

Flood Support Schemes

Guidance Note



Contents

Introduction		4
Chapter 1	The Repair and Renew Grant	6
Chapter 2	Business Rates Flooding Relief	10
Chapter 3	Council Tax Discounts	13
Chapter 4	Business Support Scheme	15
Annex A	Definition of Flood	18
Annex B	Possible Measures	19
Annex C	State Aid	21
Annex D	Business Support Scheme Initial Allocations	23

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 the adverse weather since 1st December 2013.
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 1 December 2013 and 31 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:

Businesses that have been flooded since December 2013 will qualify for:

- 100% business rate relief for three months, regardless of how long they were flooded¹.
- Business support scheme which is available to support small and medium sized businesses to develop and implement business recovery plans.
- The new repair and renew grant which will provide financial support to pay for work that improves a property's ability to withstand future flooding.

Businesses in flood affected areas that have not been flooded themselves, but have been negatively impacted by the floods will be eligible for support from their local authority from the new business support scheme.

Help for homeowners:

People whose home has been flooded will be eligible for:

- A council tax rebate, funded by £4 million to councils
 - The new repair and renewal grant which will provide financial support to pay for work that improves a property's ability to withstand future flooding.
4. The following chapters set out further details on these support schemes with advice on State Aid implications at annex C.
 5. The costs of the schemes are to be funded by Government. A grant will be provided for the business support scheme. For council tax up to £4m of support for discounts will be made available through an application process. For the business rate relief and repair and renewal grants the Government will reimburse these costs for local

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

authorities. We will discuss the administrative costs with representatives of the Local Government Association as an urgent priority to properly understand what is needed.

6. This support is in addition to existing schemes offering support for local authorities and farms.

Bellwin Scheme

Emergency financial assistance available to local authorities in England incurring expenditure above a qualifying threshold in response to an emergency or disaster involving destruction of, or danger to, life or property.

Severe Weather Recovery Scheme

As scheme to help fund recovery costs incurred by Councils on activities to support their communities and on local highway infrastructure repairs arising from the impact of the east coast tidal surge on 5th and 6th December and severe weather up to 7th February 2014.

Farming Recovery Fund

A £10million one-off grant scheme designed to support farm businesses to restore flooded agricultural land and bring it back into production as quickly as possible. The fund is aimed at helping farmers introduce lasting and sustainable flood prevention measures to help secure future production once land is restored.

Chapter One - The Repair and Renew Grant

Introduction

1. The Prime Minister announced on 12 February 2014 a new scheme to provide grants of up to £5,000 to homeowners and businesses that had been flooded. The repair and renew grant *is being provided to fund additional flood resilience or resistance measures for homes and businesses that have been flooded since 1st December 2013.*
2. Local authorities will 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 of Winter 2013-14. Alongside this announcement the Government is continuing to work with the insurance industry to consider how resilient repair could be funded and targeted in the future, in the context of developing proposals for Flood Re, the proposed solution for affordable flood insurance for domestic properties, in order to ensure that high-risk households are supported to prepare for severe weather and flooding in the future.

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. We recognise that making repairs to your property after a flood can be a stressful and complex process. We will work with local authorities, insurers and other relevant professionals to put in place a joined-up approach to assessments, and to ensure that homes and businesses are offered the right solutions to meet their needs.
7. 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.
8. Discussions about how best to make the process work for customers are currently underway. Affected local authorities will make more information available about how the process will operate in their areas as the details are finalised.
9. 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?

10. All homeowners and businesses that have suffered flood damage between 1 December 2013 and 31 March 2014 may be eligible for a grant. Local Authorities will need to work with the local Environment Agency Area office to identify where exceptions may apply (for example where the property is due to benefit from a planned flood defence scheme).
11. However, in order to ensure value for money, properties will not be eligible if they are due to benefit from a planned community-level scheme that would reduce the level of flood risk below 'significant', rendering the measures unnecessary. The Environment Agency must have announced plans for the scheme and be due to complete it within the next five years (i.e. before December 2018).
12. In addition, where households are currently benefitting from an existing or agreed Property Level Protection scheme additional funding should only be used to take the whole package up to a maximum value of £5000. Local Authorities will need to work with the Environment Agency Area office and the Lead Local Flood Authority to identify these properties, and how much additional funding they could be eligible for.
13. Government will work with affected Local Authorities alongside the insurance industry and other technical specialists over the next few weeks in order to agree a clear process to enable the delivery of surveys, work needed and the grant payments.

Detailed Information

How will the grants be provided?

14. It will be 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. 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 renewal grants?

15. 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.
16. Homeowners and businesses which were flooded in whole or in part between 1 December 2013 and 31 March 2014 as a result of the adverse weather conditions will be eligible to apply.
17. The property should not be due to benefit from a planned community-level scheme that would reduce the level of risk below 'significant', rendering the measures unnecessary. The Environment Agency must have announced plans for the scheme and be due to complete it within the next five years (i.e. before December 2018). The local Environment Agency Area Office will be able to advise on this.

18. Where households are currently benefitting from an existing or agreed Property Level Protection scheme additional funding should only be used to take the whole package up to a maximum value of £5000. Again, the local Environment Agency area office should be able to advise on this.
19. A package of works should be identified following a survey by a competent professional. Only works identified through this process will be covered by the grant. The details of the process are still under discussion, but we would encourage surveyors and other competent professionals to make use of the standard property level protection template jointly developed in 2012 by Defra, the Association of British Insurers (ABI), the Chartered Institute of Loss Adjusters (CILA) and the Environment Agency ([the flood risk report](#)).
20. Where appropriate, all products should ideally carry the BSI kitemark for flood protection products (PAS1188) or similar standards.
21. In order to reduce the risk of fraud, payment of the grant will be subject to the production of evidence that the agreed measures have been appropriately installed.

How should this link with insurance sector?

22. 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 surveys, work needed and the grant payments.
23. 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. Alongside this announcement the Government is continuing to work with the insurance industry to consider how resilient repair could be funded and targeted in the future, in the context of developing proposals for Flood Re, the proposed solution for affordable flood insurance for domestic properties.

How much grant will be available?

24. The grants made available will be up to £5,000 (to include the cost of the survey), depending on whether the survey identifies sufficient appropriate resilience measures.
25. There will be exceptions where a property is due to benefit from a planned community-level scheme that would reduce the level of risk below 'significant', rendering the measures unnecessary or where a property is currently benefitting from an existing or agreed Property-Level Protection scheme.
26. Grants will be payable to the person responsible for the fabric of the property, normally the property owner.

What can the grant be spent on?

27. 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.

28. 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.

29. The cost of the survey will be covered as part of the grant.

Who will undertake surveys?

30. A package of works should be identified following a survey by a competent professional.² Only works identified through this process will be covered by the grant. The details of the process are still under discussion, but we would encourage surveyors and other competent professionals to make use of the standard property level protection template jointly developed in 2012 by Defra, the Association of British Insurers (ABI), the Chartered Institute of Loss Adjusters (CILA) and the Environment Agency ([the flood risk report](#)).

31. Government will work with affected Local Authorities alongside the insurance industry and other technical specialists over the next few weeks in order to agree the detail of the scheme and ensure there is a clear process to enable the delivery of surveys, work needed and the grant payments.

32. In order to reduce the risk of fraud, payment of the grant will be subject to the production of evidence that the agreed measures have been appropriately installed.

Contact information

33. Enquiries on this measure should be addressed to:

floodresiliencegrant@defra.gsi.gov.uk

Robbie Craig 020 7238 1547

² To illustrate what we mean by 'competent professional', this would generally be a surveyor able to demonstrate that he or she is covered by appropriate professional indemnity insurance and is registered with an appropriate institution e.g. the Institution of Civil Engineers, the Royal Institution of Chartered Surveyors, the Chartered Institute of Water and Environmental Management, the Association of Building Engineers or similar.

Chapter Two - Business Rates Flooding Relief

Introduction

1. The Prime Minister announced on 12 February 2014 a new business rates relief for properties that have been flooded. 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.
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% rate relief for three months, for those hereditaments which meet the following criteria:

For any day between 1 December 2013 and 31 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. Where as a result of the floods 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

22. Enquiries on this measure should be addressed to:

ndr@communities.gsi.gov.uk

Junaid Azam 030 344 43598

Chapter Three - Council Tax Discounts

Introduction

1. The Prime Minister announced on 19 February 2014 that funding of up to £4m 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 has been flooded by the winter severe weather events 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. It allows 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. Department of Communities and Local Government will provide £4 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.
6. We will review our assessment in due course to see whether it is possible within the funding envelope to support councils to offer rebates longer than 3 months
7. 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?

8. 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 will the Government Fund and how much?

9. Government support of up to £4m 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 £4m?

10. The current Environment Agency assessment of flooded homes suggests that £4m might fund Council Tax discounts of up to six months. We will work with local authorities to ensure funding is directed where it is needed.

Contact information

11. Enquiries on this measure should be addressed to:

COUNCIL.Tax@communities.gsi.gov.uk

Peter Reilly 030 344 42092

Chapter Four - Business Support Scheme

Introduction

1. The Prime Minister announced on 17 February 2014 a new scheme to support all small and medium sized business in flood affected areas that have been impacted by the floods and suffered a significant loss of trade. Local authorities will administer this business support funding and this chapter provides guidance to authorities about the operation and delivery of that 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 has 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 will be available to support small and medium sized businesses to develop and implement business recovery plans. Eligible businesses will be 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 may also be covered.

What does this mean for local authorities?

5. Local authorities should administer this business support scheme as quickly as possible and 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. The Government anticipates that local authorities will wish to move quickly to support those businesses affected by the floods. 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 provided by individual insurance cover or other funding schemes.

9. Local authorities are also asked to make sure that existing business support schemes – national and local – are targeted to help those business most in need, working with their Local Enterprise Partnerships and BIS Local to achieve this. 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 provisional 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).

11. A list of initial Business Support Scheme allocations can be found at Annex D.

Which businesses will benefit from this grant?

- i. *Only* businesses affected by coastal and inland flooding since 1st December 2013 will be eligible for funding.
- 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 renewal 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?

12. 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.
13. 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?

14. 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

- 4.14 Enquiries on this measure should be addressed to:

enquiries@bis.gsi.gov.uk

Business Support Helpline 0845 600 9006

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. Although the flood resilience grant will be only be paid out following completion of a survey, homeowners may want to consider using the Adviser to get a better understanding of the likely recommendations.

Indicative list of possible measures

Property level-measures	Indicative cost range £s ³
Airbrick Cover	20-40
Sewerage Bung	30-50
Toilet Pan Seal	60-80
Self-closing airbrick	50-90
Non-return valves 12mm overflow pipe	70-110
Silicone gel around openings for cables etc.	80-120
Repair mortar	80-120
Non-return valves 40mm utility waste pipe	80-120
Re-pointing external walls with water resistant mortar	150-250
Waterproof external walls	200-400
Sump Pump	400-600
Non-return valves 110mm soil waste pipe	550-650
Demountable Door Guards	500-900
Demountable Window Guards	500-900
Replace sand-cement screeds on solid concrete slabs (with dense screed)	670-740
Replace ovens with raised, built-under type	700-780

³ Adapted from *Establishing the Cost Effectiveness of Property Flood Protection: FD2657*, JBA Consulting for Defra, 2012.

Replace mineral insulation within walls with closed cell insulation	720-800
Move electrics well above likely flood level	760-840
Replace chipboard flooring with treated timber floorboards	920-1020
Mount boilers on wall	1080-1200
Automatic Door Guards	1000-2000
Move service meters above likely flood level	1620-1800
Garage/Driveway Barrier	2000-3000
Replace floor including joists with treated timber to make it water resilient	3490-3850
Replace gypsum plaster with water resistant material, such as lime	4280-4740
Replace chipboard kitchen/bathroom units with plastic units	5000-5520
Install chemical damp-proof course below joist level	6250-6910
Replace timber floor with solid concrete	8210-9070

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. ***Where an authority is satisfied that the support to be provided will not lead to the De Minimis level for the undertaking being exceeded then full support available under the three flood support schemes can be provided immediately.***
8. ***Where the De Minimis level may be exceeded then support up to that limit may be initially granted immediately.***
9. There may be some instances where a business is entitled to a level of support above the De Minimis level, perhaps as a result of being in receipt of their quota of De Minimis Aid through other means. In order to ensure that these businesses can also be fully supported, the Government are notifying these flood support schemes to the European Commission.
10. The purpose of the notification is to make sure that there are no instances of individual businesses being turned away from the proposed support. The approval of the notification will act as assurance to local authorities that the state aid they are awarding above the De Minimis level is legal. The government will inform local

authorities following the approval of the notification. However, no aid can be awarded against the scheme until approval has been given.

11. Once approved, aid given to companies for whom De Minimis aid does not cover the full value of the aid should be awarded as part of the notified scheme. Note that the notification will only authorise aid given due to flooding, and not for other types of support, such as other business rate relief or grants.
12. 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.
13. 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 – Business Support Scheme Allocations

1. These allocations represent the first tranche of funding from our £10 million Business Support Scheme. We recognise that we need to work with councils to build up a more detailed picture of business need in local areas, including with councils that are not on the initial allocation list below. That is why we have held back a second tranche of funding to distribute in March and will be working with councils prior to then to build up a more detailed picture of need, particularly in more recently flooded areas.

County	Local Authority	Allocation Tranche 1
	Cornwall	317500
	Isles of Scilly	12500
Devon	North Devon District	22500
Devon	East Devon District	10000
Devon	Teignbridge District	22500
Devon	West Devon District	20000
Devon	Mid Devon District	12500
Devon	South Hams District	55000
Dorset	Christchurch District (B)	20000
Dorset	West Dorset District	62500
Dorset	East Dorset District	50000
Dorset	North Dorset District	150000
Bournemouth	Bournemouth (B)	70000
Somerset	West Somerset District	17500
Somerset	Taunton Deane District (B)	85000
Somerset	South Somerset District	20000
Bath and North East Somerset	Bath and North East Somerset	32500
Gloucestershire	Stroud District	20000
Gloucestershire	Tewkesbury District (B)	55000
Gloucestershire	Gloucester District (B)	35000
Wiltshire	Wiltshire	82500
Swindon	Swindon (B)	12500
Hampshire	Basingstoke and Deane District (B)	65000
Hampshire	New Forest District	20000
Hampshire	East Hampshire District	15000
Hampshire	Winchester District (B)	40000
Hampshire	Test Valley District	55000
Hampshire	Havant District (B)	25000
Isle of Wight	Isle of Wight	25000
West Sussex	Arun District (B)	15000

West Sussex	Chichester District (B)	10000
East Sussex	Wealden District	12500
Kent	Tunbridge Wells District (B)	15000
Kent	Sevenoaks District	172500
Kent	Tonbridge and Malling District (B)	185000
Kent	Canterbury District (B)	37500
Kent	Dover District	12500
Kent	Maidstone District (B)	290000
Kent	Swale District (B)	35000
Kent	Dartford District (B)	10000
Essex	Tendring District	17500
Essex	Uttlesford District	22500
Hertfordshire	Three Rivers District	12500
Hertfordshire	Dacorum District (B)	22500
Hertfordshire	East Hertfordshire District	125000
Hertfordshire	St. Albans District (B)	32500
Hertfordshire	Welwyn Hatfield District	75000
Hertfordshire	Watford District (B)	10000
Buckinghamshire	Wycombe District	35000
London	Croydon	10000
London	Bromley	22500
London	Hillingdon	10000
London	Bexley	17500
Surrey	Waveney District	50000
Surrey	Tandridge District	27500
Surrey	Runnymede District (B)	102500
Surrey	Guildford District (B)	15000
Surrey	Reigate and Banstead District (B)	67500
Surrey	Mole Valley District	17500
Surrey	Elmbridge District (B)	55000
Surrey	Spelthorne District (B)	35000
<i>Berkshire</i>	Reading (B)	22500
<i>Berkshire</i>	Slough (B)	17500
<i>Berkshire</i>	West Berkshire	50000
<i>Berkshire</i>	Windsor and Maidenhead (B)	67500
Oxfordshire	South Oxfordshire District	15000
Oxfordshire	Cherwell District	10000
Oxfordshire	Oxford District (B)	30000
Worcestershire	Malvern Hills District	32500
Worcestershire	Worcester District (B)	57500
Herefordshire	County of Herefordshire	20000
Shropshire	Shropshire	22500
Norfolk	North Norfolk District	67500
Norfolk	Great Yarmouth District (B)	35000
Norfolk	King's Lynn and West Norfolk District (B)	10000
Suffolk	Suffolk Coastal District	55000
Suffolk	Waveney District	145000

Lincolnshire	Boston District (B)	320000
North Lincs	North Lincolnshire (B)	255000
Hull	City of Kingston upon Hull (B)	230000
East Riding	East Riding of Yorkshire	182500
<i>West Yorkshire</i>	Wakefield District (B)	27500
North Yorkshire	Scarborough District (B)	162500
	Redcar and Cleveland (B)	22500
	Gateshead District (B)	75000
	Newcastle upon Tyne District (B)	17500
	North Tyneside District (B)	30000
	Northumberland	15000
Cumbria	Copeland District (B)	30000
Cumbria	Allerdale District (B)	15000
<i>Merseyside</i>	Wirral District (B)	20000
TOTAL		5067500