

ECONOMY AND RESOURCES SCRUTINY COMMITTEE
16 JULY 2020

COVID UPDATE

SUMMARY REPORT

Purpose of the Report

1. To inform and update members of the Economy and Resources Committee of actions taken over the previous few months in relation to Covid-19 in relation to this Committee.

Summary

2. The report sets out the response to the COVID 19 pandemic in regard to actions taken under this Committees remit, the financial impact and how the service have operated differently during this challenging time.

Recommendation

3. It is recommended that Members consider and discuss the attached

Paul Wildsmith
Managing Director

Background Papers

No background papers were used in the preparation of this report.

Elizabeth Davison : Extension 5830

S17 Crime and Disorder	There are no specific crime and disorder implications in this report.
Health and Well Being	There are no issues relating to health and wellbeing which this report needs to address.
Carbon Impact and Climate Change	There are no specific carbon impact issues in this report.
Diversity	The report does not contain any proposals that impact on diversity issues.
Wards Affected	All wards are affected
Groups Affected	No specific groups are particularly affected.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	The report does not require a key decision.
Urgent Decision	The report does not require an urgent decision.

One Darlington: Perfectly Placed	This report supports One Darlington: Perfectly Placed
Efficiency	The report contains updated information
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

- The Covid-19 pandemic has had a significant impact on the Council and in respect to this Committee on Darlington's Businesses and the overall Economy; the Council's financial position and the fundamental way the council has adapted to new ways of working from an HR and Health and safety perspective.
- This report looks at each element and updates the committee on the impacts and achievements in the period across the committee remit.

Finance

- The Government has provided direct financial support to the Council and also provided a package of support measures to businesses and individuals, a number of which have been passported through to the Council for distribution. The table below shows a summary of the Grants provided.

Grant	Comment	Fund value £	DBC allocation £
Covid emergency funding	Used to offset the additional expenditure and loss of income the council faces due to Covid-19	£3.2bn	£6.231m
Small business grants fund and the retail, hospitality & Leisure grants	Passported to small businesses	£12.3bn	£25.972m
Small business discretionary grants	Passported to small businesses	£617m	£1.214m
Hardship fund to support economically vulnerable households	Reduced LCTS liability by £150, set up £100k hardship fund for voluntary sector.	£500m	£1.300m
Infection control fund	To assist the care sector with Infection control measures – passported to care homes	£600m	£1.589m
Test and Trace	To fund new burdens – guidance being reviewed.	£300m	£0.727m
Reopening high street safely fund	To support the safe opening of high streets and other commercial areas. The council will	£50m	£0.094m

	need to reclaim expenditure against this grant		
Rough Sleepers grant	To support rough sleepers	£3.2m	To be claimed

Covid Emergency funding and financial pressures

7. The Council has received a £6.231m grant as part of the Governments £3.2 billion funding provided to support the councils Covid-19 response. The allocation was made in two tranches of £3.306m and £2.925m respectively. The funding is welcomed however as the projected cost of Covid is £14m there is an anticipated £8m shortfall this financial year.
8. On the 2 July 2020 the Government announced a further package of support to Councils to help address the financial pressures due to Covid-19. A further £500m will be distributed to respond to spending pressures and a new scheme to help reimburse lost income during the pandemic where 75p of every £1 lost over and above the initial 5% of planned income from sales, fees and charges will be covered. At the time of writing we do not have any detail on how funding will be allocated so no account of this has been taken into the figure presented in the report
9. There are four main pressure areas for Darlington's finances relating to Covid;

- Covid-19 Additional Expenditure

The additional expenditure for 2020/21 is anticipated at **£4.2m** a significant proportion of this is funding is assistance to social care providers to help them support the NHS reducing the demand for beds, PPE and infection control measures. However, there are also significant costs in providing services in a safe way e.g. street scene where additional resources have been required to provide a socially distanced service with additional back up crews and vehicles required along with the cost of increased tonnage from additional household waste.

PPE costs; ICT hardware for home working along with additional network expenditure; support to suppliers; food and transport costs for the Hub for vulnerable households and accommodating rough sleepers are all contributing to the increased expenditure.

- Covid-19 Income Losses

Darlington is facing a significant shortfall in income as a direct result of lock-down, particularly in our leisure and culture provision areas where ticket income at the Hippodrome and Dolphin Centre for instance have completely ceased. At present it is unknown when these facilities can reopen and even when they can it is unlikely; they will return to normal due to social distancing measures so it is anticipated income will be continue to be significantly reduced. Similarly, we won't we be able to replace car parking income lost.

Further loss of sales, fees and charges income includes car parking income, trade waste, registrar services, rent from delayed opening of buildings, and land charges. In total there is anticipated to be a **£8.8m** pressure.

- Covid-19 – Additional Council Tax support

The Council set the 2020/21 budgets and Council Tax in February – prior to the current pandemic. Recent figures show a 1.5 million increase in Universal Credit applications and this will feed through as an increase in households eligible for Local Council Tax Support (LCTS). We have already seen a significant increase of people claiming support and are anticipating this could increase. Any increase in applicants has a direct financial implication for Darlington each new claimant will move from paying 100% Council Tax to paying 20%.

The increase in unemployment and eligibility for LCTS arising from Covid-19 will take place over a very short period. It is highly unlikely that the economy will recover as quickly – therefore the LCTS impact on councils is likely to be in 2020/21 and 2021/22.

The estimated 20% increase in LCTS eligible households in 2020/21 equates to **£1.4m**.

- Covid-19 Council Tax and Non-Domestic Rates Income Losses

Whilst the Extended Business Rate relief scheme and the business grants are very helpful in supporting business, there will still inevitably be impacts on the rateable value and collection of income.

Darlington's budget includes estimates of housing growth and increased business rates both of which been reduced given that many developers paused building work. Income is therefore not progress in line with expectations and will be a further impact both in this and future years.

There is also anticipated to be an increase in business rate bad debts which will not be recovered from businesses who won't reopen.

The pressure of the above is estimated at **£1.2m** in 2020/21.

**Summary of costs for 2020/21– assumptions based on the
Government’s Phased plan**

	Total £'m
2020/21 Expenditure – service related	4.234
2020/21 Cost of increases for LCTS support for eligible households	1.371
Other Council Tax/Business Rate Income Shortfalls	1.197
2020/21 Income shortfall – service related	8.819
Sub Total – Costs and lost income	15.622
Less estimated furlough funding and expenditure savings	-1.165
Less Covid-19 Grant	-6.231
Current forecast funding shortfall	8.225

10. There is still a significant amount of uncertainty in regard to future pressures and the figures above are based on best estimated using the governments phased recover plan. The projected pressure is significant in the context of the Councils overall Medium-Term Financial Plan however at this stage the deficit in 2020/21 can be met from general fund reserves. It does however mean if no further funding is received and the impacts are prolonged the Councils reserves will be fully utilized before 2023/24 and a full review of the plan will need to take place in 2021/22.

Council Tax and Business Rates collection

11. Despite the financial challenges that the lockdown has brought to residents and businesses in Darlington, £10.9 million of Council Tax and £3.6 million of Business Rates has been collected. Collection levels are only slightly lower than the same period in 2019-20 and appear to be much better than other Councils in the region.
12. Business Rates discounts worth £16.40 million have been awarded to 667 local retail, hospitality and leisure businesses, providing a full exemption for Business Rates in 2020-21.

Housing Benefit and Council Tax Support

13. The number of residents applying for Housing Benefit and Council Tax Support has increased significantly during the lockdown period, with the overall total now 11,992, the highest level since May 2016. However, we have ensured that residents adversely affected by the lockdown have received the support they require promptly, with no backlog of benefit applications. Over half the working age

people receiving Council Tax Support (54%) are now also receiving Universal Credit, a substantial increase from 47% in April 2020.

Economic Growth - Support to businesses

14. The Council has managed and developed grant schemes to business on behalf of the Government. Our approach has been to try and make the schemes as user-friendly as possible, within the confines of Government guidance, and to ensure public money is safeguarded against fraud. We worked hard to get funding to businesses as quick as possible, and as a result, the Council featured in the Top 10 quickest payers in the Country at one stage, during the process.
15. The Business Support Grant system saw 2,058 businesses receive grants of £10,000 and £25,000 with a total of £23.37m being awarded.
16. Business rates discounts worth £16.6m were also efficiently awarded to 682 local retail, hospitality and leisure businesses providing full exemption for business rates for 2020/21.
17. A Discretionary Grant scheme has been implemented with a total of £1.2m Government funding, and at the time of writing this report, the following key information about the scheme is available
 - (a) 292 applications for Discretionary Grant have been received.
 - (b) 200 applications have been refused as they do not meet the qualifying criteria.
 - (c) 92 applications qualify for a grant and have been paid a total of £920,000.
18. There has been a wide variety of Government support to business, not administrated by the Council, and although the Council have provided support as appropriate, the Tees Valley Combined Authority agreed to be the single point of contact for business support across the region and the established a call centre for this purpose.
19. As a Council we have worked to help businesses in the town centre open safely, which has not been without challenges, but our overriding guidance in such decision-making, must be public safety.
20. Our role in advising business and managing open spaces, particularly in the town centre, will continue for some time.

Building Services

21. Whilst we were required to put all our routine and general repairs on hold during the lockdown period 642 urgent and emergency repairs were completed for Council tenants. From 18th May 2020 routine repairs recommenced in accordance with government guidelines, starting with clearing the backlog before accepting new repair requests from early June 2020. Essential gas servicing and other regular safety checks have continued during this time with appropriate measures in place to ensure staff and tenants have been kept safe throughout this process.

22. Work on our new build housing schemes at Fenby Avenue and Allington Way were also halted during the lockdown but work recommenced in early June.
23. The Corporate Landlord Team continued to work at only a slightly reduced rate to ensure our buildings remained in safe working order. The team is now fully operational.

Customer Services

24. Customer Services has largely remained closed to the public and continues to provide a very limited face to face service by appointment only for issues relating to financial protection and the registration of births, in accordance with government guidance. The Contact Centre has however continued to be very busy, initially acting as the key contact point for providing advice and assistance to vulnerable residents 7 days a week, linked to the Darlington Community Support Hub. Whilst this work has now significantly reduced, calls into the Contact Centre are now very near normal levels with over 12,000 calls being received in June compared to the usual monthly average of around 13,000.

Capital Programme Review

25. The Capital Programme was reviewed in terms of Covid 19. Projects at different stages of progress were considered and were prioritised in relation to the ability to restart them or start them on site given the guidance at the time. The priorities for the development of new projects was also considered given the potential for reduced resources whilst responding to the pandemic. This review was undertaken in consultation with all portfolio holders responsible for Capital Projects. The full report was circulated on 21st May 2020 to all Councillors by the Managing Director as part of a wider update report on the preparations for recovery.

Human Resources

26. There has been a significant amount of work in the HR section during this period including the following;
27. **Reallocation Service** – at the early stages of Covid a skills audit was undertaken to understand what skills employees had over and above those they need for their current roles for example skills gained in previous roles and personal lives which could be of use in the emergency situation. This was followed up by the establishment of our reallocation services which was a clearing house for moving staff into different roles where necessary to either cover sickness and self-isolating or to provide emergency services. The service worked extremely well with 100+ staff reallocated to different duties over the Covid period. The most significant movement was staff reallocated from Leisure and Community Safety to the Hub, along with support to and street scene areas, along with cleaning staff. All staff were fully briefed and trained before commencing new duties.

Absence levels and testing

28. Throughout the lockdown daily reporting of staff has taken place to inform the Local Resilience forum and to provide management information on the wellbeing of staff. The overall absence levels for the council in relation to Covid and self-isolation has been low, however it should be noted that at the beginning of lock down there were not testing facilities available so some employees may have had the virus but were not official diagnosed.
29. At the time of writing there are six staff self isolating with symptoms (0.31%), three staff self isolating without symptoms (0.15%), and 30 staff shielding (1.54%).
30. From 20 April, all employees (and agency workers) were able to access testing for Covid-19 where they had symptoms and the symptoms were within the days one to five. There has been a steady stream of enquiries and requests for testing since the service opened. The service is open seven days per week and employees are triaged through HR and Occupational Health and results are fed back through HR / OH with appropriate advice re isolation and returning to work as appropriate to individual and manager. At the time of writing there have been 53 employees have been testing through Darlington Memorial Hospital.
31. Seven employees have tested positive and have been subject to an investigation following the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) investigation guidance. None of the employees above have been deemed to have contracted Coronavirus from the work environment.
32. From mid-May, testing for employee household members who are showing symptoms and live in Darlington were made available. There has been a steady stream of requests for these tests since.
33. Test and Trace was launched by the Government on 28th May, to date we are not aware of any employees who has been requested to isolate following a trace from the NHS trace service.
34. There have been no reportable deaths in service for COVID 19 for any employees.

Staff wellbeing

35. This has and continues to be a difficult time for all so effort has been focused on ensuring that a wellbeing programme remains on the agenda for employees during the lockdown period. During May a number of events have been held virtually including two Resilience Sessions focusing on positivity, both sessions were well attended, feedback was positive and suggestions for new ideas were also forthcoming.
36. We have been promoting our Mental health 1st aiders and mentors who are available on a confidential basis to all staff if they are struggling and would like to talk. We have also held some 'chat' sessions which are an informal forum to give employees the opportunity to talk about how they are feeling, what is working well and what isn't in the new way of working.

37. Managers were provided with a guide to staying connected to assist with communication and team connectivity whilst working from home or having new remote teams. Two Academy 10 modules have also been launched covering Wellbeing and Homeworking. There are more events planned for June as well as a review of the corporate training offer to move key learning to virtual or reduced face to face sessions in an appropriately socially distanced learning environment.
38. The intranet has a specific page for coronavirus FAQ's which have been constantly updated and added to as new guidance has been released to help employees along with all the risk assessments for working during Covid. There has also been continual communications on the weekly briefing and Occupational Health briefings on caring for yourself, Staying safe out and about, and home working.

Furlough

39. The Government's Coronavirus Job Retention Scheme is prescriptive with tight guidelines eligibility. Councils can only claim where there is an identified loss of income in public funds associated with the Coronavirus pandemic. The Council has made use of the furloughed scheme for a number of our leisure and culture staff in income generating areas who could not work due to the closure of the facilities and who were reallocated to other service areas. 113 staff in this area have been furloughed and to date £124k has been received. A further claim has been submitted for employees in the Construction, Highways and cycle and pedestrian trainer services covering the period they were not working, we are awaiting confirmation of this claim being successful.
40. Employees can remain on Furlough leave up to 30th October when the scheme ends but constant reviews will take place to 'unfurlough' employees as services resume or employees are reallocated to other areas of the Council. At the time of writing 132 staff are furloughed.

Agile Working

41. The mobilization of the Councils workforce to home working has been very successful, we have over 40% of staff working from home or using home as a base. This has been enabled through the rapid roll out of Microsoft teams, the video conferencing application, and the Councils Systems and process team and Xentrall ICT teams have worked tirelessly to enable as many staff to homework as possible. Whilst there were some initial technical issues around PC capability, they have been resolved with most staff reporting that working from home is working well with some saying their productivity has increased as travelling time to and from work and between meetings has been reduced.

Health and Safety

42. The Health and Safety Team have supported managers throughout the period reviewing work practices and risk assessments, implementing the wealth of government guidance, to ensure the safety of staff and members of the public.
43. The team produced a corporate risk assessment to manage the risks of working during COVID-19 and developed specific safe systems of work, in consultation with the trade unions and working closely with Public Health, for various activities

including Hub operations, emergency call out, home visits, refuse collection, passenger transport. Working with Darlington Support we've also developed risk assessments and guidance for some key volunteering tasks.

44. With the governments clear message work from home where possible, we have assisted managers and staff to do so safely, providing guidance in various forms on; the home work environment and steps needed to reduce the risks from display screen equipment, lone working and mental health and the importance of keeping in touch. There is a page dedicated to COVID-19 on the health and safety intranet page, with key information including the recent Briefings on DSE, The Unexpected Homeworker and Staying COVID-19 Secure, building arrangements and PPE.
45. Health and Safety have been heavily involved in the recovery plan and ensuring workplaces are ready for the safe return of staff, advising on social distancing measures, hygiene and cleaning arrangements and have also developed an AC10 module 'Your Safe Return to Work – Staying COVID-19 Secure' which will provide information and guidance on measures that have been taken to provide a safe work environment for staff. As required by the government we have displayed the 'Staying COVID-19 Secure in 2020' poster in all our workplaces.
46. In April the HSE updated RIDDOR Regulations to include COVID-19, as a case of disease; if there is reasonable evidence that someone diagnosed with COVID-19 was likely exposed because of their work, therefore we have been required to investigate cases where an employee has tested positive to establish whether they are reportable to the HSE. To date no reports to the HSE have been required.
47. There has been a significant amount of work with our schools, providing support and assistance to teaching staff completing risk assessments for remaining open to the children of key workers and the return of specific year groups, regularly consulting with trade unions and visiting maintained schools to see how the arrangements are being implemented in practice.

Democratic

48. Following lockdown all member meetings were cancelled which meant that some decisions had to be postponed. On 28 April 2020, a single Member Executive decision making session took place with the Leader making a number of decisions that would previously have been considered by Cabinet. Decision making has also continued by officers making delegated decisions in consultation with Cabinet members as appropriate.
49. During the initial suspension of Member meetings, some Democratic staff were redeployed to other areas. While electoral work on the Police and Crime Commissioner election and the Tees Valley Mayoral election stopped, work has been continuing on electoral registration throughout.
50. The reinstatement of Member meetings in June required very significant levels of planning and preparation with officers working very hard to support members to be able to participate in remote meetings. Although there have been technical issues, it was an achievement to be able to hold a fully remote meeting of Annual Council

involving the numbers of Members and officers in attendance. Remote meetings are ongoing.

Legal

51. The Legal Team moved to remote working following lockdown with some staff still attending work to deal with post and accessing hard copy materials when needed. Normal workloads have continued but also with additional work being required on specific issues concerning service and contractual changes occasioned by coronavirus. Court work has continued, but with quite a lot of time has been spent working through the changes introduced by Court Service to move to electronic documentation and remote hearings.
52. The land charges services was suspended from 24 March because it was not possible to deliver the service remotely because following lockdown staff were unable to access material held in hard copy format. As part of the recovery process the service was reinstated on 18 May.

Procurement

53. Normal work has continued, with the team mostly working remotely. A particular focus has been to support decision making regarding requests for supplier relief for contracts that have been affected by Coronavirus. Significant work has been done to assist with the procurement of PPE stocks.

Complaints and Information Governance

54. The Complaints and Information Governance Team made a transition to full remote working just prior to lockdown and have continued operating fully remotely since then. This has not had a significant impact on the public, as very few complaints are made in person and most information requests must be made in writing. Complaints investigations are also currently being conducted remotely wherever possible, which again has not had a significant impact on the service provided as officers are making extensive use of the video call functionality within Microsoft Teams. In line with Government guidance and the stated positions of the Local Government and Social Care Ombudsman and the Information Commissioner's Office communications have been made that some timescales may not to be adhered to while services target resources at meeting the needs of those most vulnerable to COVID-19.

Registrars

55. At the start of the pandemic following government instructions, birth registrations were suspended and marriages and other ceremonies unable to take place. These changes while difficult for the public, protected staff and enabled them to focus on the surge in death registrations. The Team coped well with the increase in death registrations and the move to a telephone only service. An additional member of staff was seconded to support the Team.
56. Throughout the pandemic staff have continued to attend the customer contact centre rather than work remotely because of the need to access certification materials, which are kept in secure storage. The contact centre facility has worked very well, with customers only allowed into the building at their designated time.

Advance information is provided to help provide the public with reassurance if they have concerns about entering a public building.

57. Things are now returning to a more normal levels of death registrations for this time of year. From the 1 June the Office was allowed to recommence birth registrations. A backlog had built up during the period when this service was suspended, but staff are working hard (including Saturdays working) to catch up and are completing around 100 registrations a week. It is hoped that we will be back at normal levels of births appointments by the end of July.
58. Notices of Marriage are now allowed to be given again in person at the office. Weddings have been permitted to take place (with restrictions) from 4 July and we will be holding our first weddings since lockdown on 10 July. We have been working with our wedding venues (hotels) as much as possible to keep them informed and help them with queries and bookings. Risk assessments and processes ready for the resumption.
59. At present there remains a blanket ban on citizenship ceremonies.

Summary

60. The Covid response in Darlington has been rapid and successful however it has come at a price. There is an immediate financial impact that will undoubtedly continue into future years in regard to our communities and the wider economy. The anticipated impact on the Council budget for 2020/21 is £14m, £8m over and above the government grant. Due to careful financial management Darlington can utilise reserves for this year but will need to plan to make significant cuts to services after this time unless further government funding is received.
61. The Council employees have responded extremely well to the situation with a dedication, flexibility and willingness to do whatever is necessary to continue services provision and where that is not possible to work in other roles. Where possible staff were asked to work from home and the mobilisation of staff and ICT equipment was rapid. Where it was not possible safe systems of work and safe working environments were provided with the provision of appropriate Personal Protective Equipment.
62. The impact on the full impact on the Economy is yet to be realised however the Council has helped by getting business grants out quickly to those eligible and have worked with businesses on safe working for when they open. The Council continues to work with partners across the region including Tees Valley Combined Authority to assist businesses in coming out of lockdown.