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Our ref: PO329884/JF

December 2013

From the Rt Hon Owen Paterson MP
Secretary of State

Thank you for your letter of 22 November about property level flood defences and the Flood Re insurance scheme.

I welcome the Adaptation Sub-Committee's constructive contribution to the debate about how we can best protect households from the impacts of flooding while achieving value for money.

The need to maintain and strengthen incentives for households to take action on their flood risk was also raised by a number of respondents to our recent public consultation, and as you noted in your letter, we recognised the importance of taking action on this issue in the Government response. We are continuing to work with the insurance industry to consider how this can best be achieved.

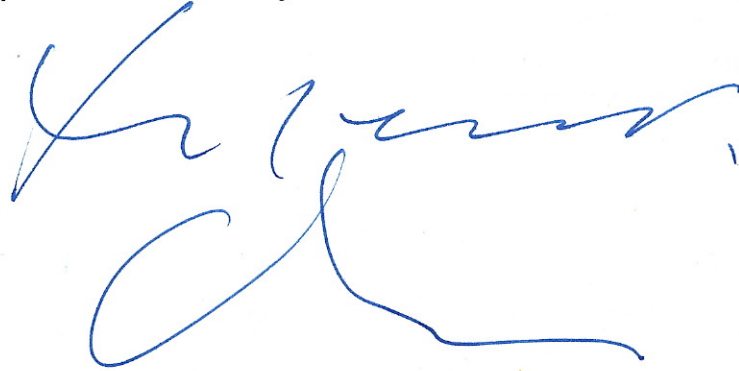
A number of the other issues raised in your letter continue to be the subject of ongoing discussions, and you will appreciate that we cannot share more details at this stage. However, I would like to draw to your attention some of the key features of Flood Re that reflect our commitment to incentivising households to take action to reduce their flood risk.

We agree that Flood Re offers the potential for a targeted dialogue with householders at high risk of flooding. That is why we have agreed that the Environment Agency and its devolved counterparts will be able to access Flood Re's data on where the highest risk households are. This is in addition to the data-sharing agreements included in the June Memorandum of Understanding, which will help improve our understanding of flood risk.



We agree that publishing a plan for transition will be important for enabling households and communities to prepare for the future. The recently published Government amendments to the Water Bill include a requirement for the Flood Re scheme administrator to produce and publish a plan for transition to risk-reflective pricing over time.

Flood Re has been designed to ensure that its benefits will be targeted towards lower income households, to help promote affordability for those who are least able to pay.



RT HON OWEN PATERSON MP

