



City of  
Westminster



THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA



Camden

London Environment Directors' Network

**LEDNET**

### **DEFRA Flood Insurance and Property Resilience Team**

We at Westminster City Council, Kensington and Chelsea Council, Hammersmith and Fulham Council, Camden Council and the London Environment Directors' Network are calling for Defra to reform the eligibility criteria for the Flood Re Scheme as it is not currently fit for purpose to support affordable home insurance in London. We have also been working closely with the Greater London Authority who are also concerned about the issues being raised. Our residents need, and deserve, access to affordable insurance cover and protection from the devastating effects of future flooding.

In July 2021, London experienced two significant flash floods that saw over 1,500 properties affected by flooding. Many of these residents were previously affected by flooding in July 2007 and June 2016. Since, residents have been struggling to get affordable insurance cover through the Flood Re scheme, or any home insurance at all that includes flood cover. One of the recommendations of the London Flood Review, an independent review of the July 2021 flooding commissioned by Thames Water, calls for further investment in Flood Re to expand eligibility. With the uncertainty around the impacts of climate change on the likelihood of further flash flooding our residents cannot wait any longer.

The main barriers for our residents in London to access affordable home insurance with adequate flood cover are:

- Buildings subdivided into more than three units are not eligible for Buildings insurance under Flood Re. This excludes many inner London residents being able to receive flood insurance cover. For example, 427 buildings in Westminster that have more than 4 residential units are at risk of significant or extreme flooding.
- Flood Re views subdivided buildings that are managed by private companies but occupied by leaseholders as 'commercial entities', and therefore will not provide any cover. Often, the freehold is shared by the leaseholders in the building and not through a profit-making business.
- There is a disparity between the assessment of risk of insurance providers and Thames Water. We are aware of examples where Thames Water has assessed the risk of sewer flooding to a property as low and does not recommend flood protection measures, but residents are unable to access flood insurance unless sewer flood protection measures are put in place.
- In contrast, where residents have previously flooded or at high risk of flooding and Thames Water has installed flood protection measures, they are still not eligible for cover from insurance companies despite the risk being reduced.
- Residents unable to access Flood Re are also unable to access the Build Back Better funding to provide protection to their properties. As the Flood Recovery Grant scheme was not activated by the Minister for the July 2021 flooding, despite this

being highlighted as a catastrophic loss event by Flood Re, residents were also not able to access direct financial assistance.

There are direct financial and mental health impacts on residents, some of whom are still out of their properties more than a year after being flooded. Those who have been offered insurance cover but not able to access cover through Flood Re face extreme increases to premiums and excesses. Those who have been told that they are not eligible for flood insurance cover at all and have not had any protective measures put in place, face the prospect of future devastating flooding without the comfort of insurance.

With over 4,000 buildings in London with over four residential units are within flood risk areas it is vitally important to reduce the barriers that our residents face. London is a city with paramount vulnerability issues, and thus we request that DEFRA take the following action to urgently reform Flood Re:

1. We ask that the scheme is reformed to offer cover to residents who live in buildings subdivided into more than four units. Our analysis has shown that, as a minimum, expanding this to five units would significantly increase the availability of affordable flood insurance in London.
2. We ask that the scheme's eligibility is reformed to acknowledge residents who live in blocks of flats where the leaseholders jointly share the freehold but have formed a private management company.
3. We request that there is more accessible and simple information available for residents in London on access and cover that is available to them. For example, clearer guidance on contents insurance eligibility for flats in London and clarification around shared freeholder arrangements. As well as improved guidance on the Flood Re website, there needs to be more engagement with residents in London using tools such as the 'Flood Mobile'.
4. We further call on reform of the insurance industry to not penalise residents for decisions outside their control, such as the provision of flood protection by water companies as a condition of accessing any insurance.
5. We ask for clarification from the Minister why the Flood Recovery Grant was not activated following the July 2021 flooding, which would have enabled residents to access funding to install protective measures.
6. Finally, we request a meeting with Defra and Flood Re to discuss the proposed reforms to the scheme.

We hope Defra will urgently review the scheme's restrictive eligibility criteria for residents of London and consider the changes we have proposed to the current Flood Re initiative to insure our residents against the risk of future flooding ahead of the next formal review of the Flood Re scheme.

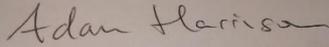
Kind Regards,



Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development,  
Westminster City Council



Councillor Cllr Cem Kemahli, Lead Member for Planning, Place and Environment, Royal Borough of Kensington and Chelsea

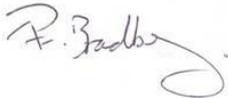


Councillor Adam Harrison, Cabinet Member for a Sustainable Camden, London Borough of Camden

Councillor Sharon Holder, Cabinet Member for Public Realm, London Borough of Hammersmith and Fulham



Victoria Lawson  
London Environment Directors' Network- Chair  
(Executive Director of Environment, Culture and Customer Services- LB Hounslow)



Richard Bradbury  
London Environment Directors' Network- Strategic Lead for Flooding & Adaptation  
(Director of Environment and Sustainability- LB Camden)

Copied to

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Andy Bord, Chief Executive Officer, Flood Re

### **Appendices**

Please see Appendix A for detailed case studies of how the current Flood Re scheme is not functioning for a number of residents in the City of Westminster and Royal Borough of Kensington and Chelsea.

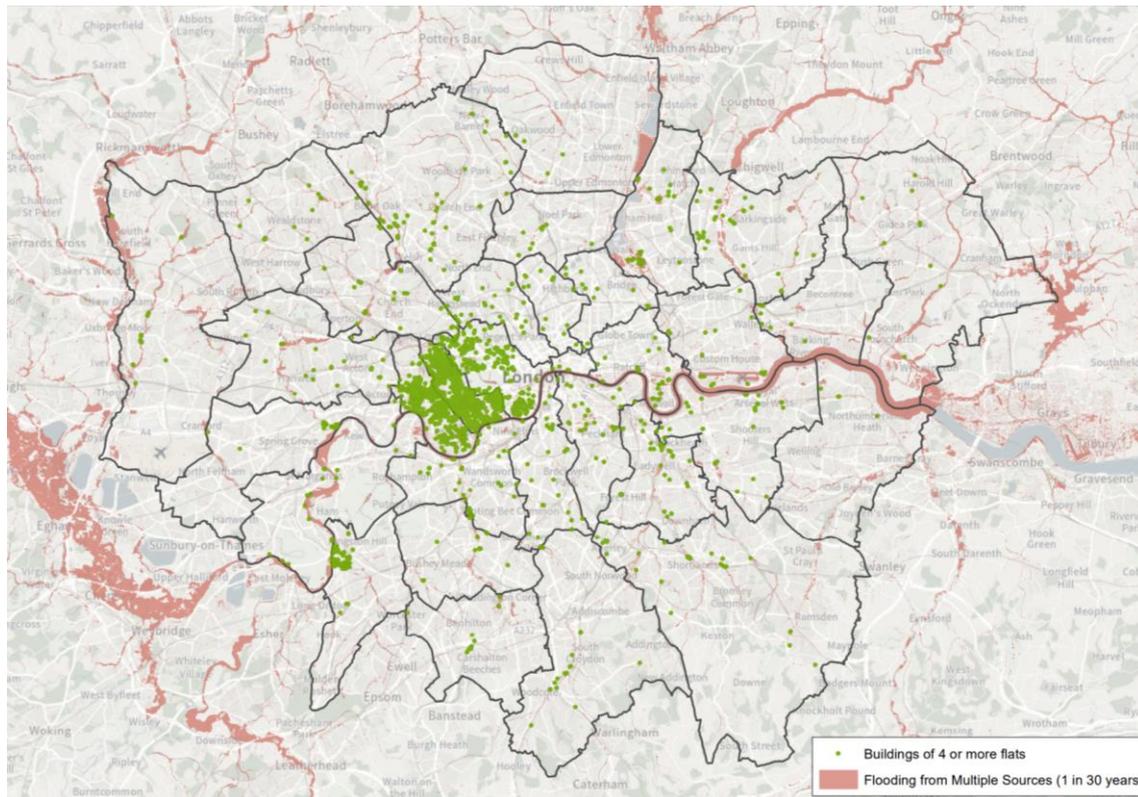
See Appendix B for links to relevant documents to the contents of this letter.



# Appendix A: Case Studies

## A London-wide Issue

The Greater London Authority has produced a useful visual aid to highlight the extent of the issues face within London. The figure below identifies those properties with four units or more that are at risk of flooding. Whilst there are properties across London, the majority are heavily clustered in the London Borough of Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea and the City of Westminster.



*Figure 1: Map showing buildings of 4 or more flats at risk of flooding (produced by the Greater London Authority)*

## Westminster City Council

Residents in Westminster have experienced two major floods within a five-year period. Brian\* who lives in Vincent Square, had their and three other neighbouring blocks devastated by floods in June 2016 and July 2021. Not only did this cause a high amount of stress for Brian and their neighbours but has resulted in them facing major difficulties in trying to get any insurance with flood cover, particularly after the second flood in July 2021. One basement flat remains unliveable. Brian's block and two others have had their annual insurance premiums increased around fourfold this year, and in one instance this has resulted in a 100% rise in the annual service charge. Another one of Brian's neighbouring blocks now has no flooding insurance cover at all.

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\* Name has been changed to protect resident identity.

## **Current Insurance Cover**

Brian and their neighbours have tirelessly lobbied for more support and, after five years they have had a 'FLIP' flood defence system fitted late in 2021. This system is also in operation at a few other properties at risk in the area. However, insurers will not recognise the flood defence scheme until there is a proven 'track record' of success, despite Thames Water having successfully installed 2000 of them in the last 20 years and providing a letter of assurance.

## **Flood Re Initiative**

Consequently, Brian and other residents in the same position are still campaigning for better support for blocks of flats which have been impacted by flooding and continue to be at risk. A joint initiative by the Government and Insurance industry, called Flood Re, provides access to affordable insurance for properties impacted by the flood through an industry levy, but unfortunately this scheme currently does not:

- 1) Cover blocks of flats with more than three units. Nearly half of Westminster residents live in blocks of over 20 units, and 1073 blocks of flats that have more than four units are at risk from flooding. Therefore, capping the number of flats within a block prohibits residents in Westminster from being covered by Flood Re. This is because Flood Re are trying to ensure that only residential properties access the scheme, but this does not take inner city dwellers into account.
- 2) The scheme further does not cover 'commercial entities', so whilst many blocks of flats in Westminster are residential, because they are owned and managed by a limited company these buildings are perceived by Flood RE as more of a commercial venture, rather than residential property.

This has resulted in many Westminster residents, like Brian and their neighbours, not being eligible for the Flood Re scheme and left facing an issue the Government appears to believe ordinary homeowners do need support with.

## **Royal Borough of Kensington and Chelsea**

### **Case Study 1 – Flood Re Eligibility**

Claire\*<sup>1</sup> had over £200,000 damage of the ground flood and basement duplex flat in a Victorian townhouse that has four more flats above. The resident's insurance premium has doubled, and they have been refused flood cover. The resident has been unable to get additional flood cover and stated that *"I'm very anxious about remaining uninsured in a flood zone, especially without flood prevention measures in place"*.

The resident has stated that they had *"dismissed the idea of Flood Re as I thought they weren't taking on multi-occupied buildings"*. In terms of freehold arrangement in this instance, the resident has stated that *"the flat owners at our address jointly own the freehold and are directors of a limited company"*, and states that they think that this is a fairly common arrangement. The resident is extremely keen to implement flood protection measures and would be a prime candidate for Build Back Better if eligibility criteria were changed.

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\* Name has been changed to protect resident identity.

## **Case Study 2 – Disparity in assessment of risk**

Steve\*<sup>2</sup> lives in a self-contained basement flat in a subdivided townhouse with four further flats above that was flooded from the sewer in July 2021. The flat and its contents were devastated by the flooding and needed to be completely refurbished, with everything stripped back to the brickwork. Thames Water surveyed the property and deemed it to not be at high risk of sewer flooding, thereby not recommending that sewer flood protection measures are put in place. Steve has been told by his insurer that he will not be able to access flood cover for future flooding unless Thames Water installs protection measures to minimise the risk of sewage entering the property.

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\* Name has been changed to protect resident identity.

## Appendix B – Links to relevant documents

London Flood Review Stage 4 Report (available at: <https://londonfloodreview.co.uk/wp-content/uploads/2022/07/London-Flood-Review-Stage-4-Report-for-Policymakers.pdf> )

Royal Borough of Kensington and Chelsea July 2021 Flood Investigation Report (available at: <https://www.rbkc.gov.uk/media/document/chelsea-section-19-flood-investigation-12-july-2021---final-technical-report> )

London Borough of Camden July 2021 Flood Investigation Report (available at: <https://www.camden.gov.uk/documents/20142/0/July+2021+Flood+Investigation+-+London+Borough+of+Camden+-+FINAL.pdf/ea22f061-4c05-a590-6240-02955630c2ef?t=1657007121150> )