



Sandwell Metropolitan Borough Council

**Revenues and Benefits Service
Flood Relief Policy**

2022/23

Meeting Ambition 10



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1. INTRODUCTION

- 1.1 In a severe weather event with significant wide area impacts, local authorities may need central support to help their communities and businesses return to normal.
- 1.2 Section 13a 1c of the Local Government Finance Act 1992 allows the Council to reduce the amount of Council Tax payable and Sandwell's existing Discretionary Policy provides for assistance where flooding occurs in a one-off situation.
- 1.3 In December 2017 the government introduced a Flood Recovery Framework which provides local authorities in England with a core package of business and community recovery support.
- 1.4 The government will decide when this support will be made available as weather incidents with localised impact will not usually trigger a recovery support package. Funding might typically be deployed when facing severe weather which impacts multiple numbers of local authorities, such as those where nationwide storms take place.
- 1.5 This policy is provided to ensure the Council is prepared should a core scheme be activated and will allow suitable preparations to be made in respect of planning for flood events.

2. GENERAL PRINCIPALS / REGULATIONS

- 2.1 The core package introduced through the Flood Relief Framework comprises of the following schemes:
 - Community recovery grant
 - Business recovery grant
 - Council Tax discount scheme
 - Business Rates relief scheme
- 2.2 If the government instruct the Council that a core scheme is activated any upfront funding provided will be distributed based on the initial estimated numbers of eligible households and businesses reported by the authority.

3. Community Recovery Grant

3.1 Scheme Overview

A £500 grant will be paid to the Council for each eligible household badly affected by the relevant weather event. Authorities will be expected to pass these grants directly onto eligible households.

Funding will be paid to Council's via Section 31 grant based on the number of households estimated to be eligible.

3.2 Eligible Households

Primary residences – Households whereas a result of the relevant weather event flood water entered the habitable areas of the residence or

Flood water did not enter into the habitable areas, but the Council regards that the residence was otherwise considered unliveable for any period of time.

Second homes, empty homes and student accommodation are not eligible under the scheme.

HMO's should be considered 'one front door' except where they are separated for Council Tax purposes and blocks of flats should be treated in the same way.

4. Business Recovery Grant

4.1 Scheme Overview

A £2500 grant will be paid to the Council for each eligible business to help support recovery in the aftermath of a severe weather event. Authorities will be expected to pass these grants directly onto eligible businesses.

Funding will be paid to Council's via Section 31 grant based on the number of businesses estimated to be eligible.

The scheme covers small and medium sized businesses within flooded areas. Where larger businesses have been seriously affected this should be discussed as early as possible with the Council's MHCLG Recovery Liaison Officer and BEIS. Councils should consider any other ways in which it can help larger businesses.

4.2 Eligible Businesses

Small and medium sized businesses:

- Directly impacted by the weather event, for instance where there was flood damage to the property, equipment, and/or stock, or;
- Indirectly impacted by the weather event and as a result of flooding have directly suffered a loss of trade. This might apply where for instance there was flood damage to the property, equipment and or stock or the business has no/restricted access to premises, equipment or stock, restricted access to customers, suppliers and/or staff.

Funding should not be used to reward poor business practice or for routine expenses or costs that are recoverable elsewhere.

5. Council Tax Discount Scheme

5.1 Scheme Overview

Local authorities have discretion to reduce Council Tax liability under S13A 1C where the Flood Relief Scheme is activated following severe weather. The following discounts can be applied and will be refunded back to the Council by DLUHC:

100% discount for a minimum of 3 months or while anyone is unable to return home if longer for **primary residences** whereas a result of the relevant weather event:

- Flood water entered into the habitable areas or;

- Flood water did not enter the habitable areas but the local authority regards that the residence was otherwise considered **unliveable** for any period of time

AND

- 100% Council Tax reduction on temporary accommodation for anyone unable to return to their home, in parallel with the discount on their primary residence where applicable.

Funding will be paid to Council's via Section 31 grant and will typically be paid retrospectively considering actual spend at the end of the financial year.

5.2 Eligible Households

Primary residences – Households whereas a result of the relevant weather event flood water entered the habitable areas of the residence

Unliveable households may be determined based on the guidelines below:

- Where access to the property is severely restricted (e.g. upper floor flats with no access);
- Key services such as sewage, drainage and electricity are severely affected;
- The adverse weather has resulted in other significant damage to the property such that it would be, or would have been, advisable for residents to vacate the premises for any period of time, regardless of whether or not they actually vacate;
- Flooded gardens or garages will not usually render a household eligible but there may be exceptions where it could be demonstrated that such instances mean effectively that the property is unliveable

Residences impacted in multiple flood events can receive repeat support where it is made available by the government in respect of separate weather events.

Where the scheme is activated concurrently for two separate instances of flooding within 3 months of each other, the two discount periods would run concurrently.

6. Business Rate Relief Scheme

6.1 Scheme Overview

Where the Business Rates Relief Scheme is activated following severe weather the government will provide funding up to State Aid de minimus levels for eligible authorities to grant 100% rate relief of three months, or until the business is able to resume trading from the property if longer.

Funding will be paid to Council's via Section 31 grant and will typically be paid retrospectively in light of actual spend at the end of the financial year.

6.2 Eligible Businesses

- The hereditament was directly impacted by the relevant weather event, for instance flood damage to the property, equipment, and/or stock; or the business could not function due to lack of access to premises, equipment and/or stock as a result of the relevant weather event, and no alternatives were available

AND

- Business activity undertaken at the hereditament is adversely affected as a result; and
- The rateable value of the hereditament is less than £10 million

Hereditaments occupied by the Billing Authority are not eligible.

In considering whether the business activity has been adversely affected the Council 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 not be considered for this scheme.

The Council could decide to offer further discretionary discounts outside of this scheme.

The relief should be calculated ignoring any prior year adjustments in liabilities which fall liable on the day.

Ratepayers that occupy more than one property may be granted relief within the scheme for each of their eligible properties.

Businesses impacted in multiple flood events can receive repeat support where it is made available by the government in respect of separate weather events.

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

If the ratepayer in a hereditament changes the relief will continue to be given.

Hereditaments empty at the time it was flooded will not qualify for a payment via this scheme. If it becomes empty after the flood, then it will receive the normal 3 or 6 months empty property rate free period or will continue to receive the balance of the flooding relief.

Where a seriously damaged property is taken out of the rating list it is not liable for business rates. Once the property returns to the rating list it may be eligible for any remaining period of flood relief.

7. Scheme Administration

7.1 Responsible Officers

The Revenues and Benefits Service will primarily oversee the award of grant payments applicable to any of the schemes and reductions in Council Tax and Business Rates as detailed in this policy.

7.2 Decision making process

The government will determine when a severe weather event has taken place and in turn when the Flood Recovery Framework applies.

Where an extended recovery period is anticipated, DLUHC Recovery Liaison Officers will take over from DLUHC Government Liaison Officers to act as a single point of contact between local authorities and central government for the duration of the recovery period.

The Council's designated Liaison Officer should be informed of any property, infrastructure or wider impacts that may be cause for concern to aid cross-government discussions around the need for particular recovery support.

7.3 Decision making process

The Council will notify a customer of any entitlement to a grant or relief within 14 days of receiving sufficient information to make a decision.

The Council will notify a customer of any changes to entitlement within 14 days of receiving sufficient information to make a decision.

7.4 Reviews and re-determination of a decision

The Council will investigate any challenges against decisions made in respect of the scheme and will aim to notify a customer of its decision within 14 days of receiving a request for a review/redetermination.

7.5 Payment of Awards

Awards payable through Community Recovery Grant or Business Recovery Grant Schemes will be made payable through the Councils electronic finance systems into customer bank accounts.

Awards payable through the Council Tax Discount and Business Rate Relief Schemes will be made by crediting the award value to the Council Tax or Business Rates account to which it applies.

7.6 Overpayment of Awards

If the council becomes aware that the basis of information received to pay a grant or relief was inaccurate or incorrect or that relevant information was not declared (either intentionally or otherwise) the Council may seek to recover the value of any award.

Awards will be removed from the relevant Council Tax or Business Rates account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

7.7 Fraud

The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully entitled to them.

An applicant who tries to fraudulently claim a relief by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

7.8 Complaints

The Council's 'Compliments and Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this policy.

8. POLICY REVIEW

- 8.1 This policy will be reviewed annually by the Revenue and Benefits Service, or sooner if appropriate, to take account of operational adjustments and or changes to legislation.

5. EQUALITIES

- 9.1 This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this policy.

However, due to the discretionary nature of decision making the Revenues and Benefits Service will randomly sample decisions made to ensure consistency.