

# North Yorkshire Council

## Environment Executive Members

19 December 2025

### Additional Environment Agency Local Levy Funding for the Upper Dales Flood Alleviation Scheme

#### Report of Assistant Director Highways and Infrastructure

#### 1.0 PURPOSE OF REPORT

- 1.1 To update the Corporate Director, Environment and Executive Members for Highways and Transportation on the progress of the funding applications to support the Upper Dales Flood Alleviation scheme.
- 1.2 To request approval from the Corporate Director, Environment in consultation with the Chief Finance Officer, sub-delegated to, Assistant Director Resources, to:
- Submit an application for the total sum of £219,370 from the available Flood and Coastal Committee Local Levy.

#### 2.0 BACKGROUND

- 2.1 As a Flood Risk Management Authority (RMA), North Yorkshire Council can apply for national Grant in Aid (GiA) funding through the Environment Agency (EA) to better protect properties from flooding. RMAs make applications to the EA for funding to be allocated and profiled into the Medium-Term Plan (MTP) ready to be drawn down subject to business case approval. GiA therefore forms an important funding stream that NYC use to supplement and match fund its capital flood programme. The current MTP programme was due to run until March 2027.
- 2.2 On 09 August 2024, the Environment Executive Members provided approval to apply for the Environment Agency Grant in Aid funding and the Flood and Coastal Committee Local Levy funding to support the Upper Dales Flood Alleviation Schemes (Appendix A). A breakdown of the funding allocated to each scheme is provided in Table 1 below.

Table 1. Original approved funding bids agreed by Committee

Project title	NYC	Grant in Aid	Local Levy
P1. Wensleydale	£97,500	£168,483	£58,017
P2. Leyburn	£107,250	£143,910	£88,940
P3. Leyburn & Redmire	£74,750	£82,185	£100,666
P4. Leyburn 3	£100,750	£115,915	£110,035
P5. West Witton & Spennithorne	£47,618	£103,382	£47,618
P6. Reeth	£70,913	£138,637	£70,913
P7. Upper Dales	£106,700	£120,700	£106,700
Total	£650,000	£873,212	£582,889

- 2.3 The Environment Agency undertake an annual programme refresh to update the allocations throughout the 6-year programme. This annual refresh usually occurs in April/May each year. The allocations for 2025/26 and 2026/27 were previously approved by a reset programme business case submitted by the EA and approved by HM Treasury in February 2024. The FCRM funding for 2025/26 has since been agreed through the Spending Review 2024 and the previous settlement revised, the consequence of which is less funding now being allocated than originally allocated for 2025/26.
- 2.4 With Ministerial direction, £72million from the FCRM Investment Programme has been diverted to support the maintenance of existing Environment Agency assets. This means, collectively GiA cannot fund all the previously planned work in 2025/26.
- 2.5 To allow a clean break in the funding cycle to reflect the new funding rules and reflecting a national overspend, the EA have shortened the current 6-year programme which was due to expire in 2026/27 to 2025/26. Schemes with allocations in 2026/27 have therefore been removed from the programme altogether resulting in a 50% reduction in available GiA in the Yorkshire region.
- 2.6 At the March 2025 Yorkshire Regional and Coastal Committee (YRFCC) meetings, whilst acknowledging the uncomfortable position of the indicative allocations, the RFCC members endorsed a programme of significantly reduced allocations, recognising the need for those projects currently in progress to receive their funding. This is referred to as the 'local choices' process. This is an important step to ensure local priorities can be taken into consideration and we get the best possible outcomes from the programme both locally and nationally.
- 2.7 In March, the West Witton and Spennithorne scheme secured both Local Levy and Grant in Aid allocations, and a business case for drawing down funds for both is pending approval by the EA, we are making good progress to deliver this scheme in 2025/26.
- 2.8 Wensleydale, Reeth and Upper Dales schemes did not secure GiA in the local choices process and their allocations were removed, however at the time of the approval of the programme, all three schemes had live Local Levy bids and secured funding some for 2025/26. The GiA shortfall for the three schemes is £428k. Business cases are pending approval by the EA to draw down the Local Levy funds.
- 2.9 The Leyburn schemes did not receive an allocation of GiA and as such we did not pursue Local Levy bids and placed the schemes on hold. Uptake of the Leyburn schemes have to date been low, and whilst every endeavour has and will be made to increase those numbers, delaying the scheme to future years is a low-risk option, as there are no funding implications.

### **3.0 PROGRESS TO DATE**

- 3.1 A total of 113 Properties have received their individual property survey.
- 3.2 NEC4 Contracts for the design and installation of the property flood resilience measures were signed in September 2025 with Watertight Limited.
- 3.3 To date 58 properties have had their design and installation survey completed.
- 3.4 The next stage of the project is installation of the property flood resilience measures.

## 4.0 2026/2027 GiA LOCAL CHOICES PROCESS

- 4.1 Throughout 2025, the government has made several announcements of record investment in flood risk management funding, most recently £4.6bn from April 2026 for three years and £10.5bn, again from April 2026 to align with the 10-year national infrastructure plan. It was the intention to continue to deliver the Upper Dales schemes and resubmit the GiA bids for 2026/27 omitting the three Leyburn schemes (P2, P3 and P4 in Table one) in order to fulfil the approved Local Levy funding obligations.
- 4.2 The 2026/27 indicative allocations for GiA funding were distributed ahead of the local choices process to NYC on 13 October 2025, for the programme to be approved by YRFCC in January 2026.
- 4.3 No indicative GiA allocations have been made for the Wensleydale, Reeth and Upper Dales schemes in 2026/27 as expected on the back of the recent government announcements and results in a continued £428k shortfall, not including Leyburn schemes. Furthermore, there is no firm commitment of when the funding would be made available again. This proves a challenge but is not fatal to the schemes.
- 4.4 Whilst no indicative GiA allocations have been made, there may be funding available as in-year GiA overprogramme. The overprogramme exists to provide headroom in the committed programme and is not published. The schemes would therefore be allocated funding but it's availability cannot be guaranteed if there is slippage in the published committed programme.

## 5.0 ALTERNATIVE OPTIONS CONSIDERED AND FINANCIAL IMPLICATIONS

- 5.1 Table 2 below considers options for the continued delivery of the schemes. The original funding allocation and the without Leyburn option assumes GiA is received, all other options omit the delivery of Leyburn schemes. The two options considered if GiA is not received consider the use of increased NYC contributions or the preferred option, to make additional Local Levy bids.

Table 2: Financial Implications of options to progress schemes

Funding Source	NYC				GiA				Levy				Total
	24/25	25/26	26/27	Total	24/25	25/26	26/27	Total	24/25	25/26	26/27	Total	
Original Funding	£200,000	£250,000	£200,000	£650,000	£ -	£342,000	£531,000	£873,000	£ -	£283,248	£300,000	£583,248	£2,106,248
Without Leyburn	£75,000	£292,498	£ -	£367,498	£ -	£103,382	£427,820	£531,202	£ -	£283,248	£ -	£283,248	£1,181,948
Without additional Levy	£75,000	£375,000	£345,318	£795,318	£ -	£103,382	£ -	£103,382	£ -	£283,248	£ -	£283,248	£1,181,948
With additional Levy	£75,000	£375,000	£126,318	£576,318	£ -	£103,382	£ -	£103,382	£ -	£283,248	£219,000	£502,248	£1,181,948

- 5.2 Increased NYC Contributions - As discussed in paragraph 2.5 we will not progress Leyburn's schemes in 2026/27 but defer to future years. The NYC FRM Revenue Reserve contribution to the collective scheme including Leyburn schemes is £650k. Based on the curtailed programme not including Leyburn, the NYC contribution is reduced to £367k providing £283k to cover some of the reduced GiA. The remaining £145k deficit of the £428k identified paragraphs 2.5 and 4.5 could be covered by increasing NYCs overall contribution to £795k and can be accommodated within the FRM reserve as demonstrated in table three
- 5.3 We have identified that the shortfall can be underwritten by the first £100k of spend in each year being covered by the FRM base budget supplemented by the FRM Revenue Reserve in 2025/26 without significant detriment to the programme, other than to defer schemes to future years. Spend in future year will continue to be funded from the FRM base budget supplemented by the reserve until 2028/29 at which point it is fully committed

Table 3 – Flood Risk Management Budget with re-profiled flood reserve

OPERATIONAL COSTS	25/26	26/27	27/28	28/29	29/30	30/31	TOTAL
Base budget	1,086,100	1,086,100	1,086,100	1,086,100	1,086,100	1,086,100	6,516,600
present team costs	-504,200	-504,200	-504,200	-504,200	-504,200	-504,200	-3,025,200
levy commitment	-450,000	-450,000	-450,000	-450,000	-450,000	-450,000	-2,700,000
additional team costs - SAB introduction			-120,000	-120,000			-240,000
malton maintainance	-15,000	-15,000	-15,000	-15,000	-15,000	-15,000	-90,000
Land Drainage Consents Incomeve	3,500	3,500	3,500	3,500	3,500	3,500	21,000
officer pot	-20,000	-20,000	-20,000	-20,000	-20,000	-20,000	-120,000
total	100,400	100,400	-19,600	-19,600	100,400	100,400	362,400
PROJECTS	25/26	26/27	27/28	28/29	29/30	30/31	
RESERVE balance at start of FY	1,472,954	766,354	201,754	72,154	2,554	102,954	1,472,954
Rye villages	-317,000	-140,000					-457,000
Dales villages	-375,000	-345,000					-720,000
Hackness	-100,000						-100,000
Saxton	-15,000		-50,000	-50,000			-115,000
Flooding consultancy costs (Aug 2024 Gateway)		-110,000					-110,000
Great Ayton			-10,000				-10,000
Knaresborough		-50,000	-50,000				-100,000
Swainby						-50,000	
South Craven		-20,000					-20,000
Stokesley						-50,000	-50,000
Reserve Draw Down	-807,000	-665,000	-110,000	-50,000	0	-100,000	-1,732,000
Underspend against base	100,400	100,400	-19,600	-19,600	100,400	100,400	362,400
reserve balance at year end	766,354	201,754	72,154	2,554	102,954	103,354	
<b>TOTAL</b>							<b>103,354</b>

\*Dales Villages line does not show a £75k spent in 2024/25

- 5.4 Additional Local Levy - Notwithstanding the above, it is possible to make a further request to the RFCC for additional funding of £219k. Based on the advice given by the EA at the time, and a sizeable contribution from NYC, the bids for the Local Levy was less than our eligibility under the Local Levy funding rules, our bids were considered conservative.
- 5.5 Under the criteria of the Flood and Coastal Committee Local Levy North Yorkshire are eligible for £5k per property. As the projects have progressed and greater confidence has emerged in delivery figures, table 4 below shows the difference between the original Local Levy funding request and the eligibility amount of funding that could have been available to us to apply.

Table 4: Additional Locally Levy Eligibility vs Local Levy Agreed

Project title	Council contribution	Local Levy agreed	Total Local Levy eligibility	Additional Local Levy application
P1. Wensleydale	£97,500	£58,017	£150,000	£91,983
P6. Reeth	£100,750	£70,913	£155,000	£84,087
P7. Upper Dales	£104,000	£106,700	£150,000	£43,300
Total	£302,250	£235,630	£455,000	£219,370

- 5.6 The additional £219k will reduce the shortfall of £428k to £209k which can comfortably be covered within the original £650k allocation without affecting the wider programme and leaving some contribution from NYC to cover the Leyburn schemes in the future.
- 5.7 In light of the GiA shortfall and the Local Levy positions, this paper seeks to obtain permission to bid for the remaining Local Levy eligibility
- 5.8 The local choices programme may add the three remaining schemes, but this is not guaranteed. If GiA is forthcoming through overprogramme the schemes can be delivered in their entirety, and we will return the additional funding requested to the same value as originally agreed in Table one.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The estimated value of the four projects to be delivered by NYC is presently £1.1m. It is however important to stress that the scheme is essentially a package of works, and this value is an outline estimate, some elements being subject to third party agreement, and is therefore not definitive at this point in time.
- 6.2 There is £650k allocated in the flood risk management forward programme to the work in the Upper Dales over the next three years. There is presently £1,476,955.99 in the flood risk reserve as demonstrated in Table two.
- 6.3 If the funding bid for additional Levy is successful, NYC's Contribution would reduce from £650k to £576k, allowing funds to be directed to future Leyburn schemes.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 If the application to the Flood and Coastal Committee Local Levy is successful any Grant terms issued will be reviewed by Legal Services and if any of the Grant terms present an unacceptable risk for the Council then the Grant offer would be declined.

## **8.0 EQUALITIES IMPLICATIONS**

- 8.1 The scheme benefits all those with protected characteristics by reducing the risk of surface water flooding in the Upper Dales and thereby the associated effects upon businesses, residential properties, the public health of the community living at flood risk and the associated economic growth of the area. The report was completed for the initial Environment Executive Report on the 09 August 2024. (See Appendix B).

## **9.0 CLIMATE CHANGE IMPLICATIONS**

- 9.1 Flood mitigation offers positive benefits to resilience to future climate change projections. The proposals are anticipated to have a positive impact in response to climate change. The report was completed for the initial Environment Executive Report on the 9th of August 2024. (See Appendix C).

## **10.0 REASONS FOR RECOMMENDATIONS**

- 10.1 Property Flood Resilience is offered to all eligible residents who meet the criteria, the identified properties have either flooded or been identified as high risk of flooding within the Environment Agency guidelines and the scheme will improve living conditions for those flooding has affected. The implementation of PFR (Property Flood Resilience) will offer piece of mind to residents that in adverse weather conditions their properties and themselves are protected.
- 10.2 It is therefore considered appropriate to continue with the scheme as intended, with regular relevant liaison through the engagement channels established as part of the scheme.

## **11.0 RECOMMENDATION**

- 11.1 It is recommended that the Corporate Director, Environment in consultation with the Chief Finance Officer, sub-delegated to the Assistant Director Resources:
- i. Authorises the submission of the additional application for £219,370 of the Flood and Coastal Committee Local Levy funding to enable the Upper Dales Flood Alleviation scheme development during 2025/26.

**APPENDICES:**

- Appendix A Upper Dales Flood Alleviation Scheme Executive Committee Report 09 August 2024  
Appendix B EIA Screening Form  
Appendix C Climate Change Impact Assessment

**BACKGROUND DOCUMENTS** None

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