



Environment Agency

Draft National Flood and Coastal Erosion Risk Management Strategy for England

Response from AXA UK

About AXA UK

1. AXA UK (AXA) is part of the AXA Group, a worldwide leader in financial services. AXA Group operates in 61 countries with over 170,000 employees and 105 million customers. AXA has around 11 million customers in the UK and operates through specific operating companies – AXA Insurance and AXA PPP healthcare.

Executive summary

2. AXA welcomes the opportunity to submit to this consultation, as we believe that flood and coastal erosion risk management is a key part of mitigating the impact of flooding on the UK and that the Environment Agency is best placed to take the lead on managing this issue.
3. That said, insurers have a role to play in mitigating the impact of flooding and working with the Environment Agency. At AXA, through our Research Fund, we have provided £3.9 million to fund 27 UK based research projects into climate change, out of 60 projects on the Environment based in the UK and of 113 projects based in the UK overall.
4. AXA agrees with the intentions of the draft national flood and coastal erosion risk management strategy for England and believes it reasonably reflects the fundamental need for the UK to be resilient to flooding and coastal change. However, on a number of strategic objectives we believe the timeframe is too long and should be shortened, especially as the rate of flooding and coastal change is predicted to rise in the next decade.
5. We would also highlight additional measures which could be considered by the Environment Agency to enable better uptake of flood resilience – adapting building regulations to incorporate requirements for flood resilience and extending Flood Re to include additional expenditure beyond cost neutral flood resilient repairs that facilitate improved standards.

Questions

Question 1: To what extent do you agree with the vision: a nation ready for, and resilient to, flooding and coastal change – today, tomorrow and to the year 2100?

6. AXA agrees with the intentions outlined in the vision statement and consider it to reasonably reflect the fundamental need for the UK to be resilient to flooding and coastal change. To achieve the statement's vision there is a need for significant investment, AXA would therefore welcome further guidance regarding the sources of investment and the resources that will be used to fulfil the strategic objectives of the Risk Management Strategy.

Question 2: To what extent do you agree with the Environment Agency's proposed strategic overview role as set out in the chapter 'setting the context for the draft strategy'?

7. AXA is in agreement with the Environment Agency's proposed strategic overview. However, AXA would like further assurance from the Environment Agency that they are equipped with the resources to effectively carry out this management role.



8. Moreover, in our experience, the Environment Agency is best placed to take the lead in prevent planning of flood incidents and the immediate aftermath of flood events. We would welcome working even more closely with the Environment Agency in regards to both of these activities.

Question 3a: To what extent do you agree with strategic objective 1.1: Between now and 2050 the nation will be resilient to future flood and coastal risks. Over the next year the Environment Agency will work with partners to explore and develop the concept of standards for flood and coastal resilience?

9. AXA considers strategic objective 1.1 to be a sensible objective. However, from work completed in Department for Environment, Food and Rural Affairs roundtables on Flood Resilience, of which AXA has been involved, AXA believes there is still a significant barrier to overcome to educate property owners with regard to the benefits of investment in flood resistant and resilience measures.

Question 3b: Please provide comments on the measures described under strategic objective 1.1 and tell us about any additional measures you think there should be, and who could implement them.

10. AXA would emphasise the need for further clarity on which body will be responsible for the construction of standards for flood and coastal resilience to ensure they are effective. Moreover, expertise is fundamental to develop standards with regard to undertaking surveys, again AXA would seek further clarity on the entities responsible for this area.
11. There has been a significant amount of analysis on the risk reduction associated with investments in river flood defences, however, whilst this is commendable AXA believe it is important that an action plan for flood risk management places greater emphasis on addressing the risks associated with surface water flooding too.
12. AXA believes there are additional actions which will enable better uptake of flood resistance and resilience measures. First, building regulations need to be adapted to incorporate requirements for flood resistance and resilience in certain scenarios. Second, the scope of Flood Re could be extended (which would need to be factored into Flood Re pricing) to include additional expenditure beyond cost neutral flood resilient repairs that facilitates improved standards. A limit could be put in place per claim for this additional expenditure. Moreover, further analysis should be taken to identify if there is a suitable mechanism that could encourage the insurance industry to pay for additional expenditure beyond cost-neutral repairs.

Question 4a: To what extent do you agree with strategic objective 1.2: between now and 2050 risk management authorities will help places plan and adapt to flooding and coastal change across a range of climate futures?

13. AXA believes that the timeframe of over 30 years is not sufficiently focused to ensure sufficient risk management, considering the rates of flooding and coastal change predicted in the next decade. Intense flooding is becoming more regular in the UK, since 1911 there have been 17 record breaking rainfall months or seasons, nine of these have occurred since 2000 (Environment Agency, 2018). Considering the increased impact flooding has had in the last two decades, a time frame of ten years with focused targets may be more appropriate to ensure quicker improvements in this area.



Question 4b: Please provide comments on the measures described under strategic objective 1.2 and tell us about any additional measures you think there should be, and who could implement them.

14. It is often argued that insurers should consider providing a resilient option whenever ground floor repairs are carried out regardless of peril. AXA would like the Government to consider whether the current post-flood event grant scheme could be modified to provide proactive funding of cost-plus resilient repairs before a flood event occurs. The benefits of doing so before a flood event occurs are three-fold. Firstly, these works can then often be done without the occupant needing to vacate the property, lessening the impact on the individual, and secondly can be staggered to avoid strains on local authorities, which often occurs after a flood event due to the volume of work needed to be done. Finally, it would also mean that insurance reinstatement repairs post flood would not be held up waiting for the flood grant to be accepted.
15. As discussed elsewhere in this consultation document, AXA believes that building regulations should be adapted to incorporate requirements for flood resilience in certain scenarios. In relation to this, AXA would welcome further action to stipulate that developers building in high-flood risk areas should include flood resilience for new builds.

Question 5a: To what extent do you agree with strategic objective 1.3: between now and 2030 all those involved in managing water will embrace and embed adaptive approaches to enhance the resilience of our environment to future flooding and drought?

16. AXA agrees with the sentiments outlined in strategic objective 1.3.

Question 5b: Please provide comments on the measures described under strategic objective 1.3 and tell us about any additional measures you think there should be, and who could implement them.

17. AXA would like some further clarity from Government on their plans to invest in the roll-out of successful approaches and measures to improve environment resilience to future flooding and drought. AXA would also urge the Government to provide further assurance on whether there will be negative impacts from Brexit on meeting this strategic objective and for wider flood defence investment.
18. Furthermore, AXA does have some reservations that the timeframe for this strategic objective is not sufficiently focused considering the action that is necessary to improve environment resilience. We believe a shorter timeframe, for example 5 years, would be more appropriate.

Question 6a: To what extent do you agree with strategic objective 1.4: between now and 2030 risk management authorities will enhance the natural, built and historic environments so we leave it in a better state for the next generation?

19. AXA is in agreement with the sentiment of strategic objective 1.4 but would welcome the timeframe being extended further to ensure the objective is seen as an ongoing long-term commitment to provide benefit beyond the next generation.
20. Moreover, AXA would like further guidance from the Government on the types of risk management authorities that are being referred to within this objective.



Question 6b: Please provide comments on the measures described under strategic objective 1.4 and tell us about any additional measures you think there should be, and who could implement them.

21. AXA considers the listed measures outlined under strategic objective 1.4 to be reasonable.

Question 7a: To what extent do you agree with strategic objective 1.5: between now and 2030 risk management authorities will use funding and financing from new sources to invest in making the nation resilient to flooding and coastal change?

22. AXA is in agreement with strategic objective 1.5.

Question 7b: Please provide comments on the measures described under strategic objective 1.5 and tell us about any additional measures you think there should be, and who could implement them.

23. Although AXA agrees with the objective, further clarity would be welcomed to outline how the Government intend to maximise the green funding opportunity.

24. Furthermore, as outlined earlier in this consultation response, AXA would also urge the Government to provide further assurance on whether there will be negative impacts from Brexit on meeting this strategic objective.

Question 8a: To what extent do you agree with strategic objective 2.1: between now and 2030 all new development will contribute to achieving place-based resilience to flooding and coastal change?

25. AXA is in agreement with strategic objective 2.1.

Question 8b: Please provide comments on the measures described under strategic objective 2.1 and tell us about any additional measures you think there should be, and who could implement them.

26. AXA considers the measures outlined under strategic objective 2.1 to be credible. However, AXA do have reservations regarding the extent to which planners, developers and local authorities will be held accountable where new developments in high flood risk areas are affected by flooding. For example, insurers can currently recover from utility companies if there has been negligence that resulted in flooding but are unable to seek recover for planning or development negligence.

27. Furthermore, as the Government will be aware Flood Re is not available to properties built after 2009. Unless eligibility rules are changed for this system, insurers are unlikely to have the risk appetite to insure properties built after that date in areas at a high risk of flooding.

Question 9a: To what extent do you agree with strategic objective 2.2: between now and 2030 all new development will seek to support environmental net gain in local places?

28. AXA are in agreement with strategic objective 2.2.

Question 9b: Please provide comments on the measures described under strategic objective 2.2 and tell us about any additional measures you think there should be, and who could implement them.

29. Although AXA is in agreement with the strategic objective, AXA would welcome further clarity on how biodiversity net gains will be baselined and measured in the future.



Question 10a: To what extent do you agree with strategic objective 2.3: between now and 2030 all risk management authorities will contribute positively to local economic regeneration and sustainable growth through their investments in flooding and coastal change projects?

30. AXA is in agreement with strategic objective 2.3.

Question 10b: Please provide comments on the measures described under strategic objective 2.3 and tell us about any additional measures you think there should be, and who could implement them.

31. AXA would welcome further support and investment to ensure risk management authorities can contribute positively to local economic regeneration and sustainable growth.

32. Moreover, AXA believe that the good examples of improvement schemes such as Selly Park should be communicated more effectively to insurers and investors to educate on the benefits of regeneration and growth as a component of flooding and coastal change projects.

Question 11a: To what extent do you agree with strategic objective 2.4: between now and 2050 places affected by flooding and coastal change will be 'built back better' and in better places?

33. AXA is in agreement with strategic objective 2.4.

Question 11b: Please provide comments on the measures described under strategic objective 2.4 and tell us about any additional measures you think there should be, and who could implement them.

34. AXA is a contributor to the Department for Environment, Food and Rural Affairs roundtable on Flood Resilience and therefore recognise the benefits of 'built back better'. Although AXA recognise the benefits, we are not convinced that all stakeholders do. Therefore, AXA would welcome further measures to educate customers, insurers and investors on the benefits of investing in resilience. A potential measure could be showcasing examples of projects where resilience has had a significant reduction in flood damage and cost.

35. With regard to measure 2.4.1 including the timeframe of 2025, AXA would welcome emphasis on delivering changes that will speed up the uptake of property level resilience sooner. Flood Re should also recognise investment in resilience measures.

Question 12a: To what extent do you agree with strategic objective 2.5: between now and 2030 all flooding and coastal infrastructure owners will understand the responsibilities they have to support flood and coastal resilience in places?

36. AXA is in agreement with strategic objective 2.5, however AXA considers the timeframe outlined for strategic objective 2.5 to not be sufficient. AXA considers a more focused timeframe to be achievable, especially given that many of the roles and responsibilities are already clearly defined by legislation such as the Flood and Water Management Act 2010.

Question 12b: Please provide comments on the measures described under strategic objective 2.5 and tell us about any additional measures you think there should be, and who could implement them.

37. AXA would like further guidance on how this strategic objective will be effectively monitored to ensure that oversight of the responsibilities of stakeholders is independently scrutinised.



Question 13a: To what extent do you agree with strategic objective 2.6: now and 2050 the Environment Agency and risk management authorities will work with infrastructure providers to ensure all infrastructure investment is resilient to future flooding and coastal change?

38. AXA is in agreement with strategic objective 2.6 but given the costs and benefits of the measures outlined under this objective and the challenge of educating infrastructure owners, AXA has reservations about whether it is achievable. Therefore, AXA would welcome further clarity on the measures the Environment Agency will use to effectively achieve this task.

Question 13b: Please provide comments on the measures described under strategic objective 2.6 and tell us about any additional measures you think there should be, and who could implement them.

39. AXA considers 2.6.1 to be a repetition of the strategic objective rather than a defined measure of how the strategic objective will be achieved.
40. With regard to measure 2.6.2, AXA would like further clarity on which bodies will form the Task Force. To ensure an effective Task Force is created, industry bodies who carry influence need to be included.

Question 14a: To what extent do you agree with strategic objective 3.1: between now and 2030 young people at 16 should understand the impact of flooding and coastal change, but also recognise the potential solutions for their place, and opportunities for career development?

41. AXA is in agreement with strategic objective 3.1 but would welcome an extension of the timeframe beyond 2030 to ensure commitment is ongoing and that future generations are aware of the risks and causes of flooding.

Question 14b: Please provide comments on the measures described under strategic objective 3.1 and tell us about any additional measures you think there should be, and who could implement them.

42. AXA of course welcomes increased learning opportunities for young people at 16 to better understand the impact of flooding and coastal change. However, AXA believes that this type of education should also be delivered at an earlier age, flooding and coastal change could form an integral part of a child's education of climate change. Moreover, AXA would welcome the inclusion of local flood risks on the curriculum as well as national and world wide.
43. With regard to further educational opportunities for young people, AXA believes that different means of dissemination for this educational material should be used to ensure a wider reach, for example the use of social media.

Question 15a: To what extent do you agree with strategic objective 3.2: between now and 2030 people will understand the potential impact of flooding and coastal change on them and take action?

44. AXA is in agreement with strategic objective 3.2. However, AXA would welcome a more immediate and focused deadline as it should be a priority to ensure that the public, especially those in high flood-risk areas, understand what they can do to reduce the risks and impact of flooding.



Question 15b: Please provide comments on the measures described under strategic objective 3.2 and tell us about any additional measures you think there should be, and who could implement them.

45. With regard to measure 3.2.1, AXA would welcome increased sharing of real-life examples to be used as a tool to educate the public and businesses on how to carry out resilience and protection measures in a flood event to protect property. A good example of a case study that could be shared is Mary Dhonaugh who, after experiencing flooding on a number of occasions, launched knowyourfloodrisk.co.uk. The website offers helpful advice and campaigns to raise awareness of flooding.
46. AXA would like to emphasise the need to cater for and include vulnerable customers in measure 3.2.2. This also includes individuals who often do not use modern technology.

Question 16a: To what extent do you agree with strategic objective 3.3: between now and 2030 people will receive a consistent and coordinated level of support from all those involved in response and recovery from flooding and coastal change?

47. AXA is in agreement with strategic objective 3.3. However, similar to other strategic objectives AXA has reservations that the timeframe of the objective is not immediate enough.

Question 16b: Please provide comments on the measures described under strategic objective 3.3 and tell us about any additional measures you think there should be, and who could implement them.

48. AXA believes that increased resources are needed to sufficiently achieve this objective.
49. AXA also believes that local authorities should be more coordinated in their approach to response and recovery from flooding. Local authorities should have a flood protocol which defines the roles and responsibilities of all associated agencies and bodies which should include the insurance industry and their supply chain.
50. Moreover, AXA believes that there should be a more consistent approach to preventative maintenance by local authorities on preventative activities such as drain clearing and river dredging.

Question 17a: To what extent do you agree with strategic objective 3.4: between now and 2030 the nation will be recognised as world leader in managing flooding and coastal change, as well as developing and attracting talent to create resilient places?

51. AXA is in agreement with strategic objective 3.4. However, AXA would like further clarity on the criteria the Government would use to determine whether the UK can be considered a world leader in managing flooding and coastal change. The criteria of this objective will determine whether this objective is achievable in the set timeframe.

Question 17b: Please provide comments on the measures described under strategic objective 3.4 and tell us about any additional measures you think there should be, and who could implement them. AXA would welcome further clarity from the Government on whether there will be an impact from Brexit on the ability for the UK to attract talent in this field of expertise from outside of the UK.

52. AXA believes that emphasis should be placed on the reduction of the impact of flooding and coastal change rather than elimination. The measures associated with this strategic objective and others in this strategy should be clear on this point.



53. AXA would also welcome further guidance from the Government on whether there are sufficient resources available to achieve this objective within the set timeframe.

If you need to get in touch regarding the information in this submission, please get in touch with Public Affairs Executive, Jonathon Murphy, at jonathon.murphy@axa-uk.co.uk or on 07866032309.