

PAPER NO. 4

REPORT TO THE EXECUTIVE MEETING OF 15 JUNE 2015 (

Meeting: Executive
Date: 15 June 2015
Subject: Flood Relief Grant Scheme
Report of: Elaine Bird
Portfolio Holder: Cllr Neil Bannister
Status: Decision
Relevant Ward(s): Various

1 Purpose of the Report

- 1.1 This report sets out an approach to manage and allocate funding given by the Government to assist properties that were flooded in the district during the time period of 1st April 2013 and 30th November 2013 in Harborough District.

2 Recommendation:

2.1 **Approve the operation of:**

- a) **the Discretionary Business Rates Flooding Relief scheme;**
- b) **the Repair and Renewal Scheme;**
- c) **the Council Tax discounts scheme; and**
- d) **the Business Support Scheme**

in accordance with the Government's published guidance, with applications determined by the section 151 officer in consultation with the portfolio holder.

3 Summary of Reasons for the Recommendation

- 3.1 Following the severe weather and flooding in the winter of 2013/14, the Government announced a package of measures to support affected homes and businesses. In the original announcement, assistance was only available to properties that were flooded between the 1st December 2013 and 31st March 2014, however the scheme has now been extended to include the period between 1st April 2013 and 30 November 2013. This period covers the flooding that occurred in Market Harborough town centre in 2013 enabling local businesses and homes affected by the flooding to benefit from financial support.

4 Key Facts

- 4.1 Between the 1st April 2013 and 30th November 2013 Leicestershire County Council had received notification of 75 properties that had reported incidents of flooding (30 businesses and 45 residential) in Harborough District. The severe weather event in Market Harborough in July 2013 resulted in over 50 properties being affected by flooding to some extent.
- 4.2 Following the winter flooding events which caused significant disruption to large parts of the country in the winter of 2013/14, the Government announced a range of financial assistance to support businesses and homeowners impacted by the flooding. Originally the scheme was only open to properties that had been flooded between 1st December 2013 and 31st March 2014 however the scheme has been extended to cover the period between 1st April 2013 and 30th November 2013. This timeframe opens up the scheme to properties that were affected by the flooding event in July 2013.
- 4.3 There are different types of funding available to households and businesses; the report now briefly outlines these.

4.3.1 **Repair and Renew Grant.**

This scheme provides grant up to £5,000 to home owners and businesses that have been flooded to help fund additional flood resilience or resistance measures for homes and businesses. There is a published list of types of work that are eligible for assistance under this scheme. Assistance can also be paid retrospectively provided that the works have not already been funded through insurance claims. The grants are intended to fund measures over and above the costs of repairs that would normally be covered by insurance. The grants will not cover standard repairs or to provide compensation and they must be used only for improvements to the fabric of the premise that would have a benefit of reducing the impact and cost of subsequent flooding on the property.

To qualify for assistance either the household or business must have been damaged by flooding as defined by the Flood and Water Management Act 2012 within the time frames set out in section 4.2 of this report.

To qualify for assistance the following areas must have been damaged by flooding

- For residential properties – habitable internal areas, including septic tanks only (i.e. not gardens or garages etc.).
- For businesses and charitable organisations only those internal areas of the premises which are critical to the day to day operations (i.e. not storage sheds or warehouses).

Measures covered by the Repair and Renew Grant are found in the Memorandum of Understanding which must be signed by the Council and Defra and can be found in Appendix A.

4.3.2 **Business Rate Flooding Relief**

Under the extended scheme eligible businesses that have been flooded between 1st April and 31st March 2014 can apply for business rates “flooding relief”.

The Government has not changed the legislation around the relief available to properties and it is their expectation is that local authorities will use their discretionary relief powers (under sec 47 of the Local Government Finance Act 1988 (as amended by the Localism Act)) to grant relief in line with the eligibility criteria set out in the guidance document. Central Government will fully reimburse the local authority for the local share of the discretionary relief.

Properties that are eligible to apply for this relief must meet the following criteria:

For any day between 1st April 2013 and 31st March 2014:

1. The hereditament has been flooded in whole or part as a result of adverse weather conditions; and
2. On that day, as a result of the flooding at the hereditament, the business activity undertaken at the hereditament was adversely affected; and
3. The rateable value of the hereditament on that day was less than £10 million.

The scheme provides 3 months rate relief irrespective of how long the flooding or business impact lasted.

Empty properties are not normally covered by the scheme.

As part of the eligibility assessment of any claimant, consideration will be given to any other discretionary business rate relief that has been given to the business.

4.3.3 **Council Tax Discounts**

Where residents had to vacate their property as a result of flooding they are entitled to a council tax rebate for as long as they were unable to return home. During the flooding event in 2013 we are not aware of any residents that had to vacate their property due to flooding therefore we do not anticipate that we will receive any applications for this support.

The local authorities can use powers under sec 13A of the Local Government Finance Act 1992 to grant council tax discounts on properties affected by flooding. Under this scheme the local authorities will be able to claim support through the Department of Communities and Local Government for council tax discounts for homes that have been flooded. Based on information obtained following the flooding event in 2013 it is not anticipated that there will be a high demand for this type of assistance.

4.3.4 Business Support Schemes

Businesses that have been flooded or whose business has been adversely affected by flooding could apply for assistance if they meet the eligibility criteria. Businesses eligible for this scheme will have to demonstrate they have sustained hardship and significant loss of trade as a result of the flooding. Support for this fund is available to help small and medium sized businesses to develop and implement business recovery plans. This grant can help businesses that were indirectly affected by flooding but it is not to be used to reward poor business practice such as no insurance or for routine business costs that are recoverable elsewhere.

The local authority has the discretion to set a maximum grant and the average claim from other similar recovery schemes was around £2,500. Based on this information the maximum grant allowed for affected businesses in Harborough will be £2,500. Following the flooding incident in 2013 there were no reports of businesses experiencing financial hardship as a direct result of the flood, therefore it is not anticipated that there will be high demand for this type of assistance.

5 Legal Issues

5.1 None identified

6 Resource Issues

6.1 For the Repair and Renewal Scheme the Council must use capital expenditure and claim back grant costs from Defra within a prescribed timeframe. The deadline for businesses and residents to submit their claim for a grant is the 30 September 2015. Accounting for the grant in the Council's Financial Statement will be subject to the Council's accounting policy. As a result there may be some grants that are de minimis under Capital rules. However, the level of uptake of this grant is expected to be low and therefore not material.

6.2 In order for the Council to reclaim any expenditure under this scheme the Memorandum of Understanding (Attached at Appendix A) must be signed by the Section 151 Officer and countersigned by Defra.

6.3 Where a local authority uses its discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant business rate relief in line with the eligibility criteria set out in the national guidance for the flood relief scheme, the Government will reimburse the local authority 100 per cent rate relief for three months from the date when the property was flooded for those business premises that meet the eligible criteria set out in paragraph 4.3.2 above.

7 Equality Analysis Implications/Outcomes

7.1 The scheme is limited to a defined number of properties all who will have equal access to the scheme.

8. Risk Management Implications

- 8.1 To minimise the risk of late claims for grants by applicants, the timeframes for submissions will be clearly set out in all correspondence and a condition will be placed on all grant approvals that claims submitted after 30th September 2015 will not be honoured under this scheme which is the deadline date set by DCLG for submissions.

9 Consultation

- 9.1 Information on the scheme will be available on the Council's website and properties affected by the town centre flooding event in July 2013 will be contacted directly and advised of the scheme through a direct mail drop.

10. Options

- 10.1 The various schemes are discretionary and consideration was given not to include the Council Tax Discounts and Business Support Scheme due to the potential low demand for this type of assistance, however it was felt appropriate to include all elements of the support schemes in the report to give residents and businesses the opportunity to submit a claim for these types of assistance, subject to them being able to provide evidence to demonstrate compliance with the eligibility criteria.

11 Background Papers

- 11.1 DCLG Guidance Note on Flood Support Scheme

Previous report(s):

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: Y/N

Appendices:

A. Memorandum of Understanding