

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

25 March 2014

Report of the Management Team

Part 1- Public

Executive Non Key Decisions

1 FLOOD SUPPORT SCHEMES

The report provides details of those flood support schemes to be administered by local authorities and the approach to be taken in administering each of the schemes by this Council.

1.1 Introduction

1.1.1 The Government have recently announced a number of schemes to support businesses and homeowners recover from the impacts of flooding between December 2013 and March 2014.

1.1.2 The costs of the schemes are to be funded by Government. Of these, the following four schemes are to be administered by the local council and further information on these schemes can be found in the Government's Flood Support Schemes Guidance Note.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284174/Flood-Support-Schemes-guidance.pdf

1.2 Support for Businesses

100% Business Rate Relief for three months

1.2.1 The eligibility criteria is as follows:

- The property has been flooded in whole or in part; and
- as a result of the flooding the business activity undertaken at the property was adversely affected; and
- the rateable value on that day was less than £10 million.

1.2.2 Three months rate relief to start on the day the property first met the criteria. The scheme does not cover relief for any property which was empty at the time it was flooded as there was no business activity on the premises at the time. The

Government will reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) in line with the eligibility criteria set out above. In calculating the cost of the relief to be refunded it is assumed that all other reliefs have first been applied. Councils may use their discretionary powers to offer further discounts outside this scheme, but must meet their share of the cost of doing so under the Business Rates Retention scheme.

- 1.2.3 It will be for the local authority to adopt a local scheme and decide in each case when to grant relief under section 47. The Government anticipates local authorities will wish to move quickly to support those businesses affected. The approach has been to adopt the scheme as set out above for Members subsequent endorsement.

Business Support Scheme

- 1.2.4 Scheme to support small and medium sized businesses. Eligible businesses will be able to claim for support towards costs over and above that which would normally be covered by insurance. Eligible businesses are those whose premises flooded and other businesses in the affected area that suffered a significant loss of trade. Local authorities are to keep a record of the businesses assisted through this fund.
- 1.2.5 The Government have commented that they deliberately want to keep the scheme simple to encourage councils to provide support to affected businesses quickly and with the minimum of bureaucracy. Taking into account the above the approach taken for Members subsequent endorsement has been to adopt a two-tier flat rate grant aid regime.
- 1.2.6 A higher flat rate grant for those businesses whose premises flooded and a lesser sum for other businesses in the affected area that suffered a significant loss of trade. The first category is to be written to asking them to confirm they were flooded and, in turn, the business activity at the premises was adversely affected and where this was the case to complete a tear of slip and return by the date specified if they wish to claim the grant aid. The second category is to be administered by way of an application and assessment process. The flat rate grant amount in each case has yet to be determined.
- 1.2.7 The Council has received a grant allocation of £185,000 for the Business Support Scheme.

1.3 Support for Homeowners

Council Tax Discount for three months

- 1.3.1 The eligibility criterion is as follows:

- People whose homes have been flooded.

- 1.3.2 Local authorities can use powers under section 13A of the Local Government Finance Act 1992 to grant council tax discounts on properties affected by flooding. The Government will reimburse local authorities that grant council tax discounts in line with the eligibility criterion set out above upon application through grant funding. Ordinarily the cost of these discounts is met in full by the billing authority.
- 1.3.3 It will be for the local authority to adopt a local scheme. The approach has been to adopt the scheme as set out above for Members subsequent endorsement. Homeowners known to the Council to be eligible will be automatically awarded a council tax discount for three months and advised of the action taken in writing.

1.4 Support for Businesses and Homeowners

Repair and Renew Grant Scheme

- 1.4.1 Financial support to businesses and homeowners that had been flooded to pay for work that improves a property's ability to withstand future flooding over and above repairs that would normally be covered by insurance. Grants of up to £5,000 available. The Government will reimburse local authorities grants paid out in line with the eligibility criteria set out above.
- 1.4.2 It will be for the local authority to adopt a local scheme and decide whether to provide a grant and at what level (subject to the production of evidence that the agreed measures have been appropriately installed). The approach taken for Members subsequent endorsement is to:
- Where the measure/s undertaken are recommended by the DEFRA funded Property Protection Adviser website report for that property or included in Annex B of the Government's Flood Support Schemes Guidance Note entitlement to grant-aid is satisfied.
 - An application and assessment process to apply for all other cases.

1.5 State Aid

- 1.5.1 The de minimis regulations allow an undertaking to receive up to €200,000 of cumulative de minimis aid in a three-year period (current financial year and the two previous financial years). Local authorities are asked to note the terms of this State Aid exemption and should keep records of all undertakings who receive flooding relief aid.

1.6 Communication

- 1.6.1 The existence of these flood support schemes for businesses will be included in a 'flyer' to be sent out with the 2014/15 business rates bills and those businesses directly affected by the floods are to be written to about the Business Support Scheme. Homeowners known to the Council to be eligible will be automatically awarded a council tax discount for three months and advised of the action taken in

writing, but not those homeowners already awarded a discount/exemption for a period of at least three months. Information on each of the four flood support schemes can also be found on the Council's website at the following link:

<http://www.tmbc.gov.uk/landing/flooding-alert/flood-support-schemes>

1.7 Legal Implications

- 1.7.1 There are a number of legislative requirements to consider in respect of one or more of the flood support schemes detailed above which will be addressed as appropriate.

1.8 Financial and Value for Money Considerations

- 1.8.1 As set out above. It should be noted that some of the schemes bring with them cash flow implications the extent of which will depend largely on the promptness of reimbursement by Government of sums foregone or paid out.

1.9 Risk Assessment

- 1.9.1 Risk of adverse cash flow implications the extent of which will depend largely on the promptness of reimbursement by Government of sums foregone or paid out.

1.10 Equality Impact Assessment

- 1.10.1 See 'Screening for equality impacts' table at end of report

1.11 Policy Considerations

- 1.11.1 Community

1.12 Recommendations

- 1.12.1 Cabinet is **RECOMMENDED** to agree to:

- 1) grant discretionary rate relief after all other reliefs have first been applied for those businesses which meet the eligibility criteria set out at paragraph 1.2.1;
- 2) administer the Business Support Scheme as detailed at paragraph 1.2.6.
- 3) award a council tax discount for the three-month period April to June 2014 for those homeowners who meet the eligibility criteria set out at paragraph 1.3.1.
- 4) administer the Repair & Renew Grant Scheme as detailed at paragraph 1.4.2.

Background papers:
Nil

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For and on behalf of Management Team

Julie Beilby
Chief Executive

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Director of Finance and Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Approach adopted will be consistently applied to those businesses and homeowners that meet the criteria.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	Approach adopted will be consistently applied to those businesses and homeowners that meet the criteria.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		See responses above.

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.