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Food & Rural Affairs

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**Your ref:**  
**Our ref:** RFI 6943  
**Date:** 05 November 2014

Dear [REDACTED]

**REQUEST FOR INFORMATION: Analysis or evidence to support the exclusion of Band H properties from Flood Re**

Thank you for your letters, both dated 23 September, about the supporting analysis or evidence for the exclusion of Band H properties from Flood Re. As detailed in our acknowledgement letter of 23 October, we are handling both of your letters under the Freedom of Information Act 2000 (FOIA).

You requested the sample questions asked to canvas views on the exclusion of Band H properties. These are contained in the public consultation on 'Securing the Future availability and affordability of home insurance in areas of flood risk' where it discussed the scope of the scheme (Eligibility for Flood Re support). A copy of the document is available at: <https://consult.defra.gov.uk/flooding/floodinsurance>.

This consultation was launched on 27 June 2013. The consultation received 149 responses with 44.97% (67 responses supporting the Government approach on this suggestion and 34.23% (51 responses) supporting the inclusion of Band H properties. Copies of all the responses to the consultation, where the correspondent agreed to publication, have already been made available through a previous FOI request. The relevant replies on the citizen space table are in column S and copies of all other individual replies received can be found at:

<https://www.gov.uk/government/publications/responses-to-flood-insurance-consultation>



You asked to see analysis or evidence and we have provided copies of relevant documents and links under each of the claims you listed in your letter:

***A move to risk based pricing would have limited impact on the affordability of a combined policy for band H properties.***

- A copy of a table that sets out how the differences householders might pay in the free market is enclosed.
- A copy of an independent review of Flood Re carried out by Professor Diacon can be found using the link below. Page 7 of that document shows his estimate of band H combined policies risk reflective price.

[https://consult.defra.gov.uk/flooding/floodinsurance/supporting\\_documents/FINAL%20Independent%20review%20of%20flood%20insurance%20analysis.pdf](https://consult.defra.gov.uk/flooding/floodinsurance/supporting_documents/FINAL%20Independent%20review%20of%20flood%20insurance%20analysis.pdf)

Further evidence on household incomes can be found in the ONS “Living Costs and Food Survey”<sup>1</sup>

***Affordability and availability will be maintained for combined and separate buildings and contents cover for band H properties.***

- According to the ONS “Living Costs and Food Survey”, take up of insurance for buildings and contents, whether separately or combined in one policy, is higher in band H than in any other council tax band and, in both cases, above 80%. This supports our view that insurance for band H is more affordable than for any other band and Government will monitor the market to be sure that it continues to be available.

***Widening the scope of the scheme to include Band H properties would significantly increase the levy to all other households or reduce benefits in lower council tax bands.***

- I enclose a copy of a letter dated 10 December 2013 from Dan Rogerson sent to the Public Bill Committee during the passage of the Water Act which provides evidence on the cost of including properties in Band H and a copy of written evidence from the ABI to the Public Bill Committee’s Scrutiny Unit on the additional costs of including band H houses in the Flood Re Scheme.

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<sup>1</sup> Household income for Council Tax Band H in the UK was £67,396 according to the ONS 2010 “Living Costs and Food Survey”. <http://www.esds.ac.uk/findingData/efsTitles.asp>

The remainder of the information requested is being withheld as it falls under the exemptions in sections 35(1)(a) and 43(2) of the Freedom of Information Act 2000. Section 35(1)(a) provides that information held by a Government department is exempt information if it relates to the formulation of Government policy. Under section 43(2), information is exempt if its disclosure under the FOIA would, or would be likely to prejudice the commercial interests of any person (including the public authority holding it).

Both of the above exemptions are qualified exemptions and, as such, in applying these exemptions we have had to balance whether the public interest in maintaining these exemptions outweighs the public interest in disclosing the information.

### Section 35(1)(a)

We recognise there is a general public interest in understanding how Government works. In particular, the analysis and evidence around those properties out of scope of the Flood Re Scheme.

On the other hand, there is a strong and countervailing public interest in withholding this information. Disclosure of this information is in relation to a policy matter which is recent and could be misleading. We consider that, in the light of the above analysis, the disclosure of the information you requested would have a detrimental effect on the Government's ability to implement its policy. Therefore we have concluded that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosure and, as such, the information should be withheld.

### Section 43(2)

There is a public interest in public authorities being accountable for the quality of their decision making. Ensuring that Government decisions have been made on the basis of sound quality information which has commercially sensitive information as its basis is part of that accountability. Transparency in the decision making process and access to the information upon which decisions have been made can enhance accountability.

External policy advisers on behalf of industry stakeholders need to be able to present Government departments with high quality data provided by the commercial sector that will inform policy development. This information is commercially sensitive and could provide competitive advantage. Therefore, we have concluded that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosure and, as such, the information should be withheld.

In keeping with the spirit and effect of the FOIA, all information is assumed to be releasable to the public unless exempt. The information released to you may now be published on our website together with any related information that will provide a key to its wider context.

I attach Annex A, which explains the copyright that applies to the information being released to you. I also attach Annex B giving contact details for whom you should contact, should you be unhappy with the service you have received.

If you have any queries about this letter, please contact the address below.

Yours sincerely,

Amanda Roper

**Defra FOIA and EIRs Team**

[InformationRequests@defra.gsi.gov.uk](mailto:InformationRequests@defra.gsi.gov.uk)

## **Annex A**

### **Copyright**

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## **Annex B**

### **Complaints**

If you are unhappy with the service you have received in relation to your request you may make a complaint or appeal against our decision under section 17(7) of the FOIA or under regulation 18 of the EIRs, as applicable, within 40 working days of the date of this letter. Please write to Mike Kaye, Head of Information Standards, Area 4D, Nobel House, 17 Smith Square, London, SW1P 3JR (email: [requestforinfo@defra.gsi.gov.uk](mailto:requestforinfo@defra.gsi.gov.uk)) and he will arrange for an internal review of your case. Details of Defra's complaints procedure are on our [website](#).

If you are not content with the outcome of the internal review, section 50 of the FOIA and regulation 18 of the EIRs gives you the right to apply directly to the Information Commissioner for a decision. Please note that generally the Information Commissioner cannot make a decision unless you have first exhausted Defra's own complaints procedure. The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF