

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO CABINET**

**22 April 2020**

**Report Title:**            **Coronavirus Pandemic Update**

**Submitted by:**        **Chief Executive**

**Portfolios:**            **All**

**Ward(s) affected:**    **All**

**Purpose of the Report**

To inform the Cabinet of the actions being taken across the Council to respond to the Coronavirus pandemic.

**Recommendation**

**1. It is recommended that Cabinet note this report and endorse the work being undertaken to respond to the Coronavirus pandemic.**

**Reasons**

To afford Cabinet an opportunity to publicly consider the actions being undertaken in response to the Coronavirus pandemic.

**1.     Background**

- 1.1 The Coronavirus pandemic is the greatest single risk to the health and economic wellbeing of the country since the Second World War. In February 2020 the Council established an Incident Management Team to plan the Council's response, ensuring that support to local residents and businesses was provided, that Council services were maintained, and the welfare of officers and members protected. Informal Cabinet have been regularly briefed on the work being progressed, including a daily briefing with the Leader. The approach adopted is based on existing business contingency arrangements and has put the Council in a good position in terms of stepping up its response.
- 1.2 The Incident Management Team interfaces with a range of groups which have been set up countywide to co-ordinate the response to the pandemic, including the Strategic Co-ordinating Group, and working groups on mortality management and vulnerability.
- 1.3 The Incident Management Team has met daily throughout March and April to consider the latest information and shape the Council's response, flexing resource to where it is most needed. This report summarises the actions taken and the current position in terms of support to vulnerable people, support to businesses, sustaining Council services and the impact of the pandemic on Council finances.

## 2. Issues

2.1 This report addresses the current Council response to the pandemic across four areas of work:

- Council Services
- Support for the most vulnerable
- Support for Businesses
- Impact on Council Finances

### Council Services

2.2 Over the past number of years the Council has invested in the ability for large numbers of staff to work from home, where this is practical for the role that they fulfil. Ahead of the formal “lockdown” announced on 20<sup>th</sup> March, this ability was enhanced, enabling the vast majority of office based staff to work from home. The only staff not working from home are those whose role means that this is not practical. This has meant that services such as Planning, Economic Development, Customer Services, and IT etc have been able to carry on with minimal disruption. However, a number of services have been significantly impacted either due to the risk associated with continuing business as usual, the additional demands placed on the service, or due to government guidance. The services experiencing the most significant change are:

- **J2** – Closed to public
- **Museum** – Closed to public
- **Castle House & Kidsgrove Customer Contact facilities** – Closed to the public, with all services being provided online or by phone.
- **Waste & Recycling Collection** – All waste streams are being collected, including Garden Waste. The collection schedule has been adjusted to make the best use of available resource, and to respect the guidance on social distancing. Service performance has been sustained despite a very significant increase in volumes of waste being presented.
- **Streetscene** – Service has been refocussed on priority areas to free up resource to support waste collection, and support social distancing.
- **Bereavement** – Time allocated to each funeral service at the crematorium has been reduced from 40 minutes to 30 minutes to increase capacity, and the numbers able to attend funerals has been reduced to a maximum of 10.
- **Taxi Licencing** – The service is focusing on supporting existing drivers, with no new license applications currently being processed. Taxi testing has been suspended. Nevertheless, through holding remote licensing hearings and other measures in place, there remains an appropriately licenced adequate taxi and hackney carriage fleet in operation.

2.3 In addition to the above, services which involve site visits (eg planning enforcement, environmental health) are continuing, but with risk assessments informing whether or not a particular site visit can be conducted.

2.4 During the early stages of the pandemic steps were taken to ensure that senior Members were provided with the software necessary to both work effectively at home and to engage in video

conferencing. This has provided a foundation for the roll out of virtual committee meetings early in April through the Zoom video conferencing platform. 100% of regulatory business remains on schedule. Approximately 60% of other business remains on schedule.

2.5 Where normal business cannot be carried on (eg J2), staff have, wherever possible, been reassigned to other work. For example, J2 staff now manage the helpline for vulnerable residents and are involved in delivering prescriptions. Staff from across the Council have also been trained to undertake roles in waste and recycling in case staffing levels there need to be augmented.

### **Support for the Most Vulnerable**

2.6 There has been a significant national effort to ensure that the most vulnerable in society continue to have access to food, medicine and support despite the need for them to practice social distancing and, in many cases, not leave their homes. A national food distribution programme has been established to support the most clinically vulnerable; at county level, Staffordshire County Council has established a significant infrastructure to meet the needs of other vulnerable people.

2.7 Recognising that the Borough Council has a particular, and close, relationship with the communities that it serves, the Council has also set up a helpline and online facility for individuals to reach out for assistance. The helpline is staffed by colleagues from J2, is open 7 days a week, and links into the national, and County support arrangements, as well as support arrangements established with the Realise Foundation and Support Staffordshire.

2.8 Across the borough, the voluntary and community sector has played a significant role in ensuring that the most vulnerable residents have access to the support which they need. The Local Area Partnerships have played an important role in ensuring that local support is co-ordinated.

2.9 The helpline, and online facility, serve as an additional safety net for any individuals who require support. Call numbers have been steady at around 150 - 200 per week.

### **Homeless & Rough Sleepers**

2.10 In addition to the helpline, a significant resource has been allocated to supporting those at risk of homelessness. In March the government required District and Borough Councils to provide emergency accommodation for any rough sleepers in their area and provided funds to support this. The Council is currently providing emergency accommodation for 21 individuals.

### **Hardship Fund**

2.11 The Government is providing council tax billing authorities in England with new grant funding to support economically vulnerable people and households in their local area. The Council has received £1.035m for this purpose. The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, and this change will be put into effect once the necessary software changes have been made. Additionally, it is anticipated that as the impact of the pandemic increases, more residents will become eligible for the LCTS, which this funding will facilitate. Consideration is being

given to creating a “Helping Hand Fund” with some of the hardship funding, if resources permit.

### **Support for Businesses**

2.12 The Government has put in place a range of support packages for small businesses, as outlined below. For Newcastle-under-Lyme, these will be administered by the Borough Council:

- 12-month business rates holiday - Businesses with a rateable value of up to £12,000 are currently exempt from business rates under the Small Business Rate Relief scheme. The government has now introduced a business rates retail holiday for businesses in the leisure, hospitality and retail sectors for 2020/21. The Council will receive a Section 31 grant to cover the loss in business rates income as a result of this measure, forecast to amount to £3.502m. This measure will be implemented by the Council through re-issuing NNDR bills reflecting the reduction;
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief;
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000;
- To cover two grant programmes, the Council has received £23.876m, and work is well advanced to process these grants. Our records indicate that some 2,040 businesses in the borough are eligible for one of these grants, and to date we have received over 1,500 applications. To date we have paid out c£10m to over 55% of applicants thanks to a huge effort by the team processing and validating applications. A critical factor influencing the speed with which businesses receive their grant is the accuracy of information which they provide in support of their application. Grant eligibility is subject to rigorous checks to avoid fraud, in line with government requirements, and therefore incomplete or inaccurate applications will delay pay-outs.

### **Financial Impact**

2.13 The Pandemic is already having a significant impact on the Council’s financial position. An initial tranche of government funding saw £65,000 come to the Council. A further tranche of funding was announced by Government on 18<sup>th</sup> April but, at the time of writing, the allocation to this Council is unknown.

2.14 The Council’s revenue budget relies on service income from fees and charges of c£850k per month across a wide range of services. A number of the Council’s services have closed to the public, e.g. Jubilee 2, Markets and the Museum, there is also likely to be a significantly reduced demand for a number of other services, e.g. planning applications and licensing, whilst charges for parking have been effectively waived in the interim period due to absence of enforcement activity and a requirement to provide free parking for NHS and care staff. Across the business, it is estimated that income of c£500k will be lost during each month depending upon Government support and the Council’s actions or savings which can be made in those service areas which are income dependant.

2.15 In addition to the loss of income, the Council is experiencing additional costs in some areas, with the most significant of these being in Waste & Recycling where additional costs of treating recycling product amounts to over £65k per month. Additional costs have also been

incurred in vehicle hire and staffing in order to maintain the service whilst complying as far as possible with the government's social distancing requirements. Additional costs are also being incurred in emergency accommodation for homeless people, rough sleepers and domestic abuse victims and interest costs.

2.16 Across the Council additional costs amount to c£134k per month.

2.17 In the longer term, any impact on either business rates collection (due to business failure) or Council Tax collection (due to non-payments) will materialise in 2021/22. A 10% reduction in the collection rate would cost the Council £180k per month in lost collection fund revenues.

2.18 The immediate consequences of the Coronavirus on the Council's financial position will depend significantly on duration of the lockdown and on the scale and timing of government financial support. Without significant government support the Council will not be in a position to balance its budget even if additional in year savings proposals are brought forward and spend on both revenue and capital programmes were curtailed. In a worst case scenario, were the government financial support insufficient in the context of the current budget position, consideration would need to be given to formal actions, including the S151 Officer issuing a S114 notice. Ahead of such an event, detailed consultation would take place with MHCLG.

2.19 The legal and statutory implications that could arise if significant financial support from the government are not forthcoming are detailed under section 6 below.

2.20 The Council is lobbying both through our local Members of Parliament and through national networks, as part of sector wide lobbying, to press the case for appropriate government support to address Covid-19 related costs and loss of income. Cabinet continues to work closely with the Executive Management Team to ensure prudent and well-timed financial planning contingency measures.

### 3. **Proposal**

3.1 Cabinet are recommended to note this report.

### 4. **Reasons for Proposed Solution**

4.1 This report serves to brief Cabinet on the work being undertaken to address the Coronavirus pandemic, and the financial impact that the pandemic is having on the Council.

### 5. **Options Considered**

5.1 N/A

### 6. **Legal and Statutory Implications**

6.1 Addressing the impact of Coronavirus locally has involved adjusting some service provision. When making such changes there are a number of legal and statutory implications to take into account. These are all appropriately factored into decision taking by the Incident Management Team.

6.2 The most pressing legal and statutory implications at this time centre around the requirements of Section 114 of the Local Government Finance Act 1988. S114(3) requires the S151 Officer to make a report to Council if it appears that the authority's expenditure during a financial

year is likely to exceed the resources available to it, and therefore make it impossible to balance the budget.

6.3 In the event that a S114 report is made, Full Council must meet within 21 days to decide what action to take in respect of the report. This typically involves a re-configuration of the budget so to cover the actual or anticipated expenditure. This invariably requires difficult decisions about immediate, and significant cost cutting measures. The authority cannot enter into any new expenditure during this period without the consent of the S151 Officer, which can only be given in very limited circumstances. The Council's response to the S114 report must be notified to the external auditor. Ultimately external audit and government intervention can follow if a balanced budget position cannot be assured.

7. **Equality Impact Assessment**

7.1 None directly arising from this report.

8. **Financial and Resource Implications**

8.1 The Council's General Fund balance as at 31<sup>st</sup> March 2019 was £1.548m. Careful monitoring of the financial position will be required over coming weeks and months leading to prompt corrective action where necessary to ensure that reserves are not exhausted and the Council remains in a position of being able to deliver a balanced budget position in the current financial year and beyond.

9. **Major Risks**

9.1 The Coronavirus Pandemic, in the round, represents a significant risk to the Council. This report sets out how that risk is being addressed.

10. **Sustainability and Climate Change Implications**

10.1 N/A

11. **Key Decision Information**

11.1 This is not a key decision

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None