

East Wash Community Interest Company

Partnership Funding from different sources

May 2015

In Cambridgeshire & Bedfordshire Area, we have been working with local risk management authorities and businesses to secure partnership funding to maintain coastal flood defences on the east coast.

By working in partnership with the local community and councils, 642 residential properties and around 3,500 caravans between Hunstanton and Wolferton Creek, will benefit from a reduced flood risk.

Background

The Wash East Coastal Management Strategy (WECMS) was developed by the Environment Agency and the Borough Council of Kings Lynn and West Norfolk (BCKLWN) to find a sustainable and affordable approach to managing flood risk and coastal erosion.

The strategy covered an area extending across 13km length of coastline on the north Norfolk coast from Hunstanton Cliffs to Wolferton Creek.

The frontage from Hunstanton South to Wolferton Creek is characterised by a natural shingle ridge backed by a grassed sea bank along the majority of its length before tapering to a single hard defence at south Hunstanton. Each year, the shingle ridge is depleted by the tides and material builds up further south at in an area known locally as the Snettisham scalp. The annual cost of this work is approximately £130k.

The defences reduce flood risk to 642 residential properties, and around 3,500 caravans and holiday homes are located between the first line defence and the grassed embankment. If the shingle ridge were to breach, the whole area occupied by the caravans would flood, which is what happened in 1978. The defences were severely tested during the December 2013 surge.

We currently carry out annual beach recycling to replenish material after the winter and spring tides have eroded the shingle defences. If this activity ceases, it could result in an immediate increase in flood risk.

The problem

The introduction of the partnership funding approach in 2010 meant that the annual recycling can no longer be fully funded by Flood and Coastal Erosion Risk Management Grant in Aid (FCERM GiA). Funding has been sourced locally for the works since 2010, with funding coming from Local Levy approved by the Anglian Central Regional



Flood and Coastal Committee and in recent years contributions have also come from Norfolk County Council and BCKLWN. No funding is available to continue this work from 2016/17 onwards.

The solution

To ensure that the defences continue to reduce flood risk, local business representatives have set up a Community Interest Company (CIC) with the aim of providing the partnership funding shortfall, equating to approximately 75% of the cost of the works. The remaining funding will be secured from

Government funding from the Environment Agency.

The short-term aim for the CIC is to make sure that the shingle ridge is replenished and that defences continue to reduce flood risk to properties and businesses along the coast. The longer term aspirations for the community are for the defences to be improved, affording the local community a better standard of flood protection.

Being best placed to do so, the Environment Agency will manage the first project coming out of the Strategy - a capital maintenance scheme to replenish the shingle ridge over a 5-year period.

The BCKLWN strongly support this approach, and will be providing support to the CIC.

Key Issues

This is the first example of the Environment Agency dealing with a CIC as a capital maintenance partnership funding solution. As with any new way of working, there are a number of obstacles to overcome and ways of working to set up, which takes time. The main risk to the future of the defences is officially securing the partnership funding from the CIC. The CIC is currently calculating how much money they will be able to draw in, as the funding will be provided voluntarily. There is currently no legal mechanism for making beneficiaries pay towards the defences.

Cash flow could be an issue, as the main income to the CIC will come from an increase in ground rent per static caravan. As this is collected annually, there will be insufficient funds in year 1 to cover the contribution needed for the 5-year period of winter recycling. Our procurement approach has been adapted accordingly.

The BCKLWN KLWN BC has limited FCRM resource and appraisal knowledge and the CIC is being driven by local business leaders. We are therefore providing technical support to BCKLWN and the CIC on flood risk issues through a single point of contact. However, we are not providing legal, business or financial advice on the set up of the CIC.

Engagement and partnership working

We have agreed Ways of Working with BCKLWN, Norfolk County Council and the CIC. The BCKLWN are stepping up to lead a Funding Group, dealing with sourcing and managing

funding for this and future flood risk management projects in the area.

The council are also leading a Stakeholder Engagement Group (SEG), to provide a forum for local stakeholders to have their say on any future works. The SEG will provide a mechanism for local stakeholders and local politicians to help shape flood risk management for the Wash East coast in the future and will link into the Funding Group.

The EA will send representatives, ranging from officers to the Area Manager, to regular meetings with the project team, Norfolk County Council, KLWN BC and the CIC throughout the project and funding process.

Efficiencies and Innovation

This is a new way of working locally and is a demonstration of how local communities can influence how their flood risk is managed.

Looking ahead

This project is the first in a series of works to manage flood risk near Hunstanton. As the funding that the Environment Agency can draw in is only a small percentage of the money needed to maintain or improve defences, discussions need to take place over which organisation will be best placed to lead future projects.

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