

NORTH LINCOLNSHIRE COUNCIL

**PROSPERITY CABINET MEMBER AND ENVIRONMENT &
WELLBEING CABINET MEMBER**

NOVEMBER 2019 FLOODING: FINANCIAL SUPPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To seek approval to establish a package of financial support to households and businesses impacted by the flooding caused by severe weather on Thursday 7th November and 14th November 2019.
- 1.2. To date there are approximately 50 known cases of residential properties impacted by flooding.
- 1.3. The Ministry of Housing, Communities and Local Government (MHCLG) has announced funding to support the recovery efforts of local councils where households and businesses have been affected.
- 1.4. The decision is urgent in order to facilitate recovery immediately.

2. BACKGROUND INFORMATION

- 2.1. A significant amount of rainfall fell across North Lincolnshire on Thursday 7th November and overnight and again on 14th November 2019 which has resulted in instances of flooding across North Lincolnshire. Flood warnings remain in place across the area. The Council has taken extensive action to support communities in recovering from localised flooding. Indeed, despite similar levels of rainfall, the proactive nature of investment and planning over the last 10 years has resulted in far fewer properties being affected than was the case in 2007.
- 2.2. At this stage, there are 50 known instances where households have been breached by water entering habitable areas of the residence. This could increase further as more properties report damage to the Council and with flood warnings still in place.
- 2.3. The Council has previously responded pro-actively in response to disruption caused by flooding and made available a package of financial assistance to impacted households through grant funding and council tax discounts. The MHCLG subsequently put in place a Flood Recovery Framework for local authorities which sets out a core package of business and community recovery support to serve as a framework for flood recovery funding when needed.

- 2.4. Ministers announced on 12th November 2019 that community recovery funding would be made available to local Councils, equivalent to £500 per household. Additionally business recovery grants of up to £2,500 per eligible business will be available under the framework. Whilst the detail has not yet been released, it is hoped that the scale of the local impact will be sufficient for the Council to receive this funding to pass on to impacted properties. In previous cases of severe weather events, the Government has required authorities with minimal numbers of qualifying properties in their area to manage recovery independently.
- 2.5. It is proposed that the Council takes action to support impacted properties regardless of the availability of Government funding based upon the Flood Recovery Framework. The following schemes of financial assistance are proposed to be made available to impacted properties:
- Community recovery grants of £500 for eligible households (appendix 1).
 - Business recovery grants of up to £2,500 for eligible businesses (appendix 2).
 - Council tax discounts (see appendix 3).
 - Hardship/crisis grant for exceptional family circumstances up to £500 for eligible households.

3. OPTIONS FOR CONSIDERATION

- 3.1. To approve the creation of financial flood support schemes.
- 3.2. To decline the creation of financial flood support schemes.

4. ANALYSIS OF OPTIONS

- 4.1. The financial flood support schemes have been kept fairly simple, and in alignment with the recommended framework as set out in the national guidance to local authorities. This increases the chance of the Council being reimbursed should the Government choose to recognise the local severe weather event as above the level where the Council would be expected to manage recovery independently.
- 4.2. Not providing support would avoid cost being incurred, but it would also mean the Council is not pro-actively helping its residents and businesses in most need, and would be contradictory to the approach it has taken in previous severe weather incidents.
- 4.3. The amount of community recovery and business recovery grant is per MHCLG guidelines, which minimises the risk of challenge from property owners forced to leave their properties either historically or in the future through comparable yet isolated ad hoc “natural events”. The inclusion of a hardship grants allows additional flexibility in extreme cases.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1. The Council currently expects to provide community recovery grants to the value of at least £25,000 to impacted households (based on 50 known properties). There are no businesses known to be impacted at this stage, therefore no business recovery grants are expected. Regardless, the cost of both is expected to be recovered from MHCLG.
- 5.2. Council tax discounts will require funding by the Council if they are approved, unless the MHCLG widens its funding package at a later date.
- 5.3. The forecast cost of council tax discounts is less certain, as discounts are intended to apply for the duration of time when a residence is not liveable. Granting one band D property three months council tax discount would cost £442. If all impacted properties were band D properties and eligible for at least 6 months discount, the total cost would be in excess of £40k. This cost would be absorbed by the collection fund, and contribute to a deficit in the collection fund if all else remains equal. The MHCLG may decide at a later date to fund this cost.
- 5.4. There are no staffing, property or IT related implications to consider.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1. Not applicable.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 7.1. Not applicable.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 8.1. Not applicable.

9. RECOMMENDATIONS

- 9.1. That Cabinet member approves the creation of financial support schemes set out in 2.5 and detailed in the appendices.

DIRECTOR: GOVERNANCE AND PARTNERSHIPS

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Background Papers used in the preparation of this report
Flood recovery framework: guidance for local authorities in England

A grant of £500 will be payable to households that satisfy the following eligibility criteria:

- Eligible households will be primary residences where, as a result of the flooding:
 - Flood water entered into the habitable areas of the residence; or
 - Flood water did not enter into the habitable areas, but the Council regards that the residence was otherwise considered unliveable for any period of time.
- Second homes are not eligible
- Empty homes are not eligible
- Instances where households might be considered unliveable could include:
 - Where access to the property severely restricted (e.g. upper floor flats with no access);
 - Key services such as sewerage, draining, and electricity are severely affected;
 - The flooding has resulted in other significant damage to the property such that it would be or would have been advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
 - Flooded gardens or garages will not usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.

BUSINESS RECOVERY GRANTS

Appendix 2

A grant of up to £2,500 will be payable to businesses that satisfy the following eligibility criteria:

- Eligible businesses will be small and medium sized businesses within flooded areas which:
 - Are directly impacted by the weather event – for instance there was flood damage to the property, equipment, and/or stock; or;
 - Are indirectly impacted by the weather event – for instance the business has had no/highly restricted access to premises, equipment and/or stock as a result of flooding, restricted access for customers, suppliers and/or staff; and directly suffered a loss of trade as a result.

Business recovery grants will not be used to reward poor business practice (e.g. if a business has made no efforts to seek appropriate insurance, or take recommended measures following previous flooding) or for routine business expenses or costs that are recoverable elsewhere.

In addition to grant funding, the Council can also offer business development support to impacted businesses, and will try to support the business to recover trade and build resilience.

COUNCIL TAX DISCOUNTS

Appendix 3

Under the Council's discretionary powers, the following discounts will be made available:

- 100% discount for a minimum of three months, or while anyone is unable to return home if longer, for primary residences where, as a result of the flooding:
 - Flood water entered into the habitable areas of the residence; or
 - Flood water did not enter into the habitable areas, but the Council regards that the residence was otherwise considered unliveable for any period of time.

AND

- 100% council tax discount on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.

Other eligibility criteria:

- Second homes are not eligible.
- Empty homes are not eligible.

Instances where households might be considered unliveable could include:

- Where access to the property severely restricted (e.g. upper floor flats with no access);
- Key services such as sewerage, draining, and electricity are severely affected;
- The flooding has resulted in other significant damage to the property such that it would be or would have been advisable for residents to vacate the premises for any period of time, regardless of whether they do vacate or not;
- Flooded gardens or garages will not usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable.