

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 12

meeting date: 5 APRIL 2016
title: UPDATE ON FINANCIAL IMPACT OF DECEMBER FLOODS
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To provide members with an update on the financial impact for this council of the December floods.

2 BACKGROUND

- 2.1 December 2015 was one of the wettest months on record in the United Kingdom. High water levels in the rivers and on land coupled with record rainfall meant we were faced with a number of flooding incidents throughout December.
- 2.2 Following Storm Desmond and due to incessant rain on 12 December 2015, the culvert in Brookside Close, Whalley overflowed and a torrent of water ran down King Street, flooding approximately 20 properties in that area. There were also a small number of properties flooded at Ribchester and in Clitheroe and Barrow.
- 2.3 On 26 December 2015, as a result of Storm Eva, there was widespread flooding affecting parts of Whalley, Billington and Ribchester. There were also reported incidents of severe flooding in other parts of the Ribble Valley.
- 2.4 There has been expenditure incurred by the council for a variety of reasons as a result, which is also variously funded from a number of external parties and partly funded by ourselves. To summarise, expenditure initially incurred directly by ourselves has consisted of:
- Emergency response following the flooding incidents.
 - Flood Grants of £500 to each household flooded.
 - Council Tax and Business Rates Relief
 - Property Resilience Grants of up to £5,000 per flooded property for households and businesses.

3 FINANCIAL IMPACT

Emergency Response Following the Flooding Incidents.

- 3.1 The Council has incurred considerable expense in helping residents and businesses recover from flooding. The expenditure incurred under this heading can be partially recovered from the Government under what is known as the Bellwin Scheme.
- 3.2 The Bellwin Scheme provides emergency financial assistance to local authorities, particularly but not exclusively for emergencies caused by weather incidents. The Government announced immediately following the recent flooding incident that the Bellwin scheme had been activated and local authorities such as ourselves registered our intention to claim reimbursement of expenditure incurred as a result of the emergency.

3.3 The main elements of our expenditure relating to the December floods are detailed below:

Emergency Response Costs	£
Skip Hire	50,295
Emergency Accommodation for Displaced Residents	4,255
Hire of Plant	2,641
Sandbags	2,097
Emergency Control and Rest Centres	1,566
Direct Works Staff Overtime and Call Outs	1,180
Emergency Building Works	613
Mileage Payments	267
Other Staff Expenses	53
Total Emergency Response Expenditure	62,967
Less Bellwin Threshold	-12,164
To be Claimed from Government	50,803

3.4 Under the Bellwin Scheme, there is a threshold up to which the council must stand the costs incurred, which for Ribble Valley has been calculated at £12,164. Therefore, of the £62,967 shown above, £50,803 will be claimed from the Government under the Bellwin scheme and £12,164 will fall on the council. This has been included in our Revised Estimates as approved at Full Council on 1 March.

3.5 Our application for reimbursement of expenditure incurred under the Bellwin Scheme has now been submitted, but is yet to be approved.

Flood Grants of £500 to Each Household Flooded

3.6 Under this scheme a £500 payment was made to each property that had been flooded internally, i.e. water has entered the property:

- Basements and below ground level floors are included
- Garages are included if in the fabric of the building. Garages adjacent or separate from the main building are not included
- Include occupied caravans and park homes but not tents

3.7 Applications under this grant scheme are now closed. There has been a total of £119,000 paid to 238 households in the borough under this scheme. This expenditure has been funded by the government through a S31 Grant in full via Lancashire County Council as the Flood Authority. All of this expenditure has now been reimbursed in full.

Council Tax and Business Rates Relief

3.8 Under this national scheme a minimum of 3 months Council Tax relief was given for all households flooded (with the exception of second homes). This is extended for up to a year, on application, for any households unable to move back in to their property as a result of flood damage.

- 3.9 A similar scheme is in operation for Business Rate relief, with 3 months relief available on application for those businesses flooded.
- 3.10 We have been provided upfront funding from the government to support the payment of this relief to residents and businesses. This funding will be reconciled to actual payments made to ensure that we as a council receive no more or less than the amount we have paid out.
- 3.11 The granting of this relief moves on a daily basis as residents' circumstances change, therefore we are unable to provide committee with a definitive value for this relief and level of government support. However a snapshot position up to 31 March 2016 is provided in the table below:

	Storm Desmond		Storm Eva	
	Council Tax	Business Rates	Council Tax	Business Rates
Section 31 Grant Received	8,638	4,833	108,709	27,412
Less Amount of Relief Granted as at 31 March 2016	-5,468	-15,416	-82,396	-38,686
Difference	3,170	-10,583	26,313	-11,274

- 3.12 The relief granted in 2016/17 will depend upon how quickly residents are able to return to their properties.

Property Resilience Grants of up to £5,000 per flooded property for households and businesses

- 3.13 Following the floods the Government announced a scheme, administered by local authorities, to provide grants of up to £5,000 to homeowners and businesses that had been flooded as a result of storms Desmond and/or Eva to help fund additional flood resilience or resistance measures. Grants are intended to fund measures which improve the property's resilience or resistance to flooding, over and above repairs that would normally be covered by insurance.
- 3.14 There have been a significant number of property resilience grant applications received and progressed to date. There have been 44 household applications received, 6 of which have been approved. For businesses there have been 5 applications received, 2 of which have been approved and 1 completed and payment made.
- 3.15 This expenditure will be funded by the government through a S31 Grant in full via Lancashire County Council as the Flood Authority.

4 CONCLUSION

- 4.1 There have been many ways in which the council has incurred expenditure in assisting residents following the floods, either through the initial emergency response or through the provision of grants or reliefs.

- 4.2 Following the reimbursement of funding claims there will be a budgeted net cost of £12,164 to this council, being the threshold below which the Bellwin scheme will not cover

HEAD OF FINANCIAL SERVICES
PF29-16/LO/AC
23 March 2016

DIRECTOR OF RESOURCES

For further background information please ask for Lawson Oddie.

BACKGROUND PAPERS – None