

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Cllr Eric Vardy (Cabinet Member for Environment & Waste)

Background and Purpose:

The Environment Agency raises a levy on upper tier and unitary Local Authorities each year. This is called the 'Local Levy'. The amount payable for each local authority is determined by reference to the Local Authority approved council tax base. Local Levy has been raised as a precept on Local Authorities for many years to enable Regional Flood and Coastal Committees (RFCCs) to fund local priority projects and support the Flood and Coastal Erosion Risk Management (FCERM) Programme.

Under the Regional Flood and Coastal Committees (England and Wales) Regulations 2011, the County Council's appointed members of the Regional Flood and Coastal Committees (RFCCs) are entitled to vote on the levying of money from the County Council by the RFCC.

The constitution of Regional Flood and Coastal Committees stipulates that only Local Authority appointees to the committee can vote on levy setting. A large number of local authorities are involved in levy setting of which Norfolk County Council is just one. This can mean in some years the County Council appointees are outvoted. The effect of this is to bind the authority to the RFCC decision even if it is different from that agreed and voted for by County Council members on the RFCC.

Decision: To agree supporting an increase in the local levy to the Regional Flood and Coastal Committees of up to 3.00%

Is it a key decision? No

Is it subject to call-in? Yes

If Yes – the deadline for call-in is: 4pm, Thursday 26 October 2023

Impact of the Decision:

The outcome of the local levy vote has a financial impact on the authority as well as a real terms impact on the availability of money to fund flood mitigation work.

Any increases in the local levy agreed by the RFCC will be taken into account in the Medium-Term Financial Plan, initially covering the next four years.

Evidence and reason for the decision:

The annual levy from the County Council supports significant flood mitigation work as part of the RFCC programme and draws in approximately £5 of central government money for every £1 of local levy spend. The RFCCs oversee this programme of capital and maintenance works to reduce the risk from flooding and coastal erosion.

For information the RFCC vote for 2022/23 was for an increase of 3% in the Central (Great Ouse) area and 3% in the Eastern area.

The RFCC vote for 2023/24 was for an increase of 3% in the Central (Great Ouse) area and 1% in the Eastern area.

Alternative options considered and rejected:

The County Council paid a total of £960,403 to the RFCCs in 2023/24. An increase in levy of 5% will mean that the Council will have to pay an extra £48,020 in 2024/25 (these figures are based on the 2023/24 Council Tax Base which may be subject to change).

Financial, Resource or other implications considered:

The County Council paid a total of £960,403 to the RFCCs in 2023/24. An increase in levy of 3% will mean that the Council will have to pay an extra £28,812 in 2024/25 (these figures are based on the 2023/24 Council Tax Base which may be subject to change).

Record of any conflict of interest:

Not applicable.

Background documents:

- Report Title: Annual Regional Flood and Coastal Committee Local Levy Vote

Date of Decision: 18 October 2023

Publication Date of Decision: 19 October 2023

Signed by Cabinet Member: for Environment and Waste

I confirm that I have made the decision set out above, for the reasons also set out.

Signed: 

Print name: Cllr Eric Vardy

Date: 18 October 2023

Accompanying documents:

- Report Title: Annual Regional Flood and Coastal Committee Local Levy Vote

Cabinet

Item No:

Report Title: Annual Regional Flood and Coastal Committee Local Levy Vote

Date of Meeting: N/A

Responsible Cabinet Member: Cllr Eric Vardy (Cabinet Member for Environment & Waste)

Responsible Director: Grahame Bygrave (Interim Executive Director of Community and Environmental Services)

Is this a Key Decision? No.

If this is a Key Decision, date added to the Forward Plan of Key Decisions: Not applicable.

Executive Summary / Introduction from Cabinet Member

This report explains the process of local levy setting for the Regional Flood and Coastal Committees and proposes that the County Council makes an allowance for an increase in levies of up to 3.00%.

By bringing together those with responsibilities for managing flood and coastal erosion risks in each area, the Regional Flood and Coastal Committees play a key role in helping protect communities from flooding and coastal erosion, by establishing clear plans and targeting support to those areas most at risk. Consequently, the County Council's contribution to the Committees supports significant flood mitigation work in Norfolk, with £1 of local levy spend helping draw in over £5 of additional central government funding.

Recommendations:

- 1. Agree supporting an increase in the local levy to the Regional Flood and Coastal Committees of up to 3.00%**

1. Background and Purpose

- 1.1** In line with the Flood and Water management Act 2010, and with the consent of a Regional Flood and Coastal Committee (RFCC), the Environment Agency may issue a levy on the Lead Local Flood Authorities in an area, such as the

County Council, in respect of the Agency's flood and coastal erosion risk management functions in that area.

- 1.2 The amount payable is determined by reference to the Local Authority approved Council Tax base (the number of Band D equivalent dwellings in a local authority area), and under the Regional Flood and Coastal Committees (England and Wales) Regulations 2011 only appointees to the RFCC can vote on levy setting. Due to the number of local authorities involved in levy setting, the RFCC has to take account of the overall position of all its members, therefore the agreed rates may be above or below the rate the County Council has indicated its support for.
- 1.3 The County Council has:
- Two appointees on the Anglian Eastern RFCC, out of a total of ten Lead Local Flood Authority representatives. These are Cllr Eric Vardy and Cllr Richard Price, with Cllr James Bensly as a substitute.
 - One appointee on the Anglian (Great Ouse) RFCC out of a total of seven LLFA representatives. This is Cllr Brian Long.
 - Zero appointees on the Anglian Northern RFCC. This is due to the area of Norfolk within this RFCC being too small.
- 1.4 Major projects in Norfolk that are supported by the RFCCs include Great Yarmouth Tidal Defences, Hemsby interim rock protection and East Anglia property flood resilience schemes.

Local levy is currently supporting a number of County Council surface water improvement projects including those in Dereham, Watton, Thetford, Kenninghall, Banham, Besthorpe, Burnham and Brockdish and also funds a Liaison Officer who is providing a vital link to enable our projects to access Environment Agency funding.

2. Proposal

- 2.1 It is proposed that in relation to the RFCCs' levy establishment process, the County Council's representatives on the RFCCs support an increase of the levy of up to 3.00%.

3. Impact of the Proposal

- 3.1 The outcome of the RFCCs' local levy votes have a financial impact on the County Council as well as an impact on the availability of money to fund flood mitigation work.

An increase in the levy of 3.00% would mean an additional revenue payment by the County Council to the RFCCs of £28,812 in the 2024/25 financial year.

- 3.2 It is possible that any or all of the RFCCs may set a levy rate that differs from that identified by the County Council (as discussed in Section 1.1 above). Should the RFCCs resolve to set a levy with an increase above 3% then the cost to the County Council would be higher, conversely if the RFCCs agree a lower level it would be less.

4. Evidence and Reasons for Decision

- 4.1 In relation to the RFCCs, the annual levies support significant flood mitigation work in Norfolk as part of the RFCCs' programmes, and draws in over £5 of central government money for every £1 of local levy spend.

The RFCCs oversee the programmes of capital and maintenance works to reduce the risk from flooding and coastal erosion which is delivered by a range of organisations. In 2023/24 Norfolk has a local levy allocation of £3,620,685 for all flood and coastal erosion projects. This figure is set to change to £3,019,750 in 2024/25 largely due to the completion of schemes such as Hemsby interim rock protection and Norton and Raveningham pumping station replacement.

- 4.2 The County Council received an allocation of £498,654 of Local Levy contributions towards surface water projects in 2023/24 and this is set to change to £405,272 in 2024/25. This is due to the completion of a number of Natural Flood Management schemes. Planned schemes and studies may be brought forward into 2024/25 where resources allow.

These allocations relate to the six-year Environment Agency Flood and Coastal Erosion Risk Management (FCERM) Programme from April 2022 to March 2028 and do not include Grant in Aid or other contributions that support these projects.

- 4.3 Local levy is currently supporting a number of County Council surface water mitigation projects including those in Dereham, Watton, Thetford, Kenninghall and Saham Toney. The local levies also fund the post of Environment Agency Liaison Officer, which provides a vital link to enable County Council projects to access Environment Agency funding.

Although local levies are pooled for projects across the region, Norfolk has benefitted from a good return of levy supported projects and schemes.

5. Alternative Options

- 5.1 Cabinet could ask the County Council's representatives on the RFCCs to support any position in relation to the levy, and illustrative options of 2%, 5% and the 3% proposed are shown below:

RFCC	Current	2% increase	3% proposed	5% increase
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Anglian Eastern	£814,660	£830,953	£839,100	£855,393
Anglian Great Ouse	£144,908	£147,806	£149,255	£152,153
Anglian Northern	£835	£852	£860	£877
Total	£960,403	£979,611	£989,215	£1,008,423

6. Financial Implications

- 6.1 It is possible that any or all of the RFCCs may set a levy rate that differs from that identified by the County Council (as discussed in Section 9.1 below).

In relation to the RFCCs the County Council paid a total of £960,403 in 2023/24. The impact that a range of increases could have on the County Council's budget is set out above in section 5, and are based on the 2023/24 Council Tax base, which may be subject to change.

Any increases in the local levy agreed by the RFCC will be taken into account in the Medium-Term Financial Plan, initially covering the next four years.

7. Resource Implications

- 7.1 **Staff:** Not applicable.
- 7.2 **Property:** Not applicable.
- 7.3 **IT:** Not applicable.

8. Other Implications

- 8.1 **Legal Implications:** Not applicable.
- 8.2 **Human Rights Implications:** Not applicable.
- 8.3 **Equality Impact Assessment (EqIA):**

Allocation of funding for flood defence and mitigation schemes takes account of the deprivation of the areas protected. Each scheme will assess this separately as part of the project development.

- 8.4 **Data Protection Impact Assessments (DPIA):** Not applicable.
- 8.5 **Health and Safety implications:** Not applicable.
- 8.6 **Sustainability implications:**

The emphasis of the RFCCs' programmes is to protect communities, businesses and infrastructure from the harmful effects of coastal erosion and flooding, taking into account the extra challenges of climate change.

Each scheme within the Flood and Coastal Erosion Risk Management (FCERM) Programme as approved by the RFCCs will assess this separately as part of the project development process.

8.7 Any Other Implications:

Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

9. Risk Implications / Assessment

- 9.1 The main risk is that the RFCCs establish levy rates above or below the rate the County Council has indicated its support for. This risk arises because each RFCC involves a number of local authorities, and when each RFCC takes account of the position of all its members, there is a risk this may differ from the position of the County Council.

10. Select Committee Comments

- 10.1 Not applicable.

11. Recommendations

- 1. Agree supporting an increase in the local levy to the Regional Flood and Coastal Committees of up to 3.00%**

12. Background Papers

- 12.1 Not applicable.

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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