


## REPORT TO CABINET

23 September 2020

<b>Subject:</b>	Reset and Recovery – Phase One Findings
<b>Presenting Cabinet Member:</b>	Deputy Leader Councillor Crompton
<b>Director:</b>	David Stevens Chief Executive Neil Cox Director – Prevention & Protection
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	No
<b>Cabinet Member Approval and Date:</b>	
<b>Director Approval:</b>	7 September 2020
<b>Reason for Urgency:</b>	N/A
<b>Exempt Information Ref:</b>	N/A
<b>Ward Councillor (s) Consulted (if applicable):</b>	Town Workshops held in August 2020 – all members invited.
<b>Scrutiny Consultation Considered?</b>	Findings to be presented to scrutiny in October 2020.
<b>Contact Officer(s):</b>	Kate Ashley – Strategic Lead Sarah Sprung – Senior Lead Officer Jane Alexander – Senior Lead Officer

### DECISION RECOMMENDATIONS

**That Cabinet:**

1. Consider the findings from the impact assessment work undertaken on communities, economy, staff and finance.

# 1 PURPOSE OF THE REPORT

- 1.1 To apprise Cabinet of the activity undertaken in Phase One of the reset and recovery framework, the findings from this work and further detail on Phase Two activity.

# 2 IMPLICATION FOR VISION 2030

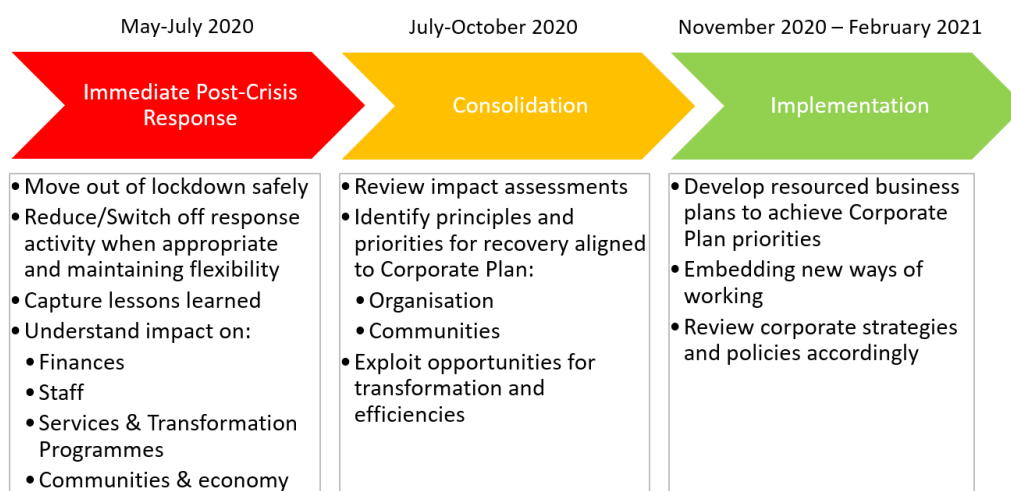
- 2.1 Recovering from the COVID-19 pandemic with our communities, stakeholders and partners will have a positive impact on all ambitions contained in the Vision

# 3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 On 6 May 2020, the Emergency Committee approved the council's approach to the Recovery and Reset Plan. This set out the political, financial and social context within which the council will need to plan its recovery. The report stated that the development of the recovery plan will be driven by the strategic outcomes set out in Sandwell Council's Corporate Plan "Big Plans for a Great Place for the People of Sandwell", as agreed on 10 March 2020:



- 3.2 Furthermore, at its meeting on 27 May 2020 the Emergency Committee endorsed the proposed framework for reset and recovery, as detailed below:



- 3.3 The priority for Phase 1, our immediate post-crisis response, has been to move out of lockdown safely and ensure that we retain flexibility to respond to changes in the local infection rate to support the most vulnerable in our communities.
- 3.4 To this end, the council's Response Plan (as agreed on 27 March 2020) has been continually monitored at the Reset & Recovery Board and reviewed to provide assurance that the council:
- Continues to meet the objectives of the initial response plan
  - Provides appropriate levels of response activity as restrictions have been lifted and operations scaled back
  - Ensures flexibility in our response activity should we need to scale back up in event of local lockdown
- 3.5 As response activity has been reduced or ceased as appropriate, actions have been closed. Where a response activity continues to be delivered and is required longer term, this has been moved to service delivery plans as business as usual. Response activity will be stepped up as necessary, as set out in the Local Outbreak Plan and within the structure of the Incident Management Team.
- 3.6 At the operational level, services have continued to operate business continuity measures and work remotely wherever possible. However, as government restrictions have been lifted, services across the council have needed to respond by restarting limited activity. To move out of lockdown safely, an assurance process for these restart plans has been established, involving sign off of risk assessments and mobilisation plans from consultees including Public Health, Health & Safety, ICT, Finance, Facilities Management and Trade Unions via Human Resources. This process ensures that all appropriate risk assessments have been carried out and appropriate mitigating actions identified and implemented. Final decisions on the restart of services are made by the Reset & Recovery Board, chaired by the Chief Executive, and services that have restarted following approval are invited back to the Board after a few weeks to report any issues in restarting. These decisions are taken in the context of the local situation on COVID community transmission, and restart decisions are reviewed and rescinded where the risk to staff and service users has increased to unsafe levels.
- 3.7 In order to achieve the required outcomes from Phase 1 on understanding the impact of COVID-19, on 18 June 2020 the Reset and Recovery Board established three impact working groups:-



3.8 Each Impact Working Group was made up of officers from across the Council and representatives from our Strategic Partnerships.

3.9 Each group had the following remit: -

- i. to share impact intelligence (including service user/ community intelligence) from directorate areas and external contacts, discuss findings, themes and future implications
- ii. to agree the key messages from analysis of the intelligence to feed into the overall impact report, with particular focus on the following points: -
  - o The impact of COVID-19 on existing issues (negative/positive impact)
  - o Whether COVID-19 resulted in new issues for the borough/council?
  - o Suggest areas for the next stage (thematic working groups).

### **Financial Impact**

3.10 Officers have been working to understand the full financial impact of COVID-19 on the Council, both in terms of loss of income and additional costs.

## **4 THE CURRENT POSITION**

4.1 The Impact Working Groups have now concluded their initial analysis of the impact of COVID-19 on our borough, although it is acknowledged that the effects of COVID-19 will continue to be felt by our communities for some time to come. We will work to continue to understand this developing picture to ensure that the Council continues to respond to any new and emerging needs.

### **Community Impact Working Group**

4.2 This group, led by the Executive Director - Children's Services and the Director – Housing and Communities, has met twice during July and August 2020. Made up of officers from across the Council's Directorates the group has pooled their collective intelligence to develop a deeper

understanding of how COVID-19 has impacted the communities of Sandwell.

- 4.3 Overall, we found that the effect of COVID-19 on our communities reflected that of the national picture, experiencing issues around mental health, food insecurity, digital exclusion, financial hardship and social stresses.
- 4.4 Also, like the national picture our BAME communities have been affected greatly by the pandemic.
- 4.5 A more comprehensive view of the findings from the Community Impact Working Group is attached at Appendix 1, the points below represent some of the key findings identified: -
  - i. COVID-19 has exacerbated existing weaknesses in Sandwell's community, related to underlying poverty and deprivation
  - ii. We need to do something different to address these underlying vulnerabilities
  - iii. To do this well, we need to ensure:
    - a. Engagement is done in the right way and is culturally sensitive
    - b. Changes in our own organisation to do things more corporately
    - c. Focus more resources in areas of most need
    - d. Clear measures of success

#### **Economic Impact Working Group**

- 4.6 This group, led by the Executive Director – Neighbourhoods, has met twice and has focused on the impact on businesses and the local economy as it is currently emerging.
- 4.7 The Group has sought to capture national and regional intelligence and has drawn on service provider experiences and insights. We have also drawn on intelligence from West Midlands Combined Authority and the Black Country Local Enterprise Partnership.
- 4.8 There have been lots of national headlines regarding the impact of COVID-19 on the economy, while this is important the Group have focused on how this translates at a local level.
- 4.9 Specifically, the following vulnerabilities have been identified for Sandwell:
  - - i. Sandwell has the lowest gross disposable household income (GDHI) per head in West Midlands at £13,359; at 0.11 per thousand

rate is the lowest number of high-growth firms per population in the West Midlands.

- ii. The centre for progressive policy has predicted a productivity drop of 36% of gross value added in Sandwell during quarter 2 of 2020
- iii. Research suggests that places with higher entrepreneurial activity than Sandwell recovered faster after the 2008 crisis. This makes the case for business support in Sandwell even stronger
- iv. The Federation of Small Businesses in the UK expects some 25% of SME businesses to close in 2020.
- v. 6.8% of people (16-64) in Sandwell are self-employed -around 13,818 people, and the self-employed are particularly vulnerable group within the crisis

4.10 Therefore, the challenges identified for Sandwell are: -

- i. Disproportionate impact on young people – lack of apprenticeship vacancies, University options, unstable employment
- ii. Low skills base – Sandwell’s starting point is lower, residents who become unemployed and are less skilled are usually less resilient financially and in finding new employment.
- iii. Impact on those 50 plus – as with other Economic crisis it is forecast people aged 50 plus will be disproportionately impacted
- iv. Skills and employment support demand will be different – higher skilled cohort, more disadvantaged move further away from the labour market
- v. Digital exclusion/poverty – still a major barrier for residents to complete training/upskill
- vi. Mental health – anxiety for those returning to work or accessing the labour market

4.11 Finally, it was recognised that we need to understand more about the detailed economic impact on our BAME communities in order to tackle the issues as an organisation.

4.12 Further detail on the findings of this Impact Working Group are attached at Appendix 2.

### **Staff Impact Working Group**

4.13 Led by the Interim Director – Human Resources and supported by colleagues from Human Resources this group has sought to utilise existing networks in place to capture experiences, views and thoughts from the workforce.

4.14 In developing its findings, the Group has drawn on staff surveys, HR data, staff focus groups and the virtual staff conferences held in July 2020.

- 4.15 The Workplace Vision programme had previously undertaken a survey in May 2020 to understand staff experiences during lockdown, the survey sought to understand how staff were coping working at home including impact on health and wellbeing. Within the survey staff were asked if they would like to become work place vision champions for their work area, to cascade key messages and to be points of contact for consultation and engagement. This group of individuals formed two focus groups that met to discuss staff experiences, responses of management and future workforce needs.
- 4.16 The key messages from the work undertaken by the Group are:
- i. Staff have coped well with adapting quickly to a new working style and maintaining service delivery in adverse circumstances
  - ii. It is recognised that this style of working has not suited everybody equally for a variety of reasons
  - iii. We need to now define the new operating model and embed this within the organisation
  - iv. We have to balance the needs of staff with the needs of the organisation
  - v. We have to continue to listen to the voice of our staff through regular pulse surveys
  - vi. Augment communications mechanisms in light of remote working, particularly with the frontline and those without remote access
- 4.17 Further detail on the findings of the Staff Impact Working Group are attached at Appendix 3.

### **Financial Impact**

- 4.18 The Council submits monthly returns to the Ministry of Housing, Communities and Local Government (MHCLG) to illustrate the financial impact of COVID-19. The table below shows a summary of the latest return which was submitted on 4<sup>th</sup> September. It compares the Covid-related pressures (including the non-delivery of some savings plans) against the covid emergency grant funding which results in a £4.260m shortfall. This has improved since last month's return, mainly as a result of an improvement in the estimated shortfall against Council Tax and Business Rates. There is still significant uncertainty around this particular area but officers are hoping to be clearer on this over the next couple of months. This is because:
- a number of businesses have asked to defer their Business Rates payments to September so the Revenues and Benefits team will know how many of these have actually been able to pay.
  - the impact of the end of the job retention scheme on council tax collection rates will also become evident.

4.19 This shortfall will continue to change through the remainder of the financial year and will need to be incorporated into the current review of the council's Medium-Term Financial Strategy. The majority of assumptions within this will need to be revised as a result of Covid and Members will receive further reports and briefings as this review progresses.

	2020/21 Projection	
	£'000	£'000
Covid Related Expenditure (SMBC)	5,874	
Covid Related Expenditure (SCT)	410	
Covid Pressure - savings not achieved	5,512	11,795
Loss of Service Income	7,379	
Loss of Commercial Income	1,359	8,738
<b>Total Service Pressures</b>	<b>20,533</b>	<b>20,533</b>
Loss of Council Tax / Business Rates		8,900
<b>Total SMBC Pressure</b>		<b>29,433</b>
Covid Emergency Grant		(25,173)
<b>Total SMBC Pressure</b>		<b>4,260</b>
		4,260

### Service Impact

4.20 Our analysis has also involved considering the impact of Covid on the Council's services. This analysis has been based on gathering service level impact information directly from services over April and June this year. Subsequently, departmental management teams have discussed the key messages for taking forward into their business planning processes. Some of the key messages are as follows:

#### Change in demand

- 4.21 There have been huge differences of experience between services across the council – some being overwhelmed by the response to Covid and others suffering drop offs in demand when buildings and facilities that they operate from have been closed. However, most service areas reported that they were managing demand effectively despite the disruption.
- 4.22 There has also been a changing picture over time and many services that had initial reduced demand in lockdown have now seen demand spring back and in some cases to outstrip pre-Covid levels e.g. planning and highways.
- 4.23 The type of demand has also changed and many services reported that they are delivering more functions remotely e.g. e-books, training packages, client support, assessments and partnership meetings.



### Impact on service outcomes

- 4.24 Services have successfully minimised most impact on service outcomes by changing the way they have been delivering services. Some of the impacts on services can be summarised as follows:
- i. Loss of income due to a variety of factors – facilities closed, debt and arrears rising, reduced fees. Risk that income loss may rise as recession deepens
  - ii. Sustainability of facilities/ venues going forward
  - iii. Reduced ability of service users/ partners to report safeguarding or other concerns and issues being hidden
  - iv. Expected surge when referrals increase/ schools return and ability to cope with surge
  - v. Business deflection onto Covid-related matters at cost of delivering business as usual
  - vi. Mental Health of staff due to isolation working at home
  - vii. Health and safety risk of services such as inspections being suspended
  - viii. Health and safety risk of staff being exposed to infection - maintaining adequate social distancing whilst delivering services/ reopening services

### Key messages identified for taking forward into business planning

- 4.25 The following represent key areas of focus for us in the coming months: -
- i. Develop corporate future operating model as foundation for further business transformation and embed the new normal
  - ii. Review corporate communications methods in the light of the new normal – internally and externally with the community
  - iii. Focus on understanding and supporting the health and wellbeing of staff as they work remotely
  - iv. Capitalise on further opportunity for channel shift at the same time as focusing on digital exclusion in the community
  - v. Ensuring resources in the right place to maximise capital opportunities for funding
  - vi. Consider ways to restore income levels and speculate to accumulate
  - vii. Consider use of resources for supporting the most vulnerable communities and building resilience
  - viii. Nurture a one council approach to Community Wealth Building as a means of supporting the local economy

### **Transformational Programmes**

- 4.26 As well as understanding the impact on service delivery and outcomes, we also sought to identify the impact of the pandemic on the council's key transformational projects and determine whether these were still fit for purpose to enable the council's recovery programme. This included projects such as Workplace Vision, Transforming Local Services, Oracle Fusion, Technology Modernisation, Digital Transformation, Strategic Asset Management and various customer access improvement projects.

- 4.27 Overall, this assessment found that these transformational projects remain generally fit for purpose, with positive direction of travel in all areas. There is a recognition that some details and specific outcomes of projects need to be reviewed within the context of COVID-19 and associated restrictions. However, work has continued to progress in all areas during crisis period with a focus on what could be achieved with remote working or whilst wider strategic decisions are made. This has been particularly seen by the massive increase demand for and implementation of remote working technology and digital channels across the council.
- 4.28 Delays have been seen on some projects whilst teams:
- i. Have dealt with urgent requests to support/enable council's crisis response rather than pre-existing project plans
  - ii. Paused implementation of projects due to impracticability of difficulties in managing change appropriately with remote workforce or inability of contractors to meet new requirements
  - iii. Work on redesigning and reprofiling the approach to accommodate remote workforce and new demands (such as social distancing)
- 4.29 Key lessons to consider in future strategic and business planning include:
- i. Strategic communications are key to set the direction for transformation across the council
  - ii. There has been a fast pace of design and implementation of change, which exceeded pre-COVID expectations. Therefore, the expectations around the pace of change and realisation of benefits needs to be managed appropriately
  - iii. Given the financial uncertainty of the council in the medium term, we will need to consider how current and future projects are resourced and what can be committed

### **Phase Two Activity**

- 4.30 As stated in the Emergency Committee report on 6 May 2020 the recovery plan will be driven by the strategic outcomes in our Corporate Plan.
- 4.31 The job we have to do now is to use the intelligence generated in our impact analysis to inform development of a revised corporate plan. We need to ensure that what we offer as a Council continues to meet the needs of the communities we serve.
- 4.32 To achieve this a number of thematic groups will be established, made up of officers from across the Council. These Groups will start to do the detailed work of assessing the impact findings against our current offer to establish where we may need to reshape or enhance provision so that we continue to operate effectively as an organisation and provide support for residents and communities where they need it.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 Town Workshops were held with elected members, this ensured that all members had the opportunity to participate, and add intelligence to, the impact analysis. Discussions that took place in this series of seven events were fed through to the impact working groups.
- 5.2 The Chief Executive held a series of staff focus groups, to both offer staff an opportunity to ask questions and to hear about staff experiences of lockdown, challenges in working from home and ideas they may have for the future. Again, this intelligence was fed into the Impact Working Groups.
- 5.3 Looking forward it is paramount that the key messages from the impact work are shared and discussed across our organisation and with our partners, so we can develop a shared understanding of the challenges we face and the positives we want to harness.
- 5.4 We want to build on the positive feedback we have received from staff in relation to the Virtual conferences held in July, one of the benefits of operating in a virtual world is that we are not limited by venue size and we can bring the whole workforce together to hear one message.
- 5.5 Below are the key areas of activity for September and October, further sessions will be added as the work continues and evolves:-
- i. Budget and Corporate Scrutiny Management Board
  - ii. Council
  - iii. All Member Briefing Session
  - iv. Service Manager Briefing
  - v. Two All Staff Briefing Sessions
  - vi. Four workshops with the Community and Voluntary Sector
  - vii. Strategic Partnership Briefing

## **6 ALTERNATIVE OPTIONS**

- 6.1 The framework set out in the report approved by the Emergency Committee will result in the development of plans to enable the organisation and the borough to recover from the impact of COVID-19, therefore alternative options are not required at this stage. When developing approaches and determining specific activities, it will be essential to consider alternative options to ensure the most appropriate way forward is agreed.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The development of the Reset and Recovery Plan will not require specific resources over and above those already allocated to corporate planning activities within the 2020/21 budget.
- 7.2 Integral to the approach is the understanding of the financial impact of the COVID-19 pandemic on the council's budget and medium-term financial strategy. This will influence all reset and recovery activity and is embedded in the Working Principles set out above.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Transparency in decision making and accountability for delivery of the Reset and Recovery Plan will be key to its success. Governance will feed into the existing democratic arrangements and develop over time as more functions come back online. Links to regional activity will be key to the recovery of the council and borough, working in partnership with others, sharing intelligence and maximising the opportunities for Sandwell as whole.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment was undertaken on the reset and recovery process, no specific activity was required on the framework. However, the impact assessments of COVID-19 carried out as part of this framework will highlight if any specific groups have been impacted more than others. This intelligence will drive priorities and activity within the Reset and Recovery Plan.
- 9.2 Throughout the development of the Reset and Recovery Plan, equality impact assessments will be conducted on specific proposals at the appropriate time.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 Any information used to compile this report is subject to information governance legislation and is managed in accordance with the council's policies and protocols. A Data Protection Impact Assessment is not required.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 There is no requirement to carry out a Crime and Disorder and Risk Assessment.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 The information contained within the appendices associated with this report will be incorporated into specific plans developed as a result of this framework.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 The immediate impact of COVID-19 on the health and wellbeing of both Sandwell residents and council staff has been captured through the impact assessments. These impact assessments have identified priorities for action that will be assessed further in Phase 2 of the recovery framework. The longer-term impacts will not be understood for some time, it will be important to continue to update our impact assessments throughout the planning period to ensure any planned activity addresses the key issues.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 The restart of services and the return of services to operating from the council estate requires a co-ordinated and planned approach to ensure staff and service users are as safe as possible. Risk assessments and appropriate mitigations are carried out before these services are 'switched on'. Work continues to prepare our buildings for returning staff.
- 14.2 Throughout the response phase of the pandemic, a high proportion of staff have successfully operated remotely working at home. We are capturing the lessons from staff throughout this period to understand what works and how to address barriers that arise. This intelligence will be incorporated into our plans for a future flexible workforce.
- 14.3 As part of the development of the Reset and Recovery Plan and in response to increased financial pressures on council budgets, we will need to review the council's corporate estate rationalise costs and ensure it accommodates the future needs of a more flexible workforce.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 15.1 The work carried out over the last few months has captured data and intelligence from a broad range of sources. This has enabled us to determine the impact of COVID-19 on the borough and on the organisation.

- 15.2 It is clear from our experiences of responding to the crisis that we work better by coming together. Therefore, the key messages from this intelligence should be shared and discussed widely in order to identify the best activities and approaches to address the issues.
- 15.3 Members are asked to consider the findings from the impact assessment work in order to shape the future priorities for the council and Sandwell as a whole.

## 16 **BACKGROUND PAPERS**

- 16.1 [Emergency Committee Report – 6 May 2020](#)  
16.2 [Emergency Committee Report - 27 May 2020](#)

## 17 **APPENDICES:**

- Appendix A – Community Impact
- Appendix B – Economic Impact
- Appendix C – Staff Impact

**David Stevens**  
**Chief Executive**

**Neil Cox**  
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