

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

Choose an item.

09 September 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 recover from the impact of the Coronavirus Pandemic.

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 regular 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 Executive 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 Through work undertaken since June 2020, and previously reported to Cabinet, the Council has put arrangements in place to enable the safe re-opening of Newcastle and Kidsgrove town centres and the various district centres across the borough.
- 2.3 More recently, the Council has been supporting the safe re-opening of pubs and cafes, with activity focussed on:
- Provision of advice to pubs and cafes on how to re-open in a Covid secure way;
 - Facilitating pavement licenses for pubs and cafes, and nil cost to the businesses;
 - Monitoring compliance with government guidance regarding social distancing;
- 2.4 To encourage footfall in the town centre, the Council has facilitated additional specialist markets, including a new Record Fair and a Young Traders market.

Supporting Health & Wellbeing

- 2.5 Following the easing of lockdown, and significant reduction in demand for the service, the Council discontinued its standalone helpline for individuals to reach out for assistance, and reverted to taking calls through its overall call centre. Access to support is still available on line. At the onset of Covid-19 pandemic a Newcastle-under-Lyme Covid-19 Support Network (the Network) was established involving the Council, the Realise Foundation & Support Staffordshire. The aim of the Network has been to provide a co-ordinated response locally to ensure that everyone in need of support received it. This involved working with volunteers and voluntary & community organisations. Realise have co-ordinated the delivery of support to individuals in need, and have had a team of staff allocated to the Network and we are working to create a legacy beyond dealing with the demands of Covid-19 and has the potential to provide the foundations on which community development activities in other circumstances can be based.
- 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 19 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.

Economic Recovery

- 2.8 As at 14th August the Council had paid out £21.793m to around 1900 businesses under the Government's grant schemes for small businesses and businesses in the retail, hospitality and leisure sectors, and the discretionary fund established to support those businesses which did not meet the criteria of the initial government programmes. These grant schemes closed in August in line with government direction.
- 2.9 The Council's economic recovery programme will involve a mix of immediate direct developments, alongside longer term strategic initiatives. A bid has been made to the

Future High Streets Fund for schemes to facilitate the regeneration of Newcastle Town Centre, with a specific focus on the Ryecroft site.

- 2.10 In addition to this, extensive work with partners is continuing to develop the Town Deal proposals for both Newcastle and Kidsgrove, and elsewhere on the agenda for this Cabinet Meeting is a report detailing the bids submitted under the Town Deal advance funding scheme recently launched by the Government. The Council is also bringing forward key sites for development including Sidmouth Avenue and the Newcastle mortuary site.

Stepping-up Council Services

- 2.11 Since the commencement of the lockdown, staff who have been able to effectively work from home have done so and as a consequence, the majority of services have continued with minimal disruption. As the lockdown has eased, services most impacted by the lockdown have been stepping back up to normal levels. Key issues are:

- **J2** – reopened in August on a Covid secure basis. This has involved putting in place social distancing and hygiene measures, and implementing a booking system rather than the previous “open access” where controlling the number of customers on site would be more difficult. Attendances at J2 have grown steadily although subsequently a problem with the main swimming pool has meant that this facility is currently out of use.
- **Museum** – this facility is now reopened, but with restrictions in place around numbers permitted in the building and a more restricted access to the collection than normal.
- **Customer Contact facilities** – assisted self-service facilities at Castle House were reintroduced in August for those customers unable to access services online or by phone. The performance of the customer contact service has remained strong in terms of the percentage of calls answered and time taken to answer notwithstanding that there was a 75% increase in the volume of calls in June as the customer services team responded to a large number of queries about the roll out of the new waste and recycling service, the annual elections canvass and exceptional demand in revenues and benefits. Revenues and benefits performance has also remained strong with new Council Tax reduction claims and changes of circumstances being processed in less than 4 days on average, an improvement of the same quarter last year despite a huge jump in the number of new claims received during April and May and a significant amount of resources being diverted to deal with business support grant applications and administration of business rate reliefs and the council tax hardship fund.
- **Bereavement** – demand for service has returned to the usual level however. Steps are being taken to increase the numbers able to attend funerals whilst still maintaining social distancing.
- **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.

- 2.12 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.
- **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. This function was initially envisaged to be a reactive service, stepping up when an outbreak occurred, but in the light of experience nationally, is now undertaking work pro-actively. This involves carrying out visits to high risk premises with a view to identifying potential issues and addressing them promptly with business owners to reduce the risk of infections or local outbreaks. The Council has received £50k Government funding via the County Council to support this function. The Leader of the Council sits on the County-wide Local Outbreak Board.
- **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.

2.13 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 Executive Management Team and Cabinet, which will direct priorities and resourcing.

Financial Recovery

2.14 The pandemic continues to have a significant impact on the Council's financial position through a mix of lost income and additional costs. To date Government funding of £1.743m has been secured (including £170k of new burdens funding to offset the costs of administering Coronavirus business support grant and hardship relief schemes), which has reduced the immediate pressure on Council finances. Additional costs have also begun to fall with the return of a degree of normality and the roll out of the new waste and

recycling service. However, the current forecast is still for a net revenue overspend of £321k in this financial year, assuming no further imposition of lockdown measures.

- 2.15 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, net monthly income losses stabilised at c£276k during the first quarter but have now started to recover as the lockdown has eased. The Government announcement that it will fund income losses above the first 5% at the rate of 75p in the pound in the current financial year will to a significant degree insulate the Council from income related financial risks.
- 2.16 The scheme compensates for income that local authorities generate independently which is defined as a sale, fees and charges, and is unable to be recovered – for example, car parking charges or receipts from museum charges. It does not include commercial income, such as rents. The 5% deductible will be calculated using sales, fees and charges budgets for 2020/21 as this represents what the Council expected to collect from these income sources at the start of the year. Compensation will be provided to mitigate the net budget gap which income losses have created, i.e. after the savings that the Council has made regarding the furlough scheme. It is currently estimated that of the £2.4m forecast income losses in 2020/21 the Government will fund £1.5m leaving the Council with a deficit of £0.9m which will need to be funded from revenue resources or reserves.
- 2.17 Local tax income is collected by billing authorities and paid into local 'collection funds' (the Council is a billing authority). Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund. Billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year. In response to forecast shortfalls in tax receipts relating to COVID-19, the government is proposing that repayments to meet collection fund deficits accrued in 2020-21 will instead be phased over a three-year period (2021-22 to 2023-24) to ease immediate pressures on budgets. The phased amount will be the entire collection fund deficit for 2020-21 as estimated on the 15 January 2021 for council tax and in the 2021-22 NNDR1 for business rates.
- 2.18 MHCLG will continue to work with CIPFA and local government on the detailed operation of the scheme – including the accounting, audit and reporting implications – with a view to providing guidance to councils later in the year.
- 2.19 The current forecast shortfalls in tax receipts, and the proposed repayments under this scheme are shown below:

Tax	Total Deficit Forecast	Council's Share	Repayable 2021/22	Repayable 2022/23	Repayable 2023/24
Council Tax	£1.325m	£0.156m (11.8%)	£0.052m	£0.052m	£0.052m
NNDR	£12.132m	£4.853m (40%)	£1.618m	£1.618m	£1.617m
NNDR Section 31 Measures	(£11.246m)	(£4.497m) (40%)	(£1.499m)	(£1.499m)	(£1.499m)
Total	£2.211m	£0.512m	£0.171m	£0.171m	£0.170m

- 2.20 The Government announcement made on 2 July referred to a further apportionment between MHCLG and Local Government of irrecoverable tax losses (i.e. debts required to be written off for businesses ceasing to trade), however there has been no further mention

of this in the technical note received and details of how this will operate in practice are still awaited.

2.21 The Council continues to actively lobby 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 Rates and Council Tax collection and the implications for future financial years.

2.22 Work is continuing on the development of a financial recovery plan including:

- Benchmarking of Council service performance and budgets;
- Review of performance against the Council Plan to date, and confirmation of Council priorities post Covid;
- Identification of savings opportunities, including accelerated delivery of the digital and commercial strategies and exploration of alternative service delivery models;
- 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**

13.1 Back on Track – Recovery Plan

14. **Background Papers**

14.1 None