



CABINET – 28 APRIL 2020

**CORONAVIRUS (COVID-19) IMPACT AND RESPONSE OF THE
COUNTY COUNCIL**

**JOINT REPORT OF THE CHIEF EXECUTIVE, DIRECTOR OF
CORPORATE RESOURCES, DIRECTOR OF ADULTS AND
COMMUNITIES AND DIRECTOR OF PUBLIC HEALTH**

PART A

Purpose of the Report

1. This supplementary report outlines the work being undertaken within the County Council and with partners to address the impact of the coronavirus (Covid-19) within the County. The report sets out
 - a) the current position on the spread of Covid-19;
 - b) the resilience and co-ordinating activity being undertaken by the Local Resilience Forum (LLR Prepared) and by the County Council;
 - c) issues relating to various critical issues such as access to Personal Protection Equipment (PPE), testing for Covid-19, the national shielding initiative, care homes, safeguarding and excess deaths planning;
 - d) the work now underway with partners to recover from the current crisis;
 - e) an update on activities being undertaken by Departments including details of some services which have been stopped or reduced.
2. The report also sets out the financial impact of the crisis on the County Council's finances in the short and medium term.

Recommendations

3. It is recommended that
 - a) The Cabinet notes -
 - i. The local declaration of a major incident with regard to Covid-19 and, accordingly, the passing of the Chairmanship of the Local Resilience Forum's Gold Command Group for this incident to the Police;
 - ii. Action taken by the Chief Executive, following consultation with the Leader of the Council, to increase the Leicestershire Communities Fund to £1.5m;
 - iii. Action taken by Chief Officers following consultation with Cabinet Lead Members to close or reduce some County Council services

to enable it to comply with national rules introduced to contain the spread of the virus and focus resources on essential services;

- iv. The Council's position set out in paragraph 44 of the report on the potential reopening of Recycling and Household Waste Sites;
 - v. The significant financial impact that the Covid-19 pandemic is having on the Council's finances and that only a part of the additional costs incurred will be met by Government grant;
 - vi. That in light of (v) above, the Council will need to consider what services can be reduced or stopped and will undertake a fundamental review and reprioritisation of the current Capital Programme;
 - vii. That work has commenced on 'recovery' and a report on this will be made to the Cabinet meeting on 23rd June;
- b) That a loan up to a maximum of £90,000 be made to the Bradgate Park Trust and that the Director of Corporate Resources be authorised to agree the terms of the loan;
 - c) That the Cabinet's thanks on behalf of the County Council be conveyed to Sichuan Province for its donation of Personal Protective Equipment;
 - d) That Cabinet's thanks on behalf of all members to County Council staff and the Local Resilience Forum be placed on record.

Reason for Recommendations

- 4. To highlight some of the many issues that have arisen and actions taken since the previous Cabinet meeting on 24th March.
- 5. The County Council's Communities Fund will help to support voluntary and community sector organisations across Leicestershire at this very difficult time.
- 6. The Bradgate Park Trust has asked for a loan to help offset the loss of car parking and other income during the lockdown period; this is considered to be a

reasonable request which can be dealt with by the Director of Corporate Resources.

7. To put on record the Cabinet's continued appreciation for the work done by Council officers and LRF partners and thanks for the donation from Sichuan Province.

Background

8. Coronaviruses are a family of viruses common across the world in animals and humans. Covid-19 is the illness seen in people infected with a new strain of coronavirus not previously seen in humans and began in Wuhan Province in China in December 2019. This has since spread to most parts of the world.
9. The Cabinet considered an urgent report on the matter at its meeting on the 24 March 2020 which advised members on the impact of the virus within the County and the Council's plans to respond. The Cabinet noted the Council's work to help the most vulnerable, focus efforts on critical services and agreed to the establishment of a voluntary and community sector support scheme.

Circulation under the Local Issues Alert Procedure

10. A copy of this report has been emailed to all members of the County Council.

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PART B

Health Position

11. Across Leicestershire there have been 776 confirmed cases of Covid-19 as at 23rd April. There is some optimism that, in line with the national picture, the rate of increase is slowing. The rate of increase was around 35% in the week commencing 13th April, compared to a 60% increase the week before and a near doubling in cases the week before that. It should however be noted that testing is prioritised on those at highest risk, so it is merely a sample of actual cases, but serves a useful proxy measure of population spread. If so, it indicates that the measures put in place by the Government are having an effect. On 23rd April, the Government announced the resumption of contact tracing for those in contact with positive cases in the next two to three weeks. It is believed that local government staff will be asked to redeploy to aid the contact tracing effort.
12. As at 18th April Office of National Statistics (ONS) data reveals there were 120 deaths of Leicestershire residents - 91 of these had died in hospital, 26 in care homes, and 3 at home. A further update from the ONS is expected on 28th April.
13. Outbreaks in care homes remain a focus of attention. As at 24th April, Public Health England reported that approximately 60 care homes in the County have experienced outbreaks or single cases.

Local Resilience Forum (LRF) update

14. The LRF continues to co-ordinate the response to Covid-19 across Leicester, Leicestershire and Rutland (LLR). A Gold Command Group, the Strategic Co-ordinating Group or SCG, is leading the response and is chaired by the Deputy Chief Constable, Rob Nixon. It currently meets twice-weekly. The Police took over chairmanship of the SCG from the Director of Public Health, Mike Sandys, when a major incident was declared locally.
15. The SCG is supported by a Tactical Co-ordination Group (TCG) and a number of topic and task-specific cells (officer groups) which are shown in the response structure which is attached as Appendix A to this report.
16. County Council officers are fully engaged in this structure chairing a number of cells and active in all other relevant cells. The Resilience Team, hosted at the County Council, is supporting the response and steps have been taken to bolster its capacity and resilience during this incident.
17. The LRF's response is wide-ranging. Those issues of particular significance to the County Council are set out in Part B of this report with the role of the LRF in relation to these issues set out as appropriate.

Crisis Management

18. The Council's Crisis Management Group, chaired by the Chief Executive, has been meeting daily and is supported by daily meetings of the Resilience Planning Group (chaired by the Assistant Chief Executive) and an RPG subgroup chaired by the Assistant Director (Corporate Resources). As the situation stabilises the frequency of meetings may reduce.
19. The CMG is overseeing the Council's response across the key issues highlighted below and also the Council's relationship with, and input to, the LRF. The CMG is also overseeing the Council's business continuity planning with a particular focus on the delivery of critical services and the reallocation of resources to support them. A further task for the CMG is recovery planning; a very complex issue, as outlined in paragraphs 50 to 55 below.
20. Daily updates are provided to the Leader of the County Council. There are separate updates to Cabinet Lead Members. The Cabinet meets weekly via skype to review the position and the Leader hosts a weekly briefing for the Opposition Group Leaders and a weekly briefing for all members of the County Council. Electronic updates from the Chief Executive to all members of the County Council covering service and other issues are provided at least weekly; 12 updates as at 24th April. For the public record, the updates can be accessed at - <https://bit.ly/3cKMPgg>

Shielding and Protecting Vulnerable People

21. During week beginning 23rd March the NHS wrote to approximately 1.5 m people nationally whom it had identified as being at risk of the Covid-19 virus because of the circumstances of their underlying conditions and who may have issues in arranging support associated with the delivery of food, medicine and other social support. The letter provides the basic information regarding hand hygiene and self- isolation, as well as inviting people to register with an online web form if they feel they have urgent need of support.
22. As at 24th April 14,800 Leicestershire residents have been written to by the NHS. Of those, 9950 have registered for support. Of those 3328 have stated that they require help with accessing essential services.
23. The County Council shares data on shielded people in secure arrangements with district councils following triaging by County Council staff. There is therefore some assurance that the required level of support (social care, medical supplies, welfare, personal comfort) is provided appropriately. As at 22nd April over 5,000 calls have been triaged via the Council's Customer Service Centre. There have been 118 deliveries of emergency food supplies. The Council is continuing to work productively with the district councils, through the LRF's Communities, Volunteering and Faith Engagement Cell. 40 staff are currently working on triage, many being redeployed from other areas of the County Council.
24. The Government's emergency food supply (approximately the equivalent of 130 parcels) is a one-off delivery intended to cover any transitional

arrangements pending regular Government food parcels arriving to shielded people. As over 50% of the supply has been utilised, an additional 100 parcels have been sourced by the County Council to mitigate any shortages in supply. This will be reviewed regularly. In addition, arrangements are being made to enable a pre-loaded credit card to use for people who cannot access their money to pay for shopping. As at 24th April 3098 people have had food parcels delivered via Government suppliers.

25. The list of registered people must be regarded as dynamic due to additions, de-registrations and registrations from other sources such as primary care. Government data information is not always accurate. Management and administration is further complicated by Department of Works and Pension (DWP) contacting directly people who have been identified as shielded, but who have not registered for support. The Ministry of Housing, Communities and Local Government (MHCLG) is now requiring information on people who are vulnerable but not on the shielded list.

Personal Protective Equipment (PPE)

26. PPE is an ongoing issue of concern affecting the County Council's staff and contracted staff on the front-line delivering social care. As is apparent from national media reporting, there is increasing anger and frustration at the inability to obtain PPE to meet essential requirements. Service providers have not had certainty of the levels of assurance reasonably required to access and secure vital equipment in a planned way. Analysis as at 23rd April shows that 19% of homecare providers reported reducing stocks and insufficient supplies, 50% of providers had sufficient but reducing stocks and 31% had sufficient supplies. Therefore for many providers including the Council's direct service provision, PPE stocks are now only assured for a period of up to 72 hours at any given time.
27. The Local Resilience Forum (LRF) is now playing a greater role regarding PPE. Three emergency drops have been received since 9th April. The Government's 'Adult Social Care Action Plan' states that further deliveries to LRFs will continue to be made but the frequency of these, their content and the prioritisation given to different LRFs is by no means clear.
- The LRF's Strategic Co-ordinating Group has PPE as part of their regular discussions;
 - A dedicated PPE Cell is advising the SCG;
 - The LRF's Business Cell is co-ordinating efforts to secure PPE donations from local companies.
28. A donation of 20,000 facemasks is being made by Sichuan province in China, which is twinned with Leicestershire. These are expected to arrive in the week commencing 27 April.
29. Within the Council:
- Guidance for Council staff on the use of PPE, reflecting national guidance, has been finalised and approved.
 - The Council has established and keeps under review robust supply and demand processes to the Council to monitor its supplies and to

marshal the range of suppliers/donations. Trading Standards officers are checking compliance of supplies with the appropriate standards.

- Close contact has been established with care providers with a clear escalation route for any emergency PPE supplies.
- The Commissioning Support Unit is working across the LLR area, leading on the PPE Procurement Cell, to collate all offers and potential suppliers. These offers from providers are being assessed by the Commissioning Support Unit, with the support of Trading Standards, CCGs and Public Health for suitability, which enables each organisation to ascertain new providers for the products they may require.

Key Worker Testing

30. As the number of patients falling ill due to Covid-19 increases, so too does the number of staff unable to work in the NHS and in other key services. Staff self-isolating due to Covid-19 symptoms or a household member displaying symptoms are doing the right thing. However, it is possible that some of those in isolation do not have Covid-19 and may be able to return to work safely.
31. Currently if a key worker is self-isolating because a person they live with has symptoms, they have to isolate for 14 days (unless they also develop symptoms). Testing the household member will provide more certainty on whether the NHS or other key worker should either be self-isolating or can come to work.
32. The initial priority for the key worker testing has been NHS key workers. Testing has started to be offered to more key workers, including social care workers as the testing capacity increases. The Government has now announced that a wider group of key workers, including police officers, teachers, food workers and transport workers are also eligible for testing. The Local Resilience Forum (LRF) has led work to coordinate testing process across Leicestershire.
33. Testing uses two locations: the “national” programme at Boots in Beeston, Nottingham, and a local provision now starting based at Meridian Park, Leicester. A single static drive-through test centre based in Nottingham has not been ideal and limits access for residential and home care staff who live and work in Leicestershire. Testing for care workers has been arranged and coordinated through the Care Quality Commission with testing based at the national test centre in Nottingham. As of 23rd April Home Testing is being made available whereby staff can receive test kits through the post and return directly to testing labs and a central government web-site has been opened enabling staff to register and book a test. In addition locally based static and mobile test centres are being explored.

Care Homes and the Domiciliary Care Capacity

34. At of 23rd April there is still capacity within the care home market and over 200 beds available including short-term or interim placements. The number of

beds available for people who are Covid-19 positive is however much smaller; Approximately one third of providers are reluctant to admit new people due to concerns about infection control, PPE, staff absence and other factors. There are 60 homes with potential or actual Covid-19 cases. All providers have received information and guidance in relation to the above issues, and in line with the national Adult Social Care Plan, providers are encouraged to isolate any new admissions for 14 days.

35. Domiciliary providers are working well with the Council and supporting the recently established hospital discharge hub enabling people to get home as quickly as possible. There is currently an absence rate of 11% in domiciliary care but this is not affecting the care providers' ability to take new care packages. Care providers have created additional capacity by working with the Council to step down non-personal care calls and make use of families and volunteers to provide non-personal care activities.
36. The Council's locality based social care services can manage a reduced demand for new referrals and assessments, working virtually and remotely. The Council is not anticipating a requirement to implement the Care Act easements which would require notification to the Secretary of state.

Schools

37. Over the Easter period there were 160 schools open each day with 700 children attending each day, of which 135 have been assessed as being vulnerable (such as those receiving support from social care services, young carers). This compares to 224 schools operating before the Easter period and some 1500 children attending. Not all children with an Education and Health Care Plan (EHCP) who are eligible to attend school are doing so. The Department is undertaking a risk assessment of all children with an EHCP in line with DfE guidance.
38. Free school meal vouchers continue to be issued through the national voucher scheme over the Easter period for children eligible for free school meals who are not in school. Local school arrangements are also still running where needed. Some parents have experienced difficulties obtaining the national voucher and these concerns have been escalated to the DfE.

Children's Social Care and Targeted Early Help

39. Services to the most vulnerable children are continuing, i.e. children who are on a child in need plan, child protection plan or open to the Council's children and family wellbeing service. The 'front door' to the Department continues to take referrals for child protection, safeguarding and early help referrals and take-up is being monitored.
40. The Government has issued revised guidance alongside making direct contact with Directors of Children's Services and schools to call for an increased focus on ensuring those children who are vulnerable are attending school where it is safer to do so. The low numbers of vulnerable children attending schools over this period is a concern both nationally and locally.

Nationally it is reported that only 5% of vulnerable children have been attending education during the coronavirus crisis. This figure is reflective of the Leicestershire numbers. The Children and Family Services Department is working closely with schools to monitor the number of vulnerable children who have been assessed as requiring a school place who are attending. The Department is also working closely with schools and parents to support their attendance at school.

Volunteer Assurance/ Capacity

41. Following constructive meetings, agreement has been reached with the district councils regarding the arrangements for assuring and co-ordinating volunteers, working with Voluntary Action LeicesterShire. Further work is underway to better understand volunteer capacity across the County.

Deaths Management

42. An additional mortuary at Leicester General Hospital has, since 27th April, been fully open and this additional capacity means that the area now has sufficient capacity should the national reasonable worst case planning assumptions be realised locally.
43. Through the LRF's Mortality Cell the local authorities, HM Coroners, NHS, voluntary sector, faith communities and funeral directors have been working closely to deal effectively and sensitively with the increased numbers of deaths by ensuring additional capacity is in place and making changes to registration and funeral arrangements in order to respect social distancing requirements.

Recycling and Household Waste Sites

44. Recycling and household waste sites (RHWS) remain closed. The Government has issued guidance which classes RHWS as a medium priority service for opening if this can be done safely, making clear the first duty of any council is to protect the health of staff and residents. However, RHWS are not included in the Government's essential trips category: this has been drawn to the attention of the Government in the context of any suggestion of reopening. The Council could only safely reopen the RHWS if a number of factors were implemented. These include district councils' green and bulky waste collections being operational for a minimum of 2 weeks to prevent sites being inundated very quickly, regional co-ordination of opening, and being able to implement social distancing on sites as well as traffic plans to manage queueing onto the road network given reduced throughput when operating social distancing. Any new guidance from the Government to reopen RHWSs is awaited.

Support for Business

45. The Business Cell, chaired by the local enterprise partnership (LLEP), is providing advice to local businesses, and co-ordinating donations of PPE from local companies. These donations can be dropped off at any local fire station

for the LRF to distribute. Working with the Recovery Cell (see below) the Business Cell will also be planning for economic recovery. The Council's Economic Growth Team is supporting this work, including providing sector-specific support to the tourism, hospitality and creative sectors.

Leicestershire Communities Fund

46. The Cabinet at its meeting on 24th March agreed to set up a £1m fund to support the voluntary and community sector; the "Leicestershire Communities Fund 2020". This was subsequently increased to £1.5m in view of the high number of applicants. The grant allocations made to date are set out in the table below:-

Approval Date	Applications considered (Number.)	Awards in full (Number.)	Awards in part (Number)	Not approved (Number.)	Value of awards (£)
7 th April 2020	66	36	9	21	561,666
14 th April 2020	80	19	32	29	431,260
21 st April 2020	38	6	17	15	214,882
Current total	184	61	58	45	1,207,808

47. The funding allocated has supported 39 organisations operating across Leicestershire as well as 55 groups working within district council areas. An analysis of the number of awards and the amount of funding allocated on an area basis, funding allocated related to the nature of vulnerability, and a schedule of organisations funded within each area is available at: <https://bit.ly/2RYD5XE>
48. The Communities Fund has had positive local press and radio coverage. The scheme has also received a '#TogetherWeCare award' from the Community Foundation for outstanding support to the local community during the coronavirus crisis. The Community Foundation nominated the Council for the award "In recognition of the agile and effective way you stepped in and supported the community sector across the county with your community fund. This swift action will save lives and deliver help and support to those most in need."
49. The County Council has also received a request for a £90,000 loan to Bradgate Park Trust to compensate for the loss of car parking income during the period of closure. The principle of granting a loan is reasonable, although further discussions will take place with the Trust to ensure it is making best use of the various Government support schemes that are available. Clearly with any support of this nature there are risks of non or delayed repayment.

Recovery Planning

50. Whilst much of the current work contained in this report is rightly focused on the response to the pandemic, the work of recovery has also commenced to

help ensure that the Council's services and staff are supported towards a return to a form of operation and day-to-day business which will have to be seen as new rather than as it used to be.

51. The Council's recovery work is closely linked to the multi-agency approach being developed through the LRF across LLR. A governance model has been established for the County Council that mirrors the three key themes established across LLR - supporting economic recovery, infrastructure recovery and human aspects, including community recovery.
52. The work of recovery through this pandemic is unlike that which would normally take place following a major incident, where the handover from response to recovery would be clear. This pandemic requires planning for situations where recovery for a number of Council's services will be running alongside continuing response activity and this adds to the ongoing complexity.
53. Over the course of the coming weeks, the Council's Central Recovery Group are focusing on working closely with Heads of Service and support functions to define the current position for services and how that differs from the 'Business of Before'. This will help define the initial scope for service recovery. A second priority will be more targeted work with those services likely to be affected most by any relaxing of the lockdown being seen in other European countries or any of the other triggers for service recovery. This work will be developed to ensure all Council's services have recovery plans in place containing clear indications of any additional considerations or support requirements for their recovery.
54. Alongside information gathering, work is underway to develop recovery principles to help ensure the Council's services recover to a sustainable position, reflective of potential changes in service demand, community capacity etc, as well as changing aspirations and practicalities regarding ways of working and use of office space, IT and Digital ambitions, as well as the increased financial constraints that are likely to influence service design.
55. The recovery plans for Council services will be comprehensive and likely to be in place for some time, although the recovery process will vary between services. The likelihood is that a phased approach across services, in part recognising priorities, will be required.

Financial Implications

56. The overall financial impact of the pandemic is very difficult to quantify at present, not least because of the uncertainty around the length of the time the social isolation restrictions will be in place, how quickly they are relaxed and whether further periods of restriction are needed at a later date. In addition, there is the wider impact from the deep-rooted economic recession that will follow. Latest forecasts suggest that the UK Government deficit could be as high as 12% of GDP in the current financial year. This is likely to be by far the biggest deficit for well over a century. To put it into context, the equivalent figure for the financial crisis in 2008 was around 5%.

57. The Government initially put a raft of loan measures in place with a headline total of £350bn to support business failure. This figure will now be significantly higher given the roll out of the job retention scheme, including similar measures for the self-employed. This dwarfs the £3.2bn that has been available nationally to support local authorities and therefore has to be the main route for helping to prevent business failure. The first £1.6bn allocation saw the County Council receive £15m. The allocation for the second £1.6bn is not yet known but it is expected that it will be weighted more towards authorities providing lower tier services (districts and unitaries). This funding is intended to support all additional costs local authorities will face, not just to provide additional support to providers. As such it is necessary to ensure the County Council's resources are directed towards businesses and third sector groups supporting its critical services.
58. The Ministry of Housing, Communities and Local Government (MHCLG) has requested local authorities to try to assess the financial impact of the pandemic. Most authorities have made an attempt to do this but, as no guidance was issued around key assumptions to use in making the assessment, there is a lack of consistency in how this has been approached. Nonetheless, this was the first in an ongoing monthly reassessment of the position that MHCLG has requested and therefore the estimates will be refined as increasing levels of clarity and certainty emerge.
59. Notwithstanding this uncertainty the estimates that have been put together in broad terms indicate that three to four times the initial funding allocation announced for local authorities will be needed to balance the position in the current financial year and in all likelihood significantly more. In the County Council's case this will be in the order of £50m net of the initial £15m grant. The impact will be across the board covering additional expenditure, reduced income levels and savings no longer achievable. For example it will include:
- the cost of interventions to support the supplier market where Government measures are insufficient or not applicable, including cash flowing providers at risk (potentially of the order £20m)
 - reductions in income levels for commercial services (for example school foods income alone is normally £1.6m a month)
 - reduced levels of council tax and business rate income thus impacting on the County Council's core funding levels (underlying increases in tax bases generate roughly £10m additional core funding per year – potentially tax bases could reduce)
 - increased costs of capital projects as work on site has to be put on hold, or delivered incorporating new working practices to ensure social distancing is observed (potentially £5m on some of the key schemes)
 - increased costs of equipment and IT infrastructure to facilitate staff working from home during lockdown
 - increased waste disposal costs for changes to waste collection arrangements and/or closures of destination facilities
 - additional costs arising from project delays such as Fit for the Future where the planned go-live in April 2020 has had to be put back (estimated at an additional £2m)

- reduced levels of rental income to support tenants struggling to manage financially
 - support to community and third sector groups to allow them to continue to provide critical services (£1.5m Communities Fund created).
60. Many authorities are already signalling that they will be facing short term cash flow issues, albeit this might be alleviated to an extent by the recent announcement of the second £1.6bn allocation. The County Council's approach to financial planning means that it has sufficient cash available in the short-term such that it does not find itself in this position.
61. As this crisis initially unfolded, there were suggestions from Ministers that local authorities would be fully funded in their efforts to fight the pandemic and manage the ongoing implications. However, as the scale of the financial impact becomes clearer, the extent to which this might be possible reduces and more recent messages talk of a "shared burden". This is likely to mean that the Government will expect some of the financial implications from Covid-19 to be funded from additional increases to Council tax levels.
62. And then there is the ongoing impact. The Bank of England is anticipating the economy to bounce back quickly following the pandemic. However, this is far from certain and many economic commentators are expecting a prolonged or second recession to follow quickly, driven by a debt crisis caused by the weak balance sheets of governments around the world.
63. Given the above it is important to ensure that the County Council's financial position is protected as much as possible from the outset. The County Council must take advantage of whatever mitigations are available to ensure the overall cost position is managed now and in the future. For example, where appropriate and achievable within the Government scheme, furloughing of staff is being considered to reduce the cost base. As the financial position going forward looks bleak, thought needs to be given as to what services can be reduced or even stopped if they are not considered critical. Similarly, the Capital Programme will need to be subject to a fundamental reprioritising exercise, and many projects withdrawn or rephrased to offset the expected reduction in resources available.
64. Guidance has been produced to support managers and commissioners in their discussions with service providers and suppliers. Where possible this is consistent with national guidance issued from central government although as much of this guidance is too permissive and general, the guidance provided to County Council staff issued focusses more on ensuring support is directed to the most critical services where the ability of suppliers to access other sources of support and/or reduce their cost bases is not possible. This guidance is attached as Appendix B.
65. Local government will play a vital role in ensuring that local communities can recover. However, greater levels of unemployment will ensue, and many businesses will be unable to survive through this crisis. This in turn will mean reduced levels of funding for local authorities in future years from council tax

and business rates. This will be compounded by an inevitable increased demand on some services.

66. As stated above, work is underway to plan for and shape the recovery process as the impact of the pandemic recedes. It will be important to ensure lessons are learned from how the Council has managed through the crisis. As such, the starting point should not be that the Council will return to operate as it did before. For example:
- Are there potential changes to demand for services (increases and decreases) that will have an ongoing impact?
 - Is there scope to encourage and support increased community resilience and capacity?
 - The Council can capitalise on the fact that staff have become accustomed to, and skilled at, working remotely to increase efficiency and effectiveness?
 - The Council should look to accelerate its existing programme to provide services via cheaper digital/online channels.
67. It will be many months before the immediate overall financial picture becomes clearer, and even then, the longer-term implications will still be unclear. However, the County Council has a good track record of medium-term financial planning and this will put it in as strong a position as any local authority to manage the ongoing challenges and ensure Leicestershire continues to be an economically prosperous county providing vital services to a strong and vibrant community.

Equalities and Human Rights Implications

68. There are no equalities or human rights implications arising from the recommendations in this report.
69. Although the Council does not have an adopted policy in relation to its approach the pandemic of the Covid-19 virus has required the Council to be flexible and responsive in the way in which it delivers its services and performs its functions.
70. A high-level Equality and Human Rights Impact Assessment (EHRIA) and improvement plan is in preparation to provide an initial overview of the existing or anticipated equality impacts of Covid-19 and the Council's response. This document is seen as a corporate log of impacts across the organisation/community and is not intended to replace detailed EHRIAs for service changes or easements within departments.
71. The intention is to initiate a corporate log of impacts and actions and to provide information to support Departments in meeting the Council's equality and human rights duties.

Appendices

Appendix A - Covid-19 Multi-agency Response Structure

Appendix B - Covid-19 Financial Mitigations

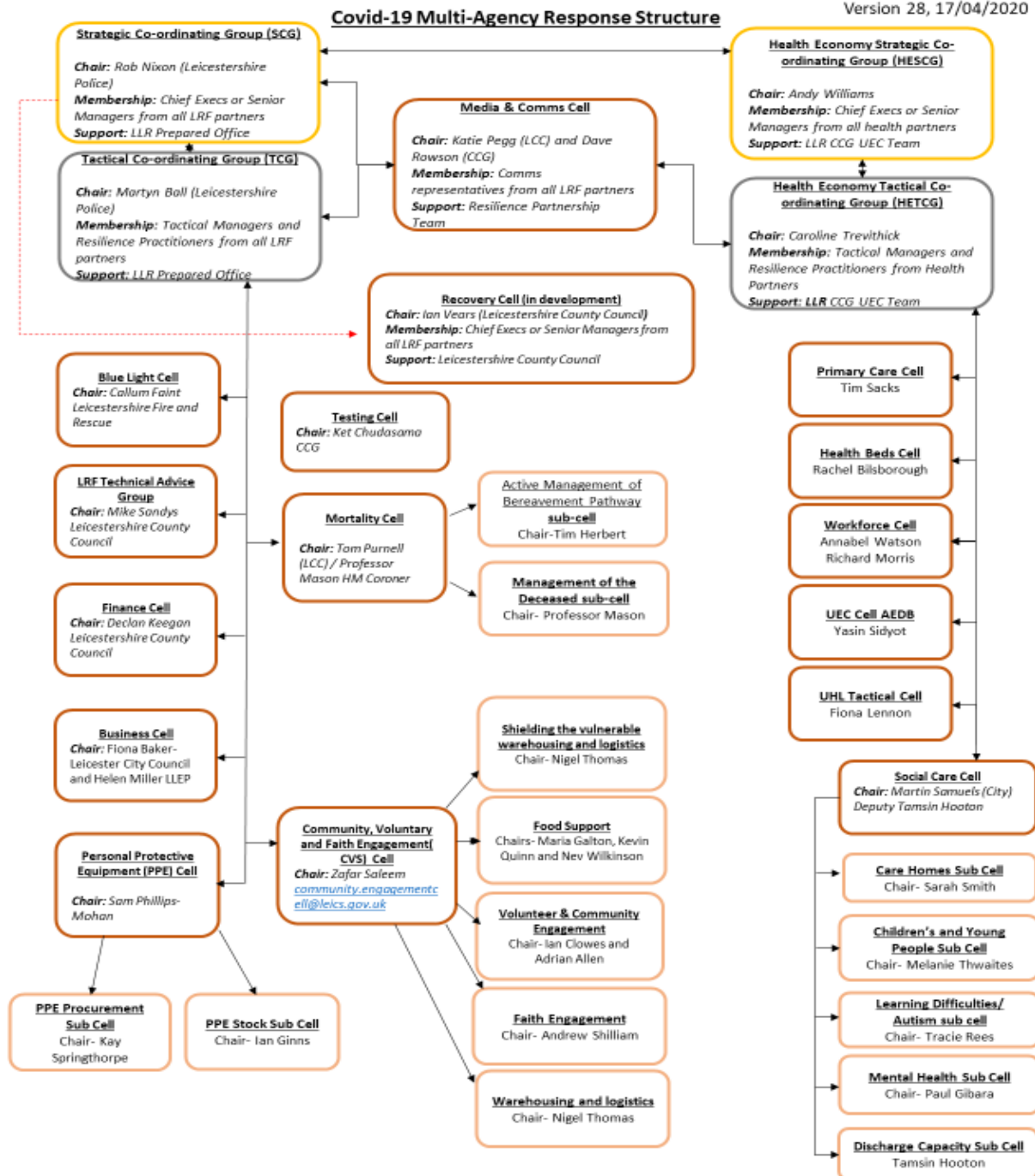
Background Papers

Report to the Cabinet meeting on 24 March 2020 "Coronavirus (Covid-19) Impact and Response of the County Council" -

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5993&Ver=4>

APPENDIX A

Version 28, 17/04/2020



Covid-19 Financial Mitigations**1. Introduction**

This guidance note sets out some of the financial scenarios that LCC is likely to encounter for the duration of the Covid situation. Updates will be required as the situation and Government's response develops. The guidance has been written in the context that the situation is likely to continue for an extended period.

The overriding principle of the guidance is to direct resources at services that are being delivered. It is inevitable that not all businesses will survive, with or without LCC support, so resources directed for business survival need to be carefully considered.

Government support announced directly to local authorities is significant in cash terms, but the figures indicated to date are only likely to cover a limited proportion of the financial losses suffered by LCC. To limit these losses non-essential activity should be reduced where practical. A reprioritisation exercise will inevitably follow when normality resumes, as LCC will have less cash to spend.

The approval limit for new decisions (i.e. can apply to all providers of a similar service, rather than each intervention/payment) has been set at £50,000 (to be kept under review).

Guidance has been and will continued to be received from Government and professional associations. Whilst services should take account of this guidance it should be noted that this can often be unclear and, in some cases, may appear to be contradictory to this note. Even if services believe they are following guidance in making decisions discussion should take place with Finance.

2. Concern over supplier failure

Central Government's interventions will be the primary support to prevent business failure. Details of each of these, including who is eligible and what they need to do to access the various support measures, can be found on the link below:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

The speed and scale of what Government is capable of surpasses anything we could do locally. The initial £350bn announcement equates to £3.2bn for Leicestershire, approximately 6 times our total annual expenditure.

Further Government measures have been announced to support business and individuals. To make the best use of our resources it is essential that County Council support is targeted at business and 3rd sector groups supporting our critical services.

The following measures will provide some financial flexibility for suppliers and assurance over cash-flow when delivering our services:

- All suppliers moved to immediate payment terms with immediate effect, for an initial 3-month period (end of June) – this is payment immediately following invoice approval.
- ASC providers would not automatically benefit, as payments utilise feeder systems. To redress this, they will receive a 1-off payment to support cash-flow in April, provisionally repayable in September.

Where requests to support businesses, including retainers, which are not providing their usual service they will need to:

- Be able to show Government help is not sufficient or timely
- Play a key role in delivery of a critical LCC service/responsibility
- Demonstrate a clear need for support
- Be a provider we want to maintain a long-term relationship with
- Be difficult to replace with an alternative service/supplier
- Show that they have actively tried to redeploy staff to other beneficial services (including to LCC services)
- Have taken all measures possible to minimise support required, through reducing costs (e.g. stop variable costs) and maximising Government support (e.g. furlough staff)
- Continue to pay their suppliers and employees

The size of support received should **not** try to put the supplier in a no detriment position, for example profits would not be covered and director salaries would not ordinarily be covered.

Calculations should be based on no more than normal usage levels. Costs should only be covered where they can't recover from Government. This support is developing so suppliers must agree to operate transparently (open book) and to a retrospective reclaim by us. Suppliers must be able to demonstrate that payments made have been used in the manner intended.

Any intervention must be time limited up to the earlier of the end of June (to be kept under review) or a relaxation of the Government restrictions that impact the supplier.

3. Suppliers incurring additional costs

Some suppliers will incur additional costs due to Government guidance; services becoming more difficult to deliver; or additional requests made by LCC. In these circumstances it is reasonable to make payments, with the following guidance:

- Additional costs incurred must clearly relate to Covid-19 (e.g. additional PPE)
- Time limited financial intervention, no long-term commitment made. The current recommendation is to end of June (to be kept under review)
- Reasonable estimates of supplier costs can be used (rather than cost tracking), but suppliers should agree to provide details of expenditure on request (open book) and a retrospective reclaim.
- Suppliers should identify in their invoices which amounts are attributable to the impact of Covid-19
- Estimates agreed with department Finance Business Partner team

4. Supplier unable to provide their usual request for payment (invoice/proof of service)

Supplier's administration activity could be temporarily sacrificed to support service delivery OR new services may not be set up for billing by the supplier or LCC. To ensure that payments are not delayed and suppliers avoid accumulating significant debts the following guidance is in place to make 'unsupported' payments.

- Agreement with supplier that cessation is temporary and aim to restart within a month
- LCC service to maintain up to date system records of services requested, to provide a basis of the payment (care packages, orders etc.)
- Set expectation with the supplier of a payment reconciliation to actual service – to ensure maximum service delivery is incentivised.

Maintaining payments for actual service delivered will ensure providers are paid even if LCC's records are not complete and incentivises provision of services. ASC system tolerances for oversupply will be kept under review

5. Suppliers not providing service

The expectation is that payments from the County Council will stop, subject to contractual provisions. Government support is significant and targeted at keeping suppliers from going bust. The County Council's resources need to be focused upon services that are delivered. This incentivises suppliers to provide services and be flexible in what they offer.

Where a provider achieves the same service outcomes, but through a different delivery method (e.g. phone based), payments can continue as normal (unless the provider makes a material cost saving).

If the supplier is providing an alternative service, at LCC's request, charges for the original service should stop and the new service charged for specifically.

If there is concern over the viability of a critical supplier see the guidance in the supplier failure section above. However, the first consideration in making payment should be whether the impacted supplier's resources can be redeployed to support a shortage in a critical service area (direct LCC provision or via a supplier).

If suppliers have been stood down by LCC it will weaken any negotiating position. Where possible an agreement to compensate should be reached before any suspension notices are given.

6. Grant administration

Where grants for a **specific** purpose are received they fall into two main categories:

- 1) Grant paying for a specific deliverable that will be required, but potentially delayed.
- 2) LCC administering grant for wider public benefit, but no current/ retrospective requirement to deliver the service during or post the Covid disruption.

Scenario 1) should be treated as per any other supply contract and grant distribution only when delivery is complete

Scenario 2) grants can still be distributed providing the grant is still being received by awarding body and either:

- The organisation is trying to deliver or is prevented from doing so by Covid and is engaging LCC regarding redeployment of resources.

OR

- a public sector body

7. Commercial Income

Services to continue delivery should be prioritised in a similar way to LCC's services but consider whether you are indirectly supporting delivery of the customer's critical service before cessation. Where services can be provided it is expected that income continues to be collected, as any income lost will result in less funding available for LCC's services. Guidance for collection of income:

- Where a customer has not requested cessation, but LCC withdraws a service – no charge should be made.
 - Where a customer declines the service, best endeavours should be made to reduce costs. But the charge should be made to leave LCC no better or worse off financially.
- Customer requests for relief of charges (e.g. rent) need to be handled pragmatically and take into consideration Government's significant support.

- Dialogue to establish why difficulty paying
- Ensure relief is imperative rather than just ensuring no overall detriment to the customer
- Relief should be a delay in payment, not cancelation of charge
- Recoup relief by instalments with full recovery within 6-months
- Suspended instigation of eviction notices until after September 2020 (under review).

During this period, it is essential that major contracts are monitored more closely to ensure services provided are paid for. Service should stop or move to payment in advance where there are significant concerns.

8. Service User charging

Services should continue charging service users in the current way. Where a delay in the assessment of charges (e.g. means testing) is caused due to delays by LCC a sympathetic view should be taken, but normal debt write-off procedures should apply.

Separate funding is expected for packages relating to hospital discharges and packages preventing hospital admissions from 19th March. Hence service user charging is not expected to be required, at least initially.

9. Projects deprioritised

It is essential that a review of projects is undertaken to reflect the reduced organisational capacity and to identify where the original assumptions behind the project may have changed. The expectation is that resource will be stood down for projects not continuing or significantly delayed. Exceptions to be agree with Finance e.g. if re-work cost significant.

Before suppliers are formally suspended/terminated an agreement on compensation should be reached, if applicable under the contract. A negotiation is expected to establish if it is possible to defer delivery or only incur their abortive costs.

The country will exit the pandemic in a severe recession, meaning that supplier will be keen to maintain a long-term relationship with LCC. Even if contract compensation is stated a reasonable compromise should be sought, particularly if suppliers have the potential to recover profits when the project restarts.

10. Approval

The corporate approval limit for new expenditure areas or abortive costs of cancelled projects is currently set at £50,000, regardless of funding source.

The approval limit is for new decisions. This can apply to all providers of a similar service, rather than each intervention/payment. For example, agreement to pay the extra PPE for all care homes would be the approval, rather than each supplier individually. There is only a need to seek approval at a supplier level where the support varies due to specific circumstances that lead to materially more support.

In the first instance services should talk with their Finance Business Partner to support estimations, consideration of implications and options, recognising the pressurised environment. The Finance Business Partner can co-ordinate the Corporate approval. Approvers in order of preference are:

- 1) Declan Keegan
- 2) Chris Tambini
- 3) Nick Wash

No formal template is required, with a light touch approach proposed. The format can suit the service including verbal requests.

For new areas of expenditure guidance should be sought from CSU to support navigating procurement regulations.