

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 15 NOVEMBER 2005

EMERGENCY PLANNING - REVIEW OF THE BELLWIN SCHEME

Report by the Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To advise the Committee on a Scottish Executive Consultation paper entitled "Review of the Bellwin Scheme" and to seek authority to submit an appropriate response on behalf of the Council.

2. BACKGROUND

- 2.1 The current scheme is discretionary, and exists to give special financial assistance to authorities who would otherwise be faced with an undue financial burden as a result of providing relief and carrying out work due to large scale emergencies. Its purpose is not to put right all the ill effects of an incident but to provide assistance to cover exceptional costs incurred when responding to an emergency.
- 2.2 When it becomes obvious that there is an emergency taking place which is creating immediate demands on local government, the Scottish Executive Ministers will decide whether a scheme should be triggered. Once a scheme has been triggered, affected Councils are invited to submit claims detailing their expenditure on the emergency. Claims are then scrutinised in light of the rules of the scheme. However, if it is a local incident, a Council can also approach the Scottish Executive and request that the incident falls under the Bellwin definition and notifies that the claim will exceed its threshold.
- 2.3 The scheme has in the past been activated most frequently for the effects of severe weather, such as flooding or storm damage, although it may be invoked for other types of disaster, as the key criterion for the scheme is "the safeguarding of life and property and the prevention of suffering or severe inconvenience". Since 1993 it has been triggered 14 times, with payments totalling approx. £11m.

2.4 East Ayrshire Council made a claim to the scheme after the December (Boxing Day) 1998 storms, which resulted in debris on roads, damaged properties, trees and headstones within cemeteries. The scheme was triggered in April 1999, and involved numerous financial reports, telephone conversations, emails and visits from the Scottish Executive to assess and to audit the claim. The Council was successful in obtaining £243,352 from the scheme. The threshold for 2005/06 is £278,015; this is based on an annually rated figure from an agreement with COSLA dating from 1998.

2.5 Within the current scheme, the revenue costs are only eligible if they were incurred in, or are directly attributable to the immediate aftermath of an emergency and refer to elements which are uninsurable. The scheme will provide assistance for expenditure which is incurred on works completed before a specified deadline (usually two months from the incident).

Other factors to consider within a claim are the costs of insurance excesses relating to damaged properties and the diversion of DLO/DSO labour to assist with the immediate repair work. The current scheme details the three levels of insurance excesses available and the conditions relating to employing DLO/DSO.

2.6 There are of course exclusions which can not be included in a claim and some of these include:-

- loss of income (e.g., from facilities closed as a result of an emergency) as this falls outside the scope of section 155 of the Local Government Housing Act 1989.
- the normal wages and salaries of the authority's regular employees, whether diverted from their normal work or otherwise, and the standing costs of the authority's plant and equipment;
- longer term works of repair and restoration, such as tree planting and repair or refurbishment of damaged but not dangerous structures;
- any element of betterment, e.g. repairs to buildings to a significantly higher standard than their condition on the day before the incident;
- any expenditure which is of a capital nature or capitalised;
- costs which are normally considered to be covered by the Councils' winter maintenance budget.

All claims must follow the scheme's claims procedure which includes specific paperwork which must be signed by the Council's Executive Head of Finance (or approved equivalent). All supporting information must accompany the claim and a copy must be sent simultaneously to the Scottish Executive and auditor by a deadline specified in the scheme.

3. RESPONSE FROM EAST AYRSHIRE COUNCIL

- 3.1 Within the new Civil Contingencies Act 2004, the local authority has a statutory duty to incorporate civil contingency and emergency planning functions within their risk management strategies. However, given this duty the Scottish Ministers have decided that the restrictions to limit the Bellwin Scheme to revenue costs, uninsurable items and costs incurred only in the immediate aftermath of an incident should remain.

The purpose of the review is to make the Scheme more streamlined, accessible, transparent and fair.

The review will consider the triggering arrangements, the threshold calculation, the claims procedure and deadlines and grant payment arrangements.

- 3.2 In recent years, the main concerns raised by councils about the Bellwin Scheme are that:

- it is overly bureaucratic;
- the gap between the incident occurring and payment of assistance under the Scheme is too long;
- the thresholds are too high, or out of date, and no longer accurately related to need;
- the Scheme only covers uninsurable, revenue costs and, in particular, does not cover capital costs; and
- the grant payment rate is too low.

The Consultation Paper is therefore based on the above and it seeks response to 8 questions. A draft response, prepared in collaboration with colleagues from the Finance Services, to these questions is contained in Appendix 1 to this report.

A copy of the Consultation paper "Review of the Bellwin Scheme" can be found at <http://www.scotland.gov.uk/Publications/2005/09/0193312/33131> and a response is required by 9 December 2005.

4. FINANCIAL IMPLICATIONS

- 4.1 These will be dependent on any future threshold set by the Scottish Executive and the subsequent claim made to the Bellwin Scheme by this Council.
- 4.2 The Local Government in Scotland Act 2003 requires councils to apply Best Value practice in emergency planning and assumes councils will make budget provisions for dealing with contingencies and emergencies.

5. LEGAL IMPLICATIONS

- 5.1 The Council has a statutory duty to undertake and comply with the duties described in the Civil Contingency Act.
- 5.2 In order to make a claim the Council's request must fall within the Scheme's detailed Claims procedure.

6. POLICY IMPLICATIONS

- 6.1 Nil.

7. COMMUNITY PLAN IMPLICATIONS

- 7.1 Nil.

8. CONCLUSION

- 8.1 The consultation papers assume that there is room for improvement to reflect changing circumstances, e.g. climate change. However, the consultation paper will be fully evaluated and an appropriate response made in consultation with colleagues, primarily in Finance.

9. RECOMMENDATIONS

- 9.1 It is recommended that the Committee:-
 - (i) Consider the terms of this report;
 - (ii) Remit to the Executive Director of Neighbourhood Services to respond to the Consultation Paper; and
 - (iii) Otherwise note the terms of this report.

William Stafford
Executive Director of Neighbourhood Services

WS/JMcG

17 October 2005

LIST OF BACKGROUND PAPERS

- 1. Scottish Executive – Review of the Bellwin Scheme – A Consultation Paper

Any person wishing to inspect the background papers above should telephone 01563 576023 and ask to speak to William Stafford.
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SCOTTISH EXECUTIVE CONSULTATION PAPER

REVIEW OF THE BELLWIN SCHEME

TRIGGERING THE SCHEME

1. Are the current arrangements for confirming that the Scheme has been triggered for a specific incident clear and unambiguous? If not, how could they be improved?

Response. Yes in our view they are, it is up to each local authority to make a decision to claim as soon as it became apparent to the authority that the cost of the incident may exceed the threshold. Such an approach may aid decision making and the commitment of resources in the initial stages of an incident. It is also anticipated that the Scottish Executive will provide specific information relating to this incident at the time of triggering.

SUPPORTING DOCUMENTATION for CLAIMS

2. Is the current Guidance clear on the amount and detail of supporting documentation required?

Response. Yes, again the onus remains with the authority to ensure accurate audit trails exist and that supporting evidence can be provided in relation to the claim.

3. Are the current requirements to burdensome?

Response. No, not overly burdensome.

4. Should the requirements be streamlined, and if so, how?

Response. Rather than send paper copies of all information perhaps some of the documentation could be sent via electronic mail, this may help to speed up the process. The use of digital or video recording could be encouraged to record the damage to properties and resources, which could substantiate claims.

THRESHOLDS

5. Is the current calculation of the total and the distribution of the thresholds across local authorities fair? If not, how could it be improved?

Response. See comments Q7 below.

6. Should factors other than budgetary requirement (Estimated Service Expenditure share) be included within the calculation of the distribution of thresholds?

Response. No.

GRANT PERCENTAGE:

7. Should the grant percentage (currently 85%) be amended, possibly in conjunction with revisions to the thresholds?

Response. It is not unreasonable to expect that Councils provide within their financial planning for unexpected expenditure. It would be prudent to include this provision within the overall reserves strategy. However given this it seems punitive that the remaining balance of expenditure is not then met in full from grant support under the Bellwin Scheme. It therefore follows that the scheme should provide for 100% of the balance above the threshold limit.

OTHER

8. Do you have any other comments regarding the current operation, terms and conditions of the Bellwin Scheme?

Response. It would appear that the provision to compensate for standard insurance excesses needs to be reviewed and increased to £250 which is that lower standard rate of excess, held by local authorities.

Also the type and nature of expenses allowed under the scheme should be reconsidered. For example the scheme allows temporary patching of road surfaces etc to ensure public safety, but not permanent repair. It could be argued that under a value for money regime it would be advantage to meet the cost of reinstatement, provided that the Council was not seeking an element of betterment – in that the road or building was being put back into a condition significantly better than immediately prior to the incident. This may then require the inclusion of capital as well as revenue expenses.