

Funding the Future

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As [The Guardian](#) notes this morning:

Millions more homes in England, Scotland and Wales face devastating floods, and some towns may have to be abandoned as climate breakdown makes many areas uninsurable, a Guardian investigation has found.

New analysis from the insurance industry, seen by the Guardian, reveals the extent of concern in the sector, with bosses warning that large swathes of housing and commercial property in densely populated areas will be at greater risk.

They added:

Separately, experts have said that some towns may need to be abandoned as homes and businesses struggle to get insurance in areas repeatedly battered by storms and rising sea levels.

I also noted this:

Densely populated areas including London, Manchester and parts of north-east England, are likely to be worst hit. Experts also say London's flood defences need to be updated urgently to protect the capital from devastating floods.

And this:

Bermondsey and Old Southwark in London and Boston and Skegness in Lincolnshire are projected to have about 90% of homes at risk from river and coastal flooding by 2050 - the highest proportions in the country.

Richard Tice continues to deny that climate change is a risk, though, despite his constituency being on the frontline of risk.

My own position on this could not be clearer. To prepare this post, I searched for my own videos on this subject on Google and got this summary of my arguments back from it, which I thought it was worth sharing:

UK tax campaigner and political economist Richard Murphy has consistently highlighted the severe risks posed by flooding and rising sea levels, both for individual households and the wider financial system. A central argument of his is that climate change, and specifically flooding, is creating a financial crisis that is largely being ignored by politicians and financial markets.

Flooding and the housing and banking sectors

Murphy has repeatedly warned that extensive areas of UK property are becoming uninsurable due to the increased risk of flooding, with profound consequences for the banking sector.

* ***Uninsurable housing:*** He argues that as climate change worsens, properties in flood-prone areas will become uninsurable, which in turn makes them unsellable. This can leave homeowners trapped and cause a "time bomb" for the housing market.

* ***Bank risk:*** With an estimated 85% of UK bank lending secured on property, Murphy warns that banks are at risk of large-scale defaults as these properties decline in value or become worthless. He points out that this systemic risk is largely being ignored by financial institutions.

Criticism of government inaction

Murphy has been highly critical of the government's approach to flood risk, accusing politicians of denying the "existential threat".

* ***Ignoring the science:*** In a July 2025 blog post, Murphy criticised politicians for not taking the threat seriously, despite data showing UK sea levels are rising faster than the global average.

* ***Regional disparities:*** He has commented on the suggestion that some areas, particularly in Eastern England, might be "sacrificed" because the cost of flood defences is too high.

* ***Inadequate funding:*** Murphy has argued that flood defences should be paid for by government deficit spending or "People's Quantitative Easing," rather than being limited by standard budget constraints. He has previously advocated for a "Green New Deal" that includes investment in flood prevention systems.

Broader economic context

Murphy frames the flood risk issue within a larger critique of current economic policy, which he argues is failing to address climate change and other systemic threats.

* ***Climate insolvency:*** He has argued that many large companies are "climate or carbon insolvent," meaning their balance sheets do not account for the costs of transitioning to net zero. He contends that existing accounting rules conceal this, creating hidden risks for financial markets and pension funds.

* ***Financial market failure:*** Murphy believes that until honest accounting practices and proper regulation acknowledge these risks, both economic and ecological collapse

are likely. He sees the failure to address climate change as a major financial crisis waiting to happen.

This is one of my videos on the issue:

<https://www.youtube.com/watch?v=lqpCzPG7P90?si=B3-0EL75Af2uwfSt>

The question is, when are politicians going to act, or will they wait until it is too late?