

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15 MAY 2014

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Environment – Lead Cabinet Member – Councillor Rose

FLOOD SUPPORT – REPAIR & RENEW GRANT SCHEME

1. Summary

The Government is making available “Repair and Renew” grants of up to £5,000 for the owners of premises that were affected by the December 2013 tidal surge floods. The grants are to establish flood resilience measures to reduce the risk of future flooding and/or minimise the impact of future flooding. The grants are intended to fund measures over and above repairs that would normally be covered by insurance. Local authorities wishing to award grants are required to develop and administer their own schemes within government guidance. This report outlines a framework for the Council’s Repair and Renew Grant (RRG) scheme, including the general eligibility criteria and arrangements for awarding the grants, for Cabinet approval. The scheme must be implemented quickly, as the grants must be paid and claimed back from Government within the 2014/2015 financial year.

2. Recommendations

1. That the general eligibility conditions and arrangements for administering the Council’s Repair and Renew Grant scheme, which are in line with the Government’s criteria and are described in the report be approved.
2. That the final approval of the scheme be delegated to the Corporate Director of Resources in consultation with the Cabinet Member for Environment.

3. Reasons for the Recommendations/Decision(s)

Approval of a Repair and Renew Grant scheme that will bring in Government funding to provide flood resilience/resistance measures for homes and businesses that were flooded during the 5 December 2013 tidal surge incident.

4. Members’ Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council’s code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so

significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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FLOOD SUPPORT – REPAIR & RENEW GRANT SCHEME

SUMMARY

The Government is making available “Repair and Renew” grants of up to £5,000 for the owners of premises that were affected by the December 2013 tidal surge floods. The grants are to establish flood resilience measures to reduce the risk of future flooding and/or minimise the impact of future flooding. The grants are intended to fund measures over and above repairs that would normally be covered by insurance. Local authorities wishing to award grants are required to develop and administer their own schemes within government guidance. This report outlines a framework for the Council’s Repair and Renew Grant (RRG) scheme, including the general eligibility criteria and arrangements for awarding the grants, for Cabinet approval. The scheme must be implemented quickly, as the grants must be paid and claimed back from Government within the 2014/2015 financial year.

RECOMMENDATIONS

1. That the general eligibility conditions and arrangements for administering the Council’s Repair and Renew Grant scheme, which are in line with the Government’s criteria and are described in the report be approved.
2. That the final approval of the scheme be delegated to the Corporate Director of Resources in consultation with the Cabinet Member for Environment.

DETAIL

Background

1. At the April 2014 Cabinet meeting, members considered a Flood Investigation Report into the 5 December 2013 tidal surge flooding incident and approved the report for publication.
2. In February 2014, the Government announced a package of flood support schemes, measures to help homeowners and businesses that were affected by flooding between 1 December 2013 and 31 March 2014. Local authorities are responsible for developing and administering the schemes in their local area.
3. The definition of “flood” in the guidance is where “land not normally covered by water, becomes covered by water” and includes floods caused by “tidal waters”. The schemes therefore include those properties at Port Clarence, Haverton Hill, Billingham Reach and Seal Sands that were affected by the tidal surge floods on the evening of 5 December 2013.

4. One of the schemes is the Repair & Renew Grant (RRG); a one-off scheme which offers grants of up to £5,000 to fund additional flood resilience or resistance measures for homes and businesses that were flooded. The interior of the applicant's home or business premises must have been damaged by flooding. The grants are to fund measures over and above repairs that would normally be covered by insurance.
5. Local authorities are required to develop a local RRG scheme and decide in each individual case whether to provide a grant. Grants are to be paid to the property **owners** who are expected to apply for and obtain approval for the grant, pay for the work up front, and then claim the money back. Local discretion can be exercised if a landlord doesn't wish to apply and provides permission in writing for a tenant to do so.
6. Local authorities are being encouraged to accept or facilitate collaborative applications to establish community level resilience and/or resistance measures, for example where a street of properties want to work together to establish an appropriate solution for all, based on a contribution of up to £5,000 per premise. Such a solution is currently the preferred course of action for Tristar Homes, and options for a scheme are being considered.
7. The Government will reimburse local authorities that provide RRG to affected homeowners and businesses in line with eligibility criteria set out in guidance. The scheme was launched on 1 April and lasts for one year. No payments will be reimbursed to local authorities after 31 March 2015.
8. It is estimated that 24 homes (22 of which are owned by Tristar) and up to 35 businesses within the Stockton-on-Tees area could potentially benefit from the scheme.

The Proposed Repair and Renew Grant Scheme

9. Defra are administering the RRG scheme and are issuing more detailed advice and guidance as questions emerge as local authorities begin to design their schemes. The following proposed scheme meets the criteria for full reimbursement of any grants that are awarded, whilst allowing flexibilities that should maximise take-up:

Eligibility to apply for RRG	<ul style="list-style-type: none"> • The owners of residential properties where habitable internal areas of the premises have been damaged by flooding between 1 December 2013 and 31 March 2014 will be eligible to apply. • The owners of business and charitable organisation properties where internal areas of the premise, which are critical to day to day operations, have been damaged by flooding between 1 December 2013 and 31 March 2014 will be eligible to apply. (If only storage sheds and/or warehouses were flooded these will generally be excluded). • Properties that will benefit from a wider flood defence scheme, such as the one proposed for Port Clarence, are included in the RRG scheme. • Landlords that do not wish to apply for RRG may grant permission, in writing, for their tenant to apply.
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Criteria	<ul style="list-style-type: none"> • The interior of applicants' homes or business premises must have been damaged by flooding (as defined by the Flood & Water Management Act) between 1 December 2013 and 31 March 2014. • The applicant must not have received other sources of public or insurance funding to establish the same resilience measures applied for. • Business applicants will have to comply with State Aid requirements. • Applicants should utilise advice on the Property Protection Adviser website and other sources of information that will be provided to them as part of the application process to help select the most appropriate resilience and/or resistance measures for the nature of the flood risk to their property.
Timing	<ul style="list-style-type: none"> • Applications must be received by 30 September 2014. • Work must be complete and completed grant claims submitted by 31 December 2014.
What support will be awarded?	<ul style="list-style-type: none"> • Successful applicants will be awarded up to £5,000 grant funding towards 100% of the costs (including VAT where applicable) of purchasing and installing appropriate resilience measures from a list of eligible measures and advice that will be provided in the guidance accompanying the application form. (The list is still being finalised by Defra). • Should an applicant choose to commission a professional survey prior to making an application, they can retrospectively claim up to £500 towards the cost as part of their subsequent application. • Should an applicant choose to implement measures in excess of £5,000, the excess cost must be met from alternative sources. • Collaborative applications to establish community level resilience and/or resistance measures will be supported.
Value for money	<ul style="list-style-type: none"> • An applicant should submit three like-for-like quotes (from a verifiable source) with their application to demonstrate value for money. • If it is not possible to obtain three quotes (for example where an insurance company's contractor has/will undertake the work, or specialist nature of the equipment to be purchased), the Council will seek an alternative approach to verifying costs, for example through its own qualified personnel.
Contract	<ul style="list-style-type: none"> • Successful applicants will be required to enter into a contract with the Council which will include the basis for provision of funding, deadlines, reporting / evidence to be provided with grant claims, inspection requirements, route to recovery of funds if misappropriated.
Payment	<ul style="list-style-type: none"> • Successful applicants will be required to pay for the work and submit a claim to the Council. • Claims are to be supported with invoices, evidence of payment and photographic evidence that the measures have been implemented. • The Council reserves the right to inspect premises. • Homeowners may elect for the Council to procure the work on their behalf through the Council's select list of suppliers. This will assist those applicants who may not be able to pay for works and then claim back. Applicants taking advantage of this service will not be required to submit three quotes.
Retrospective applications	<ul style="list-style-type: none"> • Retrospective applications will be considered where: <ul style="list-style-type: none"> ○ The applicant has already purchased and installed flood resilience and resistance measures which are eligible through the RRG and they can demonstrate they ensured value for money; ○ Where an applicant needs to progress repair works prior to a decision on their application, they can proceed on the understanding that any incurred costs would be at their own risk, subject to retrospective approval of their application.

Administration of the RRG Scheme

10. CLG are currently working with the Local Government Association to explore how local authorities can be supported in terms of the costs of administering RRG and further details are expected shortly.
11. A six stage process is proposed for the Stockton Scheme – this includes the key processes described in the guidance from Defra:

Stage 1 Promotion	<ul style="list-style-type: none"> • The potential number of applications is small enough to allow a direct approach to potential applicants. Initial contact will be made in person or by letter, as appropriate, seeking expressions of interest. • Where there is no response there will be a follow-up telephone call or visit, as appropriate. • Informal discussions have already taken place with officers from Tristar Homes to consider if a collaborative scheme might be appropriate.
Stage 2 Application	<ul style="list-style-type: none"> • Completion and submission of an application form including the three quotes • The application form will be accompanied by a set of guidance notes including the list of eligible measures. • Advice and assistance will be provided as appropriate to ensure the scheme is accessible to all.
Stage 3 Appraisal	<ul style="list-style-type: none"> • Application checked to ensure it meets the scheme criteria.
Stage 4 Approval or Rejection	<ul style="list-style-type: none"> • Decisions regarding approval or rejection of applications to be delegated to the Head of Customer Services & Taxation, with an appeals route to Corporate Director of Resources.
Stage 5 Contract	<ul style="list-style-type: none"> • Contract to be signed before work proceeds.
Stage 6 Grant Claim	<ul style="list-style-type: none"> • Claim submitted along with invoice for work, proof of payment and photographic evidence (before work and after work). • Inspection carried out if required
Stage 7 Payment	<ul style="list-style-type: none"> • Claim paid

FINANCIAL IMPLICATIONS

12. There are no financial implications – monies paid out for RRG will be claimed back from Defra on a quarterly basis. The Government has indicated that local authorities will be reimbursed for the administration costs they incur for implementing and running the scheme.

LEGAL IMPLICATIONS

13. Successful applicants will be required to enter into a contract with the Council prior to undertaking and paying for the flood resilience measures.
14. EU State Aid De Minimis regulations apply where RRG is to be awarded to businesses.

RISK ASSESSMENT

15. The proposals contained in this report are categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

16. Contributes to the reduction in risk of flooding which can impact on the economic stability of the area. Will create a safer environment in which to live and work and reduces the health impacts of flooding.

EQUALITIES IMPACT ASSESSMENT

17. This report has not been subject to an Equality Impact Assessment. Applications will be invited from all homeowners and businesses that were affected by flooding and the assessment criteria are in line with those specified in Government guidance. The potential number of applications is small enough to allow a personal approach that ensures the scheme is accessible to all those who are eligible to apply.

CONSULTATION INCLUDING WARD/COUNCILLORS

17. Consultation has been carried out with Ward members.

Contact Officer: **Debbie Hurwood**
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Education related? No

Background Papers None

Ward(s) and Ward Councillors: Billingham South – Councillor Smith & Councillor Mrs O'Donnell

Property - There are no implications for the Council's property associated with this report