

Record of operational decision

Decision title:	Flood Recovery Framework – Storm Henk
Date of decision:	31 January 2024
Decision maker:	Corporate Director, Economy and Environment
Authority for delegated decision:	Acceptance of funding Directorate scheme of delegation: Paragraph 77, updated 13/10/2023 Directorate: Economy and Environment, section 77. This is an exercise of the delivery of a duty under the Flood and Water Management Act 2010.
Wards:	All
Consultation:	Director of Resources and Assurance, Director of Governance and Legal Services, Performance Team Lead – Corporate Services, Head of Corporate Grants and Programmes – Corporate Services and Cabinet Member Transport and Infrastructure.
Decision made:	To sign a Memorandum of Understanding (MoU) to approve implementation of the following Flood Recovery Framework Schemes triggered as a result of Storm Henk: Community Recovery Grant; Council Tax Discount; Business Rates Relief; Business Recovery Grant; and Property Flood Resilience Scheme.
Reasons for decision:	<p>To ensure swift implementation of flood recovery schemes so that those impacted by Storm Henk can receive some financial support.</p> <p>The Flood Recovery Framework (FRF) was triggered on 6 January 2024 in response to the severe flooding events that occurred as a result of Storm Henk. The FRF Operational Guidance is attached to this report at Appendix 1</p> <p>Eligible areas are those upper and lower tier authority areas reporting over 50 internally flooded properties as a direct result of Storm Henk (between the dates of 2 January 2024 and 12 January 2024).</p> <p>Storm Henk is known to have caused flooding events in Herefordshire which have affected households and businesses. At the time of writing 64 properties in the county have been identified as having flooded internally.</p> <p>As part of the FRF, the Department for Levelling Up, Housing and Communities (DLUHC) has issued a MoU to be completed by local authorities which covers three of the flood schemes to be administered by DLUHC (see Appendix 2):</p> <ul style="list-style-type: none"> • Community Recovery Grant: authorities will receive funding equivalent to £500 per household where as a result of Storm Henk, flood water entered the internal habitable areas of someone’s property; or did not enter internal habitable areas but their property was unliveable for more than 48 hours; • Council Tax Discount: authorities will be reimbursed for the cost of a 100% council tax discount for a minimum of three months if flood water entered the internal habitable areas of someone’s property; or

	<p>did not enter internal habitable areas but their property was unliveable for more than 48 hours. Authorities will also be reimbursed for the cost of a 100% council tax discount on temporary accommodation for any household unable to return to their home; and</p> <ul style="list-style-type: none"> • Business Rates Relief: authorities will be reimbursed for the cost of providing businesses 100% relief from business rates for a minimum of three months if flood water entered the property, or the flooding seriously impacted upon the businesses’ ability to trade from the property. The relief provided will be subject to the UK subsidy control regime and will only be available to properties with a rateable value less than £10m. <p>The Department for Business & Trade (DBT) has issued a MoU to be completed by local authorities which covers the flood scheme to be administered by DBT (see Appendix 3):</p> <ul style="list-style-type: none"> • Business Recovery Grant: authorities will receive funding equivalent to £2,500 per eligible business premises that has either been directly significantly impacted or indirectly significantly impacted by the weather event over a period of time, to help support recovery in the immediate aftermath of Storm Henk. <p>The Department for Environment, Food & Rural Affairs (Defra) has issued a MoU to be completed by local authorities which covers the flood scheme to be administered by Defra (see Appendix 4):</p> <ul style="list-style-type: none"> • Property Flood Resilience Scheme: authorities will be reimbursed for the cost of offering householders and businesses up to £5,000 per property to fund measures which improve a property’s resilience over and above repairs that would normally be covered by insurance. <p>Herefordshire Council will therefore invite and determine grants on behalf of DLUHC, DBT and Defra in accordance with published guidance issued January 2024.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>Risks</p> <p>Local authorities have until 12 April 2024 to report and finalise flood impact data for their area to DLUHC. Local authorities will also provide weekly updates to DLUHC on verified flooded property numbers until 12 April 2024. This figure will form the basis for funding allocations for the FRF schemes sponsored by DLUHC and DBT and will be used by Defra for their Property Flood Resilience Scheme.</p> <p>Reporting requirements after April 2024 will be clarified under separate correspondence.</p> <p>The FRF states that if, post payment, an authority subsequently discovers that reported flood impact numbers are lower than those provided the following actions will apply based on the revised number:</p> <ul style="list-style-type: none"> • if an authority still meets the eligibility threshold, and where grant has been paid, they will be required to repay any additional grant they have received, based on the difference between the actual and claimed flood impact numbers; or • if an authority no longer meets the eligibility threshold, and where

grant has been paid, they will be required to repay all grant they have received.

Risks associated with having to repay grants are low given that the council will determine grants in accordance with the published guidance. Also, given that 64 properties have already been identified as having flooded internally, we would expect this number to increase rather than decrease below the threshold of 50.

Financial

Schemes will be administered and delivered using grants paid pursuant to section 31 of the Local Government Act 2003. The council will administer and deliver the schemes by verifying, processing and, where appropriate, paying claims for eligible expenditure. The council must bear its own costs and expenses incurred in complying with the obligations under the three MoUs.

The council must keep records in support of any claim and make these available for audit or review upon request. The council is expected to have in place systems to determine local eligibility, verify compliance with scheme requirements and to monitor delivery.

Indicative payments timelines are as follows:

A single claim for Community Recovery Grant will be made, based on data provided by 12 April 2024. This will be paid to the council by the end of June 2024 via Section 31 grant.

Council Tax Discounts will be reimbursed to the council in two claims:

- Year 1: costs to end March 2024: return submitted at end May 2024, payment via Section 31 grant by end July 2024.
- Year 2: costs to end March 2025: return submitted at end May 2025, payment via Section 31 grant by end July 2025.

Business Rates Relief will be reimbursed to the council on the basis of data submitted via the NNDR3 process in two claims:

- Year 1: costs to end March 2024: return at end May 2025, payment via Section 31 grant by end July 2025.
- Year 2: costs to end March 2025: return at end May 2026, payment via Section 31 grant by end July 2026.

A single claim for Business Recovery Grant will be made, based on data provided by 19 April 2024, as supplemented with a full list of SME business premises details and postcodes of awards made and S151 declaration, to be submitted to DBT. This will be paid by the end of Q2, 2024/25 via Section 31 grant.

Defra will pay the council quarterly in arrears on the basis of eligible Property Flood Resilience Scheme claims made during the reference period via Section 31 grant. Quarter days being 1 May 2024, 1 August 2024, 1 November 2024, 1 February 2025, 1 May 2025, 1 August 2025 with final claims submitted by 3 November 2025.

The administration of these schemes will create additional work for the

	<p>council's teams and at this stage it is not known whether any New Burdens grant will be available, therefore the work will be conducted within current resources.</p> <p>Legal</p> <p>The MoUs are not legally binding but authorities are expected to comply with their terms.</p>
Details of any alternative options considered and rejected:	An alternative would be not to implement schemes locally, however this would be contrary to Government expectation and recommendation and would not enable financial support to those households and businesses impacted by Storm Henk.
Details of any declarations of interest made:	

Signed

Ross Cook
 Director of Economy & Environment

Date: 31/01/2024