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Coastal Risk Management Programme – Overview

Summary

1. The purpose of this paper is to provide the members of DSG with the background of the Coastal Risk Management Programme (CRMP). A further paper will be presented at the next meeting in September proposing arrangements for the distribution of funding to local authorities, enabling them to undertake coastal risk management schemes within the programme

Views sought

2. This paper is for information only.

Background

3. The Coastal Risk Management Programme was announced by Ministers in December 2014. It supplements the core flood programme, supporting investment in local authority capital schemes and helps address a significant funding gap in meeting the recommendations within the Shoreline Management Plans.
4. The programme has been established to respond to the challenges of climate change and manage current and future risks as identified in the Shoreline Management Plans. It aims to enable a concentrated three year period of construction investment in coastal schemes commencing from March 2019, reducing risk to people, properties and infrastructure whilst also delivering wider benefits.
5. Welsh Government will contribute up to 75% towards the cost of the works.
6. Funding for the programme is prioritised based on risk to life, focussing on schemes reducing risk of flooding and/or coastal erosion to properties, homes and businesses. CRMP was introduced to reduce risk to properties but also look at where additional wider benefits could be achieved, such as reducing risk to roads. In these cases, the CRMP Board may make a decision to reduce the rate of funding for a scheme where the main beneficiary is not to properties. In doing so we would expect the local authority to obtain contributions from wider sources.
7. Local authorities are expected to fund 25% of the project costs for detailed design and construction. They have flexibility in how they do this which could include

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borrowing, use of capital and third-party contributions. Welsh Government will provide its 75% contribution over a 25 year period through the local authority's Revenue Support Grant (RSG).

8. Although it was the intention for funding to transfer into the RSG from Flood & Coastal Erosion Risk Management (FCERM) Revenue budgets from the year in which schemes are expected to start construction, due to the timing of decisions and the availability of detailed costings information, the allocations may need to be paid as a specific grant in the first year of each scheme, before transferring into the RSG in the second year. This funding will run for 25 years from the initial payment at a fixed amount per year.
9. There are currently 26 schemes in the programme at preparatory stage (Outline Business Case or Design/Full Business Case) from 11 local authorities. This may reduce as the preparatory stages of schemes progress.

Next Steps

10. This paper is for information only and is provided to give background to the Programme.
11. Officials are working closely with local authorities to understand which schemes will be commencing within the 2019/20 financial year in order to set revenue streams in place.
12. A further paper will be presented at the next meeting in September proposing arrangements for the distribution of funding to local authorities.