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Dame Meg Hillier MP, Chair
Public Accounts Committee
House of Commons
London, SW1A 0AA

November 2022

From Tamara Finkelstein
Permanent Secretary

Dear Chair,

Forty-fifth Report of Session 2019-21: 'Managing Flood Risk'

In May 2021, the Government published a [Treasury Minute](#) in response to the Public Accounts Committee's report on '[Managing Flood Risk](#)'. This letter provides an update on the Government's response to the Committee's recommendations regarding local authority resources and private sector contributions (recommendation 2), funding inequality (recommendation 6) and planning decisions in flood risk areas (recommendation 8c).

2: PAC recommendation: The Department and the Agency should identify areas where there is likely to be a shortfall in local authority resources and private sector contributions to ensure the effective management of flood risk in local areas. They should report to us on their assessment by July 2021.

Previous target implementation date: The Department for Levelling Up, Housing and Communities (DLUHC) will write to inform the committee of the date as soon as it has been determined.

The government recognises the important role local authorities have to manage local flood and coastal risks. The Department for Levelling Up, Housing and Communities has committed to work closely with local partners before consulting on any potential reform to local government funding. The Department for Environment, Food and Rural Affairs is conducting an assessment of local flood and coastal risk compared to local authority spend. We expect to conclude this work by Summer 2023 to allow it to take into account the most up-to-date local authority revenue outturn data and the outcome of the local government finance settlement for 2023-24. We are therefore amending the target implementation date to Summer 2023.

6: PAC recommendation: The Department and the Agency should undertake and publish annual analysis of investment levels across regions and deprived areas. This should be followed up by appropriate action to reduce any funding



inequality. Annual analysis and reporting should start at the end of the first year of the next investment period (March 2022).

Previous target implementation date: Summer 2022

Following the Environment Agency's ('the agency') update to their [Chief Scientist's Group report on social deprivation and the likelihood of flooding](#), we have commissioned the agency to explore their findings in more detail. With these findings, we will be able to identify any action that needs to be taken. Whilst they found that the government is investing more money per household in the most deprived areas, the department would like to understand how this distribution is also influenced by risk of flooding. Our policy is that investment goes where the risk is greatest and the benefits highest, with higher rates of grant in aid for the most deprived local areas. Work is underway between the department and the agency to report annual investment levels by geography and deprivation levels. It is expected that preliminary information will be available by Spring 2023 with full implementation by Summer 2023. We are therefore amending the target implementation date to Summer 2023.

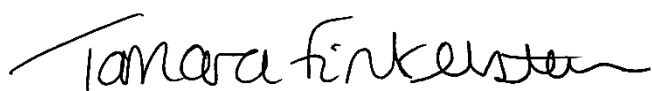
8c: PAC recommendation: The Department should work with Department for Levelling Up, Housing and Communities (DLUHC) to ensure mandatory reporting on planning decisions approved in flood risk areas – particularly when the Agency disagrees.

Previous target implementation date: To be determined as part of the implementation of the planning reform agenda. DLUHC will write to inform the Committee of the date as soon as it has been determined.

The Agency has already taken steps to publish more detailed information where planning permission against flood risk advice has been granted in cases where the Agency records the final planning decision by the local planning authority. In addition, the Levelling Up and Regeneration Bill will require local authorities to openly publish planning data. This will make it easier for planning proposals and decisions to be informed by the latest data available about flood-risk areas, and for any development which is allowed in areas of flood risk to be identified more easily. Therefore, the Department for Levelling Up Housing and Communities is amending the target implementation date for these provisions to the end of 2023. This is subject to the Parliamentary passage of the Bill.

I hope you find this information and update helpful.

Yours sincerely,



TAMARA FINKELSTEIN

Permanent Secretary

