

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY, 19 OCTOBER 2020 AT 2.00PM

<u>Agenda Item</u> <u>No.</u> 4

HERTFORDSHIRE COUNTY COUNCIL'S RESPONSE TO COVID-19 – OCTOBER UPDATE

Report of the Director of Resources

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1. Purpose of the report

1.1 To provide Cabinet with the latest update on Hertfordshire County Council's planning and response to the Coronavirus (Covid-19) pandemic. Please note the content of this report is accurate as of 16 September 2020.

2. Summary

2.1 This report provides a further update on the Council's response to the Covid-19 pandemic and the work that is being undertaken with partners to address the challenges faced.

2.2 A monthly Covid-19 impact monitor has been produced to accompany this report and can be found at Appendix A.

3. Recommendation

3.1 That Cabinet considers and notes the contents of this report, including the planned approach to dealing with the financial implications.

4. Background

4.1 This report is the seventh in a monthly series of reports on the council's response to the Covid-19 pandemic.

5. National Position

5.1 With cases of Covid-19 having risen since the loosening of lockdown, the Government announced new social distancing measures on 9 September 2020. This included placing a cap on the number of people from other households who could meet socially at no more than 6. This measure applies both indoors and outdoors and in private homes, albeit with some limited

exemptions such as places of worship and restaurants. This took effect on 14 September 2020.

- 5.2 Businesses will have a clear duty to support NHS Test and Trace with it becoming mandatory from 18 September 2020 for certain businesses to have a system to collect NHS Test and Trace data. Plans for increasing testing capacity and the introduction of a mass population testing programme, to possibly be in place by Spring 2021, were also outlined.

6. Hertfordshire's Strategic Response:

- 6.1.1 The Covid-19 Strategic Coordination Group (SCG), as part of Hertfordshire's Local Resilience Forum (LRF), has continued to coordinate the multi-agency response to the Covid-19 outbreak in the county. The SCG incorporates the relevant leads from health, the other emergency services, local and national government, and the military.
- 6.1.2 The Hertfordshire Recovery phase is being led by the Hertfordshire Covid-19 Recovery Coordinating Group (RCG). Chaired by the Chief Executive of Welwyn Hatfield District Council, the RCG is responsible for coordinating the strategic activities needed to transition to normality and to enable the restoration of disrupted services at the earliest opportunity. This includes engaging the business community to support economic resilience and community leaders to provide public leadership and reassurance.
- 6.1.3 The Chairs of the SCG and RCG meet weekly to ensure coordination and mutual support across both response and recovery.
- 6.1.4 On 28 August 2020, the Hertfordshire LEP published its Economic Recovery Plan, *Unlocking Hertfordshire*. With the purpose of charting a clear route through the short-medium term economic effects of the pandemic, it aims to accelerate recovery over the next 6-18 months, but also seek to position Hertfordshire for sustained and good economic growth in the years thereafter.

6.2 Local Outbreak Planning

- 6.2.1 Management of outbreaks at a local level, as set out in Hertfordshire's Local Outbreak Plan, continues in partnership with District and Borough Councils, Police, Public Health England and the NHS.
- 6.2.2 Local contact tracing has been established with Environmental Health Officers and Public Health to address gaps in the national test and trace response. An enhanced local contact tracing call centre and scheme will also be launched to increase local capabilities further.
- 6.2.3 Extra provision for managing events in the county has been put in place in the form of a Countywide Safety Advisory Group. Work with universities and residential colleges in Hertfordshire has commenced with specific provision for advice and guidance from Public Health to prevent outbreaks in these

potentially volatile settings and act swiftly to contain the virus in the event of an outbreak.

- 6.3 In line with ongoing increases in diagnoses of Covid-19 nationally, largely in young people, and at least partly driven by increased gatherings and insufficient social distancing. Hertfordshire has been experiencing similar issues in parts of the county. Having seen significant rises in cases in Watford during August, these are now declining, partly helped by extensive local engagement, action and targeted communications. Similar issues occurred in Dacorum with a rise in cases in the community, although numbers are now stabilising. A further rise is now being experienced in Hertsmere, largely driven by young people under 20 who attended house parties over the summer, leading this part of the county to be designated as an 'area of concern' on 11 September 2020.
- 6.4 Targeted campaigns in Dacorum and Hertsmere have been undertaken in response to these rises in cases. Alongside work with the media, this has involved direct action by Hertfordshire Fire and Rescue Service and Trading Standards staff with support from other LRF partners, to encourage compliance with social distancing measures. This was pulled together initially at less than 24 hours' notice as a result of the data indicating a rise in cases in these areas. All parents and schools have been contacted directly to ask them to ensure they adhere to measures which will reduce the spread of the virus. A targeted campaign aimed at young people has also been launched and all hospitality venues are being contacted across the county, not just in Hertsmere and Dacorum.

7. Hertfordshire County Council Response

7.1 Strategic Position

- 7.1.1 A monthly Covid-19 impact monitor has been produced to accompany this report and can be found at Appendix A. This outlines key headlines from a dashboard of indicators designed to track the impact of Covid-19 on both county council services and the county as a whole. The indicators contained in this dashboard will be kept under review over the coming months with new indicators likely to be introduced as the situation evolves and new sources of information become available.

7.2 Hertfordshire County Council Covid-19 Recovery Group

- 7.2.1 In recent months, an internal County Council Covid-19 Recovery Group had been established to provide strategic direction and decision making on key principles for recovery of County Council operations. Focus was placed on four key workstreams; Workplace safety, Workforce, Finance and Shaping our future.
- 7.2.2 A huge amount of work has been undertaken to make the Council's sites Covid-19 secure (details of which can be found in the Impact Monitor at

Appendix A). A recent video message from the Chief Executive confirmed short term staff working arrangements with working from home where possible remaining the default option. A new home working equipment offer has also been communicated to staff.

7.2.3 The Shaping our Future workstream has started engagement with senior officers around long-term working arrangements. Wider staff engagement will commence shortly with the aim of defining and launching a vision for these new arrangement at the end of the year/early 2021.

7.2.4 The work of the Recovery Group has now drawn to a natural conclusion and has been stood down. Efforts will therefore soon be shifting towards defining future arrangements through the Shaping our Future workstream whilst service areas and the Incident Management Team continue to respond to the ongoing and future issues presented by Covid-19.

7.3 **Schools**

7.3.1 Early years, schools and further education colleges have worked incredibly hard in partnership with the County Council to prepare for the start of term. Over the summer, major work was completed on preparing schools for a full reopening at the start of the current term. Advice was provided on safe operations and infection control to supplement that issued by the Department for Education.

7.3.2 The Council and Herts for Learning (HfL) have developed a programme of advice, materials, training and consultancy under the banner “Back on Track” to support schools with helping identify pupils’ learning gaps and then addressing them. This has launched at the start of the current term. Particular attention has been directed towards helping schools strengthen their on-line offer. HfL has trained 1,200 teachers on using digital education platforms and published a series of online blogs supported by the County Council. Hertfordshire is a hot spot for Google Classroom installations, where HfL is a Google Preferred Partner — and is also a partner for the installation of Microsoft Office 365 Education.

7.3.3 It has not yet been possible to gain a full picture of the level of school attendance since the start of term. However, at secondary phase, attendance in the first full week of term generally 97%+, which was in line with the usual pattern for a start of term; there was no sign of parents keeping children at home on safety grounds. In primary schools, attendance seemed a little lower, but because many schools usually operate a phased return for some younger pupils, further analysis and discussion is required to test whether there is a problem.

Home to school transport

7.3.4 Since the beginning of term home-school transport has generally been working well across the county. Meetings are being held daily to consider feedback from a team of up to 70 observers that have been deployed across

the county at schools and known transport/congestion hotspots to feedback any problems or issues and agree action. Complaints coming directly to the council and on social media channels are also taken into account.

- 7.3.5 Around 65 additional vehicles have been put in place to ease pressure on the busiest routes into schools and colleges and passenger volumes are being carefully monitored; currently capacity is sufficient but further vehicles are being considered on one or two routes where pupil numbers are high.
- 7.3.6 Members of the Active Travel team have been monitoring pupil and parent movement at schools known to have congestion/traffic issues. Some excellent work has been observed at some schools with pupil movement carefully controlled, good signage, use of a variety of entrances and slightly staggered start times. Where specific issues have been reported or observed, contact has been made with the school to offer guidance and assistance.
- 7.3.7 Special educational needs and disabilities (SEND) transport is running as normal although there is some pressure from schools for transport to replicate school bubbles.
- 7.3.8 With cases of Covid-19 increasing, action workflows are being amended and updated as necessary; for example appropriate action to take if a driver or personal assistant becomes unwell during the home-school journey.

7.4 Support to care homes

- 7.4.1 On 4 September 2020, all contracted care providers were written to confirming the Council's intention to continue to cover the additional costs they are incurring as a result of the pandemic associated with Personal Protective Equipment (PPE) and additional staffing costs 'over and above' business as usual. This was further approved at Cabinet on 21 September 2020 to extend this guarantee for contracted providers to the end of December 2020 (an extension of a further three months). The letters are available to view here: www.hertfordshire.gov.uk/providerfunding
- 7.4.2 The current proactive testing programme for residents and staff working in care homes through the national portal was due to be fully implemented by 31 July 2020. However, implementation of testing through the national portal has been challenging and frustrating for many care homes resulting in delays to rolling this out to all care homes. As of 7 September 2020, access to swabbing kits had been rolled out across Hertfordshire but issues were being experienced with feedback due to results taking up to 7 days. The Council continues to escalate these issues to the Department of Health and Social Care (DHSC) and are also writing to Ministers on this matter.
- 7.4.3 Where the regular testing has been implemented, asymptomatic testing is proving to be successful in identifying cases and reducing the transmission within these homes. With Winter approaching it will be important that the current issues surrounding the national portal are resolved, and that the

further roll out to all care homes, including supported living care settings, is implemented as soon as possible.

- 7.4.4 The Council is working closely with health colleagues on winter plans and there will be more information on this soon, including plans for the roll out of the flu vaccine to all care home staff and residents, carers and frontline health and care staff.
- 7.4.5 Adult Care Services (ACS) has developed new processes in response to the government's revised Hospital Discharge Policy. This details a range of responsibilities across the health and care system to support efficient and safe patient flow from acute settings into the community with "home first" being the overriding principle. This new policy looks to embed the progress and achievements secured during the first phase of the pandemic such as the use of trusted assessments of people who may need ongoing health or social care and therapy. This presents a number of resource pressures on system partners but there is a high degree of confidence that processes will be in place to support the full implementation of the policy ahead of anticipated winter pressures.

7.5 **Service updates**

- 7.5.1 Hertfordshire Fire and Rescue Service (HFRS) has been able to maintain fire cover across the county throughout the pandemic. Firefighters have been utilised to support the Play your Part campaign by having high visibility and educating the public around social distancing, hand hygiene and the wearing of face coverings in those areas which have seen an increase in positive cases.
- 7.5.2 HFRS along with Public Health have developed a local policy which will see emergency service workers being exempt from the Test and Trace programme when travelling in emergency vehicles. This policy is being reviewed by Public Health England and is expected to be adopted from October.
- 7.5.3 Community Protection Directorate has played a leading role within the county's Better Business for All (BbfA) partnership in the development of a 'COVID toolkit' to provide additional support and guidance for Hertfordshire businesses. Relationships with other regulators and business support organisations such as the Hertfordshire Local Enterprise Partnership, Federation of Small Business and the Hertfordshire Chamber of Commerce have been enhanced and this has enabled the service to gain increased 'reach' into the business community and get fire safety messages out to a wider audience.
- 7.5.4 As part of the Council's role as the licensing body for sports grounds the Regulatory Services (Trading Standards and Fire Protection) team has been coordinating discussions with sports grounds, emergency services and other partners in preparation for the potential return of spectators to football stadiums and other sporting events in the autumn.

8. Finance Update

- 8.1 Since the last Covid-19 update report no further unconditional funding has been announced. This means the previously reported total of £54.57 million remains consistent. Since the last report, further detailed guidance has been issued on the Income Support Funding. This guidance stipulates the scope of the income losses which can be claimed, the certification and assurance process and the calculation of the initial 5% loss local authorities must bear. The table below outlines the timing of the claims and compensation payments.

Release of data collection and payment	Period of loss covered
September 2020 data return (intended payment October 2020)	1 April 2020 - 31 July 2020
December 2020 data return (intended payment January 2020)	1 August 2020 - 30 November 2020
April 2021 data return (intended payment May 2021)	1 December 2020 - 31 March 2021

- 8.2 Preparatory work is underway to submit the initial claim by 30 September 2020. As previously reported the working estimate is still in the region of £6 million of extra funding in additional to the £54.57 million already received.
- 8.3 On 4 September 2020, a fifth submission to the Ministry of Housing, Communities and Local Government (MHCLG) was made estimating the total financial impact of Covid-19 during 2020/21. The return included total estimated additional costs, loss of income and undelivered savings of £73.0 million. This is an increase of £1.4m from the fourth return submitted in July 2020, which was explained in the September 2020 Covid-19 update report. The table below summarises the revenue impact of £73.0 million by service area:

Service	Cost	Under-spends	Risk	Un-deliverable savings	Income Loss	Total
Schools & Children's Services	2,041	(1,496)	10,129	236	4,967	15,877
Resources	2,567	(203)	1,200	1,116	3,036	7,766
Community Protection	210	0	0	0	246	456
Environment & Infrastructure	3,741	0	50	50	610	4,451
Adults Care Services	23,388	0	4,063	3,923	6,625	37,999
Public Health	250	0	0	0	0	250

Service	Cost	Under-spends	Risk	Un-deliverable savings	Income Loss	Total
Shield & Sustain	5,531	0	0	0	0	5,531
Treasury Investment Returns	0	0	0	0	750	750
Total	37,728	(1,699)	15,442	5,325	16,234	73,030
Unconditional Covid-19 Government Funding						(54,574)
Net Financial Impact of Covid-19						18,456

8.4 The largest movements since the last report relate to a request from a care provider to waive rental charges of £1.2m and an increase in ACS provider claims of £0.582m. Both liabilities are expected to be omitted by next month's report; the rental charge is unlikely to go ahead due to other provider support being offered to the company and the additional ACS provider claims are part of a comprehensive provider support package, which is currently under review, which can be funded by existing commitments and commissioning underspends.

8.5 If the income support funding estimate of £6 million is accurate, this will result in a total net pressure of £12.5 million to be met by the Council. In conjunction with underspends in non Covid-19 budget forecasts a net £12.3 million overspend is being reported. The contingency budget for 2020/21 was set at £9 million and would therefore be fully utilised, leaving a residual budget pressure of £3.3 million.

	£'000
Net Financial Impact of Covid-19	18,456
Estimated Loss of Income Funding	(6,000)
Net Financial Impact of Covid-19 (incl. Income Funding)	12,456
Net Underspend – Non Covid-19 Related	(209)
Redundancies & Pensions Strain	8
Net Financial Pressure Reported	12,255
Contingency Release	(9,000)
Use of Reserves (incl. estimated new funding)	3,255

8.6 With the clear tapering in the level of government support, continuing high levels of financial uncertainty and the precarious financial position of the Council's budget, the previous approach of unconstrained support for the local community is no longer sustainable. A more cautious approach is now required for all future initiatives to support the local community, businesses and key contractors. Before additional costs are approved offsetting savings will need to be identified to maintain a balanced budget position.

- 8.7 The monitoring position continues to be reported with a heavy emphasis on the level of uncertainty and volatile across all service areas. In particular, the fragility of the social care marketplace, including key service providers, continues to generate concern. In recent weeks there has also been a concerning uplift in the number of children's social care cases with an expectation of further increases now schools have returned. A risk element is included in the £73.0 million forecast, but this will need close monitoring over the next few months.
- 8.8 The current financial impact of £73.0 million does not include an additional £37.5 million of provider payments and extra support being funded by the local Clinical Commissioning Groups (CCGs) and other ring-fenced government grants. This includes contributions under negotiation from the CCGs (£18.8m), the Infection Control Fund (£13.3m), the Track and Trace Support Grant (£4.5m) and the Local Authority Emergency Assistance Grant (£0.9m).

9. Medium Term Financial Position

- 9.1 The medium-term finances of the council are an area of concern as the national and local economies attempt to bounce back from the recession it now faces. The immediate impact on the collection of local taxes is still hard to measure, with the level of collection fund deficit needing to be funded in future years expected to be significant. Even harder still is the forward projection of taxes being collected in the medium-term as claimants for Council Tax Reduction Schemes are starting to grow, housing growth is not being delivered at the same rate as previously seen and business rates are becoming unaffordable, especially in the sectors hit the hardest by the lockdown.
- 9.2 Central Government indicated in its latest announcement that further support will be forthcoming in the Spending Review, expected in late Autumn, to alleviate financial pressures growing in the sector. The announcement included a mechanism to spread collection fund deficits over three years instead of the normal proceeding financial year. This is welcomed by the sector, but this does not provide any additional funding, only some initial relief on the 2021/22 budget.
- 9.3 The table below outlines the medium-term financial position of the Council and how it has been impacted by the Covid-19 pandemic. In February, the published budget gap for 2021/22 was £8.1 million. The latest working position is £20 million.

Budget Gap Analysis	2021/22 £m	2022/23 £m	2023/24 £m
Budget Gap (IP Published in February)	8.1	23.4	30.7
Initial budget actions to close the gap			
<i>Add unreported budgetary impacts: pressures / demography / savings unachieved</i>	10.0	15.0	20.0
<i>Remove assumption of funding reductions</i>	(7.0)	(12.0)	(17.0)
<i>Remove additional contingency budget</i>	(3.5)	(3.5)	(3.5)
<i>Remove general inflationary uplifts</i>	(5.0)	(5.0)	(5.0)
<i>Delay future workforce costs by 6 months</i>	(3.7)	0.0	0.0
Revised GAP (before Covid-19)	(1.1)	17.9	25.2
Impact of Covid-19			
<i>Add additional COVID-19 cost pressures</i>	10.0	5.0	0.0
<i>Add Collection Fund deficit (3 years spread)</i>	6.7	6.7	6.7
<i>Add Council Tax Reduction claimants</i>	10.0	5.0	0.0
<i>Remove 1.2% taxbase growth (new houses)</i>	6.0	12.0	12.0
<i>Reduce Business Rates income due to downturn</i>	5.0	2.5	0.0
Revised Gap (post Covid-19)	36.6	49.1	43.9
<i>Add Assumed potential government funding for modelling purposes</i>	(16.6)	0.0	0.0
Revised Gap (assumes Government funding)	20.0	49.1	43.9

- 9.4 There was considerable work completed last year as part of the Integrated Plan (IP) process which has meant achieving a balanced budget for 2021/22 could have been far less challenging for the Council to deliver. This is illustrated in the upper part of the table with a balanced position in 2021/22 shown in the 'Revised Gap (before Covid-19)' subtotal.
- 9.5 Through additional costs related to Covid-19 and anticipated reductions in funding sources a much different position is now being forecasted. Due to the uncertainty of the level of additional funding and the timing of the Spending Round, which is expected to result in a settlement announcement around Christmas, the Council has needed to proactively draw up budget savings proposals in advance of the announcements. Once funding has been finalised the necessary savings options to achieve a balance budget will be communicated in early 2021.
- 9.6 The IP approved in February 2020 included a net uplift (including inflation, pressures and existing savings) in the Council's budgets of £18.5 million. As shown in the table above, the current forecast is a budget deficit of £20 million which needs to be delivered, either through reductions in the currently approved budget increase of £18.5 million growth or by the creation of new savings initiatives. The target £20 million headroom which has been targeted

is based on an assumed £16.6 million of extra funding being announced by the Government in the Spending Round.

9.7 The impact of Covid-19 on the medium term, as stated previously, is far from certain and carries a number of caveats and risks. The above modelling generates an additional pressure for 2021/22 of £37.7 million, but it would not be a surprise if this figure differed considerably. The greatest source of income for the Council is generated through Council Tax billing (£641m for 2020/21). The volatility and value of this funding source causes the greatest concern. Specifically, there are three elements of Council Tax income which could cause significant budgetary impacts for 2021/22 and later years:

- 1) Council Tax Reduction – the recently released unemployment figures for July of 4.1% show a clear upward trend. This is expected to be compounded further by the tapering of the Government’s Job Retention Scheme. The scheme delivered across the county by the ten billing authorities is estimated to support 59,000 claimants. The annual cost of the scheme to the County Council is in excess of £55 million.
- 2) Housing Growth – in previous years the taxbase has grown due to a steady increase in bill paying households. The downturn in the economy and the impact of lock down is likely to mean the same rate of growth is not achieved.
- 3) Collection Rates – The county achieves a high collection rate across the various district and borough councils, but how the economic conditions impact on the level of unpaid taxes is hard to forecast at this point in time. Payment holidays and additional hardship funding has helped ease the level of unpaid debt, but as these measures are rolled back the level of uncollected debt is expected to rise. The latest figures indicated an average collection rate of 97.84% across the county which translates to £14 million of uncollected Council Tax each year.

10. Equalities Impact

- 10.1 When considering proposals placed before Members it is important that they are fully aware of and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 10.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council’s statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 10.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality

of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

- 10.4 The Council's Equality and Diversity Team continues to work with counterparts in other councils to identify areas where the impact of Covid-19 has had an increased impact on specific communities and are working with service areas and partners to develop appropriate plans.

Background information

Hertfordshire County Council's Response to Covid-19 – September Update (Cabinet, 21 September 2020):

<https://democracy.hertfordshire.gov.uk/ieListDocuments.aspx?CIId=146&MIId=2145&Ver=4>

Guidance for Hertfordshire residents and businesses during the pandemic:

<https://www.hertfordshire.gov.uk/about-the-council/news/news-archive/coronavirus-frequently-asked-questions>