

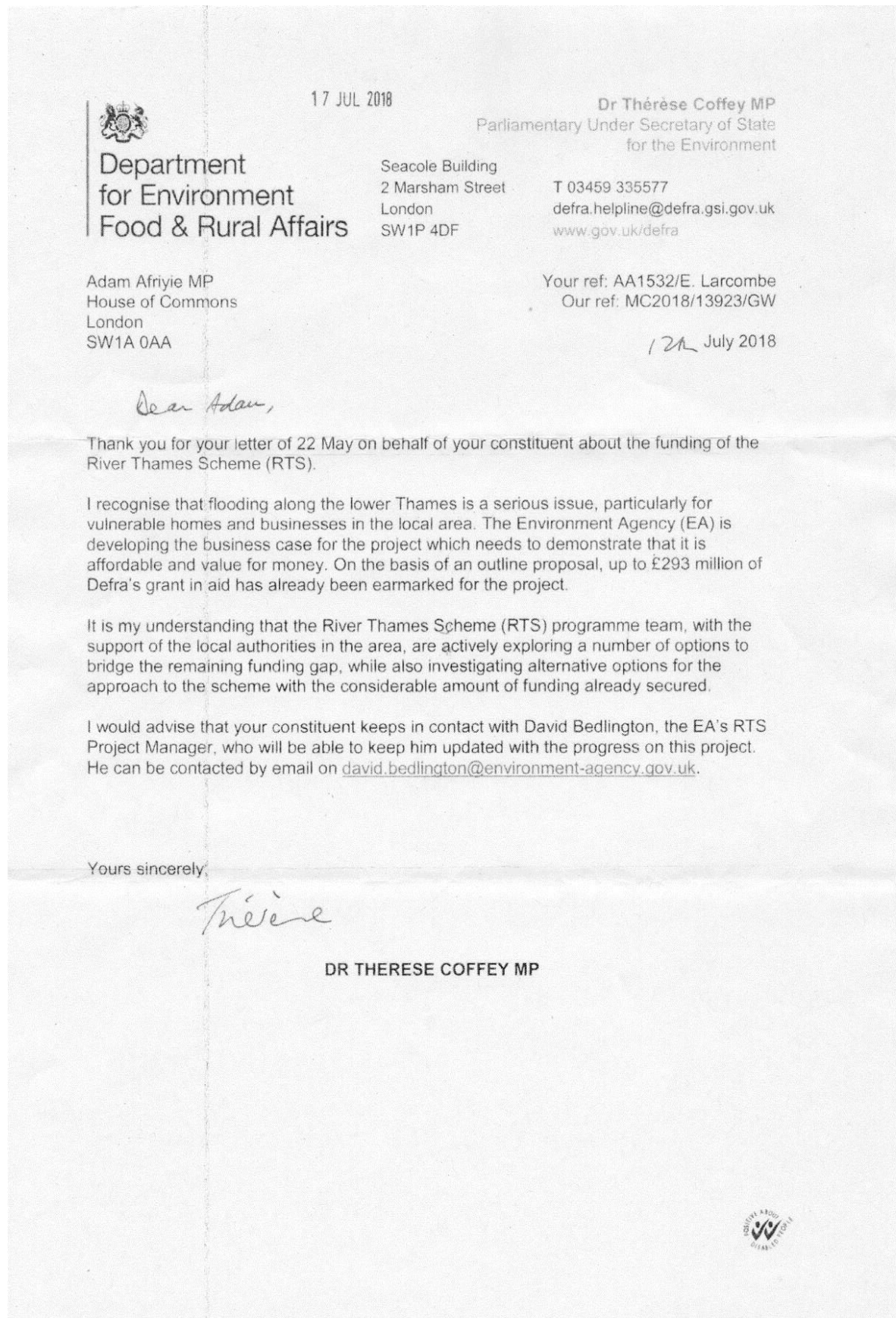
## **Report on Partnership Funding and the River Thames Scheme.**

1. I believe that progress on the River Thames Scheme has been insignificant for the last year and that this important project is falling ever further behind. My feeling is that River Thames maintenance has been abandoned, the local population at risk of flooding have not been kept informed and there is no 'Plan B'. The problem appears to be lack of partnership funding with a current funding gap >£200m but I think the real cause is the inflexibility of Government partnership funding policy when applied to a large infrastructure project currently costed at £588m.
2. Last year Surrey County Council were asked for a contribution of £103m. They pleaded poverty and stated that the project should be fully funded from central funds. Surrey CC also offered to borrow and then repay the loan if authorised to do so.
3. I wrote to my MP (Adam Afriyie) who passed my concerns on to the Environment Agency.
4. The response via my MP from Dr Theresa Coffey MP – Parliamentary Under Secretary of State for the Environment – advised me to contact the RTS Project Manager 'who will be able to keep him [i.e. me] updated on the progress of this project'. I was supplied with email contact details. The letter from Dr Coffey is shown in App 1.
5. Consequently I sent a copy of the Dr Coffey letter to the Project Manager and listed my concerns.
6. I received a detailed and prompt response from the RTS Project Manager on 4<sup>th</sup> September for which I thank him. Relevant sections of the response are shown in App. 2.
7. I invite you to read the EA FCRM Maintenance Review - IUK Client Working Group – independent peer review dated September 2014 by Mark Worsfold.
8. The House of Commons Environmental Audit Committee published the 2014 review of the Government's Flood and Coastal Risk Management (FCRM) (the "Worsfold Review") in 2016.
9. The Worsfold Review was commissioned by the Government following the flooding of winter 2013-14 and completed in September 2014 but was not made public until April 2016.

10. Chair's comments: Mary Creagh, Chair of the Committee said: "It has taken 18 months and an intervention from my Committee to get this Review published and into the public domain.
11. Mark Worsfold's Review showed that the condition of the Environment Agency's vital flood defence assets showed a worrying decline in 2014.
12. It raised concerns that the Government's partnership funding model for flood defences could "distort economic delivery decisions or create delivery inefficiencies".
13. "This afternoon we will be seeking clarification from Ministers about what action they have taken following the Review."
14. Background: The independent peer review was conducted by Mark Worsfold, Chief Engineer at Ofwat. It looked at the maintenance of the EA's flood and coastal risk management (FCRM) assets.
15. The Review compared and contrasted the asset management practices, policies and procedures with those in place by the Water and Sewerage companies in England and Wales. Based on this work the Review made 33 observations and made 11 key recommendations.
16. The Review's main conclusion was that: "The management of flood defence assets is primarily driven by asset condition, which does not help the Environment Agency forecast service and expenditure requirements"
17. The Review suggested that this has: "Highlighted the need to improve investment planning processes and capabilities for modelling and predicting operating and capital costs. Such costs should be examined on the basis of lowest whole life cost and should start to be considered on a total expenditure basis (whilst recognising that operating cost and capital costs may be both defined and incentivised differently)."
18. The Review also recommended the need for greater clarity over the Environment Agency's role in FCRM, better engagement between the Environment Agency and local affected communities and also between the Environment Agency and the government. All 11 of the recommendations can be found in appendix C of the Review.
19. The Worsfold Review may be located here:  
<https://www.parliament.uk/documents/commons-committees/environmental-audit/correspondence/flood-coastal-risk-management-maintenance-review.pdf>

END.

App 1. – Letter from Dr Coffey MP 12/7/2018



App 2. - From RTS Project Manager 4/9/2018

Absolutely fine to keep you up to date with the funding position. The bottom line position has not changed over the summer but are now ticking off a number of options. This is really important I think as it enables us to conclude funding initiatives and be clear on whether or not they will materialise.

After lots of conversations with insurance companies, we know that direct investment via insurance companies is not feasible. We did look closely at potential development from land removed from floodplain, but all of the potential sites are in Greenbelt.

The two main things we are exploring still are synergies between RTS and the Heathrow Southern Rail link being planned and RTS providing habitat offset for any airport expansion. Obviously we want to conclude these discussions as soon as possible, but plans for these initiatives are still evolving.