



South Lakeland District Council

Review of the local delivery of the Property Level
Flood Resilience Grant scheme

October 2018

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Introduction

Purpose

This report provides a review of the property level Flood Resilience Grant (FRG) scheme administered by South Lakeland District Council (SLDC) on behalf of Cumbria County Council for the Department for Communities and Local Government (DCLG) and the Department for Environment, Food and Rural Affairs (DEFRA) between December 2015 and March 2017 (for applications to be lodged).

The report is an overview of the FRG with the aim of capturing the achievements and difficulties experienced during the set up and operational phases. The report also captures learning points and improvements that may benefit either residents/ businesses or other local authorities delivering the project, if it was to be rolled out again.

This report is considered to be a learning tool to be referenced for the purposes of either strategic planning by central government or operational management for local authorities with a view to assisting the planning of any future schemes similar in nature or scope.

The report is based on the review workshop that took place in March 2018 which captured the lessons learnt from all those at the fore front of delivering the scheme.

Overview

The FRG scheme was launched in late December 2015 to provide grants of up to £5,000 to homeowners that had been flooded internally as a result of storms Desmond (5/6 December 2015) and/or Eva (25/26 December 2015). In January 2016 the scheme was extended to cover business premises as well. The district does have a history of localised flooding and properties that flooded in November 2015 and February 2016 were not able to apply.

The grants were used to fund measures to improve a property's resilience or resistance to flooding, over and above repairs that would normally be covered by insurance. The grant was not intended to cover standard repairs or to provide compensation but to pay for measures designed to reduce the impact and cost of any subsequent flooding to the property.

Context

The extreme and unprecedented storms and rainfall events of November and December 2015 caused flooding to an estimated 2,008 domestic and 350 commercial properties in South Lakeland. Over 70% of these were in Kendal with Mintsfeet and Far Cross wards (as they were at that time) being the worst affected areas. Flooding events occurred in other areas of Cumbria as well as Greater Manchester, North and West Yorkshire and Lancashire. The Association of British Insurance (ABI) estimated the final bill for the flood damage to homes, businesses and motor vehicles caused by storms Desmond, Eva and Frank to be £1.3 billion. (Note: Storm Frank happened over the 29th to the 30th December 2015 in Scotland).

There were significant operational demands and costs for SLDC in the acute phase of the flood, which included over 600 tonnes of additional waste collected by street scene and increased environmental health visits to ensure public safety. This involved visiting flooded

properties and food businesses, and an increased number of residents displaced from their homes requiring support from the Housing Options team. At the same time, some of the council's own assets had been affected including Rothay and Borrans parks (Ambleside), The Castle Dairy (Grade 1 Listed Building) (Kendal), the façade of Kendal Town Hall and the Brewery Street car park (Ulverston).

Summary of Recommendations

A summary of recommendations can be found at the end of the report.

Section one: Scheme set-up

Whilst the scheme was announced on 9 December 2015 no guidance and very little information to assist the Local Authority in setting up the scheme was provided. The Local Authority attended the launch event on the 15 January 2016 in Manchester where the intentions of the scheme were presented but no documented guidance was provided until 20 January 2016.

Prior to this date flood affected residents were aware of the government's announcement, but neither they nor those tasked with administering the scheme had any specific detail. Local flood advice events were held, although the specific scheme criteria was unknown. This avoidable situation resulted in local conflict and thwarted those moving quickly to reinstate their properties to install appropriate measures from the onset.

No generic application form was provided which initially resulted in the use of forms designed for previous and materially different schemes (Flood Repair and Renewal Grant Scheme 2013/4). Only when an in-house form was developed could the relevant information be presented by applicants. This again was an issue that could have been avoided.

A significant amount of discussion took place about the funding of the project. From the onset it was outlined that there was no provision to use any of the grant funding to contribute or pay for the administration of the scheme. Provisions were made to fund the administration of the project from reserves.

Performance management

From the outset there was external pressure from Central Government focused on the uptake of grants (performance figures were requested on a weekly basis for the initial few months) and this placed additional pressure on the team. The target figures also changed during the project which was seen as a moving goal post. We were focused on getting the right measures rather than it being a numbers game. The scheme was open for nearly eighteen months and therefore we preferred the gradual increase in grant applications rather than a peak at the start of the project.

Similar schemes in the past have had an uptake rate of around 15-20% and therefore it was unrealistic to be getting significant uptake at an early stage of the project. In addition, there seemed to be little consideration of local factors, which affected uptake:

- Large scale flooding in areas that had never previously flooded and areas where residents had no expectation that flooding could happen;
- The flooding happened at speed, with people caught unaware so few measures were taken to protect their property and possessions;

- Residents were very anxious, very upset at what had happened or in denial and took a while to consider long term planning for their properties. Evidence from previous schemes has indicated that a property would have to flood three times before there is an acceptance by the property owner to install measures.

The final uptake levels were - 74% of eligible properties applied for a grant and 81% of these applications were approved.

Evidence of flooding

- Criteria

In order to be eligible to apply for grant funding a property had to meet the eligibility criteria set out by DCLG guidance. At the outset of the scheme, businesses were not eligible; this decision was subsequently reversed by Government with eligible businesses entitled to apply.

The initial decision not to include businesses resulted in challenging discussions between local authority staff and the respective business proprietors, and a sense of ill feeling towards the local authority resulted. More definitive guidance at the outset would have benefitted all parties.

With regard to scheme eligibility the following definition was provided in the Flood Resilience Scheme – Local Authority Guidance – January 2016;

The owners of the following premises have been deemed eligible for scheme:

- a. Residential properties (including accommodation such as static caravans where primary residence, defined as location registered on electoral role) where habitable internal area of the premise have been damaged by flooding by Storm Eva and Desmond
- b. Business (including social enterprise) and charitable organisation properties where internal areas of the premise which are critical to the day to day operations (i.e. not storage sheds or warehouses) have been damaged by Storm Eva and Desmond.

By the nature of terminology used, this led to differences of opinion to the criteria, in particular the term 'habitable'.

Despite requests to DCLG for a definitive definition of this term, none was provided. In the absence of such the FRG team referred to those provided in building regulations and housing legislation in conjunction with a subjective opinion, where required.

Further difficulties were encountered with the wording with respect to 'internal area'. Some property owners reported flooding to sub floor areas (beneath floorboards) or non-habitable basements. Similarly, in some circumstances detached garages alone were flooded. The FRG team took the decision not to award a grant in these circumstances. Integral garages were considered where it was demonstrated that protecting a garage adjoining a property that had suffered flooding was relevant and where value for money was demonstrated.

The work undertaken by the council's Public Protection Officers who visited flooded areas shortly after the flood helped to verify if a property had suffered internal flooding. Additionally this aspect was supported by information obtained from the Environment Agency (EA), concerning flooded areas and information collected at the time of flooding. Due to the topography of the district many individual properties that were flooded lay outside

the Environment Agency flood zones, were initially unrecorded or in rural areas. Local authority officer knowledge proved to be an invaluable source of information.

Photographic evidence was requested in all cases to support an application, but wasn't always available or provided. A flood resilience survey of the property was also accepted as supporting evidence that the property had flooded. Additionally, not all applicants made an insurance claim and in some cases properties had been stripped out or even renovated at the time of application. A combination of these made it difficult to verify the eligibility of an application, even when a site inspection was made by a member of the FRG team. Although the definition was clear on internal flooding we did receive a number of enquiries from people whose gardens or greenhouses flooded, or properties which nearly flooded.

To aid the eligibility of an application, Council Tax Flood Relief records were, where required and more specifically as the time from flooding lengthened, cross referenced. This provided consistency to the scheme in terms of records. It was however our view that those residents not willing to register their properties on public record as flooded and who could not prove internal flooding in any form should not be able to benefit from public money for flood protection.

Occupants or owners that prevented flooding to a habitable room through exerted efforts were ineligible to benefit from the scheme as set out in the criteria. This resulted in situations where those occupying a property adjoining a flooded property, whose owners did receive maximum grant funding, have to endure the fear and threat of any recurrence in the future. Any future scheme should allow funding for these properties providing evidence is submitted as it seems grossly unfair to penalise a householder for being proactive.

With regard to businesses, the criteria 'critical to day to day operations' resulted in subjective assessment which inevitably led to differences of opinion in several applications. In some circumstances the line between storage/warehouse or business critical was a difficult decision.

There was not a general agreement on the definition on habitable room at the housing sub group for Cumbria officers which lead to different local authorities applying different definitions. There was no definitive steer from DCLG/DEFRA.

Use of flood grant data

Throughout the operation of the scheme, the authority collected a significant amount of data about properties which had flooded within South Lakeland. It was recognised at a very early stage that this information may be of benefit to other government agencies with an interest in flooding such as DEFRA, the EA, and Highways Authority. Consideration was therefore given to firstly ensure that applicants for the scheme were happy to have their data shared with other agencies, and secondly that other agencies used this information in a responsible way.

In order to ensure applicants were informed that their data may be shared, part of the declaration included a statement which was agreed with the SLDC Corporate Information Officer.

Data sharing agreements were also established with those other government agencies who may have need of the information collected.

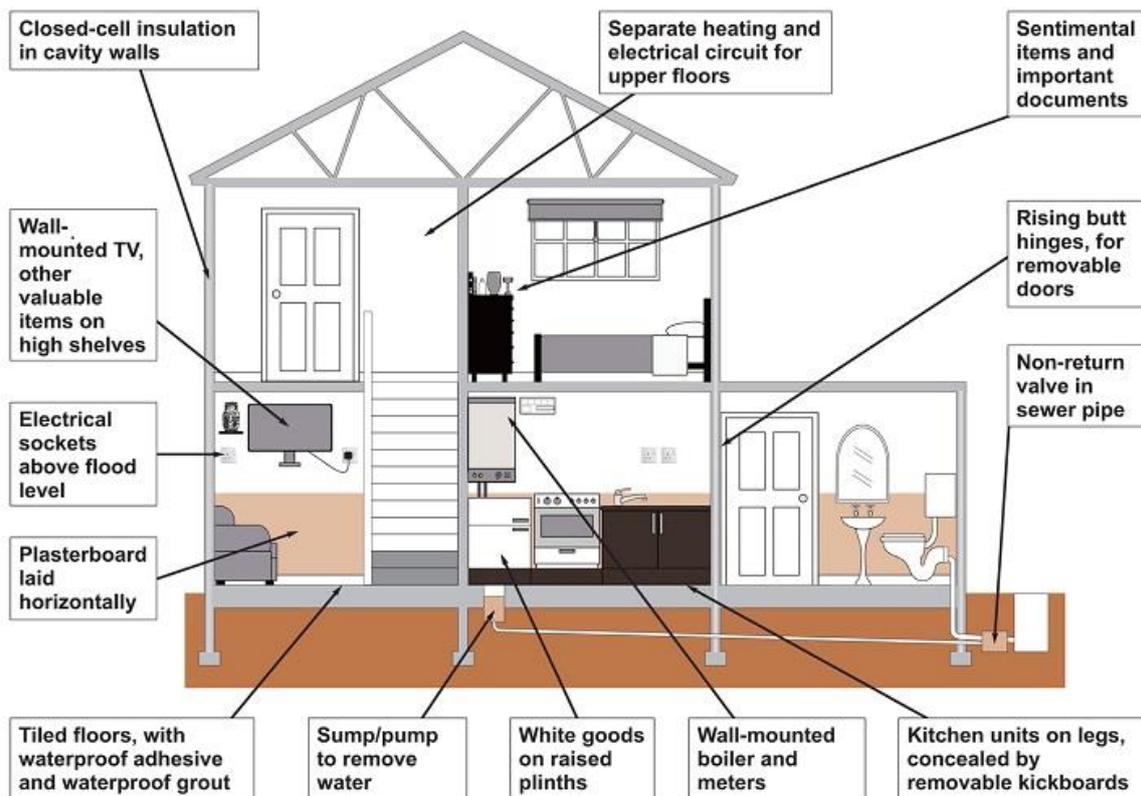
In reality, any data requests were for general numbers and the location of properties flooded, and not for specific measures installed or any other personal data.

Resilience and Resistance measures

- Scope and definitions

Resilience – Resilience measures allow for a more speedy recovery when water does enter a property. Use of flood resilient materials in properties at risk of flooding greatly reduces the time people are out of properties following a flood event. This approach requires consideration at an early stage of reinstatement and, where applicable, the engagement of the insurance provider/reinstatement contractor.

Resistance - The primary aim of resistance measures is to prevent the entry of water into a property during a flood event. Physical defences, such as flood doors, demountable barriers for at risk doors and windows and automatic air bricks are common examples.



Example of flood resilience measures for a house

From the outset the local authority promoted resilience over resistance, particularly where internal flood levels were excessive and resistance would have likely been futile. This approach followed the intention promoted at the Manchester meeting 15 January 2016 but was not specified in the guidance subsequently produced. Whilst resilience allows for a more speedy recovery following a flood event many applicants were adamant that resisting the entry of water was their preferred option, irrespective of flood depth.

The grants were not intended to cover standard repairs or to provide compensation but to finance measures designed to reduce the impact and cost of any subsequent flooding to the property.

The FRG team referred primarily to the Guidance Notes provided by DEFRA, however the measures presented were not an exhaustive list and acknowledged as indicative of measures that were eligible. The list and cost of indicative measures appeared to be outdated, being drawn from DCLG guidance notes of 2014. The team expanded on the measures provided, on occasion with DEFRA agreement, in order to ensure eligibility and to provide a wide range of options to applicants. However, a definitive answer was not always provided by government, casting more doubt on eligibility and consistency.

As the scheme progressed it became apparent that whilst a property may not have been subjected to flooding of habitable rooms, as outlined in guidance, the use of a property became inhabitable if vital utility services were flood affected. This led the team to reconsider their standpoint with applications subsequently approved to raise utility services that were not specifically in a habitable room to above the flood level experienced.

The DEFRA Guidance states the aim should be that resistance measures will exclude water up to 0.9m depth. This in practice is difficult to achieve as the majority of kite marked resistance measures available are certified closer to a 0.6m depth. However, in numerous circumstances the local authority established that protection up to 0.6m depth was acceptable even where previous flood levels had exceeded this. Guidance Notes that complement measures available would seem a sensible option for any future scheme.

External drainage channels and boundary walls or bunds to divert flood water were not measures deemed eligible by the local authority as this may have resulted in increasing the risk to neighbouring property. Similarly, driveway barriers were also rejected in preference of the promotion of measures adjoining the fabric of the building.

Applications were received where several properties within a curtilage were under the same ownership or management. In these situations the pooling of funding was permitted, subject to approval, to allow grant funding to be used for the most effective flood protection.

Whilst the local authority strived to provide a consistent approach, the lack of definition provided by DEFRA resulted in differences of opinion between applicants and the local authority. Inevitably, such issues led to a drawn out process, on occasion involving several tiers of management, councillors, applicants, surveyors and the Flood Grant team, in attaining an outcome. Had the guidance been more definitive, these distractions would have been avoided affording more time into providing advice, issuing approvals and ensuring a more consistent approach nationally.

- Quality Assurance

Quality assurance took a considerable amount of officer time both in confirming acceptable measures and relaying this to all interested parties. We were fortunate however, to hold in-house expertise with officers who were familiar with relevant products and experience from previous flood grant schemes.

Guidance documentation (DCLG 20 Jan) recommended the use of British Standards (BS) (or equivalent) for all works. There is a plethora of flood protection products available, many of which do not hold BS certification. Although many companies claimed their products met PAS1188 through in-house testing, as opposed to BS independent assessment, this was deemed insufficient, particularly where high value products such as flood doors were applied which could cost over £2,000. This decision led to vociferous objection and challenge from some companies that fell under this criteria and also from householders who had or were

intending to install such products. As far as we are aware, SLDC is the only authority to make this a mandatory requirement, despite forming part of the guidance provided.

In all cases where a flood door was installed, a copy of the respective kite mark certification was requested along with photographic evidence of the product installed. This quality assurance check was not infallible as a BS kite mark certificate can easily be obtained via an internet search. Further conflict arose as many companies supplied both BS and non BS certificated products. A requirement to apply indelible markings on doors and frames would provide assurance to all parties in respect of product quality.

Several applicants understandably sought to install measures in keeping with their properties, in particular where they are located in a conservation area or through personal preference. A clear development management policy would have assisted in this respect regarding which measures were appropriate for a given area. Some applicants were left feeling unable to adequately protect their property due to confusing messages about what they could or could not install.

Where concerns with the standard of practices, products and workmanship were identified the relevant Trading Standards departments were informed.

To assist with quality assurance and ensure value for money, two like-for-like quotes were requested. These were required to be independent of the surveying organisation so as to avoid a conflict of interest and bias towards self-promoted products. Despite this, a number of applications were identified by officers where inappropriate measures had been proposed. Instances included applications for door barriers or flood doors which would have been ineffective as the flood water had entered through the basement level or ground floor, and flood doors in settings where no other escape route was available, effectively trapping residents inside their properties.

Surveys

Government proposed that the local authority could offer a free survey to support an application or to fund this as part of the £5,000 grant. Due to the number of affected properties and the perceived financial and resource cost to the local authority, the decision was taken at the outset to use grant funding for these costs. A grant eligible limit of up to £500 was permitted for a survey following the figure promoted in the guidance document from DCLG.

To aid this we invited surveyors, both locally and nationally, to express an interest in delivering this service to flood affected property owners. A meeting was chaired by the FRG team, with interested parties, and considered the relevant criteria to be included in a survey report. Surveyors were invited to submit a draft report for our assessment to ensure an acceptable standard and consistent approach could be achieved. A list of those surveyors was published online to allow applicants to consult with and select a surveyor, however, it was never a requirement of the grant to specifically use one of these surveyors.

Surveys were received from sources in addition to those on the publicised list. Many of these surveys highlighted the bias element and/or fell below the standard expected. Inappropriate surveys included measures for properties that had not suffered flooding to an eligible room, construction details of properties not fully considered (crosswall), surveys being submitted directly to the flood grant team (in conjunction with an application form) without consultation with applicants, being of a very low standard and with incorrect critical detail such as flood

depth, no indication of flood water entry routes, wrongly titled photographs, and inappropriate measures.

A conflict of interest and lack of independence was clearly apparent in the surveys submitted by some companies. Surveys of this nature would identify eligible and appropriate measures, such as a concrete floor however, the subsequent application and quotes were clearly for off the shelf products and not those that would provide the most appropriate resilience/resistance measures. These findings were identified through vigilant assessment and conveyed by the flood grant team to interested parties.

Whilst a survey was recommended, particularly where resistance measures were proposed, some surveyors insisted that only their organisation could undertake the survey. This led to an element of hostility between such organisations and homeowners with the local authority acting on occasion as mediator. Comments such as 'money making exercise', 'incompetent', 'rip off merchants' were reported to the FRG team.

These issues are to be expected as there is no formal recognised qualification, national training or approved standard for flood protection surveyors. A recognised training and accreditation scheme would help gain the trust of householders and scheme promoters, and ensure consistency across the industry.

Within South Lakeland over 70% of applications submitted were supported with a flood resilience survey.

Application form

- Layout and content

No sample application form was provided by government therefore the Cumbria Resilience Group tasked SLDC with developing a sample form for the scheme. This was developed based on the application form used by us in the Repair and Renewal Grant 2014 scheme and subsequently circulated to all Cumbrian Local Authorities and DCLG to agree. (Note: Government press release dated 9th December 2015 stated that the scheme would provide targeted support on the same basis as those affected by flooding as part of the previous scheme).

However, advice received from DCLG was that they did not want the scheme to simply mirror the previous DEFRA scheme and therefore further consideration was given to the application form. This included simplified text and additional guidance notes, although advice on the specific areas to simplify was limited, and a focus was placed on locally agreed schemes. The application form for this scheme was considered by the Cumbria Housing sub group on 17th December 2015 with a final draft circulated and agreed on 23rd December 2015.

Although agreed as a part of a Cumbrian scheme, each local authority tailored the application form to their own design (corporate logo, layout, design etc.) The application form was subsequently made available on-line as a download prior to Christmas 2015, as directed by DCLG.

At this stage the scheme parameters were not set and there remained a number of unanswered questions from DCLG, which directly affected the content of the application form. These included (but were not limited to), the inclusion of businesses in the scheme, should housing associations be able to access the scheme, should the scheme be based on a property or a household, were second homes or empty homes included.

Changes were made to the application form following additional guidance issued by DCLG in early January and DEFRA in late January 2016. The changes made included the inclusion of properties flooded as a result of Storm Eva and commercial properties, the end date for the scheme was also extended until 31 March 2017.

Where an application was submitted without a flood survey, the applicant was asked to provide a rationale for their measures, we asked for quotes to show the cost of repairs with and without resilience measures, supporting evidence such as photographs and, to encourage people to submit the correct information first time, we added a (short) list of the information we required to be included with the application.

The third and final version of the application (produced July 2016) asked which rooms had been flooded and included the proviso that any work carried out prior to receiving written grant approval was done so at the applicants' own risk

The most up-to-date application form was always available on our website but prospective applicants did sometimes use older versions of the form they had received in an initial mail out or had obtained from our partner agencies which caused confusion and frustration. It would have been helpful to have included version numbers on the application form and been clear that updated forms superseded previous versions, and we would only accept the updated version of the form.

Guidance notes

Guidance information was provided on the council website advising on the availability and eligibility of the grant, and to assist property owners in applying. These pages were updated as and when new guidance and information became available from DCLG, DEFRA or other sources.

Providing an example of a completed application form to help people understand the type and level of information required would have been beneficial to both the applicant and the team. A form was partially developed but never completed and published due to time pressures on officers and also changing guidance from Government. Potentially it would have reduced the number of forms we returned as incomplete or requiring more information, this would have speeded up the process for some.

Specific areas where applicants experienced difficulty with the application form included:

- Who should apply – tenant/leaseholder/management company/surveyor/owner
- Details of flooding - this was often vague and sometimes an assumption that we would already have this information. Estimated depth of water led to different accounts on adjacent properties
- Measures to be installed - guidance was provided on the difference between resilience and resistance as initially people were sceptical about the idea of letting the water in to their property and having resilience measures in place to minimise the damage and disruption by speeding up the reinstatement process if they flooded again
- Cost of repairs v resilient repairs – a quotation form was produced to assist contractors and applicants understand and work out the betterment costs
- People were not aware of the difference between a 'quote' and an 'estimate' and also did not understand what 'like for like' meant in relation to quotes

In addition to the guidance notes and information on our website we also held weekly drop in sessions where people could get first hand technical advice on their situation and receive help and assistance completing their application form. This proved to be a success and provided an invaluable face to face opportunity for the FRG team to speak directly to applicants and flood affected victims.

Information Management System and standard letters

At the onset of the scheme it was decided to utilise the Civica Authority Public Protection (APP) software system already in use within SLDC's Public Protection team to record and administer any enquiries and applications for the grant. All documentation, letters, emails, details of conversations, site visits, payment details etc. were recorded against the individual property record. These records were 'locked down' with only the staff within the FRG team being able to access them.

To ensure a consistent approach, speed up the grant process, and reduce the repetitive work of the team, some template letters were set up within APP.

In some circumstances these letters worked really well as the same information could be communicated to the applicant quickly and easily. However, one size fits all letters were not always appropriate and the letters, particularly the approval letters, had to be tailored to the individual circumstances of the applicant. To further assist this process some additional standard sentences and paragraphs were then compiled to cover a variety of circumstances and situations. Nevertheless it was still necessary to write bespoke letters in most instances due to the complexity or uniqueness of the applicants' situation.

Using Civica APP to record all the flood grant information also meant that we were able to set up reports which provided us with real-time information via a dashboard. This data was used to complete returns and provide updates to our Management Team and Councillors etc. It was also an essential tool for us to review and monitor the progress of the scheme and was particularly important as deadlines were approaching to enable us to know who we had to chase for information.

Data for Portal Return *(example of a report)*

Number of Applications Received:	1397
Number of Applications Approved:	1131
Value of Applications Approved to Date (£):	£3,495,907.75
Number of Applications Paid Out to Date:	1683
Value of Applications Paid Out to Date (£):	£3,485,524.17

As the scheme progressed it became evident that approval letters needed to be very clear and specific about what was being approved in terms of the measures/products, the supplier and the values and where necessary what was out of scope. We had some instances where the invoices for completed work/products differed from those approved which then took up

officer time to review and either accept or refuse these changes.

The approval letter also needed to be very clear where applicants were going to have to contribute towards measures above the grant award. We had instances where applicants said they did not realise they would have to contribute towards the costs of the measures costing more than £5,000 even though their approval letter clearly stated we would be awarding a specific grant amount (in monetary terms) towards the measures.

Contractors and quotations

As flooding had affected many parts of the UK there was an apparent lack of availability of national or local contractors from the outset. Many local contractors were involved with property reinstatement and unable to commit to the increasing demand from other flood affected properties who were seeking quotes in respect of the scheme.

In order to assist, prospective applicants were signposted to the National Flood Forum – Blue Pages, where a wide choice of products and national suppliers were available. Whilst a good source of information, we were unable to endorse the companies listed as advertisement on that site was via a paid subscription by these companies. It soon became apparent that whilst many kite marked products, as advocated by the scheme, were available, some companies were advertising products that had no independent testing certification to support their claims. On occasion this caused conflict and redirected our efforts to defend the stance of expected standards as promoted in the DEFRA guidance.

Due to the shortage of suitable contractors, applications were received which included quotes and/or estimates from contractors whose primary work included the likes of landscaping, painting and decorating, and plumbing. As there was no recognised standard for fitting flood products we were left to consider these on an individual basis and approved only where a level of competency could be demonstrated.

We also received several notifications about the perceived lack of competency of contractors working under the instruction of the insurance industry. Reports of painting over wet walls and over mould were reported along with general sub-standard levels of work. This led to applicants delaying applications while they were having to concentrate efforts on predominantly insurance financed reinstatement.

It was recommended that two like-for-like quotes were required, however the quality and content of many we received appeared spurious, not independent of the applicant and we were aware, through local intelligence, of a level of collusion taking place between some contractors and applicants.

People were often confused by the terms 'quote', 'estimate' and 'invoice' and did not understand the difference between them which slowed down the process and caused localised friction and delay pending submission of the correct paperwork. This was an issue that was encountered even with the larger companies involved.

It was evident that some contractors, whilst within the indicative guidance figures provided, appeared to use this to their financial advantage as quotes received were suspiciously close to the maximum grant available. An example being the guidance figures for concrete floors which had a range of several thousand pounds with no indicative cost per square metre. Whilst it is acknowledged that contractor's rates vary, a national rate per square metre

should be considered in any similar future scheme to provide financial security and value for money.

The complexity of establishing the betterment value was seen by some as a blocker to getting the work done so we produced a quotation form, with a worked example, to help applicants and contractors work out these costs. This allowed the applicant, with assistance from the contractor, to demonstrate the cost of a resilience repair as compared to the actual cost of the reinstatement. Only the additional resilience amount was covered by the grant scheme.

The launch of a government grant scheme awarding £5,000 per flooded property appeared to result in a rise in price of many standard products and as the scheme progressed the price of some products increased significantly i.e. automatic closing airbricks, which were available for under £40 each prior to flood, rising to a supply and install price of quotes for over £150 each. Quotes for kite marked doors set out at circa £1,800 however as time progressed quotes/invoices were also received for closer to £3,500 each. These factors significantly reduced the measures that grant funding could finance.

It was very noticeable that many of the quotations submitted were for amounts equal to the grant available and once some contractors were aware that a further £2,000 grant funding was available to householders through Cumbria Community Foundation (CCF) the quoted prices increased again and were often for measures that were not appropriate or necessary.

It became evident through the process that some contractors were subcontracting work out. Either through being unable to deliver or seeking an alternative less expensive contractor so they would financially benefit from this exercise. Whilst this exercise was seen as morally dubious we were unable to prevent this, predominantly only becoming aware following the completion of works.

Many contractors were not VAT registered which allowed them generally to submit more competitive quotes however, where VAT was included in a quote evidence was requested through the provision of a VAT registration number so the validity of this cost could be ascertained.

Retrospective applications

The scheme allowed for applications to be submitted retrospectively. In the beginning this allowed people who had already begun or completed work immediately following the flooding (before the start of the scheme), to access the grant to recover the costs of eligible measures.

The application form requested applicants to describe how they had ensured value for money and requested evidence of quotes and invoices.

However, the majority of retrospective applications received were not supported with a survey and had limited rationale for the measures undertaken which resulted in a higher degree of scrutiny and more officer time in establishing eligibility and appropriateness of measures. This included site visits, discussions with insurance companies and sometimes neighbours. This rigorous assessment helped to establish those applications that were potentially fraudulent/opportunistic.

Retrospective applications were an administrative burden on the team in terms of verifying validity of claims such as:

- difficulty establishing the pre flood use/eligibility of a room that had subsequently been re-instated or converted into a habitable room post flooding
- difficulty in determining level of eligibility for properties that were undergoing renovation at the time of the flooding (extent of damage caused, pre-commitment to financing and construction works)
- awarding for measures to property extensions that that did not exist at the time of the flooding.

Where insurance companies carried out the reinstatement works the property owner sometimes requested resilience measures, such as the raising of electrics, to be carried out over and above insured losses. However, on occasion, neither the applicant nor the insurance company were able to substantiate this by way of invoices or supporting information making it difficult to award a grant against these additional eligible works.

Some speculative applications were made for items purchased/installed following previous flooding and as they pre-dated the December 2015 flooding events were deemed not eligible.

Despite the publicity about the scheme, we continued to receive retrospective applications up to the application closing date. Early on in the scheme we decided that any measures undertaken without prior approval were at the risk of the property owner. Some of these later retrospective applications included measures that pushed the limits of eligibility resulting in applicants attempting to force the hand of officers. However, all retrospective applications were considered on a case by case basis to ensure the costs were proportionate and the measures appropriate.

To facilitate the administration of any future grants the acceptance of retrospective applications should be time limited.

Title of scheme

The original direction from Government was that this scheme would be similar to the previous scheme offered and therefore would follow a similar scope as the 2014 Repair and Renewal Grant. Follow up guidance in early 2016 referred to property level resilience with no reference to 'repair'. This name change was welcome as the use of the word 'repair' previously had led to confusion from the residents and gave people a false idea of the purpose of the grant. The name of the scheme subsequently changed as per the guidance and focus on making properties resilient to future flooding events and became known as the Property Level Flood Resilience scheme.

Section two: Operational delivery

Communications

To promote the availability of the grant, the team worked closely with the council's communications department and an extensive and integrated communications and marketing plan was drawn up. Details of the communications activities included:

- Numerous press releases that were picked up and resulted in coverage in local newspapers, websites, regional TV and local and national radio, with officers from the project team completing a number of broadcast interviews for both radio and TV. These releases included regular updates on the scheme, deadline reminders and specific

details on kite marked products etc. to support the messaging throughout the duration of the project.

- In January 2016 we posted out application packs to all properties that we believed to have been flooded. The pack included a covering letter which outlined details and eligibility for the scheme, a summary of the difference between resilience and resistance measures, the reasons for carrying out a flood survey, information about working with their insurance provider and details of websites, including our own, where further information and advice could be found. The pack also included an application form and reply paid envelope, general information about the grant, a list of surveyors who would be able to carry out flood surveys, information on what works would require building regulations or planning permission and a ABI guide to resistant and resilience repair.
- Initiated a 'Battling Back from the Floods' campaign in the most widely read local newspaper, The Westmorland Gazette, both in print and online (a combined 100,000 weekly readership) and provided copy and case studies for a series of features promoting the flood grant scheme, how to apply etc.
- Integrated social media campaign on Facebook and Twitter to encourage take-up.
- Dedicated flood grant section on website, with clear presence on the home page.
- Regular features on the scheme in the resident newsletter South Lakeland News, which distributes to every household in the district.
- Case studies on residents and businesses that had accessed the grant to illustrate the process and the measures.
- Regular briefings for councillors on the flood grant scheme to enable them to support activities in their communities.
- Communications officers attended meetings and provided regular briefings for the South Lakeland Community Flood Recovery Group, made up of representatives of charity groups, community organisations and businesses supporting the flood recovery, so they could promote the flood grant scheme.
- Supported awareness of drop-in events at the town hall to assist with flood grant applications.
- Supported awareness of community engagement work to encourage flood grant applications, including promoting a 'Lend a Hand' day at Sandylands in Kendal, one of the worst affected areas.
- Supported awareness of the flood fair event in Kendal.
- Supported awareness of the flood grant scheme with leaflets and information at strategic locations, including the flood recovery unit/foodbank that was set up in Westmorland Shopping Centre in Kendal.
- Staff internally briefed about the scheme so that residents contacting council tax to update the status of their property were also provided with information about the scheme.

Community engagement

A significant amount of activity took place to promote the scheme. As well as the communication plan and actions there was work within the community, some of these included hosting training for various third sector partners (Age UK, CAB, Lions, Gateway, Kings Foodbank, Sandylands Methodist Church, Cancer Care, Samaritans, Buddhist Group of Kendal), Kendal Town Council and elected members on the scheme and how to apply.

A flood fair was organised on the 8 October 2016 at a local shopping centre in Kendal to showcase potential products, suppliers providing examples of solutions and access to the team to discuss how to make an application, status of their application or any other information. The team attended a significant number of Cumbria County Council arranged events across the district which were primarily aimed at collecting information from flooded properties to help the Section 19 (Flood and Water Management Act 2010) report. Whilst attending these events local residents wanted support and advice on how to protect their property, and this was seen as being beneficial.

The team also attended and supported the local community recovery group which has a high turnout of the third sector who would cascade information back into the community and report any areas of concerns and recommendations. Further community engagement including support to community events such as give a day, door knocks with the third sector and working closely with the Red Cross who visited property owners to talk about their application and encourage up take.

At the onset of the project there was a significant amount of people attending the council offices for advice. Most of these did not make appointments and officers were not always on site to provide assistance. We recognised that we needed to provide the public with the opportunity to speak to the FRG team for help and support. We set up weekly drop in sessions every Wednesday from 1pm – 6pm in Kendal Town Hall. A total of 40 sessions were held between April 2016 and March 2017 dealing with over 500 enquiries and were deemed as an extremely useful and beneficial exercise.

Unfortunately, at times there was negative media and coverage that was inaccurate about the grants which could have put people off applying. The FRG team worked closely with the communication team to counterbalance these claims.

Standard of applications

The standard of applications throughout the scheme was generally low. Initially the applications lacked detail as they were partially completed, there was no supporting evidence of flooding, had limited or no details of measures applied for, no quotes were provided and no flood protection survey had been carried out.

Between 1 January and 31 March 2016 we received 195 applications of which only 23 of the 101 assessed met the scheme criteria and were approved. Sixty eight applications did not pass the initial assessment and were returned as incomplete with the areas requiring further information highlighted. Ten applications passed the initial assessment but further details were requested before a decision could be made to accept or refuse.

In order to improve people's understanding of the scheme and clarify the scheme's criteria, weekly drop in sessions were held. These proved invaluable and resulted in a noticeable improvement in the standard of applications as people were better informed and the most appropriate and effective measures to best protect their properties from future flooding were identified. This then speeded up the approval process if when the application and quotes were submitted they were for the measures previously discussed and agreed as appropriate.

However, as the scheme was drawing to a close many of the applications received in the final month were again of a poor standard. Some were speculative and others lacked detail and supporting information despite applicants having had over a year to complete and submit their application.

Panel, appeals and administration

Once an application was received an initial screening was completed by a member of the support team and appendix two outlines the checks completed. This first screening allowed for applications to be screened before they were reviewed by a technical officer. This process provided a triage to the team.

After screening, the officer would complete an assessment, again in appendix two and any that were considered to be contentious were assessed by the flood grant panel.

The panel comprised a manager and two technical officers and they met as necessary to make a final determination. The decision letter was the formal summary notes from the meeting.

The flood grant panel reviewed 45 applications (some of which were repeated following additional information or changes to the scope). There was no process of appeal against the decision and the only formal route was via the council complaints procedures and then to the ombudsman.

We received 10 complaints which were dealt with through our formal complaint process, and one complaint which was referred to the Local Government Ombudsman which is discussed in greater detail in the customer experience section below.

Inbox and telephone line

A dedicated phone line and email address were set up and promoted at the start of the scheme to enable the public and partner agencies to contact the FRG team directly.

However, at times the volume of calls and emails was overwhelming with the small team unable to answer all the phone calls and reply in a timely manner to emails in addition to speaking to people in reception, making site visits, progressing applications etc. To help this, the weekly drop in sessions were introduced, more information was put onto the website to help answer frequently asked questions and customer services were provided with briefing notes and training.

As there were limited resources available to answer the phone and respond to less complex emails it would have been of huge benefit to all to have more bespoke scripting in the customer service team. It would have been of particular assistance in dealing with calls from people who had not read the letters/emails we had sent them and phoned to ask what was happening or what they needed to do next when all this had been explained in the correspondence sent.

Many phone calls were lengthy as the public sought guidance and clarity on their sometimes complex situation yet- this was seen as welcome by both the team and the applicants. These calls enabled us to better understand their situation, identify any constraints, and talk through the options and for appropriate measures to be agreed verbally, which enabled applications to be progressed quicker to the satisfaction of the team and the applicant.

Customer experience

Customer experience was extremely difficult to gauge during the initial stages of this scheme. Some customers were extremely frustrated at the difficulties experienced in accessing the grant, directly after it had been announced by Government whilst others were happy that the council was here to help them after they had been affected by flooding.

We did make a point of listening to what our customers wanted, particularly in terms of advice and guidance, and adapted our service to meet their needs where possible. This included making officers available to attend flood advice fairs and community events, having a regular weekly drop in on a Wednesday afternoon, and keeping the information on our web site up to date. We also frequently revisited our communications plan to target key deadlines for the scheme and focused on any emerging issues where customer feedback had suggested additional support was required.

During the course of the scheme 22 written compliments, 10 formal complaints, and 1 Local Government Ombudsman (LGO) complaint were received in relation to this scheme. Whilst the compliments generally focused on the assistance which officers had given to applicants, formal complaints were generally orientated towards applications which had been rejected by officers, and where further explanation was required to support the rejection.

The involvement of the LGO in one complaint highlighted a number of areas in the scheme where we had not published sufficient local decisions regarding eligible criteria. As discussed at length in previous sections, the lack of Government guidance did result in a number of localised decisions concerning eligible criteria and the LGO suggested that because we did not publish localised decisions we were not operating the scheme in a transparent manner. The recommendation from the LGO was that we review the failed application and also ensure all rules associated with any future scheme should be transparent. The failed application was subsequently reviewed by a Flood Grant Panel, with due consideration for the LGO comments, and the decision was taken to award the grant.

The involvement of the LGO in this complaint has highlighted a number of areas of the scheme which would require greater consideration should the scheme be repeated following a future flood event. These have been included, where appropriate, in the recommendations section of this report.

Throughout the scheme it was difficult for all parties to agree on measures and eligibility in all situations, however the aim of the FRG team was always to obtain the most appropriate measures. This frequently resulted in differences of opinion, which were often clouded and driven by emotional and misguided advice received from others.

Payments

One of the main considerations as the scheme was established was that financial means should not be a barrier to accessing the grant and as payment would only be made on completion of the work, the payment process had to be thorough but allow for prompt payments.

With this in mind we developed procedures to allow flexibility with regards to payments i.e. we made part payments for works completed to date and facilitated some direct payments to contractors. To encourage the take up of the grant we put procedures in place to pay contractors directly for flood surveys so people who were already under financial pressures from the flooding were not put under any further strain and put off from applying for the grant.

At the development stage of the scheme it was decided that access to the payment records within Civica APP would be securely managed by limiting access to the System Administrator in IT and one member of the FRG team. This team member was the only person to deal with the payment forms and inputted the applicant's bank details onto the

payment record to enable a CSV file to be generated so the finance team could make the BACS payment. This procedure worked well and issues only arose when the team member was on leave and there was a short delay of a few days in making payments.

The grant application form gave applicants the option for the grant to be paid to themselves or the contractor with the majority requesting payment to themselves and they then settled their invoice/s with their contractor/s direct. Despite the Council's constitution and procurement rules prohibiting direct payments over a specified amount to be paid to contractors without a formal contract in place, all the payments made directly were under this threshold and so the team was in compliance with the Council's Constitution.

Along with the grant approval letter, payment forms were issued to the applicants to be completed and returned once the measures had been installed/works finished along with an invoice/receipt and where possible, photographs showing the completed works.

The technical officers would review the information provided by the applicant and either authorise payment to be made, request supplementary information, make further enquires of the applicant/contractor or undertake a site visit prior to approving any payment. In the main these BACS payments were made within 5 working days of the payment being approved.

We understand that a small number of applicants delayed paying the contractor once they had received their grant money with some then entering into payment agreements with them to settle their invoice.

The payment process was sometimes delayed due to the applicant not fully completing the payment form (e.g. not filling in their bank details or providing incorrect details) or not providing an invoice/receipt for the completed works.

A small number of flood product companies requested a deposit at the point the order was placed by the property owner, which in some cases was up to 50%. We took the position that the approval letter was a guarantee the property owner would be receiving the grant so this should be as good as a bond to secure the order. This approach was accepted in the majority of cases but it appeared that a few applicants who had the funds to do so did pay the requested deposits and were then reimbursed by us on completion of the works.

As the scheme was drawing to a close considerable effort was made chasing up outstanding paperwork to ensure we could make payments to all who had had been approved grants. Despite making repeat phone calls, leaving messages, sending emails and letters, we did have to visit several properties to collect the information to make sure they did not miss the payment deadline.

Applicants were not notified as a matter of course when a BACS payment had been made to them due to the extra work this created. If this process could have been automated it would have reduced the number of phone calls and emails checking if/when the payment would be made as people phoned us rather than checking their bank accounts.

Reviews undertaken by internal audit evidenced that sufficient checks occurred throughout the application process in relation to quotes and invoices submitted and that there was an audit trail for each payment from approval, payment authorisation to payment being made and all payments recorded on Civica APP were evidenced to the financial ledger.

Section three: Strategic Management

Resourcing

The project was resourced by SLDC. The grant scheme did not allow any financial contribution to be compensated to SLDC to deliver the project. At the onset of the project, a team was set up and officers were seconded from their statutory duties relating to public protection and were backfilled.

The team consisted of two full time flood grant officers (both had administered previous flood grant projects), a coordinator and support staff and was assisted by a number of officers within the council including communications, finance, building control, planning, IT and the customer contact centre. The project was overseen by an operational manager and an internal project board made up of members of the senior management team.

The total cost for resourcing the project was just over £192,000 which was equivalent to £137 per application. The cost of administering the Repair and Renew Grant scheme in Surrey in 2014/15 was an average of £284 per application.

Deadlines

Confusion was raised over the duration of the scheme as no time scales were provided by DEFRA/DCLG at the outset or throughout the scheme. We were mindful from experience of previous schemes we have administered that these projects take a significant amount of time and resources which are affected by the scale of the flood event, clarification of scheme eligibility, availability of contractors and products, and slow uptake. The local authority subsequently promoted their own extensive deadlines for applications and completed works which were accepted by DEFRA. The promoted SLDC dates were ultimately adopted by adjacent local authorities who had initially set their own earlier and unrealistic scheme dates. These extended dates allowed additional opportunity for those who had been unable to return to their property following the flood events and dealing with outstanding insurance claims, to submit an application and benefit from the flood grant scheme. A Cumbria wide agreement at the outset would have supported a county wide approach.

At SLDC we accepted applications up to 31 March 2017, works to be completed by 30 September 2017 and final grant award payments made by 31 January 2018.

Fraudulent claims

Although the scheme ethos set by DCLG was 'light touch' it was necessary in the administration of public funds to ensure that all monies were accountable. The distribution of potentially £12m of public funding could not be done without diligence and scrutiny.

The scheme, through the processes introduced, the scrutiny of the applications and the technical knowledge of officers identified a number of potentially fraudulent claims and these were investigated by the Council's Fraud Officer.

The fraud attempts varied in type, ranging from submitting invoices for work not carried out, submitting fake quotes and invoices, inflated invoices, applications for properties which were not flooded and photographs of measures from another location.

Seven people were interviewed under caution. Some of these were the applicant, others were the builder/contractor.

As a result of the intervention of the fraud section, three people were successfully prosecuted, two at Magistrates' Court, one at Crown Court, all who offered guilty pleas. Sentences ranged from community orders to suspended prison sentences. Two people withdrew their application after the intervention of the Fraud section and three people were refused the grant.

To assist in this aspect a reference folder was produced in which a selection of invoices and quotes were filed. This led to the identification of fraudulent documentation and subsequent investigation.

The FRG team, although attentive in initially identifying suspicious documentation, were fortunate to be able to access and obtain the assistance of the council's fraud officer. Without this support the team would have likely been unable to pursue fraudulent cases to a satisfactory conclusion.

During one court case the Judge was full of praise for the council's work in this matter and said the local authority was to be "congratulated on a careful and efficient investigation of this case, substantial sums of money are involved in the grant. The local authority are to be congratulated on their proper and careful enquiries. The local authority were able to identify this as a bogus claim".

We are not aware of any other local authorities in Cumbria undertaking a prosecution or enforcement action linked to fraudulent claims.

Vulnerable residents

The flooding was a very traumatic experience for flood victims and we often had to deal with individuals who were struggling physically, financially and emotionally – this was especially evident at our early weekly drop in sessions.

To help support vulnerable applicants we had a member of the Red Cross attend the sessions and who also made home visits if we were alerted to concerns via site visits, letters or calls. Towards the close of the project the Regional Flooding and Coastal Committee funded technical support for NewGround to assist but unfortunately their involvement commenced long after the floods had receded and residents had moved back into their properties.

Other key partners included Cumbria Community Foundation who offered emergency grants (usually up to £500) to relieve hardship caused directly or indirectly by the storm or floods as well as Resistance and Resilience 'top up' grants of up to £2,000 for property level measures that exceeded the £5,000 limit of the FRG.

Kendal Gateway coordinated by Age UK South Lakeland collected an abundance of information including help required for grants via a bus and outreach work in the community. Our officers had little day-to-day contact with the team and subsequently made very few referrals. No follow up was made to these referrals and the outcome or action taken was unclear. At times there appeared to be a duplication of support and lack of coordinated effort which resulted in a whole range of forms that people were faced with. Residents often felt that numerous organisations were requesting the completion of forms for unknown reasons.

Flooding has a negative impact on mental health. At times the team had to work with residents to consider the most appropriate measures based on their health needs e.g. a heavy barrier would not be suitable for an elderly person etc.

Further reading about the impact on mental health can be found in the following report

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/348903/Flooding_and_mental_health_essential_information_for_frontline_responders.pdf

Sharing of good practice

From the outset the FRG team took, and created, opportunities to discuss and share good practice across all elements of the scheme.

It is disappointing that there was a relatively long time delay from the government announcement of a scheme on 9 December 2015 and the launch in Manchester on the 15 January 2016. Earlier publication and clarity would have benefitted all, not least those who had already commenced reinstatement of their property.

At the Manchester event, resilience was heavily promoted over resistance however this was not conveyed in the subsequent guidance published. This caused confusion over the hierarchy of flood mitigation measures although the local authority set out to promote the initial brief.

At the same event the insurance industry fully supported and promoted the inclusion of resilience measures during reinstatement, although in practice this did not materialise. Despite the council forming a local agreement with one insurance company, including an agreed schedule of rates and the grant eligible elements, the invoicing element to validate any grant funding could not be finalised. A formal agreement across the industry should be considered to facilitate the mechanism for funding the installation of resilience measures during reinstatement.

As the scheme progressed a national forum/knowledge hub was formed, managed by DEFRA, where technical queries were raised regarding eligibility criteria. Despite an occasional positive response, in general a limited non-committal or no response at all was the outcome. This inevitably led to local frustrations and will have contributed to an inconsistent approach nationally.

With the intention of creating a Cumbria wide scheme the local authorities liaised at an early stage with the aim of adopting a locally consistent approach. This proved difficult with the each local authority interpreting the guidance at a more local level. Definitive specific national guidance is perhaps required to ensure consistency.

Monitoring

The scheme was intended to require a light touch approach however, as the scheme progressed it quickly became apparent that monitoring in excess of the obligatory 5% audit of properties receiving a grant award payment was required. All applications were subject to a stringent administrative process which was bolstered through the vigilance and actions of officer scrutiny.

The assessment of surveys in conjunction with the application form, evidential photos and supporting documentation/commentary provided an early opportunity to identify concerns. Officers liaised with the householder and/or surveyor as appropriate to establish the facts and make a judgement call on the validity and promoted effectiveness of proposals. Several onsite meetings were often required prior to an approval being issued.

In order to facilitate the acceptance of the quality of works the FRG team liaised with and observed the works of contractors, where applicable, during their initial installations. This provided opportunity to ensure the expected standard was likely to be achieved, intended to reduce the necessity of revisits and provided confidence to the property owner and the team.

Administrative scrutiny was supported with physical audits following installation, which despite our pre installation vigilance, identified a significant number of approved measures that were installed incorrectly or obvious entry routes for flood water overlooked. Examples include self-closing airbricks installed upside down and operating/maintenance leaflets left inside, doorways protected but not adjacent high risk windows and pumps provided without sufficient hosing length.

Without further intervention such measures were practically ineffective. It was disappointing that some contractors fell below the expected degree of competency. Householders, who lacked technical knowledge or raised concern with the flood grant team, were thankful for the intervention of and advice from officers undertaking audits which often resulted in a revisit and corrective actions by the respective or on occasion alternative contractor.

Bulk applications required regular meetings and visits throughout the scheme to initially allow approval to be reached, monitor progress, ensure that approved measures were being installed and identify the reasons for and approve alterations (where amended measures were submitted). These applications and approvals required significant officer input due to the numbers and complexities encountered.

Of the total 1683 grant payments made, in excess of 250 physical visits were made totalling around 15% of measures installed.

Performance

From the onset of the project, unrealistic targets were promoted by central government. A document produced by DEFRA suggested a 24 hour turnaround time of an application. In practice most applications required additional information, required follow up calls and or visits. As an authority we had a target date of a decision or further communication within fifteen working days.

At peak times during the project this was unachievable. Applications were processed and for fairly simple applications a decision was made within 48 hours.

Previous schemes had a take up rate of around 20%, and despite historic previously low uptake levels DEFRA and DCLG were looking for high levels of uptake from the outset. Benchmarking was set against other local authorities which was not considered appropriate for the following reasons: -

- Significant parts of the flooded areas had never flooded before and most people wanted to accept the incident as a one off event and therefore did not want to put measures in place
- Some areas had large numbers of social housing flooded and housing associations put in large bulk applications
- Research has found that a property floods on average three times before measures are installed.

External pressures were focused on application approval whilst we focused on getting appropriate measures for properties at a competitive cost to demonstrate value for money.

To support performance management a number of tools were set up, a dashboard with real time data on our information management system as well as peer reviews, site visits and a weekly drop in session to raise concerns. Complaints and compliments were dealt with via the normal council procedures.

Internal Audit

In April 2017 Internal Audit carried out a review of the management and administration of the grants scheme to provide assurance on the effectiveness of the scheme (but not on the effectiveness of the measures funded by the scheme itself). They concluded that we had “designed and implemented” an application process with “appropriate checks and controls”, “there were effective and proportionate controls over the quotation process and verification of the actual work undertaken”. A rating of “Substantial Assurance” was given.

Value for money

Value for money must be considered across all elements of the grant scheme.

Administration costs – SLDC calculate the administration costs to be just over £192,000. The administration and success of the scheme ensued from the initial secondment of three full time officers to form the backbone of the flood grant team at the outset, being supported throughout by various colleagues. This resulted in stability, experience and efficiency as the scheme progressed and delivered value for money. Although additional officers were involved to support the full time officers, the lack of familiarity did impact on the efficiency developed by the dedicated flood grant team. As administration costs were non-recoverable and clearly a financial and resource burden on the local authority, value for money to benefactors of the grant scheme is clearly evident, but a burden on local authority resources. The continuing dedication of the team and commitment to assist those during a traumatic time further supports value for money.

Quotes – In order to demonstrate value for money more than one quote was required, initially three quotes were requested as used in previous schemes. This changed to two quotes when guidance became available. As the scheme progressed and where neighbouring properties or those in close proximity of similar construction submitted an application for eligible measures with supporting evidence, one quote was often deemed sufficient, following a positive assessment by the team, for an application to be approved.

On occasion, quoted figures were increased post approval leading to an increased invoice. The team challenged these where appropriate notifying the homeowner and relevant company that a quote is a fixed sum. Some companies were unable to appreciate or understand the contractual differences between a quote and estimate. All invoices for figures higher than those quoted were challenged by the grant team to obtain a reduction where applicable to the approved quote. Without supporting justification estimates were not accepted, not least to provide assurance to the householder and to demonstrate value for money to the local authority.

Products and labour charges - Value for money concerns were highlighted as the scheme progressed. The noticeable increase in the cost of products cast doubt over value for money, as in some circumstances the supplier of products appeared to be increasing the cost of items purely as a profit exercise. Concerns were also raised where the cost quoted for items exceeded the cost of identical or similar products that were readily available from alternative suppliers. This aspect was particularly noticeable where an applicant would apply for

products only, choosing to install themselves, and in doing so obtaining an increase in value for money and a wider selection of products. This further increased value for money as no labour element was awarded where an applicant chose to self-install. It was evident that some contractors, whilst within the indicative guidance figures set out in guidance notes that resilience measures, such as concrete floors or tanking systems, were suspiciously close to the grant maximum available.

Retrospective Applications – Conflict often arose where retrospective applications were submitted. Where these were not supported by an independent survey or supporting quotes, just an invoice, generally in the region of £5,000 - it was difficult for the applicant to demonstrate value for money. It was predominantly these applications that were subject to greater scrutiny and the implementation of further action where fraudulent activity was identified. In an attempt to gain greater control over retrospective applications a time limit, such as within the first two months following the announcement of a scheme, would negate the requirement for increased scrutiny and resource impact at a later stage. This would lessen the number of speculative applications and afford more time to the team to administer legitimate applications.

The audit process – Whilst a light touch was the intention it was through the vigilance and actions following officers' findings that further safeguarded value for money. Physical audits identified a significant number of installed products that had been installed incorrectly and without intervention were practically ineffective. It is disappointing that some contractors appeared incompetent.

Section four: Key partners

At the onset of the project, concerns were raised with DCLG and DEFRA about the resources required to deliver nearly 2,400 grants which a potential total value of twelve million pounds – all at the time when the council was still heavily involved in recovery. The Chief Executive and the Leader of the Council also had discussions with the Northern Powerhouse Minister and it was raised as a major concern with the strategic recovery group which feedback to central government.

It is likely that on the back of requests for help some discussions took place with Business in the Community (BITC). BITC is the Prince of Wales's initiative aiming to provide a responsible business network with a group of members who work together to tackle a wide range of issues. The aim is to create a fairer society and a more sustainable future. They are a business-led charity with more than 30 years' experience of mobilising business with a core membership of more than 800 organisations from small enterprises to global corporations. Under BITC, is Business Emergency Resilience Group (BERG). BERG facilitates access to the resources of the member businesses of BITC to assist small businesses to plan for, respond to and recover from events which disrupt their business and impact their community.

BERG is fairly new and is evolving in response to events, keen to fill gaps and complement rather than replicate the activities of others. BERG is not a first responder service and aim to complement recovery. The principal strength is the convening power. Whilst the following is not intended to be exhaustive review it is indicative of the sort of resource BERG may be able to access and offer.

- Winter Flood Response – One area of BERG support

- Web based resource. We are working to collate and make easily accessible all of our information resources on line <http://www.bitc.org.uk/programmes/business-emergency-resilience-group-berg>
Insurance surgeries - from high level process to detailed advice for individuals.
- Insurance claim resolution - in the rare circumstance where the appropriate response or process is not followed BERG has had the opportunity to support insurers and the insured
- Loss Adjuster facilitation - BERG has facilitated an 'on the ground' and within 24 hour response from the Loss Adjuster community
- Specific flood recovery advice - given in surgeries and one to one to assist those affected to understand how their property will react and recover
- Resilience repairs advice - specific guidance in how to undertake a repair which is more likely to be 'flood proof' should a flood recur
- Resilience repairs leaflet - created and distributed
- Request for assistance forms - provided to those who seek specific/ particular support from BERG
- Provision of 4 wheel drive vehicles - to assist the recovery and relief effort – (Jaguar Land Rover)
- Provision of new, essential furniture - to enable temporary housing of those displaced by flooding (John Lewis)
- Provision of flood defence materials - Floodsacks (Alder and Allan)
- Provision of technical advice - regarding clean-up operations (Adler and Allan)
- Regarding ICT recovery (RBS/ Barclays etc.)
- Provision of emergency food and toiletries for individuals (ASDA)
- Establishment of fund raising campaign for affected rural communities (Virgin Money Foundation & Virgin Money Foundation and Virgin Money Giving)
- Provision of fencing – to replace damaged/ washed away fences for farming/ tourism and safety (Cordiners)
- Emerging offers in process of negotiation
- Creation of containerised/ mobile co-ordination and communication incident office
- Network of recovery facilitators, seconded from business, to work with businesses, communities and the public sector agencies for 3 months post event

In March 2016, SLDC was approached by BERG and DEFRA about support for the flood grant project. The initial scope was a collaboration of businesses (made up of BERG members), other agencies such as the EA and local organisations to provide a one stop shop approach to flood grant/ insurance claim and general flooding support. The initiative was led by Adler and Allan (A&A) on behalf of BERG. A&A's areas of expertise include emergency response; environmental, mechanical, electrical and civil engineering services as well as specialist fuel service capabilities.

A portacabin was quickly mobilised to Asda (Kendal) (BERG Partner), being staffed by A&A representatives. It was anticipated that partners/agencies would also operate from the unit, however this unfortunately did not materialise and throughout the project the only BERG member and partner involved was A&A. This resulted in conflict with the team as A&A, being

a product supplier and survey provider, were the sole organisation operated from the unit which led to a bias towards their services.

The portacabin remained at Asda for three months and was found not to be in the best location, especially for the flood affected properties in north Kendal. BERG relocated to a vacant commercial property on Blackhall Road, Kendal and remained at the shop until 26th May 2017.

As outlined in the chapter on surveys we recommended that before consideration of measures a flood grant survey should be completed. Locally the building surveyors were overwhelmed with the amount of survey work and other additional building work associated to the flooding and there was a demand on the trade. A&A stepped into this market as they saw an opportunity and started providing surveys. For the factors highlighted about the concerns about surveys (e.g. no standard form, training or accreditation) the first batch of surveys were not of the standard expected and the team at SLDC helped support A&A to increase the standard – the team put in a considerable amount of resources providing support, educating and reading and reviewing surveys and in the first few months it put additional pressure on the project as resources were diverted from processing applications. A&A had a standard price of £360 for surveys. The grant had a maximum limit of £500 and the costs varied from £240 (SLDC Building Control) up to £500.

The core of A&A's business linked to flooding is recovery on industrial scale and they deliver 24/7 emergency response and post incident remediation for over 80% of the UK, deploying equipment such as flood barriers, pumps and temporary storage tanks. They had no experience of the flood grant scheme or working with communities and members of the public as their work is all commercial nature and all flood work was focused on resistance. As a result all the quotes were linked to resistance work which did cause ongoing debate with the team, as for some properties resilience e.g. concrete floor should have had more consideration. When concerns about the package of work were raised the householder/business was informed.

Uncertainty was encountered with 'crosswall construction'. This is a construction method where a house has a timber framed front and rear wall (elevation) which has little structural or flood resistance properties. Some houses of this construction style had extensions or alterations previously made as an improvement to remove these stud wall elevations, however this construction method was not identified by Adler & Allan. This resulted in poor advice at the outset from survey through to promoted measures. This issue was identified through the vigilance of the FRG team.

From the onset A&A, working under the BERG umbrella, considered this as commercial opportunity whilst the FRG team focused on promoting the most beneficial and appropriate measures for applicants, at a market price and standard resulting in the two objective approaches making the relationship contentious at times. On a number of occasions senior members from BERG and A&A were invited in for high level discussions with SLDC. DEFRA and DCLG were invited to these meetings but did not attend. During the project, update meetings took place on average once a week with BERG and A&A requiring numerous site visits to obtain a satisfactory outcome. This was an additional drain on the FRG team and although BERG may have helped to promote uptake there were clearly different agendas.

One particular measure where conflict arose was around the installation of a sump pump (installed beneath suspended flooring with discharge hosing plumbed in). In many cases,

despite approval being provided and considered greatly beneficial, a free standing puddle pump (to pump water off a solid surface) was often supplied instead. A sump pump removes a greater volume of water and has the potential to prevent a water level rising up to the floorboard/carpet level. A puddle pump is only generally effective once the water level has risen above the floor finish level. A&A often reported this was a customer decision whereas the applicant was usually unaware of the exchange and more importantly unaware of the reduced protection provided. The installation time and inconvenience was considered to be the primary driver behind this approach.

SLDC was the first local authority to roll out the BERG/A&A model however, before the project was embedded the scheme was rolled out to Lancaster, Allerdale and then later Carlisle City Council. The absence of definitive guidance led to local variations, such as SLDC were the only local authority requesting two quotes from A&A, as advocated in government guidance, as opposed to one in neighbouring authorities This created tension in the relationship with A&A despite our aim of achieving value for money.

Other areas of significant debate included:

- The flood grant team often found items quoted for which were not required, for example sealing of cable entry points, mortar repair and repainting for the same part of the premises
- Price increases from an approved quote to invoice. We rejected any increases and the original prices were honoured after significant debate
- Invoices often had new items or a change of scope from the approval. We remained flexible to re-review requests as at times the schedule of work would change on the day of installation e.g. opting for different measures, barrier heights etc.

The above practices created suspicions about performance related pay, bonuses and commission although we understand staff were not based on any additional payment linked to sales.

BERG/A&A experienced similar frustrations with the project including:

- No rules, no procedures and no steer when they asked senior members of DCLG
- No clear accountability on who was leading the scheme - DCLG or DEFRA
- Externally the focus was on the uptake and not on quality
- Lessons learnt in previous schemes had not been taken into consideration
- Very resource intensive and required a project manager from the onset who was from the sector

The two organisations are different in operating model, the private sector can take risks and are responsible to shareholders.

Some of the feedback about SLDC from A&A/BERG

- Remained clear on outcomes, governance, remained focussed and challenged
- Technical input helped shape the surveys and we always highlight issues

Figures

- 425 surveys received via A&A
- 471 applications received via A&A – with 45 applications for commercial properties.
- 142 complaints/concerns from 111 people

Following the project a debrief meeting took place in August 2018 with A&A and some of the key findings from the meeting included:-

- The lack of clarity, guidance and support from central government about the scheme was a major barrier to the project
- It was seen as a commercial opportunity which resulted in losses reported in the region of £1.5 million over the scheme (all areas)
- There is no aspiration to get involved in any further schemes

Cumbria Community Foundation

Cumbria Community Foundation (CCF) were an invaluable source of additional information for applicants and an effective and important support partner throughout the duration of the scheme.

Through donations made to them in the region of £10 million through 37,000 donations, CCF were able to assist flood affected victims with initial hardship payments up to £500 intended to help residents cover costs associated with flood damage, loss of income and increased travel expenses. In addition where an applicant was approved for the full £5,000 flood resilience grant, administered by the local authority, a top-up grant of up to £2,000 was available to cover measures up to a maximum of £7,000. Whilst this aided many to install a comprehensive package of measures some organisations saw this as an opportunity to apply for extra measures, which on occasion were unnecessary.

In particular circumstances of vulnerability and hardship where the combined efforts of CCF and the flood grant team deemed appropriate, CCF awarded a top-up grant in excess of the publicised limit. CCF also provided financial aid and emotional support where vulnerable residents had suffered impact to a property as a result of the flood event, even where they did not meet the flood grant criteria.

Insurance companies

At the initial meeting in Manchester in January 2016 it was presented that insurance companies would play a vital role in the reinstatement of flooded properties and they should incorporate resilience measures during this process. This agreement would permit the costs above like-for-like reinstatement to be grant eligible. At an early stage this appeared to a positive step, unfortunately it became apparent that only a minority of companies were acting on this understanding. There appeared to be breakdown in communication of this message to those tasked with arranging reinstatement or a conscious decision by insurers to ignore the publicised approach.

The vast majority of properties were reinstated on a like-for-like basis with no consideration of the incorporation of resilience measures despite requests from householders at an early stage. The local authority initially worked closely with one company and agreed that the cost of resilience measures above like-for-like reinstatement could be grant funded. A site meeting at a flood affected property undergoing reinstatement resulted in a mutual understanding. The decision, however, to consider the installation of resilience measures appeared to be a lottery and no consistency was apparent.

It transpired that the inability of the insurance company to raise invoices for any eligible measures due to their internal processes appears to be a significant reason why the system failed. Another reason for difficulties was the requirement of building regulation compliance

for structural, thermal or similar enhancements. The raising of electrical sockets to above the flood level was an obvious improvement and although some contractors carried this out at no extra charge or where an insurance company refused, a separate contractor was brought in and a subsequent grant award payment could be made.

Ultimately no payments in respect of insurance company instructed improvements were possible.

Acknowledgements

The administration of the FRG has required the involvement of a wide range of services within the district council and assistance from partner organisations. We would therefore like to thank everyone that has contributed to the scheme as it would not have been possible to deliver such a successful scheme without the support and dedication of the following staff at SLDC:

Core flood grant team:

Fiona Inston
Sean Hall
Shaun Senior
Elaine Hall
Tom McCormick

Others include:

Cat Brumwell
Lorraine Kissock
Lisa Shaw
Alison Coward
Katie Booth
Richard Machin

SLDC teams:

Building Control
Communications
Revs and Bens
Economic Development
Finance
Legal
Contact Centre
Public Protection
Streetscene

Conclusion

The flood grant team were tireless, regularly working long hours (including weekends and evenings) under pressure to deliver the scheme and despite this, due to the sheer number of

applications and their complexity, there were unavoidable backlogs at times. We remained consistent throughout, with our focus on the most appropriate measures while ensuring value for money. At times our robust and challenging approach resulted in conflict and the absence of good quality guidance did not support our project objectives.

There is significant amount of learning and we hope that DCLG, DEFRA and any other local authorities that roll out future schemes reflect on our learning.

Appendix 1: Table of Recommendations

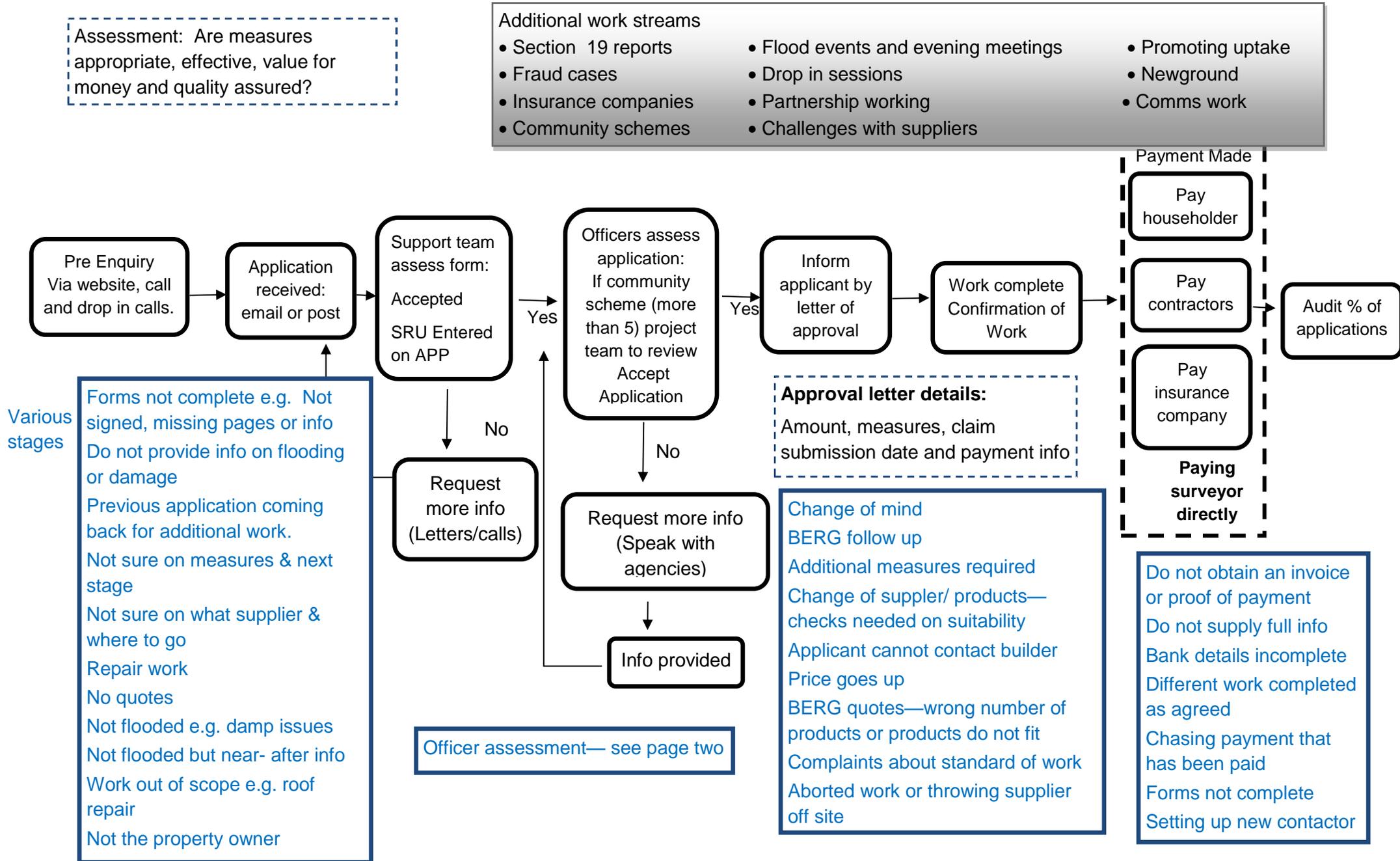
Section one: Scheme set up		
Issue	Detail	Improvements/Recommendations
Minimal information available at the announcement and outset of scheme	Lack of detail regarding scheme criteria	Announce scheme with definitive guidance, templates, forms, letters, key scheme dates for efficiency and clarity
Inconsistent approach by insurers Removing already present resilience measures e.g. removing lime plaster Painting over mould and wet walls	Lack of knowledge, procedures, buy in and seeing the bigger picture	Work to be done with loss adjustors and insurance industry to include resilience into re-instalment as standard practice Better education within the industry
Evidence of internal flooding	Lack of clarity on overall scheme scope and definition e.g. basements and integral garages	Clear definition of what is the acceptable standard of evidence to support the application
Penalised for being proactive to prevent flooding	If an owner did proactive measures during the flooding and as a result did not flood they were not eligible for the grant	The criteria reflects owners who are proactive

Promotion of resilience above resistance	<p>Heavily promoted by DEFRA however not supported in their guidance document and difficult to sell</p> <p>Insurance companies not engaging with this approach</p> <p>Different interpretation by different LA's</p>	<p>Clear hierarchy of acceptable measures which promote resilience above resistance</p> <p>Education material/messages to promote resilience</p> <p>Agreed, scheme specific approach in resilient reinstatement of properties with insurance companies</p>
Habitable	Clear definition – does property need to be lived in at time of flooding?	Clearer definition of which internal areas of property which are eligible from the start or remove the criteria
Business critical definition	The example of business critical was inflexible	Remove the business critical criteria of the grant
Surveys	<p>No national standard – no template or recognised format</p> <p>Different levels of competency amongst surveyors as no standard qualification</p> <p>Product focused</p>	<p>Develop national standard</p> <p>Develop accepted format for survey</p> <p>Requirement to be independent from products</p> <p>(Aware of some work nationally in this area taking place)</p> <p>Nationally recognised qualification</p> <p>Include post install survey in future schemes to validate installation and ensure standards maintained</p>
Application form	<p>No application template available</p> <p>Lack of guidance on how to complete form</p>	<p>National template</p> <p>Available online</p> <p>Different app. for small joint schemes</p> <p>Plain English – accessible</p> <p>Template application completed as a guide</p>
Contractor and quotations	Inundation of new contractors in district	Need to ensure value for money

	<p>Lack of understanding between estimate and quote</p> <p>Indicative DEFRA product cost list not current</p> <p>Contractors aware of DEFRA prices and adjust their costs accordingly</p> <p>Some prices became inflated because of demand e.g. silicon sealant</p>	<p>Costings should be bench marked.</p> <p>Minimum standard for invoices – not hand written</p> <p>Addition funds/resource should be given to local trading standards to police contractors and deal with customer enquiries</p>
Retrospective applications	No definitive timescale provided	Remove or provide a definitive timescale
Eligibility of bespoke flood mitigation measures	Conflict over definitions	To document local decisions to ensure clarity and consistency
Section two: Operational delivery		
Issue	Detail	Improvements/Recommendations
Communications	Developed comms plan at early stage and ensured lots of engagement. Worked well	Ensure comms plan developed at an early stage
Standard of applications	No supporting documentation provided	Supporting guidance notes to aid completion of an application
	Quotations not independent of applicant	Ensure independence of the quote from property ownership/interest
Indicative costs for measures were out of date and ambiguous	No clarity if these figures included materials and installation/labour costs	Indicative costs to be current and unambiguous e.g. £/m ² , to include installation cost and materials
Administration of application amendments	Changes to approved applications	Officer to consider on individual basis or Flood Grant Panel to minute meetings and document decisions

Section three: Strategic Management		
Issue	Detail	Improvements/Recommendations
Resourcing	Impact on day to day statutory functions	Funding to backfill seconded staff and to facilitate business continuity
Fraudulent claims	Identification of and action in respect of fraudulent applications	Worked well with cross departmental involvement.
Alternative delivery model	Significant impact on local authority staff	Reduce administrative burden
Performance targets	Short term unrealistic targets which focus on numbers rather than quality or the right measures	Remove the focus on KPI's.
Section four: Partners		
Issue	Detail	Improvements/Recommendations
Other Government Agencies	Scheme announced before detail clarified	Template scheme/process to be made available prior to announcement
Third Sector	Too many partner organisations – confusing for flood victims	Clarity for the process and responsibilities for the respective organisations

Appendix 2: Flood Resilience Grant Process Map



◆ Criteria assessment (internal, business criteria etc)	Review measures
◆ Review survey (is submitted), if no survey rec or find out justification reasons by contacting application	⇒ Are the measures appropriate and relevant. E.g. if not contact applicant to discuss alternative options such as concrete floor, pumps and advice on other funding available .
◆ Possible site visit	⇒ Is it part of insurance claim and question about double payment
◆ Referrals to Red Cross—vulnerable applicants	⇒ Can the works be completed? Conservation , BC, planning or EA referral / input
◆ Dealing with complaints. Referrals to Trading Standards other agencies and supporting applicant	⇒ Are the products supported with relevant kitemark. Could lead to further discussions with suppliers, BSI, testing lab or DEFRA
◆ Repeat enquires, phone calls, drop in, letters - same applicant	⇒ Are the suppliers reputable
◆ Liaison with EA, UU or CCC	⇒ What are the prices. Are they realistic, fit the guidance and present value for money. Pricing matrix available
◆ Working with surveyors and responding to advice from the trade	⇒ Technical assessments e.g. timber walls and barriers, height of barriers and structural impact. Barriers much shorter than flood incident and providing options
◆ Contact with tradesman	⇒ Quotes not like for like
◆ Contact with CCF about previous funding or option of additional funds	⇒ Quote does not separate repair and betterment costs
◆ Speaking to residents about joining up grant funding	⇒ Owner claiming for own labour time
◆ Review of appeals if rejected	⇒ Will the work impact on other properties or divert flooding risk
	⇒ Quote covers work not within scope of the scheme e.g. drainage work
	⇒ Quotes that are submitted as part of fraud case. Made up companies, builders, work already completed pre floods

Appendix 3 – Flood Resilience Grant Process Map

South Lakeland District Council

Flood Resilience Grant process map

