



Department for
Communities and
Local Government

**BELLWIN SCHEME OF EMERGENCY FINANCIAL ASSISTANCE TO
LOCAL AUTHORITIES – DRAFT TERMS OF THE SCHEME**

FLOODING IN LOCAL AUTHORITY AREAS IN ENGLAND:

5th December 2013 to 13th February 2014

These notes set out the draft terms under which the Secretary of State is prepared to make available emergency financial assistance to local authorities in England under Section 155 of the Local Government and Housing Act 1989, in relation to dealing with the flooding in their areas from 5th December 2013 to 13th February 2014.

Authorities who have registered for the Scheme

The following local authorities have registered an intention to make a claim under this scheme (the list will be revised to include other local authorities as they register):

Ashford Borough Council
Boston Borough Council
Bournemouth Borough Council
Canterbury City Council
Cornwall Council
Dartford Borough Council
Devon County Council
Dorset County Council
Dorset Fire and Rescue Service
Dover District Council
East Lindsey District Council
East Riding of Yorkshire Council
East Sussex County Council
Elmbridge Borough Council
Exeter City Council
Fareham Borough Council
Great Yarmouth Borough Council
Guildford Borough Council
Herefordshire Council
Hull City Council
Isle of Wight Council
Kent County Council
King's Lynn and West Norfolk Borough Council
Lewes District Council
Maidstone Borough Council
Newcastle City Council
Norfolk County Council
North Devon Council
North Lincolnshire Council
North Norfolk District Council
Office of Police & Crime Commissioner for Essex
Office of Police & Crime Commissioner for Norfolk
Office of Avon and Somerset Police & Crime Commissioner
Oxford City Council
Oxfordshire County Council
Plymouth City Council
Redcar and Cleveland Borough Council
Royal Borough of Windsor and Maidenhead
Runnymede Borough Council
Scarborough Borough Council
Sedgemoor District Council
Sevenoaks District Council
Slough Borough Council
Somerset County Council
South Hams District Council
South Somerset District Council
Southampton City Council
Suffolk Coastal District Council
Swale Borough Council
Tandridge District Council
Taunton Deane Borough Council
Teignbridge District Council
Tendring District Council
Tonbridge and Malling Borough Council
Torrington District Council
Tunbridge Wells Borough Council
Waveney District Council
Waverley Borough Council
West Oxfordshire District Council
West Somerset Council
West Sussex County Council
Wiltshire Council
Worcestershire County Council
Wyre Council

Scope of scheme

1. Before being eligible for grant, an individual authority is required to have spent 0.2 per cent of its calculated annual budget (threshold) on works that have been reported to the Department as eligible for grant. The existing thresholds for 2013-14 are available on the GOV.Uk website at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210954/Bellw_in_13-14_thresholds.pdf.

2. For this scheme, thresholds for all county councils and unitary authorities will be amended. In addition, separate thresholds will apply to upper tier authorities with responsibility for fire services to enable them to claim relevant costs on a comparable basis to standalone fire authorities. Eligible authorities will be notified of the threshold changes in both instances.

3. For this scheme, the Secretary of State **will pay grant at the rate of 100%** (instead of 85%) on qualifying expenditure above threshold.

4. **The period of eligible spending allowed for this scheme has been extended and will end on Friday 30 May 2014.**

5. The claim form includes an option to make an interim claim. Interim payments will only be made against expenditure actually incurred. The Department will not normally be prepared to advance more than 80% of this amount.

Eligible Expenditure

6. In order to meet the basic statutory requirement expenditure must have been incurred:

- by a local authority (those named above) on, or in connection with¹, the taking of immediate action to safeguard life or property or to prevent suffering or severe inconvenience, in their area or among its inhabitants;
- as a result of the incident(s) specified in the scheme, which involved the destruction of or danger to life or property.

Examples of expenditure likely to qualify are at Annex A.

Ineligible Expenditure

7. 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 a disaster or emergency will not be eligible for grant. Expenditure that is not additional to what the authority would normally expect to incur will

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.

not be eligible, for example expenditure in an area for which there is already a government expenditure programme, such as maintenance of law and order or housing safety and maintenance.

Claims

8. Claim form Bellwin (13-14) (3) is to be used when making the claim. The claim should be signed by the authority's Chief Financial Officer and sent to Ade Ogunro, SRC Division, The Department for Communities and Local Government, Zone 5/H2, Eland House, Bressenden Place, LONDON SW1E 5DU, to arrive no later than **Monday 30th June 2014**. A note to help with the completion of the claim form is at Annex C.

9. A final claim received after this deadline may be disregarded and an extension to the deadline will only be granted in exceptional circumstances that the authority will need to be able to demonstrate were beyond its control.

10. The figure included in the claim must relate to actual expenditure and must be precise. Where there is any doubt whether expenditure is eligible under the scheme that expenditure should be included and clearly identified so that DCLG 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. 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, DCLG will notify the local authority and confirm that payment of the agreed grant can be made. If DCLG considers that less (or more) than the amount claimed is eligible, it will write separately giving details.

Department for Communities and Local Government
Strategy, Revenue and Capital Division
February 2014

Examples of expenditure that would be expected to qualify

Subject to meeting the minimum requirement set out in paragraph five, the following are examples of expenditure likely to qualify for grant:

- 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) where local authorities issue sandbags as a result of an emergency the cost can be claimed through the Bellwin scheme.
- c) hire of additional vehicles, plant and machinery that are not those already in use by the authority, and incidental expenses;
- d) 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;
- e) 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);
- f) the costs of initial land drainage works to clear debris and unblock watercourses 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);
- g) the costs of other work to clear debris causing obstruction or damage to highways, pavements and footpaths;
- h) additional temporary employees or contractors, to work on the emergency or replace permanent employees diverted from normal work;
- i) 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;
- j) emergency works required to safeguard dangerous structures, including making them secure (where not insurable);
- k) costs of evacuating people from dangerous structures, and temporary rehousing;
- l) costs of providing emergency supplies of food and other emergency provisions, and key services to affected communities during the period of the emergency;
- m) costs of maintaining key communications, in particular clearing roads or providing emergency information to affected communities;

- n) 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;
- o) legal, clerical and other charges incurred on the above work;
- p) 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.

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Examples of expenditure that would not be expected to qualify

The following are examples of expenditure that would normally 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);

The Department for 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 under a Bellwin scheme: 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.

- b) Environment agency levy costs.
- c) loss of income (e.g., from facilities closed as a result of the emergency), as this falls outside the scope of section 155 of the Local Government and Housing Act 1989;
- 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 tree planting and 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. police grant;
- h) Any amounts in respect of specific works on flood defence or coastal protection which had already been allocated within budgeted expenditure to these works before the incident occurred (however, subsequent amounts for emergency work resulting from the incident above the level of any amounts thus allocated would usually be eligible for assistance);
- i) any expenditure on flood defence or coast protection that will be compensated by the Department for the Environment, Food and Rural Affairs by means of grant.

GUIDANCE FOR COMPLETION OF CLAIM FORMS

- All claims must be made on paper on a claim form provided by the Department for Communities and Local Government
- 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 the Department for 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.

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