

Recovery Scheme – Terms of the scheme

Local Authority areas in England affected by public disorder 6 August 2011 to 11 August 2011

These notes set out the terms under which the Secretary of State is prepared to make available Recovery Scheme Grant to local authorities in England under section 31 of the Local Government Finance Act 2003, in relation to **their direct costs** in dealing with public disorder in their areas between 6 and 11 August 2011.

Eligible Authorities

Local authorities who have been affected by the public disorder incidents between 6 and 11 August 2011 in their area can claim for assistance under this scheme. Eligible local authorities under this scheme:

District Councils
County Councils
London Boroughs
City of London
Fire and Rescue Authorities (including LFEFA paid through the GLA)

Local authorities are requested to notify the Department for Communities and Local Government **by 5pm on Monday 5 September** of an intention to apply for funding under this scheme (address at paragraph 8 below)**Scope of scheme**

1. For this scheme, the Secretary of State will pay a grant based on qualifying expenditure at or below the Bellwin Scheme threshold specified for each local authority. The thresholds will be those applying for 2011-12 and can be found on the Department for Communities and Local Government website at:
www.local.communities.gov.uk/finance/bellwin/bell1112.htm

2. Eligible expenditure above the Bellwin threshold can be claimed through the separate Bellwin Scheme which will run in parallel. Local authorities who claim under the Recovery Scheme can use their eligible costs for this scheme as qualifying expenditure towards the Bellwin threshold. Where this applies local authorities need only make one bid.

3. Financial support will also be provided through this scheme to those local authorities which grant local council tax discounts under section 13A of the Local Government Finance Act 1992 after 6 August 2011 in respect of those council tax payers whose properties have been damaged during the public disorder between 6 and 11 August 2011. Further detail regarding this element of the grant scheme can be found at paragraph 13 below.

4. The total amount of funding available under this scheme is £10m.

Eligible Expenditure

5. Expenditure is eligible under this scheme if;

- It has been directly incurred by a local authority on, or in connection with¹, the taking of immediate action to safeguard life or property or to prevent suffering or severe inconvenience, in the authority's area or among its inhabitants; and
- It is not eligible by reason of paragraphs 6 and 7 below.

The period of eligible spending allowed for this scheme will end on 5 October 2011. Examples of expenditure likely to qualify are at Annex A.

Ineligible Expenditure

6. Expenditure for which a claim can be made under the High Street Support Scheme or the Homelessness Support Funding Scheme is excluded from this scheme.

7. Beyond that, the overriding rule is that expenditure which is not clearly incurred on or in connection with immediate action to safeguard life or property or to prevent suffering or severe inconvenience as a result of the public disorder in their areas between 6 and 11 August 2011 will not be eligible for grant. In particular, expenditure which an authority would normally expect to incur (such as normal salary or wages) will not be eligible. Capital and insurable costs will also not be eligible.

Claims

8. Claim form *Recovery* (01-11) is to be used when making the claim. The claim should be signed by the authority's Chief Financial Officer and sent to SRC Division, Department for Communities and Local Government, Zone 5/E1, Eland House, Bressenden Place, London, SW1E 5DU, to arrive no later than **5 pm on Monday 7 November 2011**. A note to help with the completion of the claim form is at Annex C.

9. A final claim received after this deadline will be disregarded unless an extension to the deadline is agreed as a result of exceptional circumstances beyond an authority's control

10. The figure included in the claim must relate to actual expenditure of the authority and must be precise. Where there is any doubt whether expenditure

¹ Where the connection between any expenditure and the immediate action taken in response to the specified incident is not obvious, the authority should provide sufficient information to enable the Department for Communities and Local Government to take a decision as to the eligibility or otherwise of the expenditure concerned.

is eligible under the scheme that expenditure should be included and clearly identified so that the Department of Communities and Local Government can take a view.

11. The claim form must be certified by the Chief Financial Officer to the effect that it complies in all respects with the terms of this scheme.

12. As this scheme will not be subject to a separate grant audit, supporting documentation for all expenditure must be supplied.

13. With regards to Council Tax Discounts under section 13A of the Local Government Act 1992, the Scheme will cover the expenditure which an authority would otherwise be unable to incur as a result of relevant discounts. Relevant discounts for these purposes are discounts granted after 6 August 2011 in respect council taxpayers who are eligible for those discounts because of damage caused to their dwellings during the public disorder between 6 and 11 August 2011. By 5 November we will need information on the number of households receiving a discount, what discount is being offered and the total amount being claimed. In addition, for each dwelling, we will need the eligible period, its area (i.e street) and its council tax band. Grant support will only apply up to 31 March 2011 at the latest.

14. The Department for Communities and Local Government will check the claim form on receipt, and may ask the authority for clarification if necessary. When a claim has been accepted, the Department for Communities and Local Government will notify the local authority and confirm that payment of the agreed grant can be made. If the Department considers that less (or more) than the amount claimed is eligible, it will write separately giving details.

15. The Department will consider allowing interim payments against expenditure actually incurred.

Department for Communities and Local Government

August 2011

Examples of likely eligible expenditure under the Recovery Scheme Grant

Subject to meeting the minimum requirement set out in paragraph two, the following are examples of expenditure likely to qualify for grant. In each case the expenditure would not be eligible under the Recovery Scheme if a claim could be made under the High Street Support Scheme or the Homelessness Support Funding Scheme:

- a) in relation to non-administration purposes, the costs of setting up temporary premises including costs of removal, increased costs due to rent, rates, taxes, lighting, heating, cleaning and insurance;
- b) hire of additional vehicles, plant and machinery that are not those already in use by the authority, and incidental expenses;
- c) removal of all trees and timber which are or may be dangerous to the public, including trees in public parks, local authority trees on highways, and trees owned by private householders which have fallen on or threaten public highways or rights of way;
- d) the costs of initial repairs to highways, pavements and footpaths, where a tree, item of street furniture or debris from a damaged building has fallen, and the surface of the road must be replaced at the time or temporarily patched (however, subsequent permanent repair would not qualify);
- e) the costs of works to clear debris which are or may be the cause of danger to the public (however, long-term repair or replacement of previously dangerous or damaged structures would not qualify);
- f) the costs of other work to clear debris causing obstruction or damage to highways, pavements and footpaths;
- g) additional temporary employees or contractors, to work on the emergency or replace permanent employees diverted from normal work;
- h) special overtime for employees, either during the emergency for overtime worked on the emergency itself, or afterwards to catch up on work from which they were diverted by the incident;
- i) emergency works required to safeguard dangerous structures, including making them secure (where not insurable);
- j) costs of evacuating people from dangerous structures;
- k) costs of providing emergency supplies of food and other emergency provisions, and key services to affected communities during the period of the emergency;

- l) costs of maintaining key communications, in particular clearing roads or providing emergency information to affected communities;
- m) where repair is insufficient, the removal and replacement of street lighting, street signs, bus shelters and other street furniture, fences, railings, and uninsurable outbuildings damaged by the incident, where in its damaged state it presents a danger to public safety or security;
- n) legal, clerical and other charges incurred on the above work;
- o) Expenditure in respect of works undertaken by internal trading organisations or internal trading services, (formerly Direct Services Organisations) in response to an emergency will be eligible for grant in the same way as other expenditure of the Local Authority i.e. if it is additional to what the authority would have paid in the absence of an emergency and is otherwise eligible it will qualify for grant.
- p) Expenditure which an authority would otherwise be unable to incur as a result of relevant discounts under section 13A of the Local Government Act 2003 (see paragraph 13 above).

Examples of expenditure that would not be expected to qualify

The following are examples of expenditure that would not qualify under this scheme:

- a) costs which are normally insurable, whether by the authority or any other party (e.g. under household insurance policies);

Communities and Local Government currently takes the Zurich Municipal Select policy that can now be obtained for costs exceeding £100,000, as its definition of what is normally insurable by the authority for the purpose of schemes set up under section 155. Authorities should in particular note that:

- the shoring-up or dismantling of damaged buildings is an insurable cost
- authorities whose policies may bear less risk than the Zurich Municipal Select Policy would still be bound by its definition of normally insurable risks as regards qualifying expenditure: authorities whose policies include cover for greater risks than the basic Select Policy should exclude from their qualifying expenditure all costs for which they are covered and will be compensated
- damage caused by terrorism remains an insurable cost.

- b) Police costs;
- c) loss of income (e.g., from facilities closed as a result of the emergency);
- d) the normal wages and salaries of the authority's regular employees, whether diverted from their normal work or otherwise, and the standing costs of the authority's plant and equipment;
- e) longer term works of repair and restoration, such as the repair or refurbishment of damaged but not dangerous structures;
- f) any element of betterment, e.g. repairs to buildings to a significantly higher standard than their condition on the day before the incident;
- g) expenditure eligible for any other specific grants, e.g. special police grant.

Guidance for completion of claim forms

- all claims must be made on paper on a claim form provided by the Department
- the Chief Financial Officer of the authority must certify by signing the claim that it complies in all respects with the terms of the scheme
- the figures included in a final claim should be actual expenditure and should be precise
- the Local Authority must keep records in support of any claim in such a fashion that they are readily accessible
- authorities intending to use agents to undertake work should note that the claiming authority's procedures should be capable of demonstrating that any claim is based on qualifying expenditure, and that proper arrangements have been employed both for specifying the work and for ensuring it has been satisfactorily completed
- local authorities must submit claims to Communities and Local Government by the specified deadline
- the Department will consider extensions to the deadline only in exceptional circumstances which the authority will need to be able to demonstrate were beyond its control.

Timetable of events:

- notify Department by 5 September
- complete eligible works by 5 October
- claim form to Department by 5 November.