

PERTH AND KINROSS COUNCIL

EXECUTIVE SUB COMMITTEE – STRATEGIC POLICY AND RESOURCES

20 JANUARY 2016

PROCESS FOR THE DISTRIBUTION OF SCOTTISH GOVERNMENT FLOOD FUNDING

Report by Director (Environment)

The purpose of this report is to seek approval for the distribution of flood funding provided by the Scottish Government to support individual households, businesses, community groups and charitable organisations affected by a number of severe flooding events across the Council area between July 2015 and January 2016.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Deputy First Minister announced in December 2015 that £3.94 million was being allocated to those local authority areas most affected by the severe flooding caused by Storm Desmond in early December in order to help them to support flood hit local households, businesses and community groups.
- 1.2 A further announcement of additional resources to be provided by the Scottish Government was made on 9 January 2016 to people, businesses and local authorities affected by Storm Frank and the adverse weather conditions in early January.
- 1.3 The total revenue funding allocated to Perth and Kinross Council amounts to £1.65m. (Appendix 1)
- 1.4 This additional allocation extends the scheme to provide payments of £1,500 for properties affected by flooding. The funding is to be used by local authorities to provide each flood affected household, business, community groups (such as sports clubs etc), or charitable organisations in the local authority area with a flat rate grant of £1,500 if they have been affected by an inundation of water from flooding.
- 1.5 Following on from these announcements, the Council sought further guidance from the Scottish Government in relation to the flooding experienced on 17 July 2015, such as in Alyth, Bankfoot and Birnam. The Scottish Government has confirmed that the funding provided is also to cover individual households, businesses, community groups and voluntary organisations affected on that date.
- 1.6 Once these payments have been made to individual households, businesses and other organisations, Local Authorities are free to use the remaining resources to assist with their own reparations after the flooding.

- 1.7 In addition to the allocations set out above, the Scottish Government will provide funding to local authorities to enable them to make a flat rate grant payment of £3,000 for businesses where there is evidence that their ability to trade has been severely impacted by flooding at any point during the period of the severe flooding incidents in July 2015, December 2015 and January 2016. Severe disruption to trade could include closure for a number of days, loss of customers through disruption to production or customer access. It has been agreed that local authorities are best placed to understand the impact of the weather on local businesses and make decisions accordingly.
- 1.8 The grants are intended to support businesses in their recovery and are not intended to cover losses incurred by the flooding which should have been covered by insurance. The grant is a one-off payment to offset costs which cannot be covered by existing insurance, for example clean-up costs, materials and exceptional costs to help the business restore trade, such as marketing and promotion.
- 1.9 It will be for individual local authorities to decide whether a business is eligible for grant, based on the level of evidence they deem sufficient to prove that trade has been severely impacted by flooding.
- 1.10 To receive payment to cover the cost of this additional compensation, each relevant local authority should submit a claim, signed off by the Section 95 Officer, to the Scottish Government. This money will be refunded as a redetermination of General Revenue Grant in 2016-17.
- 1.11 While not the main subject of this report, it should be noted that the Scottish Government is also making £5 million available to assist in reinstating infrastructure that has been lost due to the recent flooding. A specific allocation will be made to Aberdeenshire Council to support the reinstatement of the A93 between Ballater and Braemar. The exact sum will be dependent on discussions with that Local Authority. Further bids from Local Authorities are invited. As such, it is intended that the Council will apply to this fund for the replacement of the Bleaton Hallet bridge and Alyth bridges as well as restoration costs for other damage in Alyth and minor repairs to flood banks.
- 1.12 While it is difficult to accurately predict the number affected by the flooding across all four occasions, it is estimated that this could be up to 200 properties. Currently, approximately 40 people have contacted the Council requesting information about the grant funding. The Council has details of some households affected and information is also being obtained from Scottish Fire and Resuce Services in relation to the later events.

2. PROPOSALS

- 2.1 It is proposed that, to ensure a fair and equitable distribution to entitled individuals, businesses, community groups and voluntary organisations, clear criteria are approved to support the allocation of the funding.

2.2 The purpose of the grant is to

- reimburse those eligible householders for the opportunity cost of not receiving the full benefit of services paid for through Council Tax while absent from their home due to internal property flooding.
- enable those eligible to protect their homes or businesses against future floods by installing new flood barriers, or by carrying out flood resilient repairs such as replacing doors and windows with water resistant alternatives, or moving electricity sockets up to a safer level, etc.

2.3 Only those households and businesses which were directly affected by the flooding during the periods 17 July 2015, 4-6 December 2015 (Storm Desmond), 29-31 December 2015 (Storm Frank) or the flooding in early January 2016 will be eligible to apply for the grant. Only those properties which were directly affected by the flooding i.e. which suffered inundation of water within their premises (this includes damage to basement flats), will be eligible to apply for the grant and this remains the only qualifying criteria. Properties which suffered inundation of the garden only or of outbuildings, sheds and the like, will not be eligible to apply.

2.4 **The grant is payable to businesses or households regardless of any existing business rates or council tax relief.**

2.5 The definition of households includes farmhouses and the definition of business premises includes farm buildings such as grain stores etc. but not empty sheds or other buildings where there is no real impact to the farm business.

2.6 The Guidance provided states that it is for individual local authorities to decide whether a property is eligible for grant based on the level of evidence they deem sufficient to prove inundation has taken place. In Perth and Kinross, the assessment of the inundation of the property is generally defined as flood water at, or above, floor level.

2.7 In addition, in order to ensure that those who have suffered internal property flooding are the ones to receive the £1,500 grant, evidence to support the application must be supplied. Such evidence could be:

- Photographs / videos of property flooding.
- Independent report from emergency services or local authority attending the property during the flooding event.
- Independent report e.g. from an insurance company that visited after the event.
- Evidence of call to emergency services and / or the local authority advising that property flooding was occurring.

- 2.8 All applications for the grant funding must be made on the appropriate form which will be available from the Council's website www.pkc.gov.uk/floodingsupportgrant or by contacting the Council's Customer Service Centre on 01738 475000. The form is attached as Appendix 2.
- 2.9 The Flooding team will make an assessment of each application based on the evidence of inundation and inform the applicant of the decision. If approved, the Council will make the payment as quickly as possible. If rejected, there will be no right of appeal.
- 2.10 In relation to the additional £3,000 for businesses, the claim must be made on the same application form. The Flooding team, in conjunction with the Business Development team, will make an assessment of each application, based on the evidence relating to inundation and severe disruption to trade.
- 2.11 It is also proposed to advertise the scheme widely using the media, social media and the Council's website. Details will also be made available to all the relevant community councils and community resilience partnerships.

3. CONCLUSION AND RECOMMENDATION

- 3.1 Following on from the announcements from the Scottish Government in relation to the severe flooding events which occurred between July 2015 and January 2016, the Council has established a process to enable those eligible to receive the grant.
- 3.2 It is recommended that the Committee:
- (i) Endorses the purpose of the grant as outlined in paragraph 2.2
 - (ii) Approves the proposals for evidence of inundation as outlined in paragraph 2.7.
 - (iii) Approves that the Flooding team, along with the Business Development Team for businesses applying for £3,000, will make the recommendations for acceptance or rejection of the grant
 - (iv) Approves that there is no appeal process
 - (v) Approves the methods of advertising the grant process as outlined in paragraph 2.11.

Author

Name	Designation	Contact Details
Barbara Renton	Director (Environment)	Ext 76505

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development)	15 January 2016

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	No
Assessments	
Equality Impact Assessment	No
Strategic Environmental Assessment	No
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	No
Communication	
Communications Plan	No

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 This section should set out how the proposals relate to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

The report links to priorities (iii) and (v).

Corporate Plan

1.2 This section should set out how the proposals relate to the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

The report links to priorities (iii) and (v).

2. Resource Implications

Financial

- 2.1 The Scottish Government has announced funding to households, businesses, community groups and voluntary organisations as well as local authorities affected by the adverse weather experienced between July 2015 and early January 2016.
- 2.2 The revenue total funding allocated to Perth and Kinross Council amounts to £1.65m.

Workforce

- 2.3 There are no workforce implications.

Asset Management (land, property, IT)

- 2.4 There are no asset management implications associated with this report

3. Assessments

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.3 No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt. This report is simply an update of activities and election of members.

Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003, the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act,

the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

- 3.5 There are no direct impacts on sustainable development as a result of these proposals but securing the long term access to paths contributes to the economic, social and environmental well-being of the area.

Legal and Governance

- 3.6 The Head of Legal Services has been consulted about the governance arrangements linked to this report.

Risk

- 3.7 There is a slight risk that applications will be received from those not entitled to receive the grant funding. This will be mitigated through requests for evidence.

4. Consultation

Internal

- 4.1 The Heads of Finance, Legal Services and Democratic Services have been consulted about the report and have no issues.

External

- 4.2 The Scottish Government and other local authorities who have received funding have been consulted about the report and have no issues.

5. Communication

- 5.1 It is also proposed to advertise the scheme widely using the media, social media and the Council's website. Details will also be made available to all the relevant community councils and community resilience partnerships.

2. BACKGROUND PAPERS

Scottish Government guidance on the flood funding has been used in the development of this report.

3. APPENDICES

Appendix 1 – Guidance and application form for flood funding

Appendix 2 – Financial Support for Flooded Communities in Perth and Kinross

GUIDANCE TO LOCAL AUTHORITIES ON ADDITIONAL FUNDING AS A RESULT OF THE SEVERE FLOODING OVER DECEMBER 2015/JANUARY 2016

The Scottish Government has announced an aid package to Local Authorities to enable them to provide support and assistance to those who have been most affected by the severe flooding events in December 2015 and January 2016.

This second tranche of additional funding of £5.5 million along with the first tranche of £3.94 million will be paid through the local government settlement as a redetermination, and paid out in the last 2 weeks of March 2016.

The funding is to be used by local authorities to provide each flood affected household, business, community group (such as sports clubs etc), or charitable organisation in the local authority area with a flat rate grant of £1,500 each for the following:

- To reimburse them for the opportunity cost of not receiving the full benefit of services they pay for through Council Tax /Business Rates while absent from their homes and while businesses have had their trading disrupted;
- To enable people to protect their homes and businesses against future floods by installing new flood barriers, or by carrying out flood resilient repairs such as replacing doors and windows with water resistant alternatives, or moving electricity sockets up to a safer level, etc.

Only those properties which were directly affected by the flooding i.e. which suffered inundation of water within their premises (this includes damage to basements), will be eligible to apply for the grant and this remains the only qualifying criteria. Properties which suffered inundation of the garden only, will not be eligible to apply.

It will be for individual local authorities to decide whether a property is eligible for grant based on the level of evidence they deem sufficient to prove inundation has taken place.

The grant is payable to businesses or households regardless of any existing business rates or council tax relief.

The definition of households includes farmhouses, and the definition of business premises includes farm buildings such as grain stores etc, but not empty sheds or other buildings where there was no real impact to the farm business.

Local Authority	Allocation in Dec 2015 (£m)	Allocation in Jan 2016 (£m)	Total (£m)
<i>Dumfries and Galloway</i>	0.7	1	1.7
<i>Scottish Borders</i>	1.94	0.45	2.39
<i>Perth and Kinross</i>	1.2	0.45	1.65
<i>Stirling</i>	0.06		0.06
<i>South Lanarkshire</i>	0.04		0.04
<i>Aberdeenshire</i>		2	2
<i>City of Aberdeen</i>		0.5	0.5
<i>Angus</i>		0.9	0.9
<i>East Ayrshire</i>		0.5	0.5
Totals	3.94	5.8	9.74

The funding allocations have been made to those local authorities which suffered the most damage as a result of the severe flooding but, if a Local Authority does not have a specific allocation, it can still make these payments and seek recompense from Scottish Government.

The remainder of the funding is available to the local authority in order to meet general reparation costs, and can be used to increase the flat rate grant at the local authority's discretion if it was merited in individual cases, subject to ensuring that, for businesses, it does not breach State Aid Rules.

Additional Business Compensation

In addition to the allocations set out above, the Scottish Government will provide funding to local authorities to enable them to make a flat rate grant payment of £3,000 for businesses where there is evidence that their ability to trade has been severely impacted by flooding at any point during the period of the most recent severe flooding incidents in December 2015 and January 2016. Severe disruption to trade could include closure for a number of days, loss of customers through disruption to production or customer access. However, local authorities are best placed to understand the impact of the recent storms on local businesses and make decisions accordingly.

The grants are intended to support businesses in their recovery and are not intended to cover losses incurred by the flooding which should have been covered by insurance. The grant is a one-off payment to offset costs which cannot be covered by existing insurance, for example clean-up costs, materials and exceptional costs to help the business restore trade, such as marketing and promotion.

It will be for individual local authorities to decide whether a business is eligible for grant based on the level of evidence they deem sufficient to prove that trade has been severely impacted by flooding.

To receive payment to cover the cost of this additional compensation each relevant local authority should submit a claim, signed off by the Section 95 officer, to the Scottish Government and this money will be refunded as a redetermination of General Revenue Grant in 2016-17.

State Aid

For the purposes of complying with State Aid Rules, we cannot treat the grant as a notified aid scheme under article 50 of the GBER i.e *Aid to make good the damage caused by certain natural disasters*, because the aid to cover loss of trade or loss of benefit from Business Rates would not meet the criteria of the regulation. The funding will need to be offered as de-minimis aid. The basic criteria for de minimis aid is set out below, but we would advise contacting the Scottish Government State Aid team regarding this, particularly as separate rules apply to the Agriculture, Fisheries and Road Transport sectors.

- The maximum *de minimis* funding any single recipient can receive is €200,000 (cash grant equivalent) over a 3 year fiscal period. The sterling equivalent is calculated using the Commission [exchange rate](#) applicable on the written date of offer of the de minimis funding.
- This ceiling takes into account all public assistance given as *de minimis* funding for the current and previous two fiscal years which can take various forms (grants, loans, subsidised contracts, etc). Aid given under an [approved scheme](#) does *not* have to be cumulated with *de minimis* aid, provided any such *de minimis* aid is not awarded towards the same eligible costs as those supported via that approved scheme.

Support for Local Authorities Under the Bellwin Scheme

Mr Swinney, the Deputy First Minister and Cabinet Secretary for Finance, Constitution and the Economy, triggered the Bellwin Scheme on 7 December 2015 as a result of Storm Desmond and on 30 December 2015 as a result of Storm Frank.

The Bellwin Scheme remains active in the aftermath of the latest severe flooding in early January 2016.

The Bellwin Scheme allows Scottish Ministers to make additional revenue support to local authorities to assist with the immediate, and unforeseen costs in dealing with the aftermath of emergency incidents. It is a discretionary scheme, which exists to give special financial assistance to local authorities who would otherwise be faced with an undue financial burden as a result of providing relief and carrying out immediate work due to large-scale emergencies. Local authorities are expected to include a small amount (0.2 per cent) within their annual budget to deal with unforeseen emergencies and 100% of eligible costs above this threshold will be met.

The additional funding support for individual households, businesses and other community organisations outlined above, is in addition to any claims local authorities may make for emergency financial assistance under the Bellwin scheme.

**Managing Flood Risk
Environmental Quality Division
Scottish Government
Judith Tracey - 0131 244 0213
Claire Dodd - 0131 244 7386
Flooding.mailbox@gov.scot**

14 January 2016

Financial Support for Flooded Communities in Perth & Kinross Flooding of 17 July 2015, December 2015 & January 2016

The Scottish Government has announced an aid package to Local Authorities to enable them to provide support and assistance to those who have been most affected by the severe flooding events in Perth & Kinross on 17 July 2015, December 2015 and January 2016.



The funding is being distributed by Perth & Kinross Council to each flood affected household, business, community group (such as sports clubs, etc.) or charitable organisation with a flat rate grant of £1,500 each for the following:

- To reimburse you for the opportunity cost of not receiving the full benefit of services you pay for through Council Tax while absent from your home due to internal property flooding.
- To enable you to protect your home or business against future floods by installing new flood barriers, or by carrying out flood resilient repairs such as replacing doors and windows with water resistant alternatives, or moving electricity sockets up to a safer level, etc.

Only those households and businesses which were directly affected by the flooding during the periods 17 July 2015, 4-6 December 2015 (Storm Desmond) or 29-31 December 2015 (Storm Frank) and the flooding in early January 2016 will be eligible to apply for the grant. Only those properties which were directly affected by the flooding i.e. which suffered inundation of water within their premises (this includes damage to basement/households), will be eligible to apply for the grant and this remains the only qualifying criteria. Properties which suffered inundation of the garden only or of outbuildings, sheds and the like, will not be eligible to apply.

The grant is payable to businesses or households regardless of any existing business rates or council tax relief.

The definition of households includes farmhouses and the definition of business premises includes farm buildings such as grain stores etc. but not empty sheds or other buildings where there is no real impact to the farm business.

The assessment of the inundation of the property is generally defined as flood water at, or above, floor level.

In order to ensure that those who have suffered internal property flooding receive financial support, evidence to support the application should be supplied. Such evidence could include:

- Photographs / videos of property flooding.
- Independent report from emergency services or local authority attending the property during the flooding event.
- Independent report, e.g. from an insurance company that visited after the event.

- Evidence of call to emergency services and / or the local authority advising that property flooding was occurring.

If you are unable to provide any of the evidence detailed above, please contact the Council's Flooding Team (tel 01738 475000; email: flooding@pkc.gov.uk) for advice.

If you wish to apply for this flat-rate grant please complete the form overleaf. Completed forms should be e-mailed to FloodFundingGrant@pkc.gov.uk or posted to **The Environment Service, Perth & Kinross Council, Pullar House, 35 Kinnoull Street PH1 5GD.**

Please note that Perth & Kinross Council promotes the use of suitable flood products to protect your property against future flooding. You may wish to consider viewing <http://www.pkc.gov.uk/article/9643/Flood-protection-products> for further details.

If successful in obtaining the grant Perth & Kinross Council, as the Accountable Body for this funding, has the right to confirm that the grant was spent on the activities identified above. The Council will reclaim recovery monies if no receipts have been kept or the grant has not been spent on the activities agreed.

Data Protection Act 1998

The information provided will be used within Perth & Kinross Council to implement its Flood Protection Product Pilot Scheme. The information may be shared with the Scottish Government as they are liaising with the Council to implement the Pilot Scheme. In terms of the Data Protection Act 1998, you are entitled to know what information Perth & Kinross Council hold about you, on payment of a fee of £10. Applications should be made to Andrew Strang, Structures & Flooding Team, The Environment Service, Perth & Kinross Council, Pullar House, 35 Kinnoull Street, Perth PH1 5GD.



Name	
Address	
Postcode	
Email Address	
Telephone Number	
Address of property inundated by flooding (if different from above)	
Dates of flooding	

Household/Business/Community Group /Voluntary Organisation
(*delete as applicable)

Nature of impacts (where possible please provide evidence)

(continue on separate sheet if necessary)

Transfer of funds will be by BACS. Please provide bank details.

Name of Account Holder			
Bank Name and Address			
Account Number		Sort Code	- -

Please return to: **The Environment Service, Perth & Kinross Council, Pullar House, 35 Kinnoull Street, Perth, PH1 5GD**

For official use:

Date received		Approved		Rejected	
Passed for payment		Filed / recorded on FRT		Reason	

