

18 February 2021

## **Flooding Update**

### **Purpose of report**

For discussion.

### **Summary**

#### Recommendations

1. To review current policy lines on flooding, see paragraphs 12-15
2. Respond to the consultation on changes to the Flood Re Insurance scheme, ensuring that affordable flood insurance is available to all households in high risk flood areas
3. Engage local authority officers and members ahead of submitting evidence to the Defra and MHCLG review of flooding funding for local authorities

#### Action

As directed by the Board

**Contact officer:** Hilary Tanner/Andrew Richmond

**Position:** Senior Adviser/Adviser

**Phone no:** 07899 896577

**Email:** [hilary.tanner@local.gov.uk](mailto:hilary.tanner@local.gov.uk)/[andrew.richmond@local.gov.uk](mailto:andrew.richmond@local.gov.uk)

## **Flooding Update**

### **Impact of climate change**

1. Last year's winter was the fifth wettest winter on record (since 1862) and since 1998 we have seen six of the ten wettest years on record. So far in 2020/21, Storms Bella and Christoph have battered England and Wales with 2000 homes and business in south Manchester were put on evacuation alert on 20 January 2021. Hundreds of people were told to evacuate in Maghull in Merseyside and more than 30 people had to evacuate in Ruthin North Wales as well as the entire village of Bangor on Dee. Over the coming decades the risk and impact of flooding are expected to increase because of population growth and climate change.
2. According to the Defra consultation on changes to the Flood Re Insurance Scheme, flooding causes an average of £1 billion of damage each year to businesses and households in the UK<sup>1</sup>, as well as significant harm and disruption to infrastructure, health, wellbeing, land and natural habitats. Flooding also has an equalities impact, disproportionately affecting the poorer in society<sup>2</sup>.
3. The Environment Agency estimates that 5.2 million homes and businesses in England are at risk of flooding and that around 700 properties are vulnerable to coastal erosion over the next 20 years. In addition, more than two-thirds of properties in England are served by infrastructure sites and networks located in (or dependent on others in) areas at risk of flooding.<sup>3</sup>
4. In the March 2020 budget government announced that £5.2 billion will be invested in flood and coastal defences over the next five years, from 2021. This includes £200 million allocated to innovative resilience projects.
5. The Environment Bill is silent on flooding and flood risk as it is on climate change adaptation. Water as a resources, drainage and sewerage and water abstraction are included for the purposes of amending the Water Industry Act 1991 and the Water Resources Act 1991. Water quality is included for the purposes of enabling future

---

<sup>1</sup><https://consult.defra.gov.uk/flood-insurance-preparedness-team/amendments-to-the-flood-re-scheme/consultation/intro/>

<sup>2</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935599/Social\\_deprivation\\_and\\_the\\_likelihood\\_of\\_flooding\\_-\\_summary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935599/Social_deprivation_and_the_likelihood_of_flooding_-_summary.pdf)

<sup>3</sup> National Audit Office November 2020

18 February 2021

regulations to amend or modify any legislation relating to the chemical status of surface water or ground water.

### **Update on the new flood risk management strategy and reviews of flood risk management policy**

6. On 25 September 2020 the National Flood and Coastal Erosion Risk Management (FCERM) Strategy for England was adopted. The FCERM Strategy offers a new long-term approach to improve the resilience of the nation setting out national ambitions for England. The Strategy sets out the long-term delivery objectives the nation should take over the next 10 to 30 years. The three long term ambitions of the FCERM Strategy are for: climate resilient places; today's growth and infrastructure resilient in tomorrow's climate; and a nation ready to respond and adapt to flooding and coastal change.
7. The strategy includes four approaches to managing flood and coastal resilience that risk management authorities can progress with partners.
  - improve place making – making the best land use and development choices,
  - better protect – building and maintaining defences
  - ready to respond – planning for and responding effectively and
  - recover quickly – getting back to normal and building back better.
8. In October 2019 Government commissioned an independent review of the arrangements for determining responsibility for surface water and drainage assets. This review was undertaken by David Jenkins, Chair of the Wessex Regional Flood and Coastal Committee.
9. In November 2020 the National Audit Office published a report into Managing Flood Risk. The report evaluates whether governments approach to managing the risks of flooding and coastal erosion is achieving value for money.
10. Efra Parliamentary Committee on flood risk published its recommendations in February 2021. Their report points out that local authorities will be a key delivery partner for the Government's new flooding policies, so they are very concerned by evidence of inconsistency and shortcomings in capacity. The Efra committee notes that Government has recognised the need to review funding for local government statutory flood risk functions, and it is essential that this review is completed in good time especially given the wider financial pressures local authorities are facing.
11. The Parliamentary Public Accounts Committee is reviewing spending on managing flood risk. We await their recommendations.

18 February 2021

### **Taking flooding risk management forward – key issues**

12. The new National Flooding and Coastal Erosion Strategy sets out an ambition for adaptation to flooding and coastal change to be integrated into daily activities and projects. This includes providing timely and quality planning advice that helps avoid inappropriate development in areas of risk and coastal change. Parliamentary committees have raised concerns about planning permissions being granted for housing in flood risk areas, and questioned whether national planning policy pays sufficient attention to the impact of climate change. The LGA has pointed out that the majority of planning applications granted in flood risk areas are made in line with advice from the (97% in the last four years). **Members may wish to consider whether this response is sufficient to address public concern.**
13. On funding, all the reviews listed above have highlighted the need for councils to be properly resourced. The EFRA Parliamentary Committee welcomed Government's committed to doubling capital investment in flood risk management, but said that it is critical that this is not wasted by failing to maintain existing defences. The NAO highlighted the reliance on public funding to support flood risk investment, with 90% of partnership funding for the Environment Agency projects being funded by local government. **The LGA's core ask on funding for flood risk management is for the national capital funding pot to be devolved to local areas. Members may wish to review whether this still fits with the current situation of councils or should be updated.**
14. The FCERM strategy sets out an ambition to speed up the time it takes communities to recover from severe flooding. The EFRA committee noted that there is an absence of support for the long-term recovery of communities in the aftermath of a flood. The LGA has highlighted the shortfall in funding for flood emergencies and the limitations of the Bellwin Scheme and other emergency funds made available to householders and businesses. **Members may wish to offer to work with Government to redesign the Bellwin Scheme.**
15. David Jenkins and the EFRA Committee both expressed concerns about current arrangements for managing the risk from surface water flooding. The EFR committee's view is that the current approach to promoting sustainable drainage systems, coupled with the persistence of the automatic right to connect surface water drainage to the public sewer, is not working. The LGA has highlighted the need for adequate funding in this aspect flooding. **Members may wish to consider whether lines on reducing the risk of surface water funding should go further.**

Table: Alignment between LGA recommendations and stakeholder views

<u>Funding for councils to manage flood risk:</u>	
LGA	<p>Funding for flood defences should be devolved to local areas and sit within a new national framework for addressing the climate emergency.</p> <p>Government should fully fund the development and implementation of local authority climate change adaptation plans</p>
EFRA committee	Government must ensure that councils are properly resourced to implement their existing functions and the governments new flooding policies
<u>Reform of the main source of funding – the grant in aid process:</u>	
LGA view:	<p>Moving to a block grant funding approach and allowing local authorities to self-assure small projects would be far more beneficial for smaller scale projects and local priorities.</p> <p>In areas of regular and/or severe flooding events the grant formulas should reflect these local circumstances to ensure access to sufficient amounts of funding.</p>
<u>Responding to flood emergencies</u>	
LGA view	Improve the Bellwin scheme for emergency flood relief so that councils can access bigger grants, more easily and more quickly. The scheme is vital for councils, but often does not cover the clean-up costs
<u>Leadership</u>	
LGA view	The LGA would like to work with Government on how councils will be supported to lead and implement the new national flooding and coastal erosion strategy locally
NAO	The EA has to rely on a wide range of other bodies to help deliver its strategy but struggles to coordinate their activities

18 February 2021

<u>Building resilience to increased flood risk</u>	
LGA view	<p>Building regulations should be changed to include mandatory flood protection measures for new properties. These would require developers to introduce measures like raised electrical sockets, fuse boxes, controls and wiring, sealed floors, and raised damp-proof courses.</p> <p>Nationally prescribed permitted development rights remove the ability of councils and local communities to shape the area they live in, and could also exacerbate local flood risk through the inappropriate use of non-porous materials on floodplains, and the cumulative effect this has on a local area.</p>
FCERM strategy	Provide timely and quality planning advice that helps avoid inappropriate development in areas of risk and costal change
<u>Equalities and fairness</u>	
LGA view	Communities that are repeatedly flooded need more help, including support for the impact on mental health
NAO	The governments approach is designed to ensure deprived areas do not miss out on funding, but the proportion of funding to these areas has reduced since 2014

16. The need for councils to be properly resourced has been highlighted in all of the recent reviews. Government has committed to carry out a review of funding for local authorities, but we are still waiting for more information on the timetable. To make a full response, the LGA will need to refresh its evidence base on the funding gap for managing flood risk.
17. The National Strategy sets out a significant shift in the approach to coastal erosion and flood risk, with a greater focus on resilience and nature-based solutions to flooding. The LGA has highlighted the need to build local authority capacity in these new skills, and recommends that joint training programmes take place between the Environment Agency and local authorities.

### **Review of flood insurance**

18. Following the devastating flooding event in Doncaster in 2019, Government commissioned Amanda Blanc, CEO of Aviva, to undertake an [Independent Review of Flood Insurance](#) as many of those affected did not have insurance cover. The following

18 February 2021

recommendations of the review that Defra has been asked to take forward require collaboration with local authorities.

- 18.1. Landlord Notification: Landlords of properties in high flood risk areas should provide their tenants with details of the building's insurance cover in place, including the support that would be provided by the insurer to the tenant in the event of a flood. Government should explore how to use its existing powers to ensure social sector landlords do so and consider the case for legislating to compel private sector landlords to comply.
  - 18.2. Landlord Buildings Insurance: Government should consider the broader case for legislating to require landlords to have buildings insurance that protects tenants in the event that the property is uninhabitable for an extended period.
  - 18.3. Local Authority Tenant Awareness: Local Authorities should ensure that tenants in high flood risk areas are given guidance on i) the range of risks they face in the event of a flood and ii) ways in which they can protect themselves with adequate insurance cover.
  - 18.4. Flood Re Low Income Affordability: Government should consider more direct ways to increase the take-up of contents cover for tenants in high flood risk areas. As well as promoting awareness, this should include reviewing the impact of the Flood Re premium for contents-only cover on the affordability of contents insurance for low-income households. At £52 for flood cover for Council Tax Band A and B properties, even the lowest Flood Re premium would be a very big uplift on a contents premium (the FCA estimate that the average cost for a new contents policy is £569) and create a cost barrier for low-income households who are already making difficult choices about how to ration their spending.
19. Government has recently launched a consultation on a few measures recommended in the review but none of them look to address these recommendations. The current consultation focusses on property owners that are willing, and intend to, introduce property specific flood prevention measures. The remainder of the consultation focusses on the legal requirements of the insurance industry.
  20. It is recommended that the LGA responds to the consultation as any barriers to insurance will place people in high-risk flood areas at a disadvantage. This may be down to affordability and also tenure, as tenants were found to have low awareness of flood risk and what they could do to protect themselves.

18 February 2021

### **Implications for Wales**

21. We will be looking to work collaboratively on any common issues and share learning with our WLGA colleagues.

### **Financial Implications**

22. This activity is within the scope of the current work programme. No financial implications have been identified.

### **Next steps**

23. Members to consider:

- 23.1 Seek to influence the scope of the forthcoming Defra and MHCLG review of local authority funding for flooding
- 23.2 Respond to the call for evidence on how local factors can be taken into account in the government's flood and coastal defence investment programme and how we can increase the uptake of Property Flood Resilience.
- 23.3 Engage with the consultation on the future of the Flood Re insurance scheme, and develop a set of key messages on the role of insurance in protecting the most vulnerable households