

## Zurich UK response to Planning and Infrastructure Bill call for evidence

### About Zurich UK

Zurich UK (Zurich) provides a suite of general insurance and life insurance products to retail and corporate customers. We supply personal, commercial, and public sector insurance through a number of distribution channels, and offer a range of protection, retirement and savings policies available online and through financial intermediaries for the retail market and via employee benefit consultants for the corporate market. Based in a number of locations across the UK - with large sites in Birmingham, Farnborough, Glasgow, London, Swindon and Whiteley - Zurich employs approximately 5,000 people in the UK.

Zurich welcomes the Planning and Infrastructure Bill call for evidence. Our experience of underwriting risk and investigating claims means we have a unique insight into the current risks facing the UK's residential, commercial and municipal building stock.

### Introduction

- Zurich welcomes the Planning and Infrastructure Bill and 1 million+ homes target to meet evolving demand for housing. A major programme of investment in housebuilding across the UK will be vital in helping the economy grow, whilst also accelerating action on the long-term challenge of climate change and achieving net-zero goals.
- Zurich is clear that the potential benefits of innovation in the housebuilding sector can be far reaching. However, we would want to urge some caution with the intention to build homes rapidly, potentially at the expense of considering the appropriate safety considerations.
- Our experience additionally shows that some Modern Methods of Construction (MMC) can present unexpected risks compared to traditionally constructed buildings and do not currently offer similar levels of resilience.

### Key considerations

- We urge for the Government to engage with the Insurance industry early on to address several concerns. The following points should be considered as part of the legislative process of the Bill:
  1. **Avoid building on floodplains:** One of the most pressing concerns for insurers is the potential for increased flooding, particularly in areas where new developments are planned on 'grey belt' lands and marginal sites. These areas, often previously considered unsuitable for development due to environmental or stability factors, are now being considered as part of the drive to meet housing targets – we urge the Government to ensure that new development in flood-prone areas should be avoided unless sufficient design features are in place and if development is permitted, that Sustainable Urban Drainage Systems (SuDS) and Property Flood Resilience (PFR) measures are mandatory in all new build developments.
  2. **Revise Building Regulations to address property protection:** Currently, the UK's Building Regulations are responsible for ensuring life-safety from fire in the home and workplace. This means that the single legal purpose for the protection of buildings from fire is to ensure that the building remains structurally stable for long enough to support complete occupant evacuation. The problem is that the low bar of 'evacuation before collapse' can lead to designs with little intrinsic resilience yet are legally compliant. From an insurance perspective, this means that increasingly the result of fire is the complete loss of the building – we advocate a regulatory structure where property

protection is a mandated objective within future planning regulations. The benefits, both in terms of safety and sustainability of protecting a building must be recognised.

3. **Create resilient and sustainable buildings:** From a building safety perspective, the Government needs to ensure that homes are resilient to future challenges such as a fire, escape of water, flood, windstorm or heatwave - we would recommend that the Government to look at ways to climate-proof buildings, this includes features like improved glazing, draught proofing, ceiling fans, installing shutters on windows and to combat escape of water, developers should install leak detection devices.
4. **Recognise the implications of using Modern methods of construction (MMC):** We continue to see evidence of poor-quality buildings which have not been built to the standard that is expected. Insurers need time to fully assess and understand the risks associated with new materials and construction techniques. If materials are unfamiliar or construction methods untested, it is difficult for insurers to properly assess the risks involved. If homes are built with new construction methods or materials, repairs could also become more difficult and expensive - we want the Government to establish a publicly accessible database of buildings, to help increase understanding of the materials used to construct buildings. This would also increase confidence of occupiers in the safety of the buildings they are living in and support the Fire and Rescue Services understand what they are dealing with when attending a building in the event of a fire.
5. **Establish a clerk of works:** We continue to have major concerns with the lack of skilled workers and contractors who carry out building works. There needs to be consideration and protections put in place tied to public procurement to make sure that quality contractors are used – we encourage the Government to establish a clerk of works to oversee projects and ensure records are kept for the future, they will ensure that construction work is carried out to agreed quality standards, specification and schedule, and that health and safety procedures are being followed.

### Flooding funding

- We welcome the announcement from the Department for Environment, Food and Rural Affairs (DEFRA) to invest in new flood defences and maintain existing assets from £2.4 billion to £2.6 billion.
- We continue to urge the Government to ensure that adequate annual investment is allocated to flood defence maintenance projects post 2026 as part of Defra's new funding formula, expected to be consulted on shortly.
- We support the Association of British Insurer's (ABI) call for increased investment in flood defence maintenance and infrastructure spending. The UK urgently needs a long-term flood defence investment of at least £1 billion a year to ensure that we keep pace with adapting to climate risk.