

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S

REPORT TO CABINET

Choose an item.

08 September 2021

Report Title: Review of Covid Impact

Submitted by: Chief Executive

Portfolios: All

Ward(s) affected: All

Purpose of the Report

To inform the Cabinet of the overall impact of the Covid 19 pandemic on the Council, its services, and the borough, and of the priority actions being taken across the Council to ensure the Borough is well placed to recover from the Pandemic.

Recommendation

Cabinet is recommended to:

- 1. Note the impact of the Covid19 Pandemic on the community of Newcastle under Lyme, and on Council services
- 2. Invite Finance & Performance Scrutiny Committee to review the impact of the pandemic on Council services

Reasons

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

1. Background

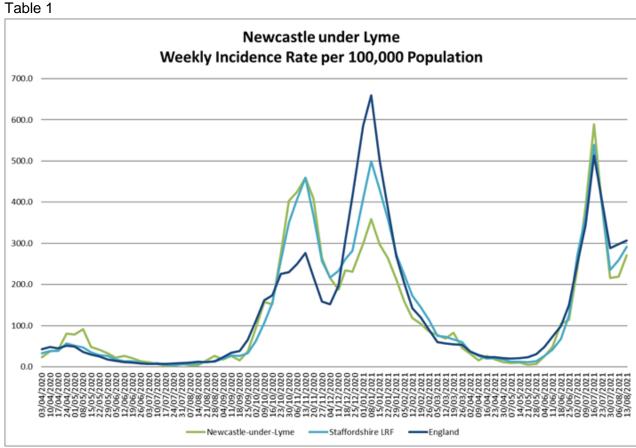
- 1.1 The coronavirus pandemic is the greatest single risk to the health and economic wellbeing of the country since the Second World War. In February 2020 the Council established an Incident Management Team to plan the Council's response, ensuring that support to local residents and businesses was provided, that Council services were maintained, and the welfare of officers and members protected. The approach adopted was based on existing business contingency arrangements, with the Council's internal arrangements interfacing with a range of groups which have been set up countywide to co-ordinate the response to the pandemic, including the multiagency Strategic Coordinating Group.
- 1.2 Cabinet has regular reports detailing the Council's response to the Coronavirus pandemic and delivery of the recovery plan. This report provides an overview of the composite picture over 2020 -21 to date detailing the impact of the pandemic, the current position of the Borough in relation to the pandemic, and the impact on Council services.



- 1.3 Throughout the pandemic and lockdowns the Council has been heavily engaged in work to control the outbreak and to mitigate its impact. In terms of strategic leadership and oversight, this has involved:
- 1.4 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.
- 1.5 The Leader of the Council Chairs 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;
- 1.6 A multi-agency board, under the chairmanship of the Deputy Leader, Cllr Sweeney, has been established 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.
- 1.7 Since April 2020 Cabinet has received reports providing updates on the impact of the pandemic, and the Council's work to mitigate this. Reports have also been submitted to meetings of the Council's Scrutiny Committees.

Course of the Pandemic 2.

2.1 Table 1 below shows graphically the course of the pandemic in the Borough, measured in "Cases per 100,000 population", which has been the measure used nationally to provide a standardised approach to reporting infection rates.





2.2 The graph shows that the trajectory of infections in the borough has generally followed both the Staffordshire and all England trajectory. Three spikes in infections, hare apparent – one in November 2020 at c.450/100,000, a second spike in January 2021 at c.350/100,000, and more recently in July 2021 when infections reached almost 600/100,000. The impact of these infection spikes on the community will differ, with the most recent, and highest spike, following the roll out of the vaccination programme, and therefore impacting on a younger cohort of the population and resulting in lower levels of hospitalisation and serious illness than the earliest spike.

Impact of the Pandemic on the Borough

Economic Impact

- In terms of the economic impact, many businesses across the borough were either required to close or saw their trade significantly disrupted. The government furlough scheme, which supported the wage costs incurred by businesses enabled may businesses to retain their employees. Data on numbers of employees furloughed is difficult to distil to a local authority level, but from ONS data it is estimated that c15,800 individuals were furloughed, although this will include individuals furloughed more than once. The top three business sectors supported by furlough being:
 - Accommodation and food services
 - Wholesale and retail/repair of motor vehicles
 - Manufacturing
- 4 The Council administered a number of government grant schemes to support local businesses, paying out almost £40,000,000 across the grant schemes. This required setting up systems from scratch to receive and process applications and despite some initial teething problems an effective mechanism was established to deliver grant aid swiftly to eligible businesses.
- Alongside towns and cities across the country, the local economy of the borough suffered from significant disruption. Unemployment (Claimant Count) in the borough rose slightly from 2.4% in March 2020 to a high of 4.7% in February 2021, declining steadily to 3.9% in July 2021. The July 2021 rate is the same as for Staffordshire as a whole but still significantly lower than for Great Britain (5.5%).
- 6 In terms of numbers rather than per cent rates, the 3.9% amounts to 3,160 claimants. The picture does vary across wards, with four wards having rates above the national average:

Town
Holditch and Chesterton
Cross Heath
Knutton
6.4 per cent
6.1 per cent
6.0 per cent
6.0 per cent

Community Impact

7 Within the Borough a total of 7,332 Clinically Extremely Vulnerable were required to shield under the government programme. These were residents whose particular pre-existing conditions put them at greatest risk of serious impact should they catch Covid19. As part of the response to this and to ensure that residents continued to have access to support, the Council set up both a help line operating from Castle House and a support service provided by the Realise Foundation. Support was provided for over 1100 individual residents with services provided:



- Shopping arranged for 488 individuals
- Prescriptions delivered for 270 individuals
- Support provided to 168 individuals who were feeling isolated/lonely
- 8 The Realise Foundation continue to contact 191 people on a bi weekly basis, although demand for support is reducing.
- 9 Over the course of the pandemic, just over 400 borough residents sadly died within 28 days of a positive Covid test.
- 10 Self-Isolation Support Payments of £177,000 have been made to residents of the Borough.
- 11 During 2020/21 collection rates for Council Tax were 97.1%. The financial impact of Council Tax accounts proposed for write off is shared between the Council (11.3%), Staffordshire County Council (71.8%), Staffordshire Police and Crime Commissioner (12.5%) and the Staffordshire Fire and Rescue Service (4.4%) in line with each preceptor's element of Council Tax charged. The Council Tax accounts proposed for write off total £42,167. Of this the Council's share amounts to £4,765 This amount forms part of the estimated deficit declared to preceptors on the Council Tax Collection fund which will be payable by the Council under Collection Fund accounting principles during 2021/22.

Impact on Council Services

12 The impact of the pandemic on Council services varied significantly from service to service. For office based staff, the requirement to work from home was implemented at the first government lock down in March 2020, whilst non-office based staff continued as previously, but with additional safeguards in place around social distancing and face-coverings. Disruption to service, where it has occurred, has been either due to the need to comply with government guidance, losing staff to shielding or self-isolation, or the reprioritisation of work away from core business to covid specific activities.

Service Impacts

- 13 The information below sets out on a service by service basis the critical impacts of the pandemic:
- 14 **Leisure** Jubilee 2 was required to close completely when the first lockdown began in March 2020 and subject to phased re-opening as restrictions were lifted. Jubilee 2 resumed its normal operating model in July 2021, when the final government restrictions were released. During the closure of Jubilee 2 staff were redeployed to other duties, including servicing a help line for concerned residents and delivering food and medicine to residents who were shielding. In addition, colleagues used this time to focus on developing new aspects of the business. Key impacts, positive and negative include:
 - Lost £1,413,000 in income, with £1,003,000 provided by central government to offset this loss;
 - Despite offering the opportunity to "freeze" memberships, 1,249 Jubilee 2 customers cancelled their memberships, resulting in a need to regrow membership subscriptions post lockdown. By August 2021 memberships had recovered to 69% of the pre-covid level;



- On-line classes were developed both as live and recorded sessions to maintain a service for customers.
- A in-house school swimming service has been developed, to teach the young people of the borough an essential life skill as well as supporting the over a commercial operation of Jubilee2.
- Working with the Newcastle Business Improvement District a Love Local Scheme was developed. This providing J2 members with discounts from local retailers, adding value to the J2 offer as well as supporting the town centre economy.
- Secured funding to be part of Sport England's National Leisure Recovery Fund and use of the Moving Communities project to measure impact. This offers to develop a greater understanding of Jubilee2's impact on the Borough's residents using qualitative and quantitative data.
- Successfully applied to the Commonwealth Games Organising Committee to bring the Queens Commonwealth Baton to the Borough in July 2022.
- Secured funding from Staffordshire's Commissioners Office to for the SPACE scheme.
 This enabled 500 young people of the Borough to access the gym, climbing wall, and swimming pools at Jubilee2 during the six weeks schools holidays.
- J2 has been selected to be part of a long Covid referral pilot project along with four other organisations across the County. This is being funded through the CSP and the MPFT, and will start sometime in September 2021.
- 15 **Brampton Museum** was required to close completely when the first lockdown began. Works to extend the museum have progressed, resulting in the facility remaining closed to the public, with staff resource being focused on preparing for these works during the lockdown period;
- 16 Environmental Health Services undoubtedly the most impacted of all non-closed services during the pandemic, this service was significantly refocussed on addressing the business and public health challenges directly arising from the pandemic. The service was required to visit businesses which had experienced a covid outbreak, undertake investigations and provide advice, direction and, if necessary take enforcement action. In addition, the team were involved in supporting the Track and Trace effort, following up contacts who had not responded to telephone contacts, and dealing with the complaints from the public about neighbours and businesses not complying with government guidelines. Much of this work was and is still being undertaken by officers from the Food and safety team however, support had also been diverted from all other teams to support the work of the pandemic as necessary. This has impacted all team's ways of working. The following provides details of the work undertaken in relation to the pandemic:

Covid-19	2020-21
Outbreaks investigated*	305
Complaints*	272
Marshal Visits*	791 plus estimated 1400 advisory/support
	visits
Advice*	150
Closure Breach*	85
Covid Notifications*	160
Enforcement	1

Critically, this has resulted in a significant backlog in the core work of this service, which is also the service which has been at the forefront of dealing with the Walleys Quarry issues.



- 17 **Town Centre –** The initial lockdown saw the majority of town centre shops and hospitality venues close, including the Council's historic market. In order to support those businesses which remained open, and to support the incremental re-opening of the town centre post lockdown, the Council allowed free car parking in its town centre carparks.
- 18 **Waste Management** Despite loss of staff to shielding and self-isolation the waste management service fared well during the pandemic, with a much lower level of service disruption than experienced by many other Councils. Implementation of well-established business continuity plans allowed staff (in particular HGV drivers) to be redeployed from other service areas to maintain this function. Key impacts included:
 - Recycling, residual, and garden waste collections were maintained throughout the pandemic, with only food waste collections suspended for 4 months. In the most recent period when selfisolation increased as restrictions have been eased, all services have continued to be maintained.
 - The tonnage of waste collected was significantly increased in the first lockdown, as many families undertook spring cleaning activities and Household Waste Recycling Centres were closed. Residual Waste increased by 30%, before returning to normal levels once HMRCs reopened, and recycling increased by around 20%, with this level continuing, aided by the new recycling service.
 - The new recycling service was rolled out in the summer of 2020, with every household receiving new containers, information, etc ahead of the service going live by the end of July 2020. This service has seen an increase in the level and quality of recyclable material being collected.
- 19 **StreetScene** Two issues combined to impact on the look and feel of the borough usually maintained by this service the loss of drivers and other staff to Waste Management to ensure that the waste service was maintained, and the loss of the Community Payback Teams who normally provide valuable additional resource to address issues such as clearing "grot spots" around the borough, and undertaking other labour intensive projects which fall outside of the day to day work of the team. Whilst this was partially offset by lower footfall in the town centre, nonetheless some deterioration of standards in critical areas has been apparent, resulting in a fresh Cabinet focus on street cleanliness:
- 20 **Bereavement Services** Whilst over 400 Covid related deaths have been recorded in the Borough, the Council carried out 1717 cremations in 2020, the same number as in 2019, although with a greater concentration in March 2020 to June 2020 than in previous years. The service increased capacity from 10 cremations a day to 15 a day from 30 April 2020 to 26 June 2020 in order to deal with the demand. The number of coffined burials (191) was higher in 2020 than in 2019 but only slightly higher than in 2018.
- 21 **Housing and Homelessness** The Housing Advice Service saw a significant increase in demand in the early stages of the pandemic, with telephone calls for April June 2020 being roughly double the level now being received, likewise with requests for out of hours assistance. During the pandemic a scheme was launched by the government to get "Everyone In", and ensure that all those sleeping rough, or at risk of being made homeless, had safe accommodation.
- 22 **Temporary Accommodation** over the COVID period remained at a manageable level despite the increased demand due to rough sleepers and homelessness and the emergency legislation to



house all of this cohort. The Council procured additional temporary accommodation in hotels, bed and breakfast accommodation who could open their facilities, temporary accommodation units through local charities and hostels in Newcastle and adjacent areas. Temporary accommodation numbers remain fairly static with approximately 17 households in TA at any one time. The annual expenditure over the last 3 years on temporary accommodation is considered to be significant and has increased substantially over the last 12 months since the pandemic began and the instruction from Government was made to bring 'Everyone In'. In the period 2020/21, over £315,000 was spent on various temporary accommodation options, compared to approximately £135,000 in the previous year.

- 23 **Economic Development** The Economic Development Team have been driving three separate, but related, programmes of work preparing for the re-opening of the High Street, Progressing priority projects funded under the Advanced Town Deal programme, and progressing the main Town Deal and Future High Streets Fund programmes which will be central to longer term recovery:
- 24 In preparing for the re-opening of the "high street" economy, the team have focused on ways to grow footfall in the town. European Funding in the form of 'Welcome Back Funding' has provided safety signage, hand sanitiser stations, the refresh of town centre street furniture and is enabling cleaning and improvement to the appearance of the town centre;
- 25 Welcome Back Funding also provided for Covid-19 Business Marshals to visit businesses and advise on Covid Secure measures. This has enabled colleagues in Environmental Health to focus on more challenging issues of non-compliance and track and trace for local outbreaks;
- 26 Action to promote footfall have included delivery of a programme of markets, enabling town centre events such as the Homecoming and AstleyFest to be provided in a Covid Secure way and targeted initiatives around parking charges to incentivise visits. Data provided by the BID indicated that footfall has increased in response to the specialist markets and events that have been held. It is also showing that average footfall in the town centre is starting to return to pre-Covid levels.
- 27 The Additional Restrictions Grant has contributed to the innovative £5 million Staffordshire Means Back to Business support scheme, which includes an investment to fund wages for apprentices, a training top-up fund for businesses to upskill their employees, a grants scheme to enable small businesses to thrive, a loan scheme for people who want to set up their own business and have completed the online Start-Up training course and more funding to support entrepreneurs currently in further education students to set up their own business. As at the end of May 2021 this had supported 10 Apprenticeship opportunities, 31 Training Top-ups, 1 business start-up loan, 88 Ignite students, 69 businesses on the start-up scheme and 2 small business 'to thrive' loans.
- 28 In partnership with the Growth Hub The Council is also supporting up to 27 micro businesses with the opportunity of no-cost membership of the Federation of Small Businesses for a year to support their recovery from the impact of Covid-19
- 29 Advance Town Deal Funding has been used to improve the town centre experience, including major improvements to the Sunken Roundabout, addressing flooding issue at Bridge Street and Nelson Place subways, CCTV and lighting improvement at key subways into the town centre. It



has also been used to expand Town Centre WiFi coverage, something which will be formally launched by the BID later this year;

- 30 Advance Town Deal Funding has been used to develop the WorkShop, at Lancaster Building. Converting a derelict retail unit to provide skills development, training and retraining to enable residence to access or move toward employment. Facilities at the Guildhall are being improved to provide more flexible space and two small office areas that can be used to deliver more intensive one to one support for local residents. The former Zanzibar nightclub site, which has stood derelict for over a decade has been cleared to enable its development for both residential and business units.
- 31 In Kidsgrove, Advance Town Deal Funding has been focused on health and wellbeing projects, with a new Pump Track being built and opened, 3G Pitch brought back into use at the Kings School and commencement of the Kidsgrove Sports Centre refurbishment. Clough Hall Park has also seen improvements to its facilities, including drainage improvements to address flooding issues, refurbishment of the large pavilion to provide improved changing and kitchen facilities and demolition of the un-used small pavilion. A Masterplan for the park has been developed to assist in attracting funding for future improvements to the park.
- **32 Planning Service -** throughout the pandemic, the Planning team have worked from home and continued to deliver the service with minimal disruption. Key performance indicators remain on target;

Support for Businesses & Economic Recovery

33 The Council continues to administer the Local Restrictions Support Grant (LRSG) to support businesses forced to close or severely affected by local or national restrictions. Across a number of grant programmes the Council has now paid out over £32m.

Major Programmes

- 34 Earlier reports to Cabinet highlighted the role which the Future High Street Fund and the two Town Deals would have on the longer term recovery of the local economy. Progress continues with those programmes:
- 35 The Council bid under the Future High Streets Fund has been successful, with an agreement for just over £11m being announced in December 2020 and signed in July 2021. These funds will facilitate the regeneration of Newcastle Town Centre, with a specific focus on the Ryecroft site. The first of the schemes to be commenced is the demolition of the former Civic Building on the Ryecroft site in the Town Centre, which will be complete in June 2022.
- 36 Advance Town Deal Funds of £1.75m secured for initiatives in Newcastle & Kidsgrove has enabled work to begin on a range of projects including the refurbishment of a unit in Lancaster Buildings for use as a employment and skills advice hub, expansion of town centre WiFi, Improvements to the "bear pit" subway including CCTV and artworks, redevelopment of the Zanzibar site, and reconfiguring the Guildhall reception to increase usable space and improving market infrastructure. In Kidsgrove, works include the strip out of Kidsgrove Sports Centre as part of the



- refurbishment and development of a 3G pitch at The Kings School, and park improvements in Newchapel Recreation Ground, and Clough Hall Park.
- 37 Town Investment Plan for Kidsgrove submitted to Government in October 2020 has been successful, with £16.9m allocated to the town to deliver a range of physical and social regeneration projects. To date the Town Deal Board have had confirmation of the Kidsgrove Sports Centre refurbishment financial contribution from MHCLG and the funding contribution to the Chatterley Valley industrial site entrance works has been submitted to MHCLG for approval. Work continues to work up the business cases for the remaining schemes for funding release.
- 38 Town Investment Plan for Newcastle was submitted in January 2021 and has been successful, with £23.6m allocated to the town to also deliver a range of physical, social and cultural regeneration projects. Schemes will now be worked up into business cases for submission to MHCLG over the next twelve months for funding release.

Democracy

- 39 With the initial lockdown the Council's formal decision making processes moved from physical meetings to online meetings on the Zoom platform. Whilst a steep learning curve for both officers and members, online meetings proved to be a successful means of working around the Covid restrictions.
- 40 The Council was one of the first Councils to build back face to face meetings, with a hybrid of face to face and Zoom meetings being used for the September 2020 Annual Council, and then steadily rolled out until it was once again possible to revert to normal practice.

3 Financial Recovery

- 3.1 The Council has secured over £5m from central government for the financial year 2020/21 to cover income losses and activities required to mitigate the impact of Covid.
- 3.2 As the COVID pandemic has had a significant impact on the Council's financial position through a mixture of lost income and additional costs. For 2020/21 Government COVID funding of £2.328m has been secured (including £346k of new burdens funding to offset the costs of administering Coronavirus business support grant, hardship relief, and self-isolation grant schemes), this has significantly reduced the pressures of additional spending and pressures on the futureproof of the Council finances.
- 3.3 Further Government funding to assist with the Council's response to the Coronavirus has also been secured during 2020/21 in relation to rough sleepers (£0.196m), outbreak control (£0.179m), enforcement (£0.061m) and the reopening of the high street (£0.115m).
- 3.4 The Council's revenue budget relies on service income from fees and charges of around £850k per month across a wide range of services, with a significant proportion coming from J2 and car parking. Income losses from fees and charges for the financial year 2020/21 amounted to £3.075m, net of furlough scheme assistance of £0.197m
- 3.5 The Government announced that it will fund income losses, relating to irrecoverable fees and charges, above the first 5% at the rate of 75p in the pound for 2020/21, which again has significantly insulated the Council from income related financial risks. The Government's income compensation scheme will offset these income losses to the sum of £1.994m.



- 3.6 Additional expenditure pressures have inevitably been incurred as a result of the COVID-19 pandemic. These amount to £1.865m for 2020/21 (excluding the provision of services/activity for which specific funding has been received).
- 3.7 As the Coronavirus pandemic continues to have an impact on the Council's financial position, primarily through lost income, although this is showing a marked improvement compared to the losses incurred during 2020/21. To date un-ringfenced Government funding of £0.842m has been secured (including £167k of new burdens funding to offset the costs of administering Coronavirus business support grants) in relation to 2021/22, which has reduced the immediate pressure on additional spending on the Council finances.
- 3.8 Further specific Government funding to assist with the Council's response to the Coronavirus during 2021/22 has also been secured in relation to elections (£0.035m), outbreak control (£0.174m) and the Welcome Back fund (£0.115m).
- 3.9 As previously advised, the Council's revenue budget relies on service income from fees and charges of around £850k per month across a wide range of services, with a significant proportion coming from J2 and car parking. Taking account of the current restrictions it is forecast that income losses from fees and charges for the current financial year will amount to £1.001m (£0.442 for quarter 1).
- 3.10 The Government announced that it will fund income losses, relating to irrecoverable fees and charges, above the first 5% at the rate of 75p in the pound for the quarter 1 of the current financial year, this will help to insulate the Council from income related financial risks for quarter 1 only. It is forecast that the Government's income compensation scheme will offset these income losses to the sum of £0.360m.
- 3.11 Additional expenditure pressures continue to be incurred as a result of the Coronavirus pandemic, albeit at a vastly reduced rate when compared to 2020/21.

Lessons Learnt

- 3.12 The Council's performance during the pandemic has offered the opportunity to identify and reflect on the various lessons which have emerged from such a period of atypical operations. Many of these lessons have now been drawn together into the One Council Programme which will adopt and develop the best practice which was observed. Key issues identified include:
 - Silo Working in responding to the pandemic there was an immediate recognition that any
 "service silos" which existed had no place in the new operating environment where sharing
 information, intelligence and resources across services was imperative. Examples of this
 included staff retraining to work on helplines, bereavement services and refuse collection
 in order to maintain these core services.
 - Agile Working The Council moved swiftly to enable officers to work remotely, with minimal impact on service delivery. Whilst the provision of appropriate IT equipment was essential for this, as important has been the development of appropriate means of team support and supervision, with a clear focus on outcomes achieved rather than time "present" in the workplace. The importance of this approach to management was highlighted by some of the early challenges experienced in rolling out the initial business grants;
 - Going Online the enforced closure of council buildings required an increased move to
 online service delivery rather than face to face delivery. As more and more residents have
 access to smart phones and computers, this will increasingly become the norm for all but
 a relatively small number of residents who need specific support. This shift is central to
 the One Council agenda.



 Working with partners - delivering to the most vulnerable, and delivering on infection control has meant that colleagues across the Council have been working closely with partners such as the Realise Foundation, Support Staffordshire, and the County Council at an unprecedented scale. This has provided a valuable baseline for further work in a post pandemic world. The close work with the County Council in particular will be critical to extending further the concept of "enhanced two tier" working.

4. **Proposal**

- 4.1 Note the impact of the Covid19 Pandemic on the community of Newcastle under Lyme, and on Council services:
- 4.2 Invite Finance & Performance Scrutiny Committee to review the impact of the pandemic on Council services:

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 Regular reports have been provided to Cabinet and to the Council's Scrutiny Committees on the impact of the Covid19 Pandemic.

14 List of Appendices

14.1 None

15 **Background Papers**

15.1 None