

Consultation Response Form

Consultation closing date: 6th March 2015
Your comments must reach us by that date

Flood and Coastal Investment Programme
(FaCIP)

This consultation seeks views on our proposals to change the way the Welsh Government allocates funding for flood and coastal erosion risk management in Wales.

We want to make flood risk investment clearer and more consistent. We want to help identify at-risk areas so that long-term planning can commence and appropriate schemes and land management put in place. In doing so we hope to raise awareness of flooding in those areas, reduce risk and build resilience in communities.

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Welsh Government will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please tick if you want us to keep your response confidential.	<input type="checkbox"/>

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Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
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Please mark the box that best describes you as a respondent. If 'Other', please specify in the box below.

<input type="checkbox"/>	Child/Young Person	<input type="checkbox"/>	Adult	<input type="checkbox"/>
<input type="checkbox"/>	Local Authority	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Natural Resource Wales	<input type="checkbox"/>	Other	<input type="checkbox"/>

Please Specify:

Q1. Do you agree with the general need for a Flood and Coast Investment Programme as put forward in sections 2 and 3 above?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments: **Sections 2 and 3 of the Consultation document**

The overall concept

Yes we agree in principle with the need for a Flood and Coast Investment Programme (FaCIP) as outlined in Sections 2 and 3. We believe this has the potential to significantly improve the efficiency and effectiveness of delivery of flood risk management across Wales. It can also help those affected by flood risk to better understand the choices and decisions made to manage these risks. We would in particular highlight the following aspects, many of which are mentioned in the consultation document:

Prioritising investment in the most at risk communities

We welcome and support the concept of prioritising national flood risk management investment to locations (communities) *'most at risk'*. This is a fundamental cornerstone of efficient and effective flood risk management. The first sentence of the consultation document states that:

'The Welsh Government is the primary funder of flood and coastal erosion risk management in Wales'.

It is therefore essential that this national investment is directed and utilised to deliver the maximum benefits to Wales as a whole and that the *'most at risk communities'* are identified in a consistent way across Wales to enable fair and equitable *'like for like'* comparison.

Local flood risks may be significant locally but allocation of national resource and funding must consider and prioritise these local risks in the national context.

Transparency and clarity of decision making

The proposed approach also offers potential for improved clarity of the methodologies applied to the assessment of risk and the subsequent decisions concerning the allocation of funding. This is welcomed.

This improved clarity, if combined with improved transparency and access to information is also an opportunity for improved local understanding of decisions taken in relation to the local risk. It will help local communities, local representatives and decision makers to better understand how their local flood risk compares with other flood risks across Wales. This will help local communities to better understand how decisions about investment (or non-investment) that affect them are made and why.

Consideration of management interventions beyond the defined local risk area

Whilst it is appropriate to focus national investment to most at risk locations (communities), the consideration of interventions to manage these risks must not be constrained by the spatial boundaries of the locally defined risk area. Interventions to manage local risk will be needed locally (such as work on defences or drainage systems) but there may also be benefit in works remote from the risk location, such as provision of upstream flood storage, land management changes in the upstream catchment and works on urban drainage systems remote from the point of risk. In terms of the coast this could include management of sediment and structures which affect coastal processes up-drift of the area at risk.

We welcome and support the following statement from Page 8 of the consultation document:

'Alternatives to hard defence infrastructure should be considered where appropriate. This may include utilising our natural resources in a more beneficial way to not only reduce flood risk but also to provide wider environmental and economic benefits'

Proposal for nationally consistent appraisal guidance

We welcome and support the Welsh Government proposal to work with Risk Management Authorities (RMAs) to produce nationally consistent appraisal guidance. This is an essential component of a consistent and coherent national risk based investment programme.

This work should ensure the positive elements of the current guidance are retained and that overall the revised guidance meets the needs of Wales and Welsh RMAs. This review should ensure projects are delivered in line with environmental legislation and we should be seeking to deliver multiple environmental outcomes through all RMA projects. With good environmental design schemes can be a catalyst for regeneration in some areas. The revised appraisal guidance should enable appropriate consideration of a wide range of investment benefits as well as a wide range of management interventions, such as natural flood risk management. Whilst it will also need to consider that the quantification of these benefits and interventions can be challenging.

We would welcome the opportunity to work with Welsh Government and other RMAs to produce nationally consistent appraisal guidance.

FaCIP must be evidence based

FaCIP must be evidenced based in order to ensure efficient use of public funds and to build community confidence in the decision making process. This evidence based approach must be applied **both** to the determination and quantification of the risk, as well as the relative effectiveness of the available options and choices to manage these risks. This will need to be considered in the proposal to produce nationally consistent appraisal guidance.

FaCIP must be aligned with strategic policies, plans and initiatives

FaCIP must promote investment decisions which are aligned and consistent with the strategic policy drivers, in particular:

- Shoreline Management Plans (SMP2) around the coast. Especially to support the delivery of coastal adaptation
- Environment Bill
- Well Being of Future Generations Bill

- Flood Risk Management Plans (and EU Flood Risk Regulations)
- Innovative finance programme (announced 9th December 2014)

It should also complement and support (as appropriate) the Planning Bill and other related initiatives, such as encouraging collaborative working with land managers to implement natural flood risk management. This will include consideration of catchment based approaches and learning from 'area based trials' work which is currently underway in a number of catchments across Wales.

Delivering increased resilience and adaptive interventions

FaCIP should require that decisions and choices made now (present day) must seek to embed resilience and adaptive capacity (flexibility for future adaptation), recognising the inherent uncertainties in the future and that the future conditions may be significantly different from those that exist in the present day.

Statutory Duties and Permissive Powers – Relative prioritisation

FaCIP will need to recognise the hierarchy of prioritisation which is already embedded through legislation, legal duties and permissive powers.

There are activities which must be carried out by RMAs and are typically prioritised above exercising permissive powers. Examples of statutory duties would include:

- Health and Safety (both public safety and to operational staff)
- Compliance with Reservoirs Act 1975

In addition, RMAs have responsibilities to continue to maintain existing assets and flood risk management arrangements. In the application of a truly risk based approach it may be appropriate to change, reduce and in some cases stop maintenance completely. However these adaptations must be carried out in a managed way which takes time and resources to plan, communicate and implement the change in flood risk management activity.

Capital and Revenue Expenditure

We understand the intent to initially focus on capital expenditure. However, in practice capital and revenue investment needs often are intrinsically linked, for example capital investment in new defences and assets will require associated revenue expenditure to maintain these assets over their life time. This inter relationship must be considered within the overall FaCIP process.

The FaCIP approach must also have the flexibility to deal, in a proportionate way, with projects which range from large scale multi million pound investments, to relatively small and routine capital maintenance activities.

We would welcome further discussion with Welsh Government about capital and revenue maintenance and their place in the overall FaCIP approach.

Strategic Initiatives

There are and will be in the future, activities and initiatives which are most appropriately considered from an all Wales perspective. FaCIP must be able to accommodate these. Examples would include:

- The Wales Habitat Creation Programme
- Flood Awareness Wales

- Coastal Monitoring (See also our response to Question 7)
- Hydrometric Improvements
- Investments in nationally important and 'business critical' I.T systems, such as flood forecasting and warning services
- Operational costs such as fleet and salary costs.

Q2. Do you have any comments on using the Programme for all aspects of flood and coastal erosion risk management in whatever way is most appropriate to address risk?

Comments: Sections 2 and 3 of the Consultation document

In principle, we support using FaCIP for all aspects of flood and coastal erosion risk management in whatever way is most appropriate to address risk, subject to:

- The comments included in Question 1 above.
- The successful establishment and proven success using capital funding only.
- Due consideration is given to the financial constraints around the use of capital and revenue funding. We would support an approach which provides maximum flexibility between the use of revenue and capital funding.

The FaCIP approach should promote and encourage all RMAs to deliver schemes that are sympathetic to the surrounding environment and compliant with legislation such as the Water Framework Directive and Habitats Directive.

Section 3.2 acknowledges that schemes should not be limited to hard defences, which is welcomed. There will always be a need for hard defences, but with appropriate integration of Environmental Impact Assessment (EIA) in the options appraisal and design process they can be designed and delivered in a manner that is sympathetic to the surrounding environment. This should be undertaken for all schemes.

The revised appraisal guidance should promote Welsh Governments environmental expectations for projects and the FaCIP process should include scrutiny that all projects meet these expectations and are legally compliant under environmental legislation.

Q.3 Do you have any comments on the proposal for a National Index of Flood and Coastal Risk to help understand risk from all sources?

Comments: **Section 2 to 4.3 of the Consultation document**

The concept of the national Flood Risk Index

In principle we support the concept of the national Flood Risk Index (the '*Index*').

In developing this Index we consider it essential that:

- It is developed consistently across Wales to enable locations to be considered fairly and on a '*like-for-like*' basis. We support the statement to this effect on Page 9 of the consultation document.
- The purpose and limitations of the '*Index*' are clearly understood by all professional partners and the people and communities of Wales. The primary purpose of the Index is to respond to the '*challenge*' of the National FCERM Strategy objective (to "prioritise investment in the most at risk communities") by identifying from a national, all Wales perspective the '*most at risk communities*'.
- The individual components of the national Index are clearly identified and understood by all. This is briefly mentioned on Page 9 where the example is given of flooding to residential areas would '*score*' more highly than similar likelihood flooding to recreational space.
- It can be communicated in terms appropriate for the public in order to support improved public and community understanding of the decision making process.
- It is not made unduly complex, in an attempt to address the inherent differences between the different sources of risk and availability of data, as this '*complexity*' could compromise community understanding.
- It is not used for purposes for which it was not intended, i.e. beyond its limitations.

We agree with the potential benefits of the '*Index*' identified at the bottom of Page 5 of the Consultation document. In particular, we support the following statement at the bottom of page 4 of the consultation document;

- *Use the Index as a starting point to guide a national funding programme that will direct funding to schemes in the highest risk areas.*

We agree the Index would be a '*starting point*', in effect drawing the '*national eye*' of partners and communities across Wales to those locations most at risk. In essence the Index will help to drive local conversations between partners based on a nationally set and prioritised risk index. These local conversations should spur development of proposals for investment to improve local understanding of risk and identify risk management interventions. In itself the Index will not provide surety of funding allocation but, where it indicates high risk it will provide a degree of confidence and a presumption that investment proposals would be considered favourably.

The consultation document page 8 states that '*it is not intended to be an entirely automated process*'. We fully support this. Decisions concerning allocation of resources and priorities will always require sometimes difficult decisions, which consider and balance '*real life factors*'. The Index could be a useful tool to help guide this, but in addition there is a need to provide a clear and consistent framework and principles which guide decisions, and that these are available to

the communities impacted by decisions, so they can better understand how and why these are made.

This could be included in the Terms of Reference or Ways of Working of the Governance arrangements discussed in Section 5.2 of the Consultation document.

The Index alone is only a tool to help inform decision making. Decisions about investment and prioritisation will always require consideration of many individual factors.

NRW Communities at risk tool

Section 3 of the consultation document correctly identifies that we (NRW) currently have a communities at risk tool. This allows geographic areas to be ranked in different ways. The present version includes rivers and the sea as sources of flooding and uses a scoring loosely based on the risks to people methodology.

We would welcome further discussions with Welsh Government to share our experience and to explore further how our analysis could support the concept of the National Flood Index.

Main sources of flooding

Section 4.1 Page 10 of the consultation document identifies the main sources of flooding to be included in the *'Index'* as;

- Sea flooding
- River Flooding, including main rivers and ordinary watercourses; and
- Surface water flooding

We agree and support the inclusion of the above sources in the Index. This will help to promote a more holistic approach to flood risk management schemes and closer working between the RMAs.

Page 10 also excludes Groundwater at this stage. We agree with this.

Flood risk from regulated reservoirs is also excluded although not discussed in this section of the consultation document. We agree with the exclusion of this source of flood risk from the Index as statutory legislation seeks to reduce the likelihood of flooding from this source to a minimum.

Reservoirs presenting the most significant risks to people and property are already captured under the requirements of Reservoirs Act 1975 (RA75) and the number of reservoirs coming under regulation is expected to increase in the near future with forthcoming changes in the legislation. The purpose of RA75 is to reduce to a minimum the likelihood of an uncontrolled release of water from the reservoir; it does this through the provisions of statutory legislation.

FaCIP prioritisation and allocation will need to consider the statutory duties on Local Authorities and NRW to comply with RA75 and as directed by the All Reservoir Panel Engineers.

Local flood risk data. Section 4.1. Page 10

We agree that local data should be introduced in the application for funding and allocation process. This local data would inform the local project appraisal process.

Likelihood of flooding. Section 4.2 Page 11

We note the proposal to consider a range of consistent flood likelihoods across the different sources of flooding (river, coastal and surface water). We would welcome the opportunity to work with Welsh Government identify the appropriate flood likelihoods and where necessary the further analysis required to obtain this information.

To conclude, we would welcome the opportunity to work with Welsh Government and partners on the development of an appropriate index and the associated briefing and communications materials.

Q.4 Do you agree that a Flood Risk Index should remain a high level indicator of combined risk but allow local flood modelling to be used to support evidence in applications?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments: **Section 4.1 of the Consultation document**

Yes the Index should be a high level indicator of combined risk.

The purpose of the Index is to draw the '*national eye*' to the '*most at risk locations*' and thereby drive the right conversations, in the right places, between the right people, to ensure these local risks are understood and managed.

This Index requires consistency at the all Wales level to enable locations at risk to be considered on a '*like for like*' basis. The Index will be created using national datasets and national modelling and mapping. These have the advantage of providing the necessary consistency of analysis at an all Wales level. However these will never be sufficient in themselves to justify local investments.

Therefore local modelling and analysis will be required to ensure the local risk is fully understood and to support the evaluation of risk management options in accordance with the nationally consistent appraisal guidance.

Q.5 Do you have examples where flooding has repeatedly occurred in a place currently shown as a low flood risk? Please provide relevant evidence as appropriate.

Yes

No

Not sure

Comments: **Sections 4.1 and 4.2 of the Consultation document**

This is in part, a function of the *'maturity'* and quality of the available flood risk mapping datasets for main rivers and sea flooding (for which NRW has lead responsibility). We (NRW) continually review and update our flood risk mapping for Main rivers and the Sea. This contains rivers with a catchment area $>3\text{km}^2$. These flood maps are a *'mature dataset'* and have significantly improved in quality over the years. Therefore we consider our mapping from these sources to be robust.

In essence we think this question is identifying that the FaCIP process will need to consider how it deals with locations which experience repeated flooding.

The Index proposes to assess the number of properties with 1 in 30, 1 in 100, 1 in 1,000 year datasets. The FaCIP methodology will therefore need to address how it will identify locations that experience more frequent flooding, at the application and allocation stage. If historical evidence identifies groups of properties which flood repeatedly (i.e. relatively frequently) then these could be considered a *'national priority'* for attention and attract a presumption of funding. Standard economic appraisal techniques already enable frequent flooding to be incorporated into the options appraisal analysis.

However, such locations would need to be considered with caution. If groups of properties flood frequently then questions should be asked as to why action has not already been taken to manage this risk. It could be that options to manage the risk are complex and expensive and do not represent value for money or a positive economic return for public expenditure.

Q.6 Do you agree that information relating to defences should be excluded from the Flood Risk Index? Presence of defences could be shown on any map and included in the later appraisal stage.

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments: **Section 4.2 of the Consultation document**

We agree that the national Flood Risk Index should initially exclude defences, primarily because there is not a nationally consistent dataset for all defences. However, including information on defences is a desirable longer term objective and further consideration should be given to how this may be achieved, in the longer term.

Therefore the Index will initially represent the '*unmitigated or unmanaged risk*'.

The consultation document refers to this as the '*maximum natural risk*'.

This can be helpful in itself to raise local awareness, particularly in communities protected by significant defences. These defences may significantly reduce the likelihood of flooding to a low frequency of occurrence. As a result some communities may have a low appreciation of their flood risk, the importance of local defences and the consequences when the defences are over topped.

The presence of defences will be taken into consideration at the local level when RMAs make decisions about the need or not to make applications for funding.

When the Index is made available to the public it will need to be accompanied by clear messages that explain the Index does not represent the '*actual or true*' present day risk. It will therefore need to be accompanied by information telling communities how they can access details of what activity is currently carried out to manage these risks. (This also applies to Question 9).

Q.7 Do you agree with the approach to Coastal Erosion risk and that it should be marked separately to flood risk? If not, please provide an alternative suggestion.

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments: **Section 4.3 of the Consultation document)**

We agree that coastal erosion risk is a different type of risk when compared to flooding from rivers, the sea and surface water. This therefore makes it difficult to compare on a '*like for like*' basis.

Coastal erosion and actions to mitigate or adapt may, or may not be associated with locations of coastal flood risk. In addition coastal erosion risk management is a responsibility of and funded by Welsh Government Flood and Coastal Erosion Management team. It is therefore important that coastal erosion is incorporated in some form, into the development of FaCIP.

We agree with the suggestion on Page 12 of the consultation that the evaluation of coastal erosion risk should sit alongside but separate to a Flood Risk Index.

The national understanding of coastal erosion risk is informed by the National Coastal Erosion Risk Mapping Project. This is a relatively new and '*immature*' dataset and as such we would anticipate it will initially inform a national programme of monitoring and investigation. Interventions to control, manage or adapt to coastal erosion should be aligned with the strategic direction of travel set out by the Shoreline Management Plans (SMP2).

Proposals for interventions to manage coastal **flood risk** should give due consideration to the local coastal **erosion risk** and vice versa. Where appropriate these should be aligned and coherent. This should be embedded through an explicit requirement of the allocations process.

Q.8 Do you agree with the principles set out in Section 4.5 on assessing risk from multiple sources and scoring by Lower Super Output Areas (LSOA)? Do you have any comments or suggestions?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments: **This Question relates to Section 4.4 and not 4.5 as stated above**

We agree with the statement in Section 4.4 page 14 that *'Risk to life will always be the most significant factor in determining the priority of investment'*. This is at the core of all flood risk management decision making.

However, it is essential when considering the range of potential interventions to manage these risks that that these are evaluated against the wider social, environmental and economic criteria. This is already part of the FCERM Appraisal Guidance and must be retained and if necessary enhanced in the proposed review of appraisal guidance.

In planning the interventions to manage risks, in particular coastal risks, it is essential that due consideration and priority is given to the Wales Coastal Habitat Creation Programme. Investment and timing of coastal flood and erosion risk management works may be intrinsically linked to the delivery of statutory compensatory habitat creation works, required to compensate for the predicted losses due to 'coastal squeeze'.

We support the proposal to initially determine the Flood Risk Index using the number and type of property at risk. This could be further developed and refined in time if required. We would welcome the opportunity to discuss further how best to incorporate local community vulnerability into the overall FaCIP process.

We acknowledge Welsh Government's proposal to use the Lower Super Output Areas (LSOAs) as the spatial unit for the Index and the fundamental building block for analysis. We can understand and appreciate it can be advantageous to use a spatial unit that has some provenance within Government and has the potential to combine with other statistical data.

However, it may not be the most appropriate scale for communication with the public or for driving local discussions between risk management partners, so consideration should also be given to alternatives before a final choice is made. We agree the analysis should initially proceed using the LSOAs as the spatial unit and fundamental building block but as this analysis progresses consideration is given to the merits of combining these into larger areas. This principle is acknowledged on Page 14 of the Consultation document which discusses combining the LSOAs into larger geographies.

We would suggest that the process of developing the FaCIP approach should include testing (perhaps in local areas) the relative advantages and disadvantages of alternate spatial areas for different purposes, e.g. communicating with the public and use by RMAs.

We acknowledge the concept of *'scoring and weightings'* to meet the core consideration which is to identify the most at risk locations according to risk to life. We support the statement on Page 15 of the Consultation which says;

'It is important that this assessment of risk is as transparent, simple and readily repeatable as possible to facilitate national updates if improved national datasets become available'.

The use of simple scores and weightings is consistent with this concept. Although they could be considered relatively *'crude'* they have the benefit of simplicity and so can be varied to enable relatively straight forward sensitivity testing of different assumptions and *'what if'* scenarios.

We would welcome the opportunity to work with Welsh Government and other RMAs to identify and evaluate alternate scoring and weighting options.

Q.9 Do you have any further comments on the presentation or development of the proposed Flood Risk Index?

Comments: Section 4.5 of the Consultation document

We agree for the reasons stated that any public presentation of the locations at risk should be grouped. In addition as discussed previously prior to this, consideration should be given to combining the LSOAs together (or possibly other alternative options) in order to make the information most useful for the purpose intended.

Presentation of this information is useful in itself in raising local awareness and potentially stimulating interest in local flood risks. However, it represents the *'unmitigated risk'* i.e. without existing risk management activities, and in this respect it does not represent the actual level of risk. This will need to be clearly communicated at the time of public presentation together with opportunities provided for the public and communities to understand what risk management activities are already in place to manage these risks.

See also our response to Question 6.

Q.10 Do you have any comments or suggestions on the application process?

Comments: **Section 5 of the Consultation document**

Delivering Outcomes and Ways of Working

The application for funding and allocation process is a critical element of FaCIP. It is the mechanism by which the nationally important outcomes and the expected ways of working can be embedded in local delivery.

It is essential that RMAs clearly understand the expectations on them in terms of the applications for funding and subsequent delivery. This will require clear and concise guidance. Many of the likely requirements of an application are identified in Section 5.1 page 20.

One of the main considerations for any application for funding will be to identify reduction in the risk to life resulting from the investment and demonstrating that the investment is economically and environmentally robust. The application and allocations process will need to consider and reflect the components and relative weightings used to create the Flood Risk Index. FaCIP should also seek to use proportionate levels of process and documentation to ensure consistency, efficient and effective delivery, and financial probity.

The overall FaCIP process should seek to deliver integrated natural resource management whilst also retaining the flood risk core priority of reducing risks to life. Locations with a higher risk to life should be a priority for intervention but locations with lower risk to life may have the potential to deliver wider multiple benefits. This information should be evaluated at the investment appraisal stage and scrutinised and prioritised as part of the allocation decision making process.

We support the concept that funding for higher cost (or complex) interventions will be allocated in a phased manner.

National funding and allocation timetable

There is benefit in having a national funding and allocation timetable. This will facilitate improved planning and programming. We appreciate that the timetable included in the consultation document is indicative and would welcome the opportunity to work with Welsh Government and other RMAs to develop an appropriate application and allocation timetable. This will need to allow sufficient time between the point of allocation of budget and the commencement of works and expenditure e.g. for procurement and mobilisation of project design and construction teams.

In addition to the funding and allocation timetable, FaCIP will also need to have the flexibility to pro-actively call for additional applications should the programme require this or additional funds become available. In addition it needs to have the flexibility to receive and respond rapidly to post event applications for urgent works.

Technical evaluation of applications

Applications for funding must be submitted in a consistent format and in accordance with the revised project appraisal guidance. It is important that these are technically scrutinised and evaluated on an equal basis by officers with the required technical expertise and experience. This will include environmental scrutiny and any other specialists as required (e.g. engineers, economists, environmental scientists).

This scrutiny must be proportionate to the costs of the project and any other aspects that may be significant - for example, if the project is particularly complex or using new or innovative approaches.

This scrutiny could be carried out by the 'Programme Board' provided it had the time, capacity and expertise to do this. Alternatively a pool of 'technical' officers could be used across Wales to provide this scrutiny and make recommendation to the decision-making Programme Board.

Q.11 Do you have any comments or suggestions on the programme board or governance of a Flood and Coast Investment Programme?

Comments: Section 5.2 of the Consultation document

We agree that FaCIP must have appropriate governance structures.

Careful consideration will need to be given as to how the FaCIP Programme Board would operate alongside established governance arrangements and financial schemes of delegation in each of the RMAs.

We support in principle the concept of the Programme Board as outlined in the consultation document and broadly agree with the range of *'likely delegated authorities'* as identified on page 21. We believe the key responsibilities for the Board would be to:

- Receive, scrutinise (subject to comments above) and approve applications for funding.
- Ensure applications are delivering the required outcomes and ways of working.
- Agree corrective responses to ensure national financial targets are met and outcomes achieved.
- Receive reports on progress and report to Welsh Government. This should include reporting on meeting the principles of sustainability (and/or compliance with Environment Bill/Well Being of Future Generations Bill as appropriate).
- Provide leadership and direction on nationally important initiatives.
- Promote sharing of best practice.

Further, FaCIP will need to establish a rolling programme populated by a strong pipeline of project development. This is needed to support active management of programme risks by enabling over-programming of work against available funding and making additional work available for inclusion at short notice.

The Terms of Reference and Ways of Working of the group must be clearly established and available. In addition the decisions of the Programme Board must be recorded and available to promote wider understanding of the decision making process and transparency.

As discussed in Question 10 the Programme Board could potentially carry out '*technical scrutiny*' of individual projects provided it had the capacity and skills to do this. Alternatively it could receive recommendations from technical experts.

We broadly agree with the proposed composition of the Programme Board, however this would need to be finalised once the purpose and Terms of Reference of the Programme Board is more defined.

We would suggest that the Programme Board should meet quarterly but also receive a monthly progress report and convene further meetings as required to address issues arising.

Project Delivery

Delivery of the national programme will require consistent and routine reporting of project management information, such as financial performance, progress and risks. This is particularly important as this is a national rolling programme managed to meet annual budgets. To facilitate monthly project and programme reporting there is likely to be a requirement for all RMAs to use a common cloud-based reporting system.

We would expect this reporting to be monthly. These reports will need to be collated and coordinated at a single point. This will enable progress to be monitored and reported to the 'Programme Board' and highlight the need for corrective action where required.

The project management framework to be used (e.g. Prince2) needs to be defined, and all projects should be expected to conform to this framework, in a proportionate manner. This includes the need for clear role definitions for key project roles e.g. Project Executive, Project Manager, so that what is expected and required from staff in these roles is clear to all delivery organisations.

There should also be guidance on the definition of tolerances within which project teams are expected to manage their projects and beyond which they would be expected to communicate exceptions to the Programme Board for consideration.

Q.12. Do you have any other comments that you would like to put forward?

Further comments as follows:

Management of a rolling programme to meet in year financial targets

Management of a programme of projects to deliver annual targets also presents its own particular challenges. Delivery of the national programme can be very sensitive to the delivery of a small number of major projects. Individual projects can span a number of years to take them from initial assessment through to completion of delivery. Lack of certainty and confidence in future funding can inhibit efficient planning and delivery. If RMAs had more confidence and certainty of future funding over say 3-5 years then this would enable more efficient and effective delivery of outcomes.

We support the concept of staged allocations. This will include for example, initial assessments, project options appraisal, design and construction. This should include appropriate 'gateways' with decisions to proceed or not at key milestones. A commitment to funding early development work must not be allowed to become an open ended commitment to a project that escalates in cost or becomes unviable.

Also, construction projects contain inherent delivery risks, and costs can increase and decrease, including projects being shown to be unviable after the initial development work is completed. There needs to be appropriate flexibility within FaCIP overall to cope with these uncertainties. Programme management techniques will need to be incorporated, such as over-programming or over-allocation to allow for risk and uncertainties. This needs to be balanced against over-committing on available budgets, and requires strong programme and project management skills and experience to manage effectively.

Transition and Implementation of FaCIP

We consider it important that FaCIP is implemented as soon as practicable in order to realise the benefits identified in the consultation document. However, the transition to the '*new way of working*' required by FaCIP must be carried out in a planned and managed way. This is required to ensure that delivery is not detrimentally impacted during the transition and that all RMAs understand how FaCIP will operate and the requirements on them. This is likely to require the production of guidance and a communication plan.

It is also likely that in the early years of the FaCIP some funding will need to be allocated according to the current ways of working to support completion of works in progress. Likewise during the transition to new appraisal guidance there will need to be a reasoned approach to the validity of completing appraisals already underway. Otherwise there is a risk of needing to revisit work and associated abortive costs.

Evaluation of both traditional hard and softer solutions

The overall FaCIP process should not intentionally or unintentionally drive short term interventions such as engineered defences, where more appropriate solutions may require funding on a more of a 'little and often basis.' Examples could be beach management and nourishment options which could be required periodically and could enhance/supplement more traditional hard defence solutions.

Other issues to be considered in the development of FaCIP

- Local Authority grant rates – should be simplified and rationalised as much as possible.
- Guidance will be required to explain how FaCIP will consider local financial contributions, partnership bids and the impact on prioritisation and allocation.
- Guidance will be required to explain how FaCIP will consider post incident works.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply.	X
E-mail address for acknowledgement: ann.purser@cyfoethnaturiolcymru.gov.uk	

Thank you for taking time to respond to this consultation.

Completed responses should be sent to the address shown below by **the 6th March 2015**. The response form should be completed electronically if possible and sent to

FloodCoastalRisk@wales.gsi.gov.uk Alternatively, postal responses can be sent to:

David Sargent, Flood and Coastal Erosion Management, Flood and Water Division

Welsh Government, Cathays Park, Cardiff, CF10 3NQ.