



The COVID-19 Pandemic in Hartlepool - Report of the First Phase Response



Introduction

On March 11th 2020, the World Health Organisation declared that COVID-19, a Coronavirus, was a Global Pandemic. On March 20th 2020, the Cleveland Local Resilience Forum (LRF), which the Council is part of, declared a Major Incident under the Civil Contingencies Act 2004. Under the Act, the Council is designated as a Category 1 Responder as detailed in the Council's Major Incident Plan.

In accordance with the Major Incident Plan, a strategic and tactical command structure has been established to manage the response phase comprising a strategic co-ordinating group (SCG) and nine tactical workstreams:

- Schools and vulnerable children
- Care Homes and support for vulnerable adults
- Business support
- Hardship and homelessness
- Workforce and organisational impact
- Neighbourhoods and communities
- Excess deaths and bereavement management
- Resources and financial impact
- Communications

On March 23rd 2020, the Prime Minister announced the UK lockdown, limiting people's movements, which included working from home where possible.

This had a significant impact on Council services, with an immediate suspension of some frontline operations, a reduction in the service model for others and a change in operating procedures for all services.

Impact of the virus and our response

The pandemic has had a profound impact on the daily lives of people. Coronavirus represents a deadly threat to the health of our nation and community. It has been necessary to introduce at speed significant restrictions on movement and association and economic activity. We have seen the closure of businesses and the loss of jobs and the lockdown has had a far reaching impact on daily and commonplace activities that until now we have all taken for granted.

While the economic and social impacts of the pandemic are significant, the principal impacts are on the health and well-being of those it directly and indirectly affects.

In Hartlepool, as of 28th May, we have seen 323 confirmed cases in hospital, care homes and the community. Tragically 94 people have lost their lives as a result of the virus in a very short space of time. Until May 12 Hartlepool had one of the lowest infection rates in the North East. However by May 22nd the Hartlepool rate had increased significantly over a short space of time to 342 per 100,000 – higher than 75% of the local authorities in England. This rapid increase was one of the highest in the whole of England. Although there have been signs that this rapid phase has decreased in recent days it is clear that the situation is fragile. Hartlepool's infection rate, within the context that the COVID-19 R rate for the North East (.80) being double that of London (.4), suggests that we have not reached our peak in Hartlepool and there can be no room for complacency.

Each death is a tragedy. Those who have lost loved ones have done so in the most dreadful of circumstances. Our condolences go out to all those who have lost their lives, and to their families and loved ones.

Emergency Response Phase

Local Government, the NHS and social care providers have been central to the national and local emergency response. The Council has worked closely and tirelessly with the NHS and a range of other partners to mitigate the effects of the pandemic and put in place guidance for residents and businesses to protect them from further harm. It has been inspiring to see how Council staff, our partners and our community have come together to stop the spread of the virus, protect the vulnerable and keep our community running.

Sustaining the delivery of critical services

In the week in which WHO declared a Global pandemic, the Council undertook a major review of our business continuity plans to identify those services that are critical to our emergency response and to keeping our communities running. We revised our operating procedures to ensure they complied with NHS and Public Health England guidance and we put the necessary IT arrangements in place to ensure as many staff as possible could work from home. This resulted in some services being stopped or reduced, some staff being re-deployed into critical areas and all services making adjustments to the way they operate. By the end of the first week of lockdown we had enabled 40% of our workforce to work from home, introduced social distancing measures in all offices, and provided safe operating procedures for frontline services from safeguarding and home care services to kerb-side collections. We had also begun a proactive communication and messaging campaign to keep our residents, staff and members informed about service changes and to encourage people to comply with the regulations.

Supporting the most vulnerable

Hartlepool Support Hub

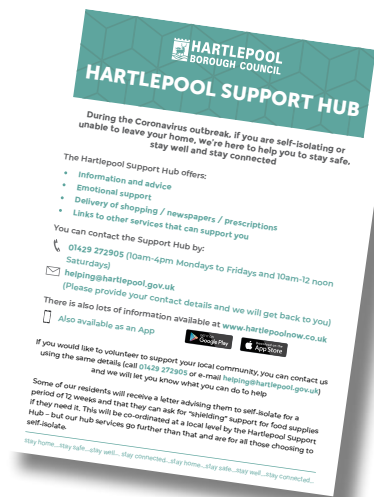
In addition to maintaining business critical services we also worked quickly to set up new services and arrangements to ensure we could support the most vulnerable in the Borough and those at the greatest risk from the COVID-19 crisis. We acted swiftly to commission additional provision to ensure rough sleepers and the homeless could be accommodated and off the streets, we developed integrated discharge arrangements operating from 8am – 8pm seven days a week and provided support and advice to social care providers.





In the space of a few days we created the Hartlepool Support Hub and helpline for those who are ‘shielding’ or self-isolating and in need of food, medicine, other supplies and emotional support. Based at Community Hub Central and with a warehousing point at Mill House Leisure Centre, the Support Hub is staffed by people from across the Council whose usual day jobs are very different from the vital work they’re currently doing. Staff working in the Support Hub include librarians, instructors from Carlton Adventure and leisure centres, reception staff from Mill House Leisure Centre, legal assistants and Youth Services staff to name but a few. Staff have very quickly adapted to their new roles and are happy to do whatever is needed to help people through the crisis.

We were the only Council regionally to leaflet every household at the start of the crisis to raise awareness about the role of the Hub. This has proved invaluable in making sure as many people as possible know who to contact for help. By May 28th, we were in contact with 7,825 residents, had provided 1,830 food parcels and delivered 1,407 prescriptions and 2,142 hot meals as well as putting people in touch with befrienders and other services that can offer support.



People who have been supported by the Hub have been incredibly appreciative of the support they’ve received. This is just a small sample of the comments received:

- “Knowing that support was there has helped me so much and made me so happy! So thank you!”
- “I’ve got my delivery, thank you so very much, you have no idea what you’ve done for me, you are life savers, thank you, thank you, thank you.”
- “We can’t thank you all enough for your fantastic service and help to us, especially the phone call which came at a time when I was feeling really low. We are new to the area... we cannot believe the help that we have received.”
- “Your help has been amazing, I cannot thank you enough! And thank you for the continuing help also, it’s so refreshing to have some help, thank you! The work you guys are doing is amazing!”

Role of the voluntary, community and local business sector

The COVID-19 crisis has demonstrated beyond doubt that Hartlepool has a big heart. The goodwill of the people of the Borough who want to support our most vulnerable residents has been phenomenal. The Council, through the Support Hub, has played an important role in harnessing this good will and has worked with a range of different voluntary and community organisations and local businesses to ensure people can access the support they need, including the provision of food, hot meals and neighbourly support. By the end of the first month the Council had over 150

volunteers who were signed up with DBS and identity checks and worked with Hartlepower to launch the Hartleneighbour scheme to support people who are socially isolating and those experiencing loneliness. We are immensely grateful to the community and voluntary sector and some of our businesses who have stepped in to help deal with the social impact of the crisis including Hartlepool Carers, Poolie Time Exchange, Hartlepool Foodbank, St Aidan's, Hartlepool Mecca Bingo, Social Prescribers, Hartlepool United Football Club, Hartlepool College of Further Education, Harbour and Hartlepool's Dementia Friends.



While the majority of the Council's Preventative & Community Based Services have been unable to operate, work has continued to encourage participation in activity, through sessions streamed on social media. Mill House Leisure Centre has become the logistics hub co-ordinating delivery of PPE and hot meals and many staff have been redeployed from their usual roles to support the essential work of the Support Hub.

Adult Social Care

Adult social care services have been maintained throughout the pandemic. The Integrated Discharge Team and intermediate care services have been managing increased demand as they have responded to new national guidance requiring discharges to take place within 2 hours. Teams have been working weekends and extended hours in order to support safe and timely discharges and the success of this approach has been greatly helped by existing integrated arrangements and a partnership approach with health colleagues. The day services at the Centre for Independent Living has continued to operate, with staff supporting a smaller number of people with learning disabilities and complex needs, and people who have not been able to access their usual services are being supported through regular telephone or skype contact by the social care teams. A number of people are also being supported with delivery of hot meals from the Support Hub and additional care and support in their own homes. Work has been undertaken to raise awareness of COVID-19 related scams which may impact particularly on the elderly and those living alone and safeguarding services have been maintained throughout.

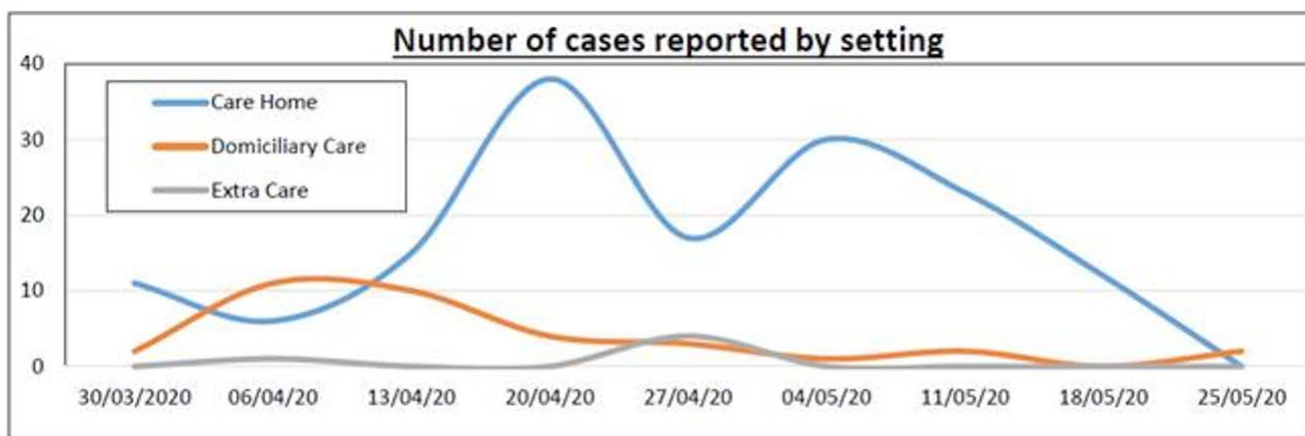
Care Homes

The impact of COVID-19 on care providers, particularly care homes that support older people, has been significant with 50% of care homes in Hartlepool having confirmed cases. Throughout the pandemic the Council has been in daily contact with care providers and a range of support has been in place, including supplies of PPE, advice and guidance and additional funding for care homes for older people. Through this route the Council has had daily updates on suspected and confirmed cases, testing of residents and staff, staffing levels and any other challenges that providers have faced and has been able to respond quickly to requests for additional support. The Council has also worked collaboratively with the CCG, NT&HFT and TEVV FT to support care homes to access testing, additional clinical input and enhanced training on infection prevention and control that is specific to the current circumstances.

At the peak of the pandemic, some care homes had approximately 50% of their staff self-isolating due to being symptomatic or having tested positive and in one week there were 42 cases confirmed and, tragically 12 deaths reported. This was clearly incredibly challenging to manage, but the response from care providers has been really heartening to see, and they have shown huge commitment and compassion throughout the COVID-19 response.



As shown in the graph below, the number of cases in adult social care settings peaked between 20 April 2020 and 4 May 2020 and has reduced steadily since then with no new cases reported in care homes since 25 May 2020. This indicates that the support being provided is having a positive impact and that the sector has managed the outbreaks effectively and minimised further spread.



Care home providers have valued the support they have received from the Council, with feedback as follows:

- “The Council has been extremely supportive throughout this uncertain time. They’ve been available to monitor that our customers and colleagues are safe, offered a caring approach throughout and have delivered PPE (within hours!) which highlights that they take service level need extremely seriously and are on hand to help with any queries. This gives the service confidence that we are, and will continue to be, supported throughout this. Thank you.”
- “We feel that the team has been very supportive in this difficult time. We have received daily telephone calls asking us how we are and if we need support. Valuable PPE has been sourced and delivered to us. We feel that we are not on our own dealing with this pandemic for which we are very grateful.”

Schools and vulnerable children

Throughout the crisis all schools and academies worked collaboratively with the Council to keep all schools open for key workers and vulnerable children and, prior to the roll out of the national voucher system, to ensure that those entitled to free school meals could receive a meal a day. Schools in Hartlepool remained open during the Easter holidays to maintain continuity. In addition teachers have worked tirelessly to provide education online and to maintain contact with pupils and their parents.

Following the Prime Minister's announcement on May 10th that, if the circumstances were right, primary schools would re-open on June 1st, Head teachers have worked with the Council to assess the risks and develop a borough-wide plan for the further and phased re-opening of schools. A joint decision was taken based on the infection rate in Hartlepool and the organisational challenges of ensuring schools could provide a COVID-safe environment in a very short timescale. It was concluded that primary schools and academies in Hartlepool would not open further on June 1st. Work is continuing with schools and academies to review risk assessments and agree plans for the careful and phased re-opening of schools and academies.

Children's social services have re-adjusted working arrangements including introducing remote visits and meetings with vulnerable children and their parents to maintain safeguarding contact with vulnerable children. In addition a borough-wide campaign was undertaken to raise awareness of the children's hub contact details for anyone with a cause for concern about a child. Children's social care services have continued to experience a steady level of demand and seen an increase in the number of children in care as we have ensured that young people have not left care inappropriately at this worrying time. Contingency plans have been put in place to increase the number of foster carers.

Workforce deployment, welfare and protection

The response of our staff and key workers in our partner agencies and commissioned services across the borough has been inspiring.

As at 22 May, 14.6% of our workforce were at home as a result of COVID-19 symptoms or needing to shield or self-isolate because they, or a member of their household, have an underlying health condition. However the vast majority have been able to continue duties from home, with only 2.7% being unable to work. These numbers vary, however, and maintaining essential services as we continue to manage the crisis will be a key challenge.



Staff have had to respond flexibly to change. We mobilised resources to enable 40% of our workforce to work from home by the end of the first week. Many members of staff have had to adjust quickly to working from home and have kept our back office functions operating smoothly. Others have been redeployed into new and different services to maintain frontline delivery including the Support Hub, cemeteries and crematoria, and waste and environmental services. All this has demanded great resilience, commitment and support from the workforce, as well as appropriate training. The assistance of our trade unions in this process has been invaluable.

The welfare of key workers in the Council and in our commissioned social care provision has been a key priority. On this, the inability of the Government to provide adequate supplies of PPE to those that need it compounded the already challenging circumstances key workers were operating under. It became clear in the first stages of the crisis that we could not rely on the national supply that was being co-ordinated through the LRF. We therefore set up our own alternative supply chain and approximately 70% of the supply of PPE to those in need of it has been provided by the Council. At the height of the PPE challenges we were grateful to the secondary schools and colleges in Hartlepool that used their 3D printing capacity to produce visors and to businesses who donated face masks. Maintaining adequate supplies of PPE will be an on-going challenge as we progress through the crisis.

Neighbourhoods and community services

In the early days of the COVID-19 pandemic, Regeneration and Neighbourhoods prioritised all services in line with Government guidance, which meant that services either continued operating as normal, were reduced to emergency responses only, or were temporarily ceased. This prioritisation exercise enabled us to maintain those critical core functions, such as residual and recycling collections, operating the crematorium, delivering key services to schools such as catering and transport, maintaining fleet, planning and business compliance visits. However, in some cases employees were redeployed from their existing teams into those aforementioned service areas, as well as others within the Council, in order to deliver our critical functions, while also supporting our most vulnerable residents during the early days of the crisis.

Service provision, available resources and Government guidance were continually monitored, and gradually we have increased the service offer back to the level of normality that would be expected to see for a front line department such as Regeneration and Neighbourhoods. However the 'new' normal looks very much different, with new operating procedures introduced and staff having to adapt to these new ways of working, as new challenges are identified and continually overcome.

As lockdown restrictions are released, and businesses start to reopen, services are now looking at ways in which we can support businesses through the provision of advice, guidance leaflets, temporary signage, and introduce measures to promote safer green and urban spaces for example by increasing the widths of footpaths, introducing temporary cycle ways and promoting social distancing requirements.

Supporting our Businesses

As in the rest of the country, businesses in Hartlepool have been severely affected by the economic impact of lockdown. Many, including pubs, restaurants and non-food shops have temporarily closed, whilst others such as manufacturing, construction, travel and education sectors have been severely disrupted. Professional services have largely moved to home working, but many are seeing a reduction in demand. It is clear that as the lockdown is released many businesses will struggle to survive given the constraints of social distancing whilst others will see a slow return.

In response to this the Government released a range of fiscal measures to stabilise the situation. Local government has been used as a conduit to pass on funding to eligible businesses in relation to two major schemes: Small Business Grant Fund (SBGF) and Retail, Hospitality and Leisure Grant Fund (RHLG)

The Government defined the eligibility criteria, which included the following key aspects:

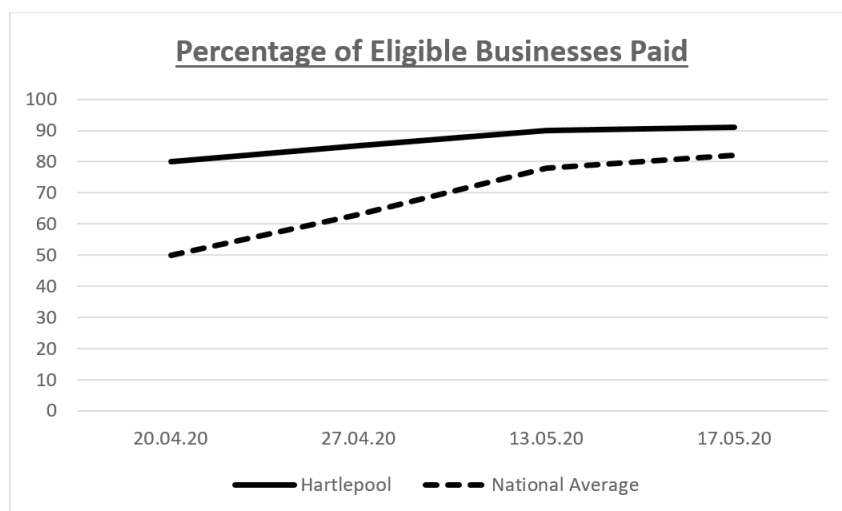
- SBGF – all businesses in receipt of either Small Business Rates Relief or Rural Rates Relief as at 11 March 2020 will be eligible for a grant of £10,000;
- RHLG – eligible business with a rateable value up to and including £15,000 will be eligible for a grant of £10,000; eligible business with a rateable value of over and less than £51,000 will be eligible for a grant of £25,000. Business had to be operating on 11 March. No grant was payable for businesses with a rateable value of £51,000 or over.

The Council acted quickly to pay these grants to Hartlepool businesses and as summarised below the Council's performance has consistently exceeded the national average. This was particularly the case at 20th April when the Council ranked 13th out of 314 Councils and had paid out 80% of eligible grants, compared to an average of 50%.

As at 21st May 2020 the Council had paid 91% of eligible business (1,455) a total of £17.885m.

Following on from the Government funded grant support provided to businesses under the SBGF the RHLGF the Government is now also providing Councils with funding to support a "Discretionary Grant Fund". This new fund is aimed at small businesses and charities – i.e. with less than 50 employees – not eligible for the SBGF or RHLGF.

The new fund is designed to help meet ongoing fixed property-related costs i.e. rent and mortgage payments and to support business which can demonstrate they have suffered a significant fall in income due to the COVID-19 pandemic.



Hartlepool has been allocated £876,500. Councils can pay grant to the value of £25,000, £10,000 or any amount under £10,000. Grant cannot be between £10,000 and £25,000. Given the limited value of available funding the local scheme will set a maximum potential grant of £10,000 – the same value as the other Tees Valley Councils. However the actual maximum grant may be lower depending on the number of businesses which apply for this grant.

To ensure all eligible businesses have the same opportunity to secure this funding the Council will operate an application process. The closing date for applications is 9am, Monday 15th June 2020. Full details of the scheme, including eligibility criteria and the application form have been made available on the Council website and paper copies are available on request.

In addition to passing on grant to businesses as swiftly as possible our Business Support team has been working to provide advice and support to businesses in relation to their eligibility for other support.

Looking ahead the Council will have a critical role in building investor confidence, stabilising and growing key sectors, regenerating our town centre and high streets, and sustaining local wealth creation in order to sustain and create jobs. It will also be more important than ever before to provide high quality place-based learning and skills pathways that enable local people to acquire the necessary skills and qualifications to progress into jobs in the emerging economy.

Hardship support

It is clear that the economic impacts are creating hardship. The borough has the 5th highest jobless rate in the country and significant numbers of people are being furloughed or made unemployed, often for the first time. There is evidence of increasing food poverty across the town and a growing concern about the impact on this year's school leavers and apprentices.

In March the Government announced a £500 million hardship fund to deliver support to Council tax payers in their area. The Government's strong expectation is that Councils will provide all recipients of working age Local Council Tax Support (LCTS) with a further reduction in their annual Council tax bill of £150, and to process these awards as soon as possible from the beginning of the 2020/21 financial year. These arrangements apply to existing eligible LCTS recipients as at 1st April and pro-rata to new eligible recipients during 2020/21. There was no need for LCTS recipients to make a separate claim for a reduction under this scheme, as eligibility has also been approved when the initial LCTS was awarded.

This funding cannot be used to reduce Council Tax bills for households' not in receipt of LCTS and was part of the Government's package of support for working age households in receipt of benefits.

Having allocated grant to reduce the Council tax bill for working age LCTS recipients by £150 (or a higher amount determined by a Council) the remaining grant is to be used to assist those most in need.

The Council has been allocated a cash limited grant of £1.864m. As referred to earlier it is expected that the number of LCTS households will increase during 2020/21 and for planning purposes an increase of 15% is appropriate. The actual increase will be monitored carefully.

An assessment of the level of Council Tax paid by LCTS households indicated that around 65% of households have an annual Council Tax liability of £167.22. Therefore, by setting the reduction at this level, rather than the £150 minimum requirement, the 2020/21 Council Tax liability was removed and the Council avoided the administrative burden of collecting £17.22 from around 5,500 households.

Based on the forecast LCTS caseload increase, this arrangement commits £1.480m of the available funding, leaving a potential uncommitted balance of £384,000 to support other potential initiatives to assist those most in need. These needs are currently being met from other temporary support, or the existing Local Welfare Support budgets, but this position is not expected to be sustainable.

Commitments against the forecast uncommitted funding will need to be carefully assessed as the financial impact of COVID-19 will continue over the remainder of the financial year. In the event that the remaining funding is not all committed over the coming months the Council will be able to increase the reduction of £167.22 for those LCTS households which still have a Council Tax liability. This would support these households and reduce the level of Council Tax arrears at 31st March 2021. At the end of May 2020 Council Tax collection was approximately 1% lower than at the same time last year. Collection levels will continue to be monitored closely throughout the remainder of the year. As set out later in the report the Council faces a significant reduction in Council Tax income as more households become eligible for Local Council Tax Support (LCTS) as a result of a reduction in their income, or redundancy. This will mean households eligible for LCTS support will move from paying 100% Council Tax to 12% - which will reduce budgeted income received by the Council.

Looking ahead it is clear that COVID19 will have an ongoing and sustained impact on levels of unemployment and poverty in the Borough. The Council will need to work with other agencies and the voluntary and community sector to mitigate any such impacts.

Excess deaths and bereavement management

The responsibility for provision of mortuaries rests with local authorities pursuant to section 198 Public Health Act 1936. Where additional mortuary space is required to respond to a public health crisis such as the current COVID-19 emergency, and Cleveland Local Resilience Forum is coordinating the management of the emergency response under the Civil Contingencies Act 2004. The Coronavirus Act 2020 (s.58 and Schedule 28) makes provision in relation to the transportation, storage and disposal of dead bodies. Schedule 28 para 5.(3) provides that being designated enables the local authority to make directions.

Schedule 28 paragraph 8 also refers to a compensation scheme to be made available by the government when a local authority is designated to enable those to whom directions are given to be appropriately compensated. This scheme does not yet appear to have been published.

In March Cleveland LRF were advised to work to modelling data based on reasonable worst case scenario (advice provided by central government). Denise McGuckin, as Chair of the Cleveland LRF, had to identify a strategy for dealing with excess deaths, this resulted in the provision of additional mortuary space at Hartlepool Hospital, this provided additional capacity for 60 bodies, and 16 refrigerated units were sourced, providing capacity for 168 bodies, two units are stored at James Cook Hospital and 14 units are stored in a warehouse at TAMP in Middlesbrough, which together with management, body movement and security is expected to cost of circa £260K Hartlepool's split is based on population, circa £50k. The cost of providing additional mortuary space at Hartlepool Hospital has been funded by the LRF reserve £50K.

Communication and public information

From the outbreak of the Coronavirus crisis we were keen to communicate with as many residents as possible, including those who don't have internet access and/or have low levels of digital literacy.

With this in mind, two communications have been distributed to all households across the borough, the first a leaflet about Hartlepool Support Hub and the second encouraging residents to continue to follow social distancing guidelines and to stay at home as much as possible.



Analytics also show social media has been a successful way to disseminate COVID-19 updates. For example, in the 28 days leading up to Thursday 28th May, our Facebook post reach was 258,931. In the same period, our Tweets received 198,000 impressions.

In the early stages of the pandemic, signage was placed in key locations across Hartlepool reminding residents to stay at home and this has since been replaced by new “why take the risk” signage in parks and public spaces reminding people about the importance of social distancing.

The Council has received a large number of positive online comments for its response to the COVID-19 pandemic, these include:

- “I just wanted to pass on my thanks: whilst it seems the rest of the UK has gone mad, campaigning for relaxed social distancing, throwing garden and VE Day parties and rushing back to schools on 1st June, HBC have really impressed me with their stance on COVID-19.”

- “Today, as the announcement came that we can now see six people at once, despite 374 deaths being announced simultaneously, I received a pamphlet from HBC asking ‘why take the risk?’ and outlining why the advice was not necessarily appropriate for places like Hartlepool. The repetition of this on social media - and the messages to stay away from Seaton - have also been welcome.”
- “I received your ‘why take the risk’ leaflet today. I live with my young son who is 13 years old. I just wanted to thank the people who pulled it together. The leaflet was very informative and helpful. Even my son took the time to read it, in fact, he read it before I did.”
- “Well done HBC on reassuring both staff and students that schools will not open until it is safer to do so. I hope other Councils locally follow your lead.”
- “So proud of HBC to stand up and protect its people – well done!”

It is clear that effective communication and public information will be critical to keeping our community safe as we move forward into the next phase of living with the virus.



Financial impact of COVID-19

The COVID-19 pandemic is having an unprecedented impact on the economy and the financial position of Councils. Whilst, Councils had faced nine years of austerity up to 2019/20 and had received a better than expected Government funding settlement for 2020/21, the financial impact of the pandemic is the single most significant financial challenge for Councils in a generation. Councils cannot manage the financial impact on their own.

As well as managing the impact of the pandemic on the community the Council has had to respond to a range of financial issues at speed to ensure services and people have been protected. The key issues are summarised in the following paragraphs:

Direct COVID-19 Financial Impact

The Government has recognised that Councils will face increased financial pressures in relation to COVID-19 and have provided two tranches of un-ringfenced grant funding of £1.6 billion – total funding of £3.2 billion. Different formulae were used for allocating the two tranches of funding and the Council received £3.404 million for tranche 1 and £2.559 million for tranche 2.

Nationally Councils and the Local Government Association are pushing the case for additional funding as the existing funding provided by the Government will not be sufficient. The value of funding required will depend on how long current additional costs directly related to COVID-19 last and how long it takes for income streams to recover to the pre COVID-19 level.

The financial impact on the Council is being carefully managed and monitored. The Ministry of Housing, Communities and Local Government (MHCLG) required all Councils to submit a financial return on 15th May 2020, based on the forecast financial impact at 31st July 2020. The MHCLG return stated this date “is intended for accounting purposes only and solely to improve consistency in the returns provided and should in no way be interpreted as government policy”.

Our return made it clear that many of the additional costs and income losses will depend on how long additional support is required, for example to care homes, and the significant impact on income – which is a significant financial risk to the Council.

The following table summarises the current forecast financial impact on the Council reported to MHCLG and shows that without additional grant funding the Council faces a shortfall of **£2.906m** up to July 2020. **If additional Government grant is not provided the Council will need to develop an emergency strategy to address this deficit.** This position will be reviewed once MHCLG has responded to the financial returns submitted in May.

Forecast Direct Financial impact of COVID-19 - April to July 2020

	Four month forecast £'m
<p>COVID-19 Expenditure</p> <p>The Council is incurring increased costs and the most significant areas relate to increased costs of:</p> <ul style="list-style-type: none"> • supporting Care Homes, including PPE and hospital discharge arrangements (£1.428m); • establishing and operating the HUB (£215k) • supporting the homeless (£89k) • increased Looked after Children costs (£82k) 	<p>2.174</p>
<p>Service Income Reduction</p> <p>The lock down and closure of facilities has resulted in a loss of income across a broad range of areas, including:</p> <ul style="list-style-type: none"> • reduced income received from Thirteen Group from the sale of former Council houses as tenants are not buying their property and continuing to rent; • reduction in forecast income from shopping centre; • reduction in income for leisure facilities, Borough Hall and Town Hall; • reduction in school meal income, school transport income and building cleaning income; • reduction in car parking income; • reduction in planning and building control income. 	<p>2.737</p>

<p>2020/21 Cost of increased Local Council Tax Support (LCTS)</p> <p>The economic impact of the pandemic will increase the number of households eligible for LCTS support and the pandemic and the period of eligibility will depend how the economy recovers.</p> <p>provide the context to the economic impact:</p> <ul style="list-style-type: none"> • Office for National Statistics figures for April showed an increase in the claimant count of 856,500, to 2.097m; • 1 in 5 UK workers (i.e. 6.3 million employees) have been furloughed. <p>The number of Hartlepool households eligible for LCTS has already increased by 8%. It is anticipated that eligible households will continue to increase over the next few months as companies make decision in response to the phasing out of the furloughing scheme and resulting redundancy levels.</p> <p>For planning purposes an increase of 20% in LCTS eligible households is forecast. This position will continue to be closely monitored.</p>	<p>2.000</p>
<p>2021/22 Costs of increased LCTS support – continuation 10% increase in LCTS eligible households</p>	<p>1.000</p>
<p>Other Council Tax/Business Rate Income Shortfalls</p>	<p>0.400</p>
<p>2020/21 savings not achieved and delayed to 2021/22</p> <p>The 2020/21 budget includes planned savings of £2.089m. Of these savings (£0.558m) will be delayed until 2021/22 owing to the impact of COVID-19 and capacity to deliver the necessary services changes.</p> <p>As part of the MHCLG COVID -19 financial returns many Councils have identified significantly higher delayed savings in 2020/21.</p>	<p>0.558</p>
<p>Sub Total</p>	<p>8.869</p>
<p>Less Government grant</p>	<p>(5.963)</p>
<p>Current Funding Shortfall</p>	<p>2.906</p>

The Council is not alone in identifying a funding shortfall and many Councils are facing even greater shortfalls as their budgets were more reliant on income streams which have been adversely impacted. The following table provides comparative information and shows:

- income reductions, including the impact of an increase in LCTS on Council Tax income, is having the greatest impact on Councils;
- Current forecast funding shortfall as a percentage of grant allocated – which shows all authorities are currently facing significant funding shortfalls;
- Other North East Councils face higher funding shortfalls than Hartlepool. This position partly reflects the fact that larger city based Councils face greater incomes reductions across a range of services e.g. car parking income and regional theatres.

	Expenditure	Income Reductions	Total	Current funding shortfall as percentage of grant allocated
Hartlepool	31%	69%	100%	48%
Average for 9 NE Councils – includes HBC	39%	61%	100%	129%
Range for 9 NE Councils – includes HBC	17% to 50%	50% to 83%	100%	25% to 350%

Impact on 2020/21 Budget

The financial costs and income losses of the COVID-19 pandemic are reflected in the previous section. Work is currently progressing to determine if there will be any areas of the budget that may underspend in the current year, for example reductions in energy costs from the temporary closure of buildings. These savings will need to be earmarked to manage additional pay costs, as detailed below.

The Council also faces additional unbudgeted pay costs of £400,000 as the national pay award of 2.75% exceeds the forecast 2% included in the 2020/21 budget. At a national level the Trade Unions have rejected the pay offer and the national employers' organisation have indicated this is a final offer.

The 2020/21 budget will continue to be monitored and managed carefully and further updates will be provided as the year progresses. This will then enable a strategy to be developed if corrective action is needed.

Impact on 2021/22 Budget

Over the last few years the Council's budget had moved back to a more sustainable basis as a result of action taken to implement further budget reductions and an increase in Government funding in 2020/21 – which for planning purposes was anticipated to be recurring income. On this basis a

2021/22 budget deficit of £1.3m was previously forecast.

The Government has recently announced that major planned reforms on the Local Government system (i.e. Fair Funding Review and increases in Business Rates Retention to 75%) will be deferred a further 12 months and will not now be implemented until 2022/23. This removes two significant areas of financial uncertainty. However, the Government has not indicated the level of funding for Councils for 2021/22 or how this will be distributed. For planning purposes it is not anticipated that the Government will make any significant changes to the funding formula and all funding provided in 2020/21 will continue at the same level in 2021/22. Clearly, if this funding is reduced the Council will face a higher budget deficit than currently forecast.

It is also anticipated that 2021/22 will be a single year financial settlement as the Government will not complete a Comprehensive Spending Review during 2020. This makes medium term financial planning extremely challenging.

The pandemic will continue to impact on the economy and the speed of the recovery is uncertain. For planning purposes the following factors are reflected in the update of 2021/22 budget forecasts and will continue to be reviewed as more information becomes available:

- LCTS claimants numbers in 2021/22 will continue to be higher than forecast and this loss of income will either be covered from an increase in Government Grant, or by developing an emergency financial strategy, as detailed in the previous section;
- Additional cost of April 2020 national pay award – it is currently anticipated that the additional cost in 2020/21 will be funded on a one off basis. As this is a recurring costs this will increase the 2021/22 budget deficit by £400,000;
- April 2021 National Pay award – for planning purposes the budget forecast of 2% remains appropriate at this stage as the national position is uncertain;
- Housing Growth – the Council has benefitted from housing growth over the last 5 years and this was previously anticipated to continue. The forecast growth levels for 2020/21 and 2021/22 will not be achieved. For planning purposes it is recommended the cumulative growth forecast for these two years is reduced by 50% - this reduces forecast 2021/22 Council Tax income by £760k;
- Council Tax increase 2021/22 – the current forecast is based on a 2% increase. If this increase is not implemented this will reduce recurring Council Tax income by £860k.

In summary the above factors significantly increase the forecast 2021/22 budget deficit from £1.301m to between **£2.461m to £3.321m**:

Current 2021/22 Forecast Deficit

	With 2% Council Tax increase £'m	Without 2% Council Tax increase £'m
Forecast Deficit reported February 2020	1.301	1.301
Recurring impact of April 2020 National Pay Award	0.400	0.400

Reduction in forecast Housing Growth	0.760	0.760
Reduction income from Council Tax freeze	0	0.860
Revised Forecast Deficit	2.461	3.321

Summary Financial Impact on the Council

The pandemic has had a major impact on the economy and the Government's finance. The financial impact on the Council is still uncertain and will depend on how long recovery takes and funding decisions made by the Government.

The current forecast position is set out below and shows a current 'lowest' forecast shortfall of approximately **£2.5m** and a current 'highest' case of **£6.2m** – the range highlights the critical importance of the Government providing additional funding for COVID-19 costs and income reductions. Deficits of this scale will be a significant financial challenge for the Council and future reports will update these figures and detail proposals for managing the funding shortfall. **After nine years of austerity the challenge of managing this position cannot be under estimated.**

Summary Financial Impact

	COVID-19 costs and income losses fully funded from Government Grant and 2021/22 Council Tax increase of 2% confirmed £'m	Government COVID-19 grant capped at current level and 2021/22 Council Tax increase of 2% confirmed £'m	Government COVID-19 grant capped at current level and 2021/22 Council Tax frozen £'m
Direct COVID-19 Costs and income losses	0	2.906	2.906
2021/22 Updated Budget Deficit	2.461	2.461	3.321
Current Forecast Funding Shortfall	2.461	5.367	6.227

Planning for the next phase

Managing local outbreaks

We have reached a critical point in the emergency response phase as the lockdown is released. However we are coming to terms with the fact that there will be no swift return to business as usual. We know that society will be different as a result of COVID-19. We have now seen how vulnerable we are to pandemics and we will be dealing with this one until there is a vaccine. Some regions of the UK, including the North East, face a higher likelihood of a second wave.

The Council will have a key role in maintaining social distancing and encouraging COVID-19 safe measures in public spaces, shops and other high risk venues as well as providing ongoing support, assistance and advice to the vulnerable and self-isolating population. This will mean adjusting to a new normal as we move from a pre-vaccine to a post-vaccine society.

In this next phase Councils will have a critical role to play in preventing and controlling local outbreaks in their local areas. There is growing recognition nationally that we will only beat the virus through strong local leadership and collaborative effort across communities. In order to achieve this it will be vital to keep the public on board with our local response. To this effect Councils have been charged with working with Public Health England to produce a local outbreak control plan for their area by the end of June and to set out arrangements for working with partner agencies and local community organisations to prevent outbreaks in high risk areas and to contain any outbreaks that occur. The plan will cover seven themes:

1. Care homes and schools – planning for local outbreaks in care homes and schools
2. High risk places, locations and venues eg shops, places of worship, public open spaces
3. Local testing capacity – identifying ways of mobilising testing capacity swiftly
4. Contact tracing in complex settings
5. Data integration
6. Vulnerable people
7. Governance and local boards.

A multidisciplinary outbreak control team is being established, chaired by the Council's Director of Public Health, to develop the Hartlepool outbreak control plan which will report through the Gold Command SCG arrangements. The Health and Wellbeing Board will have a critical role in overseeing the plan and keeping partners and the community engaged and on board with our approach in Hartlepool. This will require re-setting the purpose and membership of the Health and Wellbeing to ensure it can fulfil this role.

Lessons learnt

As we plan and put new arrangements in place for the next phase it is important to take stock of the lessons learnt so far. The Council has worked well in this crisis and we should be rightly proud of what we have achieved. We have demonstrated a resourcefulness and flexibility in leadership that has seen changes implemented in two weeks that might otherwise have taken two years. In this we have learned about the power of working collaboratively across the Council, with our communities and with our partners.

However a critical tension throughout has been the relationship between a national centralised approach to tackling the crisis and the local response. Local government has largely been excluded from key intelligence and a top down approach has hampered the response. Whether it has been the approach to shielding, testing, the discharge of patients from hospital into care homes, PPE, free

schools meal vouchers or the further re-opening of schools, Councils have been left to pick up the pieces and develop 'work-arounds'.

The local government sector is working through the LGA and with ministers to improve the interface with national government in this next phase. This will be critical if further outbreaks are to be prevented and contained. To do this we will need access to timely and accurate data from the national test, trace and isolate system and clarification about our powers to intervene.

Recovery Planning

As we move forward, we will also have a critical role to play in shaping a local recovery plan. The social and economic impacts of COVID-19 will be profound and far reaching. We are already seeing the hardship this is creating for many of our residents alongside the impact of the virus on the physical and mental health and wellbeing of our residents. Many people will be struggling to cope with and make sense of the way life has changed, many families will be experiencing grief through loss of loved ones in very difficult circumstances. Some businesses will struggle to survive, others will have a slow restart and already struggling high streets will be under further pressure. Despite the best effort of our schools there will be an inevitable impact on the education disadvantage gap and growing pressure on children's services and adult social care. The economy will shrink, many businesses will fold, and unemployment will rise – along with poverty. However, there will also be new emerging sectors that we will need to attract and help grow.

It has never been more important for the Council to provide strong collaborative leadership. This will involve continuing to support the vulnerable, providing ways of enabling people to tell their stories and commemorate what has been lost and developing new ways of tackling the health and education inequality gap. It will also involve the development of an inclusive growth strategy which stimulates local wealth creation, strengthens local supply chains, attracts new investment in growth sectors and provides high quality skills pathways to enable local people to progress into jobs.

We will need to take on this role at a time when local government finances will be under severe pressure as we have to deal with ongoing COVID-19 related costs, loss of income and slow housing growth. Central Government has recognised the pressure and the contribution of local government during the emergency phase. Hartlepool has received an additional £5.563m to meet additional COVID-19 related costs and sustain the social care sector, £1.864m to direct hardship support to those in receipt of Local Council Tax Support and £18,761,500 to support local businesses. The emergency demanded that resources be directed urgently in accordance with Government Guidance and the Civil Contingencies Act 2004. The financial decisions taken under urgency powers to achieve this will be reported to Finance and Policy Committee on 29th June 2020.

Notwithstanding the above, the pressure on local government finance will be significant going forward and social and economic recovery will require significant public intervention. Initial estimates for Hartlepool indicate that we could be facing a £6.2 m shortfall over two years as a result of increased pressures, loss of income and COVID-19 direct costs. Without further additional funding Councils, including Hartlepool, will struggle to sustain services that were already being severely challenged as a result of nine years of austerity.

In addition recent ONS, OBR and Bank of England economic forecasts are predicting that the shock of COVID-19 will precipitate a recession and that towns like Hartlepool will be hard hit. The capital investment programme approved by Council and our inclusion in the Town Deal Fund gives the Council a headstart in stimulating economic recovery, re-animating our visitor and cultural economy, re-purposing our high street and creating the conditions for inclusive growth and local wealth building. However, Hartlepool will require a significant fiscal stimulus beyond these resources if we are to prevent the health, education and economic inequalities in our Borough worsening. It will

be important to work collaboratively with the Tees Valley Combined Authority to attract the fiscal stimulus we will need to build a route of recession.

Planning for recovery will require us to set out our arrangements and make the case for deploying investment into the following workstreams:

1. Outbreak prevention and control
2. Safer green and urban spaces
3. Schools and vulnerable children
4. Care homes and support for vulnerable people
5. Hardship and homelessness
6. Economy and business
7. Workforce and organisational change
8. Physical and mental health
9. Community cohesion and wellbeing
10. Financial impact and resources
11. Communication and engagement

As we move from the response phase into recovery the SCG will be re-purposed and become a Recovery Co-ordination Group (RCG) which will develop actions plans in relation to each of the workstreams.

Recovery consultation and engagement

Taking account of the significant challenges the virus has created it will be important over the next few weeks to undertake a consultation and engagement exercise to reflect on lessons learnt, the emerging issues in the Borough and to help shape a three year recovery plan and budget. Mitigating and recovering from the impact of COVID-19 will require a major collaborative effort involving our partners in the public, business, faith and voluntary and community sectors. Key stakeholders include:

- Elected members
- Our workforce
- Partner agencies including the CCG, NHS and social care providers and TVCA
- Voluntary and community sector providers
- Faith communities
- Business community

We are proposing over June and July to hold ‘Teams’ discussions with key stakeholders to inform our recovery plan and budget as part of the budget setting process for 2021/2022 – 2024/205.

We have now been able to roll out the network and IT capacity to enable Council meetings to be held remotely and it is proposed to re-start meetings of Council with a specific focus on shaping a recovery plan and budget in response to the crisis.

The outcome of this consultation and analysis will inform the budget and planning process of Council over the autumn.

Community engagement – let the story be told

COVID 19 isn't a temporary disruption to our world, it is a turning point in history which will create a different normal for people, communities and the world in which we live. People have experienced separation and loss. We have seen empty streets, business closure, bereavement, anxiety, vulnerability, isolation and crisis. However we have also found kindness, mindfulness, connectivity, community spirit, nature, balance, family, laughter, creativity and perspective.

Moving into a period of reflection and recovery provides an opportunity for us to engage with communities to listen and understand what COVID-19 and 2020 has meant to them.

Helping people tell their stories will be an important way of helping our community make sense of what is happening. As part of our consultation and engagement work the Council will co-ordinate a programme of engagement, interaction and sharing to capture the stories and experiences of individuals, communities, businesses, voluntary organisations and faith communities across the Borough. We will provide an opportunity for people to share stories and reflections through a variety of media, give expression to how they feel and their hopes for the future. The material will be collated to create a social history of how the Borough responded to the virus that can be used in future exhibitions, inform our recovery planning and become part Hartlepool's archive.

Conclusion

As Central Government releases the lockdown it would be easy to think that we are through the worst of the COVID-19 pandemic. However with the high likelihood of further spikes, the profound impact the virus has had on our economy and community alongside the damage that has been sustained by Council finances, it is clear that we are by no means out of the woods. The challenges we face are far reaching and the journey to recovery has only just begun.

Throughout this crisis the Council has demonstrated that 'if we did not exist it would be necessary to invent us'. Our SLT and workforce have responded brilliantly and we have learned a great deal about the power of working collaboratively across the Council, with our communities and with our partners.

We entered the crisis with strong relationships with our partners and a workforce committed to do whatever it takes. Our thanks go to all who have made such an important contribution – our Council workforce and elected members, our trades unions, our NHS and social care workforce, our school leaders and staff, our NHS partners, our social care providers, the Police and Ambulance service, our care homes, our community and voluntary sector, our faith organisations, our businesses and our children and young people who have decorated the town with rainbows.

It will be important, as the crisis and its consequences unfold, to build on the gains we have made as we provide the civic leadership that is required to create a new normal. This will require shared and collaborative leadership and a sense of mutual accountability for delivering shared goals. Over the next few months the Council will need to shape and approve a three year recovery strategy and budget which keeps momentum, responds to the challenges and takes advantage of the opportunities the crisis has created. This will require new ways of working together that cuts across professional, organisational and political boundaries. Most importantly it will require a shared vision of the kind of future we want to realise for Hartlepool as we emerge from this world-changing pandemic.