



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

Natural Flood Management: guidance to undertake natural flood management works

Guidance for local authorities on funding works under the Natural Flood Management Fund 2025 to 2026.

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Introduction: The Natural Flood Management Fund 2025 to 2026

The Welsh Government encourages Risk Management Authorities (RMAs) to pursue Natural Flood Management (NFM) interventions and to support this, the Flood and Coastal Erosion Risk Management (FCERM) Business Case Guidance mandates the consideration of NFM for all schemes.

In setting their Programme for Government for this term, Ministers have committed to:

- Deliver nature-based flood management in all major river catchments to expand wetland and woodland habitats.

Following the NFM Pilot Programme (2020-2023) and the subsequent NFM Accelerator (2023-2025), we have secured £2m capital funding for an additional 12 months, with future funding still being explored.

The continuation of this programme aims to accelerate our delivery of natural flood management interventions to reduce risks associated with flooding or coastal erosion and supports our ambition to manage flood risk at catchment scale. Outputs from this programme will also support in the development of the Sustainable Farming Scheme, which is expected to provide farmers optional and collaborative opportunities to deliver NFM.

We aim to further accelerate the delivery of NFM by continuing to offer 100% funding for the delivery of NFM schemes within this programme. This will include appraisal, design, construction and monitoring equipment. This funding does not include for ongoing maintenance or monitoring costs. RMAs will not be required to provide a contribution towards the costs of delivering NFM schemes, or NFM elements of “hybrid” schemes. However, they may wish to supplement funding to provide additional benefits or seek additional support from third parties who

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wish to contribute.

These guidance notes explain this Natural Flood Management Fund 25-26 and the type of projects that may qualify for grant aid. Please read it carefully. The programme will run for 1 year from March 2025 to March 2026.

Sustainable Farming Scheme

A revised **Sustainable Farming Scheme: proposed scheme outline** (<https://www.gov.wales/sustainable-farming-scheme-proposed-scheme-outline-2024>) was published in November, however final Scheme decisions and payments will not be available until later in 2025 ahead of the Scheme commencing in 2026. The SFS contains a proposed requirement that at least 10% of each farm is managed as habitat. When determining if farmers have sufficient semi-natural habitat to meet the 10% requirement, we will include all habitat areas such as species rich grasslands, ponds and established broadleaf woodland. We also propose to include areas of newly created habitat such as hedgerow, woodland planting or habitat creation on improved land – we intend that this could include new areas of habitat created as part of this (flood scheme proper name) therefore there is no reason for farmers to delay creating habitats now if there is an opportunity to do so. It is not possible to comment on SFS payments at this point.

Eligibility criteria

As with the Welsh Government's Flood and Coastal Erosion Risk Management g (FCERM) core grant, the NFM Accelerator Programme is only available to Risk Management Authorities operating in Wales. However, we would encourage

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RMA's to work with any prospective partners and cross policy funding areas to access additional monies to support larger catchment approach and benefits. This could also include Local Authorities or NRW funding third parties to carry out work on their behalf with the RMA applying for and claiming grant funding from Welsh Government.

In line with our funding policy set out in the National Strategy for Flood and Coastal Erosion Risk Management, all proposed NFM interventions must reduce risk to people and properties or maintain their current levels of protection. This aligns with the FCERM core grant. Works need to be economically worthwhile and satisfy all necessary statutory requirements.

To support with ongoing evaluation of NFM schemes, all projects must include post construction monitoring which should be funded through existing revenue grants.

We acknowledge quantifying the benefits associated with the delivery of NFM schemes is problematic and are actively seeking innovative ways of monitoring and recording outputs and benefits. We accept how some monitoring may be accompanied by anecdotal evidence, possibly with the support of communities or academia, and this should be set out in your application. Welsh Government reserve the right to refuse schemes which they do not feel represent value for money. Expected wider benefits should be included in the application for consideration and to support the application. RMA's will be expected to report progress against wider benefits as the schemes progress.

RMA's are invited to submit applications up to a maximum value of £300,000 per scheme using the NFM applications on RPW Online. Larger value schemes remain eligible but should first be discussed with the FCERM team to consider if a separate Business Justification or Full Business Case route is more appropriate.

The programme will be run in a similar way to the Small Scale Works Grant with

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local authorities able to submit multiple applications for schemes, each scheme must be completed and final claim submitted by March 2026.

Work not eligible for funding

Welsh Government's FCERM priority remains risk to life and all schemes should reduce risk to homes, however the reduced risk to other services or utilities, for example, roads, rail or agriculture may be an additional benefit. Schemes specifically reducing risk to agricultural land, roads or other infrastructure alone would not be eligible.

Application process

Applications for the NFM accelerator programme should be submitted using the form via RPW online for schemes up to the value of £300,000. Schemes over £300,000 may still be eligible where they are expected to bring greater benefits but please contact Welsh Government FCERM branch first to discuss further whether these could be classed as exceptions.

We encourage partnership and cross-RMA working. A catchment scheme may consist of multiple projects which benefit more than one RMA and/or multiple third parties. In this case the application should be made by just one of the RMA's who will act as the grant recipient.

This funding through the capital Flood budget is only agreed for one financial year, therefore schemes should be progressed quickly and completed by March 2026. This should be considered when completing applications, especially for any proposals involving work within watercourses. If a scheme is delayed and is unable to be completed in time, funding may be lost, and there is no guarantee

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funding will be made available for the scheme in future years.

Current funding is annualised and there may not be the ability to transfer funding between year. RMAs will be asked to forecast annual expenditure as part of the application and endeavour to keep to this. Changes in forecast resulting in movement of money between years should be discussed with the Welsh Government Flood Branch as soon as possible so budgets can be managed.

Contract variations will not be allowed as part of this programme due to strict budget restrictions.

Wider benefits beyond flood risk management can be achieved through grant funded works, and these should be considered as part of the application process. While the wider ecological benefits associated with NFM interventions are well established, applications should include a brief summary of the specific benefits associated with the scheme in question. Wider benefits may include:

- Water Quality
- Engaging with local community groups and the third sector;
- Education/awareness raising through partnering with residents and schools;
- Supporting local businesses;
- Biodiversity improvements;
- Amenity improvements connected with the NFM project;
- Using local contractors to carry out these works and develop skills.

Project teams will be asked to specifically report against Welsh Government's Sustainable Land Management Objectives, where they apply. These must be included in the applications as set out in the Agriculture (Wales) Act 2023 and listed below:

- Production of food and other goods in a sustainable manner;
- Mitigation and adaptation to climate change;
- Maintenance and enhancement the resilience of ecosystems and the

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benefits they provide;

- Conservation and enhancement to the countryside and cultural resources and promotion of public access to and engagement with them, and sustaining the Welsh language and promoting and facilitating its use.

All public bodies have to comply with the Well-being of Future Generations (Wales) Act 2015. It is therefore essential that LAs consider how the proposed works contribute to the well-being goals and the sustainable development principles and evidence this within the applications. Please provide on the application form specific examples of how the proposed work will contribute to the well-being goals rather than just listing the goals.

Scheme selection and prioritisation

Prioritisation of projects for funding will be based on the benefits they deliver, with as many schemes funded as budget availability allows. There is an indicative budget of £2 million available over the one year programme.

In the event that the programme is oversubscribed, projects will be selected primarily on the basis of cost per property with consideration of the following factors:

- Evidence of actual flood events or near-misses,
- Total number of properties benefiting
- The estimated cost per property
- Wider benefits
- Learning and monitoring opportunities
- Partnership working
- Ability to deliver within the 12-month window.

Schemes must demonstrate good value for public money, therefore schemes

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where the cost per home is over £50,000, or where less than two properties benefit, are not likely to be prioritised.

Evidence to support application

Providing evidence with the application will assist the efficiency of the assessment process.

Evidence to be submitted with application forms must include (where appropriate):

- Maps showing location of proposed works
- Flood maps showing risk
- Reference to Local Flood Risk Management Strategies where appropriate

Claims

Claim windows will be every 6 months, in line with Quarter 2 and Quarter 4 of the standard FCERM Programme. Claims need to be submitted via RPW online using the existing Natural Flood Management Grant by deadlines listed in your grant award letter.

Branding

Where appropriate, any work funded through Welsh Government grants should be branded and show the Welsh Government logo. Costs associated with branding are eligible for grant funding. Interpretation boards and community outreach alongside projects is actively encouraged and will be considered in the

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prioritisation process.

Further information can be obtained from the Welsh Government Branding

Team: BrandingQueries@gov.wales

(<https://www.gov.walesmailto:BrandingQueries@gov.wales>).

Guidance

Advice on Working with Natural Processes and NFM Opportunity Maps is available on [Natural Resources Wales website](https://naturalresourceswales.gov.uk/flooding/managing-flood-risk/maps-for-natural-flood-management/?lang=en)

(<https://naturalresourceswales.gov.uk/flooding/managing-flood-risk/maps-for-natural-flood-management/?lang=en>).

Further helpful guidance on Natural Flood Management has also been developed by the Scottish Environment Protection Agency in its [Natural Flood Management Booklet](https://www.sepa.org.uk/media/163560/sepa-natural-flood-management-handbook1.pdf) (<https://www.sepa.org.uk/media/163560/sepa-natural-flood-management-handbook1.pdf>).

Questions

For queries related to any of the Flood & Coastal Erosion Risk Management Grants, please contact the Welsh Government Flood Branch at

FloodCoastalRisk@gov.wales

(<https://www.gov.walesmailto:FloodCoastalRisk@gov.wales>).

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