

### Introduction to Flood Performance Certificates

In order to build a more flood resilient country, there needs to be a significant, widespread and relatively rapid increase in the installation of property flood resilience (PFR) products. This requires a package of separate, but related and reinforcing, measures to simultaneously enable, educate and incentivise change.

Measures such as barriers, flood doors and airbricks have been identified as a key solution to reducing the costs of repair and recovery time of affected properties and to reduce the misery and disruption caused by flooding to both families and businesses.

The Government's recent flooding policy statement made clear that more must be done to accelerate the uptake of PFR as well as ensuring flood management strategies are resilient to future climate change.

Academic evidence<sup>1</sup> and the Government's own review<sup>2</sup> both conclude PFR is a cost-effective way of limiting flood risk, uptake is incredibly low so the UK Government must work to incentivise the uptake of PFR by householders.

Increasingly, FPCs are becoming central to increasing take-up of PFR and delivering on the ambition of a more resilient UK housing stock.

- FPCs have huge potential to accelerate the uptake of PFR across the UK.
- Much like the current Energy Performance Certificate, an FPC could provide householders with clear, accessible information to help measure a property's flood risk and explain what action needs to be taken.
- Helping householders understand what action needs to be taken - alongside indicative costs and information on registered and accredited PFR installation organisations - can act as a catalyst for the uptake of PFR and help improve property resilience.

### Report Background

Flood Re commissioned WPI Economics to write a report that expanded on the Social Market Foundation's work. The SMF report provided a framework for understanding barriers to take up of flood resistance and resilience measures. It recommended the introduction of Flood Protection Certificates (FPCs)

Flood Re's most recent Transition plan also highlighted a commitment to explore FPCs.

The report scopes out the feasibility of a system of FPCs and develop a framework for how they could be implemented effectively in the UK. This report was compiled based on desk-based research and extensive discussions with experts and stakeholders including two workshops. It explores the role of property flood resilience in addressing the UK's flood risk, and the barriers to take up that currently exist, and sets out the potential role that FPCs could play in breaking down these barriers.

The report sets out how FPCs should be designed such as to maximise their impact, as well as some recommendations around the overall policy and regulatory infrastructure surrounding FPCs.

### Report Summary – Key Findings

**One of the biggest consequences of climate change will be the increase in the number of households at risk of flooding. As a result, solutions must be created – and implemented – quickly to prevent and mitigate against flooding and its associated harms. PFR therefore has the potential to play a crucial role in flood management strategies in the present, as well as the future.**

**Take-up of PFR is incredibly low – this is despite academic evidence showing that PFR is a cost-effective way of mitigating against flood risk**

<sup>1</sup>University of the West of England, *Evidence Review for Property Flood Resilience Phase Two Report*, 2018. <[https://www.floodre.co.uk/wp-content/uploads/UWE-report\\_Evidence-review-for-PFR\\_Phase-2-report.pdf](https://www.floodre.co.uk/wp-content/uploads/UWE-report_Evidence-review-for-PFR_Phase-2-report.pdf)>

<sup>2</sup> HM Government, *National Flood Resilience Review*, September 2016

**Barriers to installation of PFR exist. The introduction of Flood performance Certificates could increase take up through setting out property information, including severity of its flood risk and steps that could be taken to mitigate the risk.**

**Introducing FPCs would help to provide relevant and actionable information that creates a roadmap for household flood resilience, helping to fill in the ‘information gaps’ many householders have**

**FPCs would address the issue of householders fearing being ‘blighted’ by the installation of resilience measures by introducing proactive protective measures and ensure that households always have an incentive to improve the flood resilience of their home**

**FPCs can provide a benchmark for various third-party policy levers and incentives that encourage household flood resilience, which could include grants, improvements funded through Flood Re’s proposed Build Back Better scheme and potential insurance premium discounts**

**FPCs can signpost opportunities for social and community resilience which are important elements of a comprehensive approach to managing flood risk.**

**FPCs can improve the home sales process by providing more information at the outset of any transaction.**

## Summary

The report focuses on the need for the UK to adapt to the increasing threat of flooding to more households as a result of climate change and touches upon insurance being one of the tools householders can use to help respond to damage caused by flooding.

There is discussion on the need to create forums to devise and implement solutions which prevent and mitigate against flooding and its associated harms – Flood Re’s work is mentioned in highlighting the important role that property flood resilience and resistance (PFR) measures can play.

The report discusses that despite the significant potential benefits of PFR measures, take-up amongst at-risk households is incredibly low. FPCs are touted as a possible solution as this document would set out the severity of its flood risk and steps that could be taken to mitigate the risk.

A series of decisions and further actions that need to be taken in order for FPCs to be implemented effectively are identified. These broadly fall within two areas; design and implementation.

There is an onus on the UK Government to take responsibility in driving forward the FPC option – alongside stakeholders – through a piloting scheme, consultation and subsequent legislation. The report sets out a timeline for an initial scheme to be opened in 2022, with full mandation beginning towards the end of the decade.

## Polling

Alongside the report, Flood Re published details of polling (compiled by Yonder on behalf of Flood Re) of people who are in the process of, or thinking about moving home.

- **Our polling has highlighted how important flood risk is their decision making with 80 per cent said understanding a property’s flood risk is an important consideration when moving**
- **81 per cent of people think the introduction of FPCs is a good idea.**

