

Broadland Futures Initiative

Minutes of the meeting held on 05 February 2024

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Attendees

Marie-Pierre Tighe (Chair)- Broads Authority, Mareth Bassett- Environment Agency, Giles Bloomfield- IDB, Ed Boyle- Natural England, Wendy Brooks- Norfolk County Council, David Cobby- Jacobs, Peter Doktor- Environment Agency, Victoria Egan- National Trust, Kellie Fisher- Environment Agency, Catherine Harris- Environment Agency, Kevin Hart- Norfolk Wildlife Trust, Fiona Johnson- Norfolk County Council, Andrea Kelly- Broads Authority, Tim Palmer- Jacobs, Ian Robinson- RSPB, Rob Wise- NFU, Kylie Moos - Broads Authority (minutes).

1. Apologies for absence and welcome

Marie-Pierre Tighe (MPT) welcomed everyone to the meeting.

Apologies received from Fiona Hinds and Charlotte Rivett.

2. Update of technical work

Peter Doktor (PD) shared an update of technical work ahead of the meeting with the Initiative Project Team (IPT). Two notable product updates were discussed at today's meeting.

Possible flood risk management actions (Product 21)

Four project team workshops will take place in February/March to identify possible flood risk management actions and action combinations to take forward and appraise. It was previously noted that the scenarios/challenges used to drive the actions would be shared with the IPT this week, but these are not yet available.

The IPT will be able to review the scenarios and developed action combinations at the 25 March IPT meeting and in more detail in April/May by email. The consolidated action combinations for modelling and detailed appraisal will be reviewed by the IPT & EMF in July/August.

Economic appraisal (Product 26)

Sets out how different assets will be evaluated within the economic appraisal of actions. The technical report will be issued to the IPT review after today's briefing session.

Rob Wise (RW) noted that the Upper Thurne Working Group (UTWG) have been contacted regarding a proposed workshop with Broadland Futures Initiative (BFI) and requested that the date of the workshop is shared with the IPT.

3. Update on communications and community engagement

Mareth Bassett (MB) provided an update on communications and community engagement since the last meeting.

- Tom Say will be supporting MB on BFI engagement activities and updating the engagement plan.

- Hello Lamp Post is being rolled out in the Broads for one year. Hello Lamp Post is a two way communication platform that can reach members of the community using QR codes and mobile phones.
- The Regional flood and coastal committees (RFCC) will have a stand at the Norfolk Show in June. Planning to launch Hello Lamp Post at the show.
- Working with David Kemp on current flooding in the Broads.
- BFI will be providing an BFI update article for the next Harnser magazine.

Kellie Fisher (KF) noted that there is likely to be an increased interest in BFI since the public meeting at Hickling which took place last week. MB is planning a mail shot following the meeting and will be including BFI.

At a recent Norfolk Flooding Strategic Alliance meetings (NFSA) a Councillor asked what was in place for long term flooding. Several members of the IPT attended the same meeting and were concerned that question came from an BFI Elected Member. MB agreed to contact MPT and PD after today's meeting to discuss BFI awareness.

Wendy Brooks (WB) proposed a briefing session with the councillor and suggested using Broadland Futures instead of initials to increase awareness of the role of BFI. KF offered to help with a councillor briefing.

4. Update on Elected Members Forum

The Elected Members Forum (EMF) met on 15 January and received a presentation from David Kemp from the Environment Agency (EA). The focus was on the recent flooding in Broadland.

The Chair of the meeting noted that there were a number of members who have been appointed to the forum and were not in attendance. The Chair proposed that substitute members to the EMF attend a future meeting so that they have a basic understanding of the BFI in advance of them needing to provide cover. MPT will be contacting the local authorities to remind them of their responsibility to BFI and to provide contact details of the substitute member.

MPT agreed to share the list of EMF members and substitutes with WB after the meeting.

5. Briefing on flood risk management economics

Tim Palmer (TP), Senior Associate Director of Flood Risk Management for Jacobs provided a briefing on flood risk management economics. The briefing was set out in three sections: generic flood risk management for projects and strategies, funding & local benefits, and Product 26.

Economics- why bother?

- BFI is a partnership project and hopes to receive funding from variety of sources including central government.

- As BFI plan to use Flood & Coastal Erosion Risk Management (FCERM) Grant-in-Aid (GiA) to part fund the proposed solutions and Environment Agency are one of the partners:
 - BFI needs to follow HM Treasury guidance that central government projects must demonstrate the whole life benefits of the project exceed costs.
- However, other potential funders may have different ways of looking at value for money, and hence deciding on funding.
- Economics for BFI need to consider both.

Economics- the basics for central government funding

- Typically (but not always) –benefits are flood damages avoided.
- Usually considered over a 100 year period.
- Benefits (and costs) are those to the overall UK economy –not things like taxes that just move money around within the economy, or things that benefit a local area of the UK (as opposed to the whole).
- Done in present day costs –and using the economist’s equivalent of the adage ‘a bird in the hand is better than two in the bush,’ future costs and benefits are discounted.
- Follows government guidance:
 - HM Treasury’s Green Book: Appraisal and evaluation in central government
 - Defra’s Appraisal of flood and coastal erosion risk management: policy statement
 - Environment Agency’s FCERM appraisal technical guidance

What goes into an economic assessment?

- Depth (meters)- damage (£) data
- Flood levels
- Information on properties, land, and infrastructure
- Climate change
- Standard approaches
- Scenarios/options
- Costs

Impact of floods

- As an example, the 2007 floods had a £3.9 billion impact on the UK economy.
- An economic assessment tries to capture these impacts.
- Key points:
 - Most impacts relate to buildings (properties)

- Businesses are generally properties
- For BFI, the biggest contributors (in ££) are likely to be urban areas like Great Yarmouth.

What types of impacts considered?

A typical economic assessment considers the value of avoiding these impacts of flooding:

- Direct damage to:
 - Residential properties
 - Non-residential properties
- Indirect damage to non-residential properties
- Damage to vehicles
- Evacuation and temporary accommodation cost
- Mental health costs
- Emergency services costs
- Risk to life
- Impact on agriculture
- Impact on infrastructure:
 - Electricity & water
 - Roads & railways
- Ecosystem services
- Net carbon impact

Link to funding

First step of economic assessment is to show:

- *Benefit cost ratio (BCR)* $\frac{\text{Whole life benefits}}{\text{Whole life costs}} > 1$
- Next step is that whole life benefits and number of houses at reduced flood risk feed into the EA/Defra Partnership Funding Calculator.
- This calculates the amount of FCERM Grant-in-Aid, the project is eligible for. The amount is based on a pence in £ rate of the whole life benefits:
 - A minimum of 6p in £ is paid for all benefits (to the UK economy).
 - Enhanced rates (20p in £ up to 45p in £) are paid for the portions of whole life benefits related to people-related benefits, houses with reduced flood risk (with a focus on deprivation), habitat improved, and rivers improved.
- This give a GiA payment of between 6p in £ and 45p in £ of the whole life benefits. Many of our recent projects are getting about 10p in £.

Local benefits

- Methods are available that look at local (for example, to a council area) rather national (to UK economy) benefits.
- These identify local benefits in monetary terms over and above the national benefits. Also, can identify additional jobs.
- As these require additional work above that for the national benefits, the usual logic is that these are only calculated where local benefits will attract significant additional funding to the project.

Local benefits = local funding

- In almost all cases, local benefits will be funded by local funders (businesses, councils, etc) not national funding (Defra, HM Treasury, EA).
- Also, unlike central government funding, local funding is less formulaic.

Principles of benefit apportionment

- [Environment Agency guidance](#) gives these principles:
 - be agreed with all RMAs involved, as it may affect future applications for FCERM GiA and efforts for raising additional funding.
 - align with the needs of the economic appraisal so the right risk management options are chosen.
 - make sure individual projects make a fair claim for FCERM GiA in line with the outcomes of the current proposal and limiting implications for future work.
 - lead to reporting outcomes proportionate to the project and its benefits.
- It suggests a number of approaches.

Approaches to benefit apportionment

- An approach is to split for each receptor by geography
- Another approach is to split by damages from each source of flooding depending on its economic impact on each receptor.

BFI Product 26

The purpose of BFI Product 26 was to look at the approach to calculating various benefits (mostly national but some local benefits) (not undertake the calculation).

Product 26 looked at:

- The overall approach
- Six specific areas & conclusions:
 - a) Costs and benefits to agriculture
 - Use Multicoloured Manual (MCM) approach

- Seek advice from local agricultural stakeholders to inform market values of land.
- b) Gross value added
 - Use Frontier Toolkit approach
 - Keep it simple
- c) Isolated land and property
 - Was an issue of Future Fens
 - Not considered an issue for BFI, so no additional calculations
- d) Power and gas network and stations
 - Use Multicoloured Manual (MCM) approach
- e) Water utilities
 - Use Multicoloured Manual (MCM) approach
- f) Carbon calculations
 - Use EA's Carbon Modelling Tool (CMT) and Carbon Impacts Tool (CIT)

Conclusions-overall

Residential properties

- Use Multicoloured Manual (MCM) approaches
- Treat isolated properties as described in specific conclusions

Non-residential properties

- Use Multicoloured Manual (MCM) approaches
- Treat isolated properties as described in specific conclusions

Recreation

- Use [EHOV-lite](#) and [ORVAL](#) if possible to calculate
- Review information on angling and boating

Agriculture

- As specific conclusions
- Consider potential economic impact of the loss of freshwater for irrigation

Natural (and historic) environment

- Use [EHOV-lite](#)
- Consider updating NRA's willingness to pay study from 1990s

Conclusions- benefit apportionment

- Benefit apportionment will be needed

- However, it will be heavily influenced by solutions proposed
- Whilst BFI can consider, it becomes a 'must do' at project level

Comments and answers to questions

Several members of the IPT questioned the use of the MCM which is not suitable for a lowland rural setting. Giles Bloomfield (GB) added, in the manual, if irrigation abstraction points are lost in the flood plain it is presumed the cost is for a new bore hole somewhere else. However, this is not possible in reality due to licencing restrictions and so the alternative cost of putting a high flow surface reservoir in the Broads is a completely different cost from what the manual recognises.

Highways and railway lines are capped at around £30million per asset which is not high enough in a rural setting. TP responded, it is within Defra policy that assets should be capped at market value, and this cannot be changed, but it is possible to maximise the amount as much as possible and to make sure the agricultural land value is included.

GB requested that pressure needs to be applied on some of the assumptions presented in today's briefing. For example, the impact of flooding on rural schools does not decrease once children reach secondary school. Children would still be reliant on buses and or to be collected by car in comparison to the flooding impact for an urban secondary school. Catherine Harris (CH) added, this example will also be included in the social evaluation work.

RW has worked on the Fens 2100+ project and previously discussed the MCM with the author. The NFU are happy to work with Jacobs to maximise the valuations under the current rules. CH confirmed that the agriculture evaluations for Fens 2100+ project has been shared with Jacobs.

RW asked if the damages to agriculture from a saline incursion have been considered, specifically the impact on agriculture production. TP confirmed that is has not been included, but it will be considered going forward.

Andrea Kelly (AK) was concerned that [EHOV-lite](#) does not outline the Broads habitats and noted that wet woodland is also underrepresented. TP responded, often the issue with calculating environmental data is having a robust way of transferring the data into monetary values. If there is a strong data source and there is a way to get the data accepted as a reasonable principle, then we will try and maximise what we can do under the guidance and rules. AK added, for the work that the University of East Anglia carried out for the Broadland Flood Alleviation Project, the environment was critical for decision making. GB has also been looking in to the presence of protected species in non-designated lands which is also known as functional habitat. TP added, under this programme of work there is a finite amount of time and money. There will be a prioritisation as to what can and cannot be looked at. TP welcomed support for identifying the sources of data.

GB highlighted that the cost of providing compensatory habitat is not fully incorporated into the appraisal process. Such compensatory habitat needs to be provided ahead of any loss. Funding for this potentially comes from a limited pot.

Discussions had during today’s meeting highlights the importance of partners and sharing information. KF added, the Broads is a special case, but a baseline is still required. BFI needs to be agile and to be able to adapt to funding rules in the next 100 years.

KF suggested presenting a briefing on flood risk management economics to the EMF so that they have a basic understanding of the topic. WB agreed that the presentation is be a good idea, but the content would need to be simplified.

WB questioned what are the rules that need to be followed vs the guidance that could be pushed. TP added, if the government were to change the rules it would need to be for the whole country, and they need to be provided with a distinguishing feature. It is unlikely that the principle of capping would change.

Before sending any additional datasets, the next task for the IPT is to review Product 26 and highlight anything that has not been captured which adds value to the national or local economy. The IPT will receive Product 26 by the end of the week and have three weeks to report comments back to PD.

AK asked if the inherent value of carbon that sits in the Broads, water management and investment in water management control is included.

PD confirmed that Jacobs have been sent the latest STEAM data for visitor numbers and behaviour, also the valuation of Broads recreational fishing produced by Steve Lane. Separately to Product 26 Jacobs are also working on indicators for social value and wellness, which has the potential for monetary valuation that could contribute to the economic appraisal.

TP concluded, the economic appraisal is there to show the benefit of the national economy if the work is carried out in the Broads, but the work also needs to be funded. It is a two step process, recognising that BFI is asking for funding and considering what level of funding people will be prepared to give, both from private and government sources.

6. AOB

No matters of any other business were raised.

7. Date of next meeting

The next meeting of the Broadland Future Initiative is 11.30am-1.00pm 25 March 2024.

Summary of progress

Outstanding actions	Meeting date	Assigned to
Discuss BFI awareness with MPT and PD following comments at the NFSA	05/02/2024	MB
Share the list of EMF members and substitutes with WB	05/02/2024	MPT