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The Benacre and Kessingland Flood Risk Management Project will create 82 hectares of saltmarsh in this area of coastal Suffolk

FLOODED WITH INFORMATION

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A leaky dam, one of the natural flood management measures employed by Warwickshire Wildlife Trust

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Kessingland in Suffolk, where coastal erosion is threatening the village and a 1930s pumping station

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An aerial view of the site of the Benacre and Kessingland Flood Risk Management Project

Max Davison, principal flood risk consultant at Stantec, explores what new funding policy guidance means for natural resilience schemes

Those in the world of environmental resilience know the power of a good idea. Coming up with a novel solution and fixing a longstanding or increasingly troublesome problem like urban flooding or coastal erosion can be incredibly rewarding.

But regardless of the innovation behind an idea, funding new schemes will always be one of the most complex challenges for those looking to get spades in the ground. Against a backdrop of rising scrutiny into how public bodies invest, we're now seeing updated policies and accompanying guidance being released to support the environmental resilience industry through this complex journey.

The publication of updated Flood and Coastal Erosion Risk Management (FCERM) policy guidance this spring marks an important step for those looking to integrate resilience schemes across England. Positively, it has a particular focus on natural flood management (NFM) – working with natural processes to reduce the risk of flooding. The guidance explains whether projects can gain FCERM funding, how much they can get, and how schemes are assessed and prioritised.

A NATURAL PRIORITY FOR FUNDING

It also confirms that the government is boosting its investment in NFM and formally embeds these schemes as a 'strategic objective' of the funding policy itself. This suggests a growing recognition of the impact from the co-benefits these schemes provide. A key clarification within the guidance is that standalone NFM projects seeking to get public funds should provide 'value for money'. It states that this should be led by the 'value for money principles' defined in the Green Book, the government's guidance on appraisal. This essentially means weighing a project's costs against its benefits. It is also important to understand how appraisals will be carried out for NFM schemes, and how benefits will be prioritised.

I should note that, to be considered at all for funding, a scheme must qualify as NFM by (i) protecting, restoring or mimicking natural processes in catchments, floodplains, rivers, coasts or estuaries; and (ii) delivering a demonstrable flood or coastal erosion risk reduction benefit. The latest guidance indicates that at least 3% of FCERM investment will be allocated to NFM over the next three years, increasing to 4% over the next 10 years.

> "Appraisal methods remain weighted towards direct, fixed and readily quantifiable benefits"

Crucially, it's now much easier to submit standalone NFM schemes for FCERM funding in their own right – previously, projects were more difficult to justify through the government's partnership funding calculator. This opens things up more for non-governmental environmental organisations, charities or landowners to lead NFM projects. But these schemes must rely primarily or entirely on natural processes, rather than engineered defences.

PROTECTING VULNERABLE COMMUNITIES

Interestingly, it's clear that there is continued policy emphasis on NFM and investment in more deprived communities, reflected through explicit strategic funding targets and prioritisation objectives. Previously, funding tended to flow towards areas with higher property densities and asset values, where strong benefit-cost ratios were driven by the high cost of potential damage.

The new guidance suggests that deprivation levels will play a much stronger role in decision making, with decision makers scrutinising whether schemes support more vulnerable communities and deliver wider social impacts to the local population.

While a traditional economic appraisal remains a core component, there is now a greater focus on wider environmental and social outcomes alongside these metrics. From my perspective, it seems the emphasis, nationally, is moving beyond narrow cost-benefit calculations and towards a broader understanding of social value (*see 'Value added', pp. 30-32*), resilience and long-term outcomes.

It's also important to consider that maintenance and ongoing monitoring are a critical part of NFM – and any nature-based scheme – because of their inherent flexibility and variability in performance over time. From what I can see, the FCERM funding is only for capital works or formal refurbishment and not ongoing maintenance. This means that while FCERM funding can support the creation of NFM features, their long-term functional management may need to be planned for separately.

MAPPING THE FUTURE OF NFM

The Environment Agency (EA) has also produced new national NFM 'heat maps'. These visual aids aim to show areas where NFM interventions are "likely to provide the greatest flood risk benefits", and act as an early-stage screening tool for schemes. The maps are available to support projects that don't have access to local NFM benefits evidence and can help teams think at a catchment scale, encouraging consideration of multiple interventions, rather than single, isolated measures.

These maps are certainly helpful for early screening but they are limited in terms of the level of granular detail required to inform design decisions, and need to be followed by more detailed analysis using additional tools, modelling and specialist insight.

MEASURING SUCCESS

One of the hardest issues still to resolve is how social value, biodiversity, climate resilience and wider co-benefits are consistently monetised within FCERM appraisal. While the updated guidance signals a welcome shift towards recognising these outcomes, appraisal methods remain heavily weighted towards direct, fixed and readily quantifiable flood and erosion benefits, reflecting their roots in the economics of engineered assets. This presents a challenge for nature-based solutions that operate differently from engineered assets and are not readily captured by appraisal frameworks developed for fixed flood risk infrastructure.

NFM schemes often deliver their greatest value through cumulative, long-term and spatially distributed benefits, from habitat creation, boosted biodiversity and improved water quality to community wellbeing and climate adaptation. But these are difficult to express within a single cost-benefit ratio. As a result, wider benefits are frequently treated as secondary, or "enhanced", rather than integral to the scheme's value proposition.

Bridging this gap will be critical if NFM and other nature-based solutions are to scale meaningfully. We need improved evidence, robust data, clearer valuation methodologies and greater confidence in telling an honest, whole system story about what building good resilience looks like in practice.

Stantec's UK teams worked with the Wildlife Trusts and RSA (now Intact Insurance), to assess the multiple benefits of NFM. They looked at 10 NFM schemes created by individual wildlife trusts, aiming to quantify the ecological and socio-economic benefits of these projects in order to understand their value. These schemes included Upper Sherbourne from Warwickshire Wildlife Trust, which included leaky dams and retention pools, and Sheffield Wildlife Trust's Limb Brook wetlands scheme. The headline discovery in the resulting report was that NFM schemes can, in theory, deliver up to £10 of benefits for every £1 invested over a period of 30 years.

By helping quantify the value of working with natural processes, including for flood risk mitigation, we can build a better knowledge base to see the benefits for nature, society and climate. At the time of the report's launch last year, public financing was a key challenge that we stressed needed to be addressed, so it's heartening to see new guidance released in 2026 that supports this.

An example of a leaky dam installed to slow the flow of water in a catchment

WARWICKSHIRE WILDLIFE TRUST

FINDING AND LEVERAGING PARTNERS

Partnership funding is another crucial factor which will help secure higher priority for flood and coastal resilience schemes. The policy guidance states that projects should use FCERM investment money to attract extra contributions from public, private and charitable partners. It also says that schemes that can attract and secure additional funding are more likely to be taken forward. From my experience, I know that this is about identifying stakeholders who also benefit from the scheme and engaging them as early as possible. Project leads need to seek out partners who stand to gain significantly from improved resilience and social value outcomes.

> "By helping quantify the value of NFM, we can build a better knowledge base"

The Benacre and Kessingland Flood Risk Management Project is a good example of this in action. The £59.1 million infrastructure initiative, supported by Stantec, is being delivered in partnership with the EA, Suffolk County Council, East Suffolk Council, the regional flood and coastal committee, and Sizewell C, the nuclear power station being built just down the coast. It aims to reduce flood risk in Kessingland and the Lothingland Valley while delivering wider environmental and community benefits, with 82 hectares of new saltmarsh created as a habitat for birds, fish and a range of other wildlife. Recognising the wider community and environmental benefits of the scheme, a significant portion of partnership funding was donated by Sizewell C as part of the operator's social value fund. This creative collaboration allowed the scheme to move forward and optimise its environmental benefits.

While partnership contributions can strengthen the economic case for new projects, it's worth considering that refurbishment schemes may find it harder to attract partnership funding or incorporate broader social value or biodiversity enhancements, because their focus on existing assets can limit the scope for delivering additional benefits.

A STEP IN THE RIGHT DIRECTION

Together, the guidance and the heat maps show there is a continued shift in England's policy towards long-term, holistic solutions that deliver wider environmental and community benefits alongside direct risk reduction. For organisations involved in shaping and delivering these projects, our challenge now is to turn this intent into practical, evidence-led schemes. The stronger focus on NFM, value for money and social value shows that flood and coastal risk management can be about protecting assets and strengthening communities simultaneously. There are still challenges in how we quantify wider benefits, but this guidance is a positive step, reflecting how flooding is really experienced across whole catchments and over time.