

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

30 JUNE 2020

REPORT OF THE CHIEF EXECUTIVE

RECOVERY PLANNING FROM THE IMPACT OF COVID-19

1. Purpose of report

- 1.1 The purpose of this report is to outline and seek approval for a proposed approach to recovery planning from the COVID-19 pandemic and update Cabinet on the proposed cross-party Recovery Panel, the details of which will be reported and agreed at the next Corporate Overview and Scrutiny Committee, and which will help shape, inform and advise Cabinet on the Council's response and recovery plan.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015:-**

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 In response to the global COVID-19 pandemic on 23rd March the UK Government imposed a nationwide lockdown in an effort to help minimise the spread of coronavirus. The majority of businesses were required to close and others were required to change their working practice, such as sending staff to work from home, putting in place sanitation and improved hygiene facilities, and introducing social distancing measures.
- 3.2 The Council has undergone significant change over the last three months, often responding urgently to changing circumstances, guidance and regulation. New

services have been created, some services stopped, staff redeployed and new working practices put in place including enabling those that can work from home to do so. The focus throughout the last three months has been on the delivery of essential services, in particular those for the most vulnerable in our communities, and seeking to prevent the spread of the virus to save lives. This has required that we have had to adapt service delivery on a scale and at a pace that is unprecedented. Many of the changes will need to endure beyond this phase of the crisis and potentially become part of the 'new normal' for the Council moving forward.

- 3.3 The speed and severity of the changes to the way in which we could do business required that emergency governance arrangements were put in place in line with the Council's constitution and scheme of delegation, to allow the Leader and Chief Executive the agility to respond appropriately to urgent, and often critical matters. An emergency Cabinet/Corporate Management Board (CCMB) 'Gold' command meeting was established on a daily basis. This has gradually been stepped down over recent weeks, initially to a twice a week meeting, then to a weekly meeting, and it is anticipated that it will be replaced by 'business as usual' meetings shortly as the lockdown continues to be eased. These meetings were informed by Daily Situation Reports (DSR's) and latterly Weekly Situation Reports (WSR's) from each Directorate setting out key issues and risks and matters for decision. The notes from each meeting and an action log was prepared and retained to ensure proper recording of the decisions that were made, and the context that prevailed at that time. The weekly formal decisions have been circulated throughout this period to Group Leaders and Scrutiny Chairs. In addition the Leader of the Council provided a daily update telephone call to the Leader of the largest non administration group (Independent Alliance) and weekly meetings with all of the political group leaders have been held throughout the crisis with the Leader and Chief Executive of the Council, to ensure that elected members were kept as informed and involved as possible in the extraordinary circumstances.
- 3.4 In addition, at various frequencies there have been regular meetings of the Leaders and Chief Executives across Wales, together with the Welsh Local Government Association (WLGA) and often with Welsh Government Ministers. Similar meetings have happened across professional disciplines including for Section 151 officers, Monitoring Officers, Directors of Social Services and Directors of Education. Furthermore, regular meetings have been established at all levels with the Cwm Taf Morgannwg University Health Board as part of their Gold and Silver command structure, as well as a weekly meeting with the Chair and Chief Executive of the Health Board. These meetings have then been replicated throughout the management teams of all of the Council's Directorates and in the case of Education on a 'Team Bridgend' basis with our Headteachers. Importantly, regular meetings have also been held with trade union representatives.
- 3.5 The response from all of the Council's staff has been exceptional throughout this period, particularly in view of the many significant challenges that we have faced. Many have gone above and beyond what could ordinarily be expected, in order to ensure we continue to deliver essential services effectively. In Social Services, essential front line services continued to be delivered but in different ways and a strong working relationship with BAVO and the third sector was developed and enhanced. Social care, Bavo and the customer contact centre worked together to provide support to shielded individuals. Emergency child care provision was provided in our hubs for children of key workers. These hubs were staffed by school staff who

also continued to provide online provision for all pupils. The catering service had to quickly plan and arrange delivery of free school meals. Both in-house and independent residential care have been at the forefront of caring for vulnerable people and have also directly supported and provided care for people who have contracted the virus. Domiciliary care has continued to provide personal care and support for individuals who live in their own homes in the community. The service has also had to embrace the use of Personal Protective Equipment (PPE) which had previously been under estimated within the care home and domiciliary care sector but will most definitely be part of their everyday future. However, outstanding support has also been apparent in less visible services, for example, in responding rapidly to the distribution of grants to support local businesses in our finance teams, in our customer care, communications and information technology teams, and also in waste and cleaner streets, registrars, cemetery and crematoria, economic development and regeneration, housing, cleaning, property, planning, transport, legal, procurement and shared regulatory service teams. The Council has sought to acknowledge the efforts of all of these teams, including a campaign to celebrate the work of 'unsung heroes' throughout the pandemic.

3.6 The 'One Council' approach has been very apparent over the last three months in the way that every Directorate and service area has supported each other, and also in the way there has been widespread, cross party political support for the measures the Council has had to undertake. This is without doubt one of the reasons for the relative success the Council has had in ensuring continued and effective service delivery for our most vulnerable individuals and communities and minimising the impact of the virus locally.

3.7 As we gradually move out of lockdown and the restrictions there are additional challenges that need to be addressed. Some are highlighted below:

- Enhanced support for homeless individuals to protect them the impact of the virus.
- Support for local businesses both in terms of financial support and preparation for when lockdown restrictions have been removed.
- Delivery of the Test, Trace and Protect programme which is crucial to the monitoring and tracking of any positive COVID-19 cases as lockdown measures are eased, to manage and avoid local spikes or a second peak of the virus. A relatively large number of staff are currently redeployed to support this activity.
- Support for staff wellbeing recognising the anxiety some staff will undoubtedly feel about a gradual return to 'normal' working arrangements and that the circumstances of the last three months will have been difficult for many.
- Preparation for the restart and return of many services as set out in the paragraphs below. However, also recognising that we need to embrace and nurture some of the positive changes and new ways of working that have been successful over recent months and that a return to delivering services in exactly the same way as pre COVID-19 may not be desirable or effective.
- Continued preparation for any organisational response to a second wave or spike of the virus locally. This includes at a practical level, for example, stock piling some Personal Protective Equipment [PPE] but also seeking to learn lessons from the experiences of the last three months. Review exercises are being carried out in Directorates to ensure the appropriate learning is taken on board.

4. Current situation/proposal

- 4.1 Over recent weeks announcements from the Welsh Government have signalled a gradual easing of the lockdown that had been imposed. This has meant that the Council has had to prepare to restart and adapt a wide range of Council services in the context of extended stringent social distancing requirements. It is proposed that a planning framework setting out how, and ideally when, services can restart, recover and renew will be used. This report is not intended to set out a detailed corporate strategy, those details will emerge as part of individual service plans, and also as part of a review and resetting of the Corporate Plan and medium term financial strategy, to review and reprioritise and reset the Council's priorities and investments as necessary, in the light of the impact of the pandemic. It will also inevitably be guided by the speed and nature of any further easing of lockdown and associated government announcements. It will however provide a summary of the current situation.
- 4.2 **Restart:** this predominantly relates to actions that must be undertaken with immediate effect to restart services.
- 4.2.1 Most obviously and immediately detailed planning has had to be finalised for the reopening of schools from 29th June to 'check in, catch up and prepare' that will allow each pupil to have two full days of return to school before the end of the current term. In view of the urgency of this requirement and insufficient time to arrange pre decision scrutiny, a programme of engagement was undertaken rapidly, including a survey of parents and a briefing session for all elected members on 11th June, to allow input into the planning. The complexity of arranging not just the safe reopening of schools but also the related issues of school transport and catering, for example, will have been clear to those that attended the briefing session and read the detailed plans produced by the Corporate Director of Education and Family Support. Further detailed planning will be necessary to accommodate the anticipated return for all pupils to school in September and those plans are likely to be reported to Cabinet in due course. In addition the plans to continue the provision of free school meals during the summer holidays are well advanced as again time does not allow the usual engagement considerations.
- 4.2.2 A Local Economic Recovery Plan (LERP), subject to a separate and detailed report on this Cabinet agenda, has also been developed to make proposals and recommendations on how the Council can continue to support and invest in local economic recovery, recognising that economic resilience and supporting a successful and sustainable economy will become of even greater importance in view of the projected long and deep recession, including increased levels of unemployment and in those claiming benefits locally. As part of that plan immediate 'restart' actions have had to be agreed and undertaken in response to the reopening of non essential retail stores and the indoor market, and particularly with regard to the impact of that in town centres and the need to ensure and maintain social distancing. The Council is working with relevant partners to develop a range of measures and financial support mechanisms that will promote the safe restart and reopening of retail and food and drink businesses, and in addition has extended free use of its town centre car parks until the end of July to allow a proper period to assess the most effective interventions it can make to support local business. Again the speed at which we have had to respond and develop these initial plans has meant that normal processes of

engagement and scrutiny have not been possible but there will be an opportunity to shape and inform the longer term plans for 'recovery' over the coming months.

4.2.3 Other services have gradually returned over recent weeks, including reopening the bus station in Bridgend and the Community Recycling Centres, the provision of click and collect book services at firstly Pyle Library and Aberkenfig Library, and the reopening of the Rest Bay car park, together with the road to the beach and the coastal path boardwalk, together with the return of the RNLI lifeguarding service. With further easing of the lockdown to support the visitor economy anticipated soon, detailed planning is underway to respond to the restart of other activities and services in our tourist attraction areas. Similarly, as Welsh Government allows specific other activities to occur and potentially remove the five mile travel restriction we will need to respond rapidly as required to restart other services, such as some outdoor sports and recreation. The timing and nature of all of these announcements means that the Council will need to respond very quickly and in an agile way as required.

4.2.4 Finally a gradual return to a programme of Council meetings has been agreed on a 'virtual' basis. A Development Control committee has already taken place in early June and further meetings of that committee, the Audit Committee, Scrutiny Committee and full Council have been scheduled. While it is not possible to yet return to a full and normal programme of meetings as resources have been deployed elsewhere, and the priority remains the delivery of essential services, it is important for democratic accountability that more opportunity is provided in a proportionate way for elected member involvement and scrutiny.

4.3 **Recover:**

The recovery phase of the planning framework requires a strategic response to support the Council to emerge from the crisis and is likely to be focussed on the next twelve to eighteen months.

4.3.1 Each service area will be asked to analyse their current service delivery model, identify what has worked well since lockdown, what additional challenges, risks and costs have emerged, and how they propose service delivery could best be adapted to respond to the crisis and accelerate recovery. All responses are expected by 31st July to inform a review of the existing and agreed Corporate Plan and Medium Term Financial Strategy. If necessary Cabinet will be asked to approve and reset or reprioritise investment that is required to support our recovery from the pandemic.

4.3.2 Some key recovery priorities to consider are likely to be:

1. Reopening Schools in September.
2. Responding to the economic crisis (see separate paper on a proposed Local Economic Recovery Plan (LERP).
3. Future sustainability of culture and leisure venues (and sector).
4. Safe streets, active travel and public transport.
5. Homelessness: provision and services post lockdown.
6. Supporting the most vulnerable, and those who care for them, including nurturing the excellent relationship with the Third Sector and developing and enhancing community resilience.
7. Stopping the spread and return of the virus: Health and Safety; provision of a stockpile of Personal Protective Equipment (PPE); ongoing Contact Tracing
8. Waste: Returning all services safely.
9. Reopening and enhancing community Hubs and Libraries.

10. Digital services: Opportunities and Risks, for example increased public appetite for digital services but also risk of digital cyber fraud.

4.3.3 In addition based on some other reflections and learning since lockdown, including significant staff feedback to a request to inform and shape the 'new normal', the following are key factors for consideration.

- Key role of the Corporate Health and Safety Team.
- Home working prevalence and success.
- ICT success to keep us operating – our huge dependency is clear.
- Reliance on HR Management Information / stability of employee relations (trade union engagement).
- Some projects stopped/delayed (but some also accelerated e.g. ICT / Skype).
- Change in customer requirements/channels.
- Support to the most vulnerable, the need for 24/7 services.
- Financial processes adapted.
- Increased individual officer accountability from new ways of working.
- Excellent cross departmental working and enhanced 'One Council' approach.

4.3.4 In addition the following opportunities and risks will need to be explored fully including:

- Health and safety requirements and lead-in times
- Opportunities to change the way we work
 - Does come with risks but need to keep the positive culture change post lock down
- Employment practices that allow joint working across organisations
- Impact of social distancing on service operations – e.g. greater demand from customer for digital response
- Supply chain issues and procurement challenges – will all suppliers make it through?
- Finance support/exit strategies.
- Reprioritisation of financial resources out of lock down.
- Will there be an even greater emphasis on living wage initiatives and support?
- Emergency management role as restrictions phased out.
- Procurement challenges.
- Support services adapt to new operating models.
- Some services see income recovery starting e.g. car parking.
- Adaptation of HR policies to support new ways of working.
- Service metrics/measurement key e.g. sickness and budget management.
- Regularise Home Working and requirements.
- Increased demand for digital solutions.
- Business as usual processes are supported.
- Labour market opportunities (and our role in stimulus) e.g. additional apprentices.

4.3.5 **Resetting the financials**

It is clear that the financial challenges of all of this are significant:

- Significant additional cost pressures and loss of service income resulting from COVID-19.

- Currently unknown challenges such as reduced council tax income, in addition to pressure to fund increased council tax support.
- Cash flow issues due to the need to claim from Welsh Government in arrears, and the impact of this on our investment and borrowing strategies.
- A funding mechanism is in place from Welsh Government but funding is only agreed until the end of June at this stage and not all is claimable.
- No agreed funding mechanism for loss of income at present, although £78 million of funding was agreed in the Welsh Government Supplementary Budget.

This will require:

- Reset of the 2020-21 Budget and 2021-22 Budget Strategy to be set in the context of a 'Recover' and 'Renew' focus, with both revenue and capital implications, reprioritisation of existing Council finances, and strategic interventions for key/priority service areas.
- Testing the assumptions in our MTFS and realigning where necessary.
- Review of our Treasury Management Strategy and changes made to borrowing and investment strategies where appropriate.
- Challenge to our Financial Sustainability – review of earmarked reserves and balances.

4.3.6 Recovery planning must align with the review of the budget strategy/MTFS including the provision of one-off emergency support during the crisis to support key services; to more targeted investment during the recovery period to kick-start particular priority areas; and making conscious decisions to realign funding on a permanent basis, and invest appropriately, as we move to a steady state.

4.4 **Renew – A New Normal**

Developing a strategy for the 'new normal' and a new operating model for the Council for the next five to ten years will be the key task for the 'Renew' phase and will need to be gradually developed over the next eighteen months.

4.4.1 Key features it will include are likely to be;

- Prominence of agile working – shift in culture and future office space requirements.
- Increased focus on digital solutions.
- Repurposed town centres agenda and Council's role in place making.
- Policies, structure and culture to support new ways of working.
- Ongoing and potentially additional funding requirements to support the new normal, potentially difficult given the economic picture.
- Role of regional and national partnerships reassessed.
- Will status/role of local government itself change.
- Community leadership role to support SMEs, the third sector and develop greater co-production of service solutions with local communities.

4.4.2 The above sections have identified the Council's framework to respond to COVID-19 based on initial and immediate actions to restart some Council services that had diminished or ceased during lockdown. Then to plan and implement a recovery phase over the next 12-18 months and properly assess the necessary actions to ensure a sustainable and effective operating model for the Council post COVID-19. Finally in the renew phase to begin to develop a longer-term strategy for the Council based on the 'new normal', embracing some of the changes that have been accelerated by the

pandemic but also acknowledging and recognising some of the key challenges identified in the paper for future service delivery.

4.5 In conclusion the following summary is pertinent:

- Council has undergone significant change over a three-month period.
- New services have been created, some services stopped, staff redeployed, new working practices in place - many changes will need to endure beyond this phase of the crisis.
- Some new services will be created, some services will need to be enhanced, others reduced or stopped.
- Return of business as usual will include the release of 'suppressed demand' across many services.
- Partnership working at a deeper level than ever before - needs to be maintained.
- Council will need to be agile and able to move quickly as the crisis continues, while maintaining good governance and decision making.
- Council will need to (re-)prioritise what is important, and adapt operations and budget.

All of this, in what's likely to be a challenging financial climate.

4.6 The next steps to maintain the momentum are as follows:

- Restart:
 - Immediate response to the critical issues/priorities identified in the report.
 - Operational planning to move from essential services model now being completed - anticipation of further reviews of lockdown regulations by Welsh Government.
- Recover:
 - establish a Recovery Panel at the next Corporate Overview and Scrutiny committee to help shape, inform and advise on the Council's recovery planning.
 - Develop an Integrated recovery report based on the service area returns due by the end of July 2020.
 - Develop an amended Budget Strategy and MTFS, and repurposed and readjusted 2020/21 Corporate plan and corporate risk assessment by September 2020 based on the above information.
- Renew
 - Work to commence an engagement programme with partners, members, staff and citizens over the summer and autumn, and assess the proposed Community Impact Assessment to be carried out by the Public Services Board (PSB).
 - Begin to develop a new policy framework and new corporate plan based on what we think the new normal will need to look like for the Council to deliver sustainable and effective services for the next 5-10 years.

5. Effect upon policy framework and procedure rules

5.1 None directly as a result of this report. Where individual decisions arise from the recovery planning process they will be taken in consideration of the policy framework.

6. Equality Impact Assessment

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

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The Well-being and Future Generations (Wales) Act 2015, requires an assessment and a summary of the implications relating to the five ways of working set out in the Act. In this case the intention of the report is to set out the Council's overall planning framework and approach to recovery with separate detailed recovery plans to be produced by individual service areas as necessary. For example, the plans to re-open schools and to promote local economic recovery.
An overall summary of our approach, that is consistent with the requirements of the Act, is set out below:
- 7.2 **Long Term** - The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs. The proposed approach of 'restart, recover and renew', has been identified taking account of the need to both seek to implement immediate measures to restart some elements of the Council's business, but also to plan for a long term sustainable future, recognising the potential long term challenges and impacts that COVID-19 will continue to have on all aspects of the Council's business.
- 7.3 **Prevention** - How acting to prevent problems occurring or getting worse may help public bodies meet their objectives. A great deal of work has already been undertaken by the Council and its partners in relation to the impacts of the coronavirus outbreak. Preventative action will be taken where the need arises to ensure readiness for any future local spike or second peak of the virus.
- 7.4 **Integration** - Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies. The proposed framework and broad recovery planning approach will ensure an integrated approach to all matters directed at supporting the County Borough through the current situation and into the future. This will include reviewing the existing objectives in the Corporate Plan and reviewing and potentially re-purposing the approved medium term financial strategy for this year based on revised priorities to aid recovery.
- 7.5 **Collaboration** - Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives. The Council's approach to recovery planning will take place in a coordinated and coherent way, involving all Council Directorates and in partnership with key stakeholders, including the Public Services Board who intend carrying out a community impact assessment to inform our plans.
- 7.6 **Involvement** - The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves. The detailed recovery plans that will be developed for some service areas as part of the recovery planning process, in order to be successful will require the involvement of key stakeholders. For example as necessary, elected members

from across the political spectrum, staff, business representatives, school and governing body representatives, trade unions, health representatives, and third sector representatives. A programme of engagement, and where appropriate co-production, specific to each area of recovery will need to be formulated, including appropriate and proportionate engagement with the public, but also recognising the pace with which responses are having to be made as 'lockdown' is eased further and a 'new normal' begins to emerge.

8. Financial implications

- 8.1 The substantial financial challenges the Council faces from the unprecedented impact of COVID-19 have been highlighted in the report. These include significant additional costs and loss of income over the first quarter of the 2020-21 financial year, with the likelihood of this continuing into the second quarter and beyond. Also unclear at this stage is the extent to which future funding and support from both the UK and Welsh Government will be available and what levels of our financial loss we will be able to claim.
- 8.2 In order to properly assess the revenue and capital budget implications a full review of the current medium term financial strategy is being undertaken with a view to potentially resetting and reprioritising the Council's finances where appropriate, to respond to the crisis and invest in and promote recovery.
- 8.3 The financial sustainability challenge is two-fold, both responding to the immediate pressures on the budget in this financial year, some of which are one-off costs which can potentially be dealt with by use of earmarked reserves, but also recognising some of the longer term financial implications for future MTFS planning for 2021-22 and beyond, where some additional costs may be recurring and the impact of a projected long and deep recession will need to be factored in.
- 8.4 The Council has been submitting monthly expenditure claims to Welsh Government since April and to date has claimed for £2.912 million of additional expenditure. Of this, only £892,000 has been reimbursed to date, and no funding has yet been identified for other costs arising from the pandemic which the Council is incurring such as the 'Test, Trace, Protect' scheme. Alongside additional expenditure, the Council is also experiencing a reduction in income for some services, for example from car parking and school meals. An initial estimate of this was in the region of £700,000 per month, around £2.2 million for the first quarter. A claim will shortly be submitted to Welsh Government for the first quarter, but there are no indications yet as to what level of funding is likely to be granted.
- 8.5 In addition to lost income from service provision, the Council is also likely to see a reduction in council tax income over the year, as more families have suffered financial hardship through the pandemic. A number of measures were put in place to support those facing difficulty in paying their council tax, but it is estimated that there is still likely to be a lower collection rate than normal. A 1% reduction in our council tax income collection rate could result in an additional pressure for the Council of around £1 million. Alongside this the impact of a significant increase in claims for universal credit is manifesting itself in an increase in eligibility for council tax reduction, and the additional cost of this could be between £500,000 to £1 million over the financial year. No additional funding has yet been identified for either reduced council tax income or increased council tax support.

9. Recommendations

- 9.1 To note and approve the proposed approach set out in the body of the report to respond to the COVID-19 pandemic and allow the Council to re-start, recover and renew its service provision.
- 9.2 To note the establishment of a cross party, elected member, Recovery Panel to help shape, inform, and advise Cabinet on the Council's recovery planning. The Corporate Overview and Scrutiny on 13th July will receive a report proposing the details of who should participate on the panel and its terms of reference.

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Background documents: None.