

Chichester District Council

Cabinet 7 July 2020

Covid 19 – Recovery Report

1. Contacts

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2. Executive Summary

This Report is two-fold:

1. It sets out a number of proposed actions to aid recovery over the next 12 months based on four thematic areas:
 - Community and Housing Recovery
 - Economic Recovery
 - Planning, Health and Environmental Protection Recovery
 - Organisational Recovery
2. A Future Services Framework template to assist members shape and determine the types and levels of services to be provided from 2022-23.

Members are also asked to consider a number of financial proposals to support the actions in the Recovery Plan.

3. Recommendations

3.1 That Cabinet:

- (a) considers the recommendations and comments from the Overview and Scrutiny Committee 30 June 2020;
- (b) notes the serious impact Covid 19 has had on the Council's finances and takes this into account when considering this report;
- (c) approves the Governance arrangements as set out in appendix 6; and
- (d) that progress on the Recovery Action Plans and Future Services Framework be reported to the Committee every 6 months

3.2 That Cabinet recommends to Council:

- (a) the Covid 19 Recovery Action Plans for the four thematic areas as set out in appendices 1-4;**
- (b) the future services framework as set out in appendix 5;**
- (c) the following policy options:**
- (i) to forego the Homefinder's fee at a cost of £20k pa;**
 - (ii) to contribute £20k towards an economic impact study for Novium, CFT and PHG. To be funded from reserves;**
 - (iii) to increase the current level of support for Visit Chichester by £100k per year in years 2020/21, 2021/22 & 2022/23 and provide new support of £130k per year in 2023/24 & 2024/25, and that delegated powers is given to the Director for Growth and Place to approve a new Service Level Agreement with Visit Chichester following consultation with the Cabinet Member for Communities and Cabinet Member for Growth, Place and Regeneration;**
 - (iv) to create a new grants fund of £500k. To include £250k for a Community Recovery Grants Fund and £250k for an Economic Recovery Grants Fund, and that delegated powers are given to the Director of Housing & Communities and the Director of Growth and Place to approve criteria for the grants following consultation with the Cabinet Member for Communities and Cabinet Member for Growth, Place and Regeneration respectively. To be funded by reducing the sum allocated for parish NHB grants by an equivalent amount.**

4. Background

- 4.1 In May the Chief Executive reported to Cabinet the Council's response to the Covid 19 (C19) crisis and Cabinet resolved that a report on the financial implications for the Council is prepared for consideration by Corporate Governance and Audit Committee, Cabinet and Council. It also resolved that a Recovery Framework is developed to enable members to shape the future priorities for its communities, businesses and the Council for consideration by Overview and Scrutiny Committee, Cabinet and Council.
- 4.2 At the time of writing this report the crisis is still on-going and the impact on businesses and the community could have long term implications for the Council. Many of the Council's services have been affected due to government restrictions, reductions/increases in demand, new services being introduced, or staff being re-deployed to priority services. Many services that have seen an increase in demand, such as the Homelessness Service, expect these demands to continue for the foreseeable future.

- 4.3 Along with the rest of the Country our communities and businesses have been severely affected by C19. The data on the impact changes daily as new information comes to light.
- 4.4 The Council's finances have been significantly affected. The Director of Finance and Corporate Services predicts, as far as practically possible in these uncertain time, that the current year's budget (2020-21) will run at a deficit of about £8m and that savings of approximately £2m will need to be made over the next 5 years in order to balance its budget.
- 4.5 Although the financial impact on the Council is significant, due to the very strong financial management, it does have good levels of reserves that can be used to cover the expected budget deficit this year. In the short-term there is likely to be the need to spend additional monies to deal with the immediate recovery. How quickly the Council will want to eliminate the budget deficit and how much additional resources it wants to allocate to the recovery process is a decision for members. Corporate Governance and Audit Committee will advise Cabinet and Council on what it thinks is a prudent position, balancing the financial position with the need to support our communities. However, the longer the Council takes to recover the budget deficit the greater impact on reserves and thus less money available to invest in other projects that members may consider a priority. Further details of the financial impact are set out in the Director of Finance and Corporate Services' report elsewhere on the agenda.
- 4.6 As seen throughout this crisis our communities rely on good effective public services and the Council is well place to help local communities and businesses recover from the impacts on C19. We have many tools to make a difference, especially those that relate to your regulatory function.
- 4.7 The Council can make a difference by supporting economic projects such as the Southern Gateway and the redevelopment of St James; it can shape the future of its high streets and help businesses by having effective policies in its draft Local Plan; it can make our City, towns and villages ready for the digital economy by continuing to support Gigabit and other relevant technologies; it can help rough sleepers by developing pathways for recovery, it can continue to work with the community to help them support their neighbourhoods; it can use this opportunity to support and move forward the Green Agenda; and it can use its natural, historic and cultural assets to help boost the return of tourism to the area.

5. Outcomes to be Achieved

- 5.1 A short term focussed recovery action plan, with targeted interventions, that is agile and helps supports communities, businesses and the Council's services recover from the impact of C19.
- 5.2 A new Future Service Framework template to establish priority services to be delivered in the future, and return the Council's finances to having a balanced budget over the medium term.

6. Proposal

6.1 With significantly less resources it will be extremely important that the Council:

- Is agile and flexible and is able to bring forward projects quickly that will aid recovery to businesses and the community
- Develops a focused, balanced and affordable recovery plan.
- Concentrates on those things where it can make the most difference recognising that capacity is limited
- Is open and flexible to businesses by using its statutory powers to aid recovery i.e. licencing and planning
- Uses the local plan process to shape the future planning policies for our communities, businesses, the high street and the environment.
- Defines clearly what its priorities are, as not everything can be a priority, and accept and expect other partners should take the lead where they have the principal role for any given activity.
- Learns from the crisis and becomes more agile and efficient.

6.2 The recovery report is two-fold:

- It sets out for members to consider the actions that are needed in the next 12 months; and
- A Future Services Framework template to assist members shape and determine the types and levels of services to be provided from 2022-23.

Recovery Plan for Next 12 Months

6.3 The Recovery Action Plan is based on four themes:

- Community & Housing Recovery- Appendix 1
- Economic Recovery – Appendix 2
- Planning, Health and Environmental Protection Recovery - Appendix 3
- Organisational Recovery - Appendix 4

Appendix 1-4 provides a summary of each of thematic work streams and an action plan. Each action plan sets out a list of proposed actions, who will be responsible for implementing the actions, the timeframe, member and community involvement and any financial implications. The suggested priorities for each of the work streams are:

Community & Housing Recovery:

- Pathways for rough sleepers
- Managing increased use of emergency and temporary accommodation and increased homeless applications
- Financial Support for affected individuals and businesses and a revised debt recovery policy
- Support for voluntary and community organisations, including community halls and sports clubs
- Capturing community networks for future emergency planning.
- Tackling the backlog of Disabled Facility Grants (DFG)

Economic Recovery:

- Inward Investment
- Visions, High Streets and Retail
- Micro Businesses

- Agriculture and Horticulture
- Tourism, Culture and Hospitality
- Digital Infrastructure
- CDC's commercial estate: Southern Gateway; St. James Redevelopment; Barnfield Drive; Ravenna Point; Enterprise Centre
- Licensing and events
- Sports and Leisure

Planning, Health and Environmental Protection Recovery

- Supporting the housing and construction industry
- Health Protection
- Building Healthy communities and protecting the environment during recovery

Organisational Recovery:

- Adapting our services
- Supporting Staff
- Robust and resilient ICT infrastructure
- Options for future office accommodation
- Acceleration of channel shift

6.4 Members are asked to consider the following policy options to assist with the immediate recovery process that will require Council approval at its July meeting. These are:

- i) to forego the Homefinder fee at a cost of £20k pa (see appendix 1). This loss of income will be met from existing budgets in 2020/21 but will impact the budget from 2021/22 onwards.
- ii) to contribute £20k towards an economic impact study for Novium, CFT and PHG. To be funded from reserves.
- iii) to increase the current level of support for Visit Chichester by £100k per year (from £50k to £150k) in years 2020/21, 2021/22 & 2022/23 (the current funding of £50k is due to end after 2022/23). In 2023/24 & 2024/25 to provide new support of £130k per year, and that delegated powers is given the Director for Growth and Place to approve a new Service Level Agreement with Visit Chichester following consultation with the Cabinet Member for Communities and Cabinet Member for Growth, Place and Regeneration
- iv) Create a new grants fund in the capital programme of £500k. This will include £250k for a Community Recovery Grants Fund and £250k for an Economic Recovery Grants Fund, and that delegated powers are given to the Director of Housing & Communities and the Director of Growth and Place to approve criteria for the grants following consultation with the Cabinet Member for Communities and Cabinet Member for Growth, Place and Regeneration respectively. To be funded by reducing the sum allocated for parish NHB grants by an equivalent amount (currently £1.25m over 5 years is allocated for parish grants).

Note the support package agreed for the Leisure operator – see exempt finance appendix 7(i). This decision was agreed under the urgent powers within the constitution and will be reported to Council for noting at July Council. The package agreed relates to 2020/21 only and further support will be considered as part of the 2021/22 budget.

Post Recovery – The Future Services Framework

- 6.5 The Action Plans deals with the immediate aftermath of the C19 crisis. However, in the medium term it is highly unlikely that the Council can afford to continue to fund all of its current services and any new services it wishes to introduce. The new financial landscape will require members to critically challenge and reset the services that we currently provide. Therefore a Future Services Framework has been developed to assist members shape the future of the Council. Full details of the framework is set out in appendix 5 and is based on a three stage approach:

Stage 1 Efficiency and Effectiveness. This stage challenges what and how we do things to ensure services are efficient and effective. The Chief Executive has asked Officers to undertake an efficiency review to identify opportunities to boost productivity and generate cashable efficiency savings.

Stage 2 Policy options. This stage will consider the policy options stemming from the efficiency review and will specifically relate to those options that directly affect the community and require a member decision and potentially community engagement prior to its adoption.

Stage 3. Service Prioritisation. This stage looks at service prioritisation and it is based firstly on the requirement for the Council to deliver its statutory services (those services that the Council has a legal duty to deliver, such as planning). It then categories services into statutory plus (where we deliver higher than the statutory minimum), optional and optional plus services (these are services that are discretionary and may include new services, such as food waste collection). Officers will be working with members to determine the service level of its statutory services that we have a statutory duty to provide. This will then be costed and any money remaining in the budget will then be allocated on a priority bases (agreed by Council) to the optional services. Each service will be assessed and measured for impact to help members prioritise. The limiting factor will be the level of resources available.

The efficiency review has commenced and will be completed by December 2020, policy options will be brought forward to members for consideration in advance of the 2021-22 budget cycle and work on the service prioritisation will begin August 2020 and be completed by October 2021 to allow time consult and take any necessary decisions in time for the 2022-23 budget. Members will be involved in considering policy options and the development of the Future Services Framework.

Partnership Working

- 6.6 The Council already works very closely with its partners and many of its officers and members are on a number of partnership Boards / formal working groups. Some of which CDC leads and others are led by partners. Partnership working is very important and it is right to work in partnership with others to ensure that work is not

duplicated and that the system works as a whole. However, with limited officer capacity we should be mindful of which partnerships we should take a lead on, which ones others should take the lead and which ones we should withdraw from altogether. The Recovery Action Plan suggests who we should be working with to aid recovery.

- 6.7 We are in close and regular contact with key partners and many of them (WSCC, Coast to Capital, Coastal West Sussex, the Rural Partnership, CFT, PHG, Parish Councils, Visit Chichester etc.) are also developing recovery plans and we will ensure we link into them and provide support where appropriate.

Governance

- 6.8 As the Council embarks on its recovery it is essential that it has an appropriate agile governance framework in place to steer this important piece of work. A proposed governance structure is set out in appendix 6 and it proposes that four Recovery Teams are set up. Each would be led by a director and the relevant Cabinet member(s). Each cabinet member may invite two other members to act as advisors, one of whom should be from an opposition group. The Chief Executive and Leader will be involved in all four work streams. The recovery process will be overseen by OSC, CGAC, Cabinet and Council and regular reports will be tabled at the meetings.

7. Alternatives Considered

- 7.1 Some elements of the recovery process we must do, i.e. dealing with homelessness applications, but other actions members can decide not to support or add new ones to the action plan providing they are affordable and officers have the capacity to deliver.
- 7.2 The status quo in the medium term is not an option as the world has changed substantially since the beginning of 2020 because of C19 and what may have been a priority for the Council previously may not be a priority now. The Council's finances have also been seriously impacted and the depth and breadth of services provided by the Council currently is likely to be unsustainable in the future. The Council could decide not to adopt the Future Services Framework and have an ad hoc approach to reduce its expenditure but this is not recommended. Having a defined framework will help members challenge and prioritise services based on outcomes and cost/benefit and will ultimately allow them to decide which optional services are funded in the future.

8. Resource and Legal Implications

- 8.1 The financial impact of C19 is set out in the Director of Finance's report elsewhere in the agenda.
- 8.2 Any policy priorities decided by Council to be funded by reserves – see para 6.4
- 8.3 The Council has a legal obligation to balance its budget and it also has a legal obligation to provide its statutory services. Once these have been defined and costed the remainder of the Council's budget can be allocated on a priority basis to other services up to the level of budget available.

8.4 There are likely to be implications for staff and these will be dealt with in accordance with employment law and the Council's staffing policies.

9. Consultation

9.1 The Recovery Action Plans sets out who should be consulted.

9.2 All members will be involved in policy choices and service prioritisation.

9.4 Any statutory requirement to consult will be followed and a Community Engagement Framework will be developed to assist with the prioritisation of non-statutory services.

9.5 Staff Representatives and the Union.

10. Community Impact and Corporate Risks

10.1 The future is very uncertain and the full impact of C 19 on our community, businesses and the Council may not be known a long period of time. It is hoped that a vaccine will be developed and/or the level of C 19 in the community stays low or dies out, none of which can be guaranteed. There may be a second peak requiring a tightening up of lock down measures and until social distancing measures are removed many businesses' productivity, including the Council will be affected. Whatever decisions the Council takes they should be agile and able and flexible to enable us to respond quickly.

11. Other Implications

There is likely to be a number of implications arising from the proposed actions in the Recovery Plan. Each action will be assessed individually and where necessary mitigations will be put in place.

12. Appendices

Appendix 1 Housing and Communities Recovery Plan

Appendix 2 Economic Recovery Plan

Appendix 3 Planning, Health and Environmental Protection Recovery Plan

Appendix 4 Organisational Recovery Plan

Appendix 5 Future Services Framework

Appendix 6 Governance

13. Background Papers

None