

***Notes from UK Flood Risks Project Meeting
at Benfield Greig, 55 Bishopsgate, London
from 13:00 to 16:00 on Thursday, 2 December 1999***

Attendees:	Nigel Arnell	-	Southampton University
	David Crichton	-	ABI
	Bill Finlinson	-	ENTEC
	Colin Green	-	Middlesex University
	James Orr	-	TSUNAMI
	Edmund Penning- Rowsell	-	Middlesex University
	Julian Salt	-	Loss Prevention Council
	Simon Waller	-	Jeremy Benn Associates

Apologies:	Mike Clark	-	Southampton University
	Andrew Mitchell	-	Benfield Greig

Actions:

1. Andrew Mitchell to confirm whether Benfield Greig will provide the venue for a “brainstorming” workshop to be organised by Nigel Arnell in late February or early March 2000.
2. David Crichton to invite Elliot Morley, Minister for Fisheries and Countryside with MAFF, to address the above workshop.
3. James Orr to invite representatives from The Halifax (via CURBE, the Cambridge University Centre for Risk in the Built Environment), National House-Building Council and at least six key staff from the TSUNAMI consortium companies to join the above workshop.
4. James Orr to place documents relating to the UK Flood Risks Project on a secure directory of the TSUNAMI Web Site.

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GENERAL

- David Crichton confirmed that an initial strategy paper for the ABI in dealing with flooding risks in the UK was to be delivered in January 2000.
- The initial ABI strategy paper would be reviewed in the light of the discussions with the industry under the TSUNAMI UK Flood Risks Project and MAFF's "*High Level Targets for Flood and Coastal Defence and Elaboration of the Environment Agency's Flood Defence Supervisory Duty*" – see below.
- The ABI would ultimately seek to gain the mandate of its members, directly in consultation with the top (ten, say) players and through a postal vote of the remaining members.
- It was suggested that Lloyd's of London should also be consulted, given their role in providing reinsurance cover and some direct insurance of flood risks.
- Particular attention was directed by David Crichton to MAFF's High Level Target 12, which required that a report be delivered to MAFF and DETR by June 2000 on the Environment Agency's role in commenting on past local authority development plans.

MIDDLESEX UNIVERSITY STUDY TO IDENTIFY AND REVIEW POLICY ISSUES

- Colin Green presented a paper on "Flooding and the Insurance Industry" which (in line with work package 1 of Phase I) discussed the different causes of flooding, impacts on the insurance industry and the likely future changes in flood risks. The paper also set out some likely options for the insurance industry in dealing with the above developments.
- In particular, the paper asserted that the principle aim of flood management policy should be to achieve the most efficient use of flood plain areas. There was broad agreement on this point.
- David Crichton commented that the failure of guttering would normally be covered under either a flood or rainstorm provision on an insurance policy. However, "groundwater" flooding would be excluded.

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- The assessment of flood protection schemes varied between agricultural land, where an “opportunity” assessment would be carried out, and urban areas, where future developments could not be assumed. However, if an area was “zoned” for housing, then the local authority could be expected to fund flood protection.
- The balance between flood protection schemes and their impact on downstream areas was highlighted as critical. It was suggested that the ABI, in taking a collective view, could help put such decisions in perspective.
- The dangers of “upstream” risks, such as the transportation of refinery pollutants by a coastal surge, also needed to be balanced in flood management decisions.
- David Crichton described the Scottish approach, which he had developed, which categorised developments as “Strategic”, “Residential” and “Commercial”, with a consequently reducing requirement for flood protection.
- With a target of 60% of new housing development on “Brown Field” sites, it was possible that more properties would be built near water, as used by old industrial processes.
- Contaminated land could cause an added hazard in the presence of flooding. The British Geological Survey and the Environment Agency were collecting data, but the Government had recently abandoned a public register of such sites. On a similar point, recent plans for river restoration through re-establishing meanders may also release contaminants.
- Managed retreat was now seen as a valid option for flood management, particularly where land was formerly used for agriculture and populations were sparse.
- MAFF assistance for flood defence programmes was extremely rare, but might feasibly be allowed to support development of new housing, where continued development could be anticipated – say for an initial project to build 2,000 new houses in a planned area of 10,000.
- It was suggested that the ABI’s statement, that it would not provide cover in circumstances where the Environment Agency saw a significant risk of flooding, would have the effect of “internalising” the flood risk cost for developers.

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- David Crichton suggested that another option for insurers would be to insure only to the market value properties that were sold at a discount due to a higher risk of flooding. He also suggested that repeatedly flooded properties could be declared a “total loss” and rebuilt elsewhere, where flooding was less likely.

**SOUTHAMPTON UNIVERSITY PROPOSAL FOR DELIVERING WORK
PACKAGES ON INSURANCE INDUSTRY AND GOVERNMENT
REQUIREMENTS AND CONCERNS**

- Nigel Arnell presented Southampton’s paper on delivering work packages 3 and 4.
- A core element of the work would be to hold a “brainstorming” workshop with a broad representation of interested parties to identify the key areas of concern and try to develop some innovative potential solutions and actions.
- A discussion of the make-up of the audience for this workshop concluded that it should include:
 - TSUNAMI consortium company representatives, including Lloyd’s of London and the London Companies Market;
 - Representation from a major lending agency (e.g. The Halifax);
 - The Environment Agency;
 - Representation from house-building industry (e.g. NHBC);
 - MAFF;
 - Planning authorities.
- David Crichton offered to invite Elliot Morley, Minister for Fisheries and Countryside within MAFF.
- Benfield Greig would be asked to host the workshop.
- David Crichton asked that the questions to insurers be made more specific (e.g. “what concerns your CEO in dealing with flood?”, “what are you planning to do?”), and that they should draw the interviewee into a discussion of what the industry should seek to do and what role the ABI might play.
- David Crichton also requested that a senior researcher (e.g. Nigel Arnell or Mike Clark) should conduct the interviews and that the research assistant should be responsible for recording responses.

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- James Orr confirmed that a final copy of the TSUNAMI UK Flood Risks Project Report could be offered to interviewees in return for their participation in the work.

THE ABI INLAND FLOODING SCOPING REPORT

- Bill Finlinson of ENTEC briefly described their work on inland flooding in the UK, which has three main objectives:
 - A review of available data sources and methodologies for flood damage assessment;
 - Estimating the total potential financial loss in mainland Britain under severe flood;
 - Generating potential flood event “scenarios” to attempt to quantify losses from future Easter 1998-type events.
- An outline of the working document for the ENTEC report was distributed at the meeting. The first draft should be delivered before the end of this year.

SUPPORT FOR RESEARCH DOCUMENTATION

- It was agreed that documents relating to the research should be placed on a secure area of TSUNAMI’s Web Site.
- All documents would be stored in PDF format, which reduced the possibility of documents being altered subsequent to their presentation.

MATERIAL RELEVANT TO THE PROJECT

- David Crichton presented a paper from the Ministry of Agriculture, Fisheries and Food, which set out their high level targets for flood and coastal defence. The paper also included an elaboration of the Environment Agency’s flood defence supervisory duty.