Business, Energy and Industrial Strategy Committee

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The Rt Hon George Eustice MP
Secretary of State for Environment, Food and Rural Affairs
Department for Environment, Food and Rural Affairs
Seacole Building
2 Marsham St
London SW1P 4DF

4 March 2020

Dear Secretary of State,

We are writing to set out our concerns about Flood Re, the scheme to make flood risk insurance more accessible, and to seek clarification on the forthcoming review into its operation.

At present, Flood Re does not cover businesses, leaving many small businesses and the self-employed struggling to get flood risk insurance or paying prohibitively high rates. The Government has announced a review into the scheme, and Lord Goldsmith, Minister of State in DEFRA, the FCO and DfID, told the House of Lords on 25 February that this review would "look at what answers will need to be provided by government in relation to businesses". This is welcome – the review should explore ways to ensure that small businesses in areas hit by flooding are able to access suitable insurance.

Flood Re also currently excludes properties constructed since January 2009, with the rationale being that housing development should be located to avoid flood risk. The Environment Agency now says that tough decisions will be needed about whether to continue protecting some at-risk properties, meaning that the circumstances of some householders have changed drastically since 2009. The review of Flood Re should look carefully at the cut-off and seriously consider whether the date should be moved later.

In light of these points, we would be grateful if you could answer the following questions:

- What are the terms of reference of the review, and when will it conclude?
- Will the review cover the issue of flood insurance for SMEs?
- Will the review look at whether the cut-off date for eligible properties should be moved later?
- What relief will be offered to struggling homeowners and small businesses while the review takes place?
- How can external stakeholders feed into the review?

We would appreciate a response by 18 March.

Rachel Reeves

Rachel Reeves MP
Chair of the Business, Energy and Industrial Strategy Committee

Neil

Neil Parish MP
Chair of the Environment, Food and Rural Affairs Committee

Philip Dunne

Philip Dunne MP
Chair of the Environmental Audit Committee