

Flood Support Schemes

Guidance Note: Updated December 2014





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Contents

Introduction	3
Chapter One -The Repair and Renew Grant.....	5
Chapter Two - Business Rates Flooding Relief.....	9
Chapter Three - Council Tax Discounts	13
Chapter Four - Business Support Scheme.....	15
Annex A – Definition of Flood.....	18
Annex B – Possible Measures	19
Annex C – State Aid.....	22
Annex D – Extension of the flood recovery schemes	24

Introduction

1. This guidance note provides information for local authorities, businesses and homeowners on schemes that have been announced by the Prime Minister to help homeowners and business recover from adverse weather between 1st April 2013 and 31st March 2014
2. It sets out the eligibility criteria for these funds and provides high-level guidance to local authorities who will be responsible for administering these schemes in local areas.
3. The support is for the impacts of flooding between 1st April 2013 and 31st March 2014 and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions). As a guide the definition of flood from Section 1 of the Flood & Water Management Act 2010 is at Annex A.

Support for businesses:

4. Businesses that have been flood affected between 1st April 2013 and 31st March 2014 will qualify for 100 per cent business rate relief for three months (subject to state aid regulations), regardless of how long they were flooded¹.
5. The **Business support scheme** is available to support small and medium sized businesses which were affected by the impacts of flooding between 1st April 2013 and 31st March 2014 to develop and implement business recovery plans.
6. The **repair and renew grant** provides financial support to pay for work that improves a property's ability to withstand future flooding.

Help for homeowners:

7. People whose home has been flooded between 1st April 2013 and 31st March 2014 are eligible for:
8. A **council tax rebate**, funded by up to £6million to councils, for as long as they were unable to return home
9. The **repair and renew grant** which provides financial support to pay for work that improves a property's ability to withstand future flooding.

¹ Limited to where the rateable value of the hereditament on that day was less than £10 million

10. The following chapters set out further details on these support schemes with advice on State Aid implications at Annex C.
11. The costs of the schemes are funded by Government. A grant will be provided for the business support scheme. For council tax up to £ 6m of support for discounts will be made available through an application process. For the business rate relief and repair and renew grants the Government will reimburse these costs for local authorities.
12. This support is in addition to the third tranche of the **Severe Weather Recovery Scheme**, which is available to help fund recovery costs incurred by Councils on activities to support their communities, providing that at least 10 properties (residential or commercial) had been inundated within their local authority area and that those properties hadn't been included in previous claims. Further details relating to the current scheme can be found at Annex D.

Chapter One -The Repair and Renew Grant

Introduction

1. The Prime Minister announced on 12th February 2014 a scheme to provide grants of up to £5,000 to homeowners and businesses that had been flooded to help fund additional flood resilience or resistance measures for homes and businesses. On 27th November the period of eligibility for the grant was extended to businesses which experienced the effects of flooding at any point during the 2013/14 financial year.
2. Local authorities administer this scheme and this chapter provides guidance to authorities about the operation and delivery of the scheme.
3. This Guidance does not replace existing legislation or any other scheme and applies to England only.
4. This is a one-off scheme to cover needs arising from the flooding occurring between 1st April 2013 and 31st March 2014.

What does this mean if I am a business / householder?

5. Businesses or homeowners that have been flooded will wish to consider whether they might be eligible for a flood resilience grant. If they think they may be eligible, they should contact their local authority to find out what next steps they need to take.
6. Grants are intended only to fund measures which improve the property's resilience or resistance to flooding, over and above repairs that would normally be covered by insurance. Where resilient repairs can be provided at the same cost as standard like for-like repairs, insurers should act to encourage take-up as part of the standard reinstatement process.
7. Information about how the process will operate is available on local authorities' websites.
8. There is more information at annex B for homeowners and businesses who want to find out more about the kind of measures that might be suitable for their property.

What does this mean for local authorities?

9. All homeowners and businesses that have suffered flood damage between 1st April 2013 and 31st March 2014 are eligible to apply for a grant.
10. Local authorities may wish to consult with their local Environment Agency office to establish whether properties in their area are due to benefit from a planned community-level scheme that would reduce the level of risk below 'significant' and would be completed prior to December 2018. They may also wish to establish whether properties are already benefiting from an existing or agreed Property Level Protection Scheme. If properties are benefiting from these schemes, local authorities may wish to take this into account when determining grants in specific cases in order to reduce the risk of duplication.

Detailed Information

How will the grants be provided?

11. It is for individual local billing authorities to adopt a local scheme and decide in each individual case whether to provide a grant and at what level. Grants will be payable to the person responsible for the fabric of the property, normally the property owner. The Government will reimburse local authorities that provide flood resilience grants to affected homeowners and businesses in line with the eligibility criteria set out in this chapter (using a grant under section 31 of the Local Government Act 2003).

Which properties will benefit from repair and renew grants?

12. The funding is for the impacts of flooding from adverse weather conditions and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions). As a guide the definition of flood from Section 1 of the Flood & Water Management Act 2010 is at Annex A.
13. Homeowners and businesses which were flooded in whole or in part between 1st April 2013 and 31st March 2014 as a result of the adverse weather conditions will be eligible to apply.
14. Homeowners and businesses can obtain a tailored report on the type of flood resilience measures that might be appropriate for their property from the Defra funded Property-Protection-Adviser website, which will give guidance on the kind of measures that might need to be fitted and their likely cost. You will be asked a few simple questions about your property and will receive a tailored report that takes into account the age and type of property. An indicative list of flood resilience measures is also provided at Annex B. For eligible properties, any

measure recommended by the Property-Protection Adviser report or included in Annex B will automatically qualify for Repair and Renew grant funding.

15. Where appropriate, we recommend that homeowners and businesses use products that carry the BSI kitemark for flood protection products (PAS1188) or similar standards.
16. In order to reduce the risk of fraud, the homeowner or business will be asked to subsequently produce receipts or invoices' confirming the work has been carried out.

How should this link with insurance sector?

17. The Government expects close engagement between local authorities and the insurance sector to ensure that there is a clear process to enable the delivery of the grant payments.
18. The scheme is a contribution towards making properties more resilient to future flooding, which will help ensure they get the best possible deal for flood insurance in future.

How much grant will be available?

19. Grants of up to £5,000 are available, depending on whether sufficient appropriate resilience measures can be put in place.
20. Grants will be payable to the person responsible for the fabric of the property, normally the property owner. Local authorities are encouraged to facilitate individuals and businesses, if they wish to, pooling their grants in order to carry out community level flood protection and resilience work where appropriate.

What can the grant be spent on?

21. Grants are intended to fund additional measures over and above the costs of repairs that would normally be covered by insurance. Where resilient repairs can be provided at the same cost as standard like-for-like repairs, insurers should act to encourage take-up as part of the standard reinstatement process.
22. Grants are not intended to cover standard repairs or to provide compensation. They must be used only for improvements to the fabric of the premises that would have the impact of reducing the impact and cost of subsequent flooding on the property.

Contact information

Enquiries on this measure should be addressed to:

floodresiliencegrant@defra.gsi.gov.uk

Carol Jewasinski 020 7238 6565

Chapter Two - Business Rates Flooding Relief

Introduction

1. The Prime Minister announced on 12th February 2014 a new business rates relief for properties that have been flooded. On 27th November, the period of eligibility for the relief was extended. Local authorities will administer this business rates “flooding relief” and this chapter provides guidance to authorities about the operation and delivery of the relief.
2. This Guidance does not replace existing legislation or any other relief and applies to England only.

What does this mean if I am a business?

3. Businesses that have been flooded will wish to consider whether they might be eligible for this relief. If they think they may be eligible, they should contact their local authority to find out what next steps they need to take.

What does this mean for local authorities?

4. Local authorities should administer this business rates “flooding relief” in line with the guidance set out in this chapter. The Government anticipates that local authorities will wish to move quickly to support those businesses affected. Where an authority is satisfied that a business meets the criteria they should grant the relief automatically.

Detailed information

How will the relief be provided?

5. As this is a temporary emergency measure the Government is not changing the legislation around the reliefs available to properties. Instead 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)) to grant relief in line with the eligibility criteria set out in this chapter. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the

discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers. The local discount powers can only be used in respect of the year immediately preceding the current one where they take a decision within the first six months of the current year. Authorities can therefore no longer use those powers in relation to 2013-14 bills. Authorities should therefore calculate the discount that would be applicable under the above guidance and apply that amount to the ratepayer's 2014-15 bill.

6. Central government will fully reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this chapter. Further details on that process will be provided in due course.

Which properties will benefit from relief?

7. The Government will fund 100 per cent rate relief for three months, for those hereditaments which meet the following criteria:

For any day between 1st April 2013 and 31st March 2014:

- i the hereditament has been flooded in whole or in part as a result of adverse weather conditions; and
 - ii on that day, as a result of the flooding at the hereditament, the business activity undertaken at the hereditament was adversely affected; and
 - iii the rateable value of the hereditament on that day was less than £10 million.
8. In considering whether the business activity has been adversely affected, local authorities should consider the impact of the flooding in the full context of all business activities undertaken at the hereditament. Very small or insignificant impacts should be ignored.
 9. The funding is for the impacts of flooding from the recent adverse weather conditions and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions). As a guide the definition of flood from Section 1 of the Flood & Water Management Act 2010 is at Annex A.
 10. The scheme applies to all types and uses of non-domestic hereditaments (other than those occupied by the Billing Authority).

How much relief will be available?

11. Funding will be provided to authorities for the 3 months of relief granted starting on the day the hereditament first met the criteria set out in paragraph 8. The 3 months relief will apply irrespective of how long the flooding or adverse business impacts last.
12. Where a hereditament has been flooded more than once and business activities are adversely impacted, only one period of 3 months relief will be funded and should be applied from the first date on which the criteria in paragraph 8 were met.
13. Councils may use their discretionary powers to offer further discounts outside this scheme (and under the rate retention scheme, 50 per cent of the cost would be locally funded and 50 per cent funded by central government).
14. In calculating the cost of the relief to be refunded to the local authority, the Government will assume that all other reliefs have first been applied, including the retail relief where applicable.
15. This relief should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
16. Ratepayers that occupy more than one property may be granted relief within the scheme for each of their eligible properties.

Splits, mergers, and changes to existing hereditaments

17. Where a new hereditament is created as a result of a split or merger from a hereditament which for the day immediately prior to the split or merger met the criteria in paragraph 7, funding will be provided to allow relief to be given for the remaining balance of the three months.

Change of ratepayer

18. Funding for rate relief will continue to be given following a change of ratepayer. In other words, the relief should run with the property rather than the ratepayer.

Empty Properties

19. The scheme does not cover relief for any hereditament which was empty at the time it was flooded as there was no business activity on the premises at the time. Where a hereditament becomes empty after the flood then it will receive the normal 3 or 6 months (as applicable) empty property rate free period or will continue to receive the balance of the flooding relief.

How will the relief work in Enterprise Zones?

20. Where a property is eligible for Enterprise Zone relief, that relief should be granted and this will be funded under the rates retention scheme by a deduction from the central share. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Flooding Relief may be granted in the normal way, and this would be reimbursed by grant under section 31 of the Local Government Act 2003. Local authorities should not claim funding for Flooding Relief on properties which would otherwise qualify for Enterprise Zone government funded relief.

What about properties removed from the rating list from flooding?

21. Seriously damaged property may be taken off the ratings list. Where a property is removed from the rating list the ratepayer is not liable for business rates. Whereas a result of the flooding the property is removed for more than 3 months that property will not require rates relief. Where it is less than 3 months rate relief should be provided so in total the occupier gets 3 months equivalent where they are not liable for rates.

Contact information

Enquiries on this measure should be addressed to:

ndr@communities.gsi.gov.uk

David McDonald 030 344 42135

Chapter Three - Council Tax Discounts

Introduction

1. The Prime Minister announced on 12 February 2014 a council tax discount scheme for properties that have been flooded. On 27 November, the period of eligibility for the relief was extended to cover the whole of 2013-14. Funding of up to £ 6million will be available to local authorities in support of Council Tax Discounts for homes that have been flooded. This chapter provides guidance to authorities about the operation and delivery of the support.

What does it mean if I am a householder?

2. If you are a householder whose house was flooded by severe weather events in 2013-14 you may consider asking your local authority for a discount from council tax.

How will the discounts be provided?

3. 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. These powers allow local billing authorities the flexibility to grant reductions or exemptions on an individual basis or for a class of council taxpayers. It is up to local authorities to decide whether to use this power. Central Government do not need to approve this.

What does this mean for local authorities?

4. In usual circumstances it would fall to local authorities to fund any reduction from council tax which is granted. For this scheme, local authorities will be able to claim support through the Department for Communities and Local Government for council tax discounts to homes that have been flooded.

Detailed information

5. The Department of Communities and Local Government will provide up to £6 million for this scheme, which based on current figures should enable local councils to offer a council tax rebate of at least three months for flooded properties, and to continue that support until residents are able to return home .

6. Central government support to local authorities will be provided upon application through grant funding. Further details on that process will be provided in due course.

Which properties will benefit from relief and for how long?

7. Local authorities have discretion to grant council tax discounts as they see fit. It is also up to local authorities to decide which homes receive council tax discounts in their areas and the duration of that relief.

What funding will the Government Fund provide?

8. Government support of up to £6 million will be provided to help fund council tax discounts to properties that have been flooded.

What if the cost of council tax discounts is more than £ 6 million?

9. At present we anticipate that £6million will be sufficient to cover claims. We will work with local authorities to ensure funding is directed where it is needed.

Contact information

Enquiries on this measure should be addressed to:

council.tax@communities.gsi.gov.uk

Marie Hazzard 030 344 43068

Chapter Four - Business Support Scheme

Introduction

1. The Prime Minister announced on 17th February 2014 a scheme to support all small and medium sized business in flood affected areas that had been impacted by the winter's floods and suffered a significant loss of trade as a result. On 27th November 2014 the period of eligibility for the scheme was extended to cover the period from April – December 2013. Local authorities will administer this business support funding and we will continue to work with them to target this funding to support flood-affected companies. This chapter provides guidance to authorities about the operation and delivery of the fund.
2. This Guidance does not replace existing legislation or any other relief and applies to England only.

What does this mean if I am a business?

3. Businesses that have been flooded or whose business has been adversely affected by flooding and sit within a local authority area which experienced flooding will wish to consider whether they might be eligible for this fund. If they think they may be eligible, they should contact their local authority to find out what next steps they need to take.
4. Support from this fund is available to support small and medium sized businesses to develop and implement business recovery plans. Eligible businesses are able to claim for costs which could include immediate clean-up costs, materials, exceptional business costs (such as hire of drying equipment) and temporary accommodation to enable these businesses to continue trading. Business continuity planning and marketing costs could also be covered.

What does this mean for local authorities?

5. Local authorities will need to decide whether there should be an application process and if so what form it should take.
6. We are deliberately keeping the scheme simple, so that local authorities have the flexibility to meet the needs of businesses in their area. We expect, in turn, that this encourages councils to provide support to affected businesses quickly and with the minimum of bureaucracy.

7. Local authorities will decide on a case-by-case basis who they wish to give support to, within the parameters set out in this guidance document. Where an authority is satisfied that a business meets the criteria they should consider granting support.
8. Local Authorities will need to work closely with local businesses to ensure that support through the scheme does not duplicate that already provided by individual insurance cover or other funding schemes.
9. We would request local authorities keep a record of the businesses assisted through this fund.

Detailed information

How will the grant be provided?

10. Central government will provide allocations to local authorities based on the extent of businesses in their local areas who have been affected by the floods (using a grant under section 31 of the Local Government Act 2003). This will be based on evidence submitted by Local Authorities; the Government will write to all English local authorities to request this information.

Which businesses will benefit from this grant?

- i Businesses affected by flooding between 1st April 2013 and 30th November 2013, which have not already successfully applied to the Business Support Scheme.
- ii Eligible businesses are those that have sustained hardship and significant loss of trade as a result of the floods, but it is not to be used for rewarding poor business practice (e.g. if a business has not put any insurance arrangements in place) or for routine business expenses or costs that are recoverable elsewhere.
- iii Unlike the business rate relief and the repair and renew grant, this business support scheme can also be used to support businesses which have been indirectly impacted by the floods.
- iv The grant covers direct and indirect impacted businesses within flood affected areas. It does not cover loss of trade suffered by businesses outside of directly affected areas.
- v By direct impacts we mean that business has suffered direct damage and loss to premises, equipment and/or stock and has been unable to trade normally as a result of flooding

- vi By indirect impacts we mean business has had no or highly limited access to premises, equipment and/or stock as a result of flooding, restricted access to customers and suppliers and suffered significant loss of trade.
- vii In considering whether the business activity has been adversely affected, local authorities should consider the impact of the flooding in the full context of all business activities undertaken at the hereditament. Very small or insignificant impacts should be ignored.
- viii The scheme applies to all types (other than those occupied by the Billing Authority) and uses of non-domestic hereditaments.

What will the grant be used for?

- 11. It is for local authorities to determine the type of things to provide grant for but could include: non-recoverable insurance excesses for repair or replacement of buildings, equipment and stock, removal of debris, additional business accommodation or extra staff costs, structural surveys, security measures, additional marketing, exceptional costs to improve access to/for suppliers and customers etc.
- 12. The funding is for the impacts of flooding from the recent adverse weather conditions and not, for instance, from the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions). As a guide the definition of flood from Section 1 of the Flood & Water Management Act 2010 is at Annex A.

How much grant will be available?

- 13. Local authorities will have discretion on the maximum payments to individual businesses with funding from the scheme but we want to make authorities aware that in other similar recovery schemes the average claims were c. £2,500 per business.

Contact information

Enquiries on this measure should be addressed to:

floods@bis.gsi.gov.uk

Tony Bray 0121 345 1236

Annex A – Definition of Flood

Section 1 of the Flood & Water Management Act 2010

1(1) “Flood” includes any case where land not normally covered by water becomes covered by water.

(2) It does not matter for the purpose of subsection (1) whether a flood is caused by—

- (a) heavy rainfall,
- (b) a river overflowing or its banks being breached,
- (c) a dam overflowing or being breached,
- (d) tidal waters,
- (e) groundwater, or
- (e) anything else (including any combination of factors).

(3) But “flood” does not include—

- (a) a flood from any part of a sewerage system, unless wholly or partly caused by an increase in the volume of rainwater (including snow and other precipitation) entering or otherwise affecting the system, or
- (b) a flood caused by a burst water main (within the meaning given by section 219 of the Water Industry Act 1991)

Annex B – Possible Measures

1. The kinds of measures that could be considered are set out below. This is an indicative list; different measures will be appropriate for different properties at different stages in the repair process. . The list includes both resistance measures (designed to keep the water out) and resilience measures (internal modifications intended to reduce the cost of any damage from flood water).
2. There is also a lot of useful advice on the Environment Agency website but the best starting point for those who are new to understanding flood risk is the National Flood Forum website. The National Flood Forum website sets out a step-by-step process for householders and links to a wide range of other sources of information, including the “Blue Pages”, which list a range of flood products and service providers.
3. The site includes a Property-Protection-Adviser, which will give a clear idea about the kind of measures that might need to be fitted and their likely cost. The Adviser asks users a few simple questions about the property and will produce a tailored report that takes into account the age and type of property. For eligible properties, any measures recommended by the Property Protection Adviser or listed below will automatically qualify for funding from the Repair and Renew Grant scheme. This list is not, however, intended to be exhaustive: it will also be open to local authorities to consider alternative proposals for individuals to use the grant for flood resilience measures, including the pooling of grant funding to use on street or community level flood protection where appropriate.

Indicative list of possible measures

Property level-measures	Description of Measure/ Type of Flood Risk?	Indicative cost range £s ²
Professional Survey of Premises to Identify Flood Risks (<i>can be undertaken prior to RRG application to identify most appropriate measures and up to £500 of costs applied for retrospectively</i>)	Professional survey undertaken to identify property flood risk, and identify appropriate resilience and/ or resistance measures.	Up to £500 including VAT
Flood Risk Report	Professional Flood Risk Report can be commissioned after resilience and/ or resistance measures fitted to inform any future works, and/ or to submit to insurance companies to demonstrate action taken/ level of future risk.	£?
Airbrick Cover	Watertight cover for airbricks.	20-40

² Adapted from Establishing the Cost Effectiveness of Property Flood Protection: FD2657, JBA Consulting for Defra, 2012

Property level-measures	Description of Measure/ Type of Flood Risk?	Indicative cost range £s²
Self-closing airbrick	Replacement airbrick that automatically closes to prevent flooding.	50-90
Sewerage Bung	Inflatable device to insert in U bend of toilet to prevent sewage backflow.	30-50
Toilet Pan Seal	Seal to prevent sewage backflow.	60-80
Non-return valves 12mm overflow pipe	Valve prevents backflow via overflow pipe.	70-110
Non-return valves 110mm soil waste pipe	Prevents backflow via soil waste pipe	550-650
Non-return valves 40mm utility waste pipe	Valve prevents backflow via waste pipe.	80-120
Silicone gel around openings for cables etc.	Prevents flooding via openings for cables to access properties.	80-120
Water resistant repair mortar	Water resistant mortar used to repair walls and improve future resistance.	80-120
Re-pointing external walls with water resistant mortar	Improve water resistance through using water resistant mortar to re-point walls.	150-250
Waterproof external walls	Membrane fitted to make external walls water resistant?	200-400
Replace sand-cement screeds on solid concrete slabs (with dense screed)	Dense water resistant screed to replace sand-cement screed	670-740
Replace mineral insulation within walls with closed cell insulation	Replacement of wall insulation with water resistant insulation.	720-800
Replace gypsum plaster with water resistant material, such as lime	Replace existing plaster to water resistant material in property.	4280-4740
Sump Pump	A pump used to remove water that has accumulated in a water collecting sump basin	400-600
Demountable Door Guards	Guard fitted to doors to resist flooding	500-900
Automatic Door Guards	Door guards that automatically close to prevent flooding	1000-2000
Permanent flood doors	Permanent door (rather than demountable) which is flood resistant.	
Demountable Window Guards	Guard fitted to window to resist flooding	500-900
Sceptic tank resistance or resilience measures	Sceptic tank resistance or resilience measures such as isolation valves, venting above flood level etc	
Replace ovens with raised, built-under type	Raising oven off floor above flood level	700-780
Replace chipboard kitchen/bathroom units with plastic units	Fit plastic kitchen and/ or bathroom units to minimise water damage.	5000-5520
Move electrics well above likely flood level	Re-wiring of electrics (such as socket points) above flood level.	760-840
Mount boilers on wall	Raise boiler above flood level.	1080-1200
Move service meters above likely flood level	Raise service meters above flood level	1620-1800
Replace chipboard flooring with treated timber floorboards	Replace floor (including joists) to make water resistant.	920-1020
Replace floor including joists with treated timber to make it water resilient	Replace floor including joists with treated timber to make it water resilient	3490-3850
Install chemical damp-proof course below joist level	Install damp proof course to resist groundwater flooding.	6250-6910

Property level-measures	Description of Measure/ Type of Flood Risk?	Indicative cost range £s ²
Replace timber floor with solid concrete	Replace wooden flooring with concrete.	8210-9070
Garage/Driveway Barrier	Driveway gate or garage barrier to resist flooding.	2000-3000

Annex C – State Aid

1. The Government has announced three tiers of support for business affected by the recent flooding, being: repair and renewal grant, business rates relief scheme, and a business support scheme.
2. State Aid law is the means by which the European Union regulates state funded support to businesses. It does not affect support for householders.
3. Providing discretionary support from the repair and renewal grant, business rates relief scheme, and a business support scheme is likely to amount to State Aid. However, support will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013), is block exempted under GBER (1998/2006) or approved by the Commission.
4. The De Minimis Regulations allow an undertaking to receive up to €200,000 of cumulative De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
5. Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)) and the requirement to convert the aid into Euros.
6. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Therefore, authorities should enquire when considering whether to grant flooding support if the undertaking is in receipt of any other De Minimis aid (including any other support, such as retail business rate relief). Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).
7. Aid may be granted above de minimis where it is consistent with Section 8 of the General Block Exemption Regulations. The Regulations can be found at the following link: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.187.01.0001.01.ENG. Under those Regulations aid – up to the amount of relief available - may be granted where there is a demonstrable direct causal link between the damage caused by flooding and the loss suffered.
8. Where an authority has a business rates claim which exceeds de minimis please notify the business rates team in DCLG at ndr@communities.gov.uk.

9. Local authorities should keep records of all the undertakings who receive flooding relief aid. Local authorities should report to sapu@bis.gsi.gov.uk on the total number of undertakings, split by micro, SME and Large enterprise who have received support above the De Minimis limit per local authority. The total amount per local authority should also be reported.
10. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.

Annex D – Extension of the flood recovery schemes



Department for
Communities and
Local Government

Chief Executive

Our Ref:
Your Ref:

28 November 2014

Dear Chief Executive

As you will know, Government has been supporting many local areas to recover from the severe weather experienced throughout December, January and in to February and March 2014 through a multi-million pound support package. We are particularly grateful to local authorities for the significant effort they have made to ensure that affected householders and businesses have been given access to the information, advice and support they need to apply for recovery schemes for which they are eligible. I encourage you to continue to promote that support to those households and businesses who are still going through the process of repairing and returning to their properties.

On 27th November, alongside statements on preparedness for the coming winter and the progress made in recovering from last winter, the Government announced that it intends to extend the eligibility period for certain schemes to cover the entire 2013/14 financial year. The package of support comes from the Department of Communities and Local Government, the Department for Business Innovation and Skills, and the Department for the Environment Food and Rural Affairs. We hope it will provide welcome support to those who were affected by severe weather and flooding in the months before the winter of 2013/14, but who were not eligible for recovery support under existing schemes.

The schemes being extended are:

- Council Tax Relief Scheme supporting councils to provide council tax rebates to residents whose homes were flooded.
- Business Rates Relief Scheme, supporting councils to provide business rates rebates to businesses whose premises were flooded.
- Severe Weather Recovery Scheme (communities' element) to support local authorities with the costs associated with impacts on local communities.

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- Repair and Renew: which provides grants of up to £5,000 for flooded homeowners and businesses to improve the resilience of their properties; and
- Business Support Scheme- providing hardship funding to businesses affected by the floods.

Local authorities will not be able to claim for any properties affected between December 2013 and March 2014 for which they have already received government recovery funding. As with the earlier tranches, support from the Severe Weather Recovery Scheme will be available only for local authorities that experienced inundation to 10 or more properties (residential or business).

You will be able to find updated guidance on the schemes, including details of eligibility and how to apply on the gov.uk website.

Next steps

As we move to extend the schemes, it is important that we establish baseline figures based upon properties affected by flooding. There are, therefore, some immediate requests on which I should be most grateful for your help.

First, could you please arrange for the following information to be returned to 2014Recovery@communities.qsi.gov.uk by 5pm on Friday 19th December.

- Confirmation of your intention to claim financial support and details of the scheme you will be claiming compensation under.
- The total number of households flooded – where water has entered the property at the ground level – between 1st April and 4th December 2013.
- Of those, the number of households (if any) where people have been unable to return home.
- The total number of businesses flooded between 1st April and 4th December 2013.
- The date(s) on which such flooding occurred and a brief description of the nature and cause of the flooding (e.g. tidal, pluvial, fluvial).

Second, we will be asking you to provide progress data regularly and, to avoid ad-hoc requests, we have put in place a single data collection point that combines the progress information that DCLG and other Whitehall departments would like to collect on flooding funding packages. I would therefore be grateful for your help to identify contact point(s) within your local authority who will be responsible for providing progress information. Once we have names from you, we will issue user codes and passwords to them. As above, I should be grateful if you could arrange for contact details to be returned to 2014Recovery@communities.qsi.gov.uk by 5pm on Friday 19th December.

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Bellwin consultation

I thought you would also be interested to know that, following the severe weather experienced last winter, the Government undertook a review of the Bellwin Scheme of Emergency Financial Assistance to Local Authorities to ensure that it is fit for purpose. The consultation on the proposed revised principles of the Bellwin Scheme of Emergency Financial Assistance to Local Authorities has been published on GOV.UK on 27th November. The closing date for responses is the 1st January 2015.

Finally, I look forward to working with you to ensure that everyone who was not eligible for support under the arrangements for winter 2013/14 benefits from the additional support now available to them.

Yours sincerely



Neil O'Connor
Director
Fire, Emergencies and Resilience Directorate