

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Finance Assets and Performance Scrutiny Committee
25 June 2020

Appendix 1 Discussion Paper: CV-19 implications for the Finance, Assets and Performance Scrutiny Committee

Customer and Digital Services

1. In the months leading up to the lockdown, the Council had already invested to ensure that staff could effectively work on a remote basis if necessary. This commenced as part of the move to Castle House, and put the Council in a very good position when Coronavirus was first emerging as an issue. In early-mid March, the ICT team proactively encouraged those members of staff who had not previously worked from home to take equipment and test it, in anticipation of lockdown. 70 additional members of staff were kitted out to work from home within the last 2 weeks before lockdown. By the time lockdown was announced on Friday March 20th, Customer & Digital Services were already effectively working from home.
2. In addition to securing remote work for its own service, the Customer and Digital Services team engaged across the Council to ensure other services could also address the needs of changing service environment. Including:
 - Switching the Legal team to an online signature platform for contract signing;
 - Enabling online committee meetings using video conferencing for committee meetings;
 - Launching an online video streaming service for Cremation ceremonies;
 - Supporting staff and members with video conferencing facilities;
 - Reviewing and relaunching several online forms to make services available more easily;
 - Facilitating the processing of Business Support Grant schemes.
3. The Council's general Contact Centre has seen a significant increase in the number of calls – particularly for benefits related enquiries which have spiked in line with national trends and Garden Waste Subscriptions. Despite a daily increase in calls, the service has actually performed ahead of target, with less than 6% being abandoned and an average call answering time of 1 minute 38 seconds.
4. The processing times for housing benefits has risen slightly during the first two months of the year with new cases taking 25.06 days in May rising from 22.14 days in March whilst the change of circumstances time has fallen to under 4 days in May. The trend of HB cases reducing month on month as claimants switch to universal credit has continued but slowed slightly in the first 2 months of this year. The caseload was 5374 at the end of May compared to 6487 in March 2019.
5. Predictably we have seen a huge rise in the number of claims for Council Tax Reduction with 496 claims in March, 1278 in April and 886 in May. A large number of claims made via Universal credit were later cancelled as details of the furlough scheme were announced. There can be a delay in resolving these claims as we have to wait for Universal credit to be confirmed in the vast majority of cases but this has led to 467 extra cases being added to the caseload in April, increasing it from 8560 to 9066 cases.
6. Following the release of updated software to enable processing of the Council Tax Hardship Fund reductions of up to £150.00 reduction were applied to 4313 accounts during May. Refunds were issued

to around 120 people who had made payment this year where we hold bank details and letters were sent to a further 400 asking them to provide bank details to claim the refund. The expanded rates relief has also been applied to the accounts of eligible business rates payers.

7. As the Council implements its recovery plan a key focus of this service will be to continue to support remote working, as it will be some time before there is a return to full office occupation. In addition, the digital team will be central to efforts to secure longer term efficiencies from some of the changed business practices, and technology adoption, which has been driven by the pandemic.

People and Organisational Development

The People and Organisational Development team have been central to the Council's response to the pandemic, developing new policies to ensure fair and consistent practice across the workforce. This has been particularly important given that we have some colleagues who can work effectively from home and some whose roles simply do not facilitate this (e.g. Waste & Recycling, and Streetscene teams). Key work strands included:

- Shielding for clinically vulnerable, encouraging working from home where possible, and supporting those unable to do so;
 - Absence management arrangements for individuals with suspected Covid, diagnosed Covid, and colleagues who were in contact with these individuals. This includes implementing government guidance on self-isolation and suspending usual sickness absence triggers for Covid related absences.
 - Recognising that the lockdown has impacted on people in different ways depending on their personal circumstances arrangements were put in place to enable colleagues to work more flexibly and at different times of the day. There has been a particular emphasis on flexibilities around those with caring commitments, and those themselves shielding in vulnerable groups. Flexitime and core hours schemes have been suspended.
 - Where staff have been required to continue to work on site, Risk Assessments have been undertaken to ensure safety which has resulted in changes to some operational models, for example, changes made within Waste and Recycling services to limit the number of officers working in a single cab at any one time. Additional Personal Protective Equipment has been sourced, additional cleaning regimes and resources have been put in place to ensure the safety of staff.
 - Re-assigning staff to meet service demands – the key area where this occurred was in Waste and Recycling, where colleagues from Streetscene were reassigned to ensure waste collection services continued. In addition colleagues from J2 were re-assigned to establish a call handling team supporting the vulnerable, promoting take up of business grants, and taking pressure off Customer Services by dealing with calls related to the new recycling service. A lifeguard from J2 has retrained as a Cremator Operator during the period of J2's closure, to provide much needed capacity and resilience in Bereavement Services.
 - A Collective Agreement was negotiated with recognised Trade Union colleagues to Furlough staff unable to work due to Covid-19 and this will positively impact on the council's financial position with no detriment to staff.
8. A specific focus of the People and OD Team since the start of lockdown has been the support both the physical and mental health of staff. Recognising that working from home or in different ways can impact on staff, regular advice has been provided for staff regarding developing a healthy routine, healthy eating and keeping active. Advice has been shared both by email and on the organisation's intranet pages.

9. The council has signed up to VIVUP, an online wellbeing platform which provides staff with free access to health and wellbeing advice as well as access to a 24/7 phone line should people need some support with their wellbeing at any time.
10. As we consider a move to a recovery model, departmental Risk Assessments are being produced in partnership with Trade Unions to ensure that any sites and services looking to re-open do so in line with Covid-Secure requirements. Furthermore, as officers return to the workplace, individual Risk Assessments will be undertaken where necessary, to account for a diverse range of personal circumstances including vulnerability of the individual or any householders. We will continue to review our wellbeing work stream to ensure that the needs of staff are met accounting for flexible circumstances.
11. The Team is supporting the Back on Track work and reviewing policies, supporting the Risk Assessment process and continuing to work in partnership with Trade Unions to ensure a safe, fair, efficient and supportive model of service delivery.

Legal and Democratic Services

12. Government introduced Regulations on 4 April 2020 enabling local authorities to hold committee meetings using telephone/video conferencing technology. Before the Regulations were introduced, the Chief Executive used video conferencing technology to determine some planning and licensing matters in order to keep business moving. He did so under the existing urgency procedures in the Council's constitution, after consulting with the respective Chairs and Vice Chairs and hearing from applicants where necessary.
13. Since the introduction of the Regulations, video conferencing technology has been used to hold Cabinet, Planning, Audit and Standards, Licensing and Public Protection and Public Protection Sub-Committee meetings. With the exception of Cabinet and Audit & Standards, which met with its usual membership, committee meetings have been taking place on a reduced membership, whilst maintaining political proportionality to allow better management of the virtual meetings, as agreed by the political Group Leaders.
14. Wherever possible, the usual requirements in terms of agenda publication have been observed, and the process for calling-in Key Decisions remains operational. The technology enables members of the public to observe and, where provided for in our constitution, participate in meetings.
15. These arrangements were agreed and kept under review by the Group Leaders, avoiding the need to make any amendments to the Constitution. The approach taken was to try and avoid diverting officer resource away from urgent service delivery and pandemic response work. It was also important to keep the scale manageable in terms of becoming familiar with new technology and ways of working.
16. The requirement to hold an Annual Meeting was specifically dis-applied by the Regulations and any appointments that are ordinarily made at Annual Council continue until the next Annual Meeting is held.
17. In the main, virtual meetings on a reduced membership where appropriate have proven to be successful and efficient. In accordance with good practice, those involved to date will be surveyed to understand their experience of the process, and to see what improvements can be made.

Financial Impact

18. The Pandemic has had a significant impact on the Council's financial position through a combination of lost income and additional costs. Cabinet was advised in the April 2020 report of the prospect of the Council's S151 officer needing to issue a S114 notice to Council unless the financial situation could be

addressed in order to secure a balanced budget position. The Council actively lobbied 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. Subsequently, the Council was allocated additional Government support of almost £1.3m to support its delivery of Covid related activity and the impact of the pandemic on the Council's income. This additional funding is sufficient to return the Council to a balanced budget position in the short term and ensure that it has sufficient cash to meet its outgoings.

19. 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. The Council has been actively monitoring the impact of the lockdown and the working practices required to ensure safe practice. Across the business, it is estimated that net income of c.£276k will be lost during each month that the lockdown prevails. This is slightly lower than reported in May, and reflects increased income from recycling credits as well as action taken to minimise associated costs. The majority of this income loss relates to J2 leisure memberships, parking, court fees and recycling income.
20. 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.
21. Across the Council additional costs amount to c£147k per month. Action is being taken to minimise costs and conserve cash, including a temporary freeze on recruitment and non-essential expenditure, deferral of some capital expenditure and a review of contributions to earmarked reserves. Detailed financial risk assessments are also being carried out on a monthly basis.
22. Thus far we have not seen a significant reduction in the amount of Council Tax collected. However, it is estimated that the cost to the Council of the possible increased claimant count for Council Tax Support will be c£148k. Business rates collection during April and May was down 4.89% on the same period last year after adjusting for reliefs. Assuming that some of this lost revenue is recovered in the second half of the year the likely collection fund deficit for 2020/21 will be between £550k and £730k. This would represent a total year on year reduction in revenue of £1.4m to £1.6m as the Council would normally expect to generate a collection fund surplus of c£850k. The impact on either business rates collection (due to business failure) or Council Tax collection (due to non-payment) will materialise in 2021/22.
23. The longer term 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 further Government financial support. The Council is actively lobbying our local Members of Parliament and through national networks as part of the wider public sector family, to make the case for further Government support to address Covid-19 related costs and loss of income. In the meantime detailed financial risk assessments are being carried out on a monthly basis.

Recovery

24. With the lockdown beginning to be eased, efforts are now increasingly focused on recovery, and ensuring that both the Council and the Borough get "Back on Track" – getting the economy back to its pre-lockdown position as swiftly and safely as possible. A recovery plan has been prepared, with six distinct work streams – two internally focused and four externally focused. Cabinet will oversee the

implementation of the recovery plan, with portfolio holders working closely with the Executive Management Team colleagues leading on each work stream

25. The work stream “Stepping-up Council Services” deals with bringing Council services back to their original service capacities in line with Government guidance for re-opening the economy. It is anticipated that some services will experience significant spikes in demand once the economy begins to re-open, and such spikes will need to be carefully planned for within overall capacity.
26. A significant part of this work is about ensuring that robust Risk Assessments are prepared for each site that the Council operates, and that additional controls are being planned for implementation including:
- Protective cough screens to any public facing counters
 - Adapting services to reduce the need for face to face contact, utilising digital media and phone facilities
 - Personal assessments for any staff classed as vulnerable in public facing roles where their service is re-commencing
 - Introducing one way flows around buildings where possible, including signage
 - Establishing new capacity limits for offices, meeting rooms, etc
 - Managing break-out / canteen facilities to ensure social distancing is possible, and cleanliness is maintained at adequate levels
 - Ensuring appropriate hygiene practice is in place across the multiple aspects of building occupation, ranging from self-clean desk facilities to arrangements for general cleaning.
27. A plan is in development for the medium term financial recovery of the organisation, including a clear strategy for the Council to build up its financial resilience and replenish revenue reserves to a prudent level following the Pandemic given the many financial risks and uncertainties that will persist for the foreseeable future.
28. Key actions include:
- Refreshing the MTFs on the basis of the latest financial forecasts;
 - Reassessing corporate priorities in the face of changing service demands and a reduced tax base;
 - Risk assessing all 2020-21 and 2021-22 savings proposals;
 - Revisiting the digital delivery business case with a view to accelerating delivery of projects that will generate revenue savings; and
 - Bringing forward a suite of “invest to save” and commercial investment proposals for consideration as part of the 2021-22 budget process.

Conclusion

29. During the lockdown phase of the pandemic, the Council has successfully worked to keep essential services going through deployment of technology. This has allowed large scale home working, web and telephone based customer services, and video-conferencing for committee meetings. This has been facilitated by detailed work by HR colleagues, working closely with the trades unions to ensure that fair and equitable business practices have been deployed.
30. The pandemic has had a significant impact on the Council’s finances, with the immediate impact being mitigated by funding provided by central government. The Council’s recovery plan includes specific actions to mitigate the medium and long term impacts of the pandemic of the Council’s financial position.