

# Environment, Development and Transport Committee

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| <b>Report title:</b>              | <b>Annual Local Levy Setting for the Regional Flood and Coastal Committee</b> |
| <b>Date of meeting:</b>           | <b>12 October 2018</b>  |
| <b>Responsible Chief Officer:</b> | <b>Tom McCabe – Executive Director, Community and Environmental Services</b>  |

## **Strategic impact**

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 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.

## **Executive summary**

Norfolk County Council (NCC) appointees to the Eastern RFCC exercise their voting rights in setting of a financial levy on the County Council. NCC has 2 votes (out of a maximum of 10) on the Eastern RFCC.

The levy for the Eastern RFCC in 2018/19 financial year amounted to £720,132. The levy vote is based on a % change from the previous year's figures. In 2017/18 the Eastern area RFCC voted to increase the Levy by 4%.

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.

Between 2013 and 2017 over £3 million was spent on flood risk and coastal erosion mitigation projects in the Eastern RFCC area of Norfolk. Local Levy paid for 37% of this spend.

Forecast spend on flood risk and coastal erosion mitigation projects in the Eastern RFCC area of Norfolk from 2017 to 2027 is estimated to be over £6 million of which 25% is likely to come from Local Levy.

The projects that have benefitted from Local Levy support in the Eastern RFCC area of Norfolk include tidal defences in Great Yarmouth, coast protection schemes in Sheringham and Bacton, NCC surface water studies in Norwich, Great Yarmouth, Cromer, Sheringham and North Walsham and a programme of property protection measures for residents who have suffered flooding.

## **Recommendations:**

Members are asked to:

**Decide on NCC's preferred position on the annual Local Levy setting to support member appointees in the levy setting vote at the Eastern Regional Flood and Coastal Committee meeting in October 2018**

## 1. Proposal

- 1.1. To decide on Norfolk County Councils position on the annual Local levy vote for the Eastern Regional Flood and Coastal Committee (RFCC).
- Option A: 0% increase in Local Levy
  - Option B: 2% increase in Local Levy (based on the % increase agreed by the Central RFCC in 2017/18)
  - Option C: 3% increase in Local Levy (based the % increase of Council Tax in 2018/19)
  - Option D: 4% increase in Local Levy (based on the % increase agreed by the Eastern RFCC in 2017/18).

## 2. Evidence

- 2.1. 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.
- 2.2. In the 2018/19 financial year, Norfolk County Council paid a total of £720,132 in Levy contributions to the Eastern RFCC.  
These payments come out of Norfolk County Council's finance general budget.
- 2.3. In 2017/18 the mandate for the NCC RFCC appointees was to support levy increases up to 3%. However, the Eastern area RFCC voted to increase the Levy by 4%.  
These decisions and changes in the council tax base raised the amount of Levy paid to the Eastern RFCC by £32,003 in 2018/19.
- 2.4. Between 2013 and 2017 over £3 million was spent on flood risk and coastal erosion mitigation projects in the Eastern RFCC area of Norfolk. Local Levy paid for 37% of this spend.  
Forecast spend on flood risk and coastal erosion mitigation projects in the Eastern RFCC area of Norfolk from 2017 to 2027 is estimated to be over £6 million of which 25% is likely to come from Local Levy.

| Eastern RFCC Capital and Local Levy spend |                                 |                    |                              |                             |
|---|---------------------------------|--------------------|------------------------------|-----------------------------|
|   | Capital Expenditure 2013 - 2017 | % Local Levy spent | Forecast Expenditure to 2027 | % Forecast Local Levy spend |
| Norfolk County                            | £3,227,259                      | 37                 | £6,017,286                   | 25                          |

- 2.5. The projects that have benefitted from Local Levy support in the Eastern RFCC area of Norfolk include tidal defences in Great Yarmouth, coast protection schemes in Sheringham and Bacton, NCC surface water studies in Norwich, Great Yarmouth, Cromer, Sheringham and North Walsham and a programme of property protection measures for residents who have suffered flooding.

Local Levy is also used to part fund a programme of asset and river maintenance and has supported the rain gauge project across the whole of the County and has been used to employ LLFA Liaison and other support Officers.

### 3. Financial Implications

3.1.

| RFCC    | 2018/19 payments | Indicative 2019/20 payments |         |             |         |             |         |
|---------|------------------|-----------------------------|---------|-------------|---------|-------------|---------|
|         |                  | 2% increase                 |         | 3% increase |         | 4% increase |         |
|         |                  | Increase                    | Total   | Increase    | Total   | Increase    | Total   |
| Eastern | 720,132          | 14,403                      | 734,535 | 21,604      | 741,736 | 28,805      | 748,937 |

However, the RFCC votes separately and may vote for a % increase not supported by NCC, the increase may be different to that recommended by this committee.

These figures are based on the 2018/19 Council Tax Base which may be subject to change.

### 4. Issues, risks and innovation

4.1. The constitution of Regional Flood and Coastal Committees stipulates that only local authority appointees to the committee can vote on levy setting. As set out below in 5.2 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 NCC appointees are outvoted. The effect of this is to bind the authority to the RFCC decision even if it is different from EDT's proposal and that voted for by NCC members on the RFCC.

### 5. Background

5.1. The Regional Flood and Coastal Committees bring together members appointed by Lead Local Flood Authorities (LLFAs), such as NCC, and independent members with relevant experience for three purposes:

- To ensure there are coherent plans for identifying, communicating and managing flood and coastal erosion risks across catchments and shorelines;
- To promote efficient, targeted and risk-based investment in flood and coastal erosion risk management that optimises value for money and benefits for local communities;
- To provide a link between the Environment Agency, LLFAs, other risk management authorities, and other relevant bodies to engender mutual understanding.

5.2. Norfolk County Council area is covered by 3 Regional Flood and Coastal Committees (depicted in Appendix A). These areas are based on river basin catchments.

The Anglian Eastern RFCC consists of:

A chair appointed by the Minister;

Persons appointed by or on behalf of constituent authorities;

|                                 |   |
|---------------------------------|---|
| Essex County Council            | 4 |
| Norfolk County Council          | 2 |
| Suffolk County Council          | 2 |
| Southend on Sea Borough Council | 1 |
| Thurrock Council                | 1 |

5.3. Cllrs Mick Castle and Judy Oliver are the NCC representatives on the Anglian Eastern RFCC.

5.4. Members vote on the setting of the Local Levy each year, using a simple majority system of a quorum of members. In the Anglian Eastern RFCC, at least 6 members must be present and therefore a decision can be passed by as few as 4 members.

## Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

**Officer name :** Mark Ogden

**Tel No. :** 01603 638081

**Email address :** [Mark.ogden@norfolk.gov.uk](mailto:Mark.ogden@norfolk.gov.uk)



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