

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

REPORT AUTHOR: County Councillor Jackie Charlton and County Councillor Richard Church

REPORT TITLE: Severn Valley Water Management Scheme Update

REPORT FOR: Decision

1. Purpose

- 1.1 This report seeks approval for the Council, in its capacity as Lead Local Flood Risk Management Authority (LLFA) and as Chair of the River Severn Partnership, to support the Environment Agency, Natural Resources Wales and Shropshire Council in jointly overseeing a programme of public consultation on the approach to developing the Severn Valley Water Management Scheme ("SVWMS"). (See Appendix A – Project Background/Vision Document).

2. Background

- 2.1 The Shropshire Plan's Healthy Environment priority highlights the importance of investment and joint working to tackle climate change and maintain, protect and enhance our outstanding natural environment.
- 2.2 Further to recommendations approved in the report to Cabinet on 18th November 2019 entitled 'River Severn Partnership', officers have been working with the Environment Agency, through the River Severn Partnership, to identify a joint approach to climate resilience. This has included early work to inform £10million of Government investment, awarded to the Environment Agency through ministerial direction in 2020, to progress work on a catchment based approach to water management in the upper Severn (Severn Valley Water Management Scheme).
- 2.3 Over the past 24 months, the Environment Agency have led the initial stages of the Severn Valley Water Management (SVWM) project, creating the tools and frameworks necessary to develop a technical solution of the scale required to address the significant climate challenges faced by the catchment.
- 2.4 Whilst Powys County Council has been supporting these early stages, it is recognised that co-development of the strategy and supporting programme is now required. This will ensure that the full benefits

anticipated by the scheme for communities, places and the environment across the upper Severn are realised.

- 2.5 The Environment Agency has invited both Shropshire Council and Powys County Council to form part of the Joint Project Board, along with Natural Resources Wales. The Board will help to shape the strategic direction of the project and its future delivery. A further paper will be brought to Cabinet to in relation to the establishment of a Joint Project Board.
- 2.6 In addition to proposing the establishment of a Joint Project Board, the Environment Agency has requested Powys County Council supports the first stage of public consultation. This will focus on providing opportunity for partners and members of the community to comment on the technical approach that has been undertaken by the Environment Agency to date and to provide feedback on how different water management options should be evaluated in the development of the future strategy.
- 2.7 This consultation will not focus on specific options at this stage, but rather set out the approach that will be taken. It will ensure that future identified options are both engaged upon appropriately and assessed against environmental, social and economic indices to enable maximum benefits to be achieved through future delivery.
- 2.8 The SVWM scheme is an ambitious project developing innovative, holistic approaches to sustainable water management across the upper River Severn catchment. The approach focuses on how the natural landscape and natural processes, may be used to contribute to community resilience and improved wellbeing in the face of climate change and future flood risk.
- 2.9 Flood risk on the River Severn is not an issue that observes the border. Communities and infrastructure in England and Wales need a coherent approach to the management of water. For that to be successful it is essential that a joint approach between English and Welsh authorities is enabled and supported. The SVWM seeks to provide such an integrated approach to catchment management.
- 2.10 Over the past 24 months the Environment Agency has led the initial stages of the project, creating the tools and frameworks necessary to develop a technical solution of the scale required to address the significant climate challenges faced by the catchment. This work has been used to identify “the art of the possible” and to understand the potential degree of intervention that might be required across Shropshire and Powys to mitigate some of the substantial impacts experienced from flooding over the past few years.
- 2.11 The conclusion of this initial stage of analysis by the Environment Agency has informed an updated business case to Defra to secure funding for the

development of a formal strategy and delivery plan. The aim is for this next stage to be finalised and adopted by the end of 2025.

- 2.12 It is widely recognised that this next phase and development of the strategy requires significant input from local communities. The creation of a shared vision and co-created programme of interventions across the catchment is essential in providing far greater benefits and confidence in future delivery.
- 2.13 The initial work led by the Environment Agency provides a good basis for this public engagement, having been supported by a growing consortium of professional bodies and local partners, many of whom form part of the strategically influential [River Severn Partnership \(RSP\), of which Shropshire Council is the Joint Chair.](#) This network, with input from communities facilitated through the National Flood Forum (NFF), has been important in helping to shape early thinking on the SVWM project.
- 2.14 Whilst Local Authority partners have been involved in supporting the initial stages of the project, the Environment Agency recognises that the ongoing presence of Local Authorities in guiding and decision-making as part of a Joint Project Board is essential. This will ensure alignment with the Environment Agency and Cyfoeth Naturiol Cymru / Natural Resources Wales (NRW) to join up strategic thinking and delivery on flood risk management matters.
- 2.15 To that end, both Shropshire Council and Powys County Council have been formally invited onto the Project Board (alongside the Environment Agency and Natural Resources Wales) to help shape the strategic direction of the project and its future delivery. A further paper will be brought to Cabinet in connection with the Council's participation on a Joint Partnership Board.
- 2.16 The Environment Agency has made funding available for Shropshire Council and Powys County Council to create the resource capacity needed to support a Joint Project Board and ensure that local place requirements are embedded in the development of the strategy and subsequent long-term delivery programme.
- 2.17 It is intended that the funding available will enable both Local Authorities to take a lead, and/or support with:
- Local political engagement and support;
 - Community engagement through town and parish councils and local resilience forums;
 - Strategic engagement with key stakeholders outside of water management E.g. DfT, health, visitor economy;
 - Ensuring alignment to local policy and processes E.g. Local Plans, Economic Growth Strategies, climate action plans, Local Nature Recovery Strategies, Biodiversity Net Gain;

- Undertaking integrated benefits appraisal understanding impacts across environment, social and economic drivers;
- Developing value capture mechanisms to support partnership funding;
- Finding public sector funding models and opportunities;
- Development of a delivery vehicle to support blended finance approach;
- Overseeing water management, as the local authority areas, in capacity as Lead Local Flood Authority.

- 2.18 Given the recent work by both Shropshire and Powys Councils to create and launch the Marches Forward Partnership, both Shropshire Council and Powys County Council propose to progress involvement in the SVWM under this cross border strategic collaboration. The Marches Forward Partnership recognises the unique environmental assets and management needs across the Marches area and has established a focused working group around 'Nature, Energy and Climate Adaptation'. Work is already underway within this working group to look at policy and funding mechanisms to support environment management and the focus around SVWM therefore provides a strategic scale project to pilot and take forward this thinking.
- 2.19 As a Defra led strategic project, flexibility has deliberately been built into the SVWM to allow for innovation during the development phase. This is aimed at supporting the achievement of greater and multiple outcomes through an integrated approach to catchment management. The project programme therefore allows for evolution and refocus as part of the learning process and specific deliverables and outcomes may therefore change as the strategy is developed with local communities. Learning will be gathered by the Environment Agency to inform Defra ministers as well as with the wider River Severn Partnership, in the Council's role as Joint Chair, to support wider scale up of delivery across the Severn and Wye catchment.
- 2.20 Significant opportunity is provided by the £10million Defra monies for the development of a water management strategy for the upper Severn catchment. This strategy (Severn Valley Water Management Scheme) will enable development of a strategic view of flood, water resource, and water quality and develop a response to the challenges of climate change.
- 2.21 As the funding for the SVWM scheme is led by the Environment Agency, delivery and expenditure on the project will be monitored by the Environment Agency. The Environment Agency will be responsible for managing the project risks and meeting the ministerial requirements associated with the use of the funds.
- 2.22 In line with the formal statutory role of Powys County Council, as the LLFA, and in capacity as the Chair of the River Severn Partnership, the Council's role will be in guiding decision making on the project to

maximise benefits to the local community and to help unlock funding to enable future delivery.

2.23 The Environment Agency have made an initial sum of funding available for both Shropshire Council and Powys County Council to support the resource capacity needs at this early stage in the strategy development. This funding will support the initial stages of public consultation.

2.24 Powys County Council has already been working with Shropshire Council on a joint resource plan to ensure efficiencies in the local authority involvement. This will involve hosting the work within the newly formed Marches Forward Partnership as one of the significant cross border projects across the Marches area.

3 Advice

3.1 Development of the SVWM scheme will test nature based responses to climate resilience and adaptation. It will help harness the natural and cultural value of the upper River Seven, as the headwaters of the UKs longest river system, and provide the catalyst for community resilience and economic prosperity in the face of climate change and a nature emergency.

3.2 The role of the local authority in the early public consultation will ensure collaborative delivery with Powys communities from the outset and enable community level shaping and ongoing learning to be shared.

3.3 The SVWM will help provide a strategic framework for supporting landowning communities to understand the value of environmental management within farm businesses and enable testing of new financial mechanisms for delivery.

3.4 The Powys Plan recognises the climate change challenge and need for urgent action both by the Council and working with external partners such as Defra. Developing the SVWM will improve the natural environment for future generations and secure economic and community resilience in the face of climate uncertainty.

4. Resource Implications

4.1 The £10million funding for development of the SVWM scheme has already been agreed in principle by the Environment Agency with Defra. The Environment Agency has secured agreement to commence spend of a portion of this overall funding, following completion of a business case with Defra. This is aimed at supporting the initial stages of the project's development and includes a £312,000 allocation for local authority support.

4.2 The financial implications for Powys County Council are associated with resourcing the project development. This is addressed through the

funding support for the two local authorities (Shropshire and Powys). A grant funding agreement between the Environment Agency and Powys County Council will enable transfer of the funding to be received by Powys County Council as a lump sum. This will enable effective resource allocation into the project from the outset, without additional cost implication to the Council.

- 4.3 Any funding approved for the Council will need to be reflected in the Councils budget in line with the requirements of the financial regulations.
- 4.4 The Section 151 Officer (Head of Finance) notes the report and the potential funding available. Finance will need to assist in the development of any funding agreement and it will require sign off by the Section 151 Officer.

5. Legal implications

- 5.1 Legal: The recommendation can be supported from a legal point of view.
- 5.2 The Head of Legal Services and the Monitoring Officer has commented as follows: "I note the legal comment and support the recommendation".

6. Climate Change & Nature Implications

- 6.1 The SVWM scheme and wider work of the River Severn Partnership is aimed at providing a strategic and integrated response to the challenges of climate change across the River Severn catchment area.
- 6.2 The project development seeks to pilot and test how an integrated approach to water management unlocks opportunities for growth and improved wellbeing. Focused initially on the upper Severn catchment area, the project programme involves a suite of nature based measures to address climate change and its impacts, working with water companies, Wildlife Trusts, Severn Rivers Trust, landowners and many others.
- 6.3 In addition to the SVWM scheme, the River Severn Partnership is one of four national pilots identified by Defra to develop, deliver and test an 'adaptive planning' approach. This new thinking by Defra is aimed at ensuring a more resilient and adaptive approach to the challenges faced as a result of climate change.
- 6.4 Adaptive planning offers the ability to respond to new information as it becomes available, such as relating to rising water levels and more frequent flood events. The approach identifies and evaluates different climate scenarios and subsequently identifies potential adaptation actions that can be implemented over time, to directly respond to climate changes; such actions may include increasing or reducing floor levels,

utilising public open space for water storage or investment in flood management projects. Adaptive planning provides the flexibility to 'adapt' actions based on what the climate is actually doing and therefore enables the most effective and resilient response.

- 6.5 An adaptive planning approach allows for a long-term plan to be developed, providing a range of options for which the Council can respond accordingly, implementing the most appropriate and effective actions at the right time and in the right way. It also avoids unnecessary over investment or unsuitable design parameters, thereby enabling better decision making and use of money at all stages of a project's delivery. The approach creates a clear plan to manage flood risk, providing confidence for investors.
- 6.6 Although at an initial stage, the wider adaptive planning thinking and approach will help inform the SVWM scheme, where possible, supporting thinking and learning. It will help embed climate resilience thinking and learning in our future ways of working and is already shaping other work within the Council, such as the Riverside redevelopment.
- 6.7 As part of a drive towards integrated infrastructure delivery, the SVWM scheme and adaptive planning approach will include consideration of multiple benefits. The aim is to understand and assess how future flood risk management provides co-benefits for carbon capture and storage, biodiversity, health and wellbeing and economic growth.
- 6.8 Development and delivery of the SVWM scheme, as a strategic scale initiative, offers potential to scale up multiple benefits across the entire Severn and Wye catchment.

7. Data Protection

- 7.1 Any consultation exercise must comply with Data Protection Legislation in terms of its use of information which identifies individuals, and also the controller relationships between the organisations referred to within the proposal when undertaking any public consultation.

8. Comment from local member(s)

- 8.1 Local members comments will be considered as part of the engagement process commencing March 2024.

9. Impact Assessment

- 9.1 The information gained during the engagement process will provide the evidence required to understand impact on Powys communities.

10. Recommendation

- 10.1 Approve the Council's role in supporting public consultation for the SVWM scheme.

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