to reflect the measures they were expected to work on this year, including updates to the Shoreline Management Plans.

To help facilitate future budget planning NRW will now work with Local Authorities and the Welsh Government to publish long-term investment requirements for FCERM by end of 2021 (National Strategy measure 23).

Financial Implications: No additional financial implications.

Recommendation 13

The Committee recommends that

The Welsh Government should set out its views on NRW's evidence that it will require approximately 60 to 70 staff over the current baseline to ensure long term, sustainable improvements in flood management services.

Response: Accept in principle

I have taken a keen interest in making sure NRW's flood teams are fully resourced.

Whilst staffing remains an organisational matter, NRW have recovered from the high vacancy levels within its FCERM teams reported a year ago. I am pleased to report NRW have since recruited additional staff. We expect NRW to continue efforts to ensure all FCERM posts are filled so this no longer poses a risk to operational delivery or response.

It may benefit NRW to base its future resourcing need and revenue allocation on a zero-based assessment or review to ensure it is prioritising its funding to an optimum level.

Any further staffing would therefore need to be NRW decision, with Welsh Government requiring a base line review of activities undertaken to support our understanding, and in considering the overall funding requirements of NRW.

Financial Implications: No additional financial implications.

Recommendation 14

The Committee recommends that

The Welsh Government should provide an update on when the revised TAN 15 will be made available and explain how the revisions reflect the need for a stronger stance on flood prevention.

Response: Accept

We expect to finalise the review of TAN 15 early in the next Senedd term. The review includes an updated guidance document and a new Flood Map for Planning, to replace the existing Development Advice Map.

The revised TAN 15 complements our new National Strategy for FCERM, having benefitted from collaborative working across both policy areas. This will ensure our flood, coastal and planning policies align, taking into account better information to avoid inappropriate development and provide clear advice in the new Wales Flood Map. It also recognises how flood risk will become more severe in many areas as a result of climate change.

The new flood map, in contrast to the existing Development Advice Map, will identify areas projected to be at risk of flooding in the future as a result of climate change. This will ensure planning authorities can consider the future resilience of development proposals in their decision making processes.

The revised TAN 15 will also include more guidance for planning authorities on conducting Strategic Flood Consequences Assessments. SFCAs can inform local development plan policies and other proactive measures to prevent inappropriate development taking place in flood risk areas.

Financial Implications: No Financial Implications

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

Lesley Griffiths AM

Minister for Environment, Energy, and Rural Affairs