Background and Context

In the early hours of Sunday 11 December 2005, explosions at Buncefield Oil Storage Depot, Hemel Hempstead, Hertfordshire resulted in a large fire, which engulfed a high proportion of the site.

Over 40 people were injured; there were no fatalities. Significant damage occurred to both commercial and residential properties in the vicinity and 2,000 people were evacuated on emergency service advice.

The fire burned for several days, destroying most of the site and emitting large clouds of black smoke into the atmosphere. Over 16,000 employees within the adjacent Maylands Industrial Area were unable to access work and 92 businesses were displaced for more than one week. 17 were forced to permanently relocate.

Overall, the explosion cost local businesses more than £70 million in lost stock, lost revenue and relocation expenses.

It was estimated that dealing with incident cost the emergency services and local authorities in the region of £7m. Costs to Dacorum Borough Council were estimated to be in the region of £500,000, including over £14,000 on housing repairs. Initial costs to Hertfordshire County Council, which included damage associated with the road infrastructure, were over £2m.

How the Topic was Handled

Whilst the Bellwin Scheme provided financial assistance to Dacorum Borough Council in terms of the immediate incident, various funding opportunities and the existing Hemel 2020 Vision regeneration package helped considerably with the funding of the ongoing recovery effort.

The Borough Council's direct costs were met by the Bellwin Scheme. However, there were some concerns about the speed of the process and the length of time to which the scheme applied. The compilation of Bellwin Scheme returns and associated ongoing issues were also a considerable task for financial staff to undertake.

Whilst the Bellwin Scheme provided effective assistance in the short term, there was no financial aid to help address longer term and ongoing problems. For example, the voluntary sector, which was heavily involved in recovery activities, experienced funding problems.

The Borough Council provided crucial assistance in terms of identifying additional financial support. For example, Dacorum Borough Council helped secure extra funding for the Citizen's Advice Bureau and Dacorum Community Trust. Funding was also obtained from the National Association of Citizen's Advice Bureau, Investing in Communities and Herts County Council. The Borough Council also secured funding from Investing in Communities for their ongoing work in terms of community recovery.

Lessons Identified

The key lesson identified by Dacorum Borough Council is that, although the Bellwin Scheme effectively provided Government support to the local authority and indirectly to local residents and communities, it provided no scope to assist businesses. However, the downstream impact on the local community and local economy of the business disruption was considerable and should not be underestimated in future situations. In other words, businesses will need short term financial aid in order to prevent longer term problems.

Contacts for Further Information

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