House of Commons

Public Accounts Committee

Extreme weather: Govt approach to society-wide risks lacks leadership and urgency

- Lack of clarity for communities on how to deal with extreme weather challenges
- PAC warns unlearned lessons on system-wide may come at high cost to society as calls repeated for introduction of a Govt Chief Risk Officer

The Government is too focused on short-term reactive responses to increasingly frequent extreme weather events. In a report published today, the Public Accounts Committee (PAC) warns that Government's approach to strengthening the UK's resilience to society-wide risks lacks the required robust leadership, oversight and urgency.

Government has identified that a 'whole of society' approach is required to develop resilience to the national risks the UK faces. However, the PAC's report finds that respective roles in this area at all levels of government as well as private and voluntary sectors and the public have not been clarified, leading to uncertainty about what actions to take. For example, public awareness of the risk of surface water flooding is low and it is not always clear who to contact to report incidents when they happen.

Local organisations have a critical role in developing the UK's resilience, for example by preparing emergency plans either for wide ranges of different scenarios or specific events like flooding. The PAC's inquiry found that central government does not check local plans to see if they are fit for purpose, and does not know if local organisations have the capacity and capability to fulfil their functions effectively.

The PAC's inquiry finds that three extreme weather risks – high temperatures and heatwaves, storms and surface water flooding – have no targets set by Government for levels of preparedness of resilience to them. There are also no levels set for the amount of risk the Government is willing to accept for these kinds of events (its risk appetite); without which, informed decisions cannot be made on trade-offs between long- and short-term priorities, investment or funding allocation in priority areas.

The report warns that if lessons are not learned on leadership and oversight for system-wide risk, this may come at a high cost to individuals, the economy and society in the future. It also reiterates the PAC's long-running calls for the Government to create a Chief Risk Officer, warning that existing roles do not adequately address cross-cutting risks in government and the identification and resolution of system-wide concerns.

Dame Meg Hillier MP, Chair of the Committee, said: "The COVID-19 pandemic must act as a permanent warning, carved in stone for any government. Events can and will take place in

which our communities and systems of governance are sorely tested, and it is therefore incumbent on decision-makers to foster built-in resilience and long-term planning. This is nowhere more true than in the case of extreme weather.

"Unfortunately, a theme of our scrutiny across the board is that government can be overly focused on the short-term response. This is not a sustainable approach to dealing with extreme weather events. Experience shows us the deadly impact of such events – thousands of people tragically died from the heat in summer 2022, and Storm Eunice left millions without power. Government must now act with urgency to ensure long-term planning and investment is in place for infrastructure which can endure through even the most challenging of times."

Conclusions and recommendations

1. Government is too focussed on short-term reactive responses at the expense of developing the UK's medium- and long-term resilience to extreme weather events. Since the COVID-19 pandemic, the government has strengthened arrangements to manage national risks. For example, it established the National Situation Centre in 2021 to bring data, analysis and insight together to improve its ability to identify, monitor and manage risks. However, the areas strengthened often focus on response and recovery rather than on the ability to withstand these events and therefore minimise damage. The Climate Change Committee has found little evidence that government is taking action at the pace and scale needed to fully prepare for worsening climate risks facing the UK. It, along with the National Infrastructure Commission, has highlighted that infrastructure, such as roads, rail, power and data centres, is not designed to withstand extreme weather events. Recent events have shown the impact these events can have. In 2022, for example, more than 4,500 heat-related deaths were recorded during the summer in England and Storm Eunice left 1.4 million homes without power. Improving the UK's resilience requires medium- and long-term planning and investment to secure good value for money.

Recommendation 1: The Cabinet Office, working with HM Treasury and relevant departments, should ensure sufficient focus is given to building the UK's medium- and long-term resilience to extreme weather events and other national risks, so that it is better able to withstand these risks and minimise damage. The recommendations set out in this report aim to support this.

2. The Cabinet Office is taking too long to develop its approach to investment in resilience, including private sector investment. Public and private sector investment is critical in developing national resilience to extreme weather events and to the impacts of climate change. The Cabinet Office and HM Treasury do not know how much money is spent on resilience to extreme weather events or other national risks. The Cabinet Office has committed to having a coordinated and prioritised approach to investment in resilience within government, informed by a shared understanding of risk, by 2030. By 2030, the Cabinet Office has also committed to reviewing existing regulatory regimes on resilience to ensure they are fit for purpose. Currently, some regulators do not have a statutory climate resilience remit and we are concerned that slow implementation of these measures is holding back UK resilience. The 2023 Green Finance Strategy sets out government's proposed action to prepare the UK for the physical impacts of the changing climate, to align financial flows with a climate-resilient economy, and to increase investment in adaptation, but its commitments on adaptation are substantially weaker than those on net zero and on nature.

Recommendation 2: By 2028, the Cabinet Office should:

- <u>a)</u> implement the government's coordinated and prioritised approach to investment in resilience;
 - b) give infrastructure regulators consistent climate resilience roles; and
- <u>c)</u> work with HM Treasury and other government departments to encourage greater private investment in climate adaptation.

3. For most extreme weather risks government has not set out what level of resilience it wants to achieve or how it will attain this, including targets and standards for the desired level of national, local or sectoral resilience. For three of the four extreme weather risks examined by the National Audit Office (high temperatures and heatwaves, storms and surface water flooding), government has not specified what outcome it is looking to achieve, such as target levels of preparedness or resilience, or the amount of risk that it is willing to accept in the pursuit of those outcomes (risk appetite). For droughts, water companies are currently required to plan to ensure resilience to a 1-in-200 year 'severe' drought and from 2024, to a 1-in-500 year 'extreme' drought. Without defining the level of risk government is willing to accept and aiming to attain, it cannot make informed decisions about trade-offs between long- and short-term priorities, investment or funding allocation in priority areas. It also makes it difficult for government or other stakeholders to track progress and evaluate how effectively and efficiently government is using public funds to improve national resilience.

Recommendation 3: Using extreme weather risks as a pilot with a view to then applying more widely to other sets of national risks, the Cabinet Office should set out what a resilient UK looks like for these risks and a strategy to deliver this. This could include identifying the gap between the tolerable and acceptable level of risk and the current position, producing costed plans to drive down the risk to this level, bringing this information together to develop a coordinated and prioritised approach to investment, and monitoring and tracking progress in driving down the risk to this level.

4. In building resilience to extreme weather events, it will be vital to better understand how different communities and groups will be disproportionately affected. People experience different levels of exposure to extreme weather. Factors such as location, income and health affect people's ability to cope with and respond to these events. Better understanding of vulnerability to the impacts of extreme weather could be used to target adaptation measures and emergency response. Government has committed to conducting an annual survey of public perceptions of risk, resilience and preparedness and develop a measurement of socio-economic resilience by 2025. This will include how risks impact across communities and vulnerable groups, to guide and inform decision making on risk and resilience. Other countries such as Australia and New Zealand have programmes of public education and communication on how to prepare for crises.

<u>Recommendation 4:</u> The Cabinet Office should set out how it will better engage different communities and vulnerable groups to understand the risks and impacts that affect them, for example, by using the results of its 2025 survey to better protect vulnerable groups.

5. If the government does not learn lessons on leadership and oversight for system-wide risks, this may come at a high cost to individuals, the economy and society in the future. Managing and building resilience to national risks requires coordinated action to be taken across government and beyond. But there are gaps in improving UK resilience as accountability is too fragmented and diffuse. In 2022, we recommended the establishment of a Chief Risk Officer to consider cross-cutting risks in government and proactively manage the identification and resolution of system-wide concerns. This post has not been created. Instead, the Cabinet Office appointed a Head of Resilience to lead the efforts to strengthen UK resilience and HM Treasury appointed a Head of the Government Risk Profession to build capabilities and skills in the risk management profession. These roles do not adequately address the objective of the Committee's previous recommendation. There is still a lack of independent challenge on the extent to which risk is properly identified and considered at the most senior levels when decisions are made, and a lack of cohesive leadership and objective oversight of how government as a whole manages national risks. A Chief Risk Officer should address these shortcomings, ensure that there are no gaps in risk oversight, and address systemic challenges across government and any consequential risks.

Recommendation 5: By 2025, the government should establish a Government Chief Risk Officer role to oversee the identification and proactive management of cross-cutting consequential risks in government and the resolution of system-wide concerns in a cohesive and coherent manner. This role should be independent and have sufficient seniority to not only provide professional leadership and expert advice across the risk profession but also advise and constructively challenge senior leaders in government.

6. The Cabinet Office has yet to set out the respective roles of central government, local government, the devolved administrations, the private and voluntary sectors, and the public for developing and maintaining national resilience. Government has identified that developing resilience requires a 'whole of society' approach, but it has yet to clarify the roles the different parts of government and society ought to play, leading to uncertainty on what actions to take. This uncertainty on roles, responsibilities and actions is particularly challenging for communities dealing with a novel risk that is impacting them for the first time where who does what has not been well rehearsed. Considering individual extreme weather risks, the public does not always know who is responsible for mitigating the risk. For example, public awareness of the risk of surface water flooding is low and it is not always clear who the public should contact to report incidents to when they happen. There are also opportunities to learn from other countries. For example, the Australian government has issued statements of responsibility for government, business, the third sector and individuals.

Recommendation 6: The Cabinet Office should set out clear roles, responsibilities, and guidance for citizens, the third sector, the public sector and the private sector on prevention and preparedness for national risks, and how this links with the roles and responsibilities of central and local government.

7. Local organisations have a critical role to play in developing UK resilience, but the Cabinet Office does not know if they have the capacity or capability to fulfil their role effectively. Local organisations, such as the local responders represented in local resilience forums and other voluntary and community organisations have a critical role in making the UK resilient. For example, each forum produces a community risk register setting out the greatest risks to their local area, what is being done to manage them and where the public can get help or advice. They also prepare supporting emergency plans, that may either be generic plans that describe a response to a wide range of possible scenarios, such as a major incident plan, or specific plans that deal with a particular kind of emergency, such as a flood. However, central government does not check local plans to see if they are fit for purpose and does not know if local organisations have the capacity and capability to fulfil their functions effectively. The Cabinet Office, in its 2021 integrated review of security, defence, development and foreign policy, recognised the that the roles and responsibilities of these forums needs to be strengthened. The Department for Levelling up, Housing and Communities plans to pilot ways to strengthen their leadership and accountability by 2025.

<u>Recommendation 7:</u> The Cabinet Office, working with the Department for Levelling Up, Housing and Communities, should put measures in place to gain assurance on local organisations' capacities and capabilities and to gain assurance on local risk registers and plans so support and resources can be targeted where improvement is most needed.

Notes to Editors:

Full inquiry info, including evidence received, can be found here.

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