

IMPACT OF CORONAVIRUS ON THE COUNCIL

REPORT OF: CHIEF EXECUTIVE
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Wards Affected: All
Key Decision: No
Report to: Cabinet
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Purpose of Report

1. This report offers a summary of the impact of the coronavirus pandemic (C-19) on the Council to date. It provides an overview of the management response to the virus, the way the Council has met the challenges arising from national government direction and the shift in local demand for services and support. It highlights the financial challenges which have arisen as a result of C-19 and planned next steps.

Recommendations

2. **Cabinet is recommended to note the impact of coronavirus on the Council and the response to date.**
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Introduction

3. On 23rd March 2020 the Prime Minister announced the Government's response to Coronavirus and the start of 'lockdown'. Since that time, the nature of the response required by a range of public bodies has developed reflecting the spread of the virus. As a Category 1 responder under the Civil Contingencies Act, the Council and its staff has a role, along with other public bodies like the Police and NHS, to lead the local response to the pandemic. This report gives an overview of the Council's response and the impact of the pandemic to date.
4. In addition, the Covid-19 pandemic (C-19) has had a significant and continuing impact on the Council's financial position, resulting from increasing demand for services and a substantial reduction in income. This report gives an overview of this financial impact to date.

Managing the response to the pandemic

5. The Council used its business continuity plans to manage the initial response to C-19 in the early weeks. This work focused particularly on maintaining critical services and enabling staff to work safely and in line with Government requirements. Comprehensive communication plans supported this work.
6. From 16th March, the Management Team began to meet daily to consider its actions to respond to C-19 and new government guidance as it was published. From 23rd March, the work included a series of workstreams to ensure a co-ordinated response in key areas including:
 - Support to business
 - Hubs and shielding the vulnerable

- Housing & Homelessness
 - Waste and recycling
 - Communications
 - Sussex Resilience Forum
 - Staff welfare, safe working practices (including remote working and digital support)
 - Business Continuity
7. A daily situation report was adopted by each business unit to escalate service issues and to monitor business continuity including staff sickness, wellbeing and work location. The Management Team has documented its actions and decisions in a log shared with all business unit leads to ensure cascade; between 16th March and 6th May, 138 items have been recorded.
 8. In this period, the Government has issued over 113 pieces of guidance to local government relating to the C-19 response. Some of this guidance has been revised several times; the guidance on key worker testing has been revised 14 times; guidance on employees, employers and businesses 18 times; and guidance on infection control 25 times. This indicates the highly dynamic nature of this crisis and the demands being placed on public bodies like the Council.
 9. The Council has received daily briefings from the Ministry for Housing, Communities & Local Government (MHCLG) as well as numerous other bodies such as the daily update from the Local Government Association. The West Sussex chief executives have met at least weekly and the Leader and Chief Executive have participated in many national, virtual meetings hosted by a range of bodies, including the Secretary of State for local government and other ministers.
 10. This demonstrates the sheer volume of advice, guidance and information to which the Council has needed to respond. At all times, the Council has focused on responding in a timely way to the Government's guidance, additional requirements and the needs of its workforce, local communities and businesses. Where possible, consistency with other partners has been sought and the Council has participated fully in the work of the Sussex Resilience Forum (SRF).
 11. The Sussex Resilience Forum (SRF) is a multi-agency partnership whose members have statutory responsibilities under the Civil Contingencies Act 2004, to work together to prepare, respond to and recover from emergencies and major incidents.
 12. Since the start of the crisis, gold command of the SRF has been meeting daily (7 days a week). The SRF has a lean but comprehensive structure and a range of sub groups. The Council is contributing fully, along with all its partners.

Changes to the workplace and working arrangements

13. Government guidance on social distancing in the workplace has required a significant shift in the working arrangements for staff and the management of the workplace. Since the start of the pandemic, the Council has focused on reducing the number of staff in the office and enabling home working to ensure the safety of staff.

14. The digital and technology team accelerated the implementation of Office 365 in a few weeks to enable staff to access software and documents, and to collaborate from home. Remote Desktop Services have been developed for core/ line of business systems. This means staff can access these systems securely on their own devices. In addition, the team has deployed 174 mobile devices to staff since the start of the pandemic, covering 83% of the workforce. In April, 205 online meetings were held, 365 calls, and 17,000 messages all delivered through Microsoft Teams which had been deployed six weeks earlier to the staff team.
15. As a consequence, the average attendance at the office is now at a minimum.
16. Generally, productivity has been good in this period and levels of sickness have been below average.
17. Measures were also put in place in the Council offices to ensure social distancing, additional cleaning and access to sanitiser. Each business unit has adopted rotas to manage the number of staff in the building. There are protocols in place for response when staff report symptoms/test positive for C-19.
18. In order to maintain social distancing and comply with Government requirements the Council's reception restricted access from 24th March but has continued to support many vulnerable groups including homeless people and households. The telephone customer service has been fully maintained and significant additional information provided on the [website](#) to give specific updates on C-19. Like many organisations nationally, the Council has seen significant channel shift with increased use of the website and other virtual channels and very significantly reduced direct contact and some reduced telephone contact.
19. Public communications activity has focussed on sharing key messages about the COVID-19 response and service changes. Targeted campaigns concerning bonfires, business support grants and social distancing arrangements in parks and open spaces have reached over 200k people.
20. Council meetings were suspended from 20th March and the Council has been working on arrangements for virtual meetings using video conferencing technology. A training session with all Members took place on 29th April. Cabinet will be aware that virtual Council meetings nationally have been very mixed in terms of their success. Some have experienced security issues or legal challenges following the conduct of meetings. Consequently, this Council is working diligently to learn from these issues whilst also ensuring key services, like planning, are continuing.

Service performance and adjustments to service offer

21. The Council's performance when measured using the performance indicators in the corporate plan has remained reasonable but there are already clear signs of the impact of the crisis on the Council's activities. For example:
 - The number of households in nightly paid temporary accommodation rose sharply reflecting the impact of the crisis on homeless people / households (see paragraphs 29 to 32);
 - The number of visitors to leisure centres and civic halls ceased altogether reflecting Government requirements to close these facilities;

- The volume of waste sent to landfill was above target (39 kg per household against a target of 34) reflecting the impact of lockdown and families being at home permanently;
 - Health and wellbeing interventions were below target as face to face interventions were postponed and alternative ways of providing the service developed;
 - The speed of processing of new housing benefit claims was averaging 23 days in April when compared with the target of 20 days, reflecting increasing workloads, new claims levels and staffing levels affected by the crisis;
 - 8.7% of non-domestic rates collected against a target of 10.7%, reflecting the impact of the crisis on business.
22. As Cabinet will be aware, the Council has needed to pause some services in order to comply with Government guidance on social distancing, as well as to support local people during the pandemic:
- Car parking charges were suspended on 30th March.
 - Leisure centres closed on the evening of 20th March.
 - Playgrounds closed on 24th March.
 - Bulky waste collections paused on 27th March, though core waste and recycling collections have been maintained.
 - Green waste collections, a subscription service, paused on 13th April but restarted on 11th May.
23. The Council's contractors have, in general, been responsive and flexible in responding to C-19. For instance, SERCO has worked closely with the Council on its business continuity plan and adjustments required to minimise disruption; Places Leisure has enabled the use of part of the Dolphin Leisure Centre by the NHS.

Key areas of challenge

24. In some of the Council's service areas, the level of demand has been exceptional. In addition, the Council has needed to respond to new service needs and direction from central government. Some of these are shown in more detail below.

Local Support Networks – Protecting the Vulnerable

25. On 20th March the Government announced its intention to require approximately 1.5m people to be shielded from the pandemic for 12 weeks. This complemented its advice to over 70s to limit their exposure to situations where they may be exposed to the virus. Local government, the NHS and central Government have worked together to support these vulnerable groups. For those shielded, this means ensuring people have access to food, medicines and support. For those groups who are Covid vulnerable (but not shielded) the support needed varies enormously from shopping and errands to personal support and reassurance.
26. There are 5,194 Mid Sussex residents in the NHS shielded group and around 2,300 have registered for support.

27. This is a demanding area of work and it is unclear when the support being provided will reduce or cease. This will be a challenge for all the agencies involved and will impact on the Council's capacity. While some services have a statutory role to play, for instance on housing and benefits, the Council has focused on working with and through others to ensure the necessary support is provided by experienced and qualified providers.
28. To help authorities target and support vulnerable people, the Government has given certain freedoms in terms of how personal data is used. This has enabled many Councils, including this one, to target its work and help to ensure vulnerable people and families do not fall through the net. Following recent changes to those considered to be especially vulnerable (inclusion of cancer patients) and the partial relaxation of some aspects of 'lockdown', this Council is undertaking further work to check that vulnerable people are getting the help they need, not least because it is possible that, following eight weeks of lockdown, support networks for some may be weakening. This work will involve over 4,000 people in the District.

Housing and homelessness

29. In response to the crisis on the 26th of March 2020, the Government brought forward a package of measures designed to protect vulnerable households from becoming homeless during the pandemic. This guidance directed all housing authorities to:
 - House all rough sleepers;
 - Extend the provision of temporary accommodation to all homeless households even where there is no longer a legal requirement to do so.

At the start of the lockdown the Council also experienced an increase in requests for housing from people who were living in insecure accommodation such as shared lodgings or with friends and families. In addition to this the Council has received requests for help from families unable to remain in their home during lockdown. Some Government funding has been made available but it is uncertain whether this will meet the full costs.

30. In addition to this, housing associations, due to the Government's restrictions, were initially unable to let properties which impacted on the Council's ability to move people out of temporary accommodation. This has created an unprecedented bulge in the numbers of households in temporary accommodation. In April 2019 there were 63 households in temporary accommodation, 34 of whom were in bed and breakfast. In April 2020 this had risen to 90, 51 of whom were in bed and breakfast.
31. This situation will be exacerbated by pent up demand created by further Government guidance to landlords which was also issued on the 26th of March. This guidance prevents new eviction proceedings for a three-month period for private and social housing tenants, it also suspended housing possession action in the courts for 90 days. This means that when these restrictions are lifted the Council will experience an increased demand for housing services.
32. Historically economic recession has resulted in increased demand for help with housing. We are therefore anticipating an increase in demand from households who are experiencing economic hardship, particularly from home owners and private sector tenants. This will create even more pressure on the Council's housing services.

Council Tax Support / Hardship Support

33. There has been a big increase in the number of local people requiring financial support as a result of C-19. The Council had a new Council Tax Support Scheme in place from 1st April. Comparing April 2020 with April 2019, there has been a 16% increase in the number of working age people applying and being entitled to support (from 3,223 to 3,723) and a 13% increase in the Council Tax support expenditure (from £6.4m to £7.1m).
34. The Department for Work and Pensions (DWP) reported in early May that nationally 'since the pandemic began, around 1.8 million claims have been made to Universal Credit and almost 700,000 advance payments made to people.' It is likely, though there is no confirmatory data as yet, that there has been an increase in those claiming universal credit in Mid Sussex; this will have an impact on the benefits service.
35. The Government has given the Council £695,753 as part of a £500m Exceptional Hardship Fund. This will automatically grant Council Taxpayers in receipt of Council Tax Support during this year an additional amount up to £200. This will leave a balance of the Government funding, which will be used to pay up to £200 to Council Taxpayers suffering from COVID19 not in receipt of Council Tax Support. An application will be needed for this.

Support for local economy

36. The Council has been in close liaison with the Coast to Capital Local Economic Partnership and the Greater Brighton Economic Board and has been in discussion with the three business associations in order to understand the regional and local implications of C19 on the economy. In addition, the Leader held a round table discussion with businesses from across the District to help inform the range of actions and interventions which the District Council can undertake in order to help support and stimulate the economy. The Economic Development Strategy and Action Plan is being reviewed to ensure the Council's support and resources are appropriately targeted.
37. The housing market and development industry play a key role in underpinning the economy and the Council, in closely following government guidance, has ensured that the planning system has responded to help this market continue. Pre-application meetings, site visits, the Design Review Panel and determination of planning applications all continue. In addition, the Council has led on a Protocol, now established and used across West Sussex, to help renegotiate triggers for payment of S106 financial contributions to provide support to developers who are experiencing cash flow issues.
38. As part of its national response to the crisis, the Government has developed a number of direct interventions to support business. Local government has been required to administer a new regime of business grants as part of this package.
39. As of 15th May, the Council has paid 1,740 business grants to local businesses based on the government's support schemes and paid grants to the value of over £22m. It is estimated that around 80% of eligible businesses have received grants. This is steadily increasing as more businesses apply. It is proving difficult to get all eligible businesses to apply and so the Council has undertaken a range of measures to trying to encourage qualifying businesses. It has written to eligible businesses, used social media, telephoned and emailed. The Council Leader has provided a video to help to promote the business grants and Members have contributed to virtual meetings with business associations.

40. In addition, the Council has awarded £21.3m Expanded Retail Discount for business rates relief to date in 2020/21, compared with £1.4m awarded for Retail Discount in the previous year. It has also approved £340k Nursery Discount. Rate relief is funded by the government.

Financial Impact on the Council

41. The biggest impact on local government expenditure as a result of C-19 has been for councils with social care responsibility. District and Borough councils nationally are experiencing some increases in expenditure, but the overwhelming impact is on their income levels. Districts and Boroughs receive very little grant funding from government and are therefore highly dependent on the income they can generate in order to fund services. Approximately two thirds of MSDC's net budget is derived from income sources other than Council Tax receipts and government grants.
42. As a consequence, the impact of the C-19 lockdown has been severe: the Council is currently losing between £600k and £700k per month in its income. The Council is forecasting that it may lose £6.5m of its £14m net annual budget by the end of the financial year if significant intervention is not forthcoming from the government.
43. The Council has to date received two tranches of funding from the government, the first of just under £38k and the second £1.5m. This only covers income lost in April and May 2020. Significant further support is required if the Council is to deliver services as planned for 2020/21.
44. If further support from the government is not forthcoming, it is likely the Council will have to significantly reduce the services it is able to provide, with the consequent impact on local people. This is particularly worrying given the impact of Covid-19 on business and vulnerable groups.
45. Officers are currently reviewing this situation in detail and will be reporting to Members in July on the matter. Currently, the aim is to bring forward a revised corporate plan and budget for agreement in September. Clearly, the revised plans will not only have to address the impact of these significant shortfalls in income but also the increased demand for some services which have arisen as a result of C-19 (described above), particularly as they are likely to continue for some time.

Conclusions

46. The C-19 pandemic has seen unprecedented demands on the Council. The work has been intense, dynamic and extremely challenging. Officers have worked very hard to meet these requirements in a thorough, timely and effective way. Managers and staff have shown exceptional agility in adopting new ways of working while maintaining good service levels in key services and adopting new service requirements too.
47. The Council's resilience to date has been good, but it will require constant attention as the weeks roll on. The demands on staff have been unprecedented and welfare and morale must be protected in order to manage organisational fatigue.
48. There are long term implications of the C-19 pandemic, in particular on the Council's financial position and therefore the span of services it can provide. This will be addressed initially in a revised corporate plan and budget for 2020/21. In the medium term though, it seems likely that there will be significant implications for the Council's work in 2021/22 and beyond. Work to prepare for this will begin now too.

Risk Management Implications

49. The Council's Strategic Risk Register is being updated to reflect the impact of the Covid-19 crisis on the council's work.

Equalities Implications

50. There are no direct equality implications contained within this report. Equality impact assessments will be undertaken within individual services as required.

Financial Implications

51. The financial implications of the crisis to date are outlined in this report. Further detailed work to analyse this is underway and will be brought forward for consideration as outlined in paragraph 45 above.

Background papers

None.