

# Flooding in Wales

December 2020

## Our approach

The Climate Change, Environment and Rural Affairs Committee ('the Committee') undertook a short inquiry into the Welsh Government's response to the February 2020 flooding in Wales. This work was scheduled to take place shortly after the flooding, with the intention of examining the Welsh's Government's immediate response to events. In light of the COVID-19 coronavirus, it was necessary to postpone the work until autumn 2020.

We sought written evidence from local authorities and Natural Resources Wales ('NRW'). Details of written evidence received can be found at the end of this report. We took evidence from the Minister for Environment, Energy and Rural ('the Minister') at our meeting on 8 October 2020.

On 20 October 2020, NRW published a review of its response to the February 2020 flooding. We agreed to extend our inquiry to consider NRW's review report. We took evidence from NRW at our meeting on 12 November 2020.

We would like to thank all those who contributed to our work.



## 1. Overview

- 1.** The flooding experienced across Wales in February 2020 had a devastating and long-lasting impact on our communities. These floods have, quite rightly, been described as ‘exceptional events’. But this is little comfort to those whose homes and businesses were damaged and who, months later, are still recovering. As we enter into another winter, the prospect of further storms and potential flooding is daunting, to say the least.
- 2.** The evidence we received suggests that the Welsh Government responded swiftly and positively to the flooding events, providing a range of financial assistance to authorities and homeowners. While this is to be commended, there are several issues raised in evidence that we believe require further consideration and/or action.
- 3.** It is widely considered that the impacts of climate change are likely to lead to more extreme weather and, with it, more flooding events similar to those experienced at the beginning of this year. With this in mind, it is now more important than ever for the Welsh Government and its partners to have robust arrangements in place to respond to such events. These arrangements must form part of an enhanced strategic approach to flood prevention and flood risk management that is met with an appropriate level of investment.
- 4.** The evidence we received suggests there are difficult conversations to be had between the Welsh Government and its partners, and with communities across Wales, about where and how to invest, and what can reasonably be achieved, with finite resources. Engaging communities in decision making has an important part to play, ensuring they have a better understanding of the type of practical measures and interventions needed for flood prevention, and an understanding and input into how funding is directed in their community.
- 5.** This report provides a snapshot of the response to the February 2020 flooding and touches on wider matters related to flood risk management. The Welsh Government has recently published its new National Strategy for Flood and Coastal Erosion Risk Management in Wales (‘new National Strategy’). Due to the timing of the publication, we have not had an opportunity to consider it in any detail. We believe there is a more substantial piece of work to do on the implementation of the new National Strategy, looking at its effectiveness in reducing flood risk in communities. We intend to include this in our Legacy Report for our successor committee in the Sixth Senedd to consider.

**Recommendation 1.** 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.

**Recommendation 2.** 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.

## 2. Emergency funding

- 6.** While the WLGA welcomed the Welsh Government's "very positive" response to the flooding, it told us "the EFAS [Emergency Financial Assistance Scheme] for revenue costs was deemed inadequate due to the current grant rates and threshold, which left councils out of pocket".
- 7.** We heard that "compiling the EFAS claim was a significant piece of work" for authorities, who were also being asked to identify the recovery costs of the floods.
- 8.** Authorities also experienced difficulties in making full use of emergency funding before the 'end of financial year' deadline. This was due to a lack of capacity and because, at that time, some areas were still experiencing flooding, which hindered urgent repair works. We heard that diverting resources to focus efforts on making full use of emergency funding impacts on the delivery of statutory FCERM functions.
- 9.** We welcome the financial assistance provided directly to residents through the Discretionary Assistance Fund ('DAF'). For some households, this will have been a much-needed lifeline during extremely challenging times. We note, however, that authorities were responsible for managing DAF applications, including undertaking household visits "to reduce the risk of false claims". The WLGA told us this "added further stress on already overwhelmed services, again impacting on their ability to focus on emergency and recovery [work]". Monmouthshire County Council reported that "the substantial costs associated with [DAF applications] have not been recovered and are not eligible under the [EFAS] grant".

**Recommendation 3.** The Minister should consider what scope there is to remove 'end of year' constraints for emergency funding.

**Recommendation 4.** 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.

### 3. Funding from the UK Government for repair works

**10.** We are concerned about the ongoing uncertainty over the level of funding that will be made available to authorities to meet capital repair costs following the February flooding.

**11.** At the onset of the flooding, the UK Prime Minister told the House of Commons that funding would be made available to the Welsh Government for this purpose. The Minister told us that discussions with the UK Government about the level of funding were “ongoing”. She also told us, if the UK Government failed to deliver on its commitment, “there isn’t a Plan B” and it would be “incredibly difficult to find” funding to meet the cost of repair works.

**Recommendation 5.** 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.

**Recommendation 6.** 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.

**Recommendation 7.** 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.

## 4. The wider FCERM programme

**12.** We note the Welsh Government has made a sizeable investment in flood management during the Fifth Senedd term and, to date, has delivered £390 million of flood management activities. Despite this, we heard that an increased level of investment is required in the longer term to deliver effective flood and coastal erosion risk management ('FCERM'), recognising the rising challenge of climate change.

### Local authority revenue funding

**13.** While local authority representatives welcomed the recent increase in revenue funding, the WLGA maintained it is still "insufficient to increase the resilience of councils' flood services and to adopt a pro-active approach to flood risk management". We heard that this hinders authorities' ability "to inspect, investigate and manage existing assets", "deliver more capital schemes" and employ additional staff. According to the WLGA, the current level of revenue funding means authorities "are a long way away from being fully prepared and resilient".

**14.** The Minister told us that FCERM revenue funding was a "helping hand" for authorities who "should also use their RSG [Revenue Support Grant] to meet their statutory flood duties". However, the WLGA asserted that this was "unrealistic in the face of ongoing cuts" to local government budgets.

**15.** We note that authorities receive the same level of revenue funding regardless of the flood risk within their area. Rhondda Cynon Taff County Borough Council (RCT), whose area was one of the worst-hit by the February flooding, pointed out it receives "4.54% (1/22) of the national revenue funding", despite having an estimated "21% of the national surface water flood risk to manage". According to RCT, "from a proportional risk position" it is "underfunded to support its flood risk management functions".

**16.** The Minister explained that changes have been made to how revenue is allocated to reduce complexity and administrative burden. While we acknowledge the rationale for these changes, we question why the Welsh Government's approach to revenue allocation does not take account of flood risk.

**17.** It is difficult for us to reconcile the Minister's view on current levels of revenue funding with the views of local authority representatives. But, the prospect of authorities being left ill-prepared in the face of further flooding is of serious

concern to us. Furthermore, we note that several of the Measures set out in the new National Strategy will require input from local authorities. It is unclear what the cost implications of these will be.

**Recommendation 8.** The Welsh Government's approach to revenue allocation for flooding should take account of current and projected future flood risk in local authority areas.

**Recommendation 9.** 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.

## Local authority capital funding

**18.** The evidence we received from local authority representatives suggests that, overall, the level of capital funding made available for FCERM is adequate. However, this is primarily due to a lack of capacity to deliver more schemes.

**19.** The Minister told us she had "taken away" all funding barriers to enable local authorities to deliver schemes. This includes providing 100% funding for preparing and designing new flood schemes and raising grant rates for the construction of coastal defences to 85%.

**20.** While the WLGA welcomed "these very positive changes", it maintained that match funding schemes are still problematic, given ongoing financial constraints.

**21.** We heard from Caerphilly County Borough Council about a "backlog of schemes that need funding". Furthermore, authorities anticipated an increase in the number of schemes required to deliver the ambitions in the new National Strategy, which would require an increase in the level of capital investment.

**22.** The evidence we received highlighted that the eligibility criteria for FCERM capital funding are "restrictive". All schemes must be shown to be "reducing risk to life by reducing risk to homes". The WLGA emphasised that flood risk management, especially surface water flooding, is "intrinsically linked to highway and land management". However, improvements to the highway infrastructure to reduce flood risk are often ineligible.

**23.** Monmouthshire County Council called for "improved funding for highway drainage systems". It emphasised that "highway drainage systems often form a crucial role in flood prevention and should be treated as flood defence assets where they provide such a function".

**Recommendation 10.** 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.

**Recommendation 11.** 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.



## 5. NRW review of its response to February 2020 flooding

**24.** We welcome the publication of NRW's review its response to the February 2020 flooding. The NRW's Flood Event Data Summary provides a useful overview of the extent, scale and impacts of the flooding. It highlights the exceptional nature of the events and brings into sharp focus the magnitude of the task faced by NRW and other responders during that period.

**25.** In its review report and subsequent evidence to us, NRW explained that many of its structures and systems "worked well, protecting large numbers of communities and properties". However, its role and services were "severely tested" during the events and, "in some cases" its services were "stretched beyond capacity".

**26.** NRW's Flood Incident Management Review report focuses on the lessons learnt from the flooding and where improvements should be made. The 10 key areas for improvement are summarised in NRW's action plan, which accompanies the report. According to the report, NRW will need approximately 60 to 70 staff over the current baseline over the longer term "to sustain the overall service at the levels described by the actions and improvements in the report".

**27.** NRW told us that it received an additional £1.25 million in revenue funding for 2020-21, which has been used to employ 36 full time equivalents to help take forward its improvement work. However, it remains uncertain whether this additional revenue funding will continue into the next financial year.

**28.** We heard that NRW has a key role in implementing the measures contained within the new National Strategy, leading or jointly leading on 12 of the measures, and having varying levels of involvement in the remaining 12 measures. NRW explained that some of these were "on top of or extensions to [its] current responsibility" and emphasised it would require additional revenue funding to fully implement the new National Strategy.

**29.** In successive reports on the Welsh Government's draft budget and various correspondence with the Minister, we have expressed our concerns about the level of funding available to NRW to effectively carry out its functions and meet its responsibilities. It is regrettable that, to date, the Minister has not provided us with the level of assurance we are seeking on this matter. Our work on the February flooding has served only to exacerbate our concerns.

**Recommendation 12.** 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.

**Recommendation 13.** 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.

## 6. Planning

**30.** Avoiding inappropriate development on areas of flood risk is essential to reduce the present risk of flooding and prevent future flooding. To achieve this, there must be strong alignment between planning and flood policies, with decisions informed by robust flood risk data.

**31.** We note that a revised Technical Advice Note 15: Development, flooding and coastal erosion ('TAN 15') will be available by 2021. NRW explained that this would help support planning decisions but suggested that authorities need to be "brave" in refusing planning permission on its advice.

**32.** The Minister told us that alongside the new National Strategy will be "new flood risk assessment Wales mapping", which will "improve flood and coastal risk information". Her official added that improvements included mapping risk from all sources, for example, surface water and smaller watercourses, as well as rivers and the seas. He explained that, where data was not available for certain watercourses, modelling is used to help identify risk.

**33.** The new National Strategy includes a range of Measures to improve flood risk mapping and data and sets out a schedule for updates. While we welcome this, we are concerned that, without an appropriate level of revenue funding, NRW and local authorities will struggle to maintain them. We have already set out our views on revenue funding for local authorities and NRW.

**34.** We acknowledge that steps have already been taken to manage the drainage of surface water in the urban environment through the introduction of a requirement for Sustainable Drainage Systems ('SuDS') in new developments. The Welsh Government has committed to undertake a review of the effectiveness of SuDs in 2021. We welcome this and look forward to the outcome of the review.

**Recommendation 14.** 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.

## Annex A: List of written evidence

The following people and organisations provided written evidence to the Committee. All Consultation responses and additional written information can be viewed on the Committee's website.

Reference	Organisation
<b>FL01</b>	Caerphilly County Borough Council
<b>FL02</b>	Rhondda Cynon Taf County Borough Council
<b>FL03</b>	Monmouthshire County Council
<b>FL04</b>	Welsh Local Government Association
<b>FL05</b>	Natural Resources Wales

## Annex B: List of oral evidence sessions.

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
<b>08 October 2020</b>	<b>Lesley Griffiths MS,</b> Minister for Environment, Energy and Rural Affairs <b>Gian Marco Currado,</b> Welsh Government <b>Andy Fraser,</b> Welsh Government <b>James Morris,</b> Welsh Government
<b>12 November 2020</b>	<b>Sir David Henshaw,</b> Natural Resources Wales <b>Clare Pillman,</b> Natural Resources Wales <b>Ceri Davies,</b> Natural Resources Wales <b>Jeremy Parr,</b> Natural Resources Wales