

REPORT TO: CABINET

DATE: 9 JULY 2020

TITLE: COVID-19 RECOVERY – PROGRESS AND WORKING GROUP TERMS OF REFERENCE

PORTFOLIO HOLDER: COUNCILLOR EUGENIE HARVEY, DEPUTY LEADER AND PORTFOLIO HOLDER FOR RESILIENCE AND RECOVERY

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This is not a Key Decision
It is on the Forward Plan as Decision Number I011543
Call-in Procedures may apply
This decision will affect no ward specifically.

RECOMMENDED that:

- A** The initial response to the pandemic and recovery Workstreams be noted.
- B** The appointments made to the Covid-19 Working Group be noted.
- C** The current financial position be noted.
- D** The Terms of Reference for the Working Group, which will be confirmed at its first meeting, be noted

REASON FOR DECISION

- A** The Council has taken steps to respond, and latterly to begin the process of social and economic recovery of Harlow to the pandemic. During the crisis the Council has been able to operate through Business Continuity Provisions but now needs to take co-ordinated steps with members full input.
- B** The Covid crisis has had a number of financial impacts on the Council and has also involved the Council in the delivery of a number of national emergency schemes to help and support the local economy. More details are provided

within this update to inform Cabinet of the current and continually evolving position and impacts upon the financial situation.

BACKGROUND

1. The Council and its management teams have worked during the Covid outbreak in two complimentary ways, response and recovery, whilst still delivering services in the most effective way possible during a pandemic. During March, the Council's Business Continuity Plan was brought into effect. This brought together a multi-disciplinary group of staff to plan the Council's immediate response to the pandemic.
2. Examples of the work overseen by the group are:
 - a) Enabling over 330 workers to access technology to work from home;
 - b) Introducing measures to create safe working environments at the Civic Centre and the Latton Bush Centre to allow critical Council and third party services (including NHS teams) to continue;
 - c) Working with county and national planning agencies to ensure a coordinated response for those shielding and residents requiring assistance;
 - d) Facilitating the initial set up of the Community Hub service, delivered as a joint initiative between voluntary sector and the Council;
 - e) Making decisions in the public interest on the short term suspension of Council facilities and services and to set in motion groundwork for recovery work to commence re-delivery of these as soon as safe to do so;
 - f) Digesting and disseminating the fast moving Covid-19 related guidelines and restrictions so that the Council, and Harlow residents, have understood the appropriate responses at each stage of the pandemic to mitigate risk to themselves and protect safety of others;
 - g) Recording and analysing the effect of Coronavirus on both Council and key delivery contractor staffing capacity so that impact to residents could be mitigated and services continue as close to normal as possible; and
 - h) Providing alternative respite spaces for Veolia staff to use.
3. As the Council moves towards the easing of restrictions over the coming months, the Council faces challenges addressing the longer term impacts on the town and the Council's operation.

4. The Leader has appointed a Cabinet Portfolio Holder, titled Resilience and Recovery to help oversee the recovery process. Their role is to work with Officers and the community to:
 - a) Prepare a post pandemic action plan for recovery;
 - b) Mitigate the effect of the pandemic on the community of Harlow and the Council;
 - c) Scope the requirements of the Council to meet changing service need post pandemic and the resources required;
 - d) To enable the Council to assess funding streams to support the town's recovery
 - e) Work with county, regional and national agencies and the community and business partners on recovery measures;
 - f) Bring forward new methods of working across the Council and community, and bringing forward opportunities for innovative and creative working;
 - g) To ensure effective communication/consultation with stakeholders and the community;
 - h) Steer the Council to a position where it can make decisions on recovery on:
 - i) businesses and the economy
 - ii) the Voluntary Sector
 - iii) the Faith Sector on social cohesion
 - iv) the social impact on the town's residents as a whole and the support required
 - v) housing, including social housing, homelessness and private landlords
 - vi) those using accessing existing or temporary benefits

ISSUES/PROPOSALS

5. The Council has established a number of work streams to address the future challenges faced by the town. These work streams are:
 - a) Council Business Impact – the changes that are required internally to business continuity arrangements for the Council including

arrangements for the period during which social distancing measures are still required; guided by government directives.

- b) Community Impacts – social impact on the town as a whole and emotional support required long term, with particular focus on those who fall into marginalised or vulnerable groups. This Includes working with hard working families, those not previously considered vulnerable and key stakeholders in voluntary sector.
 - c) Business and Economic Support – impact on local economy, additional benefit claimants, debt issues, and fulfilling required roles as identified by Government initiatives, including distribution of financial support.
 - d) HTS Group of Companies – Business Continuity arrangements across the HTS Group contract, including how services can continue to be delivered under social distancing guidance issued by the Health and Safety Executive (HSE) and central government.
6. Each work stream will report into the Senior Management Board (SMB), forming a Management Board Recovery Working Group, who will work closely with the newly appointed Portfolio Holder. The governance structure for this activity is attached as Appendix A to the report.
7. The governance structure makes provision for the establishment of a working group with the suggested following Terms of Reference:
- a) To advise the Portfolio Holder on the proposals contained within the pandemic action plan;
 - b) To provide a forum for consultation on measures within the pandemic action plan;
 - c) To discuss Council-related impacts that require additional resources or alternate service delivery methods; and
 - d) To provide a focus community action; business engagement and new ways of working.
8. It has been suggested that the working group comprise ten members and nominations are required at this meeting. It may also invite relevant people to attend, or provide testimonials, where appropriate to assist with the strategic objectives of the Working Group.
9. It is suggested that the Working Group confirms it's Terms of Reference at its first meeting and that meetings be held at a frequency driven by the emerging milestones in the action plan being developed.

Financial Impact

10. The purpose of this section of the report is to provide an overview of the current impact on the Council's overall financial position as a result of the Covid crisis.
11. The financial position has been monitored closely across all services, but with an immediate focus on the impacts on the general fund and Housing Revenue Account (HRA) budgets. It is likely that it will be several months before a more complete picture will emerge, with the position being a changing one during that time. It is also important to highlight that impacts of the crisis will be a feature of not only the current year's budget, but also the medium term financial forecasts. There is likely to be a need for the Council to realign its medium term plans and manage its financial response in a controlled way over the medium term. This continues to be an important message in dealing with the crisis.
12. The full impact of Covid-19 on the revenue budgets will not be fully known until it is clear how long the recovery phase will last before we return to some form of economic activity more aligned to that of the pre Covid situation. Only then will we be able to begin to see how income streams will recover alongside the reduction in any Covid specific costs.
13. The following table highlights the current forecast impact in 2020/21 of the Covid crisis on the General Fund budget:

Table 1 – High Level Summary

Table 1 -High Level Summary	£'000
Forecast reduction/loss of income	1,481
Forecast increased costs	122
Forecast Impact	1,603
Government Covid grant	(919)
Forecast Net impact for General Fund	684

14. Income or the loss of it is a significant contributing factor to the overall position reflected in Table 1 above. Inevitably there will be other areas of income and expenditure which collectively will impact the overall position, particularly areas such as recycling and waste charges/income, investment income and garage income. It is also important to remember that some income streams will recover and are only deferred whilst others are lost and will not recover to budgeted levels in 2020/21. Further work will be undertaken in the coming weeks to understand the wider impacts and is likely to be included within the first quarter monitoring reports to Cabinet in September.
15. There is the possibility that further grant support will be made available by the Government in what is an ever evolving situation as this report is written however it is not possible to determine how much this grant might be if it is provided or equally what distribution methodology will be used to target specific Covid pressures across the local government sector.

16. There will be a number of implications for the Council's council tax and non-domestic rate (NDR) income over the course of the year. Impacts on collection rates will feed through the Collection Fund and impact in the 2021-22 financial year as a deficit, as will any impacts on the underlying Council and NDR tax bases (the number of properties we have estimated to be eligible for the taxes). Council tax collection rates continue to show reductions of around one per cent. Some reductions in the collection rates at the start of the year may recover later in the year depending upon how long lockdown continues and what restrictions are in place when it comes to an end. Any deficit (or surplus) is shared between ourselves and the precepting authorities.

17. The Government has made funding available for:

- a) Small Business Grants and the Retail, Hospitality and Leisure Grants (£11.7 million for Harlow). The Council has currently paid out £11.3 million (96.5 per cent of the grant allocation) to 841 local businesses
- b) Local Discretionary Grants to businesses – this is being funded from within the £11.7 million shown above and the scheme is currently running locally for applications to be made
- c) Extended retail Relief Reliefs given to business rate payers (now estimated to be £17.4 million for Harlow businesses)
- d) Hardship Grant (£933,000 for Harlow) which will provide an additional £150 support for those of working age who are entitled to Local Council Tax Support (LCTS) and will receive new bills with this reduction shown.

18. In respect of the HRA there will inevitably be an impact for a number of reasons, with the most concern being around falls in rent income and service charges. At the end of May payments for rent (housing and garages) continue to be lower than for the same period in 2019, despite the evidence which shows that residents have changed their payment methods during the crisis. As previously highlighted this could be simply because the normal method of payment is not available to customers but could also be linked to the national picture of increased claims for Universal Credit and LCTS indicating reductions in local household incomes. This inevitably will translate into a fall in the ability of households to pay bills.

19. Work will continue over the summer to analyse and review the situation across all areas of the Council's financial activities including the capital programme and a further update will be included in future finance reports to Cabinet beginning in September.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

As contained within the report.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (Includes ICT, and Property and Facilities)

As contained within the report.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

The establishment of a Recovery Working Group will support the already established governance arrangement of Housing Portfolio Holder and wider Cabinet in developing a strategic action plan that can be used to align corporate priorities going forward as well as bidding for external resources for the wider benefit of residents, businesses, and the Harlow community.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

As contained within the report.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

As contained within the report.

Author: Simon Hill, Head of Governance

Appendices

Appendix A – Proposed Governance Model

Background Papers

None.

Glossary of terms/abbreviations used

HRA – Housing Revenue Account
HSE – Health and Safety Executive
LCTS – Local Council Tax Support
NDR – Non-Domestic Rates