

Date: 28 October 2009
Our Ref: LAIndGrant/1011

To: Local Authorities in England

INDICATIVE GRANT ALLOCATION 2010-2015

The national allocation of Flood Defence Grant in Aid (FDGIA) administered on behalf of Defra, for 2010/11 to 2014/15, has been considered by the Environment Agency's Flood Defence Finance Committee and indicative allocations made. The Board will make the final allocation decisions at its meeting in February 2010.

We have a limited resource available to deliver our flood and coastal risk management service. Given the current tough economic conditions we are all faced with difficult decisions on how to allocate resources. Beyond this current spending period allocations are not confirmed, so the programme will need to be reviewed in due course when further decisions are made by the Government, to ensure the public gets the best value for money, maximum benefit and that we meet our targets.

Despite this uncertainty, the indicative allocation for the first time covers five years so that we can provide as much stability and security to the programme as we can. Whilst indicative, this allows forward planning and increases confidence to the public and our partners. We also seek to take account in the programme of other issues including wider economic benefits, urgency and deliverability. Looking to the future we highlighted in our report 'investing for the future' that it is increasingly important that the development of schemes is in partnership with others, and that other sources of funding are found. This reflects Sir Michael Pitt's recommendation that we should not assume all costs should be met centrally and that local areas should be encouraged to invest in their own protection.

The Flood Defence Finance Committee made the allocation within the Defra Comprehensive Spending Review (CSR) settlement, adjusted for £20 million brought forward from 2010/11 into 2009/10 under the financial stimulus package. It has been assumed that funding beyond 2010/11 remains level in cash terms, in line with the original profile. The allocation of funding to your authority has been assessed using your medium term plan submission.

Details of the indicative allocation are included on the attached spreadsheets under your Authority name. I have attached a supporting note providing some additional factual background to the programme in Appendix 1. While the indicative allocation may change, it should be used to guide your planning assumptions.

The Defra Outcome Measures delivered through your funded programme (as detailed on the enclosed spreadsheets) will contribute towards achieving the targets set by Defra for CSR07, and any future targets to be set for CSR10. Please confirm to your respective EA Area Flood & Coastal Risk Manager, by the 6 November 2009, that you are confident of delivery of these outcomes to time and budget.

We are providing this information now to help Local Authorities with planning their capital programmes and fixing budgets for the next financial year. We will write to confirm the final allocation in mid-February.

Yours faithfully



ROBERT RUNCIE

Director of Flood and Coastal Risk Management
Environment Agency

Please direct any enquiries to your Area Flood and Coastal Risk Manager (see attached file for details)

SUPPORTING INFORMATION TO THE 2010/11 – 2014/15 FLOOD DEFENCE INDICATIVE ALLOCATION

This note supports the letters and schedules to Regional Flood Defence Committee (RFDC) Chairs, Local Authorities (LAs), Internal Drainage Boards, the Association of Drainage Authorities and Coastal Group Chairs, providing the context to the indicative allocation for the years 2010 – 2015.

- a) For the first time the indicative allocation spans five years. In February, the Environment Agency Board will approve a final allocation for 2010/11, in the context of an indicative allocation through to 2014/15.
- b) The capital schemes have been prioritised on their contribution to outcome measures, whilst meeting the steer from the Secretary of State to invest at least £110 million on coastal protection projects undertaken by Local Authorities and at least a further £40 million on non main river work by Internal Drainage Boards and Local Authorities over the Comprehensive Spending Review (CSR) 07 period.
- c) Scheme moderation has allowed overriding need (e.g. urgency) to be reflected in the programme.
- d) Slippage has occurred in the LA and IDB programmes in 2008/9 and 2009/10 leading to less investment to date in these programmes than allocated. For this reason Chief Executives are being asked to confirm the deliverability of their programmes.
- e) The indicative sanctioned lists attached identify schemes that have grant earmarked subject to the appropriate approvals being secured. Contributions to Outcome Measures are also shown. Differential grant rates apply to IDB schemes as indicated.