Llywodraeth Cymru
Welsh Government

GUIDANCE

Guidance: Natural Flood Management Fund (2020-2022)

Guidance for risk management authorities seeking funding for natural flood risk management schemes.

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Introduction

The Minister for Environmental and Rural Affairs announced in her written statement of 3rd April how the 2020-21 Flood and Coastal Risk Management Programme will include at least £1 million of funding for natural flood management (NFM) schemes.

The Welsh Government encourages risk management authorities (RMAs) to pursue NFM interventions. The Flood and Coastal Erosion Risk Management (FCERM) Business Case Guidance mandates the consideration of NFM for all schemes. However, for a number of reasons, uptake of such measures has

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been limited.

We hope to encourage both our understanding and the delivery of NFM by offering 100% funding for each stage of the development process:

- appraisal
- design
- construction
- monitoring.

RMAs will not be required to provide a contribution towards the costs of delivering NFM schemes, or NFM elements of “hybrid” schemes. However, they may wish to supplement funding to provide additional benefits or seek additional support from third parties who wish to contribute.

The fund is currently scheduled to run for 2 years from April 2020 to March 2022.

Eligibility criteria

As with the Welsh Government’s Flood and Coastal Erosion Risk Management (FCERM) core grant, and in line with the Flood and Water Management Act 2010, the NFM fund is only available to Risk Management Authorities operating in Wales. However, we would encourage RMAs to work with any prospective partners and cross policy funding areas to access additional monies to support larger catchment approach and benefits.

All proposed NFM interventions must reduce risk to people and properties, or maintain their current levels of protection. This aligns with both the FCERM core grant, and the Welsh Government’s National Strategy for Flood and Coastal Erosion Risk Management for Wales. Works need to be economically worthwhile and satisfy all necessary statutory requirements.

This NFM fund represents a learning opportunity for RMAs and government. All projects must include monitoring. Regular inspection of assets will provide insight into their long term durability, as well as any unforeseen side-effects. This

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will provide a mechanism for learning/feedback, so that the Welsh Government can share good practice and lessons learned.

We acknowledge quantifying the benefits associated with the delivery of NFM schemes is problematic and are actively seeking innovative ways of monitoring and recording outputs and benefits. We accept how some monitoring may be accompanied by anecdotal evidence, possibly with the support of communities or academia, and this should be set out in your application. Welsh Government reserve the right to refuse schemes which they do not feel represent value for money.

RMAs are invited to submit applications up to a maximum value of £150,000 per scheme. Larger value schemes remain eligible, but should first be discussed with the FCERM team to consider if a separate Business Justification or Full Business Case route is appropriate.

LAs may submit multiple applications for schemes that can be completed in the 2020-2021 financial year or phased with clear outputs this year. For example:

- Scheme 1: £70,000 with a further £10,000 in 2021/22
- Scheme 2: £20,000 with a further £20,000 in 2021/22
- Scheme 3: £150,000 to complete in 2021/22

Funding decisions will be taken based on a prioritisation of projects by the benefits they deliver, with as many schemes funded as budget availability allows.

Work not eligible for funding

Schemes eligible for funding through other Welsh Government programmes – e.g. work to reduce risk specifically to roads or other infrastructure. Welsh Government's FCERM priority remains risk to life and all schemes should reduce risk to property; however the reduced risk to other services or utilities, for example, roads, rail or agriculture may be an additional benefit.

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Application process

NFM funding can be accessed by completing one of the following:

- A small scheme application form for projects under £150,000
- A Business Justification Case or Full Business Case for larger projects

(Recent changes to the Welsh Government core programme include 100% grant funding all scheme development costs, from SOC to FBC.)

Business	Criteria	How
Small Scheme Form	Total costs <£150,000	Use NFM application form
Business Justification Case (<£500,000) or Full Business Case	• Construction Costs <£500,000 • Pure NFM or Hybrid Scheme • All NFM costs funded at 100% • Non-NFM construction costs funded at 85%	Apply for funding to complete BJC or FBC

We encourage partnership and cross-RMA working. A catchment scheme may consist of multiple projects which benefit more than one RMA.

The NFM fund is being piloted for 2 years. As such, schemes should be progressed quickly with a view to completing by March 2022. LAs should consider this requirement when completing applications, especially for any proposals involving work within watercourses. If a scheme is delayed and is unable to be completed in time, funding may be lost, and there is no guarantee funding will be made available for the scheme in future years. However, the end date of this pilot will be subject to review by Welsh Government and may be extended if it is considered successful.

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Applications received will be prioritised considering the following factors:

- Evidence of actual flood events or near-misses,
- Total number of properties benefiting
- The estimated cost per property
- Wider benefits
- Learning and monitoring opportunities
- Partnership working

Schemes must demonstrate good value for public money, and so schemes where cost per property is greater than traditional engineered solutions, or where only one property is benefitting, are not likely to be prioritised.

Wider benefits beyond flood risk management can be achieved through grant funded works, and these should be considered as part of the application process. While the wider ecological benefits associated with NFM interventions are well established, applications should include a brief summary of the specific benefits associated with the scheme in question. Wider benefits may include:

- Water quality
- Engaging with local community groups and the third sector
- Using local contractors to carry out these works and develop skills
- Education/awareness raising through partnering with residents and schools
- Supporting local businesses
- Biodiversity improvements
- Amenity improvements connected with the NFM project.

All public bodies have to comply with the Well-being of Future Generations (Wales) Act 2015. It is therefore essential that LAs consider how the proposed works contribute to the well-being goals and the sustainable development principles and evidence this within the applications. Please provide on the application form specific examples of how the proposed work will contribute to the well-being goals rather than just listing the goals.

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Timetable

- Application forms sent out early May 2020.
- Completed application forms to be returned by 27 May 2020 (Applications will be considered beyond this deadline. The initial deadline of 27 May is to encourage the submission of applications and enable a programme of works to be developed. However, if the fund is over-subscribed, late applications risk not being able to secure funding).
- Welsh Government will host a dial-in session to discuss prospective applications on 13 May 2020. If you wish to join the session, please contact **FloodCoastalRisk@gov.wales** and ask to be added to the VC.
- RMAs will be invited to submit applications for the 2021/22 financial year in March 2021.

Evidence to support application

Providing evidence with the application will assist the efficiency of the assessment process.

Evidence to be submitted with application forms must include (where appropriate):

- Maps showing location of proposed works
- Flood maps showing risk
- Reference to Local Flood Risk Management Strategies where appropriate

Claims

There will be quarterly claims windows, in line with standard FCERM Programme practice.

Claims need to be submitted by the quarterly deadline and include the following information:

Interim claims:

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- Interim claim form
- Progress report

Final claim:

- Progress report
- Final claim form
- Progress report
- Evidence of spend, e.g. invoices, etc.
- Benefits identified
- Evidence of works completed, e.g. scheme photos

Claims submitted without this information will be returned and payment delayed. Please ensure Variation Orders are submitted for consideration at the earliest opportunity, where there are likely to be increase/decrease in scheme costs.

Branding

Where appropriate, any work funded through Welsh Government grants should be branded and show the Welsh Government logo. Costs associated with branding are eligible for grant funding. Interpretation boards and community outreach alongside projects is actively encouraged and will be considered in the prioritisation process.

Further information can be obtained from the Welsh Government Branding Team: **BrandingQueries@gov.wales**

Guidance

Advice on Working with Natural Processes and NFM Opportunity Maps is available on Natural Resources Wales website:

Maps for Natural Flood Management

Further helpful guidance on natural flood management has also been developed

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by the Scottish Environment Protection Agency:

Natural flood management handbook

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