



BRIEFING PAPER

Number CBP00643, 15 December 2019

The Bellwin scheme

By Mark Sandford

Inside:

1. How the Bellwin Scheme works
2. Flooding: additional support
3. What expenditure does the scheme cover?
4. Claiming
5. Scotland, Wales and Northern Ireland



Contents

Summary	3
1. How the Bellwin Scheme works	4
1.1 Origins and nature of support	4
1.2 Funding paid to local authorities	5
2. Flooding: additional support	7
2.1 Council tax relief	7
2.2 Business rates relief	8
3. What expenditure does the scheme cover?	9
3.1 Eligible expenditure	9
3.2 Ineligible expenditure	9
4. Claiming	11
4.1 Deadlines for claims	11
4.2 Payment of claims	11
5. Scotland, Wales and Northern Ireland	12
5.1 Scotland	12
5.2 Wales	12
5.3 Northern Ireland	12

Contributing Authors:

Mark Sandford

Summary

The Bellwin scheme provides emergency financial assistance to local authorities in England. Such assistance is usually provided in response to an emergency caused by the weather, but relief may also be available in other circumstances. In recent years, the scheme has been activated in the aftermath of the explosion at the Buncefield fuel depot (2005), extensive flooding in Yorkshire, the Midlands, Cumbria and the North West during the 2000s, the riots of summer 2011, flooding in 2014, 2015 and 2016, and the Grenfell Tower disaster of 2017.

Bellwin funding is designed to recompense authorities for the costs of emergency measures undertaken to safeguard life or property, or to prevent further suffering and inconvenience locally, during exceptional circumstances. There are strict rules on the types of expenditure that are eligible for reimbursement.

This note describes how the scheme works, and includes examples of occasions when Bellwin funding has been used. It also refers to similar schemes in operation in Scotland, Wales and Northern Ireland.

1. How the Bellwin Scheme works

1.1 Origins and nature of support

The Bellwin scheme provides emergency financial assistance to local authorities in England. It takes its name from a former Department of the Environment Minister, Lord Bellwin, who introduced the scheme in 1983. Assistance under the scheme is usually given as the result of an emergency caused by the weather, but relief may also be available in other circumstances: for example, the outbreak of foot and mouth disease in 2001, the explosion at Buncefield fuel terminal in December 2005, the riots of August 2011, and the [Grenfell Tower disaster](#) of June 2017. Bellwin relief is provided under section 155(4) of the *Local Government and Housing Act 1989*.

The Bellwin scheme is a devolved matter. The bulk of this note covers the scheme as it applies in England. Similar schemes in Scotland, Wales and Northern Ireland are noted in section 5.

A Bellwin scheme may be activated, at the discretion of the Secretary of State, in any case where:

- an emergency or disaster involving destruction of, or danger to, life or property occurs; *and*
- as a result, one or more local authorities incur expenditure on, or in connection with:
- the taking of immediate action to safeguard life or property, or
- the prevention of suffering or severe inconvenience in their area or among their inhabitants.

The scheme is only intended to cover uninsurable risk, and there is no automatic entitlement to financial assistance. Ministers decide whether or not to activate the scheme after considering the circumstances of each individual case. However, [annual guidance](#) produced by the Department for Communities and Local Government (DCLG), which administers the scheme, gives an indication of the type of incident that is likely to lead to the Department activating Bellwin relief.

Bellwin has traditionally been seen as a response to incidents in which bad weather has caused threats to life and property beyond all previous local experience, and where an undue financial burden would otherwise fall on the local authority. Although the law does not rule out other types of incident, DCLG guidance states that:

the Department expects that the scheme will continue to apply predominantly as a response to bad weather incidents that occur within the area that the scheme covers. It is unlikely to set up a scheme in response to events in areas where the Government makes specific provision. In these cases, authorities are expected to deal with some rise and fall in expenditure demands within the money allocated to the spending programme concerned.¹

¹ DCLG, *The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*, p4

An example of alternative application of the scheme comes from the response to the Grenfell Tower disaster in June 2017:

Lord Bourne of Aberystwyth:.... [regarding] the complex process of rehousing and the costs. Much of this, such as hotel accommodation, will be picked up under the Bellwin formula. As I indicated, the Government are looking at specific requests made by local authorities in relation to the issue more widely. A lot of the cost for Kensington and Chelsea will be picked up by the Bellwin formula.²

All principal local authorities may apply for funding under the scheme, as may the Greater London Authority, combined fire authorities and national park authorities. The full list of authorities which may apply is set out in section 155 of the Local Government and Housing Act 1989 and is reproduced in the DCLG guidance.

1.2 Funding paid to local authorities

Authorities are expected to have budgeted for a certain amount of emergency expenditure, so relief is paid only when such expenditure goes beyond what the Government thinks it is reasonable to expect them to have budgeted for. The amount of relief payable is calculated as follows:

- 1 Before being eligible for Bellwin grant, an individual authority is required to have spent 0.2% of its annual budget on works that have been reported to the DCLG as eligible for the grant. This amount is the authority's 'threshold' and applies to the whole financial year, not to each incident.
- 2 Bellwin relief, when activated, now funds 100% of emergency expenditure above this threshold. Until 2014 this figure was 85%. It was temporarily raised to 100% on a number of occasions: the floods of December 2015, January-February 2014, June-July 2012, November 2009, June 2007 and Autumn 2000. The Government announced its decision to make the change to 100% permanent in a consultation response in November 2015.³

However, the guidance also notes that when the connection between any expenditure and the immediate action taken in response to an incident is not obvious, the authority must provide enough information to DCLG to allow them to make a decision.

Following the 2014 consultation, the Government agreed permanently to lower the thresholds for county and unitary authorities. Indicative thresholds are published alongside the annual Local Government Finance Settlement.⁴ Additionally, the deadline for claiming funds is now one month from the end of an incident, having previously been one month from its start.

² [HLDeb 5 Sep 2017](#) c1898-9

³ See DCLG, [Bellwin Scheme of Emergency Financial Assistance to Local Authorities: summary of responses and the Government's response](#), November 2015, p. 7

⁴ DCLG, [Bellwin Scheme of Emergency Financial Assistance to Local Authorities: Consultation](#), November 2014

Annual sums paid out in Bellwin funding since 2001-02, in England, can be found in Annex A to the November 2014 consultation.⁵ Sums paid out from 2015-16 through to February 2019 can be found in [an answer to a Parliamentary Question](#) from Andrew Gwynne MP on 25 February 2019.

⁵ DCLG, [Bellwin Scheme of Emergency Financial Assistance to Local Authorities: Consultation](#), November 2014, p. 17. See also [DEP 2016-0906](#).

2. Flooding: additional support

A broad framework of support following the flooding of early 2014 was put in place by the Government (see the Government publication [Flood Support Schemes](#)). Details of actions taken so far in response to the flooding of December 2015 ('Storm Desmond') can be found in the Library briefing note [Storm Desmond: flooding update](#).

A paper deposited in the House of Commons Library provides details of funding paid under the scheme in respect of damage caused by Storms Desmond, Eva and Frank in 2015.⁶ A question answered on 10 July 2014 gives details of sums paid to local authorities as of 7 July 2014.⁷

The EU Solidarity Fund was raised as a potential alternative source of disaster relief funding, in connection with the flooding of January-February 2014. However, the fund has a high threshold in terms of damage or loss. Further details are available [from the Europa website](#).

Latterly, the Bellwin Scheme has been activated in respect of [flooding in November 2019](#) in the north and midlands of England; an explosion in Leicester in February 2018;⁸ and a tidal surge in the North Sea, leading to flooding on the east coast of England, in February 2017.⁹

2.1 Council tax relief

Many constituents whose properties have been flooded, and/or rendered uninhabitable by flooding, want to know whether they have the right to a discount or exemption from council tax until they can use their property again. Some may be temporarily rehoused and required to pay council tax on their temporary property as well as their main property.

There is no **right** available in law to exemption or discount from council tax as a result of a property being flooded. Any such discount is granted at the discretion of the billing authority (the local council, with the district council taking this role in two-tier areas).

In the December 2015 and January 2014 floods, residents and businesses affected by the floods received some relief from the requirement to pay council tax and business rates. On 8 December 2015, Greg Clark, Secretary of State for Communities and Local Government, said:

Residents and businesses who have been displaced by flooding should not have to worry about Council Tax and business rate bills on top of everything else they will be facing at this difficult time.

⁶ [Deposited paper 2016/0906](#)

⁷ [HCDeb 10 Jul 2014](#) c406W. See also deposited paper [DEP 2014/1049](#).

⁸ See [HCWS 1070 2017-19](#), 6 Nov 2018. Leicestershire Fire and Rescue Authority benefited from this use of the scheme.

⁹ See [HCWS 607 2017-19](#), 28 Mar 2018

That's why we'll make funding available to help householders and businesses with their Council Tax and business rates bills for as long as they are out of their properties.¹⁰

In 2013-14, the Government announced a £6 million support fund to allow residents affected by flooding to be granted up to three months' full discount from council tax. The decision as to whether to grant the discount, and how long it should last, remained with billing authorities, with the Government reimbursing local authorities for any revenue foregone.¹¹ A written answer on 10 June 2014 stated that 4,031 households had received council tax relief under these provisions as of 2 June, to a value of £1.8 million.¹²

Council tax and business rate relief does not form part of the Bellwin Scheme itself. Annex B of the 2017 guidance specifically excludes reimbursement for council tax discounts from taking place under the Scheme. When reimbursement has taken place in the past it has occurred via a separate grant.

The Bellwin Scheme applies only to costs incurred by local authorities: funding from the scheme is not available to individuals.

2.2 Business rates relief

Businesses affected by the 2014 flooding were able to claim up to three months' relief from business rates. It is for billing authorities to decide when to give business rate relief: they will be able to claim back any relief given from the Government. Funding for 100% relief was available for three months in respect of any period in the 2013-14 financial year. Empty properties were not covered.¹³ A written answer on 16 June 2014 stated that 979 businesses had received business rate relief under these provisions, to the value of some £4 million.¹⁴

A Business Support scheme was also established: this can provide support to businesses directly and indirectly affected by flooding. Eligible businesses must have sustained "hardship and significant loss of trade" between 1 April and 1 November 2013 as a result of flooding.¹⁵

¹⁰ DCLG, [Greg Clark: Help with Council Tax and business rates for flood-hit communities](#), 8 December 2015

¹¹ DCLG, [Flood Support Schemes](#), February 2014, pp. 6-9

¹² [HCDeb 10 Jun 2014](#) c153W

¹³ For further details see DCLG, [Flood Support Schemes](#), December 2014, p. 9-11

¹⁴ [HCDeb 16 Jun 2014](#) c385-6W

¹⁵ For further details see DCLG, [Flood Support Schemes](#), December 2014, p. 15-17

3. What expenditure does the scheme cover?

3.1 Eligible expenditure

The DCLG guidance gives details of the type of expenditure that would be eligible and that would not. In order to be eligible for reimbursement, expenditure must have been incurred:

- by a local authority in England on, or in connection with, the taking of immediate action to safeguard life or property or to prevent suffering or severe inconvenience, in its area or among its inhabitants;
- as a result of the incident(s) specified in the scheme which involved the destruction of or danger to life or property.¹⁶

Annex A to the guidance gives examples of the types of expenditure likely to qualify.

3.2 Ineligible expenditure

The guidance makes clear that expenditure which is not clearly incurred on or in connection with immediate action to safeguard life or property, or to prevent suffering or severe inconvenience as a result of a disaster or emergency, will not be eligible for reimbursement. It continues:

Expenditure that is not **additional** to what the authority would normally expect to incur will not be eligible, for example expenditure in an area for which there is already a government expenditure programme, such as maintenance of law and order or housing safety and maintenance.¹⁷

Most capital expenditure is not eligible:

...it is only in limited circumstances that claims against capital expenditure will be allowed. Any claims would need to demonstrate why capital expenditure on immediate action to safeguard life and property or to avoid severe inconvenience would represent better value for money than current expenditure.¹⁸

The November 2014 consultation noted that the scheme prioritises emergency response:

Some councils have suggested that the Bellwin Scheme should be expanded so that there is a single scheme covering both emergency response and recovery. However, in recovery for major incidents there is more choice about priorities and spending which do not generally exist in an emergency when the priority is protecting people and their property. ... For that reason, the

¹⁶ DCLG, *The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*, p6

¹⁷ DCLG, *The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*, p6

¹⁸ DCLG, *The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*, p7

Government intends to refocus the scheme on emergency response and not recovery.¹⁹

Annex B to the Government guidance gives examples of expenditure that would not normally qualify for reimbursement.²⁰

¹⁹ DCLG, [*Bellwin Scheme of Emergency Financial Assistance to Local Authorities: Consultation*](#), November 2014, p. 11

²⁰ DCLG, [*The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*](#), p11

4. Claiming

4.1 Deadlines for claims

Local authorities have one month from the end of the date of an eligible incident in which to report the incident to DCLG. Within one month of the incident ending, the authority is expected to have completed all works in respect of which it intends to claim.²¹ For each activation of the scheme, MHCLG will specify a deadline by which claims must be submitted.²²

4.2 Payment of claims

DCLG aims to pay valid claims within 15 working days of receipt, and where interim claims are allowed, it will make an interim payment of 80% of eligible costs.

In previous years, summary statistics on the sums paid under the scheme have been made available via answers to Parliamentary Questions.²³

²¹ DCLG, *The Bellwin Scheme of emergency financial assistance to local authorities: Guidance notes for claims 2017-18*, p7

²² *Ibid.*, p8

²³ See [HCDeb 6 Dec 2012 c890W](#); [PO 218230 2017-19](#), 25 Feb 2019

5. Scotland, Wales and Northern Ireland

5.1 Scotland

The scheme's operation in Scotland is under the control of the Scottish Government, but is broadly the same as that in England. The Scottish Government published a consultation paper in 2005 which reviewed the scheme in Scotland.²⁴ Following the review, the following changes were made:

- The threshold levels were to be based on the current year's budget data (see the [2019-20 thresholds](#) on the Scottish Government's website);
- Grant payments were to be increased from 85% of eligible expenditure to 100%;
- The level of supporting documentation required at interim claim stage was to be reduced;
- Guidance notes and claim forms were to be revised and clarified.²⁵

5.2 Wales

The Welsh Assembly Government published a consultation paper on the Bellwin scheme in Wales in August 2006.²⁶ The paper noted that, over the previous six years, a total of £9.4 million had been paid to local authorities in Wales arising from three specific Bellwin schemes. The Minister for Finance, Local Government and Public Services decided to make the following changes:

- The name of the scheme was to be changed to "Emergency Financial Assistance Scheme";
- 85% of costs which are above the threshold but below 10 times the threshold to be reimbursed (as now). However, if eligible expenditure exceeds 10 times the threshold, this will be reimbursed at a rate of 100%;
- Guidance to councils to be enhanced and clarified.²⁷

Further guidance can be found on the Welsh Assembly Government's website.²⁸

5.3 Northern Ireland

The Northern Ireland Executive has set up similar arrangements to the Bellwin Scheme:

²⁴ Scottish Executive, *The Bellwin Scheme for Emergency Financial Assistance to Local Authorities*, April 2013

²⁵ Scottish Executive Finance Circular 4/2006, *Review of the Bellwin Scheme*, 19 July 2006

²⁶ Welsh Assembly Government, *A review of the Bellwin Scheme*, August 2006

²⁷ Welsh Assembly Government, *Changes to the Emergency Financial Assistance Scheme*, 2006

²⁸ See Welsh Government, *Emergency Financial Assistance Scheme*, 2017. See also [the thresholds for 2019-20](#) in Wales.

13 The Bellwin scheme

(1) In any case where—

(a) an emergency or disaster occurs involving destruction of or danger to life or property, and

(b) as a result, one or more councils incur expenditure on, or in connection with, the taking of immediate action (whether by the carrying out of works or otherwise) to safeguard life or property, or to prevent suffering or severe inconvenience, in its district or among its inhabitants,

the Department may establish a scheme under this Article for the giving of financial assistance to those councils in respect of that expenditure.

(2) Financial assistance given pursuant to a scheme under this Article shall take the form of grants paid by the Department with the consent of the Department of Finance and Personnel and, subject to that, the terms and conditions of a scheme shall be such as the Department considers appropriate to the circumstances of the particular emergency or disaster concerned.²⁹

The Executive manages specific, time-limited schemes rather than a single equivalent to the Bellwin scheme. The most recent scheme was activated in 2019. Guidance on how the scheme operates is available [on the Executive's website](#), as are details of individual schemes, which are set out in [regular local government circulars](#).

The most recent scheme was activated in November 2019. It allowed householders to claim funding of up to £1,000 to deal with the effects of flooding. Householders were to make claims to district councils, and the sums are subsequently reimbursed by the Executive. This is distinct from the schemes elsewhere in the UK, where funds are paid to local authorities for 'public' activities rather than focusing on recompensing individuals.

²⁹ See regulation 26 of the *Local Government (Miscellaneous Provisions) (Northern Ireland) Order 1992* (SI 1992/810).

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).