Turning £6 billion[1] of flood related losses into a £1 billion climate resilience market

FloodAction Coalition is scaling nature-based solutions to flood and drought, mobilising land and asset owners, insurers, investors and technical expertise to build a market for investable, large-scale climate resilience.

FloodAction at a glance

Insurers and investors are backing a UK coalition to turn rising flood costs into resilience-linked returns — helping to protect communities, restore nature and build the UK's water resilience across flood, drought and water quality.

- Who: Convened by The Conduit and chaired by Aviva, the FloodAction Coalition brings together the landowners, infrastructure operators, insurers, financiers, environmental NGOs, water utilities, legal and advisory partners, and government agencies — uniting the full value chain needed to deliver water resilience at scale.
- What: The coalition is developing the UK's first investment market for natural flood and drought resilience — unlocking private and public capital to build large-scale, investable portfolios of nature-based projects, with the first £150m pipeline of projects coming online in 2026.
- Why: To scale green infrastructure that protects homes and communities from floods and drought, safeguards critical assets, and delivers lasting co-benefits for nature, climate and local economies — building a £1 billion+ resilience market by 2028.

Flooding is one of the UK's fastest-growing climate risks[2]. Across Europe, economic losses from climate-related extremes have surged in recent years — averaging more than €40 billion annually between 2020 and 2023, nearly three times the long-term average[3]. In the UK, annual flood damages already exceed £6 billion each year through damage to property, infrastructure and business disruption, while insurers are signalling that without stronger resilience measures some areas may become increasingly difficult to protect. Climate-driven losses are straining the global reinsurance market, prompting a tightening of risk appetite and a rise in the cost of

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[1] *Public First, From Risk to Resilience*, 2025:https://www.publicfirst.co.uk/wp-content/uploads/2025/03/From-risk-to-resilience-report_PF_180325.pdf

[2] Aviva https://www.aviva.com/newsroom/news-releases/2025/10/uks-iconic-landmarks-at-risk-from-climate-change-by-2050-according-to-new-report/

[3] European Environment Agency: https://www.eea.europa.eu/en/analysis/indicators/economic-losses-from-climate-related

protection — with implications for affordability and resilience across the insurance value chain. Protecting homes and rebuilding natural defences is now as urgent as managing the financial risk.

FloodAction Coalition believes there is a better way. By turning Natural Flood Management (NFM) into a new class of investable infrastructure, the coalition aims to flip the equation; moving from a growing cost base to a scalable, cost-effective nature-based solution with measurable financial, social and environmental returns.

Natural Flood Management (NFM) interventions — including woodland restoration, leaky dams and catchment re-wetting — have been shown to attenuate flood peaks, slow water movement and increase catchment water storage. In pilot catchments across the UK, reductions of up to 10–30 % in peak flows have been observed, and NFM measures often deliver equivalent outcomes at roughly half the cost of engineered defences, while also offering biodiversity, carbon and water-quality co-benefits[4]. What has been missing is a financial structure to reward and replicate this impact at scale.

FloodAction Coalition aims to unlock that solution — creating a market where insurers, investors and asset holders co-fund NFM, model downstream risk reduction and generate resilience-linked returns by bringing together both demand and supply. For landowners, participation can offer long-term income streams, enhanced land value and improve recognition for delivering public resilience benefits. For communities and civil society, it creates a route to be actively involved in co-designing solutions that help to protect homes and restore local environments while also supporting economic development.

The FloodAction Coalition will create new pathways to:

- Mobilise blended public–private finance aligned with ESG and TNFD (Taskforce on Nature-related Financial Disclosures) principles, developing investable mechanisms for measurable, resilience-linked returns.
- Enable insurers to reduce portfolio risk through natural resilience — helping keep homes protected and insurance affordable.
- Support infrastructure asset holders to cut exposure to floods, droughts and water stress — reducing disruption and avoiding rising climate-related costs.
- Protect communities and critical infrastructure from floods, droughts and water disruption — ensuring safety, reliability and continuity of essential services.

[4] Environment Agency https://assets.publishing.service.gov.uk/media/67c6e14c68a61757838d2265/FRS21232_Research_report.pdf and https://assets.publishing.service.gov.uk/media/67ab5f525d27cee6cccec485/Multiple_benefits_of_nature-based_solutions_-_report.pdf

- Deliver direct benefits for communities — from lower insurance costs and reduced flood impacts to restored local environments, greener spaces and stronger local economies.
- Achieve tangible, lasting environmental gains from restored catchments, healthier soils, improved water quality and revitalised ecosystems.

The Coalition is now identifying 'opportunity clusters' — places where asset holders facing water-resilience challenges align with landowners ready to deliver effective Natural Flood Management solutions. These clusters will form the foundation for portfolios of NFM projects, bringing together demand and supply within the same catchment. FloodAction supports both sides of the market — incubating projects, de-risking early development and working closely with nature-based solution developers to move investment from concept to implementation.

FloodAction is also developing flexible financing structures that blend public and private capital to de-risk early investment and enable projects to scale. Each project will draw on a stacked revenue model, combining multiple sources of value — from flood protection and water-quality improvements to carbon sequestration and biodiversity gains. This approach allows different buyers, from insurers to infrastructure owners and government, to pay for the outcomes most relevant to them, creating investable portfolios that reward measurable resilience and environmental performance.

Being launched in the UK — a global hub for green finance and innovation[5] — the FloodAction Coalition is building the frameworks for a market that can make nature infrastructure-grade at scale. With one in four homes across England now facing some level of flood risk[2], the need for a systemic resilience market has never been clearer.

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[5] UK Government: https://www.gov.uk/government/news/plans-for-uk-to-become-sustainable-finance-capital-of-the-world#:~:text=The%20UK%20is%20consistently%20ranked,of%20our%20modern%20industrial%20policy.

Notes to editors

Understanding the £6.1 billion figure

The £6.1 billion figure, cited from *Public First's* From Risk to Resilience (March 2025)[6], refers to the wider economic cost of flooding to the UK economy.

According to *Public First's* economic modelling:

- £2.4 billion per year represents immediate physical damage to homes, businesses and infrastructure.
- £290 million per year reflects short-term productivity losses, as flooding disrupts work and transport.
- The headline £6.1 billion captures the long-term macroeconomic impact — a decade-long drag on growth and productivity caused by flooding events, equivalent to around 46,000 fewer jobs nationally.

This long-term impact results from reduced business confidence, lower investment, and disruption in high-value sectors such as manufacturing and transport. The figure therefore represents the annualised economic loss to UK GDP.

About the FloodAction Coalition

FloodAction Coalition is a UK-wide partnership convened by The Conduit and chaired by Aviva, bringing together landowners, infrastructure operators, insurers, financiers, environmental NGOs, water utilities, legal and advisory partners, and government agencies.

The Coalition is building the frameworks for a new investable market in natural flood and drought resilience, unlocking private and public capital to scale nature-based solutions across the UK and strengthen the country's economic and climate resilience.

Mission and goals

- Build a £1 billion climate resilience market by 2028, scaling Natural Flood Management (NFM) as investable infrastructure.

[6] *Public First, From Risk to Resilience*, 2025, https://www.publicfirst.co.uk/wp-content/uploads/2025/03/From-risk-to-resilience-report_PF_180325.pdf

- Enable deployment of an initial £150 million pipeline of projects by 2026, with £100 million in aligned resilience funding ready for mobilisation in 2025.
- Create 'opportunity clusters' that unite asset holders, investors and landowners within the same catchment to accelerate delivery.
- Blend public and private finance to de-risk early-stage projects, enabling measurable financial, social and environmental returns.

How FloodAction Coalition works

- Develops a standardised, scalable investment framework for NFM — integrating measurement, reporting and verification (MRV) standards and stacked revenue models that combine payments for flood protection, drought mitigation, carbon sequestration, biodiversity uplift and water-quality improvements.
- Brings together the buyers of resilience — including infrastructure operators, utilities, insurers and government — with suppliers such as landowners and nature-based project developers.
- Ensures civil society and local communities play a central role in co-designing solutions that restore nature, protect homes and strengthen local economies.

The challenge and opportunity

Flooding is now the UK's fastest-growing and costliest climate risk affecting 5.7 million properties (***Public First, 2025***)[7]. Each year of major flooding leaves a decade-long drag on the UK economy, equivalent to at least £6 billion in lost output. The lasting loss of business confidence means employment remains around 46,000 lower than it would otherwise be — highlighting the long-term economic impact that should most concern policymakers.

Aviva's Building Future Communities (2025)[8] warns that by 2050 one in four homes in England could face flood risk, with exposure rising by 27% to more than 8 million homes. Surface-water flooding, already affecting 4.6 million properties, is projected to rise by 66%. Flood risk in Scotland and Wales could increase by 80–90% by the end of the century.

[7] *Public First, From Risk to Resilience*, 2025, https://www.publicfirst.co.uk/wp-content/uploads/2025/03/From-risk-to-resilience-report_PF_180325.pdf
[8] Aviva https://www.aviva.com/newsroom/news-releases/2025/10/uks-iconic-landmarks-at-risk-from-climate-change-by-2050-according-to-new-report/

Flood Re's 2025 Annual Report[9] reports that one in six UK properties is now exposed to flood risk, with the average flood claim exceeding £30,000 per household. Flooding in 2023–24 generated insured losses of over £700 million, while the wider economic and social disruption ran into several billions more. Flood Re warns that without large-scale adaptation, flood-related losses could rise by up to 40% by 2050, even as the number of households at risk exceeds 8 million.

Across Europe, economic losses from climate-related extremes have surged — averaging €40 billion per year between 2020 and 2023, almost three times the long-term average **(*European Environment Agency, 2024*)[10].**

Natural Flood Management (NFM) interventions — including woodland restoration, leaky dams and catchment rewetting — have been shown to reduce peak flows by 10–30% and deliver outcomes at up to half the cost of traditional engineered defences **(*Environment Agency & Green Finance Institute, 2024*)[11].**

Together, these findings underline the scale of both the challenge and the opportunity: investing in natural resilience is not just environmental policy — it is an economic imperative. By mobilising public and private capital to prevent rather than pay for losses, FloodAction Coalition aims to help reverse the UK's economic cost of flooding and build a scalable market for resilience.

The Coalition's approach builds on UK leadership in green finance, climate innovation and natural capital markets, helping the UK meet adaptation goals while creating investable opportunities for institutional capital.

Key members include

The National Trust, The Crown Estate, National Highways, Howden, The Rivers Trust, Anglian Water, UBS, UBS Optimus Foundation, Rebalance Earth, Systemiq, and the Environment Agency — alongside a growing network of other UK asset holders and delivery partners.

About The Conduit

The Conduit is a London-based community of leaders, investors, innovators and changemakers dedicated to accelerating solutions to the world's most pressing challenges. Through its membership, events and partnerships, The Conduit

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[9] https://www.floodre.co.uk/ara-2025/

[10] European Environment Agency: https://www.eea.europa.eu/en/analysis/indicators/economic-losses-from-climate-related

[11] Environment Agency https://assets.publishing.service.gov.uk/media/67c6e14c68a61757838d2265/FRS21232_Research_report.pdf and https://assets.publishing.service.gov.uk/media/67ab5f525d27cee6cccec485/Multiple_benefits_of_nature-based_solutions_-_report.pdf

connects capital, ideas and impact to drive positive social and environmental change.

The Conduit is convening the FloodAction Coalition as part of its Solutions Agenda to build practical, high-impact coalitions that link business, finance and civil society to deliver systemic solutions at scale.

Launch details

FloodAction Coalition will formally launch on 3 November 2025 at The Conduit, London, bringing together leaders from across finance, infrastructure, and land management to announce the UK's first portfolio of opportunity clusters for nature-based resilience.

For more information, or for interview requests, please contact:

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Quotes

Claudine Blamey, Chief Sustainability Officer at Aviva and Chair of FloodAction, said:

"As a leading home insurer in the UK, we see first-hand the devastating impacts that flooding brings to communities. Extreme weather events are set to become more common, so more homes and businesses are likely to be affected. In England alone, the number of homes at risk from flooding is set to increase by over a quarter (27 per cent), from 6.3 million to 8 million.[12]

Natural flood management has an important role to play in helping to reduce the impacts from flooding. It's important that we act on this now — helping build resilience and supporting communities to get ready for the future — which is why we're proud to play a leading role in the FloodAction Coalition."

Paul van Zyl, Cofounder, The Conduit, said:

"FloodAction is a powerful example of cross-sector collaboration. By aligning insurers, investors, landowners and communities, it turns the UK's greatest climate risk into a resilience market — one that protects homes, supports livelihoods and restores nature at scale."

Stephen Elderkin, National Highways, Director of Environmental Sustainability, said:

"We face a future of wetter winters and more intense rainfall - one of the greatest challenges climate change presents to the safe and reliable operation of our network. We can't rely on hard engineering alone: much of our drainage predates modern climate design standards. Nature-based flood management offers a cost-effective part of the solution, but real impact depends on delivery at catchment scale. That's why we're working with the FloodAction Coalition - to pool resources, scale what works, and strengthen resilience for people, places, and infrastructure."

Sarah Brownlie, Development Director, Rebuilding Nature, said:

Rebuilding Nature commend Flood Action Coalition on their official launch. By physically embedding these actions into the construction of the UKs Strategic Nature Network, initiatives like Flood Action Coalition will contribute to delivering benefits for everyone across society. We look forward to amplifying the work of Flood Action Coalition and other thematic initiatives, demonstrating how these efforts collectively contribute to national resilience, health, and prosperity.

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[12] Environment Agency, Ref:https://www.gov.uk/government/publications/national-assessment-of-flood-and-coastal-erosion-risk-in-england-2024/national-assessment-of-flood-and-coastal-erosion-risk-in-england-2024.

Archie Struthers, CEO of Nattergal Ltd, said:

We believe Nature is critical infrastructure and so Nattergal is excited to be collaborating with leading UK businesses through Flood Action to develop a functioning ecosystem service market for Nature-based solutions helping build flood resilience, improve water quality and storage, and restore functioning ecosystems.

Jeremy Oppenheim, Founding Partner, Systemiq, said:

Climate resilience isn't just a technical challenge — it's a system redesign challenge. That's what makes the FloodAction Coalition so important. By aligning incentives and metrics across finance, land use, insurance and policy, we're building the foundations of a new resilience market — one that values nature not as a victim of climate change, but as a solution. Systemiq is proud to help design the financial and institutional architecture needed to build trust and to make this market real, investable and scalable.

Harry Bowell, Director of Land & Nature, National Trust, said:

Nature-based solutions like restoring wetlands and improving water quality are not just good for the environment—they're essential for our future economic resilience. Clean and healthy water underpins everything from food production to business continuity. If we get this right, the benefits to society and the economy are profound: reduced flood risk, better drought management, and real progress on nutrient neutrality. By turning £6 billion in flood losses into a £1 billion climate resilience market, we have a unique opportunity to unlock public and private investment in solutions that protect communities, restore nature, and deliver long-term value for everyone.

Mike Scott, Senior Partner, Cripps, said:

As a firm rooted in the Southeast, we sit at the heart of a catchment that faces growing flood risk – and rising opportunity to turn challenges into investable solutions. Cripps is supporting the FloodAction Coalition to help shape the frameworks that enable landowners, investors and public bodies to collaborate at scale and deliver resilience where it's most needed.

Michelle Leavesley, Chief Sustainability Officer, Admiral Group, said:

Our purpose is to help people look after their future and part of this is looking at how we can help people protect themselves from the growing impact of climate change. We see first-hand how flooding disrupts lives and homes and believe that we can play an important role in mitigating floods, as well as helping communities become more resilient.

FloodAction unites insurers, landowners and government and we're proud to be part of it and help tackle this important issue together.

Blair Mitchell, Managing Director for Water UK & Ireland, WSP, said:

WSP is proud to be a founding member of the FloodAction Coalition to advance nature-based solutions that strengthen flood and drought resilience across the UK. This reflects our commitment to innovation and collaboration — unlocking new models to scale up natural flood management and deliver resilience for communities across the UK. Together, we are building a systemic shift towards prevention, sustainability, and shared prosperity.

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Professor Neil Entwistle, Head of Science, Rebalance Earth, said:

Having worked in river restoration for 20 years, I've seen the evidence first hand: restored catchments bring many additional benefits, including greater resilience to downstream flood and drought risk, improved water quality, and enhanced channel and floodplain biodiversity. The FloodAction Coalition is bringing together the partnerships needed to turn that evidence into action at scale.

At Rebalance Earth, we are building the model that makes Nature investible. By channelling private capital into nature-based solutions, we unlock restoration at scale and deliver measurable benefits for communities, businesses, and investors across the British Isles.

Tom Butterworth, UKIMEA Nature Leader, Arup, said:

Arup has proudly supported the Flood Action Coalition across several strategic workstreams, including the development of the coalition's natural flood management (NFM) unit. As part of our ongoing support, Arup is providing free access to NatureInsight, Arup and Scalgo's mapping and modelling platform, which we believe will streamline future NFM initiatives and enable more data-driven decision-making.

Arup's involvement in the project is driven by its commitment to climate resilience and community-led innovation. It's been a pleasure collaborating with the Flood Action Coalition team and the wider community of experts involved, and we look forward to continuing this important work.