



PIC WARNS PARTS OF ENGLAND COULD BECOME UNVIABLE WITHOUT URGENT ACTION ON FLOOD RESILIENCE

London, 19 May 2026 - Pension Insurance Corporation plc ('PIC'), a specialist insurer of defined benefit pension schemes, has today warned that parts of England could risk becoming unviable for future infrastructure and housing development, unless the Government takes a more ambitious approach to flood resilience.

PIC argues that unless flood risk is managed in a way that supports development rather than deters it, England may not be able to deliver the homes, infrastructure, and urban regeneration it needs in some of the most economically productive parts of the country. Without reform, over time key areas of the country could go into terminal decline.

The warning is discussed in a new report, ***'Hard Rain: Building climate resilience before the storm'***, which is being launched at UK REiF, the UK's real estate investment and infrastructure conference. The report cites examples including the Thames Barrier, and flood defences in Leeds and the Netherlands and sets out 17 policy recommendations aimed at helping the Government and institutional investors work together to fund flood resilience, unlock development, and protect communities. The recommendations include:

- *Funding flood resilience and regeneration*: extending Flood Re's mandate beyond 2039, ending VAT on remediation work on medium and high-risk zones, and adopting a Netherlands style risk-based¹ standard to flood resilience.
- *Utilising the new water regulator to support investment*: implementing joint regulatory analysis with the Environment Agency and NISTA to identify key mitigation measures and using new reservoirs to increase flood resilience.
- *Developing policy mechanisms to encourage investment from private capital*: implementing new Flooding Resilience Zones ("FRZ") to grant more flexibility to local bodies to make choices on planning, applying a land value uplift charge within the FRZ to provide sustainable funding for flood defence.
- *Harnessing industry to boost flooding resilience by allowing developers to, for example*: offset the flooding impact of their development through paying farmers to store water in their land when necessary; purchase credits to fund local flood defence works; or finance acts of mitigation by existing homeowners in the area.

- *Utilising local leaders to coordinate flood resilience work:* enabling Mayoralities to utilise existing public and private funding to maximise investment in flood resilience measures in their area.

The challenge the UK faces is not a lack of capital to invest in flood resilience, but a lack of projects that remain viable once flood risk is properly accounted for. The report argues that, without reform, that viability gap could widen over time - but that a more coordinated approach could unlock a significant pipeline of projects.

The pension risk transfer (“PRT”) market, of which PIC is a leading player, is expected to take on up to £600 billion of defined benefit pension scheme assets over the next decade, with around £200 billion of this available for UK infrastructure investment, including flood resilience.

Hayley Rees, Managing Director of PIC Capital, said: “England needs better infrastructure and more homes, but too often flood risk is treated as a reason not to invest rather than a problem to solve. If that continues, more places could become harder to develop, harder to insure and less attractive to private capital.

“This report shows there is another way. With the right policy changes, we could reduce risk, unlock private investment and help deliver the water, housing and regeneration projects communities need.”

PIC is a long-term investor in UK infrastructure, including the first UK reservoir to be built for 40 years and the Haweswater Aqueduct Resilience Programme. These types of assets provide the secure, long-term cashflows that match payments to PIC’s policyholders over coming decades. PIC has invested £15 billion in UK housing and infrastructure to date.

The full report is available here: <https://www.pensioncorporation.com/news-insights/insights/2026/hard-rain-building-climate-resilience>.

– Ends –

Notes to Editors:

1. PIC support Public First's call for the UK to learn from the Netherland's risk based standard to flood resilience which is outlined here: [From risk to resilience report PF 180325](#). This would involve clarifying the level of flood resilience the UK is seeking, fixing it at a high rate (1-100,000 year event is the Netherlands level) and ensuring government funded infrastructure considers flood resilience standards as part of their plans.

Media enquiries:

Chelsey Wheeler – Public Relations – Senior Manager

Wheeler@pensioncorporation.com

+44 (0)7586 686414

About PIC

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At full year 2025, PIC had insured 438,000 pension scheme members and had £54.8 billion in financial investments, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. At 31 December 2025, PIC had made total pension payments of £19.3 billion to its policyholders and had invested more than £15 billion in the UK economy, creating considerable social value. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit www.pensioncorporation.com.