

CABINET

DATE	1 st May 2020
REPORT OF	Chief Executive
SUBJECT	Covid-19
STATUS	Open

EXECUTIVE SUMMARY

A report summarising the Council's response to the Covid-19 pandemic in North East Lincolnshire.

RECOMMENDATIONS

1. That the emergency decision making arrangements established as part of the Council's response are endorsed.
2. That the areas of focus pursuant to which the local response has been co-ordinated are endorsed.
3. That the ongoing and potentially extensive impact on the Council's financial sustainability is noted and the lobbying of Government through established mechanisms continues accordingly.
4. That Cabinet receives a report at its next meeting on the subject of recovery.
5. That this report is referred to the Scrutiny Panel convened to sit during the forthcoming period.

1. BACKGROUND AND ISSUES

1.1 It is not intended to rehearse the background to the Covid-19 pandemic. The contents and thrust of this report will be familiar to Cabinet members, with a focus on the arrangements put in place to manage and co-ordinate the local response. Nor does this report cover the vitally important role, at the regional level, of the Humber Local Resilience Forum, in respect of which the Council has remained fully engaged at both Strategic and Tactical co-ordination group levels.

1.2 Constitutional arrangements

In response to the impact of the pandemic on the normal conduct of the Council's business, it was agreed that all Council meetings (Cabinet / Scrutiny / Committees etc) be cancelled until the end of April at which point matters will be reviewed. It was anticipated that emergency legislation would be brought forward by Government to facilitate "remote" meetings, which has proven to be the case. As Cabinet will be aware, arrangements have been discussed by the Chief Executive with the political group leaders, with unanimous agreement on the way forward regarding the phased mobilisation of remote meetings, the cancellation of the AGM of Council, the carry forward of all appointments as at last year's AGM until May 2021, as well as unanimous agreement regarding the mayoralty.

As it currently stands, the emergency decision making arrangements implemented at the beginning of the mobilisation of the Council's response, remain in place. For the record those arrangements are:

- (i) That the Chief Executive has delegated authority to exercise all Council responsibilities in respect of civil contingencies and emergency planning subject to prevailing legislation, these responsibilities to be delegated to such officer(s) as considered appropriate, from time to time.
- (ii) Any decision taken in urgency, regarding the discharge of the Council's key decision making responsibilities, will be made in consultation with the Leader and the Portfolio Holder for Finance, or in the case of their absence, their nominee.
- (iii) All such decisions include prior consultation with the chairman of the Communities Scrutiny Panel before ratification is sought from the Leader and the Portfolio Holder for Finance.

With the phased mobilisation of remote meetings and subject to any prospective relaxation of the Government's lockdown restrictions, the necessity for the operation of the emergency decision making arrangements will kept under constant review by the Monitoring Officer, in consultation with the Leader and the Chief Executive.

1.3 The Council's response

1.3.1 The response has focused on 5 main themes:

- Environment and regulatory
- Adult social care and protection of the vulnerable (including homelessness prevention and rough sleeping)
- Children, families and schools
- Financial hardship and business support
- Councillors support and voluntary / community sector engagement

Running across these areas of focus have been the key themes of public health, workforce (including PPE), governance and working with partners and key sectors. Furthermore, business continuity plans remain under constant review across the organisation.

1.3.2 The ongoing impact on our functions and services continues to be assessed on a daily basis, with adjustments made as this emergency has unfolded - in almost every case, in prior consultation with portfolio holders. It was inevitable that there would be an impact on service levels over the last few weeks and it is a testament to all staff , be they front line, supporting or behind the scenes , that essential public services have been maintained to the levels that currently exist across the Borough. Collective spirit, creativity and commitment has shone through.

1.3.3 Against the backdrop of the key areas of focus, officers working with the support of local partners and sector leads have administered the Government's business support grant scheme and hardship fund as effectively as practicable. Cabinet will be aware of the significant sums paid out to ensure that the Council does its utmost to support the local business community and the local economy.

1.3.4 The extent to which it was possible, owing to the ICT platform in place, to mobilise such extensive home working has also been a key contributory factor supporting the overall effectiveness of the local response. Notwithstanding the glitches that are bound to occur with an operation of such scale, it is reasonable to assert that the major shift to home working that was implemented has been a success, with positive lessons to be applied to inform and shape future ways of working.

1.4 **Our Public Health approach**

1.4.1 As the severity of the situation became clearer the UK government put in a steadily increasing range of public health measures to first contain and later delay and slow the spread of the virus during March. Initially measures were focused on encouraging a rigorous approach to handwashing and sanitation. Then as things progressed onto the delay stage social distancing was initially encouraged and then enforced through the closure of schools, ending of mass public events and a range of economic measures to stop all but essential workers from travelling and attending workplaces (lockdown period). The lockdown was initially implemented for three weeks but has now been extended for a further three weeks and may continue for a number of months in some form. Early indications suggest that the implementation of the lockdown dramatically slowed the infection rate in the population. The best available evidence suggests that prior to the infection each Covid-19 case infected more than three other people on average (Reproduction number ($R_0 > 3.0$)). It is now estimated that as a result of the lockdown the reproduction number has dropped under one ($R_0 < 1$).

1.4.2 Maintaining the infection rate below 1 will be the measure of success of any lifting of the lockdown measures. Shielding is likely to continue in some form to keep the most vulnerable safe. A key component of any lifting of the lockdown measures will be extensive testing capacity and mechanisms for contact tracing in the event of further outbreaks. The government is leading on this from the centre and the role locally will be to ensure the mechanisms put in place are working effectively for the population, enabling a safe and gradual return to a fully functioning economy. Social distancing and hygiene measures will be a feature of life possibly up until the end of the year and it is important to recognise that any outbreak could if left uncontained, do irreparable damage to the local economy.

1.5 “Shielding”

- 1.5.1 Cabinet will be familiar with the “shielding” model introduced by Government and tailored / implemented at the local level. The Council, working with partners, particularly in the voluntary and community sector, has established a hub to ensure that the most vulnerable in our communities receive access to food and key supplies over the twelve week shielding period. This has been a huge logistical undertaking, including vulnerable residents identified through local data analysis and intelligence, as well as via the Government model. It is also important to state that the local hub would not be operating as well as it is, so far, without the significant and essential support of the voluntary and community sector organisations in the Borough. Another immediate lesson to take away from the local response is the extent to which the ‘third sector’ (organisations and volunteers) plays a pivotal role in supporting residents and communities, in ways that the Council should consider building upon.
- 1.5.2 The foregoing sections of this report provides only a high-level flavour of the response to the Covid-19 outbreak and the arrangements to deal with its impact in the Borough. It goes without saying that extensive engagement and communication has taken place with the workforce, elected members, our local MPs, our key sectors and partners, throughout the course of the response. That engagement will continue as the focus turns to consider recovery.

1.6 Financial impact

- 1.6.1 Cabinet are familiar with the full range of measures that central government put in place at the start of the emergency. This included a package of financial support made available to councils and CCGs to contribute to the costs of responding to the emergency. The Council received an initial grant of £5.2m, to be utilised predominantly on additional social care costs associated with responding to the emergency, but also to cover any other related costs. These costs are likely to be extensive and cover a number of areas of front-line service delivery, as well as set up costs of specific responses such as shielding hubs and mortuary provision.
- 1.6.2 Additional funding for local government has recently been announced, however details of this funding are not yet known, nor is the specific allocation to NEL.
- 1.6.3 Alongside this, each council received an allocation of funding designed to support business. NEL’s allocation was £35m in business support grant, designed to provide grants of between £10,000 and £25,000 to eligible businesses to cover costs associated with business interruption, enable them to pay bills and manage cashflow. Our response was swift and enabled us to reach two-thirds of eligible businesses within the first 4 weeks. Officers are working hard to ensure that remaining businesses are contacted and the remaining grant is paid out.

- 1.6.4 Additional small business rate relief has also been made available and we have successfully and swiftly re-issued business rate bills to each business eligible for the relief.
- 1.6.5 Each council also received an allocation of funding designed to support those households who are in hardship. NEL's allocation of hardship funding was £1.6m. Again, we have responded swiftly, and each household who qualified for the £150 relief has received a revised council tax invoice, issuing an additional 13% more revised bills. In the first 3 weeks we saw a 67% increase in the amount of applications for council tax support, which is an unprecedented increase. Current estimates indicate that additional costs to the scheme will mean an additional burden to the council of circa £1m. Correspondingly, we know that within the same period, DWP saw an additional 100/day in new applications for universal credit, indicating the scale of the impact on local households of slow down in the local economy.
- 1.6.6 As the emergency situation continues, we must anticipate the financial impact of the slow down in the local economy on our income base. Cabinet are aware that local taxation makes up around 80% of our funding. Prudent estimates currently indicate that the cost to the LA of lost taxation as a result of COVID19 could be in the region of £9m in 2020/21. This of course will also impact on future years in terms of collection and bad debts, if the economy continues to slow or stall. We are also at risk of losing circa £1m in business rates through delays to delivery of the SHIP programme.
- 1.6.7 Cabinet are also aware that the Council also generates income through other sources of fees, sales and charges such as car parking income, income from the commercial estate. All of these income streams are at risk as a result of the emergency situation, and prudent estimates set the loss of these income streams at some £5.7m in the current year.
- 1.6.8 In total we currently estimate our loss of income to be circa £15.7m presenting a significant risk to our business plan and financial resilience.
- 1.6.9 Alongside this loss of income, there are the additional financial burdens and pressures created by the response to the emergency, across all areas, including social care, these are estimated to be £16.7m, and range from responding to pressure created by additional hospital discharge, provider sustainability, increasing costs associated with children at risk or looked after, to pressures created by delays to implementing or delivering savings programmes.
- 1.6.10 In total, the estimated overall impact on the medium-term financial plan is £32.4m before application of one-off funding. In overall terms, even after application of funding, there will still be a considerable financial pressure on the Council, which will need to be fully assessed for impact and understanding.

1.6.11 As part of the response to recovery, we will need to revisit our current business plan, its priorities and programmes to determine the full and detailed extent of the impact of the COVID19 emergency response. Further updates on the financial impact of COVID19 will be reported to Cabinet.

1.7 Recovery

1.7.1 Recovery covers a range of issues including the local economy, the resilience of local communities, the environment, the health and care system, our services, our organisation, our financial resilience and that of the Borough. It also includes capturing the learning and good practice that can and should be taken forward as we begin to shape and define the “new normal”. It’s also about the wellbeing of self and others – understanding that residents, families, businesses (and indeed us all) have experienced something that to all intents and purposes is traumatic – a completely different set of societal rules, ways of working, communicating and restrictions on how we conduct our daily lives. Any thoughts about a straightforward return to how it all was before should be disregarded and that includes when it comes to the workforce, the organisation and the wider system.

1.7.2 It is proposed to bring a report to the next meeting of Cabinet on the subject of recovery, also informed by the approach taken regionally by the LRF.

2. RISKS AND OPPORTUNITIES

2.1 The risks and consequences associated with the impact of Covid19 are alluded to in the substance of this report.

3. FINANCIAL IMPLICATIONS

3.1 As laid out in the main body of the report. The potential financial implications of the response to COVID19 are likely to be significant and far reaching. A full review of our finance and commissioning plan, priorities and medium term financial plan will be required as part of the recovery process to fully determine the extent of the risk and to prepare a full package of measures designed to respond and ensure future financial resilience and sustainability.

4. LEGAL IMPLICATIONS

4.1 There are no legal implications that immediately arise from the recommendations sought.

4.2 Emergency decision making, underpinning the Council’s response to the COVID-19 emergency, has been based upon sound constitutional provisions and statute with appropriate levels of consultation and engagement across the public and private sectors.

5. HUMAN RESOURCES IMPLICATIONS

Specific, HR and health & safety advice will be taken in respect of the contents of this report. The health, safety and wellbeing of our workforce has been at the forefront of the response to COVID19 by the Local Authority and

will continue to be so.

6. BACKGROUND PAPERS

None

7. CONTACT OFFICER(S)

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Chief Executive**