

FLOOD SUPPORT SCHEMES

Cabinet – 6 March 2014

Report of Chief Officer Communities & Business

Status: For Decision

Also considered by:

Key Decision: Yes

Executive Summary: This report sets out information about the Government's flood support schemes. These include:

1. The Repair and Renew Grant
2. Business Rates Flooding Relief
3. Council Tax Discounts
4. Business Support Scheme

The Farming Recovery Fund, to restore land in England to agricultural production, is provided by the Rural Development Programme for England and is managed by DEFRA.

The Government has made £172,500 available to this Council to fund one of those schemes, the Business Support Scheme, to help businesses in the District who have been affected by flooding.

Further information is awaited regarding the other three schemes.

Members are asked to agree Guidelines for this Council to administer the Business Support Scheme.

This report supports the Key Aim of Supporting and developing the local economy and the Community Plan Vision for Safe & Caring Communities, a Green & Healthy Environment and a Dynamic & Sustainable Economy.

Portfolio Holder Cllr. Roddy Hogarth

Contact Officer(s) Simon Davies Ext 7374

Recommendation to CABINET:

Guidelines for the Council's Business Flood Support Scheme, as set out at Appendix B, are agreed and authority to approve grants be delegated to the Portfolio Holder responsible for economic development and emergency planning.

Reason for recommendation: This Council has been allocated £172,500 by the Government to make grants available to businesses impacted by flooding since 1 December 2013.

Introduction and Background

- 1 Members will be aware that the winter of 2013/14 has been the wettest winter on record for the UK since records began in 1910. Since 1 December 2013, there has been widespread flooding across the country and homeowners and businesses in the Sevenoaks District have been impacted by flooding.
- 2 The Government has set out guidance notes to provide information on schemes to help homeowners and businesses recover from adverse weather since 1 December 2013. The guidance notes are set out at Appendix A. The guidance notes set out four schemes to assist homeowners and businesses:
 - a. The Repair and Renew Grant. This scheme will provide grants to homeowners and businesses that have been flooded since 1 December 2013. The grant will fund additional flood resilience or resistance measures for homes and businesses that have been flooded. The Government has not yet released details of or funding for this scheme as details about how the scheme will work have not yet been finalised.
 - b. Business Rates Flooding Relief. The Government will reimburse local authorities that use their discretionary relief powers to grant relief in line with eligibility criteria. The Government will provide details on this scheme in due course.
 - c. Council Tax Discounts. The Government will provide funding to enable local councils offer a council tax rebate of at least three months for flooded properties. The Government will provide details on this scheme in due course.
 - d. Business Support Scheme. The Government has made funding available to local authorities affected by flooding to support all small and medium sized businesses (SMEs) that have been impacted by floods and suffered a significant loss of trade. An SME is regarded as such if it employs fewer than 250 employees. This Council has been allocated £172,500 to support SMEs to develop and implement business recovery plans. Eligible businesses will be able to claim for costs which can include immediate clean-up costs, materials, exceptional business costs and temporary accommodation to enable these businesses to continue trading. The Government's guidance notes (Appendix A) set out eligibility for the grant. This includes businesses that have been affected by flooding.
- 3 The Farming Recovery Fund, to restore land in England to agricultural production, is provided by the Rural Development Programme for England and is managed by DEFRA.

Business Flood Support Scheme - Appraisal Process

- 4 Of these four schemes, we are able to proceed with the Business Support Scheme immediately as we have enough information from Government to do so. Officers have drafted some scheme guidelines and they are set out at Appendix B. The draft guidelines reflect the parameters set out in the Government's guidance notes (Appendix A) and this Council's Code of Practice for Grant-making (Appendix C). Members are asked to agree the guidelines.
- 5 Applications will be appraised case-by-case on a first come, first served basis. Applications for grants will be appraised according to the following criteria:
 - i. The extent to which the business has been affected by flooding since 1st December 2013;
 - ii. The impact to the business as a result of flooding;
 - iii. The eligibility of the business to make a claim.

Recommended Level of Grant

- 6 It is recommended that the maximum level of grant is £25,000 per applicant, with a minimum grant of £100.

Recommended Conditions

- 7 It is recommended that grants be made to SMEs subject to the following conditions:
 - (i) Businesses must have a bank account with at least two authorised signatories.
 - (ii) Businesses must have, and enclose with their application, a set of audited or independently examined accounts for the latest year available.
 - (iii) All appropriate legal agreements, insurances and processes needed to deliver the required improvements are in place, including any necessary planning, building regulations or other permissions.
 - (iv) Any grant awarded will be used only for the improvements set out in the application and will be ring-fenced for this purpose. It must not be used for any other purpose.
 - (v) Businesses will be required to submit proof of works completed with your grant claim and confirmation that the applicant is satisfied with the works.
 - (vi) Any grant for capital works will be paid on receipt of invoice for the work.
 - (vii) Businesses will be required to submit evidence of flooding and of making a claim to their insurer for damage as a result of flooding.
 - (viii) Businesses will be required to provide evidence of cost incurred for any claim made.

- (ix) All publicity materials and annual reports must acknowledge Sevenoaks District Council's support.
- (x) Any grant unspent after one year from the date of notification of the grant will be refunded to Sevenoaks District Council.
- (xi) If it is subsequently found that this funding duplicates any claim paid by the applicants insurer, the funding must be repaid to the Council.

Key Implications

Financial

- 8 Funding for the Business Flood Support Scheme has been allocated by the Government.
- 9 It is not yet clear at what stage the Government will pass on the funding to the Council. It is possible that the Council will be required to forward fund this and claim back from Government retrospectively.

Resources (Non-financial)

- 10 The work connected with the Business Flood Support Scheme administration will require additional staff time, which will need to be found from within existing resources.

Legal Implications and Risk Assessment Statement.

- 11 There are no legal or human rights issues relating to this report.

Risk	Mitigation
There is insufficient funding to cover all businesses that have been affected by flooding.	Funding will be allocated on a first come, first served basis. Publicity for the scheme will reflect this.
Businesses claim for works that are not eligible under the Scheme.	Applicant businesses will be asked to provide proof of works undertaken.
Insurance claims made by applicants may duplicate this funding.	Applicants will be asked to confirm that the expenditure is not covered by their insurance policies. If it is subsequently found that the funding does duplicate an insurance payment, the funding will be clawed back by the Council.

Equality Impacts

12 A full Equality Impact Assessment has been undertaken and is summarised below:

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The Business Flood Support scheme assists businesses that have been affected by flooding.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	The grant scheme will provide funding for those businesses most at risk due to flooding.
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		No negative impacts identified

Sustainability Checklist

13 A sustainability checklist has been completed and no negative impact has been identified.

Conclusions

14 Government funding has been provided that will assist businesses affected by flooding from 1 December 2013. Members are asked to agree Guidelines for this Council to distribute this funding to businesses affected by flooding in the District.

Appendices

Appendix A – HM Government – Flood Support Schemes – Guidance Notes

Appendix B – Business Flood Support Scheme draft guidelines

Appendix C – SDC's Code of Practice for Grantmaking

Background Papers:

[HM Government – Flood Support Schemes – Guidance Notes](#)

Sevenoaks District Council Code of Practice for grant-making

Lesley Bowles

Chief Officer Communities & Business