

Planning and Infrastructure Bill Committee Submission

House of Commons – May 2025

Introduction

1. We welcome the Planning and Infrastructure Bill and the government's focus on delivering growth through stability, investment and planning reform, from the launch of the National Wealth Fund, and the Financial Services Growth and Competitiveness Strategy.
2. We look forward to working with the government and Parliament throughout the passage of the Bill to deliver reforms that help give certainty and unlock private investment, while ensuring that new homes are built to a high standard with resilience to climate change and flood risk as a key consideration built into a reformed planning system.
3. The Association of British Insurers (The ABI) is the voice of the UK's world-leading insurance and long-term savings industry, which is the largest sector in Europe and the third largest in the world. Our industry plays a vital role in boosting growth and resilience across the UK.
4. Insurers are playing our part in supporting households and businesses affected by flooding and increasing our resilience to flooding. Our latest [property claims and premiums tracker](#) shows that between January and April this year, claims for weather related damage to people's homes and possessions topped £200 million for the first time ever.
5. The [Investment Delivery Forum](#) (ID Forum) was established by The ABI to channel major insurance and long-term savings firms' investment now changes to the insurance regulatory framework, Solvency UK, have come into force. The UK insurance and long-term savings industry has pledged to invest £100 billion into productive assets and infrastructure, including in energy and building new homes, over the next decade.
6. We support the government's ambitions to build 1.5 million homes by the end of this Parliament through reforming the planning system to unlock investment and deliver growth.
7. However, this must be done with an adequate consideration of the risks, so that homeowners and business owners are not left with buildings that are difficult to insure, given the increasing prevalence of flood and other climate-related risks.
8. The National Flood Resilience Taskforce, which the ABI is a member of, is a welcome opportunity to ensure the UK's preparedness and resilience to flooding working with stakeholders across national, devolved, and local governments. We are actively supporting the Peter Bonfield Review on Property Flood Resilience (PFR) and how our industry can work with government to increase households flood resilience.
9. The Climate Change Committee's latest [report](#) shows the increased levels of harm posed by extreme weather across the UK. Taking steps to increase the UK's climate resilience to prevent flood is essential.

Key asks for our sector

10. Continue to work with our sector as a key partner for growth to expand the pipeline of infrastructure for investment through the National Wealth Fund prioritising contract certainty and a competitive regulatory regime.

11. Prioritise the delivery of homes that are resilient to climate risk, including flooding by requiring the mandatory installation of Property Flood Resilience (PFR) measures for all homes being developed in flood plans to allow for continued access to affordable insurance.
12. Increase focus on managing surface water flooding and implement the Sustainable Urban Drainage Systems (SuDS) policy under the Floods and Water Management Act ensuring its mandatory installation in all new build developments.
13. Increase investment and resources for planning authorities and Local Planning Associations (LPAs) to ensure compliance and enforcement and the use of the latest flood risk maps provided by the Environment Agency.

Investment Delivery Forum

14. The [Investment Delivery Forum](#) (the Forum) was established by the ABI to channel major insurance and long-term savings firms' investment once changes to the insurance regulatory framework, Solvency UK, came into force.
15. The ID Forum is a major opportunity to implement much needed regulatory reform in partnership with government. **With the right regulatory and policy framework, we can support growth and unlock the UK's full economic potential.**
16. **To truly underpin this work and to promote the UK as an attractive destination for investment, contract certainty and a competitive regulatory regime are essential.**
17. The UK insurance and long-term savings industry has pledged to invest £100 billion into productive assets and infrastructure, including in energy and building new homes, over the next decade.
18. Last year, the ID Forum published its detailed [report](#) outlining key achievements and next steps to meet the UK's clean power and infrastructure ambitions by 2030, a new blended finance model deepening public-private partnerships and an action plan for investment.
19. The ID Forum has been working closely with the National Wealth Fund on expanding the role of blended finance to boost investment in infrastructure and economic growth.
20. We have convened a forum, the Investment Viability Group with the Treasury, the National Wealth Fund and the Prudential Regulation Authority (PRA) to explore how more investments across the UK's infrastructure network can become eligible under the Matching Adjustment (MA) regime.
21. We welcome measures to allow for more regular reforms to the National Policy Statement for Nationally Significant Infrastructure Projects (NSIPs), which will help to speed up the approval and delivery of much needed infrastructure and ensure the upcoming Infrastructure Strategy is a success.
22. The Infrastructure Strategy and the launch of the National Infrastructure and Service Transformation Authority (NISTA) is an important opportunity to help set out a clear pipeline and milestones of the infrastructure needed making the most of the new Solvency UK regime.
23. The ABI and our members stand ready to support that work, expanding the pipeline of investible infrastructure projects will be critical in enabling the government to achieve its growth mission unlocking private investment in UK infrastructure.

Planning reform

24. We support the government's ambitions to build 1.5 million homes by the end of this Parliament through reforming the planning system to unlock investment and deliver growth.
25. We welcome the launch of the New Homes Accelerator to help speed up the delivery of housing projects and the expert group to address barriers in planning and providing extra support and resources local planning capacity.
26. We welcome the plans to introduce a new national scheme of planning delegation, which will help

- free up capacity in the planning system and help speed up planning decisions. These changes, however, must be accompanied by additional funding to ensure planning applications are subject to adequate levels of scrutiny and enforcement where necessary.
27. **Large scale planning reform must be done with an adequate consideration of the risks, including potential risks associated with any new or innovative materials and techniques, so that homeowners and business owners are not left with buildings that are difficult to insure, given the increasing prevalence of flood and other climate-related risks.**
 28. We support the use of innovative and sustainable materials in constructing new sustainable homes that are resilient to climate change and other perils. Modern Methods of Construction (MMC), and can bring many benefits, including increasing the speed of construction, better health and safety conditions onsite, as well as environmental benefits, as demonstrated in Defra's [paper](#) Timber in Construction Roadmap 2025.
 29. Insurers need their trust in building standards and control systems improved as that would impact the risk associated with certain buildings, including those built using MMC.
 30. The industry is calling for the government to rigorously test the long-term durability, repairability and resilience of buildings developed using MMC, and a publicly accessible database to ensure greater transparency on building materials used for construction.
 31. The Environment Agency's [National Assessment of Flood and Coastal Erosion Risk in England \(NAFRA 2\)](#) makes for sobering reading, showing that 6.3 million homes in England are at risk of flooding, with 4.6 million at risk from surface water flooding. The figure is up from 5.5 million homes in the last assessment carried out in 2018 and there are now more homes at risk from flooding than when Flood Re was first established.
 32. We have provided a detailed response to the government's updated National Planning Policy Framework (NPPF). **We want to see the government commit to sustainable reform of the planning system and building regulatory framework so that it prioritises the delivery of buildings that are resilient to climate risk, flooding, fire risk, windstorm and extreme heat. Unfortunately, the updated NPPF published in December 2024 did not make any substantial changes in this area and means housebuilding can continue in areas at risk of flooding.**
 33. We would like to see the Bill further strengthened by requiring Local Planning Authorities to include and have regard to the Sequential and Exception Tests to ensure that new development is directed away from flood risk areas. Any development that is necessary of areas of flood risk should be made safe during its lifetime when preparing Local Plans and when considering planning applications.
 34. We recognise that development is likely to continue in flood plains. In order to ensure these homes are habitable and people can continue to access affordable insurance, the government should require the mandatory installation of Property Flood Resilience (PFR) measures in all homes being developed in flood plains. We would like to see explicit reference to amending Approved Document C of the Building Regulations in accordance with the Construction Industry Research and Information Association [Code of Practice](#) for Property Flood Resilience as recommended in Policy Connect's Bricks and Water Flood and Coastal Erosion Risk Management Policy [report](#).
 35. **Managing surface water flooding needs increased and urgent focus due to the increased risk of severe surface water flooding, and we are calling on the government to implement the Sustainable Urban Drainage Systems (SuDS) policy under the Floods and Water Management Act ensuring its mandatory installation in all new build developments.** Implementing these measures will help to address flooding and tackle water pollution. **We urge the government to urgently progress with the necessary implementation phase under Schedule 3.**

36. **There should be appropriate investment and resources for planning authorities and Local Planning Associations (LPAs) to ensure compliance and the use of the latest flood risk maps provided by the Environment Agency.** From a flood risk perspective, this is partly required to enable compliance with flood planning conditions for development. Amending the Town and Country Planning Act (1990) to allow local planning authorities to set their own planning fees and new training for LPA members, planning committees, and mayoral authorities will help to capacity challenges.
37. A Defra and Ministry of Housing, Communities and Local Government review of policy for development in areas at flood risk [found](#) that only 3% of LPAs always inspect new developments for flood planning conditions. A post-completion check of the new builds should be part of the local authority process, and this activity should be chargeable by the local authority. This lack of compliance makes it very difficult for those buying, mortgaging or insuring homes to understand the level of flood risk or how this has been mitigated against.
38. We would like the government to require and place a duty on Local Planning Authorities to ensure flood maps presented within their Strategic Flood Assessments for Local Plans are based on the most recent and latest flood risk assessments by the Environment Agency.
39. Alongside additional resources, the government should consider transparency requirements to make clear to home buyers what flood mitigation measures have been used for developments.
40. Flood risk is the most acute impact of climate change that the UK faces, and one where our sector has a central role to play. However, there are several other significant societal risks linked to global temperature change – especially supply chain disruption and human health effects.
41. ABI members will have a vital role in ensuring that society is resilient to these risks, but we will need to see collaboration across sectors and a commitment to aligning public and private sector activities.

Flood defence investment

42. We welcome the announcement from Defra uplifting government investment for new flood defences and maintaining existing assets from £2.4 billion to £2.6 billion.
43. 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.
44. We have long been calling 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.
45. The Environment Agency's [National Assessment of Flood and Coastal Erosion Risk in England \(NAFRA 2\)](#) makes for sobering reading, showing that 6.3 million homes in England are at risk of flooding, with 4.6 million at risk from surface water flooding.
46. Research by [Flood Re and Fathom](#) shows that flood defences can save households alone £1.15 billion in damages each year, which does not include damages to businesses, industry, and agriculture. Without flood protection, annual flood losses to households would be 2.8 times higher without current levels of flood protection underscoring the importance of investing in flood defence infrastructure as flood risk continue to rise.
47. We welcome the expected launch of a new Environmental Delivery Plan, expected to be developed by Natural England and setting out the terms of the Nature Restoration Levy to help address and mitigate the environmental impact of development. Any plan must address growing flood risk to ensure that any future homes built are insurable and climate resilient.

Flood Re

48. The ABI has worked alongside the government to design, develop and implement Flood Re. Flood Re is a world first reinsurance scheme that has not only provided property owners in at-risk areas with affordable flood cover in a competitive market.
49. Flood Re has a statutory requirement to cease to exist by 2039 and, in the meantime, its aim as set out in legislation is to transition to a risk-reflective market, and extending the scheme in its current form is unsustainable. With climate change worsening, the UK's flood risk will increase even further and without sufficient government investment to keep up with that change we are not on track to move to an affordable risk-reflective market in 2039, with homes potentially becoming uninsurable.
50. New developments post-2009 fall outside Flood Re's criteria, which means there is an increasing number of new builds where the homeowners may not be able to obtain affordable or even any home insurance due to the high risk of flooding. This problem may become more acute as the government seeks to deliver on its pledge to deliver 1.5 million homes by the end of this Parliament.
51. The majority of ABI members are supporting their customers with property flood resilience as part of Build Back Better for existing homes, and this reinforces the need for government action on new builds to ensure we don't build more homes in areas at risk of flooding without the necessary flood prevention and property flood resilience measures.