

Summary: Intervention & Options

Department /Agency: Flood Management, Defra	Title: Impact Assessment identifying options for providing support to communities in adapting to coastal change.	
Stage: Options	Version: 1	Date: 15 June 2009
Related Publications: Impact Assessment for Coastal Erosion Assistance Package (link) Coastal Change Policy consultation document (link)		

Available to view or download at:

<http://www.defra.gov.uk/corporate/consult/coastal-change/index.htm>

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What is the problem under consideration? Why is government intervention necessary?

The Government is committed to effective management of flood and coastal erosion risk and will defend where it is sustainable and affordable to do so. However, there will be some locations where it is not sustainable to build new defence structures or maintain existing ones. Where this is the case, communities will need to start preparing for and managing change. The Government has already made significant progress with a programme of activities designed to support adaptation, including a £5million grant scheme to help individual households introduce resistance and resilience measures which will offer protection from flood risk.

There is however currently no support for communities adapting to the physical effects of coastal change and the impacts that the wider socio-economic impacts that this can have on the vitality of communities. The concept of a coastal change fund is designed to help plug this gap and will be piloted by pathfinder local authorities to enable them to explore approaches to planning for and adapting to change.

What are the policy objectives and the intended effects?

The aim is to help support communities in planning for and adapting to coastal change. We want to learn more about what this might mean in practice for communities and what support would be appropriate. This IA identifies some options and we will explore the preferred option through a pathfinder programme. This will enable innovative approaches to adapting to coastal change to be explored, drawing on the guidance and ideas contained within the Coastal Change policy. The lessons learned from the pathfinder programme will be used to inform future development of policy and guidance.

What policy options have been considered? Please justify any preferred option.

We have considered three options for exploring uses of the coastal change fund to inform future development of policy and guidance:

Option 1: “Do nothing” option. There would continue to be no additional help for communities needing to adapt to the affects of coastal change. Any measures, interventions or support schemes would need to be provided through existing funding streams.

Option 2: Introduction of a Coastal Change Fund to be piloted through a pathfinder scheme. This would be a new fund established to help support coastal communities adapt to coastal change. The fund would be piloted by coastal change pathfinders who would be able to use it to support community engagement and adaptation planning. Additionally, the fund could also be used by pathfinders to support delivery of practical adaptation measures that are identified through the community adaptation planning, supplementing existing funding streams as appropriate.

Option 3: Introduction of a Coastal Change Adaptation Planning Fund to be piloted through a pathfinder scheme. As with Option 2 but with the fund focused on adaptation planning and associated community engagement, but not available to fund approaches or supplement existing funding streams, to deliver practical adaptation measures.

Option 2 is the preferred option as it enables a wide-ranging exploration of possible options and approaches to supporting community adaptation and doesn't risk unfunded new burdens for selected pathfinders.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The pathfinder programme has ongoing review built into it and is designed to inform future policy development in this area, including whether to continue with the coastal change fund and make it available more widely. The pathfinder programme will run for 18months and the selected pathfinders will explore possible approaches to planning and managing change in the light of the particular circumstances of their local communities. They will test these approaches, and report on and share good practice. An evaluation exercise will be undertaken to consider the effectiveness of the pathfinders and the fund.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

..... Date:

Summary: Analysis & Evidence

Policy Option: 2 – preferred option

Description: Coastal Change Fund – planning for and adapting to coastal change

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by ‘main affected groups’ Government grant to local authority pathfinders to undertake work on piloting approaches to planning for and carrying out adaptation activities in response to coastal change.
	One-off	Yrs	
	£ 11,000,000		
	Average Annual Cost (excluding one-off)		
	£		Total Cost (PV)
			£11,000,000
Other key non-monetised costs by ‘main affected groups’ None identified at this stage, pathfinder programme provides opportunity to identify any additional costs to inform development of future policy/guidance.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by ‘main affected groups’ Difficult to quantify benefits. Pathfinder programme provides opportunity to identify any monetised benefits to inform development of future policy/guidance. This option would provide a broad range of evidence covering planning for and adapting to coastal change.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ 0		Total Benefit (PV)
			£ 0
Other key non-monetised benefits by ‘main affected groups’ Additional support to coastal local authorities to enable them to plan for and manage adaptation, associated benefits for long-term sustainability and viability of communities affected by coastal change.			

Key Assumptions/Sensitivities/Risks That providing support for community adaptation (both for planning and managing change) will enable proactive responses to be considered and that this is preferable to late, reactive interventions when coastal change impacts are being felt. This fundamental assumption will be tested through the pathfinder programme.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £-11,000,000
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What is the geographic coverage of the policy/option?		England		
On what date will the policy be implemented?		Autumn '09		
Which organisation(s) will enforce the policy?		N/A		
What is the total annual cost of enforcement for these organisations?		£	N/A	
Does enforcement comply with Hampton principles?		Yes		
Will implementation go beyond minimum EU requirements?		Yes		
What is the value of the proposed offsetting measure per year?		£	N/A	
What is the value of changes in greenhouse gas emissions?		£	N/A	
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
	£0	£0	£0	£0
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase -		
Increase of	£ 0	Decrease	£ 0	Net Impact £

Key:

Annual costs and benefits: (Net)

Summary: Analysis & Evidence

Policy Option: 3

Coastal Change Fund planning for adaption to coastal change

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Government grant to local authority pathfinders to undertake work on piloting approaches to planning for change resulting from coastal change.
	One-off	Yrs	
	£ 11,000,000		
	Average Annual Cost (excluding one-off)		
	£ 0		
			Total Cost (PV) £ 11,000,000
Other key non-monetised costs by 'main affected groups' Potential additional costs to local authority pathfinders to resources practical measures to managing change identified in adaptation planning.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Difficult to quantify benefits. Pathfinder programme provides opportunity to identify any monetised benefits to inform development of future policy/guidance.
	One-off	Yrs	
	£0		
	Average Annual Benefit (excluding one-off)		
	£ 0		
			Total Benefit (PV) £ 0
Other key non-monetised benefits by 'main affected groups' Additional support to coastal local authorities to enable them to manage adaptation, associated benefits for long-term sustainability and viability of communities affected by coastal change.			

Key Assumptions/Sensitivities/Risks That providing support for community adaptation planning will enable proactive responses to be considered and that this is preferable to late, reactive interventions when coastal change impacts are being felt. This fundamental assumption will be tested through the pathfinder programme.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £-11,000,000
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What is the geographic coverage of the policy/option?		England	
On what date will the policy be implemented?		Autumn '09	
Which organisation(s) will enforce the policy?		N/A	
What is the total annual cost of enforcement for these organisations?		£ N/A	
Does enforcement comply with Hampton principles?		No	
Will implementation go beyond minimum EU requirements?		Yes	
What is the value of the proposed offsetting measure per year?		£ N/A	
What is the value of changes in greenhouse gas emissions?		£ N/A	
Will the proposal have a significant impact on competition?		Non	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium Large
Are any of these organisations exempt?	N/A	N/A	N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase -	
Increase of £	Decrease £	Net Impact	£

Key:

Annual costs and benefits: (Net)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. Introduction

Coastal change has shaped the English coastline for millennia, with coastal communities experiencing erosion, instability and flooding. However, whilst change is not new, the risk of coastal erosion and flooding has been heightened by man-made climate change through predicted rises in sea levels together with the potential increase in the intensity, severity and frequency of coastal storms. We know from the latest science on climate change that these risks will increase over the next 100 years. We also know from the Stern Review on the Economics of Climate Change that investing in adaptation measures now will save costs to society in the long run. Given the expected impacts of climate change on coastal change, this principle is also relevant for coastal change.

Government is investing some £2.15 billion over the current spending review period on effective management of flood and coastal erosion risk. However, as recognised in the *Making Space for Water* (2005) Strategy, the challenges of climate change mean that it may not be possible to maintain the current standard of protection in all areas. The *Making Space for Water* Strategy advocates approaches to flood and coastal erosion risk which are based on ensuring that any investments are sustainable in terms of their social, economic and environmental impacts. In some cases, this may mean that traditional defences are not sustainable and that higher levels of risk have to be accepted.

The Strategy also committed to working with communities to help them to manage these higher risks through a programme of measures described at the time as an “Adaptation Toolkit”. Progress has already been made on a number of measures such as a £5million grant scheme designed to help individual households introduce resistance and resilience measures to offer protection from flood risk.

The Coastal Change Policy consultation document is a key part of this wider package of measures and is designed to complement other measures like the household resilience grant scheme by providing support to coastal communities on how to plan for and adapt to the impacts of coastal change. It provides information about existing schemes, mechanisms and approaches which could be applied or explored by communities as part of their approach to planning for and adapting to the impact of coastal change. It also invites views on whether these approaches/mechanisms could be improved and for ideas as to how this could be done.

The proposed coastal change fund is designed to support community adaptation activity. The focus of this options Impact Assessment is the costs and benefits of the fund and the proposed approach to establishing pathfinders to trial the fund. It does not consider a national roll-out of the fund as that is something that will be influenced both by lessons learned from the pathfinders and consultation responses, and will be dependent on the outcome of future spending reviews. A separate partial Impact Assessment has been developed to support the proposed approach to assisting homeowners experiencing complete loss of a property as a result of erosion. If pursued, the funding for this would also come from the Coastal Change fund.

2. Rationale for government intervention

The UK Government is committed to enabling sustainable communities through our various activities. Sustainable communities are described as being:

- Active, inclusive and safe - fair, tolerant and cohesive with a strong local culture and other shared community activities.
- Well run - with effective and inclusive participation, representation and leadership. Environmentally
- Sensitive - providing places for people to live that are considerate of the environment.
- Well designed and built - featuring a quality built and natural environment.
- Well connected - with good transport services and communication linking people to jobs, schools, health and other services.
- Thriving - with a flourishing and diverse local economy.
- Well served - with public, private, community and voluntary services that are appropriate to people's needs and accessible to all.
- Fair for everyone - including those in other communities, now and in the future.

Research undertaken on behalf of the Department by Cardiff University highlighted a number of ways in which the impacts of coastal change can threaten the sustainability and long-term viability of coastal communities. In particular, it underlined how these impacts can be compounded when a local population become aware of changes, or what they perceive to be changes, in the strategic policy for managing the coast developed through Shoreline Management Plans. The research identified a range of affects including uncertainty, resultant stress, economic blight (in terms of properties, both homes and businesses) and subsequent social blight that can have wider impacts on entire communities. Drawing on case studies, the report provides a description of the downward spiral of social wellbeing that this combination of factors could provoke:-

“Businesses may close because reduced property values may result in bankruptcy, because local demand for goods or services falls below the level that the business is viable, because lack of maintenance and establishment of unattractive interim uses reduces the environmental quality sought by visitors or because people no longer feel safe staying in/visiting the area. This reduces local employment and, therefore, local spending power; the community falls into a spiral of decline in which the people in the community feel trapped. The stress of the immediate situation is compounded by parents’ concern that they will no longer be able to support their families in the future. At some stage, public services like schools and health facilities may be threatened if numbers of users decline or if transport infrastructure serving the community is lost and not replaced.”¹

Work undertaken by Risk & Policy Analysts in North Norfolk² provides some quantitative estimates of the impacts of coastal change in those parts of the district where there was a no active intervention defence policy (over the next 100 years). These included £5.7 million of losses associated with impacts on businesses, and £3.2 million of costs associated with blight, derelict properties and loss of public buildings and facilities. In addition, the report also found that the estimated £357 of annual spend by visitors in North Norfolk was also likely to be negatively impacted as the area experienced damage to coastal roads, access to beaches and loss of tourist assets. The report does not calculate what this cost could be.

¹ *Adapting to changing coastlines and rivers: preliminary report* (July 2006), Cardiff University, available at <http://www.defra.gov.uk/enviro/fcd/adaptationandresilience/sd2/sd2rp1.pdf>

² *North Norfolk Coastal Management Plan: Evidence Gathering Study 01* (August 2008), Risk & Policy Analysts Ltd, available at http://www.northnorfolk.org/files/North_Norfolk_CMP_Evidence_Gathering_Study_-_Final_Report.pdf

As such, investments to help communities to consider and plan for the long-term impacts of change and undertake measures to deliver adaptation could reverse these factors and long-term costs associated with inaction, and deliver net benefits. For example, if a process of adaptation planning identified maintenance of an accessible and attractive beach as key to maintaining a community's vitality then there may be a case for prioritising related adaptation activities such as maintaining access to the beach and associated community infrastructure such as beach board-walks.

However, despite the expected benefits of planning for and managing coastal change, there is evidence to suggest that such activity remains fairly uncommon. In part this is because coastal change tends to prompt a fairly narrow focus on defences, rather than broader issues such as adaptive responses or longer-term sustainability (particularly in light of climate change). One of the consequences of this is that there aren't many examples of practice of coastal change adaptation being actively planned for and managed. Work undertaken by Scott-Wilson on behalf of the Department has identified that this lack of mainstreaming may result in sub-optimal (potentially more costly) reactive policy responses being pursued only once the impacts begin rather than proactive responses considered at an earlier date. That is why there is a case for providing support to enable this area to be explored further to inform future policy and guidance.

3. Options analysis

A wide range of potential options exist to help communities adapt to the risks presented by coastal change. The UK Government has already implemented a variety of actions through its Making Space for Water Programme. The December 2007 update report on this Strategy undertook to consider the options available for helping communities adapt to the threat of increased erosion or flood risk, particularly in coastal areas where traditional forms of defence may not be cost effective or sustainable. It stated that any tools resulting from this would be designed to help achieve sustainable, long-term management, focusing on enabling communities to adapt to both short term and longer term changes, working with natural processes where possible.

Significant progress has already been made in a programme of activities designed to support adaptation, for example:-

- *Better information about risk*: published flood risk maps, and improvements to the information availability around Shoreline Management Plans so that people have better access to information
- *Better engagement in managing risk*: the Environment Agency has, and continues to deliver this through the 'Building Trust with Communities' programme.
- *Individual Household Measures*: a £5 million grant scheme has been established to help individual households introduce resistance and resilience measures which will offer protection from flood risk.
- *Role of the Planning System*: Planning Policy Statement 25 introduced a new risk-based approach to managing development in flood-risk areas.

The draft coastal change policy framework is, therefore, part of an integrated suite of Government responses to the wider issue of adapting and providing resilience to coastal change and flooding. The draft coastal change policy framework that we are consulting on provides an overview of what adaptation to coastal change can mean for the people and places that make up coastal communities. It emphasises the importance of communities planning for adaptation and explores a number of approaches to managing adaptation for individuals, businesses, local infrastructure and the historic and natural environment.

Currently, there is no discrete Government funding available to support these activities. The purpose of this Impact Assessment is to identify the options that have been considered for providing support to communities in adapting to the risks associated with coastal change. It focuses on the establishment of a Coastal Change Fund which will be piloted through a pathfinder scheme. The lessons learned from the pathfinders will inform options for future development of policy and/or guidance in this area, and any associated consultations or impact assessments.

In parallel to inviting bids from local authorities wishing to become pathfinders, we are seeking views on guidance and ideas for pathfinders to explore, as well as consulting on a possible approach to using part of the fund to provide financial assistance, via authorities, to homeowners who experience complete loss of their home as a result of coastal erosion. This proposal is covered in a separate, consultation stage Impact Assessment.

This Impact Assessment identifies three options for providing support to coastal communities in adapting to coastal change. An overview of these together with a description of the likely costs and benefits associated with them is provided below:-

Option 1: “Do nothing” option. There would continue to be no additional help for communities needing to adapt to the affects of coastal erosion. Any measures, interventions or support schemes would need to be provided through existing funding streams.

Option 2: Introduction of a Coastal Change Fund to support community engagement and adaptation planning. Additionally, the fund would also be available for use in supporting delivery of practical adaptation measures that are identified through community adaptation planning, supplementing existing funding streams as appropriate.

Option 3: Introduction of a Coastal Change Adaptation Planning Fund. As with Option 2 but with the fund focused on adaptation planning and associated community engagement, but not available to fund approaches or supplement existing funding streams, to deliver practical adaptation measures.

4. Costs and Benefits

Option 1

Currently there is no additional help available for communities affected by coastal change. Any measures, interventions or support schemes are provided through existing funding streams. Within this existing framework, there is scope for local authorities, potentially coming together with a wider range of partners, to deliver support for affected communities. Adapting to coastal change is not a new phenomena, the English coastline has been changing for millenia, and so it is not surprising that in some places, measures designed to support communities adapt are already in place and being pursued.

Recent policy developments have increased the scope for local government to focus available resource on issues that are key for their local community. This could include adapting to coastal change in places where this is a risk. For example, the 2000 Local Government Act provides local government with the power to promote or improve the environmental, social and economic well-being of their area.

Benefits

Under this option, local authorities would still have scope to explore approaches to planning for and managing adaptation and would be able to shape their approach to reflect local

circumstances and priorities. There would be no additional cost to Government associated with this option because the expectation would be that local authorities would draw from existing funding streams.

Costs

Evidence from a workshop run by Defra in late 2008 together with a study carried out by Scott-Wilson on Defra's behalf, suggests that current approaches are not resulting in coastal change adaptation becoming mainstreamed in all areas. In particular, the lack of discrete support makes it difficult for local authorities to give priority to long-term adaptation planning and engagement of their communities in preparing for change and identifying adaptation priorities.

The do nothing option also leaves it to local authorities to bear the costs associated with both planning for and managing adaptation to coastal change, in their entirety. The effect of this could be a more ad hoc approach to adaptation, with variation between areas depending on a range of factors from other spending priorities to the level of understanding of the extent of the risk posed by coastal change. This sort of approach would not be sustainable in the long term, especially if lack of timely adaptation planning resulted in last minute, emergency action becoming necessary. As Stern identified, the costs of adapting in a timely fashion are lower than the costs involved with delay. It would also undermine the scope for delivery of the sustainable, well-adapted coastal communities that Government has committed to.

Options 2 and 3 therefore explore different ways in which Government could intervene to support community adaptation to the risks of coastal change. They both involve the establishment of a new coastal change fund for which up to £11 million is being made available for the remainder of the current spending review period, but differ in the scope of what such a fund would cover.

Option 2

Under option 2, the fund would be available to support community adaptation planning and associated engagement. Additionally, it would be available to support practical measures, identified through the adaptation planning process, which help communities adapt to change on the ground and support delivery of sustainable communities in a way that represents value for money. The coastal change consultation provides some examples of the types of practical measures pathfinders may want to explore. These could range from supporting the relocation of community infrastructure that enables access and enjoyment of a beach to exploring options to prevent at risk properties (both homes and businesses) from becoming dilapidated (e.g. basic maintenance or, potentially, buying properties and renting them out),

It is expected that in many instances, such practical measures would be predominantly supported by existing funding streams such as those for highways and local infrastructure/assets. Under this option, the coastal change fund would not provide an alternative source of funding to these existing streams. It would though be available to supplement them as appropriate in order to drive practical measures which enable communities to adapt. We would like to explore further how this would work in practice, and learn more about what sort of practical measures a coastal change fund could supplement and the associated costs and benefits. This is something that would be part of the pathfinder approach. On the basis of our current understanding the following preliminary costs and benefits can be identified.

Benefits

Providing local authorities with additional support to actively plan for adaptation and enable existing activities to be considered and managed in the light of what this adaptation planning shows, should enable adaptation to become mainstreamed in communities that are impacted by coastal change. In doing so, it should reduce the risks of the downward spiral of social blight described above, and the associated economic and social costs associated with this.

By enabling the fund to be used for practical adaptation measures as well as adaptation planning, this option should optimise these benefits by giving local authorities extra support and confidence to take positive steps to facilitating community adaptation,

Costs

The principal costs would be those incurred by Government in providing £11,000,000 of grants, within the current CSR period, from the coastal change fund to pathfinders.

Option 3

Under option 3, the fund would be focused on supporting community adaptation planning and associated community engagement, but would not be available to support delivery of practical adaptation measures.

Benefits

The fabric of sustainable communities is formed by a diverse range of elements – infrastructure and amenities, businesses and properties, the historic and natural environments – which will vary from place to place and which could all be impacted by coastal change. Therefore, undertaking effective adaptation planning which considers all these impacts and the interdependencies between them will not be a straightforward process. Limiting the fund to adaptation planning could enable a focused, considered approach to ensure an effective plan.

Costs

The principal costs would be those incurred by Government in providing £11,000,000 of grants, within the current CSR period, from the coastal change fund to pathfinders.

By focusing solely on community adaptation planning and associated engagement, option 3 would not provide any support to enable local authorities to explore practical measures identified through the adaptation planning work they will have undertaken with their communities. This could limit the overall effectiveness of the fund as it would not tie adaptation planning activity to practical delivery on the ground. It is also likely that it would result in new burdens being placed on local authorities to find additional resource to make the measures identified in their adaptation planning work happen.

It seems prudent to explore option 2 further and we are establishing a coastal change pathfinder scheme in order to do this. As pathfinders will be expected to include community adaptation planning in their approach, in practice the pathfinders will also shed light on whether option 3 would be preferable (for example, if the pathfinders revealed that the key gap in existing practice was focused adaptation planning activity and that simply having this in place was sufficient to drive delivery of practical measures on the ground).

Our intention is that the scheme will run for 18 months in which time pathfinders would have access to the coastal change fund to support community engagement and adaptation planning; and to support delivery of practical adaptation measures that are identified through the community adaptation planning, supplementing existing funding streams as appropriate. Ongoing monitoring and review will be an integral part of the pathfinder programme to ensure that lessons can be learned and to enable a fuller understanding of costs and benefits to be gained. This in turn will feed into ongoing evaluation of these options and inform any associated future developments of policy and/or guidance.

5. Other impacts considerations

Competition Assessment

The questions to be answered in a competition filter assessment are presented in the table below:-

Table x: Competition Assessment Filter

- | | |
|-----|---|
| Q1 | In the market(s) affected by the new regulations, does any firm have more than 10 percent market share? |
| Q2. | In the market(s) affected by the new regulation, does any firm have more than 20 percent market share? |
| Q3. | In the market(s) affected by the new regulation, do the largest three firms together have at least 50 percent market share? |
| Q4 | Would the costs of the regulation affect some firms substantially more than others? |
| Q5. | Is the regulation likely to affect the market structure, changing the number or size of firms? |
| Q6. | Would the regulation lead to higher set-up costs for new or potential firms that existing firms do not have to meet? |
| Q7. | Would the regulation lead to higher ongoing costs for new or potential firms that existing firms do not have to meet? |
| Q8. | Is the sector characterised by rapid technological change? |
| Q9. | Would the regulation restrict the ability of firms to choose the price, quality, range or location of their products? |

A competition assessment is used to ensure that a proposed regulation does not have a negative or positive impact on some firms and not others. The questions above are typically used to assess whether any firms will be disproportionately affected. Where this is the case, the regulation may require modification to ensure that regulations imposed on business do not unfairly impact small firms, or drive the market to a less competitive state.

By its very nature, support to coastal communities in adapting to coastal change will only be relevant to businesses located on the coast, in areas where there is a risk of coastal change. Our intention is that in exploring ways of using the coastal change, pathfinders would be expected to fully engage communities in their approach to planning for and managing change, including local businesses.

In some areas, this may include exploring some of the approaches to supporting businesses affected by coastal change set out in the coastal change policy consultation. These approaches focus on ensuring that local businesses are aware of existing providers of support and advice and consider approaching these for support in relation to enabling their business to adapt to coastal change. The approach does not propose anything that would create a bias in favour of particular businesses and therefore does not have a competition impact.

Small Businesses

The emphasis on the potential role of the coastal change fund in supporting and engaging local businesses may have a slight benefit for small businesses. These are less likely to have the resources of larger firms to devote to activities such as adapting to coastal erosion. Having

access to wider support and guidance, and being able to participate in community planning activity, is therefore likely to be of greater benefit for small businesses.

Legal Aid

We don't envisage any legal aid impact.

Sustainable Development

As discussed in section 2 above, the rationale for intervention is underpinned by the benefits that supporting community adaptation to coastal change should have for maintaining sustainable coastal communities. It will therefore have positive impacts in relation to the five principles of sustainable development to which Government is committed to. These are:-

- Living within environmental limits;
- Ensuring a strong, healthy and just society;
- Achieving a sustainable economy;
- Promoting good governance; and
- Using sound science responsibly.

Rural Impacts

Appraisal of flood and coastal erosion defence projects includes an economic assessment, whereby the benefits are compared to the costs i.e. benefits are assessed on a unit cost basis and not on the absolute benefit of proposals. This ensures that smaller (perhaps rural) projects are considered on an equal footing to larger (perhaps urban) ones. There is no explicit bias against rural projects on the availability of funding, nonetheless projects are more likely to go ahead in higher populated areas where these protect larger numbers of people or higher asset values for a given cost. This means that planning for and adapting to coastal change may be particularly relevant for rural areas and, in turn, that support for adaptation could bring particular benefits for rural communities. In the light of this, the Commission for Rural Communities will be invited to be involved in the panel considering bids from prospective pathfinders.

Carbon Assessment, Other Environmental

We don't envisage any impacts in these areas.

Health Impact Assessment

Few people cope well with uncertainty; many do not cope well with change and there is some anecdotal evidence that, the risk of losing a home or parts of a community's fabric as a result of coastal change can have an impact on stress levels. Providing support to communities in adapting to change could therefore have a minor positive impact in respect of health.

Race, Disability, Gender and Other Equality

We don't envisage any impacts in these areas.

Human Rights

There will be no human rights impact.

