

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

Choose an item.

14 October 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. This report provides the current position regarding the recovery effort, and the ongoing work to combat the spread of the Virus.
- 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.
- 1.3 At time of writing, the 7 day infection case rate in Newcastle under Lyme was 141 cases per 100,000 population, and steadily increasing. This is broadly in line with the England average (141/100,000), but above the Staffordshire average of 103/100,000. In the figures include a cluster associated with students who have come back for the new term at Keele University students, although most of the cases are off campus.
- 1.4 The Government has announced a new three tier alert system for England, with Newcastle currently being in the "medium" alert area, with no additional restrictions in place.
- 1.5 This provides a context for the work of the Council in both recovery of the local economy, and in standing up local services. With the infection rate at its current level, the Council is heavily engaged in its outbreak control work, with specific avenues of work being progressed:

- The Leader of the Council sits on the County-wide Local Outbreak Board which has regular oversight infection rates and action being taken to respond. This board is intensifying its work in light of the increased infections.
- A multi-agency board, under the chairmanship of the Deputy Leader, Cllr Sweeney, has been convened to ensure that all possible steps are being taken across the key anchor institutions to reduce infection rates in the Town Centre, particularly in the 18 to 25 year old age group.
- Colleagues from Environmental Services continue to work closely with the Director of Public Health and colleagues from across the public sector to investigate infections in high risk premises in the borough and provide advice to those running high risk premises to minimise infection spread. Government funding of c£115,000 has been secured, via Staffordshire County Council to assist in resourcing this work;
- A team of colleagues has been assembled from across the Council to work as “Covid Marshalls”, encouraging the public to socially distance and to practice good Covid security in the town centre, and to support businesses to maintain strong Covid security in terms of compliance with government guidance. Funding of £60,000 has been secured from the Government to underpin this work

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 supported 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 continued its strategy of hosting new, special interest, markets including two record fairs and, in October, a “makers market”, selling local craft items.

2.5 Covid Marshalls have been deployed in the town centre at peak times to encourage social distancing and good Covid security. Arrangements are in place to ensure that signage and pavement stencils are refreshed from time to time to keep the advice re social distancing and hygiene uppermost in the publics’ mind when visiting our centres.

Supporting Health & Wellbeing

- 2.6 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 also available on line.
- 2.7 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.
- 2.8 Work is continuing to ensure ongoing support for this cohort, in line with Government guidance.
- 2.9 The Council has secured £125,000 from the government to support the ongoing pressure to provide emergency accommodation for homeless people. A report elsewhere on this agenda addresses the use of these funds, which will include entering into contracts for supported accommodation for the remainder of this financial year.
- 2.10 People will be required by law to self-isolate from 28 September, supported by payment of £500 for those on lower incomes who cannot work from home and have lost income as a result. This fund – the Test & Trace Support Payment – will be administered by lower tier Council's, with this Council's Revenues and Benefits Team managing the service for Newcastle. This fund will incentivise people required to self-isolate, but who would lose income by doing so, to comply with the requirements of the Test and trace programme and thus reduce the spread of the virus.

Economic Recovery

- 2.11 The Council's economic recovery programme is currently focussed on progressing the major regeneration and growth schemes:
- As previously reported, a bid has been submitted to the Future High Streets Fund for schemes to facilitate the regeneration of Newcastle Town Centre, with a specific focus on the Ryecroft site;
 - Advance Town Deal Funds of £1.75m have been secured for initiatives in Newcastle & Kidsgrove
 - Town Investment Plan for Kidsgrove & Newcastle are in preparation with the Town Deal Boards, with the Kidsgrove Plan targeted for submission to Government in October and the Newcastle Plan in January.

Stepping-up Council Services

- 2.12 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** – following the reopening in August on a Covid secure basis, attendances at J2 have grown steadily. Notwithstanding this, memberships have reduced by c.25%, despite an ongoing 50% reduction in the membership fee. Steps are now being taken to increase capacity at the centre, whilst maintaining the high level of Covid security that the service has established and maintained.
- **Taxi Licensing** –Taxi testing has recommenced, but the period of lockdown, and the associated service closure, means that the service is working its way through a considerable backlog of tests which should be cleared in 5-6 months. Arrangements are being put in place to now enable new driver applicants to take the Local Knowledge Test and to undertake the Safeguarding Training.
- **Food Inspections** – Food safety inspections were largely stopped during lock down, and the re-opening of premises, and hence the need for inspections, has coincided with a demand on this service to divert resource to providing advice, inspection, and enforcement activity related to Covid outbreaks in the Borough. This has resulted in a significant backlog, and attention is being given to addressing the highest risk premises as a priority.

2.13 **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.

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

3. Financial Recovery

3.1 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 continued to fall with the return of a degree of normality in line with forecasts. However, the current forecast is a net revenue overspend of £333k in this financial year, assuming no further tightening of current lockdown measures. The forecast overspend will need to be met from existing reserves.

3.2 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 reducing to c£258k during the second quarter. The Government will fund income losses above the first 5% at the rate of 75p in the pound in the current financial year, this will to a significant degree insulate the Council from income related financial risks.

3.3 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 at the close of quarter 2 that of the £2.292m forecast income losses in 2020/21 the Government will fund £1.558m leaving the Council with a deficit of £0.734m which is accounted for in the forecast overspend for the year.

- 3.4 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 has announced 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.
- 3.5 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	£1.292m	£0.144m (11.8%)	£0.048m	£0.048m	£0.048m
Business Rates	£15.015m	£6.006m (40%)	£2.002m	£2.002m	£2.002m
Business Rates Section 31 Measures	(£14.358m)	(£5.631m) 40%	(£1.877m)	(£1.877m)	(£1.877m)
Total	£1.949m	£0.519m	£0.173m	£0.173m	£0.173m

- 3.6 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), however details of how this will operate in practice are still awaited.
- 3.7 Work is continuing on the implementation 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.

4. Proposal

- 4.1 Cabinet are recommended to note this report.

5. Reasons for Proposed Solution

- 5.1 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.

6. **Options Considered**

6.1 N/A

7. **Legal and Statutory Implications**

7.1 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.

8. **Equality Impact Assessment**

8.1 None directly arising from this report.

9. **Financial and Resource Implications**

9.1 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.

10. **Major Risks**

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

11. **Sustainability and Climate Change Implications**

11.1 N/A

12. **Key Decision Information**

12.1 This is not a key decision.

13. **Earlier Cabinet/Committee Resolutions**

13.1 None

14. **List of Appendices**

14.1 Back on Track – Recovery Plan

15. **Background Papers**

15.1 None