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Deputy Prime Minister
Creating sustainable communities

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OUR REF: PW/007537/05

LONDON RESILIENCE: “LOCAL AUTHORITY GOLD” RESOLUTION

Thank you for your letter of 10 December about the “Local Authority Gold” Resolution.

I agree that this is an important demonstration of London Borough’s willingness to work together on resilience issues. These arrangements benefit London as a whole and I strongly support your efforts to see them continue.

In an emergency we will, of course, give urgent consideration to the case for reimbursing local authorities’ reasonable costs, taking into account the particular circumstances, and let them have a rapid decision.

However, there cannot be any presumption that the Government will in any event reimburse local authorities for all of the costs of responding to an emergency. There are well established means by which Central Government can support local authorities, principally the Bellwin Scheme. In addition, as in the July bombings, Government has clearly demonstrated its willingness to consider the unique circumstances that an emergency might present and to help where an undue burden would otherwise fall upon a local authority or local authorities. But there is no automatic entitlement to financial assistance. Ministers will decide whether or not to activate Bellwin or a similar scheme after considering the circumstances of each individual case.

Also as you will be aware, the Bellwin scheme, when it is applied, reimburses a proportion of eligible expenditure (currently 85% of expenditure above a threshold of 0.2% of the local authority’s annual budget).



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We would expect, therefore, that where the LA representative at Gold incurs expenditure on behalf of another Borough, reimbursement should, in the first instance, be sought from the benefiting Borough.

Local authorities have the power to arrange with each other as to the discharge of their functions (under Section 101 of the Local Government Act 1972 and regulations made under Section 19 of the Local Government Act 2000). When this occurs one authority can discharge another's functions and, subject to the terms of the arrangement, the authority at Gold would need no further approval from the other authority or its officials before exercising those functions. The arrangement should explain who is responsible for the expenditure incurred through exercising the function.

We do not agree, therefore, that a guarantee of reimbursement by Government is a necessary condition for London Boroughs reaching agreement on representation at Gold Command.

A handwritten signature in black ink, appearing to read 'Phil Woolas'.

PHIL WOOLAS