

# ADAPTING TO OUR CHANGING CLIMATE: A manifesto for business, government and the public

Climate change is already causing more erratic and extreme weather. However successful we are in reducing emissions, weather damage will continue to worsen over the next 30-40 years because of historic emissions. We need to take action now to protect our communities and economy. Public funding must address the consequences, as well as the causes, of climate change.

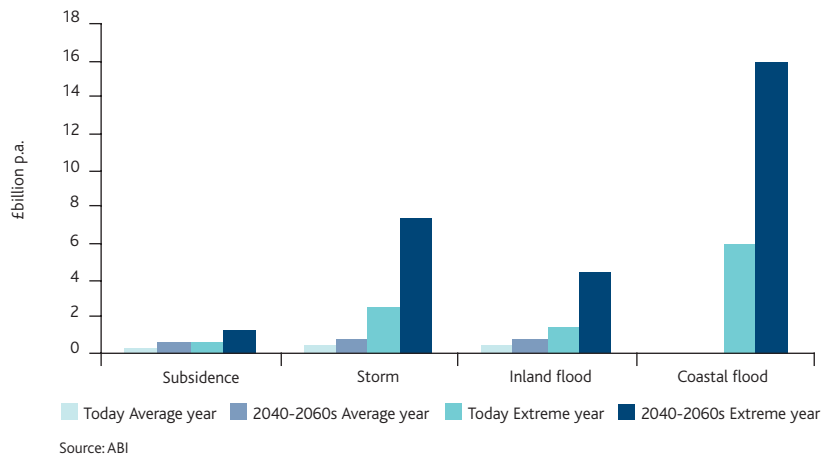
### What the Stern Review said:

"Adaptation is the only response available for the [climate change] impacts that will occur over the next several decades before mitigation measures can have an effect.

"Progress on adaptation is still at an early stage. Market forces alone are unlikely to deliver the full response necessary to deal with the serious risks from climate change.

"Government has a role in providing a clear policy framework to guide effective adaptation by individuals and firms in the medium and longer term."

### Climate change and UK weather damage



### What the IPCC says

The authoritative International Panel on Climate Change (IPCC) has identified many of the effects that climate change is already having on our society and economy. (Source: Climate Change 2007: Climate Impacts, Adaptation and Vulnerability)

#### Changes already underway

- more heatwave deaths and allergenic pollen reactions
- rising damage from coastal and inland flooding
- warming of lakes and rivers resulting in loss of water quality
- changes in agricultural planting dates and higher incidence of pests and forest fires
- loss of mountain sports and tourism potential.

#### Changes likely in the future

- more frequent heavy rainfall leading to flash flooding
- increased coastal erosion and flooding due to more storms and rising sea levels
- increased drought in southern, central and eastern Europe.

These changes are dramatic and will have a profound impact on our lifestyles as well as our economy. Business has a responsibility to manage its own climate risks but can only do so when Government provides the right framework of legislation, regulation and public spending.

The Government should now set out an effective climate risk management strategy, using the Climate Change Bill and the Comprehensive Spending Review. Early action is needed to tackle the long-term impacts of climate change.

# TAKING ACTION ON CLIMATE CHANGE

| BUSINESS NEED  | CLIMATE THREAT  | STRATEGIC SOLUTIONS   | IMMEDIATE ACTION REQUIRED  | RESPONSIBILITY                              |
|--|---|---|--|---|
| <b>HABITABLE HOUSING AND FLEXIBLE COMMERCIAL BUILDINGS</b> | Increasing frequency and severity of storms and floods will lead to more frequent and costly repairs, higher housing and insurance costs and declining housing quality in difficult locations. High night-time temperatures will result in health problems, made worse by disturbed sleep patterns.                               | <b>AVOID</b> with building codes fit for 2050s severe weather and summer heat<br><b>REDUCE</b> through better housing for groups with poor health profiles<br><b>MANAGE</b> with building standards that reduce leaseholders' risks   | <ul style="list-style-type: none"> <li>Greater investment in flood defences</li> <li>Strengthening the Code for Sustainable Homes, requiring adaptation measures</li> <li>Higher standards for social housing and housing for vulnerable groups</li> <li>Rigorous implementation of PPS25, including the Growth Areas</li> </ul> | Defra<br>CLG<br>Local authorities<br>HMT    |
| <b>RISK BASED DEVELOPMENT POLICIES</b>                     | Coastal regions and low-lying urban centres will be increasingly affected by flooding, intense rainfall and storms. Coastal erosion will accelerate. High density development will exacerbate drainage and heat island effects.   | <b>AVOID</b> by only developing low risk areas, using site and building designs fit for 2050s climate<br><b>REDUCE</b> by risk reduction in existing properties in medium/high risk areas<br><b>MANAGE</b> by improving flood and coastal defences and emergency support services                 | <ul style="list-style-type: none"> <li>Greater investment in flood and coastal defences</li> <li>Rigorous implementation of PPS25 based on improved mapping</li> <li>Regeneration projects assess and fund management of climate risks</li> <li>Home Information Packs to include 2050s climate risk information</li> </ul>      | Defra<br>CLG<br>DTI<br>HMT                  |
| <b>RELIABLE TRANSPORTATION</b>                             | High winds, floods, landslips and coastal storms and erosion will increasingly interrupt vulnerable road and rail routes, including strategic links to ports and docks  | <b>REDUCE</b> through risk-based preventive management for main transport links<br><b>MANAGE</b> vulnerable coastal routes and ports through protection or re-routing   | <ul style="list-style-type: none"> <li>Greater investment in coastal protection</li> <li>Creation of a national risk register of key transport routes</li> <li>Better risk management of key routes and facilities</li> </ul>  | DfT<br>Defra<br>HMT                         |
| <b>SECURE ENERGY SUPPLIES</b>                              | Increasing frequency and severity of storms and floods will result in more frequent interruption of supply and business activity. Coastal generating capacity is particularly vulnerable. Foreign supplies may be unreliable during crises. Hotter summers will change demand patterns and reduce power station cooling capacity. | <b>AVOID</b> by ensuring energy security by diversifying sources, including micro-generation<br><b>AVOID</b> by contractual guarantees on continuity of foreign supplies<br><b>REDUCE</b> by increasing resilience of local distribution networks<br><b>MANAGE</b> by promoting energy efficiency | <ul style="list-style-type: none"> <li>Energy Review increases diversity of supplies and support for local resilience measures</li> <li>Strategic assessment of coastal protection needs of key facilities</li> </ul>  | DTI<br>Ofgem                                |
| <b>SAFE AND SECURE WATER SUPPLIES</b>                      | Reduced summer rainfall and more frequent droughts threaten the volume and quality of supplies in the regions with the fastest growing populations.   | <b>AVOID</b> by using 2050s climate scenarios for future investment plans<br><b>REDUCE</b> through demand management in existing housing<br><b>MANAGE</b> through business-friendly restrictions of supply  | <ul style="list-style-type: none"> <li>Ofwat incorporate climate scenario planning into 2010 price review</li> <li>Incentives for householders to adopt water saving measures</li> </ul>   | Ofwat<br>Defra<br>HMT                       |
| <b>WORLD BEATING SCIENCE AND TECHNOLOGICAL INNOVATION</b>  | Uncertainties in climate modelling lead to under-estimation of threats affecting critical infrastructure. New risks overwhelm current technologies.   | <b>AVOID</b> by mainstreaming climate threats and through multi-disciplinary research<br><b>REDUCE</b> through further strengthening centres of excellence in climate science<br><b>MANAGE</b> by strengthening academic research links with business   | <ul style="list-style-type: none"> <li>Increased funding of climate-related research and studentships</li> <li>Greater business access to publicly funded climate and geographic data</li> <li>Wider stakeholder involvement and partnership working</li> </ul>  | DTI<br>HMT                                  |
| <b>WELL EDUCATED WORKFORCE</b>                             | Current school buildings and timetables are unsuited to high summer temperatures and vulnerable to storms and floods, risking poor learning conditions and increasingly interrupted education.  | <b>AVOID</b> by strengthening building standards for new build<br><b>REDUCE</b> through planned refurbishment of existing schools<br><b>MANAGE</b> by remodelling school year/day where buildings substandard   | <ul style="list-style-type: none"> <li>Revised specifications for new build and refurbishments, with additional funding</li> <li>Review of school year planning for 2015 and 2030 conditions</li> </ul>  | DfES<br>HMT                                 |
| <b>HEALTHY PEOPLE</b>                                      | Higher incidence of exotic diseases, allergenic and cardio-respiratory conditions will affect the workforce. Vulnerable dependents (children and the elderly) will require more care.   | <b>AVOID</b> by improving urban air quality<br><b>REDUCE</b> with more effective cardio-respiratory treatments<br><b>MANAGE</b> with strengthened primary care and public health provisions, including heatwave planning  | <ul style="list-style-type: none"> <li>Strengthened air quality monitoring and risk based improvements</li> <li>Greater preventive healthcare education</li> <li>Regular updating of heatwave plans</li> </ul>   | DH<br>Defra<br>HMT                          |
| <b>RESILIENT TRADING PARTNERS</b>                          | Climate change impacts vary but will be earlier and stronger in coastal regions and on inland waterways, areas of economic concentration. Millennium Development Goals will be frustrated where drought, storms and flooding devastate subsistence agriculture and fledgling industries with increasing frequency.                | <b>AVOID</b> through revision of EU legislation to respond to climate change<br><b>REDUCE</b> through strengthened international cooperation on increasing resilience<br><b>MANAGE</b> through international aid taking climate risks into account  | <ul style="list-style-type: none"> <li>EU Green Paper on climate change reviews all EU-wide measures</li> <li>Gleneagles (G8) process incorporates resilience</li> <li>Aid projects incorporate climate risks and adaptation</li> </ul>  | Whitehall-wide, especially DfID, CO and FCO |

Key:

**CLG** Communities and Local Government **CO** Cabinet Office **Defra** Department of Environment, Food and Rural Affairs **DfES** Department for Education and Skills **DfID** Department for International Development **DfT** Department for Transport **DH** Department of Health **DTI** Department of Trade and Industry **FCO** Foreign and Commonwealth Office **HMT** Her Majesty's Treasury **Ofwat** The Water Services Regulation Authority **Ofgem** The Gas and Electricity Markets Authority

## OUR GOAL:

**Insurers will work with the Government, the wider business community and customers to ensure that Britain is prepared for climate change. Together, by 2011, we should:**

- take action that will reduce emissions and manage the impacts of climate on our economy and communities
- put public and private sector investment into delivering greater resilience
- improve our understanding of those climate risks where there is still greatest uncertainty
- secure a world beating expertise in climate risk management, safeguarding and enhancing the UK's international competitiveness.

## OUR PROPOSALS:

### The Climate Change Bill

- Adaptation needs as much attention as emissions reduction.
- The Committee on Climate Change should identify targets for reducing climate risk and monitor progress.
- A review of progress should inform each future Spending Round, identifying strategic policy and spending priorities.
- Government should check that measures to reduce emissions also reduce vulnerability to climate change, and certainly do not increase it.

### The Energy Review

- Energy security needs to be assured through diversity of supplies.
- Electricity generation and energy terminals need to be protected against severe weather.
- Local energy supplies need to be made resilient too.

### The Comprehensive Spending Review

- Our defences against flooding need to be improved to satisfactory levels. At least £750m needs to be spent each year on flood management by 2011. Over the next 25 years, £8bn needs to be invested on the East Coast to avoid disasters like the floods of 1953.
- New hospitals, schools and regeneration projects must be built to standards for the climate of the 2050s.
- More intensive maintenance of transport and infrastructure is needed.
- Scientific research must be expanded to improve understanding of climate risks and to identify technological solutions.

### Price Reviews by Regulators

- These reviews need to take account of climate risks affecting utilities' capital assets.
- Water quality, and water and energy supply plans must be based on climate scenarios for the 2050s.

Association of British Insurers  
51 Gresham Street  
London EC2V 7HQ  
Tel: 020 7600 3333  
Fax: 020 7696 8995  
Email: [info@abi.org.uk](mailto:info@abi.org.uk)

For more information, see our website at:

[www.abi.org.uk/flooding](http://www.abi.org.uk/flooding)

[www.abi.org.uk/climatechange](http://www.abi.org.uk/climatechange)

Or contact us on 020 7600 3333