

DEFRA RECOVERY FUNDING ARRANGEMENTS – GUIDANCE NOTES

Background and general information

1. These guidance notes set out the terms under which Defra will consider making financial assistance available to local authorities to help meet recovery costs incurred in the event of an exceptional emergency.
2. General guidance on recovery funding arrangements can be found in the National Recovery Guidance.
http://www.ukresilience.gov.uk/news/recovery_guidance.aspx and in the Emergency Response and Recovery guidance
<http://www.ukresilience.gov.uk/response.aspx>
3. The Defra recovery funding arrangements may be activated in the event of an exceptional emergency which has a major impact on the environment causing significant, long lasting or permanent damage, pollution and contamination.
4. There is no automatic entitlement to financial assistance: Ministers will decide whether to activate a scheme based on the impact of a particular emergency.
5. These arrangements are designed to help meet some of the costs associated with long term environmental damage incurred by local authorities that result from an exceptional emergency. Such costs must be over and above those normally incurred by local authorities and outside those met by other funding schemes (e.g. Bellwin - the scheme which exists to cover local authorities' immediate needs in the event of an emergency).
6. Arrangements for funding other recovery costs have been put in place by CLG, DCSF and DfT. Local authorities can access information about these schemes via the National Recovery Guidance website [insert link]

Qualifying emergencies

7. The Defra recovery arrangements would be activated at Ministerial discretion in the event of an exceptional emergency that has a major impact on the environment causing significant, long lasting or permanent damage, pollution and contamination. These arrangements do not commit Defra to payments as the possibility of funding will depend not just on the principles set out in these notes, but also on the *availability of funds* at the time.

Provision of grant funding

8. The Defra recovery arrangements could provide both capital and revenue payments. Payments would be made via a grant under Section 31 of the Local Government Act 2003. The Section 31 grant would include a clawback in relation to capital to ensure that any capital condition was enforceable.
9. Defra will require an options appraisal and estimates of costs for any remediation activities it agrees to fund under these arrangements.

10. Defra will require detailed accounts on completion of a scheme and reserves the right to require repayment of any grant made in excess of actual cost of any works authorised and funded under these arrangements.

Which local authorities would be able to claim?

11. Local authorities in England as defined by s. 33 of the Local Government Act 2003.

Reporting procedure

12. Once these arrangements have been activated at Ministerial level in response to an emergency, Defra will require each local authority seeking recovery funding to contact their Government Regional Office. The GOs will act as the main point of contact with local authorities – ensuring they know what is required and responding to enquiries. Submission of a claim is not to be interpreted as a commitment on the part of Defra to meet any recovery costs.
13. By their nature incidents of exceptional environmental damage will vary and identification of long term or permanent environmental damage may not be apparent in the immediate aftermath of an exceptional incidence. Similarly the most appropriate method of dealing with such damage may require careful technical evaluation, including a dialogue between the Department and the relevant local authority(ies) prior to confirming the range and scale of any necessary works to be funded by these arrangements.

What sort of things can LAs spend the grant on?

14. The Defra arrangements might be used to fund some components of the recovery phase of incidents resulting in widespread environmental contamination (e.g. rivers, open environment) with a substance requiring expert clean-up/decontamination technology and entailing significant costs (this does not include incidents resulting in contamination of buildings). This could include:
 - (i) Costs associated with incidents requiring the disposal of large amounts of waste contaminated with a hazardous or exotic substance e.g. waste arising as a result of a collapsed building contaminated with anthrax, crops and other foodstuff significantly contaminated with a radiological substance.
 - (ii) Costs associated with incidents resulting in large numbers of animals (domestic, wildlife, livestock) contaminated with a hazardous or non disease related substance requiring specialist handling/treatment.
 - (iii) Costs arising from incidents requiring specialist environmental sampling (specialist services) to determine the extent and level of contamination.

What is not covered by Defra's recovery arrangements?

15. These arrangements will not cover incidents that relate to environmental damage that results from former or current mining, industrial, commercial, or agricultural activities or any incidents that arise from the keeping of animals for domestic, farming or other related activities, including animal disease. The scheme will not cover incidents causing damage to the built or urban environment. Nor will it extend to insurable costs or costs that are covered in other Government Departments' recovery funding arrangements, or those associated with economic recovery.