

Flood and coastal erosion risk management funding policy Summary

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Flood and coastal erosion risk management funding policy Consultation

- Summer 2025 consultation
- October 2025 a new policy published
- Flood and coastal erosion risk management funding policy



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Flood and coastal erosion risk management funding policy Aims

Policy aims

- Balance new capital projects and maintaining existing assets
- Focus on risk areas highlighted by Nafra2
- Simple system
- Wider variety of projects
- Retain principle of partnership funding



Funding Eligibility

- Asset replacement and repairs fully funded
- New capital projects below £3 million fully funded
- Projects over £3 million will get first £3 million and 90% of cost above £3million.



Prioritisation by value for money

- Prioritisation will be based on Benefits Cost Ratio
- Wider range of benefits
- The cost part is the cost to Defra.
- Increasing the contribution from others will increase the BCR.



Strategic Objectives

- Overarching: Reduce risk and increase resilience
- Deliver environmental outcomes
- Focus on deprived communities
- More Natural Flood Management £300M over 10 years.
- Remove old limits on environmental benefits (previously capped at 20%).
- Promote partnership funding and local choice.



Other Changes

- 2012 properties eligible
- Environmental NGOs can apply for nfm
- Speeding up project development
- Focus on asset management
- New metrics to measure performance
- Moving risk bands removed
- Implementation April 2026.



**The Wildlife Trust for
Lancashire
Manchester &
North Merseyside**



Detailed Guidance

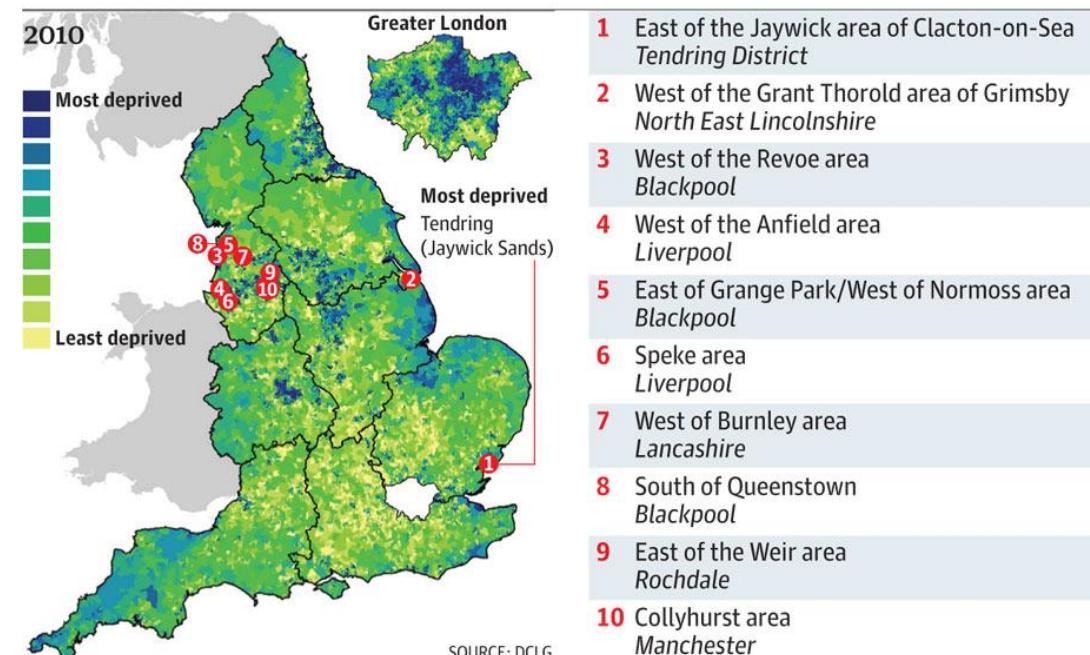
- How projects prioritised
- How deprived communities benefit
- How nfm money will be allocated
- Update appraisal guidance



Priorities



England's most deprived areas



Implications

- Simple system!
- Intense competition
- Current pot oversubscribed
- Value of partnership contributions
- Surface water
- Local choice

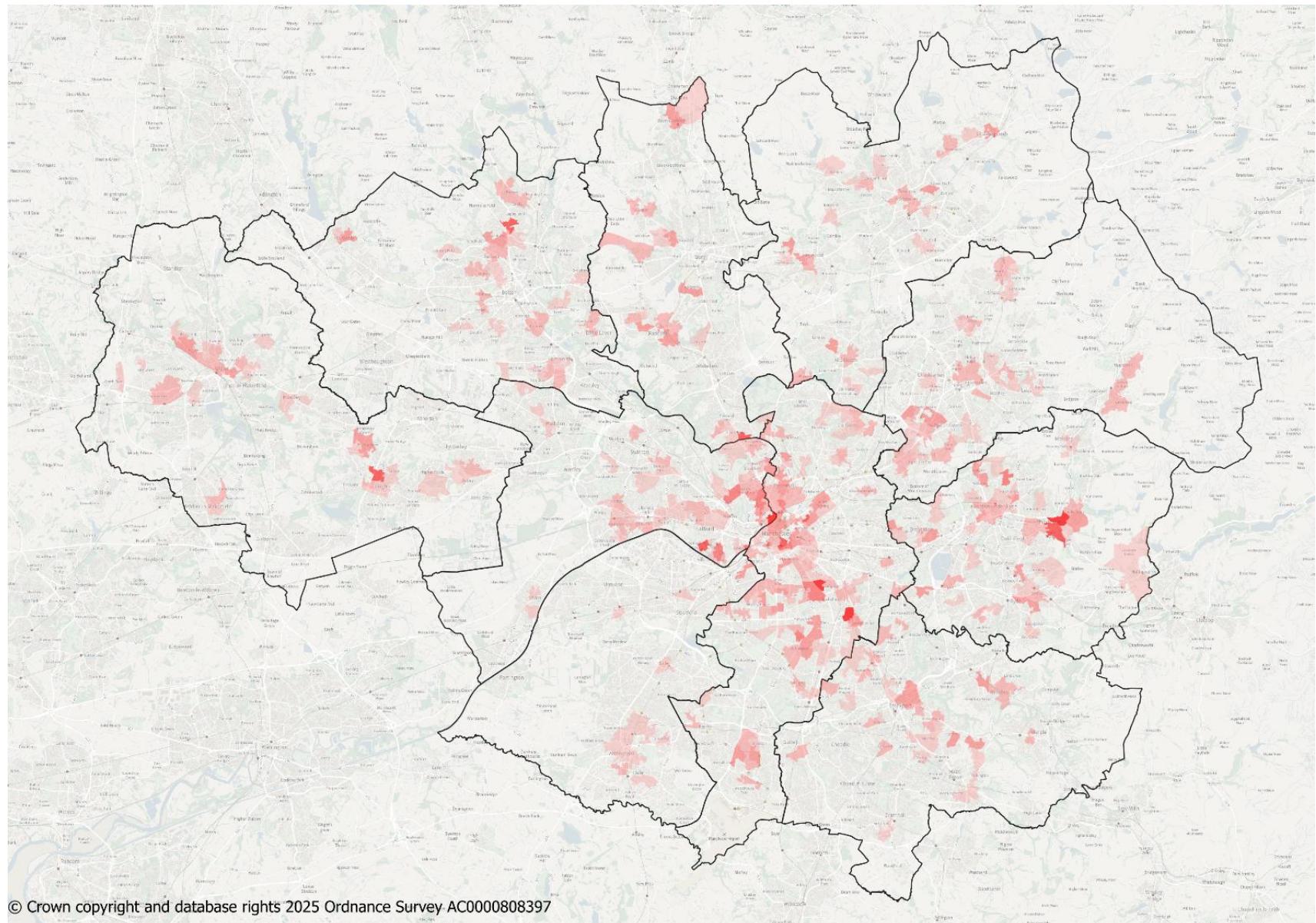
Summary

- Simpler and quicker
- New policy outcomes
- Focus on Asset Management
- Below £3 million fully funded
- Over £3 million 90% funded
- Prioritisation by BCR
- External contributions key to increasing priority
- Devil in the detail

Combined Flood Risk hotspots, still to be verified

Discussion

- Common Understanding of risk
- Focus on future pipeline
- Continue with existing projects
- Identifying beneficiaries



Recommendation

- Agree a common understanding of risk
- GMCA, Local Authorities, United Utilities and the Environment Agency to work with developers, experts in finance and NGOs to develop a evidence based, robust, integrated and funded pipeline of flood risk projects

