

**CABINET**

<b>DATE</b>	15 <sup>th</sup> July 2020
<b>REPORT OF</b>	Leader of the Council
<b>RESPONSIBLE OFFICER</b>	Rob Walsh – Chief Executive
<b>SUBJECT</b>	COVID-19 Recovery Plan
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO</b>	Not included in the Forward Plan – to be considered under the General Exception rules of the Constitution.

**EXECUTIVE SUMMARY**

A report presenting the Council's approach to Covid-19 recovery.

**RECOMMENDATIONS**

It is recommended that Cabinet :

1. Approves the approach to Recovery, set out in the Appendix to this report.
2. Refers this report to the Communities Scrutiny Panel for consideration and any further recommendations.

**1. BACKGROUND AND ISSUES**

- 1.1 At its meeting on the 10<sup>th</sup> June, Cabinet considered a report and approved recommendations regarding sub regional and local recovery arrangements. This report attaches the local Recovery Plan for Cabinet's approval and continued review and oversight.
- 1.2 At the sub-regional level, under the auspices of the Humber Local Resilience Forum (LRF), a Humber Recovery Co-ordinating Group (RCG) has been established. Cabinet has previously noted and endorsed the terms of reference of the RCG.

At the local level a Recovery Task Group (RTG) has been formed. Chaired by the Council's Deputy Chief Executive, the RTG is focused on the following themes / workstreams:

- Local economy and business support (including a "green" recovery)
- Adult social care and protection of the vulnerable
- Children, families and schools
- Environment and regulatory
- Community resilience and engagement
- Financial resilience, reform and renewal (including organisational development)

- Public health and health protection
- CCG Union

- 1.3 The attached Recovery Plan, an iterative document, sets out the proposed approach to recovery, identified risks and areas of focus as the Council and the Borough moves into another challenging period. The overarching strategic aims are to facilitate and support local economic recovery, support and sustain local community resilience, support the health and care system, maximise digital capability, support workforce wellbeing , remain focused on prevention and effective outbreak management and build as much financial resilience (organisation and Borough) as possible.
- 1.4. Collaboration, engagement and partnership across the public, private and voluntary sectors will remain essential. Such engagement continues via the Development and Growth Board, the Voluntary and Community Sector Alliance and, from a system wide perspective, the Place Board.
- 1.5 The Council's primary strategic objectives of stronger economy and stronger communities have never been as relevant as they are now. The Recovery Plan will evolve as circumstances change and new challenges and opportunities arise. This is not a plan captured in a tablet of stone. As the local economic, social and environmental impact of Covid-19 becomes clearer over time, the Recovery Plan will be reviewed to ensure fitness for purpose, relevance and focus enabling the Council and the Borough to respond to significant challenges as best as reasonably practicable.
- 1.6 As previously reported, the Council's financial recovery will necessitate the development of a range of options and actions, specifically designed to understand the full extent of the short, medium and long term impact of Covid-19 on our financial resilience and sustainability. These include specific activity in relation to Collection Fund, Business Rates and the Council's strategies for Finance and Capital. Over time, the approach will include a range of recommendations to Cabinet and aimed at either responding to or mitigating the financial impact of the pandemic. Overall, our response to financial recovery is underpinned by our approach to recovery across all elements of the organisation and the wider Place based recovery, focused on developing an approach that is unified and joined up.

## **2. RISKS AND OPPORTUNITIES**

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

## **3. OTHER OPTIONS CONSIDERED**

None

## **4. FINANCIAL IMPLICATIONS**

- 4.1 The Government has recognised the efforts that councils are making and responded to concerns regarding the financial strain being put on the sector by providing additional funding and providing a commitment that they will receive the resources they need to deal with the direct impacts of the pandemic. The Council has received initial grant of £9.6M which will be used predominantly on establishing support mechanisms in response to the emergency. Costs are extensive and cover a number of areas of service delivery, as well as set up costs of specific responses such as shielding hubs and mortuary provision. However, this grant only equates to approximately 7% of net spend and the in-year financial impact is estimated to be well in excess of the grant when taking into account lost income and delayed savings opportunities. As Cabinet is aware, the Local Government Association continues to lobby for further financial support for the sector.
- 4.2 The Council is anticipating that the financial impact of the pandemic will lead to a significant slow-down in the local economy which will therefore impact upon our funding base. Like any other business concern, the Council needs to balance its budget over a period of time and it is important to note that local taxation makes up around 80% of our overall funding.
- 4.3 At the present time the full financial impacts of the pandemic are still to be fully established. Regular financial monitoring arrangements remain in place and budget holders are being asked to identify financial impacts split between increased costs, reduced income and delayed savings opportunities. The focus of monitoring is predominantly in relation to the current year at the present time.
- 4.4 The council is being required to complete regular financial monitoring information to the Ministry for Housing, Communities and Local Government (MHCLG). The monitoring incorporates the allocation of funding, additional spending pressures, income losses, council tax collection information and the availability of reserves.
- 4.5 Once the in-year position becomes clearer it will be necessary to start to assess the impact over the medium term in advance of the 2021/22 budget round.

## **5. LEGAL IMPLICATIONS**

- 5.1 By virtue of the Civil Contingencies Act 2004 the Council is deemed a “Category One” responder and as such has statutory responsibilities to respond to any emergency arising. As a result, it also has obligations around effective response and recovery with good practice being manifest by the guiding principles of anticipation, preparedness, subsidiarity (decisions taken at the lowest appropriate level), direction, in formation, integration, cooperation and continuity.
- 5.2 The Council can be flexible and adaptive in its response and it is right that any recovery plan be organic and be able to flex to suit emerging issues.

**6. HUMAN RESOURCES IMPLICATIONS**

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.

**7. WARD IMPLICATIONS**

All wards are affected.

**8. CONTACT OFFICER**

Joanne Hewson  
Deputy Chief Executive

**COUNCILLOR PHILIP JACKSON**  
**LEADER OF THE COUNCIL**

# North East Lincolnshire Covid19 Pandemic Approach to Recovery



# **Background and Context**

The term 'unprecedented' is used on a daily basis to describe the current Covid-19 national emergency, affecting our whole population, communities and businesses alike. The Council is still in the early response phase of the emergency with national models indicating that the emergency will continue for several months.

Recovery is an enabling and supportive process, which seeks to build capacity and independence allowing individuals, communities and businesses to return to their normal lives, routines and activity. Services are already trying to imagine and plan for the new 'norm' and support provided through the Hub, for example, is trying to promote individual and community resilience.

It is assumed that following the peak of the pandemic there will be staged relaxation of social distancing, which will allow the gradual restoration of Council services. If this was a reversal of the process of lockdown this would see schools re-open to all pupils first, followed by some businesses. A continued restriction of social mixing is likely and so it is expected that there will be a continued recommendation for staff to work from home where they can, a restriction in mass gathering and self-isolation for vulnerable groups. Council functions that involve gatherings of people may need to remain suspended.

It is essential that as we move through the recovery process that we have a clear strategy for what 'business as usual' looks like in the short, medium and longer term. That there is a clear exit strategy for changes made to existing services whether that is closures, removal of services, changes to service delivery/access points, changes to eligibility etc. This document sets out our approach to recovery and sets out a framework for the governance of a council wide recovery response.

Some changes have been introduced during this period that could change societal and workforce practises in the future. It is recommended that the Council's recovery approach is split between:

- (i) Immediate stabilisation, where temporary measures are put into place to allow for as close a return to normality as the situation allows; and
- (ii) a longer term restoration phase where consideration is given to how improvement and regeneration opportunities might be made to improve the wellbeing and environment of the area affected.

Our experience of recovery has been primarily based on short term issues such as flooding, power outage etc. which have impacted specific and isolated areas of our community. Recovery for those communities has lasted a number of weeks and the resources deployed to support the recovery have usually diminished over that period. Our recovery to approach Covid-19 will undoubtedly take a significant length of time which will require the internal strength and resilience of our staff and financial resources, continued strong and effective partnership and collaboration across our key sectors and effective engagement and communication with our communities.

The Cabinet, elected members and Town and Parish Councils will play a key role in community leadership throughout the recovery stage. Having effective community engagement and communications will be crucial. Regular reporting and monitoring of progress against the Council's recovery plan will be provided to the Cabinet.

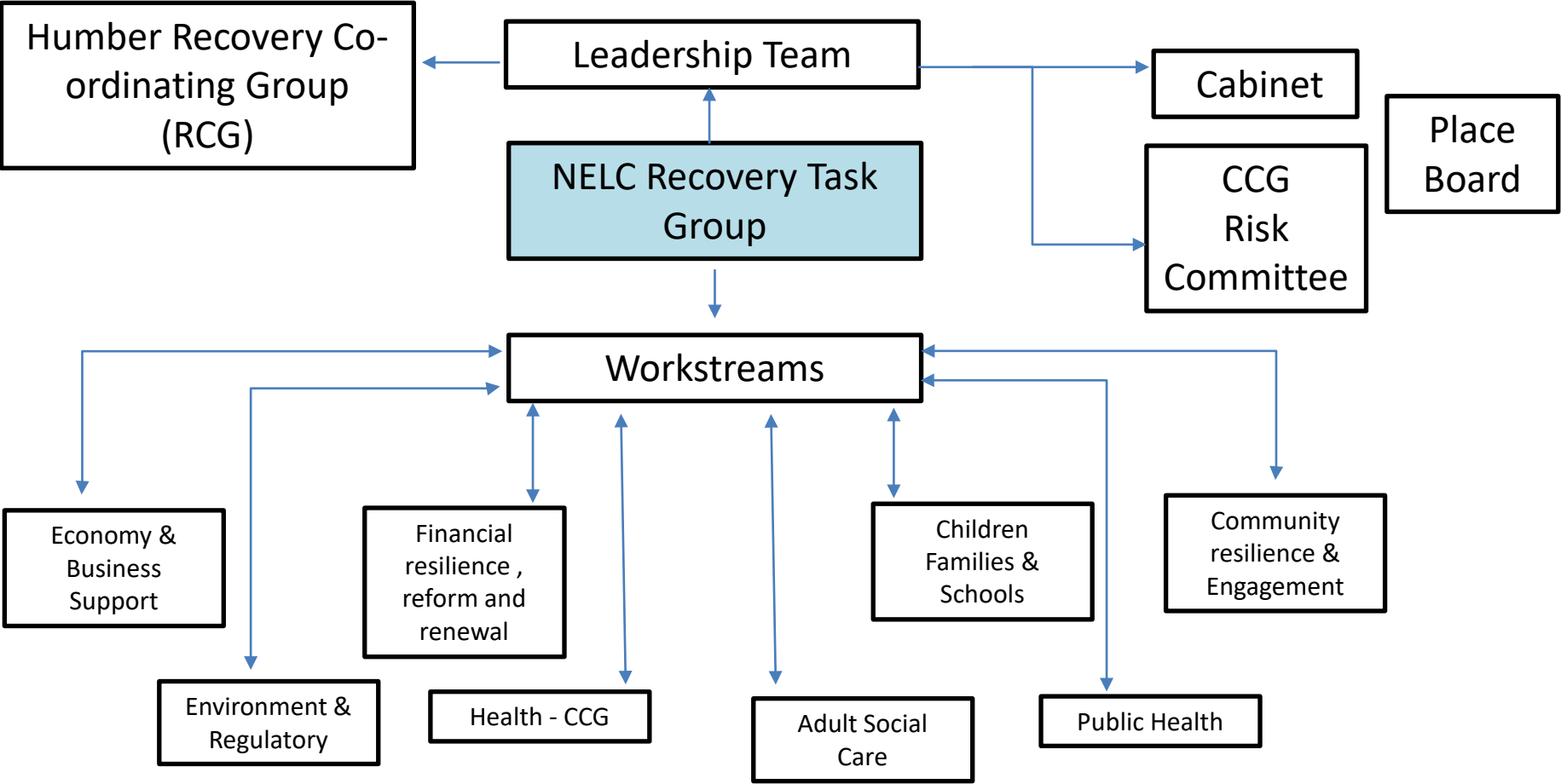
# Overall Approach to Recovery

Building on the stabilisation and restoration phases described above the following are the thematic areas for recovery and support the Councils current priorities:

- Economy and Business Support – identifying new or continuing factors limiting business growth, scoping further local business remedies and interventions that may be needed, self-employment issues; the impact and issues associated with the increase in unemployment and the consequent dramatic increase in Universal Credit claims; advice and business support; development/investment; review capital programme; develop care sector market support etc
- Community Resilience and Engagement – building on community resilience, enhanced sense of community and place, enhancing the role of elected representatives and the voluntary and community sector.
- Adult Social Care and protection of the vulnerable – supporting and protecting the vulnerable, are the vulnerable pre Covid-19 different to the vulnerable post Covid-19?, what are the physical impacts including health, mental health, housing, homelessness / rough sleepers, community displacement, return to daily life. How should/can services be delivered in future, what are our new priorities medium to long term for our frontline services across the local health and care system?
- Children, Families and Schools – consider how a phased return to ‘normal’ life will affect families and children in particular how to coordinate a safe and appropriate return to mainstream educational or SEND settings. Maintain focus on the improvement agenda in children’s social care.
- Environment and Regulatory recovery - to maintain and enhance our public spaces and street scene, to maximise the benefit they can bring to residents wellbeing at this time of additional need, whilst ensuring they are safe for use. To support our businesses to adapt their operation to re-open responsibly and provide an effective enforcement and regulatory framework to ensure residents safety, deter irresponsible behaviours and to safeguard against further pressure being placed on our environment and front line services.
- Organisational recovery – to promote new ways of working, providing momentum to agile, digital delivery and the development of the Council / CCG Union operating model ; reviewing resources required and lessons learned from the response phase to Covid-19; developing a communication strategy to build staff’s confidence and support to address mental/physical health and wellbeing for those who have delivered/supported the frontline during the emergency; review emergency legislation and consider exit/step down plans.
- Financial Resilience– understanding of overall financial impact, costs, lost income, impact on treasury investment; impact of financial support to businesses and residents e.g. welfare support, CTS, rent arrears and the government’s new business support grants in response to Covid-19.

The importance of good communications during the current response stage has been critical and as the Council moves into a recovery phase a further communications plan has been prepared which will seek to maintain the council’s reputation.

Governance





# **Public Health Overview**

Public Health will provide leadership, technical expertise, and evidence-based advice across the system in the ongoing response to, and recovery from, the coronavirus pandemic. Public health will work in collaboration across the place-based system to identify threats to health, and prevent and mitigate the direct and indirect health impacts of coronavirus on the NEL population.

1. To continue to respond to the coronavirus outbreak and minimise the risk of transmission and its resurgence
2. To determine and report upon the local epidemiology around Coronavirus, drawing on available data and insights.
3. To assess the public health risk of easing lockdown measures, and ensure this forms an integral part of recovery plans and associated decision-making.
4. To develop and implement the local requirements under the national Test, Track and Trace Programme, working with our colleagues in Public Health England
5. To further evolve appropriate outbreak management arrangements, set out in an Outbreak Control Plan, with ability to mobilise accordingly.
6. To provide whole system public health support and evidence-based public health advice, including to the health and care system and more complex settings, such as, care homes
7. To ensure arrangements are in place to continue to protect the extremely clinical vulnerable or 'shielded' group.
8. To gather relevant data and intelligence and assess the impact of the coronavirus pandemic on our population.

# **Financial Overview**

- The Government has recognised the efforts that councils are making and responded to concerns regarding the financial strain being put on the sector by providing additional funding and providing a commitment that they will receive the resources they need to deal with the direct impacts of the pandemic. The Council has received an initial grant of £9.6M which will be used predominantly on establishing support mechanisms in response to the emergency. Costs are extensive and cover a number of areas of service delivery, as well as set up costs of specific responses such as shielding hubs and mortuary provision. However, this grant only equates to approximately 7% of net spend and the in-year financial impact is estimated to be well in excess of the grant when taking into account lost income and delayed savings opportunities. Further central Government grant funding may be forthcoming and would alleviate some of the pressures the Council is likely to face over the short-term.
- The financial pressures faced by the Council are significant and wide ranging and impact on all aspects of our activities. These present a significant risk to our approved medium-term financial plan and overall financial resilience.
- The Council is anticipating that the financial impact of the pandemic will lead to a significant slow-down in the local economy which will therefore impact upon our funding base. Like any other business concern, the Council needs to balance its budget over a period of time and it is important to note that local taxation makes up around 80% of our overall funding.
- See Appendix A for a detailed financial overview.

# **Financial Overview**

## **Financial monitoring and oversight**

- At the present time the full financial impacts of the pandemic are still to be fully established. Regular financial monitoring arrangements remain in place and budget holders are being asked to identify financial impacts split between increased costs, reduced income and delayed savings opportunities. The focus of monitoring is predominantly in relation to the current year at the present time.
- The council is being required to complete regular financial monitoring information to MHCLG to support their ongoing assessment of the level of support required for the sector. The monitoring incorporates the allocation of funding, additional spending pressures, income losses, council tax collection information and the availability of reserves.
- Once the in year position becomes clearer it will be necessary to start to assess the impact over the medium term in advance of the 2021/22 budget round.

## **Key actions**

- *Ongoing assessment of the financial impact in year through continuing to capture additional costs associated with Covid-19*
- *Review format of the quarterly finance and performance report with a view to including additional information on Covid-19 and including additional narrative around financial sustainability*
- *Given the seriousness of the Council's current financial situation, suspend current finance and commissioning board arrangements with ownership reverting back to the Council leadership team.*
- *Revisit the budget timetable for 2021/22 budget round and the potential need for an emergency budget.*

## **Operating Model**

The Council has a good track record of innovative and transformational arrangements across a wide range of areas. The response to the pandemic has provided further opportunity to continue to build on that success. Prior to the pandemic the Council together with its partner the CCG had embarked upon an ambitious integration of Health and Social Care, building on its previous 10 year relationship across Social Care. Establishment of The Union was well underway, however the combined, Place based response to the pandemic provides us with further opportunities to accelerate our integration, build on our digital and agile capabilities, make more efficient and effective use of the NEL pound via integrated commissioning, data insight and intelligence, performance and integrated working practises.

Throughout the response to the pandemic our relationships across the wider Place has enabled us to work more effectively together, utilising each others strengths to ensure that citizens, residents, business, and communities have been supported, we now have the opportunity to further enhance those arrangements

### *Key Actions*

- *Review Place based digital capacity, working with partners across all sectors to create plans to support growth and resilience across NEL*
- *Continue to drive the integration agenda underpinned by a strong digital and ICT infrastructure*
- *Review management and leadership arrangements*
- *Review workforce policy and practise to support further agile working practices*
- *Review operational buildings to support, exploring further opportunities for co-location and rationalisation*
- *Review and integrate key elements of the Union model – data, intelligence and insight, commissioning and commissioning support and performance and delivery*
- *Operational activity to ensure that buildings and work spaces are Covid Secure, across all elements of Council and CCG estate*

# Lessons Learnt

Before the pandemic the Union was working towards new and different ways of working, with the Council and the CCG learning from each other about what worked well, and what we thought needed to improve to better support our communities. We were starting to test a new approach in some specific areas of work.

The response to the pandemic accelerated some of the principles that we are seeking to progress and we can now build on what we have learned at a wider level. Some of the key lessons learned are as follows:-

- When people are able to fully focus on the response to one issue, they can identify solutions and mobilise a response far more quickly than when they are juggling multiple different projects and priorities. As we go forward we need to be absolutely clear about what the key issues are that we need to solve, and resource delivery programmes effectively to deliver them without being distracted. For example, in creating our responses to both businesses (the business grants scheme and wider advice) and communities (focussing on those who are shielded and most vulnerable) we had clear focus that enabled support to be put into place quickly and effectively;
- Our organisational structures naturally mean that people tend to work in silos at both team and organisational level. Our response meant that we needed to quickly put together multi-disciplinary groups of people based on the skills and knowledge needed rather than the area of the organisation they normally work in;
- Good quality data and intelligence that is held in one place and available for multiple purposes is essential if we are to ensure that we target our support and activity most effectively. It is more important than ever that we have a collective view of our data and intelligence so that we can target services to the people who need them most;
- We need to continue and build on the use of technology that enables people to work remotely and dial into meetings. This has enabled quicker decision making (no waiting for meeting rooms to be available to have conversations), improved communications, has environmental benefits due to reduced travel and is more cost effective in terms of direct cost (mileage costs) and staff time spent traveling between meetings.
- The Voluntary, Community and Social Enterprise Sector (VCSE) are often better placed to support local communities and our role should be about facilitating smaller organisations with the support they need to deliver. Throughout the pandemic, VCSE organisations have led on arrangements to support vulnerable people, for example, shopping, collecting medicines and providing befriending services. Just prior to the pandemic the Talking, Listening and Working together strategy that was co-produced by the Union and VCSE was launched, which outlines our commitment to working together for the benefit of the communities across NEL. It is vital that we build on the approach as we move forward through recovery and beyond.

# Communication

Activity	Purpose/Tools	Audience
Internal: High level strategic updates	Updates the members of the Council and CCG of activity and information ahead of publication to allow for appropriate decision making	All Councillors CCG Governing Board NELC and CCG Management Team
Internal: updates to Ward Councillors	Updates are offered / sent to Ward Councillors where recovery activity specifically affects their ward	Ward Councillors
Internal information	Updates for staff via intranet, email updates, on-line Q&A sessions with leadership team on activity and information	NELC/CCG staff
External: General – Press release	Proactive press releases will be produced and distributed to local media to advise and inform of recovery activity, tailored to audiences	Media Local residents Businesses Visitors to the area Parish Councils/ Third Sector Partner agencies People offering help/support Government and regional agencies People directly affected by COVID.
External: Council and CCG Websites	Keep the Council’s COVID pages updated with relevant information on projects and initiatives.	Local residents Businesses Media Parish Councils/Third Sector Partner agencies People offering help/support Government and regional agencies People directly affected by COVID.
External: Social Media	Post regular updates to support national and local recovery activity. Use images and videos to give important information and updates where available.	Local residents Businesses Media Parish Councils Third Sector Partner agencies People offering help/support Government and regional agencies People directly affected by COVID.

# Children, Families and Schools

Approach to Recovery	Priorities	Risks/Opportunities
Children's Services has maintained a high level of provision during the current pandemic for those children and families within the Statutory Social Care system due to the high risk nature of the provision. We will maintain the current levels of reviews and visiting virtually and increase the face to face in a phased approach as the lockdown is gradually lifted. Children's Services has continued to make improvements despite the restrictions of the current situation and have successfully achieved the Escalation Measures set out in the Improvement notice We will now be adjusting our improvement plan as part of the next phase of our transformation journey. This will reflect the positive learning and changes we have made in the way we work alongside schools, health and the voluntary sector to deliver statutory support for families and children.	1. Children's Social Care configuration: <ul style="list-style-type: none"> <li>o placements / permanence</li> <li>o practice development</li> <li>o reduction of children looked after</li> </ul>	<b>Risks:</b> <ul style="list-style-type: none"> <li>• Demand increases due to hidden harm impacting on the pace of Improvements</li> <li>• CLA increase with insufficient placement opportunities</li> <li>• Rising costs due to inability to recruit permanent staff and increase need for placements</li> </ul> <b>Opportunities:</b> <ul style="list-style-type: none"> <li>• Expand the Vulnerability Hub and link to Early Help Offer</li> <li>• Work across the wider system to increase support to families</li> </ul>
We will escalate the development of our Early Help Model which will be crucial to ensuring that we reduce the need for families to escalate to statutory interventions and create additional demand within the system	1. Redesign of LA Early Help Service and configuration of Family Hubs 2. Development of Early Help Offer with wider partners	
Working alongside our statutory partners, we will continue to develop and strengthen the arrangements of the Safeguarding Children Partnership (SCP).	1. Embedding the Scrutiny & Assurance Framework & Strategic Delivery Plan 2. Responding to Risk & Performance issues	<b>Risks:</b> <ul style="list-style-type: none"> <li>• Ensuring sufficient capacity to oversee wide range of delivery</li> </ul>
We will be working jointly with the DFE and Schools to plan and enable the phased reopening of schools, including joint risk assessments and manage the logistics of social distancing for physical attendance whilst maintaining an online offer of education until all children are able to be back on site.	1. Support with the H&S risk assessments in ensuring schools can have a programme of opening to a wider cohort of children	<b>Risks:</b> <ul style="list-style-type: none"> <li>• Due to restrictions schools are not able to accommodate the numbers of children needed</li> </ul>
CYP mental health services, health visiting and school nursing have maintained a level of provision during the pandemic for children most at risk. Some MH services have been expanded to develop a 24/7 all age Mental Health Crisis response. Routine visits will be phased in as part of the healthy child programme. School Nurses will work alongside schools as part of the phased reopening to support children's mental and physical health. Online and virtual contact will be maintained until all children are able to be back on site.	1. Assess need for additional mental health provision to support children to return to school with restrictions 2. Expand online MH support via KOOTH and 24/7 crisis line and MH support in schools 3. Implement national recommendations from NHS second phase of response: delivering MH and Learning Disability/ Autism services.	<b>Risks:</b> <ul style="list-style-type: none"> <li>• capacity to deliver services to meet current needs and 'new' needs linked to Covid-19</li> <li>• Uncertainty in terms of additional funding required</li> </ul>

# Economy & Business Support

Approach to Recovery	Priorities	Risks/Opportunities
<p>The Project Management Team have continued to manage the delivery of capital regeneration projects throughout the pandemic, minimising financial and reputational impacts to the Council through proactive engagement with stakeholders and contractors. The challenge now is to work with contractors to manage any financial claims and to reduce time delays on projects.</p> <p>Activities such as consultancy work, grant scheme applications and funding bids have also progressed throughout lockdown.</p>	<ol style="list-style-type: none"> <li>1. Collating the 'Actual' financial impact of delays as they become known and reporting to finance colleagues.</li> <li>2. Engaging the LEPs in terms of projects that could overrun previously agreed spend profiles</li> </ol>	<p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Increase in project costs due to the delay in programme and increase in the cost of materials</li> <li>• External funders do not extend the timeline for completion.</li> </ul> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Adopt new operating procedures in light of the new ways of working remotely</li> </ul>
<p>Highway Design Team through Project Managers have also managed the delivery of capital works programme throughout the Covid-19 impact period. The majority of capital projects have continued on site, with preparation for upcoming works not being impacted on. This includes projects such as Toll Bar Junction improvements &amp; 2020/21 LTP programme.</p> <p>Strategic Housing continues to move forward by progressing with enabling works at the former Western School and Playing Field site and delivering a viable development as well as trying to secure Accelerated Construction Funding from Homes England for Matthew Humberstone School site from Homes England.</p> <p>Convamore Rd development re-established on site</p> <p>Empty Property Strategy and Selective Licensing programmes are resumed, in terms of consultation and the findings.</p>	<ul style="list-style-type: none"> <li>• Continue to deliver capital works programme</li> <li>• Reintroduce suspended services, including School Crossing Patrols &amp; Phone N Ride Service</li> <li>• Support &amp; deliver DfT guidance for reallocation of road space</li> <li>• Continue to engage Sport England approval of the revised Playing Pitch Strategy to release Homes England funding and finalise master plan/costs of development for the sites.</li> </ul>	<p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Increased workload due to impact of Covid-19 on highway network</li> <li>• DfT guidance on reallocation of road space could be unpopular.</li> <li>• Delays in decision making process as Sport England staff furloughed and risk this will delay revised Playing Pitch Strategy</li> </ul> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Likely to be additional capital allocations to NELC from DfT</li> <li>• Opportunity to improve neighbourhoods and attract investment into the area.</li> </ul>



# Economy & Business Support

Approach to Recovery	Priorities	Risks/Opportunities
<p>Whilst data gathering on our roadmap to become carbon neutral is on track, we will soon need to engage with stakeholders on action planning. Our SMART Energy programme has continued to deliver significant carbon and financial savings across the public estate as well as financial support and advice to SME sector. Due to travel restrictions staff have been unable to undertake site assessments.</p>	<ol style="list-style-type: none"> <li>1. Completion of carbon baselines</li> <li>2. Capture any benefits of lockdown on the local environment and inform future delivery models.</li> <li>3. Support SME applicants for Smart energy remotely</li> <li>4. Explore taking Heat Networks study to detailed development phase.</li> <li>5. Prepare for community engagement on projects as lockdown eases.</li> </ol>	<p><b>Risks</b></p> <p>Social distancing impacting on ability to effectively engage</p> <p>Surge in carbon emissions, as the economy recovers.</p> <p>Lack of Government flexibility (outputs)</p> <p><b>Opportunities</b></p> <p>To retain some of the local environmental benefits, and behavioural changes of lockdown</p>
<p>The immediate approach has been to process as many grants as possible and also, to ensure businesses are signposted to appropriate support to assist cashflow. This has been led sub-regionally through the Humber LEP and locally through the Development &amp; Growth Board. The approach is now moving to assisting businesses to trade and this is being done through assessing government guidance, collating local intelligence and scoping a 'buy local' approach in partnership with the Investment Hub and Efactor.</p> <p>Work has been commissioned to provide insights into available data regarding impacts on our workforce and key sectors to better inform strategic recovery planning. Many businesses have taken advantage of furloughing but as this is reduced, there is a clear risk unemployment will increase on account of this and also, business closures. Thus, work has commenced to assess how to best mitigate increased unemployment in this context.</p> <p>The Stronger Towns Fund affords an opportunity to focus on recovery / restart with some 'quick-wins' and detailed work has now commenced on this.</p>	<ol style="list-style-type: none"> <li>1. Processing remaining non-discretionary grant scheme</li> <li>2. Progressing discretionary grant scheme</li> <li>3. Collating further business and consumer intelligence by way of survey</li> <li>4. Concluding discrete commission on data analysis and current high level impacts / opportunities</li> <li>5. Putting into action a plan for the £144k Reopening High Streets Safely fund</li> <li>6. Assessing the impact on skills demand and labour supply. Agreeing approach to skills and putting action plan in place.</li> <li>7. Completion of Masterplan and Investment Plan for Stronger Towns Fund</li> </ol>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Business failures</li> <li>• Lack of uptake of SHIP development opportunities</li> <li>• Delayed business rate generation</li> <li>• Increased unemployment and claimants</li> <li>• Reputational if not seen to be helping business / some businesses are refused grants</li> <li>• Further decline of high streets</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Real opportunity for a strong 'buy local / support the local economy' theme</li> <li>• New business opportunities will emerge</li> </ul>

# Adult Social Care and Protection of the Vulnerable

Approach to Recovery	Priorities	Risks/Opportunities
<p>Services have reduced face to face contact where possible and focused on higher risk groups. Alternative support, including digital access and telephone support has been developed for some service users specifically to reduce loneliness and social isolation and to check wellbeing. We will need to continue our work to support and protect care homes from the risk of infection and enable the effective management of outbreaks should they occur. Similarly, other care settings, such as support at home, extra care housing and supported living need to deliver services with enhanced levels of infection control and management. We will deliver the support to care homes plan and examine the applicability of the concepts, such as staff cohorting to other settings. A key concern is to maintain provider sustainability throughout the next 12 months to ensure high quality and effective care can be delivered, and support NHS services if required as the epidemic pattern changes.</p>	<ul style="list-style-type: none"> <li>• Delivery of the support to care homes plan focused on the infection prevention and control strategy and deployment of national funding.</li> <li>• Review of provider sustainability payments and applicability to the wider care market in NEL for the medium term</li> <li>• Continue the delivery/implementation of the extra care housing programme including the opening of Burchester court</li> <li>• Review adult social care budget impacts from COVID and re-evaluate options to mitigate overspend</li> <li>• Review of digital opportunities re-access to services and reducing social isolation in the community;</li> <li>• Review options for substitution of day services</li> <li>• Continue to develop daily sit-reps to inform the infection management process</li> <li>• Monitoring of adult mental health service provision and outcomes for service users</li> <li>• Maintain adult safeguarding oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Wider applicability of wrap around support to other care settings such as extra care housing</li> <li>• Building on the work of the voluntary sector in offering support to the most vulnerable consider how voluntary effort can be maintained and developed to support people to remain independent within their communities</li> </ul>

# Adult Social Care and Protection of the Vulnerable

Approach to Recovery		Risks/Opportunities
<p><b>Home Options Team (Homelessness)</b></p> <p>As we enter the recovery stage Home Options will continue to provide statutory homelessness assistance and face to face support to those requiring temporary accommodation and housing related support. Specific actions include;</p> <p>Increase face to face housing assessments in a phased approach as the lockdown is gradually lifted.</p> <p>Work with landlords to minimise the expected increase in service demand, once landlords are able to attend court to evict tenants.</p> <p>The lessons learned will determine how the service adapts its commissioned support and influence planned service improvements, set out in our Housing Strategy Action Plan.</p>	<ol style="list-style-type: none"> <li>1. Understand the potential spike in service demands once the courts reopen for evictions. Work with landlords to understand the scale of need, adapt our service to support both landlords and tenants.</li> <li>2. Work with accommodation and support providers, including empty homes team in Engie to enable positive 'move on' accommodation for those who have been in temporary accommodation.</li> <li>3. Identify gaps in service and ensure adequate and intensive support is put in place via partnering agencies.</li> </ol>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Demand increases due to numbers furloughed, not in work, and in financial difficulty who may face eviction in the autumn.</li> <li>• Increased use and cost of temporary accommodation as a result of increased approaches to service.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Expand Housing First models that have been operating</li> <li>• Work in partnership with to deliver a leasing scheme, reducing the number of empty homes in the borough, whilst supporting our need to create move-on accommodation. create more move-on accommodation.</li> </ul>

# Environment and Regulatory

Approach to Recovery	Priorities	Risks/Opportunities
<p>Front line place based services in NELC and Engie have maintained a high level of provision during the current pandemic to ensure we keep residents safe and public spaces well maintained. In areas where public services were scaled back in the initial response, restrictions have been reduced as soon as safe systems of work and government guidance support re-instatement.</p>	<ol style="list-style-type: none"> <li>1. Ensure sufficient resilience is in place to flex essential front line services to respond to changing demands and deliver key outputs if further local outbreaks or lock downs occur.</li> <li>2. Be a good custodian of our public spaces, to maximise the benefit they can bring to residents well being, whilst implementing national guidance to ensure they are all Covid secure.</li> <li>3. Mitigate any delays to delivery of agreed improvement programmes in relation to waste offer, street scene, weed control, gateways and CCTV.</li> </ol>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Increased demand in waste</li> <li>• Difficult to control visitor numbers in public spaces.</li> <li>• Increase in Crime and ASB.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Long term increase in utilisation of local green space as people re-discover their local area.</li> <li>• Improved reputation due to focus on key workers.</li> <li>• Improvements to Environment by reduction in travel and public behaviour.</li> </ul>
<p>Many aspects of NELC and Engie enforcement were initially suspended due to the pandemic as a result of work prioritisation, problems with social distancing, flexibility to support key workers and closure of the court system. With restrictions easing, services will gradually resume when safe to do so, prioritising areas with greatest impact on public safety and amenities in the first instance.</p>	<ol style="list-style-type: none"> <li>1. Safely resuming parking &amp; litter enforcement to support safety and cleansing of high traffic public spaces.</li> <li>2. Resume waste and fly tipping enforcement to reduce pressures on other service areas.</li> <li>3. Continue effective remote Housing inspections to address Cat 1 hazards and empty homes and work to resume visits where required.</li> <li>4. Resume Home Improvement Loans</li> <li>5. Commence work on a wider Enforcement Review as guided by Scrutiny recommendations.</li> <li>6. Mitigate any delays to delivery of improvements in Parking focusing on better use of technology.</li> </ol>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Hard line enforcement may cause reputational risk at this time and needs to be undertaken in line with strong communications messages, advice and support.</li> <li>• Influx of new cases and responding to back log of requests</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Building on closer working between service areas, may increase performance long term.</li> <li>• Build on new ways of working to reduce site visits.</li> </ul>

# Environment and Regulatory

Approach to Recovery	Priorities	Risks/Opportunities
Regulation around port health, planning and building control has mostly been maintained during the pandemic. Most other regulatory work has been refocused from a routine inspection approach, to intelligence based action on high risk premises and greater focus on advice and support for businesses during a difficult time. With government restrictions for regulatory inspections remaining in force until July 2020, this provides an opportunity to direct resources to recovery support for local businesses.	<ol style="list-style-type: none"> <li>1. Continuing remote Planning Committees following initial success.</li> <li>2. Advice to businesses on closure requirements and how to become Covid secure.</li> <li>3. Support safe re-opening of resort and Town Centre.</li> <li>4. Protection for residents from scams and unsafe business practices.</li> <li>5. Safely re-instating core regulatory tasks such as inspections, service of notices and interview under caution.</li> </ol>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Increased risks to residents from rogue businesses the longer routine inspections remain suspended.</li> <li>• Increased work load due to influx of cases/request for visits.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Closer working between service areas, may increase performance long term.</li> <li>• Adopt new ways of working such as remote inspections/meetings, less travel etc.</li> </ul>

# Community Resilience and Engagement

Approach to Recovery	Priorities	Risks/Opportunities
<p>Early focus on ensuring that community organisation / networks were operating, identified key organisations to support with response phase and now looking to co-produce recovery approach and arrangements. Enabled and encouraged local responses. Recovery approach is about enabling independence via a more integrated multi agency approach.</p> <p><u>Functions/ services in Communities</u></p> <p>These have been impacted to different degrees:</p> <p>Elections – local and PCC postponed to May 2021</p> <p>Registration of births marriages and deaths – services moved on line or suspended.</p> <p>Scrutiny – panels suspended as part of emergency governance arrangements.</p>	<ol style="list-style-type: none"> <li>1. Annual Canvass to commence in July.</li> <li>2. Backlog of birth registration, and rearranging of marriage notices.</li> <li>3. Annual scrutiny report to be finalised and panels to be reinstated from June.</li> </ol>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>- Government expectation that this will include door knocking – staff safeguarding to consider.</li> <li>- Loss of income and a delay in return to normal service for some months.</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Increased delivery of certain services online.</li> </ul>
<p><u>Community impact at individual and organisation level</u></p> <p>Shielded – hub established ( asset, procurement, staff distribution for the distribution of emergency food). Demand in recovery difficult to anticipate with growing no. of shielded.</p> <p>Vulnerable – comprehensive offer of support with food, medicines, shopping, befriending/contact calls established and expect it will continue to be delivered.</p> <p>VCS orgs – promoted the available grants and funding opportunities. Some financial support to establish and maintain volunteers, including expenses.</p>	<ol style="list-style-type: none"> <li>1. Maintaining accurate data on our “vulnerable”.</li> <li>2. Monitoring and resourcing demand for food and increasingly other support.</li> <li>3. Exit plan for the current hub.</li> <li>4. Supporting organisations to recover / refocus – acting on the findings of the Sector Support impact survey</li> </ol>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>- Uncertainty re government expectations after the end of June.</li> <li>- Sector sustainability – funders have been repurposing funds for COVID response.</li> </ul> <p><b>Risk and opportunity</b></p> <ul style="list-style-type: none"> <li>– retaining and embedding volunteering capacity. ( including via commissioning)</li> </ul>
<p><u>Engagement</u></p> <p>Effective engagement with the VCS was maintained via the Forum and Sector Support and meetings with Food providers and Citizens Advice. These will continue.</p> <p>The consultation and engagement steering group was suspended but will convene to prioritise activity.</p> <p>The approach to recovery will continue to be delivered in partnership with the sector and include input from the like of Locality; Power to Change; NEF and CLES.</p>	<ol style="list-style-type: none"> <li>1. Contribution to economic recovery plan.</li> <li>2. Consolidate and update information , advice and signposting across the sector.</li> <li>3. Community organising/asset based community development infrastructure.</li> <li>4. IT enablement and infrastructure.</li> <li>5. Re-establish effective consultation and engagement mechanisms.</li> </ol>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>- Constraints around traditional face to face engagement may limit reach and effectiveness on consultation and community organising.</li> </ul> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>- Join up and effectively share AIG.</li> <li>- For the VCS to influence economic approach to wider community benefit.</li> </ul>

# Health - CCG

Approach to Recovery	Priorities	Risks/Opportunities
<p>Implementation of the next phases of the NHS response to COVID 19</p> <ul style="list-style-type: none"> <li>Phase 2 (duration of a minimum of 6 weeks)</li> <li>Phase 3 (balance of year)</li> </ul>	<ul style="list-style-type: none"> <li>Retain “surge” capacity</li> <li>Release &amp; redeploy some of the treatment capacity that was ringfenced for COVID 19 previously</li> <li>Continue to partner with the council and Local Resilience Forums (LRFs) in providing mutual aid with social care, including care homes</li> <li>Step up non COVID 19 urgent services</li> <li>Assess capacity for some routine non urgent elective care</li> <li>“lock-in” beneficial changes</li> </ul>	<p><u>Risks</u></p> <ul style="list-style-type: none"> <li>Return to old ways of working</li> <li>Patients return to old ways</li> <li>Capacity constraints, specifically in relation to workforce &amp; estates (linked to social distancing requirements)</li> <li>Impact of a second wave of COVID</li> </ul> <p><u>Opportunity</u></p> <ul style="list-style-type: none"> <li>Build on new ways of working</li> </ul>
Plan Refresh	<ul style="list-style-type: none"> <li>Assess impact of the COVID Emergency response on both the in year plan (finance &amp; operational) &amp; the medium term plan (finance &amp; strategic); Produce updated versions of both</li> </ul>	<p><u>Risks</u></p> <ul style="list-style-type: none"> <li>Deterioration in performance &amp; underlying financial position as a result of the COVID emergency</li> </ul> <p><u>Opportunity</u></p> <ul style="list-style-type: none"> <li>Planning time during 20/21 for 20/21; to ensure hit the ground running with transformation schemes / new ways of working for April 21.</li> </ul>
Reset CCG Governance to “new norm”	<ul style="list-style-type: none"> <li>Re-establish committees that were stood down as part of the CCGs phase 1 response</li> <li>Return to BAU governance; reset to reflect good practice during emergency &amp; requirements of the “new norm” as part of the phase 2 &amp; 3 response.</li> </ul>	<p><u>Risks</u></p> <ul style="list-style-type: none"> <li>Return to old ways of working</li> <li>Reactive approach if get second wave of COVID</li> </ul> <p><u>Opportunity</u></p> <ul style="list-style-type: none"> <li>Build on new ways of working</li> <li>Focus / streamline governance in particular formal committees</li> </ul>

# Title – Public Health

Approach to Recovery	Priorities	Risks/Opportunities
<p><b>Substance Misuse</b> – Targeted intervention to most vulnerable, utilising online service delivery to its optimum; closer/integrated work with partners/statutory organisations. Full service (with social distancing) can only be resumed with further guidance from PHE. We continue to have access to full PPE. Some face to face work is being carried out on a case by case basis and preparation is taking place in services in readiness for making more face to face appointments available.</p> <p><b>Recovery Community</b> - Those involved in The Comeback Recovery Community have adapted quickly, put all the guidance into practice and have been able to continue the support they provide. One to one support is being provided by phone or on-line technology 7 days a week, likewise there is a daily support group, 7 days a week, via Zoom that is very well “attended”. Full service (with social distancing) can only be resumed once we have further guidance from PHE and there is adequate access to appropriate PPE</p>	Most vulnerable	<p>Availability of full PPE Availability of testing for all staff is maintained Increased usage of drugs/alcohol within the community</p> <p>Opportunity – use of online/virtual service delivery</p>
<p><b>Sexual Health</b> – Telephone triage to assess level of need, targeted intervention to the most vulnerable, utilising online service delivery. Full service (with social distancing) can only be resumed once we have further guidance from PHE and full PPE is provided.</p>	<p>Most vulnerable, incl people under 25 Provision of EHC Access to contraception Safer sex tips and fact sheet</p>	<p>LARC replacements are being deferred and patients are being offered condoms and progesterone only contraceptive pill. Potential for an increase in unplanned pregnancy and undiagnosed STIs. Availability of full PPE Testing for all staff Staff potentially being re-deployed into contact tracing duties Opportunity – use of online / virtual service delivery.</p>
<p><b>Wellbeing Service.</b> Reduced support to non—vulnerable clients. Working in partnership with the SPA, NELC contact centre and NAViGO to provide low level mental health support to the community. Smoking cessation service is being delivered virtually. Online wellbeing tool has been updated and marketed. Full service (with social distancing) can only be resumed once we have further guidance from PHE and full PPE is provided. NHS Health Checks Service has been temporarily suspended but could resume once full PPE is provided.</p>	<p>Most vulnerable Those with low level mental health issues Smoking cessation</p>	<p>Increased demand for the service, due to increased prevalence of low level mental health issues and the impact of detrimental lifestyle choices, eg increased alcohol usage, tobacco use, obesity etc Potential delays to the development of the single community wellbeing hub. Increased demand in the Wellbeing Service DWP project which has had to suspend face-to-face support. Opportunity – use of online / virtual service delivery.</p>



# Appendices

# **Appendix A - Financial Overview**

## **Financial Strategy**

- The Council's current financial strategy was last approved in 2019 and covers the period 2020-2030. It takes into account a range of factors including the current financial position and performance of the Council, a review of the local economy, proposed local government reform and external analysis relating to wider national economic and political developments. However, Covid-19 has had such a widespread socio-political-economic impact that it will be necessary to revisit the Strategy.
- The Financial Strategy sits centrally to a number of internal and external planning influencers and as such is informed by the drivers and priorities within them. For example, the financial strategy is closely aligned to the Council's local plan, economic development strategy and emerging housing strategy. Inevitably some of these internal and external planning influencers have changed in the wake of Coronavirus
- The current financial strategy reaffirms the Council's commitment to the achievement of long term financial sustainability by embracing the area's economic potential and by growing its local tax base. This is deemed to be the only way the Council can become self-sufficient and generate the resources necessary to maintain and reinvest in quality public services. Despite the impact of Covid-19, the drive for economic growth and resilience remains the same.

### *Key actions*

- *Review financial strategy in light of the pandemic to assess if the principles remain valid and consistent with other policies and strategies.*

# Appendix A - Financial Overview

## Capital Investment Strategy

- Inevitably, the impact of Covid-19 will impact on the Council's wider financial plans and capital investment strategy. As stated above, the Council's long-term financial strategy is focused on the achievement of financial sustainability by embracing the area's economic potential and growing the local tax base. Investing in the growth agenda and supporting the economic and efficient delivery of core services continues to be seen as critical to the delivery of the capital investment strategy. The underlying principles of the capital strategy follow the financial strategy:
  - Aligning capital investment to support outcomes
  - A commercial approach to investment
  - Supporting the economic and efficient delivery of core services
- The resourcing plan for the capital investment programme is informed by the Prudential Indicators which demonstrate that the requirements of the Prudential Code are met. These ensure that the plans of the Council are affordable, prudent and sustainable. The Council is committed to affordable capital investment and prudential borrowing will be undertaken for the right investments, however the underlying test is that capital financing costs will not exceed 10% of the net revenue budget over the life of the capital programme.
- The impact of Covid-19 on the Council's revenues over the medium term will necessarily require the Council to review its capital investment priorities and plans over the medium term. In particular the Council's risk appetite and consideration of commercial opportunities may well be different.
- There is already a robust Business Case Development Gateway Process in place for both revenue and capital funding which is built upon the HM Treasury 5 case model. The capital governance framework was recently extended to cover all aspects of investment including non-treasury. The process has been very successful in providing challenge to the wider organisation's business development proposals. However the changing financial and economic environment will necessitate the group to reconsider its terms of reference.

### *Key actions:*

- *Review capital investment strategy to establish if it remains appropriate within the current economic environment*
- *Undertake desktop review of current capital programme to identify areas which are no longer a priority or could be re-profiled over a longer time frame*
- *Review business case development gateway process to assess whether it remains appropriate within the current economic and financial environment*

# **Appendix A - Financial Overview**

## **Business Rates**

- As stated above, the Council's current financial strategy is very much focused on creating a sustainable funding base to allow priority services to be delivered. Growing the local tax base and bringing more business rate stability through retaining and developing a thriving local economy are therefore extremely important. However, the financial impact of the pandemic will lead to a significant slow-down in the local economy which will therefore impact upon business rate collection.
- Whilst the injection of £35 Million business support grants into the local economy has undoubtedly had a positive impact, there are still a number of businesses within the local economy who have fallen through the net and continue to have cash flow difficulties. As a consequence it is almost certain that the Council will fall into a 'safety-net' position in relation to business rates collection and this will present an immediate £3.5M budget gap for the Council in 2020/21.
- In terms of future prospects, we anticipate that the Council's planned capital programme, and in particular economic growth focused areas such as the multi-million pound South Humber Infrastructure and Investment Programme, will be delayed and anticipated growth impaired over the medium term. Inevitably the pandemic will impact on business confidence and we are now at risk of losing in excess of £1m assumed growth in business rates on a recurrent basis through delays to anticipated economic growth within the Borough.
- It is important to note that all this is taking place at a time of great uncertainty with a fundamental review of the local government funding regime underway. The proposed move to 75% retention of business rates and removal of remaining central Government support grant are planned for 2021/22. The outcome of the Government's Public Services Spending and Fair Funding reviews are also expected. Both the extension of the business rate retention scheme and fair funding reviews are significant risks for the Council, particularly in the current climate.

## *Key actions*

- *Review scope and nature of economic growth investment within current capital programme*
- *Monitor collection rates to assess impact on current MTFP and provide basis for future planning periods.*
- *Continue to engage with Government in relation to local government funding reform to ensure that the impacts of Covid-19 are properly reflected within future models.*

# Appendix A - Financial Overview

## **Council tax**

- The impact of Covid-19 is being felt by families across the Borough with many seeing a reduction in their income through a loss or reduction in their employment. We are aware that DWP has initially seen an additional 100 new applications for Universal Credit each day, indicating the scale of the impact on local households of slowdown in the local economy.
- Each council received an allocation of funding designed to support those households who are in hardship and North East Lincolnshire's allocation of hardship funding was £1.6m. 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.
- However in the first 5 weeks after lockdown we also saw an unprecedented 101% increase in the amount of applications for council tax support. Current estimates indicate that additional costs to the scheme will mean an additional burden to the council of circa £1m in 2020/21.
- Inevitably the Council will also see a reduction in the level of income it collects through Council Tax. The current budgeted overall collection rate is 98.2% but we believe that, dependent on the length of the lockdown, in year collection could fall below 90%. This brings with it a £6M risk to the Council's collection fund.
- Council tax increases of 3% are already factored into the Council's current Medium Term Financial Plan. Any Council proposing an increase in council tax over and above approved central government levels must hold a local referendum and obtain a 'yes' vote before implementing the increase. In reality, the likelihood of a Council winning a referendum vote is extremely low and therefore referendum limits are a barrier to increased council tax income. In order to raise additional income through Council tax it would be necessary for Government to remove any referendum limit on council tax. The removal of referendum limit would give the opportunity for the Council to increase Council tax further in order to bridge a budget gap. For each additional 1% Council tax levied the Council would generate an additional £0.7M in income on a recurrent basis.
- However, as stated above we are already aware that the level of hardship within the local economy has increased significantly as a result of the pandemic and therefore there is a question as to the sustainability of any increases over and above those already built into the medium term financial plan. An above inflation increase in Council tax would almost certainly lead to a reduction in the overall collection rates which would ultimately be reflected through the Council's collection fund.

## *Key actions*

- *Monitor council tax collection rates to assess full impact on current MTFP and provide basis for future planning periods.*
- *Review assumed Council Tax Price increases within MTFP to establish if they remain appropriate.*

# **Appendix A - Financial Overview**

## **Finance and commissioning plans**

- As part of the Council's response to recovery, it will be necessary to revisit our current finance and commissioning plans, priorities and programmes to determine the full and detailed extent of the impact of the COVID19 emergency response. Inevitably this will require some tough decisions to be taken around service delivery. As part of that work we will explore opportunities to reduce or stop spending, and to build on some of the successes of different ways of working and how they could be factored into new operating models in future.
- However, alone these measures are unlikely to bridge the gap in revenue and cost terms created by the response to COVID19, nor the recovery, especially given the wide ranging measures already taken to reduce provision to manage within reduced budget allocations over a prolonged period of time. To respond simply based on local intervention alone would likely place the council on an unsustainable footing, with all of the associated risks that that entails.
- It is important to note that the Council already faces significant financial challenges. Whilst the Council received a real-term increase in funding in 2020/21 for the first time in ten years, this increase has been preceded by 10 years of reduction with a 35.6% reduction in overall spending power.
- The pandemic has led to a complete change in working practices, redeployment of staff and the short term suspension of certain activities. Inevitably this has already started to impact upon the implementation and delivery of planned transformation savings programmes. Almost £5 Million of transformational savings were factored into the 2020/21 budget and these are now at risk.

## *Key actions*

- *Review Council's priorities and translate what impact this may have on the Council's approved finance and commissioning plans*
- *Review existing commissioning plans to establish what will still / can be delivered in 2020/21 – 2021/22 and potentially what can be reprofiled/decommissioned to ease financial impact.*
- *Identify opportunities to reduce or stop spending, and to build on some of the successes of different ways of working and how they could be factored into new operating models in future.*

# **Appendix A - Financial Overview**

## **Service provision**

- The Council is bound by statute and provides a wide range of services to customers in the Borough. The Council is mandatorily required to provide some of those services whilst others are discretionary. The Council's functions and responsibilities are set out in numerous acts of Parliament and many of these have associated legal duties.
- During the Coronavirus pandemic, some of these Council responsibilities have been relaxed in order to give greater flexibility. For example, in relation to the Care Act with the easements to the Care Act set out in the emergency legislation. A temporary or indeed permanent relaxation of the powers and duties of Local Government would give the Council an opportunity to reduce its cost base and ultimately enable it to deliver a balanced financial position over the medium term.
- In terms of service provision, risk management is embedded into the Council's day to day activities. As such there may be scope for the Council to review its approach to service delivery in certain areas. This could relate to the level or the scope of service provision. This approach would support the Council in reducing its cost base and overall financial sustainability. However it would also leave the Council open to legal challenge and inevitably have reputational impacts.

## *Key actions:*

- *Undertake a review of current service delivery to assess opportunities to reassess the scope of service delivery.*

# Appendix A - Financial Overview

## **Cost base**

- The vast majority of the Council's costs relate to staffing and long term contracts. From a legal perspective, the Council's scope to reduce long term contractual commitments is limited. In terms of reducing employee costs the council has two main options; reducing the number of employee or reducing the pay of employees.
- Any significant reduction in the number of employees would come at a significant cost in terms of redundancy. At present the Council does not have sufficient financial reserves to pay for significant settlement costs and therefore would require a capitalisation direction in order for it to progress this option.
- The Council could choose to impose pay freezes for existing staff or specific groups of staff to maintain the current cost base. However the Council relies on the goodwill of the number of employees and this approach would seem to run counter to the view of key workers in the current environment. Further, local government is one of the major employers within the local economy and with a very high proportion of those staff resident in the Borough provides a significant input into local economy.
- The Council has already seen some significant reductions in its workforce over the past 10 years and any further reduction in employee numbers is likely to lead to difficulties in the Council delivering upon its statutory responsibilities and duties. Vacancy management controls are already in place across the council with all vacancies subject to review by a panel.

## *Key actions*

- *Review current vacancy management arrangement to ensure they remain fit for purpose*
- *Model opportunities to realise staffing savings within the context of the current service delivery models*
- The Council's current operating commissioning model is based around a number of key strategic partnerships. Key contractual partnerships include Engie, New Lincs, One Adoption North and Humber, Lincs Inspire Limited and Northern Lincolnshire Business Connect. The Covid-19 pandemic presents an opportunity for the Council to revisit each of these partnership arrangements to reassess the delivery model and risks.

## *Key actions*

- *Review risks and opportunities associated with key strategic partnerships in light of the Covid-19 pandemic*



# **Appendix A - Financial Overview**

## **Fees and charges**

- Along with the rest of the local government sector, the Council generates income through other sources of fees, sales and charges to subsidise service delivery. All of these income streams are at risk as a result of the emergency situation. Prudent estimates set the loss of these income streams at some £5.7 Million in the current year. For example:
- Car parking income which will be significantly affected given the majority is generated through the resort which will be effectively closed for the forthcoming period. Town centre car parking is also generating limited income streams in the current climate.
- Planning fees will almost certainly be reduced with reduced development and investor confidence within the local economy. The impact this year is estimated to be £0.5 Million but there is likely to be an impact in future years also.
- Income from commercial activities including markets, business centres and ground leases is at significant risk and we are already seeing reduced income in these areas
- Suspension of activities such as licensing which will lead to a reduction in fees used to subsidise delivery of the service.
- Loss of grant income to support cultural activities and events across the borough. The council has already incurred costs in relation to some of these activities.

### *Key actions:*

- *Monitor levels of fees and charges and undertake a review of the cost base underpinning the generation of fees and charges to offset impacts wherever possible.*

# **Appendix A - Financial Overview**

## **Accounting**

- Local Government is unable to borrow for revenue purposes in the same way that Central Government can. However, capitalisation is the means by which the Government, exceptionally, permits local authorities to treat revenue costs as capital costs. Permission is given through capitalisation directions, which the Secretary of State has the power to issue under section 16(2)(b) of the Local Government Act 2003. Usually Government only grants a capitalisation in exception circumstances such as a major structural reform.
- A capitalisation direction directly linked to the Coronavirus pandemic would give the flexibility to charge revenue costs as capital and spread the cost / financial impact over a longer period of time. This would provide the Council with time to undertake wider structural reform and share the burden of costs with central Government. This issue has been raised with MHCLG and sector bodies as a potential approach.

### *Key actions*

- *Work with MHCLG and LG sector to establish opportunities to capitalise costs associated with pandemic and spread the financial impact over a period of time.*
- MRP is the method by which the Council charges the revenue account over time with the cost of capital expenditure originally funded by debt

### *Key actions*

- *Review current MRP policy to establish further opportunities to reprofile costs and reduce impact of the pandemic on Council finances.*

# Appendix A - Financial Overview

## **Reserves**

- The Council is not able to borrow money for day-to-day (revenue) spending so holds reserves for unexpected events or emergencies. Reserves can be unallocated / general in nature or earmarked for a specific purpose.
- Balancing the in year budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not prudent for reserves to be deployed to finance expenditure of a recurrent nature.
- The Council's reserves are already lower than many of its peers and a further reduction of reserves would be viewed as a sign of financial stress and bring into question the Council's ability to deliver a balanced budget. The Chief Finance Officer is required to give an annual statement on the adequacy of reserves and this would most likely be brought into question by the utilisation of general reserves. This would be questioned through the external audit process.
- As part of MHCLG monitoring, the council are being asked questions in relation to the availability of reserves. Specifically, how much of the Council's earmarked reserves and unallocated reserves could be deployed to meet Covid-19 related costs in 2020/21. In reality the Council has little scope to utilise reserves to support the in-year position. Unallocated reserves are not excessive and as at the end of 2019/20 the balance was £8.3 Million which equates to approximately 6% of spend. In relation to earmarked reserves, each are specified and held for a specific reason to mitigate risk or meet future known expenditure commitments.
- As part of recovery planning it will be necessary for the Council to review the overall adequacy of reserves. It is likely the Council will require transformational funding to support its response to the Covid-19 pandemic. In terms of contribution towards reserves, there are balances factored into the current MTFP equivalent to £1.5M per annum.

### *Key actions:*

- *Review level of available reserves to assess what balances, if any, can be utilised to support the impacts of Covid-19 over the short to medium term.*
- *Review overall adequacy of reserves and need to establish additional reserves to meet risks associated with Covid-19 in future financial periods.*