

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

Date: **3 September 2020**

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

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 be considered at the Executive meeting to
be held on 17 September 2020**

Authors: **Drew Powell** Role: **Director of Governance
and Assurance**
Andy Bates **Chief Executive**

Contact: **01803 861240** email: drew.powell@swdevon.gov.uk

RECOMMENDATIONS:

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

- 1. Note the Councils continuing response to the Coronavirus (COVID-19) Pandemic;**
- 2. Note the outputs of the Member Workshops as detailed in Appendix 1;**
- 3. Note progress on the development of the Recovery and Renewal Action Plan ('the Plan');**
- 4. Take into account the conclusions of the Joint meeting on the Plan; and**
- 5. Request that an update on progress against development of the Plan be brought back to an additional Joint Meeting of the Overview and Scrutiny Panel and Development Management Committee to be arranged to take place at 2.00pm on Thursday, 19 November 2020.**

1. Executive summary

- 1.1 The Joint Meeting of the Panel and DM Committee considered a report on 4th June (minute OSDM.4/20 refers) detailing the Council's vital role in responding to the global Coronavirus (COVID-19) Pandemic.
- 1.2 The report also identified the need to 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.
- 1.3 Members considered a high level framework that set out the key areas to be explored focussing on operational (internal) actions and strategic (external) opportunities and challenges with a recognition that there is clearly a cross over between these areas.
- 1.4 The Joint meeting recommended a range of areas for future consideration and at the meeting of the Executive on 18th June (minute E.87/19 refers) it was resolved to hold a series of Member workshops, based on the amended framework, to consider these areas further.
- 1.5 Now that the workshops have been concluded, the next stage is to determine the best way to implement and/or develop the proposals that Members have generated.
- 1.6 The draft Action plan is based on all of the outputs of the workshops and therefore there will need to be a rationalisation process whereby the proposals are prioritised in terms of impact and cost.
- 1.7 It is important to stress that whilst in emergency planning terms, we have essentially moved from 'response' phase into 'recovery', the very real risk of a second peak or a local outbreak remains.
- 1.8 At this stage we still do not know what the 'new normal' will look like. A range of indicators around the economy and employment point towards a very challenging time and 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 to recovery which is, where possible, evidence-led. It is also clear that whilst the Council's role will be vital, the key will be to work with a range of partners locally and regionally.
- 1.9 Financial Stability is one of the themes within the Recovery and Renewal Plan and Section 9 sets out the areas being progressed and the timescales within which this will take place. By September 2020, Council will be recommended to set an Amended Budget for 2020/21 taking into account the impact the pandemic has had on the Council's finances. A separate report is on this Committee agenda regarding proposals for the Amended Budget. In October 2020 a report will be presented to Members on the Medium Term Financial Strategy (MTFS) for 2021/22 onwards which will look at the Council's financial position over the next five years.

- 1.10 In conjunction with the budget, the Senior Leadership Team have reviewed and are monitoring the staffing establishment to enable a degree of flexibility in the allocation of resources to the priorities emerging from the action plan.
- 1.11 This report summarises what continues to be a highly effective response to the challenges of the pandemic, details key recovery actions already complete or underway and proposals to develop and implement the first iteration of our long/medium term recovery and renewal plans.

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 continues to have a significant impact in numerous ways including the tragic loss of lives, major disruption to education and, an as yet, unmeasured economic shock.
- 2.3 Locally, the extensive air and foreign travel bans have resulted in a significant increase in visitor numbers to tourist destinations within the area. This has, and continues to, put many services under pressure and not just the obvious street cleansing and waste collection. Increases in 'wild camping' and an influx of motorhomes has demanded an increase in education and enforcement.
- 2.4 Nationally, cases are reducing, whilst globally the rise in cases is a major cause for concern and a vaccine, if it is ever developed, will take a considerable time to roll-out.
- 2.5 At the time of writing this report, the number of cases within the area is thankfully very low and we are working with Devon County Council Public Health, as the lead authority, to develop the Local Outbreak Management Plan (LOMP) which will facilitate the response to any future local outbreaks.
- 2.6 The Council continues to play a key role, alongside partners, in both response and recovery to the short, medium and long term impacts of the pandemic and in the implementation of 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 continuing response and proposals to develop and implement the first iteration of the Recovery and Renewal Plan.

4. Preparation for future outbreaks

- 4.1 The Council's preparation for the pandemic was thorough and, although not tested by large amounts of absence, the operational response was largely effective. Members' views on the response were

gathered through the report to joint meeting of the Overview and Scrutiny Panel and Development Management Committee on 4th June and further developed through the workshops detailed later in this report.

- 4.2 In order to help prepare for a second peak or a local outbreak, a short 'lessons' learnt review has been undertaken. This focussed primarily around operation of the Incident Management Team; the officer team who managed the operational response phase.
- 4.3 As a result, a number of actions have been implemented. These include a review of Service based Business Continuity Plans and introducing the principle of a Senior Responsible Officer (SRO) to support operational decision-making and to add capacity and resilience.
- 4.4 The SRO principle allows autonomy and responsibility for making operational decisions to be passed to suitably qualified and experienced officers during, in this case, the acute response phase of an incident.
- 4.5 With a clear shift from central government towards managing outbreaks locally, the Council have been working in partnership with the Director of Public Health at Devon County Council to prepare the Local Outbreak Management Plan and a number of standard operating procedures for dealing with localised outbreaks should they occur.
- 4.6 The Local Outbreak Management Plan will be tested with a series of multi-agency exercises that the Council will also participate in.
- 4.7 The Council's Environmental Health and Licensing team continues to respond to complaints regarding COVID-19. The Team provides support to businesses regarding COVID-19 secure precautions and has a key role in its responsibility to protect public health at a local level. The team also stands ready to assist in a wider public health response if required.

5. Member Workshops

- 5.1 During July a series of workshops, led by Members of the Executive, were held to enable the wider membership to consider, debate and propose what should be included through the Recovery and Renewal process.
- 5.2 The Workshops were grouped around the themes set out in the framework;
 - Residents, Communities and Partnerships
 - Place and Environment
 - Business and Economy
 - Governance and Communications
 - Recovery and Redesign
- 5.3 The outputs, which were captured at the end of the meetings and fed back to attendees, have been collated and the Action Plan has been built around these – see Sections 7 and 8.

- 5.4 Members will see that these range from individual specific actions to higher level strategic issues and across a range of timescales. The outputs have been grouped where possible into related areas to populate the Action Plan.
- 5.5 It is recognised that development of an effective plan takes time and careful consideration to ensure that finite resources are focussed on the right issues. However, it has been equally important for the Council to continue to actively support response and recovery within the wider community.

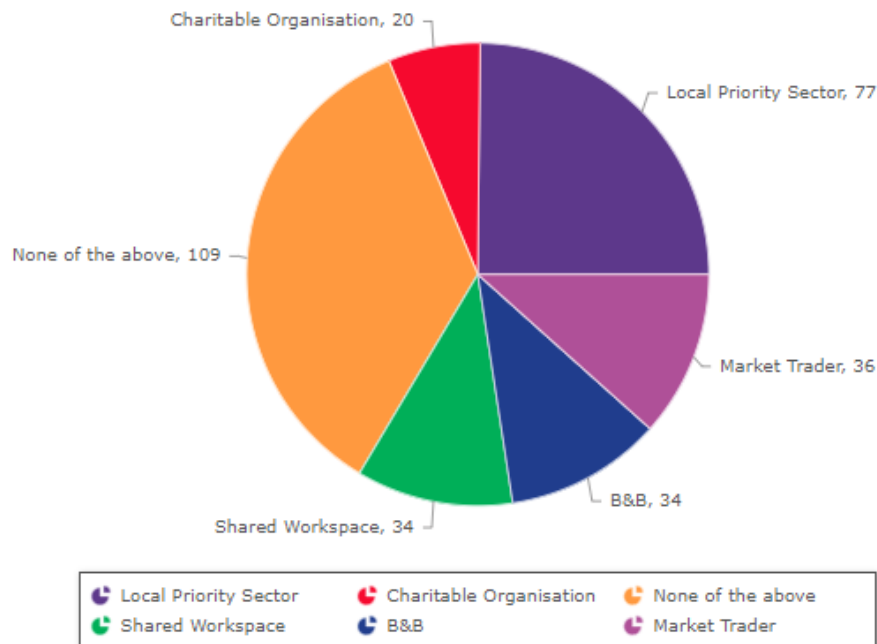
6. Ongoing Response and Recovery Activity

- 6.1 The gradual relaxation of lockdown measures has enabled the Council to support the wider community whilst continuing to provide essential services.
- 6.2 The duration of remaining COVID restrictions is hard to gauge and will be dependent on local, national and, to an extent, global rates of infection. The Council will continue to follow guidance and support the community and business to do the same wherever it can.
- 6.3 What is clear is that demands on services have already changed in many areas with for example an increase in people holidaying locally and demand for support to vulnerable sectors of the community
- 6.4 Some of the changing need has resulted in refocussing service provision whereas others are entirely new areas of work arising from Government initiatives or new demands within the community. The following are just a few examples of the work that is ongoing to manage the response and support recovery.

Support for Businesses and the Economy

- 6.5 There has been a clear focus on supporting some of the businesses that missed out on support from the first tranche of Government grants where over £42 million was paid out to over 3,700 businesses.
- 6.6 Based on the guidance and in line with local priorities, 310 businesses have been supported through the Council's Discretionary Business Grants scheme (as at the middle of August), with a split by sector as detailed in Graph 1 below. Payments to date have totalled £1.4million. Final payments have to be made by the end of September 2020, by when, the total Government allocation of £2,317,250 for the scheme will have been paid out in support for businesses.

6.7 Graph 1 – Grants by Sector



*'none of the above' is a catch all for other sectors and includes a range of businesses such as mobile food/maintenance/beauty and crafts/upholstery/cabinet maker/musicians/dog grooming/sports/media/graphic/landscape

- 6.8 The Councils organisational operating model, coupled with the staff behavioural framework has again proven highly effective in delivering this new work in a timely manner.
- 6.9 The additional resource required to deliver the work was recognised by the Government and a new burdens, un-ringfenced grant payment of £170,000 was received in recognition of the administrative cost.
- 6.10 Managers have been able to flex and move resources around the organisation to deal with this new demand; a clear benefit of our flexible operating model. As a result, this grant payment may well be available to help reduce part of the overall budget deficit arising from the pandemic as a whole.
- 6.11 In addition, the business grants regime has created an additional increase in the workload around general business rates work with more businesses, changes in uses and names being reported to us. We continue to resource this area as we are keen to ensure that the collection fund and the collectable debt is as accurate as possible to maximise income for the Council and other preceptors.
- 6.12 As lockdown measures relaxed, hospitality businesses, a key sector for the local economy, were faced with a number of challenges. How they

can open, comply with the social distancing restrictions and remain viable.

- 6.13 With the Government's clear message being to support businesses coming out of lockdown, the Council recognised its important role in terms of Licensing alongside its role as landowner.
- 6.14 For pubs, restaurants and cafes in particular a key factor was maximising the available floor space to trade from and businesses were actively encouraged to seek permission for extended (or new) street based seating areas (street cafes) outside premises.
- 6.15 To support this a number of initiatives were implemented;
- Webinars on the new national guidance for the retail and licensed sectors were attended by over 100 local businesses and very well received.
 - A quicker and easier procedure introduced to allow temporary changes to premises licences through minor variation applications
 - A simplified procedure for issuing licences to utilise our own land
 - Localities visits to major towns to show support for local business and monitor compliance

Residents, Communities and Partnerships

- 6.16 Demand for services within Benefits had increased significantly during the pandemic. By way of example in February we received 85 new applications for housing benefit, in March this increased to 327. Whilst this number has reduced we are not yet at pre-pandemic levels.
- 6.17 The Team are proactively identifying people who, because of changes to their income, needed to claim housing benefit to offer them assistance through our discretionary housing payment pot. This serves to prevent homelessness and evictions in the future. We were among the first councils in Devon to pay the £150 council tax reduction to those on the lowest income.
- 6.18 Work with DCC on our joint local welfare support COVID fund continues with nearly £9k paid out in emergency hardship grants. In addition we have extended our money advice service temporarily for those who require assistance.
- 6.19 We approached the Government about varying grant funding for our temporary accommodation support worker funding and, as a result, have been able to extend the post until March 2021. Whilst there is still a ban on evictions this is set to be relaxed and the demand for housing advice & homeless services is yet to be known

6.20 Dialogue with our community cluster groups has been maintained in most areas. Additionally there have been a series of community meetings set up which we continue to support.

7. Recovery and Renewal Action Plan

7.1 Moving from response to recovery and renewal takes careful planning to ensure that finite resources are used in the most efficient way. The situation remains ever changing and future plans have to be linked directly to those of other partners and with an eye on changing Government guidance.

7.2 Through the workshops detailed above, Members have generated a range of actions and ideas to support the following high level objectives within the Recovery and Renewal Framework ;

- The delivery of services that are focussed to meet the needs of customers, community and business are restored where appropriate
- The immediate and longer term financial sustainability of the Council
- That Members are engaged with decision making in an appropriate way through local democratic governance.
- The principle of 'Build Back Better' is followed and that opportunities to learn and become more efficient and effective are realised wherever possible.

7.3 Whilst some actions maybe straightforward and deliverable within existing budgets others will require further investigation and development to determine whether they are appropriate, viable and achievable. Alongside this a there are a range of questions that need to be considered including;

- What is the relative priority of the proposal?
- What degree of influence does the Council have?
- Are better placed partners already doing this?
- Can we afford to do this?
- Does the proposal support the high level objectives?

7.4 The Action plan at Appendix 1, sets out the first iteration of how the proposals put forward by Members can be developed and, where appropriate, implemented and by whom.

7.5 As a follow up to the Workshops, Members suggestions were circulated to staff who have come forward with some excellent suggestions, especially relating to operational performance efficiency, and these will be fed into the process where relevant. Examples include undertaking a skills audit to support future response, utilising online consultation platforms and the use of 'influencers' to support our media campaigns.

- 7.6 Members will note that there are a range of options including linking the work to partners through, for example, the Team Devon Recovery Prospectus which primarily relates to economy, business and employment or the Devon Carbon Plan.
- 7.7 Other work maybe better linked to existing or emerging Council initiatives including the Climate Change and Biodiversity or Housing strategies and this is proposed where relevant.
- 7.8 There are however some key emerging areas that will require detailed investigation and development.

8. Key Areas for Development

- 8.1 Some common themes for further development have emerged through the workshops and it is proposed that, in order to investigate these further, established or new Member Task and Finish and/or Working groups are utilised.
- 8.2 Members will recognise that finance is reported to all Members through the monthly budget monitoring reports, the setting of the budget and the Medium Term Financial Strategy (MTFS) and therefore a separate workshop as part of the Recovery and Renewal Plan was deemed unnecessary. However, as finance underpins the whole plan, it is included as a separate heading within the Action Plan and as a theme below.
- 8.3 As part of the finance theme, an Amended Budget for 2020/21 is being set by Council by the end of September 2020. A Member's Budget Workshop has been arranged for Thursday 27th August to consider options for the Amended Budget for 2020/21.
- 8.4 Proposed Vehicle for Development of Key Themes

Theme	Proposed Vehicle	Status	Scope
Engagement and Consultation	Overview and Scrutiny Task and Finish Group	Already set-up	To be agreed
Localities and Clusters (Community Response Team)	Overview and Scrutiny Task and Finish Group	Existing Localities T&F Group to be utilised	To be amended to include wider scope
Accommodation	Accommodation Working Group	Already set-up	To be reviewed
Governance	Political Structures Working Group	Already set-up	To be agreed

Business Engagement	Business Forum or similar to be confirmed	To be determined after sector based consultation	To be agreed
Finance	Reports to Joint O & S/DM and Executive and Council	Already set-up (Budget Workshop for the Amended Budget for 2020/21 to be held on 27 th August)	To be reviewed in light of Government announcements throughout the year

- 8.5 The proposals set out above will allow these important areas of work to be developed by Members with dedicated support from Officers. It is proposed that each group will operate within a similar framework in terms of meeting frequency and timescale to ensure that proposals can be considered at an additional Joint meeting of the Panel and DM Committee to be held on 19 November 2020.
- 8.6 Member's views on the Action Plan and the proposal to investigate and develop the key areas are welcomed.

9. Links to the Amended Budget and Medium Term Financial Strategy (MTFS)

- 9.1 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as ferry income, car parking income and council tax income. The factors affecting the Council's finances are issues affecting the whole Local Government sector.
- 9.2 Financial Stability is one of the themes within the Recovery and Renewal Plan. The action plan, setting out the areas being progressed and the timescales within which this will take place, is set out in Appendix 1. Following consideration of the Renewal and Recovery Plan in the summer, the Action Plan for the Financial Stability Theme has been updated.
- 9.3 By September 2020, the Council will be recommended to set an Amended Budget for 2020/21 taking into the account the impact the pandemic has had on the Council's finances. The latest revenue budget monitoring report for Month 3 (end of June) predicts a budget shortfall of £1.313 million for 2020/21. This equates to 14% of the overall budget set of £9.411 million. A separate report is on this Committee agenda regarding proposals for the Amended Budget for 2020/21.

- 9.4 In October 2020 a report will be presented to Members on the Medium Term Financial Strategy (MTFS) for 2021/22 onwards which will look at the Council's financial position over the next five years.
- 9.5 It should be noted that the financial landscape for Councils is ever-changing and there is still a great deal of uncertainty that Councils are working with in planning their finances for the longer term. The large areas of unknowns are around New Homes Bonus funding, Negative Revenue Support Grant (the Council no longer receives any core Government grant) and future allocations of Rural Services Delivery Grant. We are making the point to the Government that we must know what is happening to these key areas by this September, so that we can plan confidently for our finances for the future.
- 9.6 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.
- 9.7 The Council will continue to lobby the Government so that we receive the appropriate level of funding. Each month, Councils complete a national return that informs the Government of how much COVID-19 is hugely affecting the finances of Councils. The point has been made that these income losses have had a much bigger impact (in proportion to Net Budgets) on District Councils, than they have on County Councils and Unitaries.
- 9.8 A further lobbying letter from South West Councils was sent to the Rt Hon Robert Jenrick MP (Secretary of State for Housing, Communities and Local Government) on 30th June 2020. This letter set out that the latest Government returns to MHCLG (Ministry of Housing, Communities & Local Government) showed a financial challenge to South West Councils of over £1 billion across the region.
- 9.9 On 2nd July, the Rt Hon Robert Jenrick MP announced a new comprehensive package of support for Councils, to address spending pressures and losses in income streams. There were three central pillars of support announced:-
- A new scheme to compensate Councils for losses of income, though not in their entirety (an 'income guarantee' scheme). Councils have to meet the first 5% of losses of all budgeted sales, fees and charges and only some categories of income are allowable under the scheme. For the categories allowed, once the 5% is deducted, the Government will reimburse 75pence in every £1.
 - An extra £500million to cover extra COVID19 expenditure costs (the District Council's allocation of this funding has been announced at £121,361)
 - To allow council tax and business rate losses in income to be repaid over the next 3 years of budget cycles, instead of just the next one year

- 9.10 We are very pleased that our lobbying has been successful but there is still further work to do on this as even with the support package announced, the District Council is still predicting a budget shortfall of £1.313 million for 2020/21 and this figure will change throughout the financial year as more information comes to light on items such as the collectability of outstanding debt and arrears and how income streams have been affected by the pandemic.
- 9.11 In a letter from the Chairman of the District Councils' Network to the Chancellor, the financial needs of District Councils were set out, as well as stating that no part of the public sector is better placed than District Councils to catalyse and lead the recovery and that we will rise to the challenge.

10. Proposed Way Forward

- 10.1 The draft Action Plan sets out how the Council, or its partners, will either action or investigate, develop and, where relevant, implement the proposals arising from the Member Workshops.
- 10.2 The work will continue to be led by Members of the Executive under the themes set out in the Strategic Framework.
- 10.3 In addition this report sets out the proposed vehicles (Task and Finish or Member Working Groups) for developing the new key themes that have emerged through the Member Workshops and the development of the Action Plan.
- 10.4 The outputs and recommendations from the relevant Groups will then be reported back to Members along with an update on progress on the wider Action Plan in line with following timeline;
- Additional Joint O&S and Development Management Meeting on 19 November 2020
 - Executive on 3 December 2020
- 10.5 Looking further ahead, the Council adopted its Corporate Strategy on 17 May 2018 prior to the end of the previous administration. As a result of the pandemic it can be argued that the context and landscape within which we now operate has fundamentally changed.
- 10.6 Whilst elements of the Strategy clearly remain relevant and vitally important moving forward, the recovery and renewal process has identified new emerging challenges and priorities and the Council may consider that developing a new Corporate Strategy from May 2021 would be an appropriate way forward.

11. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
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 Action Plan for the Recovery and Renewal Plan will be assessed to determine the cost and resources required to deliver the Action Plan in the short term, medium term and longer term. This will form part of the reports to the Overview and Scrutiny Panel and Development Management Committee meeting to be held on 19 November 2020 and the Executive on 3 December 2020.</p> <p>Financial Stability Theme</p> <p>Financial Stability is one of the themes within the Recovery and Renewal Plan and Section 9 sets out the areas being progressed and the timescales within which this will take place. By September 2020, the Council will set an Amended Budget for 2020/21 taking into the account the impact the pandemic has had on the Council's finances. The latest revenue budget monitoring report for Month 3 (end of June) predicts a budget shortfall of £1.313 million for 2020/21. This equates to 14% of the overall budget set of £9.411 million. A separate report is on this Committee agenda regarding proposals for the Amended Budget for 2020-21.</p> <p>In October 2020 a report will be presented to Members on the Medium Term Financial Strategy (MTFS) for 2021/22 onwards which will look at the Council's financial position over the next five years.</p> <p>The action plan, setting out the areas being progressed and the timescales within which this will take place, is set out in Appendix 1. Following consideration of the Renewal and Recovery Plan in the Summer, the Action Plan for the Financial Stability Theme has been updated.</p>

		<p>Value for Money 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 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>

Appendix 1

Draft Recovery Plan September 2020