

Committee: Cabinet

Agenda Item

Date: 31 March 2014

9

Title: Flooding – Repair and Renewal Grant Scheme

Portfolio Holder: Cllr Susan Barker

Key decision: No

Summary

1. The Government has put in place a grant scheme for businesses and homeowners affected by flooding since 1 December 2013. The scheme is to be administered locally by the council. The Government will fund the cost of grants approved by the council.

Recommendations

- 1) To agree the principle of operating the grant scheme for repairs and renewal work to flooded businesses and homes,
- 2) To authorise the Director of Public Services to determine the arrangements for claiming financial support and to administer the scheme.

Financial Implications

2. There will be no net impact on the council's budget as the government will fund the cost of grants approved by the council. Grant agreements including payment terms are expected to be issued to local authorities shortly. The RRG will be delivered by Local Authorities in flood affected areas, using a grant under section 31 of the Local Government Act 2003. Local Authorities will implement and recover costs from Defra.

Background Papers

None

Impact

3.

Communication/Consultation	Letter from DCLG attached
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal	There are European rules which limit the

Implications	amount of aid which can be given to businesses but the level of grant available is such that it is extremely unlikely that these rules would be infringed.
Sustainability	Resilience measures are part of adapting to climate change.
Ward-specific impacts	Businesses which experienced flooding are concentrated in Stansted North. Flooded homes were more widely dispersed with a cluster in Saffron Walden Castle ward (Lavender Field and The Spike)
Workforce/Workplace	Administering the scheme may require revised priorities

Situation

4. The government has written to local authorities setting out guidance on a scheme it announced on 12 February. The letter and guidance are attached to this report.
5. The council needs to set up a process to deal with applications from businesses and homeowners for grants.
6. The government is keen that businesses and homeowners can apply for grants from 1 April. Grants can be retrospective towards the costs of works already in the process of being implemented or already completed, provided they relate to redressing damage to the interior of properties caused by flooding this winter/ improving resilience of damaged properties .
7. The government is seeking to achieve broad consistency in implementation of the grant scheme across local authorities whilst allowing scope for tailoring delivery of the scheme to meet local circumstances. Decisions are therefore be required over matters where there is scope for exercising discretion, such as which flood resilience and resistance measures are relevant locally and consequently those that the council will grant support. The council's building surveyors will assess grant applications to determine if measures are appropriate.
8. The estimate of the number of flooded non domestic properties eligible for business rates flood relief is 11, and the number of dwellings to be granted a council tax discount because of flooding is 10. The numbers of properties eligible for the repairs and renewal grant may be slightly greater because the grant scheme is not limited to properties that are unoccupied because of flood damage.

Risk Analysis

- 9.

Risk	Likelihood	Impact	Mitigating actions
The cost of grants paid out by the council may not be capable of being recovered from Defra	1 LAs will operate within a framework agreement agreed with Defra	2 Impact limited by the number of properties flooded and cap on grant per property of £5,000	Clarification can be sought from Defra if necessary

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Flooding - Business Support Scheme

1. The Government has put in place new scheme to support all small and medium sized business in flood affected areas that have been impacted by the floods and suffered a significant loss of trade. Locally this scheme is administered by Uttlesford District Council.
2. Support from this fund will be available to support small and medium sized businesses to develop and implement business recovery plans. Eligible businesses will be able to claim for costs which could include immediate clean-up costs, materials, exceptional business costs (such as hire of drying equipment) and temporary accommodation to enable these businesses to continue trading. Business continuity planning and marketing costs may also be covered.

Which businesses will benefit from this grant?

- a. *Only* businesses affected by coastal and inland flooding since 1st December 2013 will be eligible for funding.
- b. Eligible businesses are those that have sustained hardship and significant loss of trade as a result of the floods, but it is not to be used for rewarding poor business practice (e.g. if a business has not put any insurance arrangements in place) or for routine business expenses or costs that are recoverable elsewhere.
- c. This business support scheme can also be used to support businesses which have been indirectly impacted by the floods.
- d. The grant covers direct and indirect impacted businesses within flood affected
- e. areas. It does not cover loss of trade suffered by businesses outside of directly affected areas.
- f. By direct impacts we mean that business has suffered direct damage and loss to premises, equipment and/or stock and has been unable to trade normally as a result of flooding
- g. By indirect impacts we mean business has had no or highly limited access to premises, equipment and/or stock as a result of flooding, restricted access to customers and suppliers and suffered significant loss of trade.
- h. In considering whether the business activity has been adversely affected, the council will consider the impact of the flooding in the full context of all business activities undertaken at the hereditament. Very small or insignificant impacts will be ignored.

What can the grant be used for?

3. The type of things that may be grant aided include:
 - non-recoverable insurance excesses for repair or replacement of buildings, equipment and stock;
 - removal of debris, additional business accommodation or extra staff costs;

- structural surveys, security measures, additional marketing, exceptional costs to improve access to/for suppliers and customers etc.
4. The funding is for the impacts of flooding from the recent adverse weather conditions and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions).

How much grant will be available?

5. The maximum payments to individual businesses with funding from the scheme are at the discretion of the council but in other similar government recovery schemes the average claims were c. £2,500 per business.