

REPORT TITLE: RESPONDING TO THE CORONAVIRUS OUTBREAK

21 MAY 2020

REPORT OF CABINET MEMBER: COUNCILLOR LUCILLE THOMPSON, LEADER

Contact Officer: Laura Taylor, Chief Executive Tel No: 01962 848313 Email:
LTaylor@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report provides an overview of the council's work to support the district during the outbreak of Coronavirus (COVID-19) and also provides the council's emerging plan to support the district in the coming months as peak infection passes.

RECOMMENDATIONS:

1. That the council's response to the outbreak of coronavirus is noted.
2. That the emerging financial impacts on the city council budget are noted and a further report be prepared for the June Cabinet meeting.
3. That the Discretionary Business Support policy be developed in line with national guidance and the award of discretionary business support be delegated to the Section 151 officer following recommendation from the Discretionary Business Support Panel comprising the Cabinet Member; Finance and Cabinet Member Local Economy, Strategic Director: Place and Corporate Head of Resources.
4. That the policy to write off qualifying commercial rents from March to June 2020 on application from premises with a valid tenancy arrangement in the council's portfolio is agreed. The decision to write off any rent be delegated to the Section 151 officer following recommendation by the Rent Abatement Panel comprising the Cabinet Member: Housing & Assets, Cabinet Member: Finance, Strategic Director Place and Corporate Head Asset Management.
5. That the outline Restoration and Recovery Plan be agreed but updated as required in the light of emerging information and local circumstances.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 The global pandemic of coronavirus has resulted in unprecedented challenge to the nation on a scale not experienced since the outbreak of WWII. Families and communities have suffered heart breaking personal loss and financial crisis. The council responded to this outbreak by maintaining council services, providing support to local businesses, supporting the most vulnerable in our communities and delivering national funding packages. The themes of the Council Plan could not be more relevant as we look forward how to best support our district to recover over the coming months.

2 FINANCIAL IMPLICATIONS

- 2.1 This report sets out the potential financial impacts of COVID-19 and the social distancing measures on the 2020/21 budget and medium term financial strategy (see section 13 and Appendix 1).
- 2.2 The council has already experienced a major downturn in projected income and is likely to also experience difficulties in collecting payments in relation to council tax and business rates. Initial forecasting indicates potential year end deficits of between £6 and £12m, subject to a range of assumptions resulting in the “optimistic” and “pessimistic” scenarios as set out in the report. With a net revenue budget of £18.5m, some significant decisions will need to be taken in the next two months to ensure the council is able to mitigate against the potential deficits.
- 2.3 The council has received Government funding of £1,281,000 as a contribution towards covering additional costs and reduced income.
- 2.4 Work is currently underway to review options for reducing spend in the current year. Consideration will also need to be given to the potential to use/redirect reserves and/or refinance the capital programme. It will be necessary for council to approve a revised budget at its meeting in July.
- 2.5 The report seeks approval for the process to determine abatements of rent in relation to the council’s commercial property, as set out in in the report and appendix 3. The abatements will need to be formally treated as “write offs” in the council’s accounts and have been included in the financial forecasting set out in the report.
- 2.6 The proposal to offer rent abatement to a number of the council’s commercial tenants will see a significant reduction in the council’s commercial income. Currently 35 tenants have approached the estates team requesting help with their current quarters rent, the total amount of rent this represents is £180,000 write off and just under £60,000 deferrals to be paid at a later date. This equates to 21.5% of the total rent due in a normal quarter. Most of the tenants are in the retail or hospitality sectors with only six being office tenants.

- 2.7 The largest of the office occupiers that have approached has a quarterly rent commitment of £50,000. For this case, it is recommended that rather than a concession, this rent is deferred for payment until the end of the current financial year.
- 2.8 The Council may have to consider further requests over the coming months. It is therefore recommended that delegated authority is given to the Section 151 officer following recommendation by the Rent Abatement Panel comprising the Cabinet Member: Housing and Assets, Cabinet Member: Finance, Strategic Director Place, Corporate Head of Assets.
- 2.9 In addition to rent concessions, there are rent arrears outstanding on a number of properties. It is difficult to pursue many of these at the current time but where a three month rent abatement is granted and where there are rent arrears outstanding, it will be made clear that the abatement is 'without prejudice' to our right to recover the existing arrears. For the March 2020 quarter the council has collected 57% of rent due, with £360,000 still outstanding. Taking into account the abatement and deferment applications totalling £240,000 means that there is still £120,000 rent outstanding.
- 2.10 As described in section 13.12 below, the council has also made a small number of advance payments to its contractors in accordance with the "Procurement Policy Note - Supplier relief due to COVID-19" issued in March 2020. All such requests are considered by an officer panel. The advanced payments have assisted contractors with cash flow pressures without a significant impact on the council's own cash flow. None have resulted in additional costs to the council.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council is a Category One responder under the Civil Contingencies Act 2004 and is therefore required to initiate and take action as necessary to respond to any emergency. The council is part of the Local Resilience Forum which brings together partners and national advisors if required to support response and recovery in relation to major emergencies which require cross agency cooperation.
- 3.2 In addition, the council has wide ranging authority under the 'general competence' provision of s1 of the Localism Act 2011 which enables it to take actions to the benefit of its area which are commonly available to other private sector bodies.
- 3.3 During the outbreak, new primary and secondary legislation was passed by Central Government in order to amend established ways living and working that required social distancing, home working, school closures, protection of key workers and the vulnerable. This framework enabled councils to assist to combat the economic and health effects of the outbreak, through additional public protection enforcement and social care responsibilities.
- 3.4 The Cabinet Office issued three Procurement Policy Notes (PPNs) during the outbreak. The most relevant to the Council was PPN 02/20 – Supplier

Relief due to COVID-19. A corporate group was established to review requests that were made by suppliers under PPN 02/20 and also identified potential at risk strategic suppliers and worked with them to minimise the impact of COVID-19 and to ensure continuity of service both during and after the outbreak.

4 WORKFORCE IMPLICATIONS

- 4.1 As is set out in the report, a main priority was to maintain council services at usual delivery standards for as long as possible. Staff were relocated to work at home at with some staff required in the office on a rota basis to support front line response.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The social distancing requirements significantly affected the ability for businesses to trade including those in the in the council's property portfolio. The paper sets out the impact upon those businesses and a proposal to support them through rent abatement if qualifying criteria are met.
- 5.2 The Coronavirus Act 2020 protects a business tenant from a landlord taking forfeiture action until June 30 2020 in circumstances where rent is unable to be paid. On 23 April 2020 Central Government announced that measures should protect the High Street. The Coronavirus Act 2020 does not negate the remaining terms of a lease or tenancy at will.
- 5.3 The decision to respond to an application from a commercial tenant of the council and to offer the council's commercial tenants, paying commercial rent, an abatement, being a write off of the March quarter rent must be "without prejudice" to the remainder of a tenants lease obligations. A current and valid tenancy agreement, preferably a lease rather than a tenancy at will, is required in order to enact the recommendations.
- 5.4 All of the council's commercial tenants, who apply and are granted a rent abatement, are required to comply with the remaining terms of their lease. The decision to offer tenants an abatement of the March quarter is a one off concession in circumstances where payment relief is required for economic reasons due to the extraordinary current circumstances as in recommendation 5 of this report.
- 5.5 If agreed, a 'write off' of the March quarter may be readily implemented through a side letter and no variation to the existing lease is required. It is recommended that where possible, if rent abatement is to be provided to a tenant who occupies a property subject to a tenancy at will, that such a tenant is placed on leasehold arrangements to secure the rent write off of the March quarter.

6 CONSULTATION AND COMMUNICATION

- 6.1 The information available to public bodies was subject to rapid development and change to adapt to progress of the outbreak and as set out in the report,

a key strand of the council's work was to provide a constant and reliable set of public information

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The outbreak was classified as a major emergency and urgent but proportionate measures were put in place to protect the health, safety and welfare of our communities. The impact of the loss of life and heartbreak to families can not be compensated by any environmental gain but with opportunity for reflection it can be seen that some changes to how we live and work, although a consequence of the pandemic, have led to emerging, positive environmental benefits. For example, during the period of enforced social distancing, traffic decreased leading to lower levels of pollutants from cars, people walked for their hour of exercise and our open spaces rested from large numbers of visitors. As a nation we became more proficient in remote working, businesses operated differently and communities supported each other. The Restoration and Recovery Plan seeks to capture some of these benefits.
- 7.2 With council teams working from home, the council introduced virtual internal and public meetings which will continue to be used, where possible, to avoid unnecessary travel and increase the range of engagement with communities in the district unable to easily travel.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 One of the main principles adopted during the outbreak was to provide services for as long as possible at usual service levels. However, restrictions on social distancing did mean that some services, such as routine internal repairs to council houses, for example, had to be rescheduled.
- 8.2 However, other services continued with amended ways of working, for example the Planning service continued and site visits were undertaken where social distancing could be observed.
- 8.3 Other services to support our most vulnerable and isolated residents were increased. Our elderly housing tenants were all telephoned, homeless were supported into accommodation and those in sheltered accommodation were regularly visited. As part of the Local Response Centre, colleagues supported shielded residents with shopping or collection of prescriptions.
- 8.4 Some services did not change significantly during the outbreak, even though demand decreased. The Park & Ride buses were largely unused and although minor timetabling changes were made, those who needed to travel could do so.
- 8.5 During the outbreak, changes were made to support the health, safety and welfare of the community within the national context of social distancing. Should the Recovery and Restoration Plan consider alternative delivery methods on a semi-permanent arrangement; an Equality Impact Assessment will be undertaken.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The council operated a Local Response Centre and received referrals for assistance from the county council. All information received within the referral centre has been held on council servers. A considerable number of community groups supported the effort to assist 'shielded residents' but contact details were only passed on with the consent of the resident. Information on data handling was provided to all community groups by Community First and to the parish and town councils by the city council.

10 RISK MANAGEMENT

- 10.1 The risks in dealing with the effects of the pandemic are far reaching and this report starts to set them out from the council's perspective in the subsequent sections below. The aims of the council's Gold Command provided the framework to mitigate and minimise risk for the district as a whole during the outbreak.

Risk	Mitigation	Opportunities
<i>Property Significant risk of loss of income from businesses unable to trade and therefore pay rent</i>	Some use of existing reserves, proposals to defer or cease projects and/or refinancing of the capital programme will be considered to achieve a balanced budget by March 2021	
<i>Community Support That organisations 'willing to help' are not fully engaged</i>	Support given to voluntary organisations to maintain capacity throughout the outbreak.	Improved engagement of community organisations after the outbreak passes
<i>That residents that need help 'slip through the net'</i>	The county wide and local response centres support shielded residents Regular communication to encourage communities to look out for those in need	Improved community spirit after the outbreak passes captured through the community wellbeing strategy
<i>Economic impacts Significant risk to local economy due to enforced</i>	Implementation of national funding packages Close working with	The opportunity to reconsider the strengths and gaps in local economy once the outbreak passes

<i>social distancing requirements</i>	Chamber and BID Regular communication and advice line	through the economic development strategy
<i>Financial / VfM – Significant risk to maintaining a balanced budget as a result of reduced income and forecast budget deficits</i>	Some use of existing reserves, proposals to defer or cease projects and/or refinancing of the capital programme will be considered to achieve a balanced budget by March 2020	
<i>Legal</i> <i>The Coronavirus Act 2020 and subsequent regulations introduced requirements from central government on local authorities mandating enforcement, care for the vulnerable and new ways of working which the Council needed to rise to the challenge and meet</i>	Collaborative working across the Council to assist with additional obligations from central government: such as virtual meetings, social housing and care, homelessness, contract variations, residential and commercial debt rebates, grants, major project implications, contractual claims, and traveller and public protection enforcement.	Efficient, integrated delivery across the Council
<i>Innovation</i> <i>That the opportunity to use technology to carry out work of the council be missed</i>	Virtual meeting technology introduced New weekly e-mailed updates to 15,000 residents introduced	That virtual meeting technology be used to engage a broader group of citizens in the future. Ensure essential service updates and public health messages reach the greatest possible number of residents, whilst supporting our commitment to embrace low carbon activity.
<i>Reputation</i> <i>That the council be seen</i>	This report sets out the range of advice, support	Maintain regular communication with

<i>not to show local leadership</i>	and direct action provided by the council to support our communities.	residents and businesses through a range of approaches. Ensure activities are aligned with partners.
<i>Other</i>		

11. BACKGROUND

11.1 Coronavirus disease (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. Common symptoms include fever, cough, and shortness of breath.

The World Health Organization (WHO) declared the 2019–20 Coronavirus outbreak a Public Health Emergency of International Concern (PHEIC) on 30 January 2020 and a pandemic on 11 March 2020. Local transmission of the disease has been recorded in many countries across all six WHO regions. On 31 January the first confirmed cases of COVID-19 were recorded in the UK.

11.2 The virus that causes COVID-19 disease is present and spread in the community. Through the Local Resilience Forum (LRF) and local emergency command centres, Hampshire and Isle of Wight enacted the measures from Government to delay the spread of infection, including school closures and cessation of non-critical services.

11.3 On 20 March 2020, measures to close entertainment, hospitality and indoor leisure premises, as well as certain outdoor recreational facilities, were put in place from the end of trading to limit spread of coronavirus and the public were urged to stay at home and limit all but essential travel. People who could work at home were asked to do so.

11.4 A county wide multi-agency Strategic Co-ordination Group and supporting response structures was stood up to formalise and better support the partnership working that has already been occurring between local councils, health partners and emergency services.

11.5 The council is a Category One responder under the Civil Contingencies Act and is therefore required to initiate and take action as necessary to respond to any emergency. The council is part of the Local Resilience Forum which brings together partners and national advisors if required to support response and recovery. There are two distinct but overlapping phases in emergency management.

Response Phase – Encompasses the actions taken to deal with the immediate effects of the pandemic. At this point rapid implementation of arrangements for collaboration, coordination and communication are vital. Response encompasses the effort to deal with the direct effects of the emergency itself and the indirect effects.

In this response the Local Authority Directors of Public Health in Hampshire, Portsmouth and Southampton jointly chaired the SCG. Following this, the collective decision was made to hand this over to Chief Fire Officer, Hampshire Fire and Rescue Service. This enabled the Directors of Public Health to give their full attention to the public health issues arising.

Recovery Phase – The recovery phase begins at the earliest opportunity following the onset of an emergency, running in tandem with the response to the emergency itself. It continues until the disruption has been rectified, demands on services have returned to normal levels and the needs of those directly and indirectly affected have been met. In sharp contrast to the response phase, the recovery phase may endure for months, years or even decades.

The LRF started preparations for recovery in mid-April 2020 under chairmanship of the Chief Executive of Portsmouth and Gosport councils.

12. SUPPORTING INFORMATION:

Managing the response

- 12.1 The Gold (Strategic), Silver (Tactical) and Bronze (Operational) tiered command structure used by Category One responders is nationally recognised and accepted. The terms Gold, Silver and Bronze are used to describe *individual* agency levels of command. The terms Strategic, Tactical and Operational are used when describing multi-agency command levels.
- 12.2 The Chief Executive is a member of the LRF Strategic Co-ordination Group and stood up the council's Gold Command on 2 March 2020. Early implementation of Winchester Gold Command enabled significant preparation to be made to maintain council services at usual levels even when working remotely well in advance of enforced social distancing from 20 March 2020.
- 12.3 The terms of reference for Winchester Gold Command were:
- To continue to offer council services at full functionality for as long as possible;
 - To transfer staff to remote working to deliver full functionality for as long as possible;
 - To support the most vulnerable in our community working with other partners as required;
 - To deliver Government funding and support packages as required;

- To provide up to date advice and information to residents and signpost to relevant agency as required.

12.4 The Gold Command team consisted of the Chief Executive, Strategic Directors, Corporate Head of Strategic Support, Service Lead: HR and the Senior Policy Manager. Gold Command meetings were held on a planned schedule, peaking at week 3 with daily meetings. Seven priority work-streams were established:

- Community support
- Supporting business
- Financial impacts
- Communications
- Internal business continuity
- Contractor business continuity
- Restoration and Recovery

Corporate Heads of Service were Silver Commanders, responsible for maintaining service delivery and providing a dynamic response team.

Hourly weekly meetings were held with Cabinet, followed by an hourly weekly meeting with Cabinet and Shadow Cabinet.

This report is structured using the Gold Command work-stream headings.

WORKSTREAM: COMMUNITY SUPPORT

Engaging local community groups

12.5 The pattern for the response on behalf of the local community was established early across Hampshire whilst final details on roles and responsibilities for shielding and food distribution were being established centrally.

12.6 The county council established a central hub for enquiries and requests for support with a single phone number. The HantsHelp4vulnerable call centre is open seven days a week and each district council set up a 'local response centre' (LRC) to which the county council referred requests for assistance which require local intervention. Both tiers have established links with voluntary sector organisations which can provide some of the services required and others are provided directly by the district council.

The setting up and operation of this network has been swift and well organised and seems, so far, to have demonstrated the value of simplicity and clarity in the delivery of a new and previously untested approach. City council staff from a number of teams joined together to set up the

Winchester LRC on 30 March 2020 with an effective system of call handling and triage supported by mobile staff who have delivered food parcels, prescriptions and other supplies.

- 12.7 Many members of the public across the district mobilised as community volunteers, either as part of a network or simply to assist friends and neighbours. These efforts have maintained the number of people needing local authority assistance at a low level and demonstrates how people local communities have cared for each other when the need has arisen.

The council took on the role of mapping this community network of support and continues to maintain an online directory of contacts for communities across the district. This informs members of the public seeking support in the local area and also the LRC staff when identifying the most appropriate way to provide support to callers. Information was quickly gathered on the availability of other key services for vulnerable people, such as the food banks and Citizens Advice.

- 12.8 In collaboration with Community First, advice and guidance from national and regional sources has been supplemented by locally developed information and shared regularly with this extensive community network. This has addressed issues such as safeguarding, personal safety and handling payments – issues that are new to many of the volunteers and informal groups that have emerged in response to the pandemic.
- 12.9 The important role of the food banks was identified in the very early stages of the lockdown, as were the challenges they might face as a result of unprecedented increases in demand for their services. The council has supported Winchester Basics Bank and Meon Valley Food Bank through managing a delivery service to those people unable to collect their food parcels and also by seeking to increase the supply of food to them through its contacts in the food production and supply industry.
- 12.10 LRCs continue to operate seven days a week between 9.00am and 5.00pm and will do so until the national guidance is to stand them down. The Winchester LRC has handled 331 requests for assistance up to May 3rd 2020

‘Shielding’ support

- 12.11 Shielding is a measure to protect those individuals categorised as clinically extremely vulnerable - individuals with specific medical conditions which put them at higher risk of severe illness should they contract the COVID-19 virus. 1618 people in the district were originally identified although a second wave of assessment was undertaken by GPs which identified additional residents for shielding. The personal details of those shielded is held securely by the county council.
- 12.12 Local authorities are not involved in the regular delivery of food parcels to those people considered ‘extremely vulnerable’ who were asked to shield from everyday life for at least 12 weeks from the end of March. These households receive their delivery direct from government suppliers.

- 12.13 The Government asked all councils to put in place a phone line that shielding individuals can use if they have urgent needs, for instance not having enough food for the next 7 days and instances such as this are dealt with through the LRC.

Supporting our tenants

Services to tenants have been maintained with minimum disruption. All duty telephone rotas and the housing hub service continue to be fully manned and operating as normal.

Providing support

- 12.14 Support letters were sent to all Extra Care and Sheltered Housing tenants to offer advice, provide support. Daily 'keeping in touch' telephone calls were made to the most vulnerable tenants with limited personal support networks. Our sheltered housing team continue to offer support and help with emergency shopping and prescription collection for our over 70's tenants self-isolating when no other support network is in place.
- 12.15 Health and welfare calls were made to over 900 general need tenants identified as vulnerable and potentially in need of extra support during the lockdown. Those tenants identified as vulnerable receive a daily welfare call with the more independent tenants receiving a monthly keeping in touch telephone call. Advice and support was provided directly by housing teams or by sign posting to more appropriate support agencies including the HantsHelp4Vulnerable call centre.
- 12.16 The work of neighbourhood services is business as usual with the team carrying out inspections across the district. Health and safety and fire alarm checks at general need blocks of flats and temporary accommodation sites continue with a good supply of PPE. The team took on additional daily cleaning duties at Winnall flats to support increased cleaning of all communal touch points.
- 12.17 The tenancy support team have received 53 reports of anti-social behaviour since end of March with tenants struggling to contact the Police and as such reporting cases of cannabis use, concerns regarding drug dealing and people not self-isolating.
- 12.18 There has been no reported increase in cases of domestic violence but for those that have suffered over recent weeks the team offered a safe meeting place in the city offices to meet in person with the victims.
- 12.19 The Tenant and Council Together (TACT) and tenant involvement meetings are currently paused due to many tenants self-isolating and concerned about gathering in numbers. However, the team are in regular contact with TACT members through email and telephone contact to ensure scrutiny of service delivery continues.

Maintaining Tenancies

- 12.20 Allocations and lettings through the Hampshire Home Choice scheme were paused in line with government recommendations that as far as possible people should not be moving to a new home while the national emergency is in place.
- 12.21 The pause in allocations helped the council to stock pile a number of void properties to use in emergency situations arising through COVID-19 related issues and normal homelessness situations, such as:
- Those fleeing domestic violence
 - Those in shared accommodation demonstrating coronavirus symptoms
 - Those sofa surfing through friends and family goodwill
 - New rough sleepers arriving on the streets; and
 - Other new health and welfare issues arising through self-isolating constraints – overcrowding, family breakdowns.
- 12.22 At the end of March, nine lettings were put on hold for 3 weeks, reviewed on a case to case basis following the enforced social distancing period. Moves were later granted in line with the social distancing rules and to the applicant's original allocated property. Allocations and lettings continue to be reviewed on a case to case basis and we currently hold 27 void properties as at end of April.
- 12.23 The notice to quit process is dealt with on a case to case basis with the notice period increased to 3 months rather than the usual 28 day notice following emergency legislation introduced by the government to protect renters from eviction which also include:
- Suspension of new evictions from social or private rented accommodation whilst the national emergency is taking place.
 - No new possession proceedings through applications to the court to start during the crisis.
- 12.24 A decision had already been taken before the introduction of new legislation to suspend three scheduled evictions at bailiff stage. The tenants received a letter explaining the suspension is in place to prevent homelessness during the national emergency.

Repairs service

- 12.25 Contractors Osbornes and PH Jones are currently responding to "Emergency Works" to prevent the spread of COVID-19 and to comply with movement restrictions.

Council - Emergency Works definition:

'Incidents that require an immediate response to either prevent danger to life or extensive damage to the property, if the incident/problem will have a serious and unavoidable adverse effect on someone's medical needs or personal health and/or safety or if there is an infant under 1 year old living in the property'.

- 12.26 Whilst contractors will make every effort to meet repair targets the availability of materials, resources, and staff may mean that some works will take a little longer to resolve. Should a tenant report a non-urgent repair the job will be acknowledged, logged and scheduled for a later date. The same applies to property surveyor inspections with the log of works regularly reviewed.

Emerging financial impacts on the Housing Revenue Account

- 12.27 The income team continue to follow business as usual processes to collect rental payments and rent arrears with softened recovery letters sent to tenants. Support is offered on a case to case to basis with all first contacts made by text and telephone rather than the usual generic rent arrear letters.
- 12.28 A decision was made to not offer tenants a holiday rental period short term fix as this would increase rent arrears placing tenants in further debt. Other more suitable financial support is available through the normal welfare benefits system and the government's COVID-19 furlough scheme.

Predicted Rent Arrears for 2020/21 (worst case scenario)

- Rent Arrears as at 30.03.20 = £420k.
- Rent Arrears as at 01.04.21 = £670k

Rent arrears over the past two months have significantly increased with the local roll out of universal credit and the 5 week delay period before the first payment is made contributing to a high proportion of the current rent arrears.

New Build programme

- 12.29 All new homes building work was suspended by contractors during the last week of March. However, design and development work continues with coordination and collation of information and design, ensuring architects meet the design brief and viability levels. External appointments are continuing including ecologists, liaising with structural engineers and energy surveyors. Consultants and designers continue to work as do the new homes team with schemes steadily progressing towards planning applications. The team are also exploring virtual consultation opportunities to engage with local residents and community groups.
- 12.30 Contractors returned to work at the Valley in Stanmore and Hookpit Farm in Kings Worthy on 27 April 2020. The team are also revisiting potential garage sites ready to help kick start the economy.

Supporting homeless households

- 12.31 All local and known rough sleepers were accommodated within a week of the social distancing announcement and the situation is monitored daily to ensure any new rough sleepers arriving in Winchester are either safely returned to their home area or accommodated locally.
- 12.32 The council entered in to a temporary lease with A2 Dominion making use of an empty hostel at City Road, to accommodate rough sleepers. This was achieved within a 48 hour period including the drawing up of a temporary lease between both the council and A2 Dominion legal teams. Due to demand the council placed additional homelessness households and some needing to self-isolate in other local accommodation.

Additional homelessness provision costs include:

- City Road lease with A2 Dominion of £2,300 per month, Council Tax and utilities charged as an additional cost.
- Room rate of £40.00 per day in other accommodation.

A proportion of charges will be recovered through housing benefit claims.

- 12.33 The daily homelessness outreach service continues as usual with staff resources reallocated to support 10 rough sleepers accommodated at the City Road Project and 9 homeless households in other accommodation (as at 1.5.20)

Council Tax and Hardship Policy

- 12.34 The significant majority of council tax payments are paid by direct debit over 10 months. In early April, the option of switching payments from April 2020 to January 2021 to June 2020 to March 2021 was offered by the team and on social media. Take up of this option has been low to date.
- 12.35 As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.
- 12.36 The Government's expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local Council Tax Reduction (CTR) schemes. The council's allocation of the funding is £659,680. The proposed policy was considered at Council on 20 May 2020 but an overview is given here for completeness.

The Government's guidance sets out a "strong expectation" that council's will provide all recipients of working age CTR with a further reduction in their annual council tax bill of £150 during the financial year 2020-21, regardless of whether they have been directly impacted by COVID-19. Where a taxpayer's liability for this year is less than £150 after the application of CTS,

then their liability would be reduced to nil. Where a taxpayer's liability is already nil, no reduction to the Council Tax bill will be available.

After allocating this reduction the Government expects billing authorities to establish their own local approach to using any remaining grant to assist those in need through measures such as:

- Increasing the £150 initial award to a higher amount
- A hardship fund to review individual circumstances on a case-by-case basis
- An allocation to provide support to other schemes outside of the CTR framework which are in existence as a result of COVID-19 or aid support to residents regardless of COVID-19

12.37 At the meeting on 20 May 2020, Council considered a proposal that rather than provide a £150 reduction on the annual bill, that the reduction be £300. It was also proposed to establish:

- An additional "Hardship Fund" to be used to reduce Council Tax arrears of those households that are eligible for a Discretionary Housing Payments or are otherwise suffering financial hardship as a result of the COVID-19 outbreak. For many households, it is likely that we would only identify hardship at the time that recovery action begins
- A Local Welfare Fund, (suggested at £25k), to be administered through the Local Resource Centre and based on guidance from the Housing team on tenancy sustainment issues, e.g. more funding for hot meals, emergency support outside of housing costs (i.e. to ensure separation from existing DHP fund).
- The approved scheme will be reviewed after 6 months.

WORKSTREAM: SUPPORTING BUSINESS

Delivering business support packages

12.38 The council moved quickly to support local business following government announcing the business grant scheme in March, and the allocation of government funding of £29m to Winchester district on 1st April. A key element of this was to set up an easy online application process, rapidly contact nearly 2,300 local businesses and to mobilise payment of grants to those eligible that responded. By early May, over 1,700 grant payments, totalling £22m had been made to smaller businesses and the retail, leisure and hospitality sector across the district.

12.39 Distribution of the spend was monitored on a weekly basis by the Ministry of Housing, Communities, and Local Government with the council ranked in the top third on performance getting grants to local companies. The council has received very positive feedback from the local business community for the speed and efficiency of the grant process.

12.40 The council has also followed up those businesses that did not respond to the initial notification about grant eligibility to ensure all those who should get a grant do so. There has been considerable publicity about the scheme nationally, locally through the council's entrepreneur e-news, social media and with local business partners, such as the Winchester BID and Chamber of Commerce.

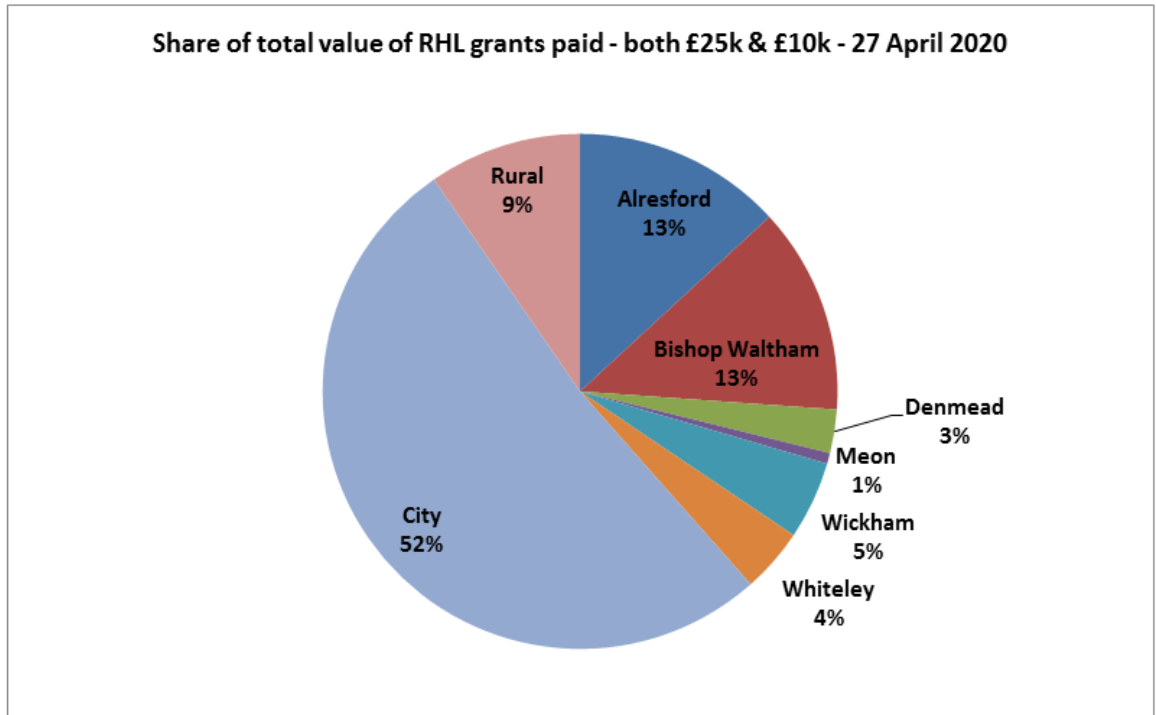
Distribution of grants

The support administered by the council is for small businesses, and businesses in the retail, hospitality and leisure sectors which were currently liable for Business Rates. The scheme is defined in government guidance.

This support takes the form of two grant funding schemes – in summary:

- the Small Business Grant Fund (SBGF) for businesses which are eligible for relief of business rates under the Small Business rate Relief scheme and the Rural Rate Relief scheme. Grant value - £10,000; and
- the Retail, Hospitality and Leisure Grant (RHLG) for businesses with a rateable value less than £51,000 and which would have been eligible for a discount under the business rates Expanded Retail Discount Scheme. Eligible businesses with a property rateable value up to £15,000 receive a grant of £10,000; those with property with rateable value from £15,000 to £51,000 receive a grant of £25,000.

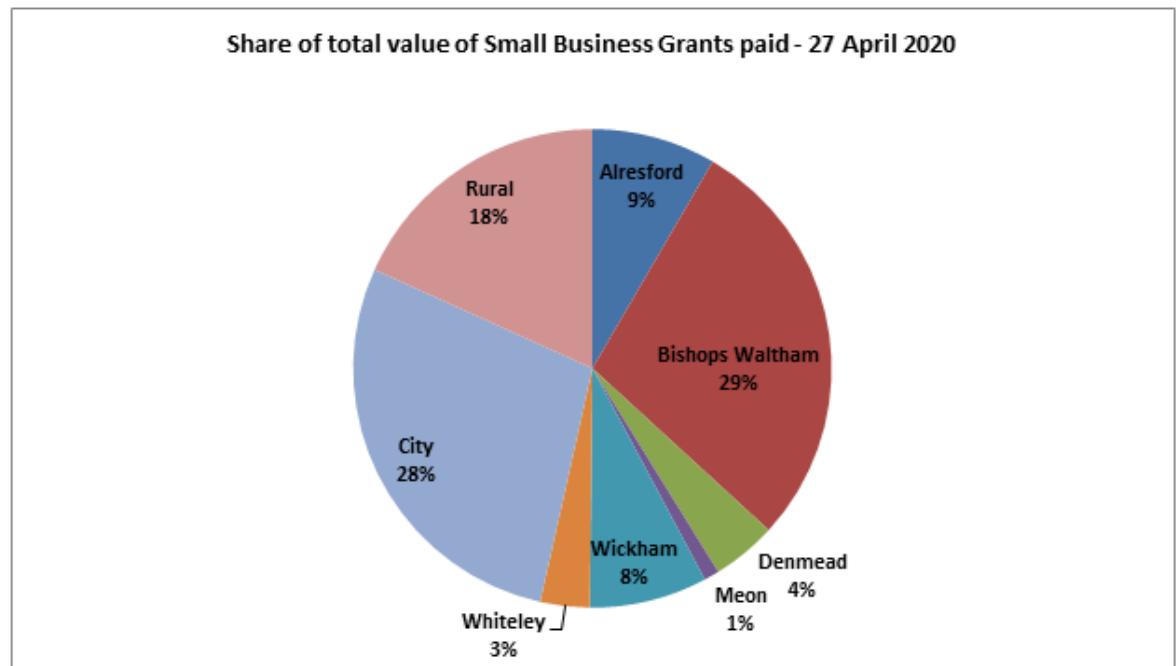
The charts below show funding distribution of these grants to businesses throughout the district



Locations

Place name	Post Code	Place name	Post code
Alresford	SO24	Wickham	PO17
Bishops Waltham	SO32	Whiteley	PO15
Denmead (&Waterlooville)	PO7, PO8	City	SO22 & SO23
Meon (East & West)	GU32	Rural	SO21, SO30/31, SO50/51

Small Business Grants - £10K as at 27 April 2020
- paid to businesses in receipt of small business rate relief and rural rate relief



12.41 On 6 May, the council received a letter from the government outlining proposals for a Local Authority Discretionary Grant Fund for small businesses that did not qualify for the grant scheme based on a business rates assessment. At the time of writing confirmation of funding and guidance are yet to be received. The letter indicates that Local Authorities should prioritise the following types of businesses for grants from within this funding pot:

- Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
- Regular market traders who do not have their own business rates assessment;
- Bed & Breakfasts which pay Council Tax instead of business rates; and
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

The list set out above is not intended to be exhaustive, but is intended to guide Local Authorities as to the types of business that the Government considers should be a priority for the scheme. The letter states that authorities should determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for grants from this discretionary fund. The precise design of the discretionary fund will be up to each Local Authority.

The Government has set out some national criteria for the funds which must apply to all grants made from this Fund. These grants can only go to:

- Businesses with ongoing fixed building-related costs
- Businesses which can demonstrate that they have suffered a significant fall in income due to the Covid-19 crisis
- Business with fewer than 50 employees
- Businesses that were trading on 11th March.

In addition, businesses which are eligible for the existing grant schemes or self-employed Income Support Scheme are not eligible and all monies from that scheme must be allocated before this additional scheme funding is allocated.

Grants are capped at £25,000. The next level of grants is £10,000 with discretion to make payments of any amount under £10,000. It will be for Local Authorities to adapt this approach to local circumstances. The Government would expect decisions on the appropriate level of funding to reflect the relative costs borne by businesses and to align with the Small Business Grants and Retail, Hospitality and Leisure Grants Funds.

12.42 As this is a discretionary fund, Local Authorities are expected to use an application process and this is yet to be developed pending receipt of the further guidance. It is proposed that a panel is established to advise and administer these grants within government guidance using appropriate discretion within that framework it is proposed that the Section 151 officer has delegated authority to determine grant applications following recommendation from the panel. The panel to consist of the Cabinet Member; Finance and Cabinet Member Local Economy, Strategic Director: Place and Corporate Head: Resources

12.43 In addition to the Small Business Grant and the Retail, Hospitality and Leisure Grants, the Business Rates Retail Relief was extended to a 100% for 2020/21. This relief will apply to occupied retail, leisure and hospitality properties in accordance with the guidance provided by the Government and there is no rateable value limit on the relief. More than 900 businesses have received the relief to date and have nothing / NIL to pay for 2020/2021.

The council as commercial landlord has also been working closely with its tenants and dealing with requests for rent abatement or deferral as noted elsewhere in this report. The process for determining those requests is outlined in appendix 3.

Keeping business informed

- 12.44 An information gateway for business on the council website has provided a clear point of access to information on all the Government support and advice available. Three special editions of the council's business e-news bulletin Entrepreneur have been issued taking the latest information direct to the local business community. Regular liaison with key support organisations including Enterprise M3 Local Enterprise Partnership and its Growth Hub, Hampshire Chamber of Commerce, and Winchester Business Improvement District has ensured up to date information on support is directed to those who have needed it.
- 12.45 Local sports clubs have been contacted about the Sport England £195 million package of support, heritage organisations about the £50m Heritage Emergency Fund and art organisations with news of the Arts Council England £160 million of emergency funding available for those organisations and individuals.
- 12.46 With the enforced closure of the hospitality sector on Friday 20 March, the council provided advice and support to business to transfer to take-away.
- 12.47 IncuHive a local business support organisation funded to deliver the council's business support service moved its help to online. This service includes free 1:1 video mentoring and training workshops.
- 12.48 A dedicated COVID-19 Business Information Helpline was established so businesses could make direct contact with officers about business issues, concerns and support that might be available. Winchester Visitor Information Centre continued to respond to enquiries from people planning future visits to the city as well as helping people who need to make essential journeys here and advising them about local transport services etc.
- 12.49 The Visit Winchester team worked with our heritage and cultural organisations and visitor attractions such Hampshire Cultural trust and Marwell Zoo to create virtual tours. Over Easter they created an Instagram virtual Easter Egg Hunt using pictures of district attractions. Many of Visit Winchester's planned campaigns including Mayflower 400 have been transferred to an online platform – bringing Winchester's history and heritage onto the screens in people's homes.
- 12.50 Information and data about the extent of the economic impact of the business closures is being collected in order to inform the restoration plans in development for when measures are relaxed. As appropriate this will include:
- how to re-start sectors of the economy and comply with continuing, if relaxed, social distancing measures;
 - marketing campaigns to relaunch the city and market towns to bring people back;

- festivals and events to re-connect people with their interests and communities;
- business support to help businesses to rebuild.

The council will work with partners including Winchester Business Improvement District, Hampshire Chamber of Commerce, Enterprise M3 Local Enterprise Partnership and Hampshire County Council to develop and implement the restoration plans.

WORKSTREAM: COMMUNICATIONS

Keeping the district informed

- 12.51 The amount of information available for the general public was complex and, by necessity to keep pace with the developing outbreak, subject to frequent updates. By 20 March 2020 the council had updated its website to create COVID-19 landing pages where all essential information was held.

Enforced social distancing was announced on 23 March and by 24 March the corporate website had further evolved to organise a comprehensive information store comprising the latest help for businesses.

- 12.52 The communications approach was one of reassurance and signposting to key information sources. Website updates were re-scripted in direct and informal, accessible language and the information was managed into customer friendly clear cut areas for example COVID-19 – Get Help; Support and advice for businesses; Support and advice for residents; Financial support; Support groups; etc. All this information was then forensically cross referenced back through the main corporate website to help people reach it from any search route.
- 12.53 A wide range of socially distanced images of essential support services in action were source to include in publications and on social media to offer a reassuring message to the public around business continuity and support availability.
- 12.54 Social media updates were regularly uploaded to relay messages around service changes and available support. The council also regularly retweeted national updates and Hampshire County Council service information. A 24-hour response service was offered seven days a week to ensure residents queries were continuously responded to.
- 12.55 The Chief Executive sent weekly updates to all Members and all staff on Fridays throughout the outbreak, summarising the developments of the week, the attendance rates of teams, performance of council services and updates.

The Democratic Service Update also continued to be circulated on Fridays – summarising updated information on governance update including the move to virtual meetings.

- 12.56 Parish councils were sent specific updates including the Government information on virtual meetings. In w/c 6 April 2017 the Local Response Centre contacted all Parish Clerks by telephone to ensure they felt connected with the council and retrieved information on local support groups. The setting up of the HantsHelp4Vulnerable helpline, of our own Local Response Centre and a comprehensive database of the considerable efforts of local support groups was share on Friday 17 April. This information was tested and published on the corporate website under a 'COVID-19 – get help' section.

As the volume of information continued to change and grow daily, a 12 page pdf version of Parish Connect was created to achieve this and sent on Friday 17 April. This was also circulated to MPs.

- 12.57 A special edition of the About Winchester newsletter was created to house this essential information in a form tailored to an audience of households living within the limitations of social distancing. This was circulated on Friday 24 April in electronic format and formed an "optional extra" as part of a new e-shot to 15,000 customers who had registered their email addresses and agreed to our privacy policy via our My Council Services App. These weekly e-shots were launched on our existing Mailchimp software.

City Voice, the council's weekly internal update on Fridays, continued to go to all staff through the outbreak, including information on the building, working through COVID-19 in isolation, and updates on what various services were achieving both in relation to the outbreak and in terms of business as usual.

WORKSTREAM: INTERNAL BUSINESS CONTINUITY

Daily service review

- 12.58 Gold Command was established on 2 March, with the two initial aims of preparing for any necessary emergency response and preparing the organisation to work remotely. Enhanced cleaning was carried out during the day, sanitising gel and wipes provided and social distancing put in place across the office.
- 12.59 Following the establishment of enforced social distancing on 20 March 2020, council staff moved to working at home on a phased approach. At that time staff were in the office delivering front line services such as waste collection, car parking, reception, communications and a member of each service's management team was expected to be in every day. This enabled the council to transition the majority of staff to home working whilst ensuring critical front line services continued to be delivered.

As the period of social distancing continued, with more time to adjust to running front line services remotely, more staff were encouraged to work at home and by mid-April around 50 staff were in the office and 350 at home.

With more staff working at home and the continuing risk of infection in the community, each manager was asked to complete a daily register setting out team attendance and any capacity issues. With the closure of schools, some colleagues had childcare responsibilities to manage in addition to their own work which meant that council work was being delivered over a flexible working day. A 'key worker' letter was made available for staff to secure school places, if this enabled them to provide front line outbreak support.

- 12.60 As increased homeworking bedded in, the performance of critical services in relation to answering calls, and call wait times was tested daily, with Corporate Heads being informed of issues and Service Leads then tasked to work through them with IT. A weekly report on the demand upon services in terms of call volume was also created. The Union were engaged on any significant issues. Close management of the staff team available enabled Gold Command to redeploy staff as required in response to service demands. However through the outbreak, staffing levels remained at +80% for the vast majority of time.
- 12.61 It was important to fully support staff at this time in all respects, and weekly virtual meetings were held between Corporate Heads (Silver Command) and Gold Command. This regular meeting allowed sharing of issues across the organisation. Managers were expected to hold a weekly virtual meeting, scheduled one to ones and appraisals as required. Guidance was issued on working from home and information was emailed to all staff on how to work from home well.
- 12.62 Any service changes were listed on the website and as far as possible all services ran as usual with full online and telephone contact but site visits which were deemed necessary continued but only where social distancing could be maintained. The only areas of significant change were housing repairs where all but emergency repairs were deferred, bulky waste collections, which were paused to maintain capacity in front line collections and the cessation of pest control, as additional capacity was required in the routine special maintenance work. Government guidance also restricted delivery of some activities such as house exchanges and new tenancy agreements.
- 12.63 It became clear that following enforced social distancing, the numbers of people visiting the city council in person reduced. The Visitor Information Centre closed its doors on Monday 23 March. On Wednesday 25 March at close of day, main reception and Guildhall reception were also closed. In order to provide easy access to services, a phone and point of contact numbers for each service were provided in the front lobby with information posters showing how to reach individual services. Although the phone received light use throughout the period, with 73 people calling over the time it was in use, the people presenting at the closed reception and using the facility were in many cases our more vulnerable residents.

Service Demands

- 12.64 A summary of service performance, including additional demands, such as the changes to business rate relief and business grants and the work of the Local Resource Centre and supporting vulnerable residents is set out in Appendix 2. Also included are indicators in relation to key services.

Public Protection & Fly-Tipping

- 12.65 There was an increase in service requests for fly tipping with the council gaining national media coverage due to its prompt clearance response.

Cases of bonfires more than quadrupled in the first 3.5 weeks of enforced social distancing compared to the same period in 2019. It was encouraging to note however, that towards the end of April the number of reported incidents relating to residents burning waste had reduced in line with last year's data suggesting that the strong messaging put out by the council may have had the desired effect along with more inclement weather.

The planned re-opening of the county council's facilities on 11 May should also help to reduce fly-tipping and bonfire complaints.

- 12.66 With respect to noise related issues, there were a total of 48 cases reported between 23rd March and 1st May compared with 41 for the same period in 2019. Initially, after enforced social distancing began, there were very few noise complaints with only 3 cases recorded in the first 2 weeks. However, thereafter, there was a rise in reported cases.

- 12.67 The nature of noise complaints has changed since April last year with a number being attributable to the effects of COVID-19 and people spending far more time at home. Some examples include noise from people singing on a microphone in the street (which some residents appreciated and others objected to), a newly purchased spa pool and building works being carried out during the day. In normal circumstances this might not be an issue, because the affected party might have been at work or have left their property to escape the noise, but were unable to do so under the current restrictions.

- 12.68 The council has taken a proportionate and sensitive approach to noise complaints given the current circumstances, working hard to negotiate the resolution of noise issues between parties where possible, in order to conclude matters quickly, notwithstanding whether the complaint meets the criteria for formal action.

The team continue to see dog fouling and rodent cases at comparable levels to 2019.

Waste & Grounds maintenance/street cleansing:

- 12.69 The council's waste contractor, BIFFA, has been impacted by the pandemic which has resulted in some staff being absent from the workplace because they were ill or self-isolating. However, they have managed the situation

well, drawing on agency staff when needed, and this has enabled a full waste collection service throughout the crisis with strong performance within contract requirements. Collection times were staggered, commencing earlier in the morning from the Bar End depot, to enable greater social distancing to be maintained, thereby helping to protect the workforce. Only bulky goods collection ceased due to limitations of ongoing processing capacity. Waste collections, recycling collections, garden waste and glass collections offered by the city council have continued as normal. Bottle banks have been serviced according to need but the Salvation Army stopped textile collections.

- 12.70 One of the impacts of residents spending much of their time at home, and the closure of the county council HWRCs, is an increase in waste. There was a 5% overall increase in the total amount of waste collected from residual, recycling, garden and glass collections during March. Fortunately, the maintenance of the waste operation by BIFFA has meant that the service has coped effectively in terms of clearing waste from domestic properties but side waste (waste left outside bins on collection days) has increased and it was not possible for this to be taken for capacity and safety reasons. This has always been the case with black bag side waste, but was extended to include recycling side waste. However by early May, additional bins were sourced and residents could request an additional recycling bin free of charge.
- 12.71 Options for increased glass collection from certain bring sites continues to be evaluated as demand remains high which means some sites experience capacity issues. We have been able to respond to demands for increased green waste bags, and during March and April, distributed over 1500 new green waste bags to residents to support the ongoing collection of this waste stream. BIFFA were, as planned, able to introduce a 4th green waste round to manage the seasonal increase.
- 12.72 The Council's grounds maintenance and street cleansing contractor, IDVerde, has also been affected by staff absence caused by the virus but has continued to undertake most services as normal although there has been a reduction in some grass cutting and borders work which is a lower priority in the current situation. There is some evidence that domestic waste is finding its way into public bins and so IDVerde has increased collections in response to avoid bins overflowing. They are also supporting the Special Maintenance team in relation to sewage treatment plants.

Parking

- 12.73 The demand for off-street parking has substantially reduced as most workers, including many whom are employed by some of the largest organisations in Winchester like the County Council, are operating from home meaning they are not driving into town and using Council car parks. Furthermore, people accessing the shops and services, tourists and other visitors are not travelling to the city. The council has supported key workers by making parking available free of charge.

At the end of March the number of vehicles parked in the park and ride sites was around 100 (capacity c1860) and by the second half of April this had fallen further to between c40-60 cars a day (weekdays). Weekend use was very small too. The car parks normally operate near or at capacity. P&R Bus services operated by Stagecoach were reduced to reflect low levels of demand.

- 12.74 The reduction in off-street parking demand across the board is reflected in the parking income figures produced below which show that in April the council received just 1% of the income for the same month last year. This illustrates that all the council's car parks are hardly being used by workers, tourists or other visitors.
- 12.75 The demand for on-street parking, particularly in residential areas, has generally increased with many people working at home. However, for most part, this has not resulted in significant issues in terms of access or dangerous parking. During the pandemic the council's approach to enforcement has been proportionate and measured and has focussed on contraventions which are prejudicial to highway safety such as vehicles left on double yellow lines.

Planning ahead for decisions

- 12.76 Despite the disruption to business as usual, the importance of delivering the Council Plan and establishment of service plans continued. Directors and Corporate Heads of Service held virtual meeting with relevant Cabinet Members to prepare the report elsewhere on this agenda

Enhanced information technology to support virtual working

- 12.77 Through out the outbreak there were no local interruptions in system availability and no system related adverse impact on productivity or delivery of statutory services.

Considerable large volume load tests were undertaken to provide the assurance that the infrastructure was capable of handling substantial increases in remote access workloads. All council staff were successfully migrated to the remote working model either by using their personal equipment or by providing them suitable hardware from IT stock. Documentation and training was also provided for users ensuring that they could be productive from day one of homeworking.

Telephony system capacity was also validated and phones were deployed where they were required allowing teams like CSU and Housing Hub to carry on their normal duties from home without interruptions.

The new solutions introduced during this incident include the deployment of videoconferencing and collaboration platform initially an interim solution

called Star Leaf before moving to a permanent solution called Microsoft Teams which is also being used for the council virtual meetings.

13 FINANCIAL IMPACT (a Gold workstream)

- 13.1 The enforced social distancing measures have had an immediate impact on council finances, with income losses in April for parking alone amounting to £425,000. The table below summarises income losses in April.

Income (£000)	April 19	April 20
Car Parking	430	5
Commercial Property	272	159
Guildhall	64	0
Planning	129	111
Other		
Total	895	275

- 13.2 All councils are facing additional costs in responding to COVID-19 but a far more significant impact is the loss of revenue through reduced income and from arrears of council tax and business rates. The general fund budget and medium term financial strategy relies heavily on income from fees and charges and commercial property and the impact of the current measures will be very significant on the 2020/21 budget and potentially future years. The council is facing a potential deficit in excess of £12m (on an £18.5m net budget) and decisions on how to mitigate this are required within the next two months.
- 13.3 In March, the Government awarded £39,000 to the Council towards meeting the costs of additional services needed in response to COVID-19. This has been used to fund the cost of establishing the Local Resource Centre and towards meeting the cost of leasing a building to house rough sleepers.
- 13.4 In April, the Government awarded a further £1.24m to the Council to assist with covering the impacts on Council finances. Whilst this is in no way sufficient to cover projected deficits, it will make a very positive contribution to the mitigation measures under consideration. Currently there is no indication of further Government support, although all councils are submitting monthly data returns and will continue to lobby for further assistance.
- 13.5 Whilst it is difficult to predict the potential impact of an extended period of social distancing, initial forecasts have been prepared based on two scenarios:
- **OPTIMISTIC scenario:** This has been based on the “coronavirus reference scenario” used by the Office for Budget Responsibility (OBR). In this scenario, the OBR assumes a 3-month lockdown (April-June) followed

by a 3-month period where restrictions are partially lifted (July-September).
https://cdn.obr.uk/Coronavirus_reference_scenario_commentary.pdf

- PESSIMISTIC scenario. This assumes an extended lockdown (beyond the end of June 2020) and only a limited opening-up of the economy over the next 12 months
- 13.6 Forecast income losses based on these scenarios would indicate a potential deficit on the 2020/21 budget of between £6m and £12m. Further details on the forecast is provided in the tables in Appendix 1
- 13.7 In addition to the £1,281,000 Government grant set out above, additional options currently under consideration to address the potential deficits include:
- Use of reserves – There is currently £9.5 million of available earmarked reserves that could be redirected to support achieving a balanced budget. Whilst this would not impact on current approved projects, it is currently held to support future spend on maintaining council property, car parks and grants as well as supporting climate emergency and transformation programmes. Any use of reserves would have an immediate impact on the medium term financial strategy. Some retention of earmarked reserves will be required to support future years and to ensure there is adequate provision to support the asset management strategy and Council Plan.
 - Reducing spend on existing projects/services – Whilst the council has worked hard to maintain services and deliver business as usual, there has been a reduction in demand for some services and this may continue for some time. It will also be necessary to review all proposed projects and developments in light of the current financial position.
 - Refinancing the Capital Programme – There will be some scope to review the financing of existing projects and proposals for borrowing that could release revenue funding to support services, at least in the short term. The lower cost of borrowing for Housing Revenue Account development will also be considered as this could release existing funds used as loans to the HRA.
- 13.8 It is proposed to review the above options and update Cabinet with a further report in June on this matter. This work will inform recommendations for addressing the projected deficits and support the preparation of a revised budget for consideration by Cabinet and Council in July 2020.

Specific issues for consideration

Council property portfolio

- 13.9 The council has 546 property assets, 219 of which are income producing commercial properties. Annual income from leases and ‘tenancies at will’ is £4.46 million. There are 48 retail assets in the portfolio and these account for

approximately 50% of rental income. The current rent forecast shows a potential deficit for the full year of £2.7m due to the impact of COVID 19 on rental receipts.

As landlord the council has to balance the need to maintain rental income with support for tenants, many of whom have had to close their business premises due to Covid-19. There is also the need for the council to use its discretion as landlord to help tenant businesses survive so that when the economy starts up again they are ready to trade.

It is proposed that the over-riding principle is that the council aims to support its tenants through the current economic pressures to enable them to survive and return to fully rent paying tenants in the near future, and to continue their contribution to the local economy.

However the council as landlord needs to be robust in its approach and also take a fair and considered view of all requests for deferral of rent or rent abatement.

- 13.10 As set out in Appendix 3, the following principles will be considered in general in decision making but each case will be considered on its merits:
- A. The current operating position of the business, impact of Covid-19 and cash-flow situation
 - B. Sector the business operates in
 - C. Size of the business, number of employees
 - D. Business model - independent, national chain, franchise, international, charity
 - E. Mitigation action to continue some cash flow – e.g. increased online sales
 - F. Track record of tenant to date
 - G. Ability of the business to withstand the current crisis pressures
 - H. Other support given, for example business rate waiver, business grants

It is proposed that the section 151 officer is given delegated authority to determine rent abatements and write offs, following recommendation by a review panel consisting of Cabinet members for Finances and Housing & Assets, Strategic Director – Place and Corporate Head of Asset Management..

Community Infrastructure Levy Payments and Planning Obligations

- 13.11 It is clear that construction industry has been heavily impacted by the pandemic which has seen some developers close sites, at least for a period of time since lockdown was introduced, whilst others remained open albeit the rate of build slowed down. This will have financial implications for these businesses.

This has resulted in some developers approaching the council regarding the timing of Community Infrastructure Levy (CIL) payments and requirements covered by planning obligations (s106 agreements). In order to support the construction sector the council will consider requests to delay CIL payments and financial contributions, or other actions due under planning obligations, on a case by case basis. Where circumstances justify it these payments or other requirements will be deferred for 3 months initially and reviewed, if necessary, after that.

Supplier relief due to COVID-19

- 13.12 In March, the Government issued guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current coronavirus, COVID-19, outbreak, urging authorities to take positive action to ensure suppliers at risk are in a position to resume/continue normal contract delivery once the outbreak is over.

The guidance encouraged authorities to put in place the most appropriate payment measures to support supplier cash flow, including a range of approaches such as forward ordering, payment in advance/prepayment, interim payments and payment on order (not receipt).

In response to this, an officer panel has been established to review applications for support from the Council's contractors. Clearly, the Council needs to take account of its own financial pressures in deciding how it can best support its contractors. However, all applications are being considered positively and to date, some advance payments to contractors to assist with cash flow pressures have been agreed. No agreements to date have added additional cost to Council operations and could be made within the terms of the contracts and without a significant impact on the Council's own cash flow requirements.

14 **RESTORATION AND RECOVERY**

- 14.1 As part of established emergency planning protocols, the LRF has established a recovery group to oversee this complex and long running process. Recovery is defined as the process of **rebuilding, restoring and rehabilitating** the community following an emergency, but it is more than simply the replacement of what has been destroyed and the rehabilitation of those affected. It is a complex social and developmental process rather than just a remedial process. The broad, interlinked categories of impact that individuals and communities will need to recover from include humanitarian (including health); economic; environment and infrastructure.
- 14.2 Although the LRF recovery plan will provide a framework, it is important that a local recovery plan is established. The way recovery processes are undertaken is critical to their success. Recovery is best achieved when the plan is created with the affected community and this is somewhat easier to achieve in response to a physical emergency such as flooding as there are physical assets to repair. Recovery from a global pandemic has international, national and local impacts and as such the plan will change

over time with the pace of recovery being particularly linked to national announcements. On 11 May the government published its recovery plan which also would have to respond to any second wave of infection, when recovery may pause and the response phase resume.

14.3 Therefore, the local plan must be evidence based but intuitive and responsive to changing situations. The pandemic and the ongoing effects have potential to fundamentally change how we live and work in that activities or projects the council or communities intended to undertake may now not be viable or no longer relevant. The scope of the Winchester Restoration and Recovery Plan requires further development but some emerging guiding principles are set out below, and an initial plan is included as Appendix 3. The council will be required to address major challenges in three main areas:

- Our local economy – helping local business recover from the loss of income and ongoing disruption
- Local people and community – affected by loss and bereavement and the impacts of lockdown
- Its own finances – requiring difficult choices to return to a balanced budget after the income losses and extra costs of COVID-19

The crisis has shown that our local community is strong and resilient – and we will all need to work together behind a clear and focused plan to help our district recover. Addressing these challenges will fall into three main areas – ***recover, rebuild and reimagine***:

- Recovery – where COVID-19 has caused damage or delay that we need to address
- Rebuild - retaining and building – where COVID-19 has driven change that we wish to accelerate and develop
- Reimagining – where COVID-19 requires us to rethink the way we do things in the future

14.4 Any actions implemented build on learning and improvements made through the outbreak. The Restoration and Recovery Plan expresses key initiatives and outcomes in a simple framework formed around the Council Plan priorities and are in addition to the plan and 20/21 Strategic Service Plans. These will be further developed and actioned by our teams and monitored as part of the performance management process, including the Quarterly Report.

15 LOCAL PLAN AND VISION FOR THE CITY.

15.1 The strategic planning team has been able to continue work on the emerging Local Plan without any impact on the timetable so far. This is in large part because the current phase of work is largely evidence preparation, analysis and the preparation of reports to be presented at a July meeting of the Cabinet for consideration. To confirm with the timetable set out in the local development strategy, it will be necessary to move into a

phase of public consultation in the autumn and the techniques to be used for this will have to conform with whatever rules are in force at the time for public events and meetings.

- 15.2 So far the government has issued no guidance or otherwise indicated that any of the regulations around local plan preparation are to be modified. Provided there is some acceptance that the processes for public engagement may have to be somewhat different from those previously used, there should be no reason why the city council cannot meet its target of having a new local plan approved by 2023.
- 15.3 Work on the new Vision for Winchester being undertaken by Boyle and Summers has also continued. Much of the early stages of work were always designed to be undertaken on-line or by phone and these elements have not therefore been affected by COVID-19, but it is undoubtedly the case that it has been more difficult to draw attention and publicise the work against the background of an all consuming national news story. The latter phases of work were intended to include a face to face element, and this will have to be modified in consultation with the Town Forum planning group.

16 DEVELOPMENT PROJECTS

- 16.1 The council has a portfolio of significant developments underway and in the planning phase but to ensure developments lead by the city council meet the needs of a post outbreak economy, market impacts of the crisis need to be taken into account in various ways. In part bringing the economy back into a more healthy state can be helped by council sponsored development, which has positive impacts during the construction phase, and also once the development is operational. Conversely the economic recession has an adverse influence on market conditions, investor confidence and may well change the way we work in the future, and these impacts will take time to understand fully.
- 16.2 The table below is a status report project by project.

Ref.	Project	Comment
1	Central Winchester Regeneration	This is a key project for the city centre economy and public realm and is a priority to move ahead to support economic recovery. Following consultation earlier in the year, the drafting of the development framework to implement the 2018 SPD is well underway, and consultation to finalise this plan will start later in the year. The consultation may need to be undertaken in an innovative way to meet any social distancing requirements, but should not delay project implementation. Progressing the reinvigoration of King's Walk area is a priority.
2	Winchester Leisure park	The construction of the Leisure Park is underway, remains a priority and has continued, with reduced numbers of site staff, during the crisis. The council has worked closely with the build contractor, Wilmot Dixon, to minimise delays to the opening of the new centre in early 2021.

3	Station Approach (Carfax site and Cattlemarket site)	The future demand for office accommodation and new ways of working mean that it is appropriate to pause the development of these employment / mixed use sites whilst the impact of the crisis is better understood. The economy, property market, investor confidence and occupier demand may all be significantly affected.
4	River Park Leisure Centre	When the new leisure centre at Bar End opens, RPLC will close. The building will then be redundant and the site will firstly need to be secured and then redevelopment plans agreed and implemented. Cabinet will consider options to secure the site before any development plans progress at the June Cabinet meeting.
5	Bishop's Waltham depot	Planning permission has been granted for the redevelopment of the old depot site. Demolition can progress once utilities work has been undertaken – this was delayed in the lockdown – and the development will be undertaken to form three commercial units. The agreement for Heads of Terms for two pre-lets is work in progress with prospective tenants.
6	Housing developments	The Valley (70 units) was interrupted by the lockdown but has since restarted on site. Planning for Winnall Flats (77 units) is progressing, and there will be other affordable housing sites the council will progress as a matter of priority to meet housing need.
7	Park and ride	To implement the movement strategy a new park and ride site at Bar End – the Vaultex site – is being progressed for 130 spaces, and bid for funding for a smart transport multi-story facility being made. This increases out of city park and ride space enabling a reduction in parking space in the city centre, which could then be freed up for housing or other development. This is subject to a report at the June Cabinet meeting
8	Old depot, Bar End	Once the Leisure park has been completed this site will be surplus to requirements and the site will be sold. A planning brief is currently being drawn up for approval by Cabinet in June, and the site will be marketed when conditions are right.
9	New Surgery, City Centre	This is a development needed by the city, and the council is working with the St Clements GP practice and other stakeholders to bring it forward as soon as possible. This is subject to a Cabinet report in June.
10	Goods Shed, Barfield Close and Casson Block, St Georges St	The council will work to bring these sites back into active use. Business cases will be considered during 2020.

17 OTHER OPTIONS CONSIDERED AND REJECTED

- 17.1 This report sets out the council's response to the coronavirus outbreak and starts to set out the emerging plan for recovery. As such there are no alternatives to consider other to confirm the recovery plan will develop over time and respond to the needs of the district.
- 17.2 The report sets out that a report is required in June to establish the financial impact of the coronavirus outbreak on the city council finances and this is an essential step to ensure financial stability and as such there is no alternative to consider
- 17.3 The report also sets out a series of measure to support the economy through targeted rent abatement and temporary relaxation of CIL requirements. The alternative is not to offer these support packages but this is not recommended.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:- none

Other Background Documents:- the council website provides a number of background documents referenced in this report

APPENDICES: NUMBERING TO BE CLARIFIED

Appendix 1: initial summary of financial impacts

Appendix 2: service performance: metrics

Appendix 3: coronavirus rent abatement policy

Appendix 4: recovery and restoration plan

Initial predictions of income reductions due to COVID-19 pandemic (£000)

Description	20/21 Budget	OPTIMISTIC - Loss of Income						PESSIMISTIC - Loss of Income					
		April	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full Year	April	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Full Year
High Risk													
+ Car Parking and Enforcement	(8,122)	605	1,814	1,814	573	477	4,678	605	1,814	1,814	1,384	1,384	6,396
+ General Fund Property	(3,688)	132	396	396	231	231	1,254	220	661	661	661	661	2,643
+ Guildhall	(735)	55	164	137	82	82	465	55	164	164	164	164	657
+ Grounds Maintenance	(106)	9	26	14	8	8	57	9	26	26	26	26	106
+ Tourist Information Centre	(81)												
+ Marketing	(58)												
	(12,791)	800	2,401	2,361	893	798	6,454	888	2,665	2,665	2,236	2,236	9,802
Medium Risk													
GF Garages	(751)	13	38	38	38	38	150	13	38	38	38	38	152
+ Development Control	(1,394)		79	118	118	118	432	49	147	147	147	147	589
+ South Downs National Park	(450)	10	30	30	30	30	120	13	38	38	38	38	150
+ Building Control	(547)	27	66	34	34	34	169	23	68	68	68	68	273
+ Materials Recycling	(592)	12	37	37	37	37	148	12	37	37	37	37	148
+ Local Land Charges	(381)	17	30	19	19	19	87	17	51	51	51	51	204
+ Licencing	(153)	13	38				38	13	38	38	38	38	153
+ Legal Business Unit	(114)	9	28				28			14	16	16	45
+ Pest Control	(93)	8	23	15			39	5	16	16	16	16	65
+ Taxi and Private Hire	(91)	8	23				23	3	9	9	9	9	36
	(4,564)	117	391	291	276	276	1,234	148	443	457	458	458	1,817
Low Risk													
+ New Homes Delivery (HS&E)	(80)												
+ Private Sector Housing	(200)												
+ Cemeteries	(169)												
+ Office Accommodation	(62)												
	(511)												
TOTAL	(18,254)	917	2,793	2,652	1,169	1,073	7,687	1,036	3,108	3,122	2,694	2,694	11,619

Appendix 2

SERVICE PERFORMANCE - COVID 19 IMPACTS

Service Area & Measure		April 2019	April 2020	Comments
Business Rate Relief and Grants	Retail, Hospitality & Leisure Relief (RHL)	£1.38m*	£26.02m	*relates to original 'Retail Relief' for 2019/20
	Small Business Rate Relief	£4.73m*	£4.84m	* for 2019/20
	Other Reliefs	£5.13m*	£5.39m	* for 2019/20, exc. Transition and exemptions
	RHL - £10k grants		£1.24m	124 grants in total
	RHL - £25k grants		£8.15m	326 grants in total
	Small Business Grants - £10k		£12.44m	1244 grants in total
Local Resource Centre / Community Support	Total Referrals		347	Started on 30 th March
	Referrals passed to Voluntary Support Groups		125	Started on 30 th March
	Prescriptions delivered		49	
	Food parcels delivered		22	
	Shopping purchased / delivered		15	
	Council tenants contacted by phone to offer support		1650	All sheltered and over 70s in contacted by phone
Housing	Total Arrears	£341,001	£500,000	Arrears have reduced in first week of May to £478k
	% of Housing tenants in arrears	21.74%	31%	
	% claiming Universal credit	6.2%	14.5%	
	% claiming UC in arrears	48%	64%	
	% current debt due to UC claimants	34%	58%	
	Residents in B&B	0	13	Local hotels remains open to support this work
	Rough Sleepers in Council units	0	12	City Rd premises leased from A2.
	Tenancy Support team Caseload		58	New service commenced Oct 19
Waste / Environment	Planning – Decisions issued (inc. SDNP)	263	225	2019: WCC – 208; SDNP 55 2020: WCC – 178; SDNP 47
	Bonfires reported	15	30	Social media messaging now "boosted" to wider audience
	Fly-tipping reported	121	139	7 contained evidence to support investigation
	Waste Collection – Missed Bin reports	414	260	Inclusive of bins, glass & garden waste
	Garden Waste bags – New or replacement	724*	1068	April 2019 is WCC only - also covering EHDC (650)

Commercial Lettings - Rent abatement process

1. Introduction

The council is commercial landlord to a number of tenants, mainly, but not exclusively, in the city of Winchester. In the current crisis a number of tenants have approach the council asking pro-actively for consideration of rent abatement. Others have not paid rent for the current quarter.

This process outlines the approach and principles the council will use to consider and determine requests for rent abatement during the crisis.

2. Process

The flow chart attached outlines the process that will be used, managed by the Corporate Head of Asset Management (Interim).

3. Decision making

Decisions relating to rent abatement will be made by the Section 151 officer, following recommendation by a panel consisting of the Cabinet Member for Housing and Assets, Cabinet Member Finance, CHoS Asset Management, and the Strategic Director – Place, advised by members of the asset management, economic development and finance services.

Clear records of the information provided to the panel, panel meetings, and decisions will be kept.

Write off of rent will be a decision by the S151 Officer (Strategic Director – Services (Interim)) and / or the cabinet depending on value.

4. Principles

The over-riding principle is that the council wishes to support its tenants through the current economic pressures to enable them to survive and return to fully rent paying tenants in the near future, and to contribute to the local economy.

The following principles will be considered in general in decision making but each case will be considered on its merits:

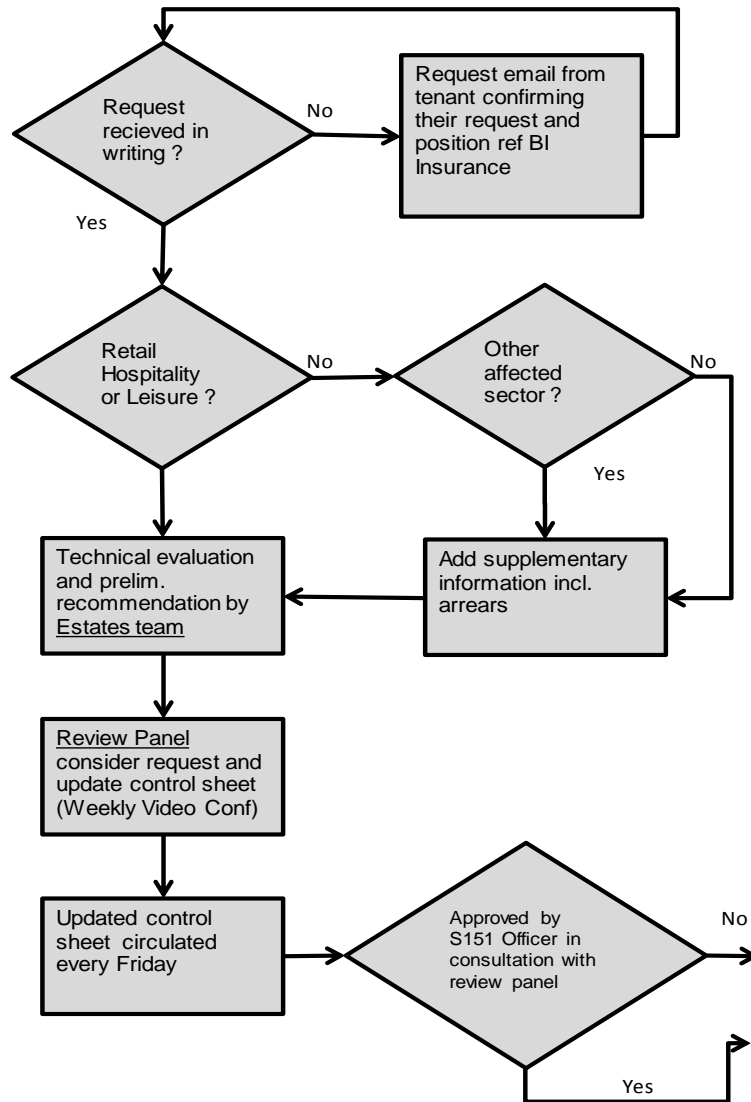
- A. The current operating position of the business, cash-flow situation
- B. Sector the business operates in
- C. Size of the business, number of employees
- D. Business model - independent, national chain, franchise, international, charity
- E. Mitigation action to continue some cash flow – e.g. increased online sales

- F. Track record of tenant to date
- G. Ability of the business to withstand the current crisis pressures
- H. Other support given, for example business rate waiver, business grants

5. Review

This process implementation and practice will be reviewed by end July 2020.

Rent Abatement - Process Flow Chart



Reference/Notes and Actions

Written request for audit purposes, incl. BI insurance.

Asset Manager confirms receipt of application by email

Business Rates : Properties that will benefit from the relief will be occupied hereditaments as shops, restaurants, cafes, drinking establishments, cinemas and live music venues for assembly and leisure, as hotels, guest & boarding premises and self-catering accom
See tab for detailed list

Estates Team

Corporate Head of Asset Management (Interim)
 Service Lead Estates
 Estates Surveyor
 Send acknowledgement letter to tenant (Comms version)

Review Panel

Corporate Head of Asset Management (Interim)
 Strategic Director - Place
 Portfolio holder - Assets and Housing
 Portfolio Holder - Finance

Send letter 2 'rejected'

Send letter 2A 'approved'
 Advise Finance ref invoicing
 Advise Estates Invoicing (ref rent arrears)

3 months rent abatement from 25th march 2020, does not need to be paid back

Winchester City Council Priorities: COVID-19 – recover, rebuild, reimagine

Few of us could have foreseen a few months ago the circumstances that we now find ourselves in, dealing with the fallout from a world-wide pandemic. All of us have faced uncertainty. Many of us are facing financial difficulty. Others have endured severe sickness or suffered bereavement.

It is also clear that simply returning to how things were before will not be acceptable. We must take this opportunity to build back better - creating the low-carbon, healthy and vibrant district aspired to in the Council Plan.

This will require innovative thinking and actions to enable the city council to support and work with our residents and businesses – and will have to do so when the council, local businesses and many local people face difficult financial challenges as part of the recovery.

How the council will approach this task

The council will be required to address major challenges in three main areas:

- Our local economy – helping local business recover from the loss of income and ongoing disruption
- Local people and community – affected by loss and bereavement and the impacts of lockdown
- Its own finances – requiring difficult choices to return to a balanced budget after the income losses and extra costs of COVID-19

The crisis has shown that our local community is strong and resilient – and we will all need to work together behind a clear and focused plan to help our district recover. Addressing these challenges will fall into three main areas:

- Recovery – where COVID-19 has caused damage or delay that we need to address
- Rebuilding - retaining and building on where COVID-19 has driven change that we wish to accelerate and develop
- Reimagining – where COVID-19 requires us to rethink the way we do things in the future

Our plan focuses on three areas – what we are doing during this first part of recovery, what we have started doing differently that we want to carry on doing and build on in the future, and what we will be looking to do additionally or differently in the future.

Council plan priority	Recover	Rebuild - retain & build on	Reimagine
Tackling the climate emergency and creating a greener district	<ul style="list-style-type: none"> • Restart investment in low carbon energy production and carbon reduction • Restart our recycling improvement programme – including the roll out of new garden waste & glass routes and communal glass bins 	<ul style="list-style-type: none"> • Maintain and improve staff, councillor and public access to remote working and meetings • Continue to encourage low carbon travel and working practices 	<ul style="list-style-type: none"> • Work with HCC to redesign streets to enable continued high levels of walking and cycling in place of car driving • Re-establish the Youth Conference and Climate Change Conference to focus on new ways to achieve green recovery
Your services. Your voice.	<ul style="list-style-type: none"> • Focus council services to support those worst affected by COVID-19, working with members and partners • Accelerate plans to improve service reliability and quality • Support our staff who have been directly affected by COVID-19 • In the light of income losses, adjust the council's Medium Term Financial Strategy in response to the financial pressures of the outbreak 	<ul style="list-style-type: none"> • Build on/retain new local voluntary networks to build resilience for the future with community support, in close collaboration with voluntary bodies, Citizens Advice Bureau, Mutual Aid groups, Community First, NHS, HCC, Parishes & Members • Continue to monitor impact of Covid-19 and our response to it with specific set of KPIs • Expand on the reach of the new weekly resident emailer 	<ul style="list-style-type: none"> • Use new methods of participation to enhance public involvement in service redesign • Use new contactless and remote methods to accelerate improvements to service quality

Council plan priority	Recover	Rebuild - retain & build on	Reimagine
Living well	<ul style="list-style-type: none"> • Strong programme to recognise our community's key workers and volunteers and the huge efforts they have made • Enable leisure facilities, parks and playgrounds to come quickly back into operation as appropriate • Work closely with Citizens Advice Bureau and other agencies such as The Basics Bank, faith groups and others to support those in financial hardship • Reschedule council facilitated sporting events 	<ul style="list-style-type: none"> • Safe use of parks and open spaces for informal physical activity • Develop a post-COVID Health and Wellbeing Strategy, including services online and for different age groups 	<ul style="list-style-type: none"> • Accelerate implementation of the City of Winchester Movement Strategy to cut car traffic and maintain, as far as possible, recent improvements to air quality. • Develop an ethos of 'hours exercise' approach for individuals; including health walks, park and stride, outdoor shared exercise, volunteering, using available sports facilities and green spaces
Homes for all	<ul style="list-style-type: none"> • Ongoing housing benefit, money advice & tenancy support • Work with TACT to support tenants where needed • Re-establish housing maintenance programme promptly • Continue to plan for and develop new affordable homes • Be prepared for upturn in private housing issues • Address nitrogen neutrality barriers to enable development of new homes 	<ul style="list-style-type: none"> • Work with other agencies, Trinity, Night Shelter to support the homeless in finding permanent accommodation; minimise evictions from homes 	<ul style="list-style-type: none"> • Look for opportunities to extend the new homes programme and enable others to build affordable housing

Council plan priority	Recover	Rebuild - retain & build on	Reimagine
Vibrant local economy	<ul style="list-style-type: none"> • Work with HCC to make our centres safe and welcoming to visit and use while enabling social distancing • Work with partners to deliver a “welcome back” marketing campaign and re-establish tourism • Continue to provide advice and signpost business to help and support in restarting operations • Work directly with our commercial tenants to maintain their businesses • Market towns – work with parishes, Chambers of Commerce and others and others on marketing campaigns • Close collaboration with BID, Chambers of Commerce, Federation of Small Business, EM3 LEP to optimise access to recovery funding and support • Monitor and analyse local economic health and trends to drive recovery priorities • Feedback to government on local situation; lobby for more support; bid for funding • Continue council direct development of projects – housing and regeneration 	<ul style="list-style-type: none"> • Help the new Winchester Design Festival to go ahead and be successful • Look for other opportunities to rebuild local business strengths • Identify sole traders in need whom the council could assist • Work closely with Winchester BID, market towns and Whiteley to create the best possible environment in which to welcome back visitors, shoppers and working people • Relaunch the festivals and arts programme taking account of continuing social distancing constraints • Recognise and promote the social enterprise sector as a pillar of the local economy • Reorganise markets to increase vibrancy of high street and neighbouring areas while enabling social distancing 	<ul style="list-style-type: none"> • Take a leading part in convening agencies and business organisations to create a new post-COVID economic strategy for our district • Step up guidance on building low carbon businesses and support new green business enterprise • Explore the potential for digital transformation of businesses needing new operating models • Support the accelerated roll out of high capacity digital networks (fibre optic & 5G)

