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**Ysgrifennydd y Cabinet dros yr Amgylchedd a Materion Gwledig
Cabinet Secretary for Environment and Rural Affairs**



**Llywodraeth Cymru
Welsh Government**

Ein cyf/Our ref MA-P-LG/2498/17

Nick Ramsay, AM
Chair – Public Accounts Committee
National Assembly for Wales

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Dear Nick

**PUBLIC ACCOUNTS COMMITTEE REPORT
COASTAL FLOOD AND EROSION RISK MANAGEMENT IN WALES
RESPONSE TO THE REPORT**

I have pleasure in enclosing a copy of the Welsh Ministers response to the above report which will be laid before the Table Office.

On behalf of the Cabinet, I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

Regards

Lesley Griffiths AC/AM

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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.

Response to the Report of the National Assembly for Wales Public Accounts Committee on Coastal Flood and Erosion Risk Management in Wales

We welcome the findings of the report and offer the following responses to its 10 recommendations. We have provided an indication of the lead responsible; however these recommendations will require a partnership approach to deliver.

Recommendation 1 The Committee recommends that the Welsh Government clearly set out in the national strategy the roles and responsibilities for all those involved in coastal flood and erosion risk management to ensure that it is clear who is responsible for delivering each aspect of the strategy.

Accepted This recommendation corresponds to Recommendation 2 of the 2016 WAO report. The Welsh Government will clarify roles and responsibilities around the coast as part of the National Strategy update. Work to review and update the National Strategy for Flood and Coastal Erosion Risk Management in Wales has commenced. As part of this work the Welsh Government will work with Risk Management Authorities to clarify the roles and responsibilities around the coast, giving consideration to the findings of Public Accounts Committee and the 2016 Wales Audit Office (WAO) report as well as research being undertaken on governance.

Background: The responsibilities of both NRW and Local Authorities in relation to the coast are set out in legislation such as the Flood and Water Management Act 2010, the Environment Act 1995, and the Coast Protection Act 1949. The 2016 WAO report highlighted that clarity is needed on the roles and responsibilities of Risk Management Authorities involved in flood and coastal erosion risk management. The evidence provided by Welsh Local Government Association (WLGA) and Natural Resources Wales (NRW) to the Public Accounts Committee (PAC) confirmed Authorities are clear about their operational roles (PAC report, paragraph 10), however there is some concern around ownership of flood and coastal assets.

The development of a national asset database will assist with addressing these concerns around asset ownership. The Cabinet Secretary for Environment and Rural Affairs wrote to the Leaders of all Local Authorities in July 2016 to raise the importance of work to bring together flood asset data around Wales. This database has been introduced since the PAC inquiry, and will help to define responsibilities on the coast. It is maintained by NRW and, since March 2017, has included data from all Welsh Local Authorities, including information on ownership and condition, helping to provide a national overview of flood and coastal risk assets. The database will continue to be populated as new assets are added and will inform NRW flood maps and the Communities at Risk Register.

The DEFRA/EA/WG/NRW Joint Research Programme (referenced in para 2.6 of the 2016 WAO report) has recently scoped a research project into governance around flood risk in England and Wales. This work is due to conclude in spring 2018. The Welsh Government will maintain a watching brief as it may help inform further clarification of coastal roles and responsibilities as part of the National Strategy update.

Timescale and Lead

Population of the National Asset Database has commenced – Lead: NRW
National Strategy to be published summer 2018 – Lead: Welsh Government

Recommendation 2 The Committee recommends that the Welsh Government work with the UK Government to bring forward an amendment to the 2010 Flood and Water Management Act to place an oversight role on the monitoring of the national strategy with the flood and coastal erosion committee or another body rather than just with Natural Resources Wales.

Accepted in Principle Following the WAO Audit, we accepted the recommendation to review Section 18 reporting arrangements. When established later in 2017, the Flood and Coastal Erosion Committee will be asked to consider options for the review of the National Strategy and explore how it can provide an independent review or oversight role of the Section 18 report, prior to publication.

The Welsh Government consider providing this oversight role to the committee to be an appropriate way to separate NRW's duties as a Risk Management Authority and its legislative role to review the implementation of the National Strategy in Wales. The Welsh Government agrees with the principle of giving the new Committee an oversight role in monitoring the National Strategy but this can be done without changing legislation.

Background: The Flood and Water Management Act 2010 (Section 18) sets out responsibility for NRW to monitor and report on the National Strategy's implementation. The National Strategy for Flood and Coastal Erosion Risk Management in Wales sets the scope of this reporting, and the frequency of those reports as every two years. In particular this report covers progress by Local Authorities and NRW on meeting the objectives set out in the National Strategy.

The Flood and Coastal Erosion Committee is to be established later this year. Its role will be as an advisory body, providing advice to the Cabinet Secretary from Welsh Risk Management Authorities on all sources of flooding and coastal erosion.

The separation of duties in Wales is already more distinct than in England where the Environment Agency drafts the National Strategy as well as reporting on it through Section 18 reports.

Recommendation 3 The Committee recommends that the Welsh Government has mechanisms in place to provide assurances that accountability for all areas of the Coast, and implementation of the Shoreline Management Plans is clear, and this information is communicated to all those with responsibility for the coastline.

Accepted This links to the need to clarify roles and responsibilities in Recommendation 1.

Shoreline Management Plans (SMPs) are non-statutory plans which set out the preferred management strategy for our entire coastline. They have been produced by the Coastal Groups which consist of coastal Local Authorities, NRW and other bodies with coastal interest. As SMPs have been developed by the Coastal Groups, they remain best placed to lead on and monitor the delivery of actions from each Plan.

These are “living documents” and in signing each off, the former Minister stressed the importance of effective communication with local residents by writing to the Coastal Group Chairs in 2014.

The Welsh Government undertook a review of the Coastal Groups in May 2016, following recommendation 39 of the Wales Coastal Flooding Review. A review of the Terms of Reference for the Coastal Groups by the Welsh Coastal Group Forum is underway. The Welsh Government will work with the Welsh Coastal Group Forum to ensure the Terms of Reference of all Coastal Groups are clear including implementation of the SMPs, and communicated as part of the National Strategy update.

Timescale: National Strategy to be published summer 2018

Lead: Welsh Government

Recommendation 4 The Committee recommends that the Welsh Government works with delivery partners to develop a single point of information for flood awareness, such as a 'microsite' or website, which includes clear details of roles and responsibilities for flood awareness.

Accepted Raising awareness of the risks of flood is vitally important work against one of the four objectives set out in the National Strategy. The Welsh Government is committed to the development of a microsite and has written to NRW to ask it to take the lead on this project.

The Welsh Government agrees one site providing a consistent message to the public is important, and is working with NRW and WLGA to develop a microsite providing clear and consistent messaging to the public around flood and coastal erosion risk management. The work involved with this is to be scoped by NRW in 2017-18.

Timescale: Scoping during 2017-18; WG will update PAC on timescale for project development March 2018.

Lead: NRW

Recommendation 5 The Committee recommends that the Welsh Government works with Local Authorities to consider the options for the management of coastal flood and erosion on a regional basis and reports back by January 2018.

Accepted There are already established regional groups working on coastal flood and erosion in Wales. The Welsh Government has asked WLGA to report on the way regional working is already happening in coastal flood and erosion management in Wales and how this can be further encouraged.

Background: The WLGA promote regional working through three regional flood groups including representatives of all Local Authorities, Welsh Water and NRW, and discuss risk management measures for coastal flooding and erosion as well as flooding from rivers and surface water.

In addition there are 5 regional Coastal Groups in Wales, who are responsible for the preparation of the Shoreline Management Plans, and delivery of the actions within them (see response to Recommendation 3). The Coastal Groups encourage Risk Management Authorities to work together to deliver the actions, as well as share best practice between parties. The role of the Coastal Groups was reviewed by Welsh Government in May 2016 in consultation with Local Authorities, NRW and WLGA, and recommended the Terms of Reference of those groups be updated and standardised.

The Coastal Risk Management Programme is providing further opportunities for regional working between Local Authorities where appropriate.

The Cardigan Bay Coastal Group holds an annual meeting involving council cabinet leads from the Local Authorities of Ceredigion, Gwynedd and Pembrokeshire. This complements practitioners' meetings by raising awareness of ongoing work and future plans with those involved in political decisions and direction. This type of regional working at a political level for coastal issues could be encouraged in the other coastal groups. This should be led by the Wales Coastal Group Forum which meets regularly to share best practice.

The established links between Risk Management Authorities, the Wales Coastal Group Forum and WLGA help to ensure a consistent approach, encourage regional working and sharing functions, which is happening between Gwynedd and neighbouring authorities. However, Welsh Government will task WLGA to review the operation of the groups, reporting examples of regional working, along with any opportunity for improvement particularly in relation to identifying other benefits such as tourism, and jobs.

The Welsh Government has consulted on a White Paper on Reforming Local Government, and await the result of that consultation.

Timescale: Report to be produced by January 2018

Lead: WLGA

Recommendation 6 The Committee recommends that within the next 12 to 24 months the Welsh Government must produce a policy position which sets out a range of options for managed realignment.

Accepted This recommendation corresponds to Recommendation 3 of the 2016 WAO report. The Welsh Government agrees with the PAC when it says there is no 'one size fits all' approach to managed realignment. Since the WAO audit, the Welsh Government has commenced work to develop a 'coastal toolkit' which will support Local Authorities by providing guidance and best practice examples which can be adapted to local conditions.

In addition, the 2018 National Strategy update will set out the policy position on how SMPs are to be considered and implemented by Risk Management Authorities. In this way, the Welsh Government will set out its policy position which will allow for action at a local level providing guidance and support through the toolkit to help this happen.

Background: The Welsh Government is working with Gwynedd Council to understand more about the options available for communities where the policy is for managed realignment through the ongoing work at Fairbourne. The findings of this work will be presented to the Welsh Government early in 2018, and will help to develop the toolkit.

The Welsh Government is supporting further investigations into the Shoreline Management Plan policies at Newton (Bridgend), Newgale (Pembrokeshire) and for the stretch of coast between Rhyl and Talacre (Denbighshire and Flintshire) and from Borth to Ynys Las (Ceredigion). These will also help to inform best practice for others to follow in implementing or challenging the policies in the SMP, such as managed realignment.

Welsh Government officials have recently met with the Chair of the Coastal Groups Forum, WLGA, Pembrokeshire Coast National Park, and NRW to help scope a coastal adaptation toolkit. This work is in the early stage of development and will seek further input from other Welsh Government departments including Housing, Planning and Biodiversity as well as external stakeholders to provide appropriate guidance for Local Authorities and communities.

A coastal adaptation toolkit will complement National Strategy and provide practical advice for practitioners and communities. It will cover all SMP policies and not limit itself only to managed realignment.

Timescale: Preparation of a toolkit is ongoing with publication alongside, or shortly after, the National Strategy in 2018.

Lead: Welsh Government

Recommendation 7 The Committee recommends that the Welsh Government develops and ensures implementation of a National Flood Risk Index which means that all flooding and erosion risks are considered together as a prioritised list.

Accepted The Communities at Risk Register is now our National Flood Risk Index. This contains information on the risk of flooding from rivers, ordinary watercourses, the sea and surface water. The Communities at Risk Register has always been used by NRW to prioritise their programme. Since late 2016 data about the risk from surface water flooding has been included and in January 2017, Welsh Government wrote to all Local Authorities requesting they also use this register, alongside other relevant local information, to support their applications for funding and by the Programme Board. In developing the Programme for 2018/19 and beyond we are making use of the Communities at Risk Register alongside local evidence of flood risk and events. This prioritised programme will consider schemes from NRW and Local Authorities to address risk from various different sources.

Background: Whilst the Communities at Risk Register provides a national flood index, this risk is based on modelled evidence, therefore we also acknowledge the importance of local data around historic flooding, provided by the Local Authorities when making decisions about funding.

NRW have always used this index for prioritising their programme of work.

With a four year capital budget settlement confirmed we are in the process of bringing together a pipeline of schemes from NRW and Local Authorities. This will be prioritised on a national scale using both the Communities at Risk Register and historical evidence of flood risk.

NRW is currently looking at improved flood risk mapping through the new National Flood Risk Assessment (NaFRA). This will show mitigated risk from flooding from rivers, the sea and surface water. When complete, this will also include information on historical flood events. This will further improve, and could ultimately replace, the Communities at Risk Register.

Timescale: Complete.

The Communities at Risk Register is now our National Flood Risk Index

Recommendation 8 The Committee recommends that the Welsh Government considers, as part of the strategy review, the balance of capital/revenue investment for coastal flooding and risk management in future, and sets out revenue commitments over a longer period to allow for more strategic planning.

Accepted in Principle We recognise revenue funding is as important as capital in providing funding for maintenance of existing assets and we will invest over £22m in revenue funding this year for flood and coastal risk management.

However, there is uncertainty about how our relationship with the European Union will be recast as a result of the EU referendum and there is uncertainty about the impact on UK public finances and the Welsh budget in the longer-term. With these uncertainties, the Cabinet Secretary for Finance and Local Government and the Cabinet only published a one-year revenue spending plan for 2017-18 in order to provide stability for core services and investing in priorities in the immediate term.

As there was more confidence regarding capital funding, four-year capital plans have been provided to our delivery partners, which will provide certainty for longer-term investments.

In line with recommendation 1b in the WAO report, we will ask the Flood and Coastal Erosion Committee to look into potential funding partnership opportunities.

Timescale: Revenue budget settlement should be confirmed for the next financial year by December 2017

Lead: Welsh Government

Recommendation 9 The Committee recommends that the Welsh Government outline a medium/long term plan (post 2021) for funding projects which would be covered under the coastal risk management programme until 2021.

Accepted in Principle The Coastal Risk Management Programme (CRMP) provides an opportunity for increased investment by Local Authorities in coastal risk management with funding awarded for construction from 2018-2021. It is a one-off programme making use of low interest rates and long term revenue funding to enable a £150 million investment.

From 2021, the core flood programme, subject to funding, will continue to provide investment in flood and coastal risk management schemes across Wales. In line with the core programme, future schemes coming forward from Local Authorities and NRW will be prioritised according to risk, using the Communities at Risk Register and local information in each business case.

Officials are in the process of developing a pipeline of Local Authority and NRW schemes planned beyond March 2021, so whilst we cannot guarantee funding; a strong case can be made to continue investment.

By the end of the 2019-20 financial year we will conduct a mid-programme review with Welsh Treasury and local authorities on the progress of CRMP as a funding mechanism and the requirement for medium to long term funding of coastal work.

Timescale: Mid programme review to be complete March 2020

Lead: Welsh Government

Recommendation 10 The Committee recommends that the Welsh Government undertake an audit on a two yearly basis to ensure that the necessary staff levels and skills are available within the Welsh Government, NRW, and Local Authorities to achieve the aims in the National Strategy.

Not Accepted The Welsh Government, NRW and Local Authorities are responsible for their own staffing levels; nevertheless, part of the programme management work for these organisations is to consider issues around capacity and what needs to be done to deliver the programme. Local Authorities are able to apply for staff costs within their annual bids for the ESD Single Revenue Grant and both Local Authorities and NRW can include staff costs connected to capital schemes within applications for works.

Recent audits (internal and from WAO) have been helpful in raising questions over resources in the right places. These have been supplemented by a review of flood risk management skills in Local Authorities conducted by WLGA (in 2015) which was followed by additional training being provided.

There are also two-yearly Section 18 reports on implementation of flood and coastal erosion risk management in Wales. The new Flood and Coastal Erosion Committee will not only improve this process but will be able to comment independently on the resources in the Welsh Government, NRW and Local Authorities.

The Welsh Government consider these, collectively, strike a fair balance of review, scrutiny and advice.