

Appendix A

Report to: **Joint Overview and Scrutiny Panel/Development Management Committee**

Date: **4 June 2020**

Title: **Coronavirus (COVID-19) Response and Draft Recovery and Renewal Plan Development**

Portfolio Area: **Council – Cllr Judy Pearce (Leader)**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Recommendations to the Executive meeting to be held on 18 June 2020**

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RECOMMENDATIONS:

That the Joint meeting of the Overview and Scrutiny Panel and Development Management Committee RECOMMEND to the Executive to:

- 1. Note and endorse the Councils response to the Coronavirus (COVID-19) Pandemic to date;**
- 2. Request that Officers develop a Recovery and Renewal Plan in line with the framework and objectives outlined in Appendix 1;**
- 3. Take into account the conclusions of the Joint meeting on the priority areas for the Strategic Framework for Recovery and Renewal; and**
- 4. Request that an update on progress against development of the Plan be brought back to a Joint meeting of the Overview and Scrutiny Panel/Development Management Committee on 3 September 2020.**

1. Executive summary

- 1.1 The Council has played a vital role in responding to the global Coronavirus (COVID-19) Pandemic by continuing to deliver core services whilst also re-aligning staff and resources to respond to the emerging needs of the community and Government initiatives.
- 1.2 The agile operating model established over the last few years has enabled the vast majority of staff to work efficiently and safely from home, whilst the ability and willingness of staff to take on new challenges has delivered support where it has been urgently needed.
- 1.3 The Leader, Executive and wider membership have been at the fore front of the response working with their communities to provide support to the most vulnerable and local business.
- 1.4 The Council has instigated a well-balanced communications strategy, both internally and externally, focussing on Community leadership and the direct delivery of information through multiple channels and in conjunction with key partners.
- 1.5 However, the Council's finances have been adversely impacted for a number of reasons with a loss of income being a significant factor. The scale of the impact cannot be accurately assessed at this stage and will be dependent on a number of factors including clarity on timescales for recovery and future Government support.
- 1.6 Although it is clear that, in emergency planning terms, we are still in the 'response' phase, it is important to plan towards 'recovery' and 'renewal' even though there are numerous unknowns.
- 1.7 The Government, specialist organisations and other sectors are turning their intention to recovery and what the 'new normal' may look like and what is the best route to get there. The only thing that is clear at this stage is that there is no consensus or clarity, but that there will need to be a phased approach which is, where possible, evidence-led.
- 1.8 This report summarises what continues to be a highly effective response to the challenges of the pandemic. The report also outlines early thinking with regard to the challenges that the Council will face and provides an initial opportunity for Members to input to the way forward.

2. Background

- 2.1 The Coronavirus (COVID-19) global pandemic has impacted the lives of everybody in our District. The response has by necessity been large-scale and complex involving all sectors of the community from the Government through to individual volunteers.
- 2.2 The pandemic has had a significant impact in numerous ways including the tragic loss of lives, major disruption to education and, as yet, unmeasured economic shock.
- 2.3 It is unclear how the pandemic will develop and, although to date the south west region has not been subject to the high rates of both infection and mortality witnessed elsewhere in the country, there is the very real risk of a second peak of infection.

- 2.4 The Council continues to play a key role, alongside partners, in responding to the short, medium and long term impacts of the pandemic and has implemented and enabled a range of essential support for individuals, the wider community and business.

3. Outcomes/outputs

- 3.1 This report sets out a summary of the Council's highly effective response to date and proposals for a framework to support the development of a Recovery and Renewal Plan.

4. Preparation and Initial Response

- 4.1 Prior to the national implementation of the range of 'lockdown' measures, and based on intelligence from a range of sources, the Council took a number of actions to support its emergency plans. These included running a pandemic flu exercise for the Extended Leadership Team and setting up an Incident Management Team which met each morning to enable informed, operational decisions to be made quickly and emerging risks to be assessed.
- 4.2 Regionally, the Council is part of the Local Resilience Forum (LRF) which is a multi-agency partnership made up of representatives from the emergency services, the NHS, Public Health England, Local Authorities and others, which includes the military. The LRF work to identify potential risks and produce plans to prevent or mitigate the impacts of, in this case, the pandemic based on the 'reasonable worst case scenario'.
- 4.3 During an emergency, or when a major incident is declared, the LRF set up a 'Battle Rhythm' of meetings and Senior Officers were nominated to join calls on the Tactical (TCG) and Strategic (SCG) Coordinating Groups. This, along with the Leaders attendance at various national, regional and county wide forums, ensured that we were fully informed of developments as they emerged.

5. Responding to Community Need

- 5.1 As the full extent of the lockdown measures, the impact of the virus and the Government initiatives around support for the vulnerable and business began to emerge, it was clear that Council resources needed to be reallocated.
- 5.2 The Community Response Team (CRT) was formed in March and includes a core of officers from a wide range of service areas. This is work that we have previously not been resourced to deliver and so Managers were asked to nominate employees that could focus on this work while keeping a hand in with their substantive roles. We currently have 35 officers from areas including Localities, Assets, Housing, Contract Management, Facilities, Elections and Democratic Services supporting this work.

- 5.3 The team are arranged in Clusters and hold regular calls with their local Ward Members and immediately started to help provide and enable support for vulnerable residents across the District. Key actions and outcomes include;
- Developed a website detailing support groups in each Parish including groups that:
 - Collect shopping and prescriptions
 - Walk vulnerable and shielded residents dogs
 - Operate Community Support telephone lines
 - Provide emergency food through Foodbanks
 - Made contact with over 100 organisations providing Food Banks (or equivalent support) to identify any gaps in provision and ensure that we were able to refer vulnerable individuals.
 - Created a Local Action Support Fund to help local community groups in supporting our most vulnerable residents
 - Launched a Community Helpline which has dealt with over 345 calls
 - Delivered emergency food supplies to those individuals that are 'Shielded'
- 5.4 The CRT also supported 22 applications for funding from Community Groups to support local action. The Councils contribution of £4,500 helped lever-in in excess of an additional £45,000 to increase the capacity of the groups to provide much needed support.
- 5.5 A website was developed detailing currently over 85 businesses providing local food and essential supplies as well as remote Health and Wellbeing services, OFSTED register childcare for Key workers etc. Enabling local residents that are able to pay, to source produce supporting local businesses and quick delivery.
- 5.6 The Team negotiated and agreed a partnership arrangement with Devon County Council to secure £108k worth of funding to provide emergency financial assistance to residents and have provided assistance to ten families and two individuals to date.
- 5.7 Responding to concerns from the public, the Environmental Health Team have dealt with over 75 complaints regarding businesses ranging from cafes to camp sites that have allegedly been operating in contravention of the COVID-19 Health Protection Regulations. The Team have contacted the business and informally resolved these issues whilst offering support in advance of potential changes in restrictions.

6. Responding to Business Need

Business Rates Grants

- 6.1 Shortly after lockdown, the Government announced a range of grants to support business through the pandemic. In response, we significantly scaled up our business rates team to deal with the volume of grant claims, enquiries and phone calls which inevitably ensued. We recognised from the outset the lifeline that these grants were providing to our local businesses and our local economies and have worked at pace to administer the grant schemes. Our current operating model enabled us to flex our staffing resources and quickly train staff up, so that we had a team of over twenty staff, working over a seven day week, administering the grants during the peak of April.
- 6.2 As a result, to date, we have paid grants to 3,350 out of 4,068 of the identified eligible business which is 82.4%. This amounts to £38,495,000 of grant support.
- 6.3 The overall efficiency of the service is in fact much higher. The Council has paid out 98% of all of the eligible business grants applications that it has currently received. At present 630 businesses that have been identified as eligible applicants have still not yet applied. A significant proportion of these are second homes.
- 6.4 We have taken a number of steps to ensure that we have done everything possible to contact businesses to encourage them to apply, these including phoning all applicants, sending a second 'chasing' letter, sharing the list of 'non-responders' with Members to use their local knowledge to encourage applicants and issued regular communications by email to the 4,500 businesses on our business rates newsletter distribution list and through social media and local newspapers.

Discretionary Grants

- 6.5 On 2nd May, the Government announced that a discretionary fund would be made available aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund. Guidance on the scheme was issued to Councils on Wednesday, 13th May.
- 6.6 The fund value is equivalent to 5% of the initial allocation of these grants which amounts to £2.3m for the Council, which can be issued in £1k, £2.4k, £5k, £10k or £25k grant awards to deserving businesses.
- 6.7 Influence applied at a Devon wide level resulted in the adoption of a co-ordinated and consistent policy approach to the discretionary business grant scheme. All the 2nd tier councils in Devon were able to share resources and insight to develop a common prioritisation matrix and website front end.

- 6.8 Members were presented with the draft Policy at the Informal Council session that was held on 21 May 2020. At this session, Members were advised of the tight timescales to roll-out this Policy and, whilst the Deputy Chief Executive used his 'Emergency Powers' provision to adopt the Policy, all Members were invited to provide any comments on the draft before the final decision was made.
- 6.9 We anticipate the policy to give live on the week commencing 26th May 2020 and that applications will be received shortly thereafter.

7. Maintaining Service Delivery

- 7.1 The Council's well established agile working capability has meant that we have been able to continue to provide the majority of services in some format whilst being subject to the social distancing rules and other restrictions.
- 7.2 The Council has continued to follow Government guidance, which has at times been open to differing interpretation, in terms of its service provision and with careful consideration of our duty to the public and to staff welfare.
- 7.3 The IT infrastructure has proven to be reliable and fit for purpose. On average 280 concurrent users have been connected remotely with peaks well above 300 during, for example, virtual council meetings.
- 7.4 The majority of support services – IT, Finance, Democratic Services, HR – have continued to operate remotely with some minor changes.
- 7.5 Most officers have been able to carry out their full range of duties and the flexibility of the case management model has enabled managers to move resources from lower demand service areas to support new requirements such as the Business Grants as detailed in section 6 above.
- 7.6 In terms of frontline services again, where this has been possible, for example, determining planning applications under delegated authority, this has continued.
- 7.7 Some service areas have been impacted by the lockdown restrictions. With the vast majority of the hospitality sector closed there have been no standard food and health and safety inspections allowing Environmental Health Officers to take on infectious disease work from Public Health England enabling them to focus on COVID-19.
- 7.8 As a result of the lockdown, waste services across both council areas have been affected by staffing shortages, which have continued to have an effect due to NHS self-isolation guidance for the most vulnerable. In the early stages, the level of absence due to COVID-19 was around 20% in the South Hams and 12% in West Devon.

- 7.9 At the same time, the amount of waste being collected rose by up to 50% across all services as house-bound residents cleared out lofts and garages, trimmed hedges and lawns and threw away a lot of food previously stored for the lockdown.
- 7.10 Despite fewer staff and more waste, all core services were able to continue as normal as crews were supplemented by diverting other staff where possible and using agency support. Only bulky waste collections had to be suspended as a result of the decision by Devon County Council to close the recycling centres.
- 7.11 This was not the case across the rest of the country. Around 50% of councils reported some disruption to garden waste collections including Torbay and East Devon who suspended their garden collections entirely. Many councils reported disruption to recycling and street cleansing operations.

8. Leisure Services – Support to Fusion

- 8.1 Our leisure services operated by Fusion were forced to close as part of the Government response to the pandemic and as a result ceased to receive virtually all income.
- 8.2 Fusion asked all 18 of their public sector clients for help in supporting the costs of mothballing the centres, so that they could remain a viable business. The decision to agree to that help, for three months was taken under emergency powers, having balanced the monthly cost against the risk of business failure of Fusion to the Council.
- 8.3 The emergency funding phase runs to the end of June and the recovery phase will require careful consideration by the Council so as to ensure the best use of public funds, protection of the Council's Medium Term Financial Strategy and the best health and wellbeing outcomes for its residents.

9. Accessing Council Services During Lockdown

- 9.1 The Council's Customer Services Team have operated remotely but at full capacity. March, April and May would traditionally be the highest call volume months in the year, in the main due to the production of the new council tax bills and upcoming election activity. Table 1 below shows how overall call volumes have decreased by 23% based on last year's volumes.

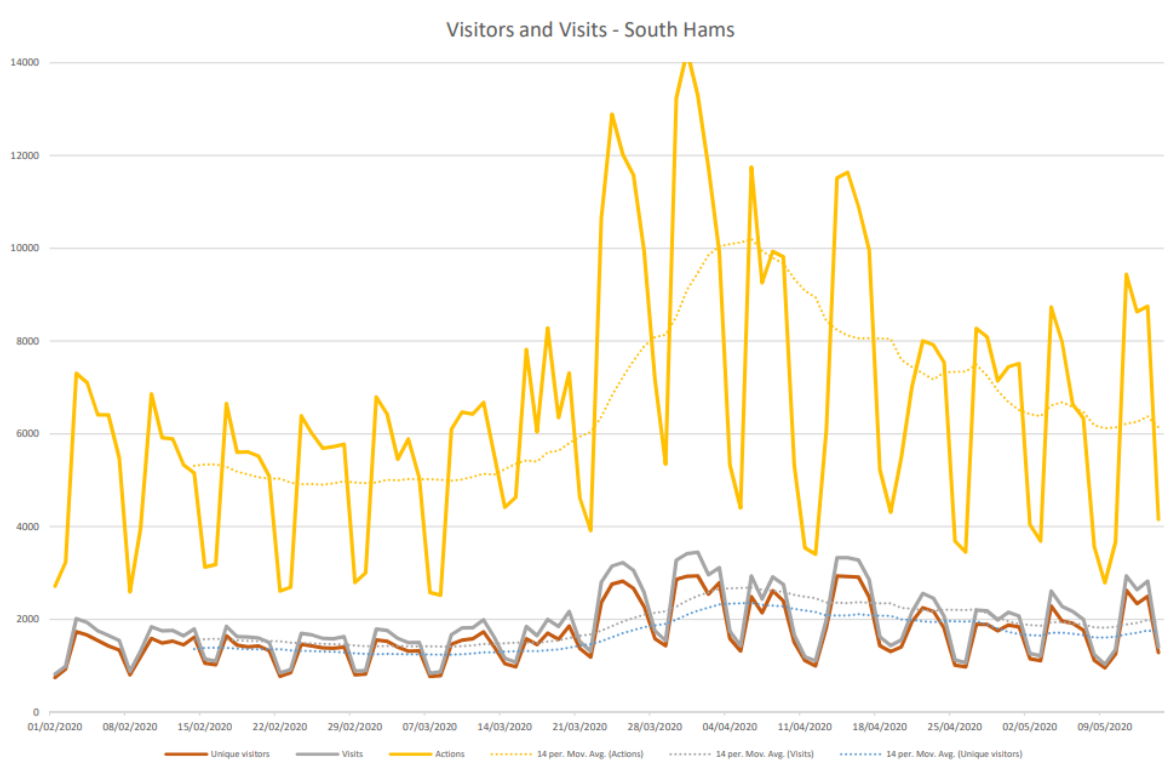
March 2019	April 2019	March 2020	April 2020
9977	10458	8666	7055

- 9.2 The number of calls increased into the Council Tax, Business Rates and Housing Benefits lines, reducing across all other service areas.

9.3 This call reduction enabled a number of staff to be deployed to support the assessment of applications for the business support grants.

9.4 During the same period the visits to our website doubled as can be seen in Figure 1. and has remained higher than expected pre-pandemic.

9.5 Figure 1:



10. Staffing Capacity and Resource Management

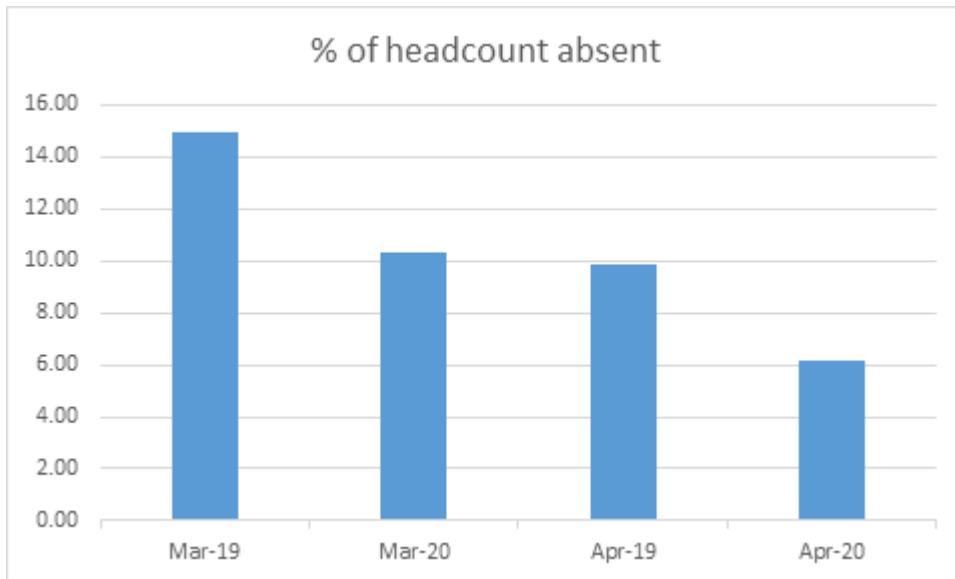
10.1 The Councils organisational operating model, coupled with the staff behavioural framework has proven highly effective. Managers have been able to flex and move resources around the organisation to ensure that the appropriate resources are available at the right time.

10.2 Members will be aware that the organisation went through a management restructure towards the end of 2019/20, one of the key purposes for this was to ensure clarity on management, improved flexibility and improve support for individuals and teams.

10.3 Despite the challenges of no face to face contact the evidence detailed in 10.4 would indicate that all these objectives have been achieved and staff have responded well to the challenges of the current operational environment.

- 10.4 Typically, in May we undertake our annual staff survey. This year we sought employee views specifically focused on the impact of Covid-19. Overall the results were positive with 271 staff completing the survey and nearly 500 individual comments received. The survey was undertaken for two weeks (week 5 & 6 of staff working from home)
- 10.5 Responses would indicate that we've made good progress on supporting staff with 91% of staff responded positively to the question 'I have enough contact with my manager'. A similar question asked last year attracted an 81% positive response rate. In addition to contact with their manager, it was also particularly pleasing to see that 250 staff responded positively in respect of the teams staying connected during the pandemic. Some staff have even commented that they feel more connected as a team with the use of video calls increasing the number of team meetings.
- 10.6 We also asked staff if they had the right equipment to be able to work from home and effectively do their job. Although most of our employees have been able to work from home when they wish for a number of years, full time working from home can provide different challenges. 92% of staff responded positively to this question but it did highlight that some staff required some additional equipment to enable them to work from home more efficiently – such as a second monitor or adjustable chair. We've put measures in place to address this.
- 10.7 While on the whole staff feel that they have adapted well to the full time working at home, some staff have highlighted that it can be difficult and distracting where they have children or other people at home. Managers continue to work closely to support these staff and we've provided greater flexibility in terms of working hours to go some way to helping with this.
- 10.8 Communication to staff was also viewed as being positive, both from Managers and the Senior Leadership Team. In addition to regular newsletters and team briefings, we have now held three rounds of full staff briefings over skype. These have been hosted by the Deputy Chief Executive and have been really well received, allowing key messages to be shared but more importantly for staff to ask questions directly to the Senior Leadership.
- 10.9 During the initial phase of lockdown, due to the advice on self-isolation of individuals for a range of reasons, including underlying health conditions and suspected symptoms, it was envisaged that we would have high levels of sickness absence. However, a combination of agile working capability, lower levels of infection in the region and the resilience of our staff meant that this did not occur across the wider workforce; the exception being waste as previously detailed.
- 10.10 When comparing sickness rates for the same period in 2019 and 2020 there was in fact a reduction in the absence levels as shown in the Table 2 below;

10.11 Table 2



10.12 At this stage, it is not clear if this is simply a natural variation or is linked to the majority of staff working from home and potentially to productivity.

11. The Financial Position

- 11.1 The Council was already under financial strain before the coronavirus crisis, with a predicted budget gap in 2021/22 of £0.57 million and a cumulative budget gap of £3.2 million over the five year period to 2024/25. This is on an annual net budget of £9.4 million for 2020/21.
- 11.2 The COVID19 crisis has resulted in extra cost pressures on services that support the most vulnerable, in particular the homeless. The Council's income from fees and charges is much reduced and there is a concern that council tax and business rates income will fall as people face financial hardship. Local Government is a frontline service and we want to ensure our voice is heard amongst the calls for financial support.
- 11.3 Additional funding is urgently needed to help Councils get through this crisis, support the vulnerable and adapt to life once we defeat the virus when our local services will be needed more than ever to help our communities to rebuild.
- 11.4 Councils are caught in a perfect storm. We have to manage both the increased costs of coping with COVID-19 and supporting vulnerable people in the community and the predicted loss of key income streams such as car parking income and council tax income. We also need early certainty from the Government on planning for our 2021/22 Budgets.

- 11.5 Prudent financial management in the past has meant that the Council was in a relatively healthy position financially before the pandemic hit. Since 2010, we have had to redesign our services to balance the books. We have done this by sharing a single workforce with West Devon Borough Council, generating an ongoing annual saving of £3.9 million for South Hams and by reducing our staffing levels by 30% through our Transformation Programme.
- 11.6 The financial consequences of a severe and prolonged economic downturn could equate to anywhere between a half to two thirds of the Council's net Budget of £9.4 million.
- (NOTE: by way of an update since this report was considered by the Joint Meeting, the lockdown due to COVID-19 has been eased and the financial assumptions around the Council's income streams have been revised. For example, the Council's Car Parks have re-opened).
- 11.7 The Council's first Budget Monitoring Report (Month 1) for 2020/21 is also a separate agenda item to be presented to the Executive meeting on 18 June 2020. The income estimates in this report have been updated to reflect the latest position. This shows an overall projected overspend of £2.588 million (27.5% of the total Budget of £9.411 million for 2020/21). This position is after taking into account the £0.9 million Government Grant that the Council has received for COVID-19.
- 11.8 The Budget Monitoring Report excludes the impact of reductions in income from Business Rates and Council Tax as these do not affect the General Fund in 2020/21 (they impact on the 2021/22 General Fund). Similarly, any loss of income streams for Salcombe Harbour have also been excluded from the Budget Monitoring Report, as Salcombe Harbour is a ring-fenced account.
- 11.9 The Council welcomes the Government COVID-19 funding that we have received so far of £900,000. This will assist the Council to partly meet its projected loss of income streams such as car parking and planning income but it will only be part of the solution. Just the loss of income from car parking, some business unit rentals, Salcombe Harbour fees and the Dartmouth Ferry income will be very significant.
- 11.10 The allocation of funding to Councils has been partly based on population and, as a rural Council, South Hams is always going to miss out on this basis.
- 11.11 The Council will continue to lobby the Government so that we receive the appropriate level of funding to be able to plan confidently for the future. Each month, Councils complete a national return that informs the Government of how much COVID-19 is affecting the finances of Councils. It is hoped that the Government will act with further funding when they have this national picture.
- 11.12 Future service delivery discussions are currently taking place with each Head of Practice area to discuss what services might look like under 'the

new normal'. A thorough review of all expenditure will be needed, which takes into account a review of statutory expenditure against non-statutory (discretionary) expenditure and also the corporate priorities. This will include a review of the Council's Capital Programme and all capital projects. The Council's Medium Term Financial Strategy will also be revised. Options will be presented to Members for a revised Budget for 2020/21 during September 2020, following a Member Budget Workshop in August and Informal Council Briefings.

12. Moving from Response to Recovery

- 12.1 During most emergency and/or major incidents there is a relatively clear transition from response, which is led by the Police as part of a multi-agency response, through to recovery which usually lies with the Local Authority.
- 12.2 All the evidence during this pandemic points towards an extended response phase with the potential for further spikes in infections. This is reflected by the recent extension of the national Furlough scheme and the staged and conditional plan to relax restrictions on movement and contact.
- 12.3 What appears increasingly likely, regardless of the duration, is that the Council will emerge into a very different economic landscape that will have direct impacts on the community that we serve.
- 12.4 In view of this, it is important that we take a strategic approach to recovery to ensure that we learn from the response, understand the new challenges we face and emerge as an organisation that is fit for purpose and financially sustainable.
- 12.5 The Council set its Corporate Strategy based on the needs of the community in May 2018 and it may well be that the inevitable outcome of recovery and renewal is a review and realignment of the Council's priorities and objectives based on changing need.
- 12.6 It is important to stress that recovery and renewal will be reliant on the financial position in the short and the longer term. Therefore the approach needs to be informed by this and the potential for a prolonged period of instability. The Plan needs to be dynamic and flexible and will undoubtedly develop and change over time.

13. Strategic Framework for Recovery and Renewal

- 13.1 An initial high level framework for discussion has been developed which can be found at Appendix 1 Part 1. The framework sets out the key areas to be explored focussing on operational (internal) actions and strategic (external) opportunities and challenges; there is clearly a cross over between these areas.

- 13.2 Part 2 sets out a management structure for the transition from response to recovery. This mirrors closely the set up that was put in place, and is proving effective, for the response phase, and supports efficient operational decision making whilst allowing strategic decisions to be escalated where needed.
- 13.3 This structure will also serve as a vehicle for developing the Recovery and Renewal Plan. It is proposed that Members of the Executive lead on each of the themes, as detailed, working closely with a member of SLT and lead officer(s). In this way, the learning and opportunities arising from the response phase can be shared and future options explored.
- 13.4 Part 3 sets out draft key objectives for the plan. These objectives, which may well change in time, will initially help underwrite the development of options under the main themes within the framework and inform future decisions as to which options to pursue or otherwise.

14 Proposed Way Forward

- 14.1 As previously stated, we are in the very early stages of the recovery and officer resource is primarily focussed on response and delivery of existing services. However, it will be helpful to set out in broad terms what needs to be considered under the framework and what Members feel should take priority.
- 14.2 To assist this Part 4 of Appendix 1 sets out a range of issues under each of the Recovery and Renewal Themes that may need to be considered through the development of the plan and Members are invited to comment on these.
 - 14.2.1 Are they broadly correct?
 - 14.2.2 Are there any obvious omissions?
 - 14.2.3 Are there any areas that Members feel should be prioritised?
- 14.3 In view of the ever developing picture in terms of the pandemic it is proposed that officers then begin development of a Recovery and Renewal Plan in line with this report and proposals arising from this Joint meeting for onward consideration by the Executive. The exact content and timeframe for delivery will be dependent on a range of factors that at this stage are not fully known.

15 Implications

Implications	Relevant to	Details and proposed measures to address
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	proposals Y/N	
Legal/Governance	Y	<p>As a Category 1 responder under the Civil Contingencies Act 2004 the Council has a duty to plan and prepare a response to an emergency or provide support to those who do.</p> <p>The 'Response' phase is primarily led by the police whilst the 'Recovery' phase is led by the Local Authority which, for Devon as a whole, will be Devon County Council</p>
Financial implications to include reference to value for money		<p>The Council's estimate is that we could see a reduction in income and increased expenditure totalling over £6 million in 2020/21. Whilst the Government funding received so far (£900,000) is much appreciated, it is less than one sixth of what the Council estimates it might need. The allocation of funding to Councils has been partly based on population and, as a rural Council, South Hams is always going to miss out on this basis.</p> <p>The Council will continue to lobby the Government so that we receive the appropriate level of funding to be able to plan confidently for the future. Each month, Councils complete a national return that informs the Government of how much COVID-19 is hugely affecting the finances of Councils. It is hoped that the Government will act with further funding when they have this national picture. Options will be presented to Members for a revised Budget for 2020/21 during September 2020.</p> <p>The Value for Money conclusion issued in 2020 by Grant Thornton (external auditors) will include considerations in respect of service continuity and the COVID19 Recovery Plan.</p>
Risk		<p>A number of risks need to be highlighted: Failing to respond to the pandemic is likely to have long term impacts on the council and the community it serves.</p> <p>Moving focus from response to recovery too early may result in a lack of capacity to deal with the acute impacts of the pandemic on the health and wellbeing of residents with in our community.</p> <p>Failing to prepare appropriately for recovery could significantly increase the adverse impacts of the</p>

		<p>pandemic on individuals and business within our community.</p> <p>Acting in a disproportionate manner and directing resources away from other key service areas may have adverse impacts in a number of areas including delivery of statutory services, customer satisfaction, vulnerable people and the financial sustainability of the organisation.</p>
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Supporting Information

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes/No
SLT Rep briefed/sign off	Yes/No
Relevant Heads of Practice sign off (draft)	Yes/No
Data protection issues considered	Yes/No
Accessibility checked	Yes/No

Appendix 1

- Part 1: Draft Recovery and Renewal Framework
- Part 2: Draft Recovery and Renewal Management/Development Structure
- Part 3: Draft Recovery and Renewal Objectives
- Part 4: Recovery and Renewal Themes