

DEPARTMENT FOR TRANSPORT, LOCAL GOVERNMENT AND THE REGIONS

**BELLWIN SCHEME OF EMERGENCY FINANCIAL ASSISTANCE
TO LOCAL AUTHORITIES**

REPORT OF THE REVIEW GROUP

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REPORT OF THE REVIEW GROUP

1 SUMMARY

- 1.1 This report reflects the conclusions of a review group which was established to make recommendations on the future development of the Bellwin scheme. In doing so, the group took account of experience following the storms and floods in Autumn 2000.
- 1.2 The review considered the need for a scheme of emergency financial assistance to local authorities, and the appropriate balance of responsibility between individual local authorities and central government in dealing with the immediate costs arising from a disaster. It considered whether any changes were needed to the terms under which support is available to local authorities, and also looked at administrative arrangements and funding.
- 1.3 The review group agreed that there was a continuing need for a Bellwin or similar scheme, which enables local authorities to deal immediately with large, unforeseeable and uninsurable costs which need to be met urgently. This gives local authorities the assurance to deal with the emergency immediately, knowing that financial help will be available from government if the cost exceeds a predetermined level.
- 1.4 The Bellwin Review Group accepted that it was right for local authorities to be expected to contribute to exceptional costs from their own resources. It is reasonable to assume that local authorities will have budgeted to maintain a level of general reserves sufficient to deal with contingencies, including the cost of responding to emergencies. In most cases the present arrangements in which local authorities meet costs up to 0.2% of their budget, and 15% of marginal costs beyond this level, was considered to represent an appropriate balance between local and central responsibility.
- 1.5 We reviewed both the current legislation and the guidance under which the scheme is operated. The group felt that the existing primary legislation provided an appropriate framework. The Local Government Association maintained that the legislation should be amended, in accordance with previous commitments to enable combined fire authorities to apply directly for Bellwin funding. The group agreed that the current guidance should be rewritten to bring out more clearly the underlying principles of the scheme. The guidance will also reflect the improved administrative arrangements, which have been found to be successful in handling claims following the Autumn 2000 floods.
- 1.6 In reviewing the terms of the scheme, the group has made recommendations regarding the treatment of capital expenditure and insurance costs and excesses.

- 1.7 The scheme is at present unfunded. When the need arises, DTLR has to seek ad-hoc savings elsewhere. The group believed that this approach did not provide sufficient assurance for a scheme of this importance, particularly if climate change were to increase the calls on the scheme in future. We identified two options for consultation:
- a) funding within local authority expenditure (AEF)
 - b) a budget held centrally by DTLR (outside AEF)
- 1.8 Both of these would involve the establishment of a separate fund for Bellwin expenditure, with any unspent money carried forward to the following year. Either of these options would need to be agreed in the forthcoming spending review (SR2002).
- 1.9 The group also considered arguments for changing the threshold and the grant rate. The DTLR agreed that these were issues that could be returned to if a decision was made to establish a separate fund within AEF

2 INTRODUCTION

- 2.1 In the period October to December 2000 many areas of England experienced the worst weather conditions in living memory. From the beginning of September to 27 November 2000 a total of 469 mm had fallen over England and Wales, the highest rainfall since records began in 1766 and in excess of the previous record of (456mm) set in autumn 1852. As part of the Government's response to the situation the Deputy Prime Minister announced, on 4 November 2000, a series of measures to tackle the problems faced by local authorities and others. Among the measures, he announced special arrangements for the Bellwin scheme to deal with the severe weather events, and set up a review group to consider the need for medium to long term changes.
- 2.2 The Bellwin scheme of emergency financial assistance to local authorities is named after the late Lord Bellwin, a minister in the former Department of the Environment who introduced the scheme in 1983. It was given a statutory basis in Section 155 of the Local Government and Housing Act 1989. Details of the terms of the scheme and the pattern of past claims are set out in the Annex.

3 SCOPE OF THE REVIEW

- 3.1 The review has been undertaken in parallel with other weather-related reviews including a review of flood defence funding (led by DEFRA and HM Treasury) and a review of emergency planning arrangements (led by Home Office, now the Cabinet Office). The connection between the reviews would be that any increase in flood defences and emergency planning ought to result in less need to set up emergency Bellwin schemes. The reviews were overseen by a severe weather sub group of the Central Local Partnership (CLP).
- 3.2 The group was asked to review the terms and administration of the Bellwin scheme taking account of local and central government's experience in the operation of the scheme set up to respond to the widespread severe weather experienced during October-December 2000. 72 local authorities in England applied for assistance under

the Bellwin scheme in connection with the Autumn 2000 floods, and 16 others reported eligible expenditure below the threshold for Bellwin payments. It is expected that total payments will be about £24 million.

3.3 The group met six times between January and September 2001 and considered the following issues:

- a) Interim arrangements for 2001-02
- b) Options for longer-term change including:
 - The need for a Bellwin-type scheme
 - Review of the existing terms and guidance, including:
 - i) Thresholds and grant rate
 - ii) Treatment of capital expenditure
 - iii) Insurable costs and insurance excesses
 - Combined Fire Authorities
 - Improved administration arrangements
 - Funding
 - Consideration of need for change to the primary legislation

The foot and mouth disease crisis occurred while the review was in progress. Following discussion in the group, Ministers set up a national scheme, with standard terms, to assist local authorities.

4 INTERIM ARRANGEMENTS FOR 2001-02

4.1 We recognised that, if we were to learn from DTLR's and local authorities' experience of the operation of the scheme for claims for the autumn floods, it would not be possible to make any substantial changes until 2002-03 at the earliest. Following discussions in the review group, Ministers agreed the following arrangements for 2001-02:

- special arrangements for severe weather incidents extended to 31 May 2001;
- all expenditure relating to the autumn floods scheme to count against 2000-01 thresholds;
- administrative improvements to continue;
- standard arrangements to apply, but Ministers would consider introducing further special arrangements in the event of further widespread severe weather events.

5 OPTIONS FOR LONGER-TERM CHANGE

5.1 The need for a Bellwin-type scheme

- 5.1.1 A prudent local authority will hold sufficient reserves to cover most unforeseen eventualities, and will insure appropriately. Occasionally an emergency or disaster may occur which requires one or more local authorities to take immediate action to safeguard life or property, and the Bellwin scheme can provide financial support to assist with the related expenditure in these circumstances. The large majority of incidents are natural disasters, such as floods and storms. The existence of a threshold ensures that the local authority makes a reasonable contribution. Although the total amounts paid under the Bellwin scheme have been small in national terms, compared with local authorities' overall resources, the amounts can be significant to individual authorities in very difficult circumstances.
- 5.1.2 The review group agreed that there was a continuing need for a Bellwin or similar scheme, which enables local authorities to deal immediately with large, unforeseeable and uninsurable costs locally which need to be met urgently. This gives local authorities the assurance to deal with the emergency immediately, knowing that financial help will be available if the cost exceeds a predetermined level.

5.2 **The legislative framework**

- 5.2.1 Bellwin schemes are established under section 155 of the Local Government and Housing Act 1989 (s155). The review group considered whether there was a need to consider amendments to the primary legislation. It felt that a need for specific statutory provision for funding emergency actions remained. The present legislation specifies that grant must relate to expenditure on, or in connection with, the taking of immediate action following an emergency or disaster. It does not and was never intended to cover preventative measures or longer-term costs arising from a disaster, and the group felt that this was an appropriate distinction. Other sources of government funding can be made available to local authorities in certain circumstances to cover other types of expenditure.
- 5.2.2 Some examples are:
- a) Flood defence is exercised through Regional and Local flood Defence Committees, funded in the main through revenue support grant (This is currently subject to a DEFRA/HMT review).
 - b) Longer-term capital expenditure can qualify for Supplementary Credit Approvals from DTLR, or other government departments, for example in 2001-02 DTLR made an extra £23 million available for emergency road maintenance.
 - c) The Government can provide special grant under S88 of the Local Government Finance Act 1988 as amended to cover expenditure or loss of income following an emergency in a wide range of circumstances. (eg Special grant was used to in connection with the Docklands and Manchester bombs in 1996).

- d) The Home Office has a discretionary scheme for reimbursing police authorities for exceptional costs.

5.2.3 The group concluded that the other issues considered in the review could be addressed without changing the primary legislation.

5.3 **Review of the existing terms and guidance**

5.3.1 While the legislation sets out the broad framework under which Bellwin grant can be paid, the details of eligible expenditure, thresholds and grant rates are agreed by Ministers and set out in guidance notes which are issued to local authorities at the beginning of each year. It is open to Ministers to vary the terms of the scheme in exceptional circumstances, as occurred after the 2000 floods, but the review group agreed that it is advisable for standard terms to be established and set out in this way. This enables local authorities to make a judgement on whether they are likely to be eligible for Bellwin grant for a particular incident. However there has been some inconsistency in the way that the guidance has been interpreted by different local authorities. It was recommended that the guidance should be rewritten, with a view to setting out more clearly the broad principles of the Bellwin scheme, with some simplification and reduction in detail where possible. Clearer signposting of alternative sources of funding would be helpful.

5.4 **Alternative arrangements**

5.4.1 The Government has acknowledged that global climate change is taking place and that the country may suffer more extreme weather events, including more frequent flooding, in future. Against this background the group considered whether there was a case for creating a two-tier Bellwin scheme, and making a permanent distinction between the standard terms available for one-off, localised emergencies, and more generous terms available for widespread events, similar to the scheme announced after the Autumn 2000 floods. A scheme could be designed to deal with problems which are considered to be of a national rather than a local scale.

5.4.2 The existing Bellwin scheme has, however, proved to be flexible, over the years, in dealing with a range of different natural emergencies of varying scales as illustrated at Annex A. It is helpful to local authorities that the standard terms of the Bellwin scheme are set out clearly and well understood. It is always open to Ministers to announce a special scheme, with different terms and arrangements in the event of widespread and exceptional circumstances, as occurred after the Autumn 2000 floods. The group concluded that it is better to retain this flexibility, rather than trying to anticipate the nature and scale of future, unknown, events.

5.4.3 The review group also considered representations that had been received from some local authorities that in cases of widespread flooding, the Government should step in and meet all of local authorities' emergency costs direct. Again, Ministers are already able, in exceptional circumstances, to consider the option of setting up special grant arrangements under section 88 of the 1988 Act

where the costs incurred do not neatly fall within the scope of the Bellwin scheme. The review group considered such an arrangement but concluded that the principles of the existing Bellwin scheme are well understood and supported. Local authorities, working in partnership with the emergency services, the Environment Agency and other organisations, did an outstanding job in helping individuals, businesses and communities cope with the effects of the flooding. The group considered that this important community leadership role of local councils in co-ordinating the emergency and public services might be undermined if all emergency costs were to be met nationally.

5.5 **Thresholds and grant rate**

5.5.1 Use of a threshold (the standard 0.2% of budget requirements) recognises that local authorities should hold sufficient reserves to enable them to finance a certain amount of additional expenditure. The current grant rate of 85% means that central government funds the large majority of expenditure above the threshold, while the 15% contribution ensures that the local authority retains a financial incentive to restrain additional costs. (The grant rate was exceptionally raised to 100% for claims relating to the Autumn 2000 floods.) Some small districts have thresholds of £15,000-£20,000, whereas large local authorities have to meet £1m locally before receiving any grant.

5.5.2 Some local authorities had suggested that a flat percentage threshold was unfair to particular types of authority; in particular that unitaries were more harshly treated than district councils, and that education authorities should have a lower percentage threshold. It has been argued that education authorities should have lower thresholds, to take account of the fact that a large proportion of funds is delegated to schools. The current thresholds pre date the introduction of local management of schools (now fair funding) under which education authorities are required to delegate a high proportion of spending to schools. Once schools' budgets have been set by local authorities they cannot be reduced in the event of an emergency. Equally LEAs are unable to utilise schools' balances when an emergency arises

5.5.3 Other options were also considered, including:

- abolition or reduction of the threshold, combined with a lower percentage grant rate.
- different grant rates for different levels of expenditure.
- The review group considered these options, and concluded that the relative advantage/disadvantage between counties/unitaries/districts depends on the type and distribution of expenditure. There is no clear evidence that different percentage thresholds would improve the fairness of the scheme, and such a move would be likely to be divisive. There is also an advantage in keeping the system as simple as possible.

- 5.5.4 The review group recommended that the existing threshold and grant arrangements be retained, as this represents an appropriate balance between local and central government responsibility. However, it would be possible to consider these options in more detail if a fund for Bellwin expenditure were established within total local government funding (see option (i) in paragraph 5.10 below), giving scope for increased resources for emergency expenditure, if local government wished.

5.6 **Capital expenditure**

- 5.6.1 S155 does not specifically preclude the provision of support for capital expenditure under the Bellwin scheme, but the requirement that eligible expenditure is on or in connection with immediate action to protect life and property means that the bulk of capital expenditure will not be covered by the scheme. The current Bellwin guidance notes, however, specifically exclude works "of a capital nature or capitalised" from eligibility for grant.
- 5.6.2 The review group considered whether the complete exclusion of capital expenditure is too prescriptive, and whether this approach can lead to poor value for money in some cases. Evidence gathered by the LGA from claims relating to the 2000 floods indicates that local authorities are excluding capital expenditure in accordance with the guidance. However this means that substantial sums in respect of emergency related capital expenditure are excluded from claims, some of which might be consistent with S155.
- 5.6.3 It was agreed that most capital expenditure, which relates to work intended to improve or prolong the life of an asset, is unlikely to qualify as eligible expenditure under S155. For example, the longer-term rebuilding of a damaged bridge would not be "on or in connection with the taking of immediate action", while expenditure on temporary repair or shoring up would be. There may be a case for central government to provide additional financial assistance to local authorities in respect of such longer term capital expenditure, but the Bellwin scheme is not the appropriate vehicle for such support. Longer term capital expenditure resulting from storm damage/flooding is more appropriately considered by local authorities alongside the rest of their capital programme. It is open to the Government to provide additional support for this type of expenditure through Departmental capital allocations, such as DTLR's 2001/02 scheme for Supplementary Credit Approvals for flood damage to highways. This scheme is based on comparing capital expenditure on flood related highways work to the local authority's local transport plan (LTP), and providing additional supported SCAs in respect of expenditure above a given proportion of the LTP. The availability of this type of SCA scheme will depend on future circumstances and cannot be guaranteed.
- 5.6.4 However there may be some types of capital expenditure which have been excluded from eligibility for Bellwin grant in the past, but which could be considered to be eligible under S155 as they are incurred on or in connection with the taking of immediate action. There is a risk that the current exclusion of all capital expenditure from the Bellwin scheme may encourage local

authorities to restore an asset to an inadequate state, even if this is not good value for money.

- The review group considered whether the Bellwin guidance could be revised to allow small amounts of capital investment to qualify for grant under clearly-defined circumstances.

5.6.5 If the Bellwin guidance is amended to allow certain types of capital expenditure to qualify as eligible for grant, we will need to make sure that the boundaries are clearly set, so that local authorities are clear about the type of expenditure covered, and the need for work to be done within the time limit. It will also be important to build in safeguards to prevent double funding.

5.7 **Insurable costs and insurance excesses**

5.7.1 The current guidance excludes from eligible expenditure costs which are insured or normally insurable. The Zurich Municipal SELECT policy is taken as the definition of what is normally insurable, and grant will be paid to cover the insurance excesses of between £50 and £250 per building, as set out in this policy. Although these excesses are in theory available to all local authorities, in practice these only tend to be standard for district councils and some smaller unitary authorities. It generally makes economic sense for larger councils to insure with large excesses and cover smaller losses from their revenues and reserves.

5.7.2 The review group took the view that authorities should continue to ensure that they have adequate insurance, and should take decisions on the level of insurance on value for money grounds, and not be influenced by the terms of the Bellwin scheme. The current policy on reimbursement of minimum excesses has been a source of confusion to local authorities and others, and the amounts of Bellwin grant claimed to cover these excesses has been tiny in relation to total eligible expenditure. Removal of these excesses from eligible expenditure would improve the clarity and enable some simplification of the Bellwin guidance.

5.8 **Combined Fire Authorities (CFAs)**

5.8.1 Combined fire authorities set their own budgets but draw their revenue funding from their constituent local authorities. Kent CFA, for example, is funded by Kent County Council and Medway Towns Unitary Authority. CFAs are permitted to raise a supplementary budget from their constituent authorities in exceptional circumstances.

5.8.2 Section 155 of the 1988 Act does not allow for CFAs to apply for Bellwin funding directly. CFA expenditure is eligible for grant, but any claim must be made by the constituent authority, and is subject to its threshold. The review of the Bellwin scheme carried out in 1998 recommended that Section 155 be amended to enable CFAs to apply directly, rather than through their constituent local authorities, but in the event Parliamentary time was not available to make the amendment. The DETR guidance issued on 26

February 1999 and on 3 March 2000 stated that the Government is "looking to amend section 155, as legislative opportunity allows, to enable combined fire authorities to apply direct for Bellwin assistance".

- 5.8.3 The review group considered whether to endorse the earlier recommendation. The proposed change would give CFAs their own Bellwin threshold, while the threshold of the associated county council and unitary authorities would be marginally reduced. This would be beneficial to the constituent authorities in certain circumstances, but the overall financial impact would be negligible at a national level.
- 5.8.4 Such a change would bring combined fire authorities into line with Metropolitan fire & civil defence authorities, although it could lead to a degree of inconsistency of treatment between county councils with and without direct responsibility for fire. It would mean that CFAs were treated differently from levying authorities, such as passenger transport authorities, which are also not eligible to claim Bellwin grant directly. The LGA's position remains in support of Bellwin access for combined fire authorities.

5.9 **Improved administration arrangements**

- 5.9.1 The Bellwin scheme has been criticised in the past for being slow to make grant payments. The improved administrative arrangements put in place after the 2000 floods were designed to reduce delays and improve communication between local authorities and DTLR officials. A list of these improvements is given in the Annex. These have been widely welcomed, particularly the use of interim payments (£4m was paid to local authorities in March 2001), and the increased level of visits by DTLR officials. The removal of the audit requirements for claims under £10,000 has reduced the administrative costs of small claims. The review group advised that these improved arrangements should become a permanent feature of the scheme.

5.10 **Funding**

- 5.10.1 Under present arrangements Bellwin grants are not funded until an emergency or disaster occurs. Resources then need to be found from savings elsewhere in DTLR. This can lead to uncertainty and delays in activating a scheme. It was agreed that this was not a very satisfactory situation and would be particularly unsatisfactory if there were to be a greater incidence of severe weather disasters in the future. Emergency expenditure is, by definition, unpredictable and highly variable (see expenditure details set out in the Annex), and so the group investigated ways of allocating resources which would provide flexibility to carry forward unspent amounts from year to year.
- 5.10.2 Two options were looked at. Both would require resources for Bellwin expenditure to be identified separately.
- (i) Funding of Bellwin expenditure out of the total provision for distribution as part of the annual Local Government Finance

Settlement. An arrangement on these lines would have the advantage of giving local authorities a sense of ownership of the fund since it would effectively have come from the resources distributed in the settlement;

- (ii) Allocate funds out of the total allocation for Local government in Spending Review 2002(SR2002). Under this option funds for dealing with emergencies would be earmarked in the plans for the three years covered by the SR.

5.10.3 Both options would have the advantage of providing funds from the beginning of the year and would therefore avoid the uncertainty that has in the past existed for the first nine months of the year. In addition they would have the advantage of making stable provision over the three year period covered by the Spending Review and would therefore provide stability and reassurance over the medium term.

6 RECOMMENDATIONS OF THE REVIEW GROUP

- (i) To retain the existing provisions of S155 of the Local Government and Housing Act 1989.
- (ii) To retain the existing thresholds and grant rate (0.2% of budget requirement and 85%).
- (iii) To take out eligibility for grant for minimum insurance excesses, to reduce confusion and simplify the guidance.
- (iv) To retain all the administrative improvements introduced after the 2000 floods on a permanent basis.
- (v) To rewrite the guidance to bring out more clearly the underlying principles of the scheme.
- (vi) To introduce new funding arrangements, with separate provision earmarked for Bellwin expenditure, which could be carried forward if not used.

7 ISSUES FOR FURTHER CONSIDERATION AND DECISION

- (i) In rewriting the Bellwin guidance, DTLR should consider ways of adopting a more flexible approach on capital expenditure to enable some short-term capital expenditure to become eligible for Bellwin grant, provided that it is incurred "on or in connection with the taking of immediate action", that it represents good value for money and that there is no double funding.
- (ii) Whether to continue to seek legislative opportunity to amend section 155, to enable combined fire authorities to apply directly for Bellwin assistance.

- (iii) To consult local authorities on the nature of future funding arrangements, and whether a fund should be held within local government expenditure (AEF) or by DTLR (outside AEF).

Changes in funding arrangements cannot be made until 2003/04, following SR2002. The other recommendations can be implemented from 2002/03.

Summary of past Bellwin grant payments

1. The Bellwin scheme of emergency financial assistance to local authorities was given a statutory basis in Section 155 of the Local Government and Housing Act 1989.
2. Since 1983 it has been activated several times in each financial year. On two occasions there were emergencies of a wide ranging nature but in other years the number of cases arising has totalled less than 10 in any one year and the amounts of grant claimed less than £1 million. Amounts paid by way of Bellwin grant over the last 15 years were as follows (in several years most of the money paid was in respect of incidents reported in the previous year):

1987/88 - £20m(Severe snows and hurricane)

Severe snows in Kent and Norfolk, 1987: Conditions in Kent were estimated (from Met Office observations) to be a one in 30 to a 50-year event.

'Hurricane' of 16 October 1987: The scheme was activated on 21 October 1987.

1988/89 - £6.2m (Storms)

Amounts paid in this year were final claims arising out of incidents occurring in the previous year.

1989/90 - £0.6m (Storms and floods)

Storms of 16/17 December 1989 and 25 January 1990: Ministers agreed to activate the scheme on the day of the 25 January storms based on information to hand at the time. Ministers extended the scheme to cover expenditure incurred by authorities in the south-west following storms in December.

1990/91 - £4.9m (Floods)

Storms of 16/17 December 1989 and 25 January 1990: Ministers agreed to activate the scheme on the day of the 25 January storms based on information to hand at the time. Ministers extended the scheme to cover expenditure incurred by authorities in the south-west following storms in December.

1991/92 - £0.3m (Floods)

1992/93 - £0

1993/94 - £0.2m (Storms)

North Norfolk DC - storms of 20/21 February 1993 : An activation was approved on the basis that the met office considered the storms to have a return period in the area of around 17 years.

Cornwall - storms and floods, 9/12 June 1993: A scheme of assistance was established in respect of flooding in Cornwall in early June 1993, which followed exceptionally heavy rainfall. Conditions were reportedly the worst for generations. Many homes had to be evacuated.

1994/95 - £0.6m (Floods and landslides)

Floods in West Sussex - January 1994: This activation of the scheme took place in respect of widespread flooding in West Sussex after a period of exceptionally heavy rainfall in late December 1993 and January 1994. The NRA confirmed that this was a once in 200 year event in West Sussex. Around Chichester groundwater levels reached their highest since records began in 1836, and evacuating people from their homes was necessary on three separate occasions. The Department received requests to activate the scheme from three authorities, and paid a total of £597,100 in grant.

Floods and Landslides on the Isle of Wight - January to February 1994: The scheme was activated for South Wight Borough Council when it was activated for West Sussex, and in respect of the same period of rainfall. Severe frosts followed this rainfall, which caused several massive landslides and more than 100 cliff fall incidents.

1995/96 - £0.1m (Unexploded bomb and fire)

Unexploded bomb on the Island of Portland - 1 to 3 April 1995: A Bellwin scheme was activated for Weymouth & Portland Borough Council for the costs of dealing with a 1000lb unexploded German WW2 bomb found on the Island of Portland. These costs included evacuation of 5000 residents from 1000m radius around the bomb, housing for 2000 evacuees in nearby holiday camps, overtime for council employees and the some additional policing costs. This was the largest such evacuation since WW2 and the first time the Bellwin scheme has been activated for a non-weather related incident.

Fire on Thorne Moor near Doncaster - 25 August to 19 September 1995 : Ministers activated the scheme for the South Yorkshire Fire and Civil Defence Authority for the costs incurred during an extensive fire on Thorne Moor between 25 August and 19 September 1995. Costs included staff overtime, hire of extra equipment, increased fuel costs and additional maintenance costs resulting from the exceptionally heavy use of equipment during the emergency.

1996/97 - £0.2m (Storms and flooding)

Storms in Torbay - 20-24 January 1996 : A scheme was activated to reimburse costs arising from exceptional storm conditions in January 1996.

North Norfolk - Storm on 19 February 1996 : North Norfolk District Council requested the activation of a scheme following flooding and damage during a storm on 19 February.

Flooding in Folkestone - 12 August 1996: Activation was approved to assist Shepway District Council with emergency costs incurred following severe flooding in

Folkestone. On 12 August an intense rain storm caused widespread flooding in the Ashford and Shepway District Council areas. Rainfall was particularly heavy in Folkestone, where 97.7mm was recorded in less than two hours - estimated by the Met Office to be a 1 in 500 year event.

Storms in North Devon - 28 October 1996: A scheme was activated in respect of costs incurred by North Devon District Council following exceptional storms on 28 October 1996. The Met Office estimated the wave height (10 metres) resulting from the particular combination of wind and sea conditions as a 1 in 50 years occurrence. It caused significant damage to sea defences and placed life and property at risk. The Council estimated its qualifying expenditure at £108,000 (£87,000 above its Bellwin Threshold). In the event, eligible spend did not exceed its threshold and no grant was paid.

1997/98 - £0.17m (Storms and flooding)

Amounts paid in this year were final claims arising out of incidents occurring in the previous year. In addition, a further £0.13m was paid as special grants. These included payments to Tower Hamlets and Manchester in respect of terrorist attacks.

1998/99 - £0.44m (Floods)

Easter floods scheme. 11 authorities received grant in respect of the Easter floods of 1998. They were : Wychavon DC, Northampton PA, Warwick DC, Stratford on Avon DC, Worcester City Council, Warwickshire CC, Northampton BC, Cherwell DC, Melton BC, Huntingdonshire DC and Herefordshire DC.

Other schemes were announced later in the year for the Autumn, January and February floods. 4 authorities received grant : Shrewsbury & Atcham, Worcester CC, South Lakeside DC and Ryedale.

In a separate scheme North Wiltshire DC also received a Bellwin grant

1999/00 - £0.35m (Floods)

Amounts paid in this year were final claims arising out of incidents occurring in the previous year.

2000/01 - £4.1m (Floods, unexploded bomb and plane crash)

14 authorities received payments following the activation of the scheme on 3 November to cover the severe weather events between 1st October to 31 December 2000. They were : Bridgnorth DC, Canterbury City Council, East Sussex CC, Elmbridge BC, Lewes DC, Maidstone BC, Newark & Sherwood DC, Shropshire CC, Tonbridge & Malling BC, Wealden DC, West Sussex CC, Woking BC, Wyre BC and York City Council. 5 other schemes were activated that year for : Herefordshire DC, Melton DC, Wear Valley DC, Copeland DC and East Sussex Police. These were in

respect of separate flooding incidents from previous years, an unexpected World War II bomb and the plane crash at Stansted in December 1999.

3. **Standard terms of the Bellwin scheme**

Shortly before the beginning of each financial year DTLR issues guidance on the terms and procedures that will apply to any Bellwin scheme that is activated in the course of the year. In recent years the guidance has stipulated that any local authority applying for assistance under a scheme would have to have spent an amount equal to 0.2% of their budget (the “threshold”) before qualifying for assistance. Then grant has then been paid at 85% of eligible costs above the threshold.

4. **Special arrangements for the Autumn 2000 floods**

In response to the severe weather conditions of Autumn 2000 Ministers initiated a countrywide scheme and promised a review of the terms and procedures under which grant was paid. The terms of the severe weather scheme included the following special conditions:

Assistance under Bellwin available for all authorities making valid claims resulting from the October/November floods and storms;

Government support above the threshold increased from 85% to 100% for this series of events, but no change to the 0.2% threshold or to the definition of eligible costs;

Valid claims to be settled within 15 working days of receipt by the Department of a valid grant claim form;

Claims for payments in advance of audit reports being received by the Department may be made;

Claims for grant of less than £10,000 accepted on presentation of details of expenditure certified by the Chief Financial Officer and will not require a separate audit certificate.