

Who Benefits From Flood Management Policies?

Technical Summary: FD2606

Joint Defra / EA Flood and Coastal Erosion Risk Management R&D programme

Background to R&D project

Flood and Coastal Erosion Risk Management (FCERM) provides a complex mix of public and private benefits to, and burdens on, society over long time periods. However, there is currently only limited understanding and evidence of how different interest groups and sectors benefit from public investments (or decisions not to invest) in reducing flood and coastal erosion risks.

The overall purpose of the project is to improve understanding of how different interest groups and sectors gain or lose from existing Flood and Coastal Erosion Risk Management (FCERM) policies and to provide evidence for the nature and scale of all key resource flows. Objectives include:

- to define those groups or sectors who benefit and lose out from FCERM policies;
- to develop robust methods to evaluate and communicate the flow of benefits;
- to test the methods and undertake case study assessments, and
- to draw conclusions to inform policy development.

Case study assessments were considered the most appropriate means to achieve improved understanding on *Who benefits?* and three case study locations were selected for detailed analysis: Carlisle (Cumbria), West Bay (Dorset), and Lyth Valley (Cumbria). The case studies aimed to be representative of a broad range of FCERM activities and the benefits they bring to different interest groups and sectors.

Results of R&D project

A methodology for assessing *Who Benefits from Flood Management Policies?* has been developed to provide a systematic way of considering a wide range of potential beneficiaries, to organise information, and to provide a consistent structure for an analysis of the size and scale of the benefits they receive. It has shown promise as an analysis tool and further stages of the research could consider developing the approach to provide a more formalised procedural tool supported by appropriate guidance and support in its application and use. In terms of case study results some notable findings were as follows: In Carlisle, businesses tended to be the main beneficiary of FCERM activity. For West Bay, the environmental and amenity benefits were low relative to the benefits to properties at risk, and the flow of resources back to Government in taxes was not insignificant, at between 10% and 15% of the contractor's costs.



At this stage, the findings cannot be used directly to 'scale up' to the national scale nor to gauge directly the beneficiaries, losers and distributional affects from the national spend on FCERM. Further work is needed to assess the application of the methodology at a CFMP and SMP level and to investigate the use of these analyses as a basis for achieving a national picture of distributional effects. Potential also exists to link the assessment procedure more closely to existing analysis tools (eg NaFRA, MCM, etc.) and other national datasets as a means to further identify sub-groups of beneficiaries and to quantify the benefits they receive.

Some of the original research question remain unanswered or partly answered and for such an important question as *Who benefits?* it is essential the present research is not an end, but the start.

R&D Outputs and their Use

The Technical Report provides details of the outline methodology and its application to a range of case study assessments. At this point in time, the emphasis has been on advancing understanding rather than the formal development of an appraisal or evaluation tool, although future phases of the work may focus work in this direction.

Knowing *Who benefits?* is important across a number of FCERM strands, including for example:

- the quantification of distributional impacts is embodied in guidance on project appraisals (and evaluations);
- social justice concerns are reliant on being able to identify and disaggregate costs and benefits across different socio-economic groups; and,
- third party contributions to public spending are at least partly predicated on the assumption that they should be related to benefits and the application of a beneficiary pays principles.

This R&D Technical Summary relates to R&D Project FD2606 and the following R&D output:

R&D Technical Report FD2606/TR – Who Benefits from Flood Management Policies. Published July 2008.

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The above outputs may be downloaded from the Defra/EA Joint R&D FCERM Programme website (www.defra.gov.uk/environ/fcd/research).

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