The costs of the UK storms and floods in context

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2/12/2014

Bob Ward *looks at the economic costs of the ongoing spate of flooding in comparison with past years. Moreover, he notes that since 2000 the UK has experienced both four of its five wettest years and its seven warmest years on record, reflecting the local impact of global climate change.*

It is still too early to full assess the economic impacts of the storms and floods that have been gripping the UK over the past couple of months, particularly as the crisis is far from over. The Association of British Insurers published a preliminary estimate, based on initial claims made to insurance companies between 23 December 2013 and 8 January, that there had been £426 million in losses.

Since then, the costs have continued to mount, not just through physical damage to properties but also through the interruption to businesses that have had to close or been affected in other ways. For instance, the closure of the main rail line to Cornwall following the collapse of a section at Dawlish could have major consequences for the local economy.

(Credit: Martin Pettitt CC BY 2.0)

Indeed, the overall economic costs of this bout of extreme weather may now have surpassed the £600 million in damage that was caused by the flooding during 2012. However, losses are unlikely yet to have reached the £3.2 billion total price tag for the flooding in 2007, during which a number of town and city centres were submerged.

The Met Office and Centre for Ecology and Hydrology pointed out in a new report earlier this week that although it is difficult to definitively prove a link between the exceptional run of storms that have battered the UK, the record rainfall is part of a trend towards more intense downpours. And from 2000 onwards, the UK has experienced both four of its five wettest years and its seven warmest years on record, reflecting the local impact of global climate change.

The UK Climate Change Risk Assessment, which was published in 2012, concluded that coastal and river flooding in England and Wales could rise from an annual average of about £1.2 billion today to between £1.6 and £6.8 billion

by the 2050s. Of course, in addition to the economic losses, such extreme weather can also cause enormous emotional and psychological damage to the lives of the people who are affected.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

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