

Upper and Middle River Hull

Capital Funding - Position Statement

March 2022

Flood and Coastal Risk Management Grant in Aid

The funding from central government for managing flood risk in England is known as 'Flood and Coastal Erosion Risk Management Grant in Aid' or 'FCERM-GiA'. The Environment Agency (EA) administers FCERM-GiA, which can be accessed by all Risk Management Authorities (RMA) for flood risk management projects, including strategies, studies and capital schemes.

In the past, central government covered the full costs of flood alleviation schemes and other capital investment required for flood risk management purposes. Unfortunately, there were always more schemes and projects proposed than there was funding available, meaning some projects did not attract any funding at all.

Now, following a policy change in 2011, the costs of worthwhile projects are shared between central government and other sources, through a Partnership Funding (PF) approach. This new approach allows a larger number of schemes to be delivered overall, and can also give local communities more of a say in the management of flood risk in their area.

The amount of FCERM-GiA funding that a project is eligible for is calculated using nationally agreed criteria, so that the funding eligibility for each scheme is assessed in a consistent way across the country.

The funding formulae takes in to consideration the number of households protected; the estimated value of damages being prevented (including property and infrastructure as well as damages to businesses and the local economy) and other benefits, such as environmental improvements, a particular project may deliver.

Whilst many projects are eligible for funding, projects with lower levels of benefit and other outcomes will generally attract less FCERM-GiA and require a greater level of contribution or partnership funding.

Capital Investment in the Upper and Middle River Hull Catchment

Flood risk in the Upper and Middle Hull is complex, with a large number of flood risk assets having been constructed over hundreds of years, many of which have land drainage or navigational purposes in mind.

As mentioned above, most investment in FCERM projects in the Upper and Middle Hull catchment will be eligible for some element of FCERM-GiA funding. However, those projects where the main benefits are focussed on reducing flood risk to land or dispersed rural communities, with limited numbers of properties, are likely to require significant PF contributions.

Previous studies and strategies covering the Upper and Middle Hull have gone a long way towards assessing the potential investment need (estimating benefits and costs) associated with managing flood risk effectively within the catchment.

For instance:

- The draft River Hull Strategy, developed by the EA in 2010, estimated investment of £158M (present value) would be required to maintain defences and pumping arrangements in the middle and upper catchment over the next 100 years. It was estimated that this investment would secure benefits totalling £1,637M.

- The River Hull Integrated Catchment Strategy (RHICS; 2016), overseen by the River Hull Advisory Board and led by East Riding of Yorkshire Council, estimated the operational costs associated with maintaining the existing flood risk assets (defences and pumping stations) along the entire River Hull at £1.1M per year and recommended a suite of new measures which have been taken forward by partners RHICS did not differentiate between costs for the middle and upper catchment, nor assess capital investment required on existing assets in these locations.

However, whilst previous studies and strategies have confirmed that there is a significant need for investment, detailed cost benefit analysis and options appraisals have not been completed and associated business cases have not been developed for areas of specific work as yet.

As the likely level of FCERM-GiA available through current PF eligibility criteria has not been estimated in any detail, a high level initial assessment has been made. Using figures from the draft River Hull Strategy, this estimates expected FCERM-GiA eligibility to be in the order of £100M, compared to the £158M estimated to be required. Sourcing and securing this funding shortfall, to enable the delivery of works, is clearly going to be challenging. In order to better understand potential investment requirements, we currently have a series of 'Initial Assessments' (IAs) underway that are investigating specific areas of work required to maintain those assets in the Upper and Middle catchment. These assessments will look in more detail at any required capital works and the costs and benefits associated with them, as well as current eligibility for FCERM-GiA funding.

Whilst these IAs will improve the understanding around the need for investment and ensure other information is up to date, we still envisage significant funding gaps will remain meaning large PF contributions will be required. Sourcing these contributions will be very challenging.

Partnerships and the Future

The Environment Agency already work closely with local RMAs (East Riding of Yorkshire Council, Beverley and North Holderness Internal Drainage Board, and Yorkshire Water), in relation to the management of flood risk in the Upper and Middle Hull.

This partnership working has proven successful in a number of areas, including driving efficiencies in completing routine maintenance work, providing an improved operational and incident response, the refurbishment of Hempholme and Wilfholme Pumping Stations, and in effecting emergency repairs along Old Howe and at Tophill Low and Bethels Bridge.

The catchment area of the Upper and Middle reaches of the River Hull is vast. The investment required to maintain and operate existing flood risk management and land drainage infrastructure is also great, with significant gaps over and above eligible levels of FCERM-GiA funding.

With this in mind, it is right to acknowledge the risk that costs may be too large to sustain all existing assets as they are, and that options may need to be considered that look to manage flood risk differently. Any need for a different approach is only likely to increase, as the impacts of climate change place greater pressure on current systems and operations. It is therefore imperative that the existing core RMA partners look to establish wider partnerships, including local and community collaboration, in order to look at flood risk differently.

By Spring 2022, we will have completed our initial assessments. At this point, we hope to establish a wider working group to look at the available options and funding opportunities, that will enable projects to be established and agreements made that set the approach for the effective management of flood risk within the Upper and Middle reaches of the River Hull in to the future.