

<b>Report of:</b>	<b>Managing Director</b>
<b>Contact Officer:</b>	<b>Tony McGovern</b>
<b>Telephone No:</b>	<b>01543 464347</b>
<b>Portfolio Leader:</b>	<b>Leader of the Council</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Cabinet: 21/05/20</b>

**CABINET**  
**21 MAY 2020**  
**APPROACH TO RECOVERY PLANNING FROM THE IMPACT OF COVID-19**

**1 Purpose of Report**

- 1.1 The purpose of this briefing note is to outline the proposed approach to recovery from the response to the pandemic and to agree that the existing priorities of the Council as set out in Priority Delivery Plans will need to be reviewed in light of the consequences of COVID-19.

**2 Recommendation(s)**

- 2.1 That Cabinet agree the proposed framework for planning for the recovery from the consequences of COVID-19.
- 2.2 That Cabinet agree to a review of the existing priorities of the Council, as set out in Priority Delivery Plans, in light of the consequences of COVID-19.

**3 Key Issues and Reasons for Recommendations**

Key Issues

- 3.1 Having dealt with the immediate response to COVID-19 and the Government led lockdown, it is now time to consider how we maintain resilience of critical services, reintroduce other services (where appropriate) and plan for longer term recovery.
- 3.2 As part of our approach to recovery, it will be necessary to take a strategic look at how the pandemic situation may change life on an ongoing basis for our residents, businesses and the Council as an organisation.
- 3.3 It is likely that a new “normal” will need to be established. It will take time to resume service delivery; some services may be reduced for some time to come, the focus of services may change and some may not return. The way we do things will change with a move to more on-line transactions for our customers and more homeworking for our employees.

- 3.4 There is still much uncertainty about the pandemic, when and how the lockdown might be eased and ultimately lifted. Government guidance is awaited and will be fed into our response and recovery planning. In the meantime, we have begun to formulate a local approach to recovery. This work is in its infancy and has neither a timeline nor resources allocated to it yet. This will be developed as Council officers scope the work and gain a better understanding of the emerging picture.
- 3.5 The Council will continue to remain in the response phase for some time to come and this will occur in parallel with the challenges that the recovery will bring.

#### Reasons for Recommendations

- 3.6 Effective planning will be essential to aiding the recovery of the District and the Council over the coming months.
- 3.7 The lockdown has changed the way the Council, residents and businesses are operating and this needs to be considered in planning for the future. The Council's priorities and plans made before the pandemic will need to be reviewed in light of these changes and the impact that COVID-19 has had on the District.

## **4 Relationship to Corporate Priorities**

- 4.1 This report proposes that "Supporting Recovery" should be adopted as the overarching priority for the Council moving forwards. The Council's current two priorities of Promoting Prosperity and Improving Community Wellbeing will need to be re-focussed as part of the recovery planning.

## **5 Report Detail**

- 5.1 COVID-19 has had a devastating impact on our community, the local economy and the Council. Planning for recovery, both short and longer term, will be key as we move forward. It is proposed that "Supporting Recovery" will become the overarching priority for the remainder of the current Corporate Plan 2018-23.
- 5.2 The Council will need to consider how our existing priorities of "Promoting Prosperity" and "Improving Community Wellbeing" need to be re-focused to support the work on recovery and vice versa. The projects planned for delivery in 2020/21 will need to be re-assessed as part of the work on recovery to determine whether they:
- (i) are still essential;
  - (ii) in need of re-scoping; or
  - (iii) should be deferred.

### **Objectives**

- 5.3 It is proposed that the following objectives should be used to underpin the "Supporting Recovery" priority:

- (i) To understand the challenge of recovery across the District in the short, medium and long term, identifying impacts, critical areas of activity and key services.
  - (ii) To maintain public trust and confidence in the effective co-ordination of recovery.
  - (iii) To ensure that affected communities (of interest, geography, impact and others) are fully involved in the recovery process.
  - (iv) To mitigate and manage the long-term impacts upon the resident population.
  - (v) To support the economy, businesses, partners and infrastructure of the District to a position of stability and functionality in a constructive manner whilst seeking to support access to all opportunities for assistance and growth.
  - (vi) To mitigate and manage the effects on the Council's budget and medium term financial plan.
  - (vii) To seek to identify and embed the benefits of initiatives and developments that have arisen throughout the response to maximize the reach of new arrangements which replace pre-COVID-19 systems.
  - (viii) To ensure that critical services are resilient and continue to operate effectively over the coming months alongside plans to clear backlogs in work that have accumulated during the response phase.
  - (ix) To undertake a post incident debriefing and identify lessons learnt.
- 5.4 These objectives are based on those being proposed by the Staffordshire Resilience Forum (SRF) Recovery working group and have been adapted to suit the needs of Cannock Chase Council (see 5.22 for more details).

### **Work Streams**

- 5.5 It is proposed that the approach to recovery planning should be split into 4 work streams to support the delivery of the objectives outlined in 5.3:
- (i) Economic;
  - (ii) Financial;
  - (iii) Community; and
  - (iv) Organisational

### **Economic Recovery**

- 5.6 It is anticipated that the economic impact of the COVID-19 pandemic will be significant. At the time of this report, it is not known whether the current lockdown will be extended or if there will be a gradual easing of restrictions. This makes it difficult for businesses to plan with any certainty.
- 5.7 Economic forecasts published by the Office for Budget Responsibility (OBR) on 14th April suggest that there will be a contraction in the UK economy of up to 35% in the quarter to June 2020 alongside a 10% unemployment rate. A report published by the West Midlands Regional Development Institute (WMREDI) in

late April, set out the likely impact of COVID-19 on the regional economy. This report indicates that the District's GVA is forecast to reduce by 44% in the quarter to June 2020, above the national rate. This is particularly worrying as the District would be one of the worst hit areas in the region if not the country. There is a large amount of uncertainty as to the overall effect of the Government's business support measures in cushioning any impact on the local economy.

- 5.8 It is highly likely that the pandemic will have a significant impact on key sectors within Cannock Chase, but at present it is not fully known if these impacts will be short term or lead to longer term structural change. These sectors include retail/wholesale, tourism/hospitality, transportation and storage, construction and manufacturing. Furthermore, the District has a large percentage (98%) of small businesses (with less than 50 employees) and these businesses are particularly vulnerable at this time.
- 5.9 The Council's Economic Prosperity Strategy was only approved by Cabinet in January 2020, but there will be a need to review and refresh the Strategy to ensure that 'economic recovery' is included as a key objective/priority. Resources that have been allocated to the Strategy may need to be reviewed/re-allocated to ensure that they are directed to recovery. It is likely that the Council will need to consider and address issues such as unemployment, reduction in GVA, business failure and the impact of social distancing on the local economy which were not part of the original strategy.
- 5.10 The Council will work closely with the LEPs, West Midlands Combined Authority and other key partners to ensure that its recovery framework is strategically aligned and to lobby for Government investment to support the region to rebuild its economy.

### **Financial Recovery**

- 5.11 The Council's Medium Term Financial Strategy will need to be reviewed. Aside from additional funding received to support the local response to the pandemic, It is unknown at this time what the Government's plans are regarding local government funding in the short to medium term. Funding to date effectively only deals with the loss of income for April to June whereas although the review of Fair Funding and implementation of 75% Business Rates will not now take place in 2021/22 other details of the 2021/22 settlement are not known. In particular the Government are considering the treatment of Business Rates growth to date and no news is available about the replacement of the New Homes Bonus (Housing Growth) incentive scheme.
- 5.12 Until there is further clarity the Council needs to work on the assumptions in the current Medium Term financial strategy which estimates a need for savings of nearly £600,000 in 2022/23. Consequently, the work done to date regarding service reviews will continue. The reviews will be re-visited to consider whether any changes need to be made in light of the changes that have happened over the last few weeks and are likely to remain going forwards. The intention will still be to identify options for Cabinet to consider in due course, and to realign resources to priorities, but the timeline may change depending on the Government's plan for Local Government financing.

## Community Recovery

- 5.13 Building and restoring confidence of the community in the Council will be essential over the coming months. This work stream will include dealing with the practicalities of dealing with the impact that COVID-19 has had on the community eg loss of life, increases in ASB, domestic violence. There is also an opportunity to build on the positive elements that have emerged in terms of volunteering and community spirit.

## Organisational Recovery

- 5.14 This will focus on the changes and challenges we will need to address to return to normal operations. There will be 2 elements to Organisational Recovery:

- (i) Operational recovery; and
- (ii) Transformational recovery.

- 5.15 **Operational recovery** – this will involve the need to plan for the practicalities of employees returning to working from Council sites in accordance with social distancing requirements. It will also include planning how we deal with backlogs of work and manage our resources effectively – this will include management and the potential reallocation of employees to critical services. The recovery arrangements of our key contractors such as IHL will be included in this work stream.

- 5.16 **Transformation** – consideration will need to be given to what a return to “normal” will be moving forward; it is likely that a “new normal” will emerge. We will need to identify the changes we have made over recent weeks that have worked well and we would like to keep. Further work will need to be done to embed and improve these. There is also an opportunity alongside this to consider what other changes we might want to make. A business case will need to be made for any changes that have financial / corporate implications.

- 5.17 The Organisational Recovery work stream will focus initially on the short/medium term with the emphasis on operational resilience and some limited transformation that is key to resilience. As referenced in 3.16, there is the opportunity for some longer term planning in terms of transforming the Council and how we operate. This would link in to work already planned around the replacement of the current Customer Relationship Management (CRM) system and the move towards greater use of on-line forms etc. If there is a move towards more homeworking, this would free-up office space and allow for a review of our accommodation needs.

## Governance Structure

- 5.18 It is proposed that working groups should be set up for each of the 4 workstreams led by a Head of Service:

- (i) Economic Recovery – Head of Economic Prosperity
- (ii) Community Recovery – Head of Housing and Partnerships

(iii) Financial Recovery – Head of Finance

(iv) Organisational Recovery – Head of Governance & Corporate Services

5.19 Leadership Team will maintain oversight of the working groups. It is anticipated that there will be some overlap between the 4 work streams and this will be co-ordinated via Leadership Team. The Lead Officer will be responsible for providing regular updates and reports to Leadership Team and facilitating initial discussions to shape work programmes. Leadership Team will review existing Council PDP priorities and identify proposals and options as part of the recovery phase.

5.20 Cabinet will be briefed on the plans and progress being made by the work streams. Key decisions will be referred to Cabinet in line with normal working protocols.

5.21 It is proposed that the Corporate Scrutiny Committee will take the lead on scrutiny of the Council's response and recovery plans. In order to engage more widely with Scrutiny, the Chairs of the other Scrutiny Committees could be invited to attend the Corporate Scrutiny Committee meetings.

#### **Staffordshire Resilience Forum (SRF) /County Wide Recovery**

5.22 In addition to our own local plans for Recovery we will also need to work within the context of the SRF's plans for recovery. The SRF Recovery Group has proposed number of objectives to guide its work. These have been adapted to form the basis of the Council's recovery objectives.

5.23 The approach to be adopted by the SRF is one of collaboration and support. It was recognised that the approach by each District/Borough will be tailored to suit their own local needs.

#### **West Midlands Regional Recovery**

5.24 The West Midlands Combined Authority (WMCA) and Local Enterprise Partnerships are also formulating arrangements for the strategic co-ordination of regional recovery and reset and a number of taskforces and working groups have already been set up. The Council will fully participate in this work in informing our recovery strategy and plans for the district; this will be particularly important for the Economic Recovery work stream. The District will also work with the District Council Network and the Local Government Association on recovery issues that are common across the Local Government sector.

5.25 The West Midlands Combined Authority has launched a high level economic recovery plan focused on the following 10 priorities:

- Ensure residents are kept safe and healthy
- Accelerate transport construction plans
- Build more homes faster and reshape town centres
- Get people who lose their jobs back into work quickly
- Support local businesses
- Secure huge new investment in technology and innovation

- Make sure the recovery is inclusive and works for everyone
- Step up green growth plans
- Take the West Midlands out to the world and bring the world into the West Midlands
- Regain control of the region's own recovery
- The Council will consider these objectives when determining the economic recovery strategy for the District.

### **The Government's Plans for Recovery**

- 5.26 The Government's recent announcement and proposals for easing the current lockdown arrangements together with future plans for supporting recovery will be factored into the Council's recovery planning work streams.

## **6 Implications**

### **6.1 Financial**

There are no direct financial implications arising from the report

Paragraphs 5.11 and 5.12 highlight the Financial Recovery issues with the Financial Implications arising from the overarching recovery strategy and individual work streams will be subject to a further report to Cabinet.

### **6.2 Legal**

None

### **6.3 Human Resources**

Human Resources implications will present in more detail from the Organisational work stream as well as the Financial work stream groups as they progress. No specific implications in respect of this report at this time

### **6.4 Section 17 (Crime Prevention)**

None

### **6.5 Human Rights Act**

None

### **6.6 Data Protection**

None

### **6.7 Risk Management**

COVID-19 presents a number of risks for the Council and the District. The Strategic Risk Register will be reviewed and used to inform the recovery planning process.

**6.8 Equality & Diversity**

Equality Impact Assessments will be completed where necessary as part of the recovery planning process.

**6.9 Best Value**

None

**7 Appendices to the Report**

None

**Previous Consideration**

None

**Background Papers**

None