

Dear Colleague

## **The Restoration Fund – data collection**

Following the consultation exercise carried out between the 6<sup>th</sup> and 29<sup>th</sup> of May, today we are launching the data collection exercise for the Restoration Fund. You have received this letter because you indicated that your local authority wished to make an application for funding. This form is also available for download on the Flood Recovery page on the Department for Communities and Local Government website.

The deadline for making your data return is **27<sup>th</sup> June 2008**. Your completed pro forma should be sent to your relevant Government Office contact. A list of Government Office contacts is attached.

The Restoration Fund is a new one-off fund which has been made available for local authorities affected by the floods of June and July 2007. In England, **£30.6 million** has been made available for distribution to local areas

Once the data collection exercise has been concluded, we will calculate an amount ('the relevant amount') for each relevant authority. This would be done by subtracting from the authority's financial data the amount of specific funding that the authority had already received from central government in relation to the floods.

- Bellwin Funds
- Emergency Capital Highway Maintenance Flood Repair Scheme from DfT
- Flood Recovery Grant from DCSF
- Flood Recovery Grant from CLG

These relevant amounts would then be used as the basis for distributing the Fund on a proportionate basis.

Ministers may wish to take a view on whether or not to take into account the proportion of an authority's relevant amount compared to its budget when deciding how the Fund should be distributed. Ministers may also wish to focus funding on those authorities which have suffered the largest financial impact. Ministers may wish to do this either based on the absolute level of authorities' relevant amounts, or on those relevant amounts expressed as a proportion of the authorities' overall budgets.

Grant determinations under section 31 of the Local Government Finance Act 2003 will be made to those authorities who are awarded part of the Restoration Fund. The Fund will not be ringfenced, so local authorities will be free to decide how they spend any award they receive, in line with their own priorities.

## **Data requirements**

We are asking local authorities to submit details of **spend** (option B) incurred in their area to their Government Office by the **27<sup>th</sup> of June 2008**, using the form attached. We are proposing to collect global sums, broken down into the categories on the attached spreadsheet. **Please note, some of the categories and definitions have changed as a result of the consultation so you should read both the spreadsheet and guidance notes carefully.** Costs do not need to be broken down into capital and revenue costs, however if local authorities find it easier to do so, they may insert a separate column into the spreadsheet. **Please note, you do not need to send any supporting documentation.** We are **not** asking for information on funding received from central Government: we will take this information from centrally held records. We are aware that the DfT scheme closes for information on the 13<sup>th</sup> of June so for the purposes of this scheme we will use the final estimate costs provided.

When completing the proforma you should take care to ensure that only expenditure relation to the June and/or July flooding 2007 is included, and only expenditure incurred directly by your authority; so, for example, if you have recovered costs from another authority, it is the other authority which should claim the expenditure

For clarity, the method of collection is **Option B: *the total spend of relevant authorities; that is, the total amount of expenditure incurred by an authority as a direct result of the floods.***

**However, following consultation we have amended and widened the definition of spend. You should complete the proforma providing data relating to expenditure incurred in 2007/08 in the defined categories, where such expenditure is complete, or has been contractually committed, by the end of June 2008.**

For the avoidance of doubt, please include all expenditure incurred within the categories, regardless of whether or not you have claimed for them under the Bellwin or DfT schemes, or have them covered by insurance. Please read the Q&A that follows this letter for further clarity.

If you have any queries on the data collection, please contact your Government Office contact copying us in at [restoration.consultation@communities.gsi.gov.uk](mailto:restoration.consultation@communities.gsi.gov.uk)

### **Next steps**

The attached form must be filled in and sent to your local Government Office (see annex for contact details) by **27<sup>th</sup> of June 2008** and should be returned to them in an electronic format. If you are not able to provide electronic signatures, please still send the spreadsheet to the Government Office, but follow it up with a separate hard copy.

Your data return will need to be signed off by your section 151 officer, who will be required to state that he or she has shown the financial information to the

chief internal auditor and that they have confirmed that the basis of calculation is reasonable and that the amounts have been taken from our accounting records (**NB: we do not require that figures are checked by external auditors**).

The Government Office will then contact you if they have any queries on your figures, before returning them to central Government.

Your data will then be forwarded to the Department for Communities and Local Government. They will make a calculation of outstanding spend by subtracting any grant received towards the costs of the floods from your total. The resultant figure will be used as a proxy, and Ministers will decide how to allocate the Fund.

It is our intention to make announcements on funding allocations before the Parliamentary Summer Recess.

### **The consultation exercise**

We are grateful to all those who responded so positively to the consultation exercise. The comments we received were generally very helpful and as a result of some comments we have made changes to the data collection proforma. You may be interested to know that we received over 100 responses to the consultation paper and the majority of respondents who expressed a preference selected option B (60%). Where possible we have amended the proforma and guidance to include or clarify categories as arising from the feedback we received. Some general queries were received and we thought it might be helpful to share some of the main questions and our responses. These are attached at the end of this letter.

Yours Sincerely

## **Restoration Fund Queries and Responses**

**Q: Will the cost of pursuing landowners to correct failed watercourses be included as a cost?**

A: We do not think that this is a cost which is easy to quantify as an absolute sum, especially as in some cases the council may recoup expenditure at a later date for example through a charge on the land.

**Q: Why does the proforma not include categories relating to prevention?**

A: The data collection exercise focuses on expenditure relating to the immediate aftermath and subsequent recovery from the June and July floods of 2007. We have not included preventative measures as these are in many cases unspecified and can be open ended. However any money allocated to authorities will not be ringfenced and they may choose to spend it on preventative measures if they so wish

**Q: Can costs for other floods be included?**

A: No, Ministers are clear that this fund is potentially available to support local authorities who incurred costs relating to the summer 2007 floods

**Q: Can other bodies (not local authorities) claim from this fund**

A: No, but some local authorities may wish to share any award of the Restoration fund with other local bodies

**Q: Will you issue guidance on how the Restoration Fund will be spent**

A: No. We feel that local authorities are best placed to decide on what is best for their areas. Local authorities may choose to use any funding they are awarded to defray their own costs, to make it available to communities, to invest in preventative measures, or on any other item it feels is appropriate.

**Q: Why aren't both capital and revenue costs being collected separately**

A: The Restoration Fund Will be paid out as revenue, and as such it will be up to councils to decide whether it is spend on capital or revenue items; therefore we have no need of the data in a separate form. If however local authorities would find it easier to separate out the data we are happy to receive it in this way

**Q: Will Bellwin or other thresholds apply?**

A: Ministers may decide to set a de minimis threshold, but this will only be assessed after data has been collected and will not be based on existing scheme thresholds

**Q: Why are you taking account of the CLG Flood Recovery Grant when it was just paid out to individuals?**

A: Councils dealt with their Flood Recovery Grant in different ways, however we have expanded a category to allow local authorities to account for funds paid out to individuals.

**Q: Why is there no category for insurance?**

A: We have decided not to collect data on either income from or expenditure on insurance, however we are collecting data on items which are normally insurable

**Q: Why doesn't the form mirror Bellwin?**

A: We are aware that local authorities have incurred a wider range of expenditure than has been accounted for via Bellwin; however some of the categories are the same and wherever possible we have sought to use similar definitions.

**Q: The form seems to require too much detail**

A: we have broken down the categories into subheadings as we need to ensure that there is sufficient read across between local authorities to ensure that we are assessing expenditure on a like for like basis – this has meant that we have had to exclude headings that could be open to a wide interpretation. The majority of respondents did not feel that the proforma would be difficult for them to complete

**Q: Why are you only covering 2007/08 expenditure?**

A: The majority of those who expressed a preference opted for the 2007/08 spend. In seeking an option to collect data we are cautious of not placing unreasonable burdens on local authorities, many of whom said that they did not have estimates of future (08/09) spend available at this time. We also need to bear in mind that the data collected is a proxy for allocating the Restoration Fund, not a reimbursement of actual expenditure, therefore we need to balance the data collection against the potential gains from the fund. We have however widened our definition of spend as a result of the consultation.

## **Government Office contacts for data returns**

### **Government Office for the West Midlands**

Paul Cobbing: 0121 352 5188

[Paul.cobbing@GOWM.gsi.gov.uk](mailto:Paul.cobbing@GOWM.gsi.gov.uk)

### **Government Office for the East of England**

Steve Green: 01223 372 668

[Steve.Green@goeast.gsi.gov.uk](mailto:Steve.Green@goeast.gsi.gov.uk)

### **Government Office for the South West**

Jenny O'Loughlin: 0117 900 825

[Jenny.OLoughlin@gosw.gsi.gov.uk](mailto:Jenny.OLoughlin@gosw.gsi.gov.uk)

### **Government Office for Yorkshire and Humber**

David Fraser: 0113 283 6391

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### **Government Office for the North West**

Kathy Settle: 0161 952 4146

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### **Government Office for London**

Claire Seed:

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### **Government Office for the East Midlands**

Wendy Cheshire 0115 971473

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### **Government Office for the South East**

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### **Government Office for the North East**

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