House of Commons
Environment, Food and Rural Affairs Committee

Winter floods 2013–14

First Report of Session 2014–15
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First Report of Session 2014–15

Report, together with formal minutes relating to the report

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Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

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Summary

Severe winds and storms affected the United Kingdom throughout last winter. The extreme weather, in combination with high spring tides, led to widespread flooding and devastated communities. The sudden and sustained nature of the winter floods underlined the serious need for coherent policies and sufficient funding to protect homes, businesses and farmland.

Investment in flood prevention is preferable to spending on clean up, both from an economic and a social perspective. The recent winter flood relief effort was commendable, but the Government must not neglect long-term issues such as improving resilience through regular and sustained maintenance of flood defence assets and watercourses.

Funding for maintenance is at a bare minimum. Furthermore, when budgets are tight, maintenance—in particular, watercourse conveyance and dredging—is the first thing to be cut. In the face of limited budgets, low-priority areas such as farmland are sacrificed in favour of urban, highly populated areas. The evidence we received demonstrates that dredging can be beneficial in certain circumstances, and as part of a portfolio of measures, but it should not be seen as an all-purpose solution. Where dredging is appropriate, the benefits need to be sustained through routine maintenance. Too often maintenance is neglected until a need is created for costly one-off capital investment. We recommend that the Department for Environment, Food and Rural Affairs (Defra) immediately draws up fully funded plans to address the current backlog of maintenance work (including routine dredging) and to accommodate the increased maintenance requirement caused by the growth in numbers of flood defence assets. We urge Defra to revisit its policy for funding allocation to recognise the economic and social value of agricultural land.

Each catchment area has different flood risk management requirements and, consequently, different funding needs. To be effective, priorities must reflect local knowledge and local circumstances. We agree with the Secretary of State, Rt Hon Owen Paterson MP, that the distinction between capital and revenue funding “is a bit of a grey area in practical terms”\(^1\) and we urge the Government to assess the possibility of a future transition to a total expenditure classification for flood and coastal risk management. This would allow greater flexibility to target funding according to local priorities.

Maintenance responsibilities and powers are split between a variety of entities, including the Environment Agency, local councils, internal drainage boards and landowners. We support the introduction of public sector co-operation agreements between the Environment Agency and internal drainage boards to facilitate internal drainage boards undertaking maintenance of watercourses in their districts with the requisite funding to support their activities. However, there is an underlying confusion relating to the division of responsibilities, with a commonly held, but incorrect, assumption that maintenance is solely the responsibility of the Environment Agency. Defra and the Environment Agency

\(^1\) Q241
must work together to improve public awareness and understanding of maintenance powers and responsibilities, particularly in relation to landowners’ maintenance responsibility for watercourses on or next to their land. Alongside this education campaign, Defra and the Environment Agency must improve the regulatory regime so that it does not create a barrier to landowners carrying out maintenance work.

Frontline services in flood and coastal risk management must not be reduced. It is essential that funding cuts do not lead to unintended consequences where funding is redirected to one operational area to the detriment of another.

Overall, Defra needs to recognise the importance of regular and sustained maintenance work in the prevention and management of flood risk and take steps to reflect the equal importance of maintenance alongside capital. The avoidance of flood events that devastate communities should, as far as is possible, take priority over cost-cutting.
1 Introduction

1. From December 2013 to February 2014, the United Kingdom experienced a prolonged period of heavy rain and strong winds. The Met Office reported winter 2013/14 to be the wettest winter in England and Wales since at least 1766.\(^2\) The severe weather, in combination with high spring tides, led to widespread flooding from the sea, rivers, groundwater and surface water.

2. During winter, the Environment Agency issued 155 severe flood warnings and over 7,000 properties were flooded. Over the same period, more than 1.3 million homes and businesses were successfully protected by existing flood defences.\(^3\) The varying nature of severe weather and flood events does not allow for direct comparison, but these figures suggest improvement upon previous flood events, such as those of summer 2007 when over 55,000 homes and businesses were flooded and an estimated 100,000 properties protected.\(^4\)

3. Nevertheless, last winter showed that there are lessons still to learn about: the capability of the country’s flood defences; the suitability of the Government’s flood risk management priorities; and whether sufficient funding is available in the face of increasingly frequent weather events of this nature.

4. Our short inquiry was triggered by the winter flood events and designed, with a narrow focus on maintenance responsibilities and maintenance funding, to further explore and pursue recommendations in our recent Report on *Managing Flood Risk*.\(^5\)

5. The written submissions and transcripts of three oral evidence sessions are published on our website.\(^6\) We are grateful to all who provided evidence.

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\(^2\) Met Office, *The recent storms and floods in the UK*, February 2014, p5

\(^3\) Environment Agency (XFL 0025) para 1.1


\(^6\) Environment, Food and Rural Affairs Committee website: *Winter Floods inquiry*
2 Winter floods relief effort

6. Numerous organisations and services were involved in the response to the winter floods including the Environment Agency, emergency services, local councils, highways agencies, the military, public health, the national flood forum and individual volunteers. Around 4,500 Environment Agency staff worked to help flooded communities by running pumping stations, erecting temporary barriers, clearing blockages from rivers and issuing flood warnings.\(^7\) In various places across the country, the Environment Agency loaned equipment (e.g. pumps and machinery) from local companies and organisations, to help with the clean-up effort.

7. Following a visit to some of the worst-affected areas in the South-West and the Thames Valley in February, the Prime Minister made a statement thanking all the Environment Agency staff, emergency services, local authorities and local volunteers for their contribution to the relief effort and saying that:

> money is no object in this relief effort. Whatever money is needed for it will be spent. We will take whatever steps are necessary.\(^8\)

8. The Secretary of State for Transport, Rt Hon Patrick McLoughlin MP, later qualified this, saying that the commitment was not a “blank cheque”.\(^9\) However, Lord Smith of Finsbury, Chairman of the Environment Agency, assured us that the additional funds allocated by the Government as part of the response would enable the Environment Agency to repair all its flood defence assets to 97% good condition following the severe damage caused by the succession of storms over winter.\(^10\) In circumstances where the Environment Agency loans equipment from a third party for the purposes of flood risk management or repairs, it is important that the state of the equipment is documented when it is first handed over.\(^11\) Any negotiations relating to the loan of equipment should be clearly documented, including full contractual provision for repairs, general upkeep and the return of equipment.

9. We commend the widespread help provided to communities during the winter floods relief effort. Repairing and replacing damaged flood defence assets following the winter storms is an immediate concern, but longer-term issues such as improving resilience to withstand future flooding events must not be overlooked.

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\(^7\) Environment Agency (XFL 0025) para 1.2
\(^8\) David Cameron’s statement on the UK storms and flooding, gov.uk transcript of speech, 12 February 2014
\(^9\) UK flooding: David Cameron’s pledge is not a blank cheque, the Guardian, 12 February 2014
\(^10\) Q183
\(^11\) See Q110 and Q111
3 Maintenance responsibilities

Riparian owners

10. Under common law, the person who owns the land or property next to a river or other watercourse (known as a riparian owner) is responsible for maintaining the beds and banks of the watercourse and clearing any obstructions from the channel and the banks, but some of the more significant flood prevention actions require Environment Agency consent. A riparian owner must accept flood flows through their land, even if these are caused by inadequate capacity downstream, but has no duty in common law to improve the drainage capacity of a watercourse.12

11. The Environment Agency has permissive powers (but not a duty) to carry out flood and coastal risk management work and to regulate the actions of other flood risk management authorities on main rivers and the coast. Local councils have powers to carry out work on other watercourses and coastal erosion protection assets, except for watercourses within Internal Drainage Board (IDB) Districts and public sewers (which are the responsibility of IDBs and water companies respectively).13

12. We heard evidence that there is confusion over the division of responsibility for maintenance activities, particularly in relation to the maintenance of watercourses. Regardless of the legal division of responsibilities, many people perceive maintenance to be solely the responsibility of the Environment Agency. The Flood Hazard Research Centre at Middlesex University (FHRC) is concerned that:

   responsibilities are unclear, confused and fragmented…in the case of maintenance of watercourses, it is increasingly assumed that the Environment Agency will undertake those maintenance activities including those for which there is a legal duty on riparian owners to perform.14

13. The prevailing confusion over roles and responsibilities was also highlighted by the Chartered Institution of Water and Environmental Management (CIWEM), which told us that:

   Catchment co-ordination and education as to which organisations have permissive powers and who has ultimate responsibility as a riparian owner are critical.15

14. Defra must work with the Environment Agency to improve public awareness and understanding of the division of maintenance powers and duties, particularly in

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13 IDBs are independent statutory bodies responsible for land drainage within more than 1.2 million hectares lowland England (around 9.7% of England’s total land area) which comprise areas of special drainage need.
14 Flood Hazard Research Centre, Middlesex University (XFL 0014) Executive Summary
15 Chartered Institution of Water and Environmental Management (XFL 0013) para 33
relation to watercourse maintenance, and to ensure that riparian owners discharge their watercourse maintenance duties.

15. Whilst riparian owners can undertake minor works on main rivers such as cutting back trees and other vegetation and removing in-stream debris and rubbish without permission from the Environment Agency, more significant work such as removing silt or gravel from water channels, spreading silt material on nearby land and carrying out maintenance works to flood defences is likely to need prior consent from the Environment Agency. Riparian owners may perceive the consent application process and administration fee as a barrier to maintenance works.

16. In response to this issue, and to develop more flexible working arrangements, the Environment Agency has set up seven river maintenance pilots across England to determine whether it is feasible to deregulate and make it easier for riparian owners to de-silt main rivers if they choose to do so. The pilots began on 21 October 2013 and have recently been extended until mid-March 2015 due to the impact of the winter floods. Any maintenance work carried out under the pilots must still comply with existing environmental and wildlife legislation, an environmental good practice guide and a regulatory position statement, but will not require separate consent from the Environment Agency. Under the pilots landowners can also spread low-risk, non-contaminated silt material on their land.16

17. We heard widespread support for the deregulation of watercourse maintenance activities. The Association of Drainage Authorities (ADA) is recognised as the national representative for IDBs in England and Wales and takes the view that:

The role of landowners should be enhanced. The river maintenance scheme allowing farmers and landowners in areas in England at risk of flooding to carry out work to de-silt watercourses, presently being piloted by Defra, should be rolled out nationally.17

18. If an independent evaluation supports deregulation following completion of the river maintenance pilots, we urge Defra and the Environment Agency to relax the regulatory position and implement the piloted system across the country as soon as is reasonably practicable.

Internal Drainage Boards

19. In our previous Report on Managing Flood Risk, we recommended that IDBs which wish to undertake maintenance of watercourses in their districts should be supported in doing so, including by allowing IDBs to retain for these purposes the funding they

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16 A waste exemption may still be required from the Environment Agency for these purposes.
17 Association of Drainage Authorities (XFL 0019) para 24
currently provide to the Environment Agency.\textsuperscript{18} During this inquiry, we heard again from the ADA that:

It would be more effective if IDBs were given responsibility for the maintenance of main rivers in IDB areas, with the Environment Agency retaining responsibility for water management infrastructure (e.g. pumping stations and sluices) on those rivers.\textsuperscript{19}

20. We are pleased to hear that, since the publication of our Report on \textit{Managing Flood Risk}, the Environment Agency has entered into 14 public sector co-operation agreements with IDBs (with a further 26 in development with IDBs and local councils)\textsuperscript{20} to facilitate IDBs undertaking maintenance activities on main rivers for a five-year period. The ADA has said that these are “a major step forward in securing efficient work practices at a local level, avoiding the need to tender for work”.\textsuperscript{21} However, they also noted that they “are very limited at the moment”.\textsuperscript{22}

21. \textbf{We support the introduction of public sector co-operation agreements between the Environment Agency and Internal Drainage Boards to enable Internal Drainage Boards to undertake maintenance of watercourses in their districts with the requisite funding to support their activities.}

22. All properties within a drainage district are subject to a drainage rate, which is paid annually to the IDB.\textsuperscript{23} However, the water in a drainage district often comes from areas at a higher level which are consequently outside the drainage district and not subject to drainage rates.\textsuperscript{24} For example, on the Somerset Levels and Moors, the ADA explained that the “water is coming from all over the place—Taunton, Yeovil, Glastonbury”\textsuperscript{25} yet it is only the people who are flooded within the drainage district who are paying a levy to get rid of that water.

23. A mechanism exists under section 57 of the Land Drainage Act 1991, allowing IDBs to make an application to the Environment Agency for a contribution towards the expenses of dealing with water in cases where a drainage district receives that water from land at a higher level. Applications are made by IDBs annually and payment is at the discretion of the Environment Agency. However, it is unclear how effective this mechanism is in practical terms or what budget the Environment Agency has for these purposes.

\begin{itemize}
\item \textsuperscript{18} Environment, Food and Rural Affairs Committee, Third Report of Session 2013-14, \textit{Managing Flood Risk}, Vol 1, HC 330, para 38
\item \textsuperscript{19} Association of Drainage Authorities (XFL 0019) para 23
\item \textsuperscript{20} Environment Agency (XFL 0025) para 3.4
\item \textsuperscript{21} \textbf{New Public Sector Cooperation Agreement paves way for closer partnership working on maintenance}, Association of Drainage Authorities press release, 8 November 2013
\item \textsuperscript{22} Q118
\item \textsuperscript{23} Pursuant to the Land Drainage Act 1991
\item \textsuperscript{24} Q90
\item \textsuperscript{25} Q91
\end{itemize}
24. In its response to this report, we invite Defra and the Environment Agency to make clear how often section 57 of the Land Drainage Act 1991 is utilised and to inform us of the aggregate amount of payments made by the Environment Agency to Internal Drainage Boards in 2013/14 under this legislative mechanism.
4 Maintenance priorities

Agricultural land

25. The Environment Agency prioritises its investment in accordance with Government policy and in line with the HM Treasury Green Book. The Environment Agency explained that it spends around 80% of its investment on high-consequence systems in order to get better value for money for the taxpayer:

If it is a densely populated urban area, it will be a high-consequence system; if it is a predominantly rural area, mostly agricultural land, then it would be either medium or low, depending on the quality of that land.

26. In accordance with our previous Report on Managing Flood Risk, we acknowledge the need to protect life and property adequately from the impacts of flooding but this does not mean that other imperatives, including the need to protect farmland, should be ignored.

27. In the Government response to our Report on Managing Flood Risk, Defra strongly disagreed with our conclusion that it is failing to protect rural areas from the risk of flooding. However, about 49,000 hectares of agricultural land was flooded in a single week in February 2014, including about 14,000 hectares on the Somerset Levels and Moors and large areas in the Thames and Severn catchments and along the south coast of England. The National Farmers Union (NFU) is concerned that:

Too often at present farmland and rural communities are being sacrificed as the de facto lowest priority when determining investment decisions to manage and improve the nation’s flood and coastal defences. As a consequence of this prioritisation rural communities and farmers experience a lack of maintenance of watercourse and coastal channels, banks and fluvial assets. This is an unsustainable outcome.

28. Agriculture is a major industry and an important rural employer and we remain concerned that the current method for allocating flood defence funding fails to recognise the importance and value of agricultural land.

29. We recommend that Defra revisits its policy for flood and coastal risk management funding allocation to recognise the economic and social value of agricultural land.

26 HM Treasury, The Green Book: appraisal and evaluation in central government
27 Q194
29 Government Response to the Committee’s Third Report of Session 2013-14, Fourth Special Report of Session 2013-14, HC 706, para 7
30 National Farmers Union (XFL 0024) para 8
31 National Farmers Union (XFL 0024) para 4
Dredging

30. There are many different interpretations of the word “dredging” but during this inquiry we have interpreted it to mean the removal of accumulated material from rivers and watercourses or desilting. In February 2014, CIWEM published a report considering the positive and negative impacts of dredging, supported by the Blueprint for Water coalition. CIWEM’s review was triggered by “the lack of science and evidence in public debate that surrounds the recent flooding and what might be done to mitigate future losses”. It concluded that:

Dredging can play an important role in flood risk management in some cases, but is not a standalone solution. It should be considered in the context of a range of tools and the origins of different sources of flood water, and comes with significant risks that must be understood at a local and catchment scale.

31. CIWEM’s report concludes that dredging of the Parrett and Tone rivers on the Somerset Levels could have made a difference to the duration of flooding, but would only have had a limited impact on the extent and height of the floods. Lord Smith, Chairman of the Environment Agency, took the same view:

If we had been dredging those rivers to the standard that we are now embarked on doing with the capital dredge, if we had kept the rivers in that condition, it would almost certainly not have prevented the Somerset Levels from being flooded. What it would do is help us clear the water away from the Somerset Levels faster.

32. There is evidence that dredging can increase channel conveyance, which can reduce water levels and the frequency of floods. Dredging is particularly effective in low-lying artificially drained areas where the land is relatively flat and the flow of water slow. On the other hand, there are risks associated with dredging, including exacerbating downstream flooding by increasing the water flow and causing significant environmental impacts such as loss and degradation of natural habitats. The evidence we received on the pros and cons of dredging is generally aligned with the findings of CIWEM: it can be beneficial in certain circumstances and as part of a portfolio of measures, but it should not be seen as an all-purpose solution. Where dredging is deemed appropriate, it needs to be carried out
regularly and on a long-term basis, in order to remain effective.\footnote{Chartered Institution of Water and Environmental Management (XFL 0013) para 42; Association of Drainage Authorities (XFL 005) para 8; National Farmers Union (XFL 0024) para 35} We were concerned to hear from the Environment Agency that:

Historically, rivers were dredged more frequently to remove silt to improve land drainage and support agricultural production. Over the past seven years Government policy has established the Environment Agency’s priority as managing flood risk and not land drainage.\footnote{Environment Agency (XFL 0025) para 6.2}

33. To be effective, maintenance priorities must reflect local circumstances. Throughout this inquiry, we heard about the importance of using local knowledge and giving local people much more say in how the funding is spent, particularly in relation to dredging.\footnote{For example: Q94 [Dr Venables], Q96 and Q255 [Mr Paterson]}

We understand that this is already happening in some areas, such as the Lincolnshire Flood and Drainage Strategy Group. The Secretary of State for Environment, Food and Rural Affairs, Rt Hon Owen Paterson MP, has assured us that this model will be looked at for other parts of the country.\footnote{Q255}

34. The importance of land drainage should not be underestimated. Local solutions and the history of local drainage in the relevant catchment area should be taken into account when deciding on measures to prevent flood risk. Where dredging is appropriate, the benefits need to be sustained through routine maintenance. Too often work is neglected until a need is created for costly one-off capital investment.

35. \textit{When dredging is beneficial as part of a portfolio of measures, Defra must give a long-term commitment to fund regular maintenance in the relevant catchment area.}
5 Government funding

Allocation of funding

36. Defra provides funding for flood and coastal erosion risk management to the Environment Agency, local authorities, IDBs and lead local flood authorities.\(^\text{42}\) Flood protection schemes are also funded from non-Defra sources. For example: the local drainage rates paid to IDBs; local levies paid to the Environment Agency’s Regional Flood and Coastal Committees; and funding provided to local authorities from the Department for Communities and Local Government.

37. Currently the vast proportion of Defra funding is provided to the Environment Agency. In 2013/14, about 92% of Defra’s flood and coastal risk management funding was allocated to the Environment Agency. More specifically, in relation to revenue funding alone, about 85% of Defra’s revenue funding was allocated to the Environment Agency in 2013/14. Maintenance work is funded from the revenue budget.

38. Where responsibility for maintenance work is devolved to make the best use of local knowledge and expertise, the allocation of Defra funding should reflect this to support the organisation undertaking the work.

Additional funding

39. The following table shows Defra funding for Flood and Coastal Erosion Risk Management in England since 2005/06. The table includes £130 million funding announced on 5 February 2014 (consisting of £110 million revenue and £20 million capital), which has been provided from within Defra’s existing allocation as a result of “reprioritisation and efficient financial management”.\(^\text{43}\) The table also includes the £140 million additional funding announced in Budget 2014 (consisting of £85 million capital and £55 million revenue), which we understand is additional to Defra’s existing allocation.\(^\text{44}\) The breakdown of the extra £270 million across financial years and between capital and revenue has been provided by Defra.\(^\text{45}\)

40. In addition to the funding shown in the table below, a wide range of flood recovery schemes for individuals and businesses affected by the winter floods has been announced by the Government since January.\(^\text{46}\) Although we are aware of some confusion from potential beneficiaries about whether they meet the criteria and how to apply for available

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\(^{42}\) Defra, *Funding for Flood and Coastal Erosion Risk Management in England*, April 2014, p1

\(^{43}\) Department for Environment, Food and Rural Affairs (*XF1 0026*) para 3.1

\(^{44}\) HC Deb, 24 March 2014, col 32W [Commons written answer]

\(^{45}\) Department for Environment, Food and Rural Affairs (*XF1 0026*) para 2; email correspondence from Defra to the EFRA Committee, dated 3 April 2014

\(^{46}\) *UK Floods 2014: government response and recovery*, Gov.uk news story, May 2014
compensation, on balance, we believe that the Government information and advice on these schemes is sufficiently accessible and comprehensive.

Figure 1: Flood Spending Trends


Notes: The 2015/16 revenue figures are assumed to be maintained at the level of the Environment Agency Grant 2014/15 in cash terms, as per Budget 2013. The 2015/16 figures may be subject to change. External Partnership funding figures are not included in the table.

41. We welcome the additional funding that has been announced by the Government in 2014, but a large proportion of the funding that has been referred to as “additional” should have been more accurately described as “reallocated”.

42. If funding is reallocated from within an existing budget, Defra must ensure that the process is completely transparent and provide a clear and detailed accompanying explanation which sets out what activities are receiving less funding as a result.

47 Q249 to Q251

48 See: Flood support schemes: funding available from central government, gov.uk guidance, 16 May 2014
**Capital versus revenue**

43. During this inquiry we asked Defra whether it would revisit the split between revenue and capital expenditure, with particular reference to the proportion allocated to maintenance within the overall revenue budget. Whilst explaining that limits for revenue are set by HM Treasury at spending reviews and that HM Treasury rules do not allow departments to switch capital funding to revenue, the Secretary of State, Rt Hon Owen Paterson MP, has also acknowledged that “there is a bit of a grey area in practical terms”.

44. A number of witnesses, including the NFU, RSPB and the Local Government Association, called for greater flexibility to transfer budgets between capital and revenue or simply to place the money available in ‘one pot’ to allow full flexibility to target funding according to local priorities. FHRC explain that:

> a formal split between capital works and O&M [revenue] expenditure is somewhat artificial. Equally, it can promote both the re-definition of renovation works as ‘capital’ works rather than as maintenance works, or the deferral of maintenance for so long that replacement becomes the only option as capital works.

45. The dredging currently being carried out by the Environment Agency on the Somerset Levels provides a good example of this “re-definition” or “grey area”. The work is being funded as a capital expenditure as it is a “major exercise of considerable value and scale” whereas routine dredging—i.e. maintaining the watercourses year-by-year following the big capital dredge—will “undoubtedly fall under revenue expenditure”.

46. Sonia Phippard, Director of Water and Flood Risk Management at Defra, told the Committee:

> On the whole, clarification is helpful, because the more you know at the outset, the better. From the point of view of this particular Budget, if you could move to a total expenditure classification that would be more helpful still, but that is not the usual Government approach. In fact, it would be very revolutionary, so we clearly would need to have considerably lengthy debates with the Treasury on that.

47. **We agree with the Secretary of State that the distinction between capital and revenue funding “is a bit of a grey area in practical terms”. Depending on the local...**

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49 Department for Environment, Food and Rural Affairs ([XFL 0004](#))
50 Q241
51 National Farmers Union ([XFL 0024](#)) para 16; RSPB ([XFL 0020](#)) para 16; Local Government Association ([XFL 0021](#)) para 13.
52 Flood Hazard Research Centre, Middlesex University ([XFL 0014](#)) para 9
53 Q185
54 Q185
55 Q242
circumstances, the separate budgets can also create a perverse incentive to defer maintenance work until it creates a need for capital expenditure.

48. We recommend that the Government assess the possibility of a transition to a total expenditure classification for flood and coastal risk management funding to allow funding to be targeted according to local priorities, and publish that assessment.

Maintenance funding

49. We are concerned that, within the revenue budget, absolute levels of funding for maintenance are at a bare minimum. Our concerns were echoed by Lord Smith, who told us that the main lesson that the Environment Agency has learnt from the winter floods is “to push as hard as we possibly can for keeping and increasing maintenance expenditure alongside capital expenditure, and making sure that Government is aware of the degree of priority that has to be given to that”. Maintenance requirements are forecast to increase as extreme weather events become more frequent and as more flood risk management assets are built.

50. The ADA has called for fully funded plans to be drawn up to address the backlog of maintenance needed across the country:

   It is vital that the level of maintenance budgets accurately reflect the maintenance requirements of new assets, as well as existing maintenance liabilities now and into the future, reflecting climate change.

51. The damage caused by flooding is extremely costly, unpredictable and sporadic. An Environment Agency assessment of its flood defences following the winter floods has identified around one thousand sites in need of repair. It is reported that the winter storms caused an estimated £135 million worth of damage to flood defences.

52. Measures to prevent flooding, such as regular maintenance, are less costly and more predictable, but recurring. Whilst funding for new capital schemes is welcome, the Environment Agency needs to keep up the maintenance of its assets, and the maintenance and management of watercourses, “because that is every bit as important”. We were therefore concerned to hear from the Environment Agency that when the overall funding for maintenance does go down (for example, from £170 million in 2012/13 to £147 million in 2013/14), the bit that gets squeezed is conveyance work, that is: regular clearing, dredging and keeping rivers clear.

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56 Chartered Institution of Water and Environmental Management (XFL 0013) para 11
57 Q233
58 Association of Drainage Authorities (XFL 0019) para 6
59 Agency counts cost of ‘unprecedented’ UK storms, BBC News, 21 April 2014
60 Q195
61 Environment Agency (XFL 0025) appendix D, table 2
62 Q187 [Lord Smith] and Q199 [David Rooke]
53. Funding for maintenance is at a bare minimum and needs to increase in line with funding for new capital schemes and the increasing flood risk caused by more frequent extreme weather events.

54. We recommend that Defra increase revenue funding to ensure that there is sufficient investment in maintenance work, including conveyance and dredging. We urge Defra to immediately draw up fully funded plans to address the backlog of appropriate and necessary maintenance work and to accommodate the increased requirement caused by the growth in numbers of capital assets.

Environment Agency funding cuts

55. Due to decreased Defra funding, the Environment Agency is reducing overall job numbers. Whilst it was reported that the consultation on job losses was temporarily put on hold during the winter floods, we understand that some job losses will still go ahead. Paul Leinster, Chief Executive of the Environment Agency, informed us that the Environment Agency started the year with about 11,000 full-time staff; reducing to 10,600 full time staff as at 2 April 2014; and expected to reduce to 10,250 full-time staff by October 2014. This equates to 750 job losses between January 2014 and October 2014 compared with reports of expected job losses of 1,700 earlier in the year. We understand the change is due to the reallocated funding provided by the Government since February 2014.

56. The Environment Agency has made some savings by changing its operating structure from a six regions structure to a 16 areas structure from 1 April 2014. We understand that back-office costs and support-service costs are also being looked at. However, the Environment Agency has allayed our concerns regarding its ability to respond to future flooding by confirming that the number of frontline jobs in flood and coastal risk management will not reduce and reassuring us that the vast majority of jobs at the Environment Agency are based in local areas (not centrally in London).

57. Frontline services in flood and coastal risk management must not be reduced. It is essential that funding cuts do not lead to unintended consequences where funding is redirected to one operational area to the detriment of another.

58. In its response to this report, we ask Defra to reassure us that there will be no cuts to frontline flood and coastal risk management jobs at the Environment Agency.
6 Conclusion

59. The unpredictable nature of climate change creates an inherent uncertainty about the exact nature of flooding risk in the future, but there is consensus that flooding risk will increase.\(^69\) The sudden and sustained nature of the winter floods in 2013/14 underlined the serious need for coherent policies and sufficient funding to protect communities, homes, businesses and farmland.

60. We are pleased that flood management remains a top priority for Defra.\(^70\) The additional and reallocated funding announced by the Government in response to the winter floods is welcome.

61. However, we are concerned that overall funding does not reflect the increased flood risk. The overall response to the winter floods was commendable, but investment in flood prevention is preferable to spending on clean-up, from both an economic and social perspective. Defra’s ‘top priority’ needs to be better reflected in the efforts made to secure increased investment for under-funded areas such as maintenance so that more homes and businesses can be successfully protected.

62. Maintenance has been described as always being “a Cinderella”:\(^71\) its importance and attributes are undervalued. When budgets are tight, it is the first thing to be cut. Defra Ministers need to reassess the department’s approach to flood risk management to recognise the importance of regular and sustained maintenance work and put it on an equal footing with capital investment.

63. While we recognise the need to balance competing demands on a finite budget, the avoidance of flood events that devastate communities should, as far as is possible, take priority over cost-cutting.

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\(^70\) Government Response to the Committee’s Third Report of Session 2013-14, Fourth Special Report of Session 2013-14, HC 706, para 2

\(^71\) Flood Hazard Research Centre, Middlesex University (XFL 0014), para 7
Conclusions and recommendations

Winter floods relief effort
1. We commend the widespread help provided to communities during the winter floods relief effort. Repairing and replacing damaged flood defence assets following the winter storms is an immediate concern, but longer-term issues such as improving resilience to withstand future flooding events must not be overlooked. (Paragraph 9)

Riparian owners
2. Defra must work with the Environment Agency to improve public awareness and understanding of the division of maintenance powers and duties, particularly in relation to watercourse maintenance, and to ensure that riparian owners discharge their watercourse maintenance duties. (Paragraph 14)

3. If an independent evaluation supports deregulation following completion of the river maintenance pilots, we urge Defra and the Environment Agency to relax the regulatory position and implement the piloted system across the country as soon as is reasonably practicable. (Paragraph 18)

Internal Drainage Boards
4. We support the introduction of public sector co-operation agreements between the Environment Agency and Internal Drainage Boards to enable Internal Drainage Boards to undertake maintenance of watercourses in their districts with the requisite funding to support their activities. (Paragraph 21)

5. In its response to this report, we invite Defra and the Environment Agency to make clear how often section 57 of the Land Drainage Act 1991 is utilised and to inform us of the aggregate amount of payments made by the Environment Agency to Internal Drainage Boards in 2013/14 under this legislative mechanism. (Paragraph 24)

Agricultural land
6. Agriculture is a major industry and an important rural employer and we remain concerned that the current method for allocating flood defence funding fails to recognise the importance and value of agricultural land. (Paragraph 28)

7. We recommend that Defra revisits its policy for flood and coastal risk management funding allocation to recognise the economic and social value of agricultural land. (Paragraph 29)

Dredging
8. The importance of land drainage should not be underestimated. Local solutions and the history of local drainage in the relevant catchment area should be taken into account when deciding on measures to prevent flood risk. Where dredging is appropriate, the benefits need to be sustained through routine maintenance. Too
often work is neglected until a need is created for costly one-off capital investment. (Paragraph 34)

9. When dredging is beneficial as part of a portfolio of measures, Defra must give a long-term commitment to fund regular maintenance in the relevant catchment area. (Paragraph 35)

Allocation of funding

10. Where responsibility for maintenance work is devolved to make the best use of local knowledge and expertise, the allocation of Defra funding should reflect this to support the organisation undertaking the work. (Paragraph 38)

Additional funding

11. We welcome the additional funding that has been announced by the Government in 2014, but a large proportion of the funding that has been referred to as “additional” should have been more accurately described as “reallocated”. (Paragraph 41)

12. If funding is reallocated from within an existing budget, Defra must ensure that the process is completely transparent and provide a clear and detailed accompanying explanation which sets out what activities are receiving less funding as a result. (Paragraph 42)

Capital versus revenue

13. We agree with the Secretary of State that the distinction between capital and revenue funding “is a bit of a grey area in practical terms”. Depending on the local circumstances, the separate budgets can also create a perverse incentive to defer maintenance work until it creates a need for capital expenditure. (Paragraph 47)

14. We recommend that the Government assess the possibility of a transition to a total expenditure classification for flood and coastal risk management funding to allow funding to be targeted according to local priorities, and publish that assessment. (Paragraph 48)

Maintenance funding

15. Funding for maintenance is at a bare minimum and needs to increase in line with funding for new capital schemes and the increasing flood risk caused by more frequent extreme weather events. (Paragraph 53)

16. We recommend that Defra increase revenue funding to ensure that there is sufficient investment in maintenance work, including conveyance and dredging. We urge Defra to immediately draw up fully funded plans to address the backlog of appropriate and necessary maintenance work and to accommodate the increased requirement caused by the growth in numbers of capital assets. (Paragraph 54)
Environment Agency funding cuts

17. Frontline services in flood and coastal risk management must not be reduced. It is essential that funding cuts do not lead to unintended consequences where funding is redirected to one operational area to the detriment of another. (Paragraph 57)

18. In its response to this report, we ask Defra to reassure us that there will be no cuts to frontline flood and coastal risk management jobs at the Environment Agency. (Paragraph 58)

Conclusion

19. While we recognise the need to balance competing demands on a finite budget, the avoidance of flood events that devastate communities should, as far as is possible, take priority over cost-cutting. (Paragraph 63)
Draft Report (Winter Floods 2013-14), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 63 read and agreed to.

Summary agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee’s inquiry page at www.parliament.uk/efracom.

Wednesday 22 January 2014

Dan Rogerson MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, Paul Leinster, Chief Executive, Environment Agency, and Councillor Mike Jones, Local Government Association

Q1–71

Wednesday 26 February 2014

Dr Jean Venables, Chief Executive, Henry Cator, Chairman and Tony Bradford, member of Executive Committee (South West), Association of Drainage Authorities

Q72–130

Martin Whiting, Chartered Institution of Water and Environmental Management (CIWEM)

Q131–160

Rob Cunningham and Martin Salter, Blueprint for Water Coalition

Q161–182

Wednesday 2 April 2014

Rt Hon Lord Smith of Finsbury, Chair, Paul Leinster, Chief Executive and David Rooke, Executive Director of Flood and Coastal Erosion Risk Management, Environment Agency

Q183–233

Rt Hon Owen Paterson MP, Secretary of State and Sonia Phippard, Director for Water and Flood Risk Management, Department for Environment, Food and Rural Affairs

Q234–278
Published written evidence

The following written evidence was received and can be viewed on the Committee’s inquiry web page at [www.parliament.uk/efracom](http://www.parliament.uk/efracom). XFL numbers are generated by the evidence processing system and so may not be complete.

1. Association Of Drainage Authorities (XFL0005)
2. Association Of Drainage Authorities (XFL0019)
3. BAM Nuttall (XFL0023)
4. Chris Ashton (XFL0009)
5. CIWEM (XFL0013)
6. Defra (XFL0002)
7. Defra (XFL0004)
8. Defra (XFL0026)
9. Environment Agency (XFL0025)
10. Ewan Larcombe (XFL0015)
11. F. N. Darlington (XFL0010)
12. Flood Hazard Research Centre, Middlesex University (XFL0014)
13. Hampshire County Council (XFL0027)
14. Local Government Association (XFL0003)
15. Local Government Association (XFL0021)
16. NFU (XFL0024)
17. RSPB (XFL0020)
18. Somerset County Council (XFL0022)
19. Tom Ballance (XFL0017)
20. William Symons (XFL0016)
List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee’s website at www.parliament.uk/efracom.
The reference number of the Government’s response to each Report is printed in brackets after the HC printing number.

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| Second Report                | The Water White Paper                       | HC 374 (HC 602) |
| Third Report                 | Pre-appointment hearing: Chair of the Water Services Regulation Authority (Ofwat) | HC 471-I & -II |
| Fourth Report                | Natural Environment White Paper             | HC 492 (HC 653) |
| Fifth Report                 | Desinewed Meat                              | HC 120 (Cm 8462) |
| Sixth Report                 | Draft Water Bill                            | HC 674 (Cm 8643) |
| Seventh Report               | Dog Control and Welfare                     | HC 575 (HC 1092) |
| Eighth Report                | Contamination of Beef Products              | HC 946 (HC 1085) |

**Session 2010–12**

<p>| First Report                  | Future Flood and Water Management Legislation | HC 522 (HC 922) |
| Second Report                | The Marine Policy Statement                  | HC 635          |
| Third Report                 | Farming in the Uplands                      | HC 556 (HC 953) |
| Fourth Report                | The draft National Policy statement (NPS) on Waste Water | HC 736          |
| Fifth Report                 | The Common Agricultural Policy after 2013    | HC 671 (HC 1356) |
| Sixth Report                 | Implementation of the Common Fisheries Policy: Domestic Fisheries Management | HC 858 (HC 1485) |
| Seventh Report               | Pre-appointment hearing: Chair of Gangmasters Licensing Authority | HC 1400-I &amp; -II |
| Eighth Report                | EU proposals for the dairy sector and the future of | HC 952 (HC 1548) |</p>
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