

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 14

meeting date: 28 MARCH 2017
title: UPDATE ON FINANCIAL IMPACT OF DECEMBER 2015 FLOODS
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To provide members with the latest position on the financial impact for this council of the December 2015 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 and other agencies for a variety of reasons as a result, which is also variously funded from a number of external parties and partly funded by ourselves.

2.5 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.

2.6 Other areas of support for our residents has centred around:

- Business Support Payments (Boost)
- Community Foundation for Lancashire – Lancashire Flood Appeal

3 FINANCIAL IMPACT

Emergency Response Following the Flooding Incidents.

3.1 The Council incurred considerable expense in helping residents and businesses recover from flooding. The expenditure incurred under this heading was 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 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 2015 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	1,280
Emergency Building Works	613
Mileage Payments	267
Other Staff Expenses	53
Total Emergency Response Expenditure	63,067
Less Bellwin Threshold	-12,164
To be Claimed from Government	50,903

3.4 Under the Bellwin Scheme, there is a threshold up to which the council must stand the costs incurred, which for Ribble Valley was £12,164. Therefore, of the £62,967 shown above, £50,903 was claimed from the Government under the Bellwin scheme and £12,164 fell on the council in the 2015/16 financial year.

3.5 Our application for reimbursement of expenditure incurred under the Bellwin Scheme was paid in full.

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 There was 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 scheme a minimum of 3 months Council Tax relief was given for all households flooded (with the exception of second homes). This was extended for any households unable to move back in to their property as a result of flood damage.
- 3.9 As reported to your last meeting, we granted Council Tax Relief to 245 properties, totaling £190,520. Thirteen of these properties have yet to return home.
- 3.10 A similar scheme was in operation for Business Rate relief, with 3 months relief available on application for those businesses flooded. Again, as reported to your last meeting, we granted Business Rates Relief to 32 Premises totaling £63,030 and all businesses are now back open and trading.
- 3.11 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.
- 3.12 Based on the information reported above, the comparison to upfront funding is summarised below.

	Storm Desmond and Eva Funding	
	Council Tax	Business Rates
Section 31 Grant Received	-117,347	-32,245
Less Amount of Relief Granted	190,523	63,031
Further Grant Monies Required	-73,176	-30,786

- 3.13 As the deadline for the relief to end was approaching we contacted the Department for Communities and Local Government (DCLG) to clarify if they would allow us to extend the relief to those households who had been unable to return home.
- 3.14 DCLG confirmed that they would continue to fund the relief for those householders who had not been able to return home after 24 December 2016 and as a result we have extended the relief to 31 March 2017 for those affected.

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

- 3.15 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.
- 3.16 There have been a significant number of property resilience grant applications received and progressed to date. There have been 180 household applications received and 35 business applications.

- 3.17 The table below provides a summary of the grants applications received, values paid to date and potential further expenditure yet be paid out.

	Households £	Businesses £
Applications Approved	725,800	122,277
Payments Made to Date	484,788	55,919
Of Which Reimbursed via Lancashire County Council (to date)	-267,712	-28,905

- 3.18 This expenditure is funded by the government through a S31 Grant in full via Lancashire County Council as the Flood Authority. A further application for reimbursement will be made to Lancashire County Council at the end of this financial year.

Business Support Payments (Boost)

- 3.19 Businesses that were severely affected by the floods were able to apply for Flood Recovery Grants through Boost Business Lancashire, the Lancashire Enterprise Partnership's Growth Hub.
- 3.20 The scheme was available to small and medium sized businesses (up to 250 full time equivalent employees) in Lancashire flooded during the heavy rain of December 2015. The grant was not intended to cover losses incurred by the flooding which should have been covered by insurance but rather to support businesses in their recovery.
- 3.21 In the Ribble Valley there were 21 businesses that were supported through this grant stream, totaling £66,921.

Community Foundation for Lancashire – Lancashire Flood Appeal

- 3.22 Launched by Community Foundation for Lancashire on 8 December 2015, the Flood Appeal raises funds to directly support individuals and families in hardship and vital community organisations and resident groups in the areas affected by the floods. It provides emergency response support and clean-up support via charitable donations and grants.
- 3.23 This funding stream has not been reported on to this council and so we are unable to report the financial impact to our residents. Coordination has largely been through Whalley and District Lions Club.

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. Such expenditure has largely been reimbursed.
- 4.2 Following the reimbursement of funding claims there has been a budgeted net cost of £12,164 to this council, which was met in the 2015/16 financial year, being the threshold below which the Bellwin scheme would not cover.

- 4.3 There have been a number of other forms of financial support that have not necessarily been coordinated by this council, such as Business Support Payments (Boost) and Community Foundation for Lancashire (Lancashire Flood Appeal).

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

PF28-17/LO/AC
20 March 2017

For further background information please ask for Lawson Oddie.

BACKGROUND PAPERS – None