
BELLWIN CLAIM 2015/16 - UPDATE

Report by Chief Financial Officer

Scottish Borders Council

29 June 2016

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Council with an update regarding the claims for financial assistance being progressed in response to the major flooding events caused by major storms Desmond, Frank and other flooding events during the 2015/16 financial year.**
- 1.2 This report is a follow-up to the report considered by Executive Committee on 5 April 2016.
- 1.3 The report outlines the progress on revenue works being undertaken under the Government funded "Bellwin Scheme". It also outlines how the claim is progressing towards completion and indicates the expected size of the unaudited claim at £3.5m.
- 1.4 The report also provides detail of an application to secure further capital funding of £0.925m for flood damage under a separate government backed compensation scheme being operated through the Society of Chief Officers of Transportation in Scotland (SCOTS) for flood affected Councils.

2 RECOMMENDATIONS

- 2.1 **It is recommended that Council:**
 - (a) Notes the extent and costs of works undertaken to date and those remaining to be completed in response to major flooding events experienced over the winter 2015/16;**
 - (b) Notes the proposed timing of the Interim and Final Audited claims in respect of Bellwin;**
 - (c) Notes the progress made to date on remedial works under the Bellwin Scheme and works remaining to be completed; and**

- (d) Notes the further funding compensation application that is being progressed through SCOTS for capital flooding repair works that are not eligible for Bellwin funding.**

3 SBC STORM RESPONSE

- 3.1 The Council asked the Scottish Government for an extension to the Bellwin deadlines to allow completion of what has been a very extensive programme of post flooding remedial works. A deadline extension to the 30th of June 2016 was granted for all roads and civil repair works and to 30th of September 2016 for all bridges and river embankment works.
- 3.2 Work has been on-going since the first storm "Desmond" in December 2015 to address these repairs on a prioritised basis using the resources of Infrastructure & Asset Management, Neighbourhood Roads and SBc Contracts.
- 3.3 Due to the extent and nature of the repair work required, applications from the Council the Scottish Government have twice allowed extensions to the normal 2 month Bellwin completion dates and which allowed for general road, infrastructure and civil works repairs to be completed by the 30th of June 2016 and will allow work on riverbanks and bridges to be completed by 30th of September 2016.
- 3.4 **Progress with Bellwin Works:** Good progress has been made on all general road, infrastructure and civil works repairs and these will be fully completed by the 30th of June 2016. An ongoing programme of bridge and riverbank repairs is underway involving staff from SBc Contracts, Neighbourhood Roads and sub-contractors and it is anticipated these works will be completed by the 30th of September 2016 deadline date. To date 390 Bellwin eligible jobs have been identified and scheduled for completion by the agreed deadline dates.
- 3.5 **Timing of Bellwin claim:** It has been agreed with the Scottish Government that the Council's Bellwin claim will be submitted in two stages. The first stage will cover all work and jobs covered by the 30th of June 2016 completion date. It is planned to have this stage of the claim ready for audit by the Council's external auditors KPMG by mid-August 2016 for submission to the Scottish Government by the 31st of August 2016. Stage two of the Council's claim covering on-going bridge and river bank repairs will be fully prepared for external audit by mid-October 2016 and submitted to the Scottish Government by the 31st of October 2016.
- 3.6 **Financial Scale of Bellwin claim:** As of the 20th of June 2016 a total of just over £3 million of Bellwin eligible expenditure and commitments had been incurred. Of that amount £1.9 million was incurred in the 2015/16 financial year and £1.1 million so far in 2016/17. This value will increase further between now and the end of September 2016 due to on-going bridges and riverbank repairs and is likely to exceed £3.5 million in total.
- 3.7 **Non Bellwin eligible expenditure:** The Bellwin Scheme is only applicable to remedial expenditure which is deemed to be of a "Revenue" nature. Several of the major repairs involved initial temporary works which are of a revenue nature and are therefore eligible to be included in the Bellwin claim. The permanent reinstatement subsequently required must however be classified under accounting rules as capital expenditure which is not eligible for emergency Bellwin funding. Further compensation for flood affected Councils who have incurred such capital costs has been offered by the

Scottish Government through Society of Chief Officers of Transportation in Scotland (SCOTS) and the Council has applied for this funding.

- 3.8 SBC has identified three flood repair schemes totalling £925k in value which are classified as capital and thereby fall to this funding route.

Bowanhill Bridge – Permanent Replacement	£755,000
Selkirk – Ettrick Water, Embankment Works	£150,000
Newmill Footbridge – Permanent Replacement	<u>£20,250</u>
	<u>£925,250</u>

4 IMPLICATIONS

4.1 Financial

Scottish Borders Council is liable for the first £508k of works undertaken in relation to these works. This cost has been funded from existing reserves.

4.2 Risk and Mitigations

The Bellwin Scheme has specific guidelines and strict definitions of what constitutes eligible and ineligible expenditure. Whilst every effort will be made to ensure that only eligible expenditure is included within the Council's claim, including photographic evidence of the works undertaken, the final decision on cost eligibility will rest with the Council's External Auditors and the Scottish Government. A decision to reject elements of the Bellwin claim would result in these costs falling to SBC. In this event changes to approved planned capital and revenue plans may be required.

4.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

4.4 Acting Sustainably

Many of the measures and remedial works proposed are designed to rectify and avoid environmental damage within the Scottish Borders and remedial measures will be undertaken in cooperation with SEPA & SNH.

4.5 Carbon Management

No effect on carbon emissions are anticipated from the recommendations of this report.

4.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

4.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation is required as a result of this report.

5 CONSULTATION

- 5.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit & Risk, the Chief Officer HR and the Clerk to the Council are being consulted and any comments will be reported verbally to the Council meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

Name	Designation and Contact Number
Donald Macdonald	Financial Business Partner, 01835 825903

Background Papers: Nil

Previous Minute Reference: Executive Committee 5/4/16

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Treasury & Capital Team can also give information on other language translations as well as providing additional copies.

Scottish Borders Council, Council Headquarters, Newtown St Boswells, TD6 0SA. Tel: 01835 824000.