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**Our Ref:** NWL/DD/2024  
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Dear Mike,

### **Environment Agency Flood and Coastal Risk Management Investment Programme**

Thank you for your recent communication with Simon Wilson, our Area Flood and Coastal Risk Manager, regarding Northumbrian Water's draft business plan, 2025 to 2030, as part of the 2024 Price Review process.

I understand that you now have a draft determination from OFWAT and have been asked to provide further information to support your business plan submission, prior to a final determination later in the year. To help support your conversations, you have asked the Environment Agency to provide further information on partnership projects undertaken by the Northumbria Integrated Drainage Partnership (NIDP) that are jointly funded from the Flood and Coastal Risk Management (FCRM) Investment Programme.

#### **Northumbria Integrated Drainage partnership**

As you are aware, the Northumbria Integrated Drainage Partnership (NIDP) is a unique partnership between Northumbrian Water, the Environment Agency and all local authorities across the North East of England. The partnership demonstrates the benefits of collaboration and joint working to reduce flood risk from integrated sources.

The Environment Agency are committed to the NIDP and believe working in partnership is vitally important to enable us to better protect communities and customers from the devastating impacts of flooding. This is particularly important where risks are integrated and cannot be easily resolved by one partner organisation working alone.

#### **Flood and Coastal Risk Management Investment Programme**

The Environment Agency manage the government's investment to reduce flood and coastal erosion risk in England. We are now in year 4 of the current 6-year programme, which runs from 1 April 2021 to 31 March 2027. During this programme period we are investing £5.2 billion in projects to reduce the impacts of flood and coastal erosion risk across England.

We are now finalising project level funding allocations for the financial year 2025/26, and indicative allocations for the financial year 2026/27. The allocation process is an annual cycle of activity that includes collating latest project funding needs and benefits; national prioritisation of funding; local choices; and final approval of investment plans for the following financial year. Regional Flood and Coastal Committee's (RFCC) play an important role in overseeing our investment programmes and consenting annual plans.

We are also working with DEFRA and government to understand funding for flood and coastal erosion from 1 April 2027 onwards, this is subject to wider considerations on public spending plans as part of future governmental spending reviews.

### **Northumbria Regional Flood and Coastal Committee and North East Investment Programme**

The Northumbria RFCC oversees our investment programmes in the North East and have supported the NIDP partnership since its formation. The Northumbria RFCC are keen to see successful completion of the NIDP's planned programme of works.

We welcome the £10 million of investment that Northumbrian Water have already committed as partnership funding towards the NIDP projects between April 2021 and March 2027. We also understand that Northumbrian Water's business plan submission to OFWAT included significant planned investment through the 25-Year Environment Plan for WINEP, for locally significant measures, relating to NIDP projects to be delivered between 2025 and 2030. Funding contributions to NIDP are welcome and necessary to ensure the planned programme of projects can be fully funded so that benefits for our local communities can be realised.

At its latest meeting in July, Northumbria RFCC supported the submission of our proposed investment programme to our national Programme Management Office (PMO) for consideration. Our national PMO are now prioritising FCRM GiA funding and provide us with draft area FCRM GiA allocations in September. In October we will undertake local choices with Northumbria RFCC, where we can ensure local priorities are addressed, within our overall GiA funding allocation. The final programme will be consented by Northumbria RFCC in January 2025, before final Environment Agency board approval around February 2025.

Whilst this process is still ongoing, we can confirm that we have been in communication with the national PMO about funding for NIDP projects. The Environment Agency's national PMO are keen to support the NIDP programme of works but has to prioritise bids from across the country. Early indications suggest there is likely to be an indicative GiA funding allocation over the next two years towards the progress of projects within the NIDP. All indicative funding allocations will be subject to business case assurance approvals, as per the FCRM Grant Memorandum.

We hope that this information will be useful for your ongoing discussions with OFWAT. If you would like to discuss this matter further, please contact Simon Wilson, Area Flood and Coastal Risk Manager at [simon.wilson@environment-agency.gov.uk](mailto:simon.wilson@environment-agency.gov.uk)

Yours sincerely,



**Jamie Fletcher**  
**Area Director**  
**North East Area, Environment Agency**