

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S

REPORT TO CABINET

Choose an item.

13 January 2021

Report Title: **Coronavirus Recovery 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 in response to the Coronavirus restrictions on the Borough, and to ensure the Borough is well placed to recover from the Pandemic.

Recommendation

1. It is recommended that Cabinet note this report and endorse the work being undertaken in response to the Coronavirus restrictions.

Reasons

To allow Cabinet to publicly consider the actions being undertaken in relation to the coronavirus pandemic and the associated restrictions.

1. Background

- 1.1 Cabinet has regular reports detailing the Council's response to the Coronavirus pandemic and delivery of the recovery plan.
- 1.2 At time of writing, the 7 day infection case rate in Newcastle under Lyme was 347 cases per 100,000 population. This is below the England average (610/100,000), and the Staffordshire average of 474/100,000. The figure reflected a marked increase in infections over the past few weeks, having been 231 cases per 100,000 population at the time of preparing the December report to Cabinet. Newcastle's comparative position has changed significantly since the December report, where even at its lower infection rate it was well above the average for England. This reflects the prevalence of the new strain of the coronavirus which has driven up rates initially in other parts of the Country.
- 1.3 At the beginning of January the Borough, along with the rest of the country, went into lockdown. The Council's efforts have shifted to responding to the new restrictions, as detailed in this report. Focus is now being placed on the roll out of vaccinations which are now being made available to priority groups within the borough.
- 1.4 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.
- The Leader of the Council is chairing a Local Incident Management Team, drawing together expertise from the Borough Council, County Council, health sector, and other agencies actively involved in responding to the pandemic;
- 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;
- A team of colleagues has been assembled from across the Council to work as “Covid Marshalls”, mainly focussed on engagement with businesses to encourage and advise on good practice on Covid security.
- The Council is encouraging, through its Communications activity, the drive to recognise the whole borough as a Covid “hotspot” and encourage take up of testing regardless of whether individuals have symptoms. It is recognised that identifying asymptomatic carriers is an important means of breaking the infection chain and reducing spread.

2. **Priority Actions**

2.1 In response to the move to lockdown, with the associated restrictions, the Council has maintained its focus on support for businesses and support for the vulnerable.

Support for Businesses

2.2 The Council is administering the Local Restrictions Support Grant (LRSB) to support businesses forced to close or severely affected by local or national restrictions. Since the November Lockdown the Council has paid out just over £1.4m in Local Restrictions Support Grants, including discretionary grants to businesses which have either been required to close or which have been significantly impacted by the restrictions. In addition £56,000 has been paid out to “Wet Led Pubs”, each of which were entitled to a one off grant of £1000.

2.3 With the move to Lockdown, the Government has made available a further grant fund to support the Leisure, Retail and Hospitality sectors. This fund will provide a one off payment to businesses with premises of either £4,000, £6,000 or £9,000, with the amount determined by the rateable value of their premises. In early January impacted businesses will receive both their Local Restrictions Support Grant (paid for a six week period) and the new one off Lock down grant, amounting to almost £4.5m of support to local businesses

2.4 This funding is crucial to enable businesses to weather this particular phase of the pandemic, and be in a position to recover once restrictions have been eased. The Council has moved quickly to ensure that funds get paid to eligible businesses at the earliest possible opportunity.

Support for Vulnerable People

2.5 The Council has maintained its support to vulnerable people, with three specific lines of work being prioritised:

2.6 The support service delivered through the Realise Foundation has stepped up to receive calls from people made vulnerable by the restrictions. Typically this call centre and web portal provides advice and support to individuals who are isolated, or who need help to access food and medicine.

2.7 The Revenues and Benefits team are processing applications for payments to individuals who have been required to self-isolate as a result of either contracting the virus, or being in contact with someone who has, and as a result are unable to work. The Test & Trace Self Isolations Support Scheme is focussed on individuals in receipt of particular benefits and aims to incentivise people required to self-isolate, but who would lose income by doing so. From its introduction at the end of October, until 6th January, £84,000 has been paid out in grants from this fund. The fund is made up of two pots – one mandatory, with criteria set by central government and one, smaller, discretionary fund for cases where the individual does not meet the government criteria but would suffer hardship if self-isolating. The discretionary element of this fund has been fully spent by the Council, with only those who meet the government criteria now being funded.

2.8 The Council's homelessness team continues to work with vulnerable people who are sleeping rough, or who are at risk of homelessness, placing them into temporary accommodation. Additional accommodation in St George's Chambers has been brought on line for use in severe weather.

Council Services

2.9 As with the previous national restrictions, some Council services have been significantly impacted. Key areas of impact are:

- J2 Leisure Centre is once again closed for business, but is providing on line classes.
- Brampton Museum, in line with other such venues nationally, has been required to close.
- Customer Services – all services continue to be available on-line or on the phone, with face to face service at Castle House now restricted.

2.10 Other services continue to be available with minimal disruption.

2.11 Throughout the pandemic the Council has had a small number of employees contract the virus, as would be expected in line with community infections. The rate of increase in the virus is such that there is a risk that in the coming weeks we will see that number rise and in anticipation arrangements have been put in place to ensure that staff resource can be flexed to provide support where gaps may arise which risk compromising delivery. Colleagues from Jubilee 2 have consistently demonstrated a willingness and ability to flex across serve areas, but cover will also be drawn from other services if the need arises. Should the situation arise, arrangements will also be presented to portfolio holders for how services are prioritised.

Economic Recovery

2.12 Notwithstanding the restrictions in place, the Council is continuing to work towards the recovery of the local economy, focussed on progressing the major regeneration and growth schemes.

- The Council bid under the Future High Streets Fund has been successful, with provisional agreement for just over £11m being announced in December 2020. These funds will 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 has been submitted to Government for consideration under the Town Deal programme
- Town Investment Plan for Newcastle is to be considered by Cabinet elsewhere on this agenda.

2.13 In addition, the Council has worked with Staffordshire County Council to explore how funds allocated by government could be used to support business recovery. Proposals include:

- topping up of existing business start-up schemes, to enable more start-ups to be supported;
- topping up a business skill grant scheme, to facilitate upskilling
- a new “to thrive” financial support programme to boost business growth
- a new apprenticeship grants programme, to support young people who are likely to be disadvantaged in the labour market post covid.

2.14 Across this range of opportunities, the Council’s contribution, from government grant funding, would be £433,000. Individual schemes will be developed and approved by the Executive Director - Commercial Development & Economic Growth in consultation with the Cabinet Member for Planning & Growth

3 Financial Recovery

3.1 The Council has secured over £4.5m from central government for the current financial year to cover income losses and activities required to mitigate the impact of Covid in areas ranging from support for the homeless to the Council Tax Hardship Relief Fund. In addition it has received just over £30m to fund grants to businesses in the borough impacted by the pandemic, bringing the total amount of financial support provided by central government to over £34m. This financial support covers financial pressure which has been put on Council services together with income losses and support provided to small business within the Borough. Further details are provided below.

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. Taking account of the restrictions to date it is forecast that income losses for the financial year will amount to £2.602m. The Government’s income compensation scheme offset these income losses to the amount of £1.821m, the first instalment of this was received in November. In conjunction with the income compensation scheme the Council has received £196k from the Furlough job retention scheme in connection with those income loss services.

3.3 To date emergency Coronavirus Government funding of £2.152m 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 additional spending and on the Council finances. Monthly reports monitoring actual spending against budget have shown adverse forecast variances during the first eight months of the year, the latest reported forecast being £0.365m as at the end of November. It is forecast that this adverse variance will be offset by the latest tranche of emergency Coronavirus funding received from the Government of £0.408m. It is forecast that this will enable a balanced outturn to be presented at the year end, any variance will be paid into or from the general fund reserve. Close management of the financial position will continue and remains absolutely essential.

- 3.4 Further Government funding to assist with the Council's response to the Coronavirus has also been secured in relation to rough sleepers (£0.196m), outbreak control (£0.179m), enforcement (£0.061m) and the reopening of the high street (£0.115m).
- a. In addition to the initial business grants funding administered by the Council (£21.673m paid over to businesses), a further £4.326m has already started to be distributed (as per para 2.2). This is in addition to funding allocated by Government for the Council to administer to assist with Council Tax Hardship (£1.036m) and self-isolation (£0.109m).
- b. Further funding will also be paid to the Council to assist with COVID-19 related pressures in 2021/22. Again, this will represent un-ringfenced grant support and uses the distribution methods applied to funding received during 2020/21. The Council's initial allocation is for £0.675m.
- 3.7 The Government has also indicated that it is providing funding to broadly meet the additional costs associated with increases in local council tax support caseloads in 2021/22. The funding will be un-ringfenced and can be used to provide other support to vulnerable households, including through local welfare schemes. Allocations have not yet been published.
- 3.8 The Government also intend to continue the current income compensation scheme to support local authorities for the first quarter of 2021/22, it is anticipated that the Government will continue to use 2020/21 budgeted income as the baseline to assess losses.
- 3.9 The Council continues to work closely with the Borough's Members of Parliament and the Local Government Association to lobby central government for the ongoing support which will be required.

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 1st April 2020 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 stable 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 None

15 **Background Papers**

15.1 None