

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S
REPORT TO CABINET

Choose an item.

08 July 2020

Report Title: Back on Track - Coronavirus Pandemic Recovery Plan 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 and to recover from its impacts.

Recommendation

- 1. It is recommended that Cabinet note this report and endorse the work being undertaken to recover from the pandemic.**

Reasons

To allow Cabinet to publicly consider the actions being undertaken in order to recover from the pandemic.

1. Background

1.1 Cabinet has received monthly reports detailing the Council's response to the Coronavirus pandemic and, latterly, progress in delivering its recovery plan. As work progresses nationally to ease the lockdown restrictions, this report provides the current position regarding the recovery effort.

1.2 The recovery plan continues to be closely monitored by the Leader and Cabinet Members who are leading on specific work streams, with the Incident Management Team continuing to manage the day to day recovery effort alongside the ongoing elements of incident response which continue to be required.

2. The Recovery Plan

2.1 This report addresses the Council's current position across five areas of the recovery work:

- Reopening Safe, Successful Retail Centres
- Supporting Health & Wellbeing
- Economic Recovery

- Stepping-up Council Services
- Financial Recovery

Reopening Safe, Successful Retail Centres

2.2 Ahead of the re-opening of general retail on 15th June, arrangements were put in place to facilitate the safe re-opening of Newcastle and Kidsgrove town centres and the various district centres across the borough.

2.3 To assist in getting Newcastle town centre back on track, the Council has:

- Provided businesses with advice regarding Covid secure arrangements that they would be required to implement;
- Deployed a range of signage to encourage social distancing;
- With the Business Improvement District, provided a visible presence in the town to encourage social distancing and identify any businesses which require additional advice or locations where securing social distancing is problematic;
- Provided market traders with six weeks of trading free of pitch fees;
- Launched a “Shop Local” campaign to encourage support for local businesses.

2.4 From 4th July a further range of businesses will be permitted to open, including those in the hospitality sector. As with the first wave of businesses to re-open, officers are providing advice to this second wave of businesses so that they can re-open safely and contribute to the economic recovery of the borough.

Supporting Health & Wellbeing

2.5 The Council continues to operate a helpline and online facility for individuals to reach out for assistance. The helpline is staffed by colleagues from J2 and links into the national and County support arrangements, as well as support arrangements established with the Realise Foundation and Support Staffordshire. Whilst demand for this service has greatly reduced in terms of requests for service, there has been a moderate increase in calls seeking advice on the implications of the easing of lockdown. As we progress towards the pausing of shielding in August, it is anticipated that demand for advice will continue for a further period, and arrangements are being made to continue the help line for the time being.

2.6 Homeless & Rough Sleepers - 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 17 individuals in a mix of bed and breakfast and range of temporary accommodation, with support tiered according to need.

2.7 Work is continuing to ensure ongoing support for this cohort, in line with Government guidance. It is anticipated that this will be a significant financial pressure for the Council and, whilst the Government has announced funding to support homeless individuals, it is as yet unknown what this Council's share of that funding will be.

Economic Recovery

2.8 The Council has paid out approximately £20m to around 1700 businesses under the Government's grant schemes for small businesses and businesses in the retail, hospitality and leisure sectors. Applications for this have now more or less stopped, although the scheme remains open for any businesses yet to apply.

2.9 The initial grant programmes were specifically related to the rateable value of the business premises, and as such excluded businesses which operated from shared premises where they paid a rent inclusive of rates (eg a business centre, or shared office space). To support this cohort of businesses, the Government launched an additional scheme, with a degree of local discretion, including on the level of grants paid. This discretionary grant fund was launched at the end of May with the expectation that grants will be paid to businesses in June. The Council has so far paid out approximately £400,000 to 85 businesses under the discretionary scheme.

2.10 The Council's economic recovery programme will involve a mix of immediate direct developments, alongside longer term strategic initiatives. Elsewhere in this agenda, Cabinet will consider the Council's bid under the Future High Streets Fund for the regeneration of Newcastle Town Centre, with a specific focus on the Ryecroft site.

2.11 In addition to this, extensive work with partners is continuing to develop the Town Deal proposals for both Newcastle and Kidsgrove. The Council is also bringing forward key sites for development including Sidmouth Avenue and the Newcastle mortuary site.

Stepping-up Council Services

2.12 Government guidance remains that wherever possible employers should facilitate staff to work from home. Since the commencement of the lockdown, staff who have been able to effectively work from home have done so. This has meant that the majority of services have continued 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** – remains closed to the public. The earliest this facility is likely to re-open will be mid-July. Arrangements are in place to facilitate a phased re-opening once Government guidance permits such centres to re-open. A phased re-opening will be necessary to ensure that ongoing social distancing can be observed whilst the requirement to do so remains.

- **Museum** – this facility is now scheduled for re-opening, but with restrictions in place around numbers permitted in the building; we anticipate reduced opening hours and a more restricted access to the collection than normal.
- **Castle House & Kidsgrove Customer Contact facilities** – closed to the public, with all services being provided online or by phone. Performance of the customer contact service has remained strong in terms of time taken to answer calls.
- **Bereavement** – demand for service has returned to the usual level; however, the numbers able to attend funerals remains limited to ten. This is currently being reviewed in the light of the “1m with mitigation” guidance.
- **Taxi Licensing** – the service is focusing on supporting existing drivers, with no new licence 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.

2.13 A review of service readiness to return to normal service as part of the recovery plan has identified the following services where challenges are expected to either continue or, in some instances, increase in the coming months.

- **Inspections and enforcement activity** – in a number of areas either the health and safety issues presented by Covid, or the temporary closure of businesses, has meant that officers are working through a significant backlog of casework. This is across a number of Council service areas including housing grants, food premises inspections, planning enforcement, pest control etc.
- **Homeless Support** – having responded successfully to the Government call to provide accommodation to all rough sleepers and others presenting as homeless, there is a requirement to sustain that provision and the associated support on an ongoing basis. Demand during this time has been approximately double the normal level, and this presents pressure both on availability of places and the associated costs.
- **Taxi driver and vehicle licencing & inspections** – As highlighted above, this is a service significantly impacted by the pandemic in terms of service delivery. As a consequence, there is a backlog of both current and new driver/vehicle licence applications. In addition, vehicle inspections continue to be suspended and, as such, a significant demand for inspections can be anticipated placing pressure on the Garage Workshop.
- **Licensing Act Applications** – Government has amended the approach to granting certain licences in an effort to facilitate bars, cafes and restaurants to service food and drink outside. This has included significantly reducing the time to process licence variations (eg consultation period for pavement licences reduced from 28 days to 7 days and presumed approval if not processed within 14 days). It is anticipated that the Council will receive a significant number of such applications to be processed rapidly.
- **Local Outbreak Control measures** – this is a new responsibility for the Council involving, primarily, the Environmental Health service which will have a significant role in managing any local Covid outbreaks associated with businesses or certain high risk premises. The scale of the demand associated with this is as yet unknown, but

potentially significant. The Council has received £50k Government funding via the County Council to support this function.

- **Other Pressures** – in addition to addressing the service pressures above, the Council is responding to the financial impact of the pandemic by refreshing its Medium Term Financial Plan, and accelerating work on the Digital Strategy and Commercialisation. This will be an additional work pressure across the Council alongside the service specific issues. The Council is also currently rolling out the new recycling service.

2.14 The challenges identified fall disproportionately on a number of services. Environmental Services, which covers licencing & environmental health and is leading on the air quality project on behalf of the Borough and Stoke-on-Trent City Council, is likely to be the focus for significant additional demands. This is under constant review by the Incident Management Team and Cabinet, which will direct priorities and resourcing.

Financial Recovery

2.15 The pandemic continues to have a significant impact on the Council's financial position through a mix of lost income and additional costs. As reported at May's Cabinet meeting, Government funding of £1.3m has been secured, which has reduced the immediate pressure on Council finances. Signals from Government indicate that some further package of support is likely to be forthcoming, although the timing and nature of this is unknown at this time.

2.16 The Council's revenue budget relies on service income from fees and charges of c£850k per month across a wide range of services, with a significant proportion coming from J2 and car parking. 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.

2.17 In addition to the loss of income, the Council is experiencing additional costs in some areas, amounting to c£147k per month. Some of these costs are expected to reduce over the coming months as the new waste and recycling service is rolled out. The Council has submitted a £110k claim to HMRC for the costs of furloughing staff unable to work up to the middle of June and payment has been received. This will partially offset some of the additional costs incurred to date.

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

2.19 The consequences of the Coronavirus on the Council's financial position will depend significantly on the 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. Particular emphasis in our lobbying has been the impact on Business Rate and Council Tax collection.

2.20 In response to the Covid-19 crisis, the Secretary of State has announced that for the 2019/20 accounting period the period of publication of authority accounts is to be extended from 30 September to 30 November 2020. This amendment will affect the whole chain of publication requirements in the Accounts and Audit Regulations 2015 not just the final publication date, the intention being that the date for the public inspection of draft accounts will move to the first 10 working days of September. This in turn means that the accounts themselves will not need to be signed off until 31 August.

2.21 The draft accounts will be presented to Audit & Standards Committee for approval at its July meeting. The external audit of the 2019/20 Statement of Accounts is planned to commence in July leading up to the production of the auditor's final audit findings report.

2.22 The full Statement of Accounts will be submitted to Audit & Standards Committee for formal approval at the 29 September meeting, when members will have an opportunity to review the audited accounts.

2.23 As noted in this and previous reports the Covid pandemic has had an impact on the Council's finances. For the financial year ending March 2020, the reduced income and increased costs has resulted in an adverse variance of £207k, with this sum being transferred from the General Fund Reserve. This will reduce the General Fund Reserve from £1.448m to £1.241m, but overall reserves at year end stand at £3,596m, up almost £800k on the budget forecast. Cabinet Members will use the detail of the outturn position as an important baseline for refreshing the Medium Term Financial Plan, and shaping the financial recovery activity as outlined below.

2.24 As part of the recovery plan, Cabinet has agreed a specific work stream focussed on financial recovery. These include:

- Ongoing of furlough of staff where there is no ability or need to redeploy;
- Benchmarking of Council service performance and budgets;
- Review of performance against the Council Plan to date, and confirmation of Council priorities post Covid;
- Refresh of the Medium Term Financial Plan in the light of the above.

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, and the recovery arrangements being put in place.

5. **Options Considered**

5.1 N/A

6. **Legal and Statutory Implications**

6.1 Addressing the impact of Coronavirus locally has involved adjustment to 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.

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 31st 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**

None

14. **Background Papers**

14.1 None

