

10 June 2020

STRATEGY AND RESOURCES COMMITTEE

A remote meeting of the Strategy and Resources Committee will be held on **THURSDAY 18 JUNE 2020** at **7.00pm.**



Kathy O'Leary
Chief Executive

Venue

This meeting will be conducted using Zoom and a separate invitation with the link to access the meeting will be sent to Members, relevant officers and members of the public who have submitted a question.

Members of the public are invited to access the meeting streamed live via Stroud District Council's [YouTube channel](#).

A recording of the meeting will be published onto the Council's website (www.stroud.gov.uk). The whole of the meeting will be recorded except where there are confidential or exempt items, which may need to be considered in the absence of press and public.

AGENDA

1 APOLOGIES

To receive apologies for absence.

2 DECLARATIONS OF INTEREST

To receive declarations of interest.

3 MINUTES

To approve the Minutes of the meeting held on 21 May 2020.

4 PUBLIC QUESTION TIME

The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures

DEADLINE FOR RECEIPT OF QUESTIONS

Noon on MONDAY 15 JUNE 2020

Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and can be sent by Email: democratic.services@stroud.gov.uk.

5 COUNCIL TAX HARDSHIP SCHEME – COVID-19

To adopt a Council Tax Hardship Scheme for 2020/21 and update the existing Section 13a Hardship Policy.

6 COVID-19 – RECOVERY STRATEGY

To propose a strategy and associated governance arrangements, setting out the Council's approach as a community leader in the local recovery from the Covid-19 pandemic.

7 FINANCIAL IMPACT OF COVID-19 ON STROUD DISTRICT COUNCIL

To consider the estimated impact of the Covid-19 pandemic upon the financial position of the District Council.

8 WORK PROGRAMME

To consider the work programme.

9 MEMBERS' QUESTIONS

See Agenda Item 4 for deadline for submission.

Members of Strategy and Resources Committee 2020/21

Councillor Doina Cornell (Chair)

Councillor Martin Whiteside (Vice-Chair)

Councillor Nigel Cooper

Councillor Stephen Davies

Councillor Nick Hurst

Councillor Keith Pearson

Councillor Simon Pickering

Councillor Steve Robinson

Councillor Mattie Ross

Councillor Tom Skinner

Councillor Chas Townley

Councillor Ken Tucker

Councillor Debbie Young

STRATEGY AND RESOURCES COMMITTEE

21 MAY 2020

7.00 pm – 8.45 pm
 Remote Meeting

3

Minutes

Membership

Councillor Doina Cornell (Chair)	P	Councillor Steve Robinson	P
Councillor Martin Whiteside (Vice-Chair)	P	Councillor Mattie Ross	P
Councillor Nigel Cooper	A	Councillor Tom Skinner	P
Councillor Stephen Davies	P	Councillor Chas Townley	P
Councillor Nick Hurst	P	Councillor Ken Tucker	P
Councillor Keith Pearson	P	Councillor Debbie Young	P
Councillor Simon Pickering	P		

P = Present A = Absent

Officers in Attendance

Chief Executive	Strategic Director of Resources
Interim Head of Legal Services and Monitoring Officer	Strategic Director of Place
Head of Property Services	Corporate Policy and Governance Officer
Canal Project Manager	Solicitor
Canal Engineering Manager	Democratic Services and Elections Officers

Other Member(s) in Attendance

Councillor John Jones

SRC.001

APOLOGIES

An apology for absence was received from Councillor Cooper.

SRC.002

DECLARATIONS OF INTEREST

Councillor Pickering declared an interest in Agenda Item 5, because he is an employee of Ecotricity, one of the landowners potentially affected by the Compulsory Purchase Orders. He left the meeting after agenda item 4, public question time.

SRC.003

MINUTES

RESOLVED

That the Minutes of the meeting held on 20 January 2020 are approved as a correct record.

SRC.004**PUBLIC QUESTION TIME**

There were none.

SRC.005**AUTHORISATION TO USE COMPULSORY PURCHASE POWERS TO ACQUIRE LAND FOR COTSWOLD CANALS CONNECTION PHASE 1B**

The Leader introduced the above report and reminded Members that any details relating to negotiations with landowners were commercially sensitive and questions and answers would need to be generalised.

There were four speakers to present the report, the Canal Project Manager gave a general overview of the project and bid; the Head of Property Services provided an overview of acquisitions; the Solicitor provided details on the CPO legal considerations; and the Canal Engineering Manager explained the works required using the plans in Appendix B.

The Canal Project Manager reminded Members that Cotswold Canals Connected is a project which aims to make Stonehouse and Stroud into canal towns once again with all the benefits that come with this, e.g. regeneration and improvements to health and wellbeing. Phase 1B will build on Phase 1A and aims to connect the canal to the national waterways network. The canal partnership is making continual improvements to Phase 1A including an access ramp at Ham Mill and plans for a new turning and mooring area outside Stroud Brewery.

The National Lottery signed off Phase 1A in 2018 and we received a £840k grant from them towards the development stage. We are required, within a two-year period, to submit a final bid for funding to complete the project, we are therefore looking to request £8.9m from the lottery for a project that is being estimated to cost a total of £16.3m. The Canal Project Manager reminded members that the estimated cost was as of today and that these costs could change. The estimated fund raising commitment is £200k and the Council may need to underwrite this fund raising effort. Attention was drawn towards Appendix A which outlined the benefits of the project, the canal restoration, regeneration, economic investment, health and wellbeing and environmental benefits. The Lottery will assess the bid and focus on the risks; they would need to have confidence that the Council will be able to acquire all of the land necessary to deliver the project. A willingness and ability to use compulsory purchase powers if the need arose would help to provide that confidence.

Partnership agreements with local Town and Parish Councils have been signed or are in the process of being signed and many local communities are committed to the project. We expect a decision from the Lottery by the end of September 2020 and following this Members would need to decide whether to proceed with the Network Rail construction contract. The 'missing mile' planning application is due to be submitted by the end of July 2020 and will include provision for a boat mooring facility and a café. Residents in a survey said they would be more likely to use the canal if there were toilet facilities and a café.

The Head of Property Services provided an overview of land acquisitions reminding Members that they had approved in principal the use of Compulsory Purchase Powers in October 2019 to help manage the significant risks. It was advised that Property Services took over negotiations with landowners early in the year and some progress had been made. The Head of Property Services clarified that paragraph 3.2 should read that an option to purchase land had been secured in "one case" and it was also confirmed that another was due to be completed by the end of May 2020. Negotiations were taking place with various land owners and some of these were of a complex nature. There was a need

to de-risk land acquisition as far as possible prior to the National Lottery Heritage funding decision in September 2020. All of the land owners were supportive of the project and the disposal of their land in principle, some were willing to gift land whilst others were taking a more commercial approach.

The Solicitor summarised the legal elements of the report. He began by explaining the use of colouring in Appendix B, land intended to be acquired permanently (shaded pink); land only required temporarily for access/working space etc, (shaded blue) and land over which permanent rights, mainly rights of way, would be required (shaded magenta). The current law does not enable a distinction to be made between temporary and permanent acquisitions in a formal CPO although it does allow for the acquisition of permanent rights to be separately identified. As the CPO proceeds, licences would be negotiated where temporary use is all that is required with permanent acquisition pursuant to the CPO as a default option in those cases.

Before proceeding to make a CPO, the acquiring authority (the Council) must consider whether there is a compelling case for the use of compulsory purchase powers. In doing so it is required to balance the human rights of affected landowners against the public interest in the purpose for which those powers are to be exercised. The solicitor drew members' attention to the provisions of Articles 1 and 8 of the European Convention on Human Rights as set out in the report and to the various paragraphs of the report which summarised the public interest tests relevant to the project.

Taking account of the above considerations, officers were of the view that a compelling case could be made for the use of compulsory purchase powers pursuant to the statutory provisions referred to in the first recommended resolution. Negotiations with landowners would continue up to and beyond the making of a CPO and every effort would be made to secure acquisitions by agreement. It was nevertheless important to underpin those efforts with the security of a compulsory purchase order in the light of the forthcoming lottery funding decision in September 2020. If Members adopted the recommended resolutions, there would remain further work to be done to prepare the CPO documentation. It was anticipated that this would take a further month to complete and that a CPO would be launched in July.

The Canal Engineering Manager had nine plans to outline to Members. He stated that all of the land would be used to support the engineering and bio-diversity work for the canal and ran through each of the plans in Appendix B in turn.

Plan 1 – The project from Saul junction: the first issue was Walk Bridge, Whitminster; historically this had been a swing and hump bridge but it was now a flat deck road bridge. The clearance under the bridge deck was not high enough to permit navigation. He advised that they were working closely with Gloucestershire County Council on plans for a new humped road bridge, however the current designs could not be constructed within the existing highway boundary. Nos 11a and 10a are for proposed welfare facilities for contractors and compounds.

Plan 2 – Adjacent to the lock restoration and a new lift bridge to provide a connection into the River Frome which would be utilised for navigation for approximately 500m. We would look to purchase a thin strip and wider area on the opposite side to provide riparian rights to permit navigation on the river and also to raise the level of the embankment and land. These are all kept down to a safe minimum working requirement.

Plan 3 – Another river connection breaks into the existing Stroudwater Navigation. No.19 in pink shows a footpath area along the canal, possible temporary moorings provided at

this location. It may also be needed to provide a small element of parking. Stonepits Bridge, needs replacing with a lift bridge, the same as at Whitminster Lock. Permanent rights of access are needed to maintain the bridge.

Map 4 – Area in blue shows a temporary access required for planting, bio-diversity works and working requirements. At the A38 roundabout GCC are working to provide two crossings which have been funded by Highways England and therefore has allowed this work to progress outside of the bid. There is an extensive water vole population and there is translocation work to be done to create a new habitat on the River Frome for them.

Map 5 – The ‘missing mile’ is the section of the canal that does not currently exist. A mooring basin will provide income to help maintain the canal when it is restored. Earth screening works to be taken against A419 to help screen the highway traffic from the tranquil environment that will be created. Two new locks will be constructed on either side of the M5. Large areas in blue will be used temporarily for the significant earthworks. Screening bunds along the A419 will also be created.

Map 6 – Towards the M5 junction area on the southern side of the River Frome is a large extensive bio-diversity area. The River Frome under the M5 will need to be realigned with the river being pushed to take up two thirds of the channel and a canal made for the remaining third. It will be important to work closely with Highways England on this.

Map 7 – Highlights the temporary workings on the southern side and underneath the M5. The River Frome will need to be diverted temporarily through the existing draining culvert under the M5 so the engineering works can be carried out safely. There is a problem getting over the gas main and under the M5, hence two locks to provide the fall that the one historic lock used to provide. No.36 is the second of new locks before crossing to the existing Westfield Bridge.

Map 8 – Showed the missing mile joining the existing canal line. No.40 showed a small area of land which needed to be purchased for connection purposes. The main element of the restoration is close to residential property and we are working with the resident to keep the temporary working area to a minimum and purchase the land by the lock side.

The meeting was adjourned at 8.00 pm and reconvened at 8.02 pm to enable Members to partake in the clap for health and care workers.

Map 9 – The section of canal restoration between Dock Lock at Eastington and all the works through to Oldends Lane, Stonehouse are to be undertaken within existing canal ownership boundaries. The large blue area in Stonehouse at the end of the project shows the large construction area required to replace the Ocean Rail Bridge. The works to remove the existing bridge and build a new bridge would commence the first May day bank holiday next year which will take approximately 76 hours. A lot of preparatory work must be completed before entering into an agreement with Network Rail.

A lot of the areas of land are required for welfare and temporary safe working arrangements. The acquisition elements were down to the barest minimum. We hope to minimise the use of CPO. Some land is unregistered and CPO will allow those unregistered and unknown elements of land to be acquired for the project.

The Leader thanked the officers for their clear report.

Councillor Cornell confirmed she would propose the report and the Motion was seconded by Councillor Whiteside.

Officers gave the following responses to Members' questions:

- Permanent rights of access can be dealt with under legislation to enable the acquisition of permanent rights over the land but the Council would prefer to acquire these by agreement.
- The Council is already in possession of one piece of unregistered land. CPO would help obtain unregistered areas. Any person able to prove title to unregistered land would have a compensable interest and the Council would seek to negotiate acquisition of that interest by agreement.
- Acquisitions are being secured by way of options; the commitment to pay for the land isn't triggered unless we are successful with the bid further down the line.
- Funding land acquisitions is within the budget for the project. If we receive lottery funding and all goes to plan any land acquisitions paid before then would be funded by us and reimbursed by the lottery funding later on.
- Temporary land use would be secured by negotiating temporary licenses. The fall-back position would be compulsory acquisition. After completion of the scheme it would be normal practice to first offer surplus land back to the original owner.
- Land used for temporary working space etc. would normally be restored to its original condition unless otherwise agreed with the landowner.
- The National Lottery Heritage Fund are not accepting any new funding applications and ticket sales are currently down so the pressure on lottery money is greater. In September 2020 the Canal Manager will meet with lottery representatives and we need to have alleviated all risks and have a CPO in place to provide the bid with its best chance of success.
- As part of the missing mile planning application, extensive archaeological investigations had been undertaken on both sides of the M5. A couple of small finds were uncovered but there was nothing of significant interest and no evidence of a Roman Villa on the site.
- The magenta colouring on the plans (Appendix B) identifies land over which private rights of way for future permanent access/maintenance etc. will be required, these will not be public rights of way.
- The A38 roundabout is owned by GCC, the highway authority, and they will retain ownership of the highway and also maintain the bridge structures.
- Discussions with the Environment Agency and Drainage Board are taking place to avoid existing sluices and drainage ditches (Reference Map 1, Nos 9 and 10).

A debate ensued and Members were all supportive of the clear and concise report and conveyed their thanks to the Officers. This was a very important project for the Stroud District. It was hoped that there would be no need to use the CPO powers but these had to be in place. The benefits of the project for wildlife, low carbon travel, walkers and investment were highlighted.

In summing up the Leader thanked the team who had all brought their expertise to help make this serious decision and the detail provided was much appreciated. There was evidence of good partnership working and of good relationships with landowners. The detail on the maps had helped assist in understanding the project.

On being put to the vote, the Motion was unanimously carried.

RESOLVED **a. Having taken account of the issues set out in this report including the Appendices, the Committee considers that there is a compelling case in the public interest for the**

compulsory acquisition of the land and new rights identified in Appendix B of the report pursuant to the statutory powers contained in section 226(1)(a) and 226(3) of the Town and Country Planning Act 1990 and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 and consequently resolves to make a Compulsory Purchase Order to be known as THE STROUD DISTRICT COUNCIL COTSWOLD CANALS CONNECTED (PHASE 1B: OCEAN, STONEHOUSE TO SAUL JUNCTION) COMPULSORY PURCHASE ORDER 2020 for the compulsory acquisition of that land and those rights.

b. The Head of Legal Services be authorised;

- (i) to prepare (in consultation with the Canal Project Manager and the Head of Property Services) an appropriate Order, Order Map(s) and Statement of Reasons in accordance with resolution (a) above.
- (ii) to make and submit the Order to the Confirming Authority and
- (iii) to take any further actions required for the purpose of securing confirmation of the Order including engaging Counsel and other external services as considered necessary.

SRC.006

WORK PROGRAMME

Democratic Services would arrange a separate meeting with members to discuss the work programme.

Reports to be included on the Agenda for the meeting on 18 June are:

- Water Source Heat Pumps Brimscombe Port and Ebley
- Council Tax Hardship Fund
- Summary of Financial Information for Central Government
- Economic Growth Committee – report to note

Reports for future meetings:

- Finances of the Council
- General Fund Outturn Report
- Recovery Plan for the Council

RESOLVED **To note the above update to the Work Programme.**

SRC.007

MEMBERS' QUESTIONS

There were none.

The meeting closed at 8.45pm.

Chair

STRATEGY AND RESOURCES COMMITTEE

18 JUNE 2020

5

Report Title	COUNCIL TAX HARDSHIP SCHEME – COVID-19			
Purpose of Report	To adopt a Council Tax Hardship Scheme for 2020/21 and update the existing Section 13a Hardship Policy.			
Decision(s)	<p>The Committee RESOLVES:</p> <p>a. To approve the changes to the Section 13a hardship Policy to allow for immediate implementation of the Government Covid-19 funding.</p> <p>b. That a report is taken to the next available meeting of Council to formally adopt the amended Section 13a Hardship Policy.</p>			
Consultation and Feedback	Group Leaders of all four parties have been consulted together with the Section 151 officer along with representatives from other Gloucestershire authorities.			
Report Author	Simon Killen – Revenue and Benefits Manager Email: simon.killen@stroud.gov.uk			
Options	The Council could choose not to adopt the scheme.			
Background Papers	COVID-19 hardship fund 2020-21 – Local Authority Guidance			
Appendices	Appendix A – Council Tax Hardship Scheme Covid-19 Appendix B – Council Tax – Section 13a Policy			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. INTRODUCTION / BACKGROUND

- 1.1** Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of council taxpayer.
- 1.2** The policy sets out the Council's approach to the awarding of discretionary reductions to individuals in respect of a council tax liability. The policy allows the Council to reduce the Council Tax payable on the grounds of hardship or where there are exceptional circumstances.
- 1.3** The Government recognises that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments.

- 1.4 Expectations are that Council's will provide all recipients of working age local council tax support during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal local council tax support scheme design.
- 1.5 The allocation of funding for Stroud District Council for the financial year 2020-21 is £628,575.
- 1.6 The funding level is finite and therefore the Council, although keen to ensure that awards are given to the maximum number of residents, is conscious that its expenditure cannot exceed that amount.
- 1.7 The money will be paid out to Council's through a grant under Section 31 of the Local Government Act 2003.

2. MAIN POINTS

- 2.1 The Council Tax Hardship Fund is where those claiming local council tax support would be eligible for an additional discount of up to £150 on their council tax bill. This is for working age claimants only.
- 2.2 We have been able to apply discounts to 1,339 council tax accounts. This has already seen a total of £170,681 in support to residents.
- 2.3 We will continue to award discounts to those falling into difficulties and find themselves claiming support for the first time. These awards will be made automatically without the need for application.
- 2.4 The demand during this financial year is uncertain as we continue to see a high increase in new claims.
- 2.5 Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £150, we can establish our own local approach to using any remaining grant to assist those in need.
- 2.6 In doing so, we aim to use the remaining grant allocation as part of wider local support mechanisms. This includes council tax relief using our adapted existing discretionary discount/hardship policies in order to capture those most likely to be affected by COVID-19.

3. CONCLUSION

- 3.1 The Section 13a policy has been revised and updated to replace the previous outdated policy. The inclusion of a Hardship scheme relating to Covid-19 allows for significant support to residents in the district who find themselves in hardship.
- 3.2 The scheme should be reviewed during 2020/21.

4. IMPLICATIONS

4.1 Financial Implications

The Council has received a grant from Central Government of £628,575 to fund hardship awards. Any awards made by the Council in respect of Covid-19 related hardship will be funded by that grant.

Andrew Cummings, Strategic Director of Resources
Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

4.2 Legal Implications

The Government document entitled '**COVID-19 hardship fund 2020-21 – Local Authority Guidance**' provides guidance to authorities about the operation and delivery of this additional relief. The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes and will be funded by the Government as set out in the report.

The Government expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A (1) (c) of the Local Government Finance Act 1992 which is set out in the appendices.

The expectation of the Government is that this additional support is added to the existing scheme and that the Council should expedite provision of support to individuals in the area, using existing policies and schemes to deliver assistance where practical.

Furthermore, the Guidance is clear that, where council clearance processes are considered necessary, to avoid delays, they should be kept as light touch as possible within the governance arrangements of each authority. As such, given that this is effectively an allocation of Government grant and that the provision should be applied as soon as possible, it is appropriate in the circumstances for the Strategy & Resources Committee to approve the amendment proposed but this should be reported to the next meeting of full Council.

Patrick Arran, Interim Head of Legal Services & Monitoring Officer
Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk

4.3 Equality Implications

The council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality access to Council services, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

4.4 Environmental Implications

There are no significant implications within this category.

Stroud District Council

Discretionary Hardship Scheme – Council Tax – COVID 19

Background

Since April 2013 each Local Authority has in place its own scheme for Council Tax Support. Unlike the Council Tax Benefit scheme the Local Council Tax Support scheme is not fully funded by Central Government and thus the onus is on Local Authorities to implement their own schemes.

Whilst there is the need to have a local scheme there also needs to be some provision for those residents who do find themselves in ‘exceptional’ circumstances and require short term assistance to meet their Council Tax obligation. It is important to define what could be considered exceptional and in this instance it would be a situation that was not typical, was entirely unusual and only likely to happen very infrequently. It is envisaged that exceptional situations for the purpose of this scheme are likely to be things entirely out of the control of the council tax payer, such as flooding to a property as an example. It is therefore relevant to include those suffering severe financial hardship as a direct result of the COVID 19 global pandemic as this is an exceptional and unprecedented situation.

Legal Provision

Billing authorities have discretion under Section 13(1)(c) of the Local Government Finance Act 1992 to reduce the amount of council tax payable for individuals, or for classes of council tax payer. This includes the power to reduce the amount payable to nil.

13A – Reductions by billing authority

- (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day -
 - (a) In the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority’s council tax reduction scheme (see subsection(2));
 - (b) In the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to the dwelling;
 - (c) In any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit
- (2) Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwelling situated in its area by –
 - (a) Persons whom the authority considers to be in financial need, or
 - (b) Persons in classes consisting of persons whom the authority considers to be, in general, in financial need

...
- (6) The power under subsection (1)(c) includes power to reduce an amount to nil

(7) The power under subsection(1)(c) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination

...

(9) In this part “council tax reduction scheme” means a scheme under subsection (2)

Eligibility Criteria

The intention is for this scheme to be a last resort for exceptional situations and circumstances. It is not intended to replace any discounts, exemptions or council tax support awards. The Council will treat all applications on their individual merits, however some, or all of the following criteria should be met for each case:

- There must be clear, demonstrable evidence of financial hardship or exceptionally difficult personal circumstances that justifies a reduction in council tax liability
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to the application
- The taxpayer must have applied for Local Council Tax Support – the scheme which ensures that those on low incomes receive financial support towards their council tax
- All other discounts and reliefs must have been applied to the council tax account
- The taxpayer does not have access to other assets that could be used to pay council tax
- The Council’s finances allow for a reduction to be made *
- The situation and reason for the application must be out of the taxpayer’s control
- The amount outstanding must not be as a result of wilful refusal or culpable neglect
- It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers who have to meet the cost of any relief granted
- An award can only be made for the Council Tax element of any charge, any court or enforcement agency costs applied to the account cannot be considered

*During the COVID 19 pandemic the Government has made a hardship fund available to the Local Authority to specifically address hardship requests.

In all cases relief will end in the following circumstances:

- At the end of the financial year
- The liable person changes
- The council tax payer enters any form of formal insolvency
- The council tax payer’s financial circumstances significantly alter

Council Tax Discretionary Hardship Payment

The Council Tax discretionary hardship payment (COVID 19 amendments) will be effective for 2020/21.

Claiming discretionary hardship

Requests for a reduction in council tax must be made in writing from the taxpayer, their advocate/appointee or a recognised third party acting on their behalf. A designated application form will also be made available. The application should be supported by a full financial statement of income and outgoings and accompanied by any supporting evidence.

The application will be reviewed and considered having regard to each individual applicant's personal circumstances, the scheme guidelines, the content of the application and the evidence supplied in support of the application.

Awards will be made directly by way of a discount applied to the Council Tax bill

Review of Decision

The Council Tax Discretionary Hardship scheme is administered in accordance with the Local Government Finance Act 1992 and as such, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a customer's written request for a redetermination of its decision. A request for a redetermination must be made within one calendar month of the date of the letter informing the customer of the decision.

A redetermination will be undertaken by a [Senior] Officer, who will consider whether the Council taxpayer has provided any additional information that will justify a change to the original decision, having due regard to all the evidence considered in the original decision and any supplementary evidence supplied to support the redetermination request.

The applicant will then be notified of the reconsideration, which will clearly state the reasons for the decision made.



STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB

www.stroud.gov.uk

Email revenue.services@stroud.gov.uk

Discretionary Hardship Relief

Council Tax - Section 13a Policy

Background

Since April 2013 each Local Authority has in place its own scheme for Council Tax Support. Unlike the Council Tax Benefit scheme, the Local Council Tax Support scheme is not fully funded by Central Government and thus the onus is on Local Authorities to implement their own schemes.

Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of council taxpayer. This includes the power to reduce the amount payable to nil.

Whilst there is the need to have a local scheme there also needs to be some provision for those residents who do find themselves in 'exceptional' circumstances and require short term assistance to meet their Council Tax obligation. It is important to define what could be considered exceptional and in this instance it would be a situation that was not typical, was entirely unusual and only likely to happen very infrequently. It is envisaged that exceptional situations for the purpose of this scheme are likely to be things entirely out of the control of the council tax payer, such as flooding to a property as an example.

The full cost of awarding any Section 13A reductions must be met by Stroud District Council from its General Fund. The Council must therefore balance the need of the individual council payers requiring support against the interests of the council tax payers generally.

Eligibility Criteria

The intention is for this scheme to be a last resort for exceptional situations and circumstances. It is not intended to replace any discounts, exemptions or council tax support awards. The Council will treat all applications on their individual merits, however some, or all of the following criteria should be met for each case:

- There must be clear, demonstrable evidence of financial hardship or exceptionally difficult personal circumstances that justifies a reduction in council tax liability
- The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to the application
- The taxpayer must have applied for Local Council Tax Support – the scheme which ensures that those on low incomes receive financial support towards their council tax
- All other discounts and reliefs must have been applied to the council tax account
- The taxpayer does not have access to other assets that could be used to pay council tax

- The Council's finances allow for a reduction to be made
- The situation and reason for the application must be out of the taxpayer's control
- The amount outstanding must not be as a result of wilful refusal or culpable neglect
- It is reasonable for the Council to award a reduction having regard to the interests of other local Council Tax payers who have to meet the cost of any relief granted
- An award can only be made for the Council Tax element of any charge, any court or enforcement agency costs applied to the account cannot be considered

Relief under this policy will not be awarded in the following circumstances:

- Where the full council tax liability is being met in full by council tax support
- For any other reason, other than to reduce the council tax liability
- Where the council considers that there are unnecessary expenses and debts and that the applicant has not taken reasonable steps to reduce these
- Where the council tax payer has assets that could reasonably be used to pay the council tax. This includes payment being made from proceeds of sale
- To cover any increase in the council tax payable due to the failure by the applicant to notify changes in their circumstances in a timely manner or where the applicant has failed to act correctly or honestly
- As a means to reduce or remit council tax which can recovered by the various enforcement methods available to the Council
- Where a council tax or council tax support penalty has been imposed at any time during the financial year where relief is being requested
- To cover court costs or administration fees

In all cases relief will end in the following circumstances:

- At the end of the financial year
- The liable person changes
- The council tax payer enters any form of formal insolvency
- The council tax payer's financial circumstances significantly alter

How to apply

The person(s) liable for council tax, their appointee or representative, will be required to submit an application for discretionary hardship relief to the Council, using the form provided. The application form is available on the Council's website and paper copies will also be made available on request.

The application form must be fully completed and submitted with any supporting information or evidence.

The applicant must provide details of any special circumstances and/or exceptional hardship being experienced and provide evidence to support their application.

Evidence required may include, but is not limited to:

- Full details of income and expenditure
- Full details of any capital and other assets
- Confirmation of outgoings including debt repayments, outstanding loans and credit card debt
- Details of personal illness confirmed by a GP

Failure to provide any supporting evidence and information that is requested will lead to the discretionary hardship relief claim being refused unless there are mitigating circumstances which led to that failure. There

may be some occasions where relief can be considered based on information already available to officers in the Revenues and Benefits team.

Period of Award

A discretionary hardship relief award will not normally be used to provide long term support for individuals. They will be used to provide short term support to allow people the time to resolve their current financial difficulties and to move to a position which is financially sustainable for them in the longer term.

The length of time over which an award is made is at the discretion of the Council but will not normally exceed a six-month period.

The applicant will be notified of the period of the award and any specific end date.

Notification of decisions

The Council will aim consider the application and notify the customer of the outcome within 21 days of receipt of the claim and all supporting documentation.

If the claim for relief is successful, the award will be made directly by way of a discount applied to the Council Tax bill. This will be confirmed in writing and the Council's decision letter will include the following:

- The reason for the award
- The amount awarded
- The period of the award
- The applicant's duty to report any changes in circumstances
- Any conditions associated with the award
- Details of the right of review

If a claim is unsuccessful, this will be confirmed in writing and the Council's decision letter will include an explanation of how the decision has been reached and details of the right to request a review.

Review of Decision

Applications will be reviewed, and decisions on awards will be made by a Senior Officer in the Revenues and Benefits team.

Discretionary hardship relief awards are administered in accordance with the Local Government Finance Act 1992 and are subject to a statutory appeals process. If the applicant disagrees with a discretionary hardship relief decision they must put this in writing giving their reasons. This should normally be received by Stroud District Council within a month of the date of the decision although more time can be given in exceptional circumstances.

Where possible the Council will try to resolve the matter by explaining the reasons for the decision to the applicant or their representative, either verbally or in writing. If a decision is formally challenged a reconsideration will be made by the Revenue and Benefits Manager. The applicant will then be notified of the reconsideration which will clearly state the reasons for the decision made.

If the applicant remains dissatisfied with the decision, an appeal may be made to the independent Valuation Tribunal. Further details on this process will be notified to the applicant with the outcome of any previous review of the decision.

Equalities

The Council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality of access to Council services. This policy is fully inclusive and could support all members of the community, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

Fraud

The Council takes fraud seriously and has adopted a zero tolerance approach. All allegations of fraud will be investigated; should a person make a false statement or provide incorrect evidence in support of their application for discretionary hardship relief, they may commit a criminal offence. All such instances will be dealt with in accordance with the Anti-Fraud and Corruption Policy and any overpaid monies will be recovered together with any outstanding council tax.

STRATEGY AND RESOURCES COMMITTEE

18 JUNE 2020

6

Report Title	COVID-19 – RECOVERY STRATEGY			
Purpose of Report	To propose a strategy and associated governance arrangements, setting out the Council's approach as a community leader in the local recovery from the Covid-19 pandemic.			
Decision(s)	The Committee RESOLVES: a) To endorse the approach as outlined in the Draft Recovery and Renewal Strategy document, attached as Appendix 1. b) To endorse the draft governance arrangements attached as Appendix 2.			
Consultation and Feedback	Strategic Leadership Team has shaped the proposals in this report, taking account of feedback from all members of Strategy and Resources Committee.			
Report Author	Brendan Cleere, Strategic Director of Place Email: brendan.cleere@stroud.gov.uk			
Options	The proposed approach has been developed in consultation with members, officers and partners involved in recovery efforts. No alternative options are proposed.			
Background Papers	None			
Appendices	Appendix 1 – Recover, Reset and Renew: A Strategy for Stroud District 2020 – 2021 Appendix 2 – Proposed Governance Arrangements Appendix 3 – Principles of Recovery			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. BACKGROUND

- 1.1 From the outset of the Covid-19 pandemic in the UK, and especially since 'lockdown' measures were introduced on 23rd March 2020, the Council's primary focus has been on the response to this crisis. This has been a huge effort, involving close co-operation and partnership with public, private and voluntary agencies across the Stroud district, Gloucestershire and beyond. The response has included the distribution of financial support and advice for businesses and community organisations and assistance for vulnerable residents, customers and the wider community.

- 1.2 Council services have continued throughout the pandemic, with innovative changes to methods of service delivery being introduced to protect staff, customers and communities from the risks of Covid-19. Significantly, all of this has been achieved while the main offices at Ebley Mill have been closed to the public and the vast majority of staff have been working from home, enabled by the rapid introduction of remote working support and technology.
- 1.3 The Covid-19 pandemic continues to cause significant impact and hardship in many different ways across our communities and early predictions are that this is set to continue. There is a need for clear leadership by the Council and partners to work with our communities, moving forward from the response phase of the crisis towards longer term recovery.
- 1.4 'Recovery' is defined by the Gloucestershire Local Resilience Forum as 'a co-ordinated process of rebuilding, restoring, rehabilitating and regenerating the Gloucestershire Community following any emergency; physically, emotionally and socially'. It is acknowledged that the Covid-19 pandemic is unlike other emergencies of a more localised and short term nature, such as a major storm or flood event. The approach to recovery therefore needs to cater for more complex and protracted scenarios, which may involve reverting to 'response' type activity when necessary, whilst also considering strategic opportunities to achieve longer term culture change, greater resilience, regeneration and economic development. Principles of Recovery, adapted from the Gloucestershire Local Resilience Forum, are provided at Appendix 3.
- 1.5 The crisis and its restrictions have impacted on the Council's Corporate Delivery Plan, as key actions have had to be delayed and may need to be reviewed in the light of the ongoing impact of the crisis. This crisis, and the postponement of the district elections until 2021, has also delayed the work that was going to be done to consider and consult on what the Council's vision, priorities and delivery plan would be for the coming years.
- 1.6 This report sets out a proposed approach (a strategy) for the Council to facilitate recovery and renewal in the Stroud District. The focus of the strategy is external, to address the key challenges and opportunities faced by our places and communities, although it recognises that the internal recovery of the Council is also important and will be taken forward.

2. THE PROPOSED RECOVERY AND RENEWAL STRATEGY AND GOVERNANCE ARRANGEMENTS

- 2.1 The draft Recovery Strategy (*Recover, Reset and Renew: A Strategy for Stroud District 2020 – 2021*) is attached as Appendix 1. The Committee's endorsement is sought for this document and the associated governance arrangements, attached as Appendix 2. Whilst seeking approval for these documents, Members' attention is also drawn to the following complementary points, which have arisen during discussions prior to this meeting:

- 2.2 The Strategy sets out the proposed approach to facilitating recovery through a series of four connected work streams: (i) Economy, Market Towns and Rural Vitality, (ii) Community Resilience and Wellbeing, (iii) Affordable Housing and Homelessness and (iv) Environment and Climate Change. These work streams have been identified through discussion with Members and partners, as well as through experience over the recent weeks in responding to the crisis. The work streams also reflect the Council's previously agreed priorities in the existing Council Delivery Plan and 2020-2021 Budget.
- 2.3 Recovery from Covid-19 will require great flexibility and ability to adapt to rapidly changing circumstances, new guidance and unforeseen impacts, including the possibility of switching into 'response' mode in the event of increased prevalence of the disease. Acknowledging this continuing uncertainty, activities within each work stream will comprise shorter term and more immediate tasks in responding (for example) to the latest government guidance, together with more strategic plans and initiatives to build longer term recovery and resilience.
- 2.4 Detailed action plans and objectives have yet to be established and this will be a priority as each work stream is mobilised, following endorsement of this Committee. Recovery and renewal plans will take account of existing or emerging strategies and plans from service committees.
- 2.5 Strong engagement and collaboration with key partners and communities will be crucial to the development and delivery of work stream objectives and activities, not least because the Council cannot effect recovery alone. Consultation and engagement will be carried out by all work streams, and opportunities will be actively pursued to 'join up' conversations where possible, to reduce consultation overload and fatigue. Effective engagement will be a hallmark of our approach both in the immediate and short term, for example in the best use of national funding to help with the safe re-opening of high streets across our district, as well as in setting longer term plans for recovery and renewal.
- 2.6 Continuing the approach taken so far, engagement and collaboration will be carried out within the District and also with agencies across Gloucestershire (such as other district councils and the County Council, GFirst Local Enterprise Partnership) and beyond. This will be important for a number of reasons, including defining the most appropriate level for activities to be planned and delivered, aligning local interventions with wider strategies and priorities and securing financial support for recovery activities.
- 2.7 The governance arrangements attached as Appendix 2 describe a clear programme management approach, whereby responsibilities and accountabilities are clearly defined and officers and members from across the whole authority are effectively and efficiently informed and engaged in the recovery effort.
- 2.8 Progressing recovery through the approach set out in this report provides opportunities to link longer term objectives and activity to inform the next iteration of the Council's Corporate Delivery Plan.

2.9 More details on the approach and values proposed to recovery and renewal are provided on page 2 of the Strategy.

3. OPTIONS

3.1 There is no 'set' approach to facilitating recovery from a pandemic such as Covid-19 but the approach described in this is recommended as the most effective, based on discussion with members, officers and partners and understanding of the local context. It is acknowledged that we are at present still in an emergency, with much uncertainty in the next few months. Therefore, preparedness and flexibility to adapt our approach as the situation changes will be important.

4. IMPLICATIONS

4.1 The report relates to the recovery and renewal strategy and therefore has no direct financial implications. Each work stream will require identification of resource requirements and funding will then be identified to meet these requirements.

The outturn process for 2019/20 will consider the allocation of sums for recovery work.

Andrew Cummings, Strategic Director of Resources
Email: andrew.cummings@stroud.gov.uk

4.2 Legal Implications

There are no specific legal implications arising from the recommendations made in this report which relate to an overarching strategy. There may well be legal implications arising from the work necessary to progress the individual work streams and these can be considered as and when they arise.

Patrick Arran, Interim Head of Legal Services and Monitoring Officer
Email: patrick.arran@stroud.gov.uk

4.3 Equality Implications

There are no specific equality implications to report at this stage, although future recovery and renewal actions may have implications that will require further consideration and equality screening will be undertaken where appropriate.

4.4 Environmental Implications

There are no significant implications to report at this stage, although future recovery actions may have implications that will require further consideration.

Recover, Reset and Renew: A Strategy for Stroud District 2020 – 2021

Introduction

We are now living through a global crisis that affects us in ways most of us have never experienced before, in our personal and our working lives. How we come out of it is not yet clear to any of us. We do not yet have the answers, but we can begin to share and debate what the challenges are, and what solutions might look like.

This spring, in the lead up to all-out elections in May, at Stroud District Council we had intended to begin a conversation, within the council, and externally with the wider community, about what SDC's plan would be for the district for the next five years. The intention was to use this work to inform the incoming political administration after the elections, so the council could be ready to adopt a new plan in the autumn of 2020. We wanted to understand what data tells us about our district, what existing projects and priorities needed to be maintained, and what were the local, national and international challenges that might need new ways of thinking. The coronavirus crisis has led to a dramatic change in much of the council business and ways of working to cope with the pandemic, and the postponement of elections until 2021. And yet, the need to have a plan remains as well as being able to respond to new challenges created by the crisis.

The rapid changes in council services and way of working have demonstrated that the council has the ability to change to new threats. The lesson learnt should not be lost in working to ensure the council and whole district recovery in a way to become more resilient to future changes.

The purpose of this strategy is to set a framework for a cross-party, community and business response, to come together to think through recovery, reset our approach for new post Covid-19 circumstances and lay the foundations for longer term renewal across our district.









Stroud District is a very diverse district when it comes to our politics, socio-economic backgrounds and values, and where we live, in market towns with strong and proud identities, and tiny rural communities.

Therefore, for recovery and renewal to work, it needs to feel owned by as many people as possible, and not seen as the sole preserve of any interest group, service or organisation. Our country has come through some years where it felt very divided, and yet when today's crisis sprang on us so quickly, we saw a local outpouring of mutual support and cooperation, a coming together of communities and a reminder that what we all value is sometimes greater than what divides us. One thing we have always shared - a profound affection for the places where we live.

Set out below are some core values that will underpin this call for action, and inform it at all stages and from top to bottom. This is the beginning of a conversation. If you live or work, or have any other connection to our district and our communities, you are a part of this, and you are welcome to join in.

Our Approach

Our approach to recovery and renewal will be guided by the following principles:

<p>Inclusive</p> 	<p>This process will be inclusive of all parts of our community, regardless of political beliefs, background, or which part of the district you live or work in. We will draw on the SDC's culture of cross party working, which was strengthened through this crisis with all four party political leaders working together from the beginning.</p>	<p>Collaborative</p> 	<p>This crisis has been most effectively met by collaboration and coordination. There is a role for all levels of local government, for all parts of the public and private sectors, for organisations large and small., and for individuals of all sorts of skills, expertise, and motivation. Close partnership and collaboration at local, regional and national levels will be essential.</p>
<p>Place-based</p> 	<p>We care profoundly about the places where we live and work. We can learn from good practice elsewhere, but our recovery plan has to be unique and responsive to where we live. 'Place' is just as much about the natural world on which we depend, as our built environment.</p>	<p>People-based</p> 	<p>People will be at the heart of it. This crisis has taken a great personal toll on individuals and families, and recovery cannot just be about buildings and businesses. We must understand how our mental and physical wellbeing has been affected by this crisis and learn how to make it better.</p>
<p>Scaleable and adaptable</p> 	<p>Conversations, desired outcomes, and actions to get there can be done at a district-wide level, but should also be able to be scaled down to a town, a community, or a local organisation. If a town wishes to self-organise its recovery the district and county-wide process should be a useful tool to complement that work.</p>	<p>Challenging, but respectful</p> 	<p>Our district is diverse, we will not always agree, but we can listen to different points of view with respect. We will accept challenge and critiques that are constructive, and be ready to admit if we haven't got things quite right. We will be respectful above all that this is a crisis where some have lost their friends and loved ones, and take care how we express our personal views.</p>
<p>Realistic and effective</p> 	<p>It is likely we will still face months of restrictions of one sort or another, and we will face very many challenges of an order not experienced for many years, so we must manage our expectations. One district council will not have the resources and capacity to fix everything. But together we can work out where we can make a difference and focus there. We will set clear and realistic ambitions for recovery and renewal, seeking to deliver these both efficiently and effectively.</p>	<p>Brave and innovative</p> 	<p>We must be bold, brave and ambitious. If we can create together a supportive and inclusive network that holds to all the values above, we will be ready to make innovations and take risks. Some of the challenges which our communities are now going to face may be so difficult, we will need a new way of thinking and working. Not innovation for its own sake: let us hold on to what is good, and what we value about the old ways of doing things.</p>

Our External Recovery Work Streams

We have identified four key external and community focussed work streams. However, as we shape our recovery it may become necessary to adapt, merge or split these work streams. Each work stream will need to be flexible and responsive to short term requirements – such as the safe re-opening of high streets and public spaces – as well as more strategic activities associated with longer term recovery and renewal. Flexibility to dynamic and unforeseeable circumstances and events will also be vital as the recovery from Covid-19 is not likely to be predictable.

One Council

One of the conclusions of Stroud District Council's recent Corporate Peer Challenge was to improve its strategic leadership, and part of this will be to move out of a silo way of working. This recovery strategy recognises the ongoing importance of this. Wherever possible recovery, renewal and particularly building resilience, should be mainstreamed as core council responsibilities. As such, governance to drive recovery should complement existing council governance structures.

These work streams are not seen as mutually exclusive, and will be underpinned by the key drivers of carbon neutrality by 2030, community wealth building to build resilience, key principles adopted by Stroud District Council in 2018.

Work streams will be complementary to the existing service committees, and will not replace the ongoing work these committees have been undertaking, while recognising the impact of the current crisis on this work. Some of the key actions of the 2019-2020 Corporate Delivery Plan could not be completed because of the crisis.

The four work streams are as follows:

1. Economy, Market Towns and Rural Vitality

We know that economic activity has dramatically slowed due to the crisis, and early data compiled by the GFirst LEP indicates that Gloucestershire will face a significant economic downturn in the coming months, with Stroud District predicted to be one of those areas hardest hit. Our district has one of the largest numbers of small and medium sized businesses in the county, which perhaps lacking cash and capital reserves of large companies may face greater threat of failure. However small and medium sized businesses also often have the great potential to adapt and change to new circumstances and opportunities.

The scale of the challenge will be beyond the capability of one district council, but we have to understand what our role is, and how we can create local partnerships, and interventions, that can make a difference most effectively. Close partnership with local businesses and organisations as well as strategic partners such as the Local Enterprise Partnership and Gloucestershire County Council will be essential. It is critical that our district's economy remains resilient and starts to make a rapid transition to the low carbon economy of the future and our emerging Local Plan will provide an important way to facilitate this.

The crisis has thrown into sharp relief the inequalities in our society, and work on recovery and renewal needs to ensure priority is given to supporting those most adversely affected by the crisis. We need to understand how work may change as a result of the crisis, and how to support that, if more people now work from home. We need to support creation of local decent jobs and assistance for our home-grown businesses, large and small. Some local businesses will bounce back quickly, but others may struggle. Working closely with our Local Enterprise Partnership will be essential, as they have been tasked by central government with leading on the county-wide economic recovery plan.

In 2018 SDC adopted the principles of 'Community Wealth Building', to maximise the value of local assets and enable the benefits of economic development to be retained locally as local 'anchor institutions' from the public, community and voluntary sectors, spend local on goods and services and wealth created by a community stay in the area in which it was earned. The importance of Community Wealth Building is even greater now than ever.

For years now the life of our market towns has felt fragile, as shopping habits change and banks and post offices close. Finding a way to respond to today's challenges will be difficult, but the crisis has seen a groundswell of innovation and energy in our market towns and communities in creating locally led approaches to economic recovery and revival. Encouraging and harnessing that energy will be a hallmark of our approach. Stroud District has a long tradition of innovation in industry and a fierce commitment to local solutions to big challenges: we have the potential to lead the way.

Our district is also a deeply rural place of tiny hamlets and farms. We need to recognise the specific rural challenges many people face, and make sure that access to services and housing is fair wherever you live.

We need to recognise and celebrate the diverse character of the different places across our district, identifying challenges and seizing opportunities with others to promote a thriving and sustainable future – physical, social, cultural, environmental and economic. A key starting point for further engagement and planning for recovery will be the distinctive locally based 'visions' already developed in the draft local plan.

2. Community Resilience and Wellbeing

The crisis has struck our communities hard, and at the same time has seen a powerful outpouring of community support. As we begin steps towards recovery, we must hold onto that positive outcome as we ask the question, how can we facilitate more resilient, self-reliant, safe and thriving communities?

We don't yet know when this crisis will end or what personal toll this crisis will take on us but we know it will be profound. Some have lost loved ones to the virus, or seen their livelihoods abruptly come to an end. People who have led active lives have found themselves defined as 'vulnerable' and have had to shield themselves at home. Our key workers have continued to work, caring for others or carrying out essential services, knowing they are putting themselves and their households at risk. All of us have been parted from friends and family for weeks, and a phone or Zoom call will never be the same as meeting them in real life. We all need to navigate our way through this, but we especially need to identify those who are most vulnerable and focus support and services for them. A study published just before the crisis showed how in the last ten years, health inequality in the UK has got worse, and this will have worsened in recent months.

Our leisure services are much valued by our communities and have been especially badly affected by current restrictions. Recovering and adapting these, as well as continuing on with the review of leisure opportunities across the district as was agreed prior to the crisis, will be a priority - supporting local residents' health and well-being will be more important than ever.

What matters to us is that local people can live healthy and happy lives whatever their background or life situation. Arts and culture, sports, and social spaces like pubs, cafes and community venues: these have been such an important part of our lives and local economy, how do we support their recovery in the months to come?

3. Affordable Housing and Homelessness

We all need an affordable and decent home to live in, and ensuring everyone in the district can access decent housing, must remain a top priority for the council. This is even more important now as the economic downturn caused by the crisis will see many local people's incomes suffer. We also need to support people and families who have been immediately affected by the crisis and facilitate sustainable housing solutions. The council's own house-building programme can play a small role in supporting the local economy and jobs. And we need to ensure that all privately rented homes are at a good standard. We need to understand too how the council may have to adapt its local plan and planning policies to new ways of working and living, as well as responding to the demands which central government will continue to put on us around numbers of houses to be built in the district.

Even before the Covid-19 pandemic, Stroud district had a pressing housing need, with 2940 people on the Housing register (at 8 June 2020). The severity of housing needs within that total vary, but 436 were considered to meet the statutory definition of homelessness and 292 were reported to be living in “insanitary or overcrowded” accommodation – some will be in both categories, as will 378 who needed to move on medical or welfare grounds.

This recovery work stream will encompass action to tackle housing needs on a variety of fronts, such as: increasing supply of affordable homes of all tenures, action to prevent housing debt in all sectors, action to provide temporary housing where homelessness arises and action to ensure that best use is made of housing stock in all tenures.

Many may now be considering working from home on a more regular basis and adapting their homes for greater home working. This may have positive opportunities for the regeneration of rural communities, and encourage local retrofitting to adapt homes and reduce their winter running costs.

Collaboration with key partners such as local housing associations and registered providers will be vital to success.

4. Environment and Climate Change

As the lockdown saw road traffic cease and people stay at home, it felt as if nature has had a chance to breathe again and recover. Long before the coronavirus emergency arrived, we were in another emergency, as human activity makes rapid changes to the climate and threatens the social and economic fabric of our district and indeed viability of life on earth.

We need to change our ways and learn how to live well in a rapidly changing climate and reduce greenhouse emission to ensure our planet can support human life beyond the next generation.

In 2018 the council declared a climate emergency and committed to work towards becoming a carbon neutral district by 2030. We are fortunate in that in our communities there is so much support for making the changes that are needed, and expertise amongst local people, businesses and organisations to help shape the solutions, reducing our carbon emissions, and building resilience into our natural surroundings. The Stroud District Climate Action Network is just one example showing how communities are collaborating and taking the lead in local action to tackle the climate emergency.

The council’s 2019 Environment Strategy set clear priorities for the council to follow in creating a plan for 2030: a changing climate, a circular economy, our homes and buildings, and sustainable communities. Our emerging climate strategy and action plan will be an important catalyst

for a just transition to a low carbon economy of the future, where growth is clean and sustainable, nature has a chance to recover and we keep wealth local and fair.

Place Leadership

As we move from the response to this crisis into recovery we will search for opportunities to modernise and transform, as well as simply restore our services to the community – looking for ways to deliver in a more efficient, effective and sustainable way.

There is an opportunity to enhance and restore trust in local democracy as we have a conversation with our communities about how local citizens, community groups and local business are involved in decisions that affect their lives, and what changes the district council can make to the way it goes about its business.

What lessons can be learnt from this crisis and what good practices would we like to hold onto? As we press the reset button on the Council's plan for the coming years, and take stock of how the crisis has affected local government finances, we need to review our priorities and our projects, and make sure resources are directed to where they will be most effective.

There will be hard choices ahead for all of us, as well as new opportunities. Now is the time to strengthen existing partnerships, and forge new ones, so we work together to understand the challenges our district faces, and what solutions might look like.

Internal Recovery & Modernisation

As a local organisation with a large workforce, the council itself has been impacted by the crisis and will need to plan its own internal recovery. Many of the lessons learnt from this crisis as well as how to recover from it will apply equally to internal as well as external recovery. It is recognised that much of the internal recovery will be operational and led by officers, however elected members have an important strategic role to play in the interface between how the organisation is internally organised and how effective and accountable it is in its allocation of public resources, and the services and support it provides to local citizens.

What will success look like?

With so much uncertainty in our world at present, this emerging strategy deliberately does not set out solutions, but creates a framework and starting point for the work to begin. However, early on in this process, we shall need to determine what success looks like. The key question

will be – have the people, businesses and communities of Stroud District fully recovered from the Covid-19 crisis, and have we ‘built back better’?

Complementing Other Recovery Plans

This strategy is intended to complement other recovery planning going on in Gloucestershire, and SDC will participate in, collaborate with and support the following:

- The Local Resilience Forum is leading on the emergency response, bringing together all emergency and frontline services, the NHS and public health, police and county and district councils. The LRF will have a role in managing the recovery from the current restrictions.
- GFirst LEP has been tasked by central government with managing a sector-led approach by businesses across the county.
- The Gloucestershire Joint Economic Growth Committee will coordinate the county-wide approach to economic recovery, in collaboration with Leadership Gloucestershire, which brings together leaders of councils, NHS, the LEP and Police and Crime Commissioner.
- Individual recovery plans developed by the towns and parishes of our district.

Conclusion and Next Steps

Each work stream will adopt a similar approach to recovery and renewal, and opportunities to ‘join up’ processes will be taken wherever appropriate, for example in engaging our communities and key partners in a conversation across all work streams to help determine overall priorities.

Initial steps in relation to recovery will focus on gathering evidence, engagement and consultation activity and the taking of immediate and short term actions to address identified issues and opportunities, taking special care to complement and add value to the work of our key partners such as GFirst LEP and the County Council.

We will set out a planned transition from recovery towards a vision and plan for longer term renewal. This will in effect become the Council’s new Corporate Delivery Plan. The detailed timetable and process for this will be agreed by members.

Appendix A: Resources and Good practice

Resources

- SDC existing Corporate Delivery Plan and its priorities
- Existing and emerging Council Strategies and Plans especially on priorities like Health and Well Being; Carbon Neutral 2030; Housing; Local Plan
- The Government's 'Our Plan to Rebuild' roadmap
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884171/FINAL_6.6637_CO_HMG_C19_Recovery_FINAL_110520_v2_WEB_1_.pdf
- UN Sustainable development goals 2020-2030
- Power in Place: District Councils Network Five Point Plan Manifesto for Recovery: <https://districtcouncils.info/influencing/power-in-place-district-councils-five-point-manifesto-for-recovery/>

Best Practice

Albert, Canada

A practical action plan with internal and external workstreams and measurable outcomes, what does success look like:

<https://stalbert.ca.legistar.com/View.ashx?M=F&ID=28475&GUID=E3B92CAF-059A-4DE2-9B63-F8CFA3B86D88>

Liverpool LEP: sign up to help them 'Build Back Better'

<https://liverpoollep.org/build-back-better/>

Paris online 'I've an idea': <https://www.paris.fr/pages/madame-la-maire-j-ai-une-idee-3971#idee-paris-c-est-quoi>

From the RSA

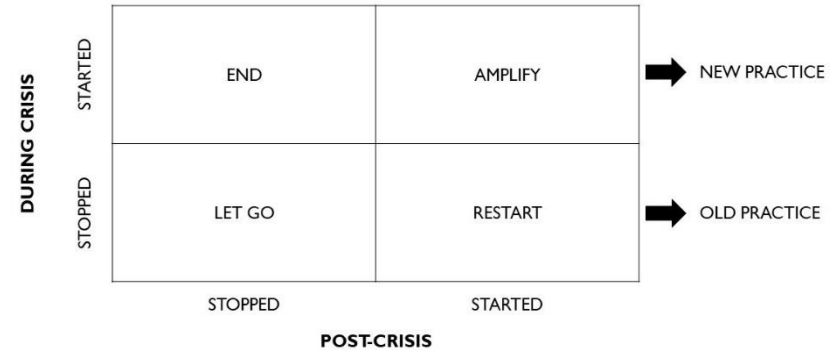
WHAT PRACTICE ARE WE SEEING IN COMMUNITIES, INSTITUTIONS, POLICIES?

Understanding crisis-response measures
Collective Sense-making



ACTIONS

Understanding crisis-response measures
Collective Sense-making



Doughnut Economics

Kate Raworth and her colleagues have launched the Doughnut Economics Action Lab which will be producing a model that can be scaled down to a local level. The essence of the Doughnut is that we need to live in a safe and just space, with a redistributive and resilient economy: the outer circle is the ecological ceiling where humans can't live without exhausting the planet, while the inner circle is the social foundation, humans must not be allowed to fall below that where their needs cannot be met.

“How can our city be home to thriving people in a thriving place, while respecting the wellbeing of all people and the health of the whole planet?” This question is the one that the city of Amsterdam is now asking itself, and it seems a good question to adapt for ourselves to use, and to frame the process of renewal and recovery. We could adapt it:

How can our district, and the towns and communities within it, be home to thriving people in a thriving place, while respecting the wellbeing of all people and the health of the whole planet?

<https://www.kateraworth.com/2020/04/08/amsterdam-city-doughnut/>

8 ways to turn the City Portrait into Transformative Action

- Mirror** Reflect on the current state of the city through the portrait's holistic perspective
- Mission** Create a compelling vision of what it means to become a thriving city
- Mobilize** Bring together the city changemakers and stakeholders to bring about change
- Map** Identify existing initiatives, policies and strategies that are already taking the city in this direction
- Mindset** Embrace the values, ways of working, and new narratives that underpin the deeper shifts required
- Momentum** Create an iterative process that drives cycles of transformative policy and action
- Monitor** Assess progress against leading indicators that enrich the city portrait
- Mmm!** Make it irresistible: be creative, have fun, share learning and stories of success – and celebrate!



Owning the Future: After COVID-19, a new era of community wealth building

'The present crisis has revealed the distressed state of our local economies and the brittle condition of the local public sector, following decades of underinvestment and disrespect. At the same time, this dual public health and economic emergency has underscored the centrality of community to our everyday lives. As we ready ourselves to rebuild and reconstruct within the shattered post-Covid-19 landscape, we must strive to make the economic recovery the starting point for economic reform and a new birth of community in this country.'

https://democracycollaborative.org/learn/publication/owning-future-after-covid-19-new-era-community-wealth-building?mc_cid=2aa59b79f1&mc_eid=34cba23118

Enhancing Local Democracy

Using digital tools.

<https://medium.com/loti/beyond-the-crisis-how-local-government-can-build-a-positive-legacy-after-covid-3ac6e3d32a24>

London Office of Technology and Innovation ([LOTI](#)) and the Greater London Authority (GLA) held a call with borough digital teams and their partners to hear about their work, which is nothing short of inspirational. You can view the slides [here](#).

<https://www.coronaviruslocalresponse.co.uk/#products>

	Pre-Covid	Covid Crisis Response	Potential Legacy
Demographic Innovation	<ul style="list-style-type: none"> Online collaboration / video conferencing tools used extensively by ICT/Digital teams but little adoption elsewhere, particularly by elected members Little digital element to councils' democratic functions 	<ul style="list-style-type: none"> Massively increased comfort level with using online collaborative digital tools by all staff and elected members Democratic functions like committee meetings held online for first time Recognition that moving processes online entails changes to process as well as tools 	<ul style="list-style-type: none"> Start of shift to serious and sustained shift towards more ambitious digital democracy methods that involve citizens in more meaningful ways Innovations in democratic functions make them more accessible to general public
Service Reform	<ul style="list-style-type: none"> Councils' dominant model for addressing local needs is to deliver or commission a top-down service Little widespread innovation on fundamental service model Variable quality of relationships between local authorities and local VCS 	<ul style="list-style-type: none"> Rapid (re)connection with local voluntary sector Mass citizen participation in community responses Extensive development and use of match-making platforms Rapid adaptation of existing or development of new services to meet new needs Challenges launched to invite responses to specific needs Different demographics experience inadequacies in some service models Extensive work done to re-evaluate nature of vulnerability and need 	<ul style="list-style-type: none"> Serious consideration of new operating models based on recognition that councils can play roles other than service deliverer or commissioner - e.g. matchmaker, incentiviser, convener, etc More strategic partnerships developed with local voluntary and private sector organisations based on detailed understanding of each others' strengths Challenge prize methodology for solutions to specific problems become mainstream Fundamental reform to some services based on inadequacies experienced during Covid and understanding of vulnerability
Digital Capability	<ul style="list-style-type: none"> Small number of councils have fully developed digital capabilities - many have more traditional ICT teams 	<ul style="list-style-type: none"> Three different approaches to use of technology made clear: Buy it, Lo-code it, Build it Recognition of need for digital not ICT capabilities Importance of collaboration and working in the open made apparent 	<ul style="list-style-type: none"> Many more councils invest in genuine digital capabilities Comms teams engaged in sharing service design work as it happens Strategic collaboration goes mainstream
Data Collaboration	<ul style="list-style-type: none"> Technical, data, legal, organisational and cultural barriers to data collaboration known about but little addressed Little common data infrastructure Information Sharing Agreements take months 	<ul style="list-style-type: none"> Recognition of hurdles to action due to data collaboration barriers - e.g. silos, lack of data standards New Information Governance agreements being set up and agreed in record time Data rapidly demanded by resilience groups 	<ul style="list-style-type: none"> Barriers to data collaboration addressed Information governance approaches standardised Wider number of datasets become permanent data infrastructure Data recognised as core pillar of city resilience



Appendix 2: Stroud District Council Covid-19 Recovery - Governance Arrangements (Draft)

= Elected member involvement

Group & Composition	Group Description	Individual Roles
<p>Strategy and Resources Committee</p> <p>Membership as currently constituted</p>	<p>Decision making where required in relation to external recovery programme</p>	<p>Lead Member for each work stream</p> <p>Identified as the chair (or their nominee) of each of the four main committees (S&R, Environment, Housing and CS&L). They will link with the relevant lead officer for each work stream, providing challenge and support to the development and delivery of work stream objectives</p>
<p>Recovery Strategic Board</p> <p>4-8 elected members with reps from all political groups (to include the Lead Member for each Work Stream), Programme Sponsor, Programme Manager and SLT members. Work stream lead officers may also be required to attend.</p>	<p>Political and managerial oversight and steer of recovery programme. Providing a link to, and making recommendations as appropriate to, the relevant Committee(s). Communications</p>	<p>Recovery Programme Sponsor</p> <p>Strategic Director of Place – Brendan Cleere. Accountable for overall programme development and delivery</p>
<p>Strategic Leadership Team (SLT)</p> <p>CEO, Strategic Directors and Monitoring Officer</p>	<p>Strategic leadership and co-ordination of recovery programme. Recommendations for member approval</p>	<p>Recovery Programme Manager</p> <p>Programme management support and co-ordination of work-streams. Programme highlight reporting and communications.</p>
<p>Officer Co-ordination Group</p> <p>Meetings held as necessary with Lead Officers for each Work-Stream, Programme Manager and Programme Sponsor (Chair).</p>	<p>Highlight reporting, risks and issues, requests and recommendations. Communication and collaboration.</p>	<p>Lead Officer for each Work Stream</p> <p>Leading the team for the work stream, involving relevant staff across the authority. Collaborating with other authorities and agencies, gathering information, identifying risks, issues, challenges and opportunities, action planning and liaison with lead member for the work stream, particularly around engagement of wider members and key stakeholders.</p>
<p style="text-align: center;">Recovery - Work Streams</p> <ol style="list-style-type: none"> 1. Economy, Market Towns and Rural Vitality 2. Community Resilience and Wellbeing 3. Affordable Housing & Homelessness 4. Environment & Climate Change <p><i>NB The above work streams are external and community facing. A separate but related approach will be made to drive the internal recovery and modernisation of the Council and its own working arrangements</i></p>		

Appendix 3 – Principles of Recovery (adapted from the Gloucestershire LRF Recovery Plan)

Principles – The principles of recovering from emergencies are:

1. Recovery is an enabling and supportive process, which allows individuals, families and communities to attain a proper level of functionality through the provision of information, specialist services and resources.
2. Effective recovery requires the establishment of planning and management arrangements, which are accepted and understood by recovery agencies, the community and all government agencies.
3. Recovery management arrangements are most effective when they recognise the complex, dynamic and protracted nature of recovery processes and the changing needs of affected individuals, families and groups within the community over time.
4. The management of recovery is best approached from a community development perspective and is most effective when conducted at the local level with the active participation of the affected community and a strong reliance on local capacities and expertise. Recovery is not just a matter for the statutory agencies - the private sector and the wider community will play a crucial role.
5. Recovery management is most effective when agencies involved in human welfare have a major role in all levels of decision-making which may influence the wellbeing and recovery of the affected community.
6. Recovery is best achieved where the recovery process begins from the moment the emergency begins. It is recommended that if resources allow, the Recovery Co-ordinating Group is set up on the first day of the emergency response.
7. Recovery planning and management arrangements are most effective where they are supported by training programmes and exercises which ensure that the agencies and groups involved in the recovery process are properly prepared for their role.

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

18 JUNE 2020

7

Report Title	FINANCIAL IMPACT OF COVID-19 ON STROUD DISTRICT COUNCIL			
Purpose of Report	To consider the estimated impact of the Covid-19 pandemic upon the financial position of the District Council.			
Decision(s)	<p>The Committee RESOLVES that:</p> <p style="padding-left: 40px;">a. The estimated impact of Covid-19 on the financial position of the Council be NOTED</p> <p style="padding-left: 40px;">b. It AGREES with the Section 151 Officers opinion that the Council’s Equalisation Reserve should be used to meet the cost of the pandemic</p>			
Consultation and Feedback	Political Group Leaders have been briefed on the financial estimates relating to the pandemic.			
Report Authors	Andrew Cummings, Strategic Director of Resources Email: andrew.cummings@stroud.gov.uk			
Options	The Council could choose not to use reserves to balance its financial position and make in year cuts to balance.			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. BACKGROUND

- 1.1 The Covid-19 pandemic, and associated government measures to protect public health, is having a considerable impact on the financial position of Councils across the Country and Stroud is no different. This report sets out the current impact of the pandemic upon our budgets and associated responses.
- 1.2 The Council is required to undertake a through estimate of Covid-19 upon budgets at least once a month for Central Government. At the time of writing the most recent return was submitted to Central Government on May 15th and is used as the basis for the numbers within this report. The key assumptions for the numbers are stated in the

relevant tables. In many areas these assumptions may have been superseded by later events.

- 1.3 This monitoring does not take the place of the authority's standard budget monitoring process which is still continuing as normal. Reports for the first quarter will be presented to service committees at the first possible opportunity after the end of June.
- 1.4 All of the figures contained within the report are the best possible estimates at the current time. The nature of the pandemic means that circumstances can change rapidly. Estimates will be kept updated and reported to the Committee in future as necessary.

2. 2019/20 BUDGET

- 2.1 The impact of the Covid-19 pandemic financially did not begin until March 2020 with "lockdown" measures not being announced by the Prime Minister until March 23rd. As a result of this there is minimal impact upon the 2019/20 Budget. Where necessary the Council has put extra sums to one side to allow for the recoverability of debts being impacted. Even allowing for these measures, at the time of writing both the General Fund and the Housing Revenue Account are expected to be underspent to some degree. The outturn report will likely be presented at the next meeting of this committee.
- 2.2 That Outturn report will include, where possible, transfers into reserves in 2019/20 to help with both response and recovery to the Covid-19 pandemic.

3. 2020/21 REVENUE BUDGET

General Fund

- 3.1 The largest estimated impacts are expected to be upon the General Fund revenue budget for the current year. The following tables and paragraphs set out the estimated impacts, assumptions used and detailed explanations around the major elements of the impact.
- 3.2 It is clear that the biggest change for Stroud will be from lost income, primarily from fees and charges. This is the picture nationally for District Councils, who are not affected by the impact of Covid-19 on costs in the social care and education sectors.

Expenditure

- 3.3 The estimated cost of Covid-19 in the 20/21 financial year is 294k and details of this are shown in the table below.

Table 1 – Estimated Additional Costs

Additional Expenditure	Estimated Impact	Key Assumptions
	£k	
Homelessness	61	Additional costs continuing for three months
Ubico	61	Additional agency and PPE through the year
Cornhill Market	1	
Stratford Park - SLM	25	Estimate of initial support
Ebley Mill	35	Adaptations required for Covid secure
Revs and Bens software	18	Software required for grants schemes
IT	15	Additional Equipment
Community Grants	50	Match funding County pot
Covid-19 letters	28	One-off item
Total	294	

- 3.4 The largest cost items for District Councils nationally have been in relation to homelessness prevention and in waste and leisure services. This is equally the case for us in Stroud.
- 3.5 The Covid-19 response saw additional responsibilities placed on us to help those in need of emergency accommodation within the District. We have been working with all Councils across the County, including the County Council, to ensure appropriate provision of this accommodation. This has resulted in additional costs and the figure in the table above represents our best estimate of that cost at the time of writing. Central Government has recently announced a pot of funding of £433 million for housing rough sleepers and this may be used towards funding the next stage of the response.
- 3.6 Ubico are incurring additional costs relating to agency staff and provision of PPE for staff. These costs are being reported monthly to the Council and included within our overall estimates. Ubico have made some small savings by furloughing shielded staff under the job retention scheme but these savings will not offset these costs in full. Discussions will be held with Ubico as to the ongoing nature of these costs and whether future budget adjustments are needed.
- 3.7 Adjustments will be needed to SDC properties, primarily Ebley Mill to make them Covid Secure and the cost has also been included in the table.
- 3.8 The Council put to one side up to £50k to match fund the community grant money provided by the County Council. The final use of our part of the fund may ultimately be less than £50k but it will not exceed that allocation.
- 3.9 No financial support in excess of budgeted amounts has currently been provided to SLM. However, this situation is likely to develop when more detail is known about the re-opening of leisure facilities and the impact of the lockdown upon future levels of income. The figure included in the table above is the estimate as at Mid-May but an increase in the coming months is not unlikely.

- 3.10 The cost of £28k for Covid-19 letters is the cost of the yellow letter sent to all residents. This has been a one off cost and is not expected to be repeated.

Income

- 3.11 Like the majority of District Councils, lost income is the largely element of our estimated Covid-19 impact. We have a number of different income sources which have either been eliminated or severely affected by the crisis. The table below sets out the current estimates and the major ones are discussed in the paragraphs below.

Table 2- Estimated Lost Income

Lost Income	Estimated Impact £k	Key Assumptions
Car Park income	919	No income in 2020/21
The Pulse	720	Five month closure followed by three months of half income
Museum in the Park	55	Five month closure followed by three months of half income from shop and room bookings
Planning	173	No reduction in April. At least 25% reduction for next six months after that
Building Control	165	Gradual return to normal levels over six months
Bulky Waste	12	Reduced income in April and May
Garden Waste	71	No further take up of scheme beyond income already received
Land Charges	39	Lower level of property transactions likely throughout the year
Licensing	21	Phased recovery over three mo
Market income	3	
Environmental Health	31	Reductions in income to last for five months
Property rental income	130	Some tenants may seek rental reductions as well as deferrals.
Investment Income	188	Reduction in the bank of England Base Rate will see reduced returns all year
Enforcement income	50	
Total Loss of Income	2,577	

- 3.12 The biggest estimated impact at the time of writing is loss of car parking income. This has been estimated on a worst case scenario of a full year of lost income. An officer decision was made, with the support of Group Leaders, at the start of the pandemic to temporarily cease charging until such time as government restrictions were eased. When these restrictions ease a further political decision will be required as to whether to extend the no charging period or return to previous arrangements. Parking income differs from other lost income sources in that much of the income relates to a Council decision (temporary

suspension of charging). At such point as charging may be reintroduced this impact will be reduced.

- 3.13 The leisure and cultural facilities at the Pulse and the Museum in the Park have been closed since government restrictions mandated it in late March 2020. The combined budgeted income from these sites averages £120k a month and this has been reduced to zero as a result of the closure. The re-opening of these sites is uncertain but is currently anticipated to be later in the summer. What is not known at this stage is what level of income will be received when sites are re-opened. These will be monitored closely and reported through budget monitoring and the budget setting process.
- 3.14 Income from planning application fees has held up well in the first stage of the pandemic. However, planning application levels are very sensitive to levels of activity in the wider economy and therefore a reduction in income throughout the year is expected. Currently the forecast is based upon a reduction of 25% in the number of planning applications for six months.
- 3.15 The Bank of England has reduced the base rate from 0.75% to 0.1% during the crisis. This has had a corresponding impact on the level of interest being received from the Council's short dated investments and money market funds. The return on longer dated investments is not clear at this time but may not be subject to the same fluctuation. There has been a fall in the estimated value of the longer term funds of £310k as at the end of the financial year (much of which has since been recovered). This has no impact on the bottom line of the Council at this time and as an additional precaution the investment risk reserve is maintained at a level to match the fluctuation in value. Fluctuations in the capital value was always to be expected and the yield from these funds is more than three times the return on short dated funds.
- 3.16 The Building Control service has seen a large reduction in income in the first part of the lockdown as the services have not been required due to a slowdown in construction activity. The current assumption is that income levels will return to something closer to normal over six months. The Council holds a building control reserve and some of the income shortfalls are likely to be topped up from this reserve.
- 3.17 The Council has a budget for income from General Fund rental properties for the year of £790k and a reduction of £130k is currently anticipated. At the current stage there have been no rent holidays granted, only deferrals, but the second quarter rent period may see tenants request reductions in rental payments.

Housing Revenue Account (HRA)

- 3.18 The impact on the Housing Revenue Account is estimated to be less than the General Fund with the current estimate shown in the table below.

Table 3 – HRA Impact

Expenditure	Estimated Impact £k	Key Assumptions
Repairs and Maintenance	200	Costs related to catch up for backlog of repairs and additional PPE
Sheltered Housing	5	
Other Expenditure	32	
Revaluation of stock	10	
Total	294	

Lost Income	Estimated Impact £k	Key Assumptions
Rents and Service Charges	408	Void properties held vacant during lockdown and assumed higher level of non-payment of charges
Non dwelling rents (shops)	38	Relates only to commercial properties within the HRA
Other income (recharges)	20	
Investment income	50	As per the General Fund
Total Loss of Income	516	

- 3.19 The biggest expenditure impact is upon repairs and maintenance. This area has seen costs relating to agency staff provision as some staff members are shielded and unable to work. In addition, non-priority repair works have been paused and there is likely to be a cost to catching up with the backlog.
- 3.20 Income within the HRA is likely to see a reduction in rent as empty properties are not being re-let, except in exceptional circumstances. Rental payments received are also lower than normal and it is expected that there will be a higher level of non-payment of rents and services charges during the year.
- 3.21 The in-year impact on the HRA can be managed through the HRA General Reserves.

4. LONGER TERM FUNDING SOURCES

Council Tax

- 4.1 Council Tax is the single largest source of funding within the Council's budget and any reduction will have a significant impact on the Medium Term Financial Plan.

- 4.2 Accounting for Council Tax is carried out using a system called the Collection Fund. The impact of this is that the amount of money feeding into a Council's budget from Council Tax is fixed during the budget setting process before the year even begins. Any surplus or deficit on that assumed collection amount does not impact upon budgets until the following year. Therefore any shortfall in collection in 2020/21 as a result of Covid-19 will be incorporated into the 2021/22 budget.
- 4.3 Any Covid-19 related recession will not clearly not reduce the number of properties within the district. The elements which could potentially, although by no means certain, reduce the taxbase in future years are likely to relate to;
- An increase in tax payers claiming local Council Tax support
 - A potential decrease in collection rates
 - Lower housing growth in future as a result of an economic downturn

Business Rates

- 4.4 Data on the long-term impact of business rates collection within the District is not yet available. As with Council Tax the nature of accounting for business rates means that any reduction in income in 2020/21 will impact on the bottom line in 2021/22.
- 4.5 Any downturn in the economic environment is likely to lead on a fall in the level of business rates retained by the Council. As a result of the previously expected business rates baseline reset a loss of growth of £1.3 million is already predicted in the Medium Term Financial Plan for 2021/22 and this should be more than adequate to cover any Covid related reduction.

Housing Rents - HRA

- 4.6 Housing Rents are a relatively stable form of income as the number of properties within the HRA is broadly constant as new builds increase our numbers and right to buy sales decrease them.
- 4.7 The long term financial risk is around inflation. Housing rents increases are linked each year to CPI and assumptions have been included within the MTFP. Any reduction in CPI to below assumed levels, even temporarily, will have an impact across the 30 year plan as rent levels will be lower than anticipated. Cost pressures within the HRA will not necessarily be reduced the same way leading to a decreased level of rent to cover expenditure.
- 4.8 Any reduction in CPI, and as a result housing rents, as a result of a recession linked to Covid-19 will be included within the next HRA budget setting process.

5. CAPITAL PROGRAMME

- 5.1 The impact around the capital programme is expected to be relatively limited at the current time. Some delays to the New Build programme are anticipated as a result of Contractors time on site. However, the process of procuring architects for the next stage of the New Build Programme has continued. This will include consideration of the additional costs of

higher standards of energy efficiency. Inevitably the affordability of future new build schemes will be impacted if rents are ultimately lower than anticipated (see para 4.7).

- 5.2 In the longer term there are clearly risks to the financial position of the Council's two major regeneration programmes, the further restoration of the Canal and the redevelopment of Brimscombe Port. The risk at the canal relates to the ability to raise the fundraising required to fund the portions not funded by the Council or the heritage lottery fund. This may be affected in an economic downturn. The viability of the Brimscombe Port scheme may be impacted if there is a significant fall in the market for residential property as a result of a Covid-19 linked recession. Both of these risks will be considered and mitigated where possible as part of the project management of these schemes.

6 USE OF RESERVES AND MEDIUM-TERM PLANNING

- 6.1 It is clear that the pandemic will have a fundamental impact on the Council's budget during 2020/21.
- 6.2 This impact will be partly offset by the grant funding that the Council has received from Central Government. The Council has benefitted from two tranches of un-ringfenced government funding towards the cost of the crisis. This money totals £1.236 million. This will be used to reduce the net draw on reserves. It has not been allocated to individual services. Funding has been made available for all necessary Covid-19 response spending (as seen in Table 1) and the impact is being managed at this Corporate Level.
- 6.3 In The Council has built up sufficient reserves to allow it to deal with financial shocks, at least in the short term. It is appropriate that these reserves are used to respond to a shock of the size of Covid-19. The Council holds an equalisation reserve which is intended to give it the time to respond to reductions of income without creating kneejerk reductions in services or staffing levels. This reserve currently has an unallocated balance of £3.8 million within the MTFP.
- 6.4 Therefore it is recommended that this reserve be used to meet the gap in the budget in 2020/21 created as a result of the pandemic. It must recognise that this is a short-term measure and reduction in this reserve will inevitably lead to a need to accelerate savings and modernisation plans. This is particularly the case if the impacts of Covid-19, particularly on income collected, stretch into the medium term.
- 6.5 The budget for 2020/21 assumes that a surplus of £600k will be placed into the Business Rates Reserve with an overall surplus budget of £122k. In the light of the pressures of Covid-19 neither of these transfers will take place.
- 6.6 The impact of the Covid 19 changes on the balance on the equalisation reserve, based on current reserves is shown in the table below.

Table 4 – Drawdown from Equalisation Reserve

Reserve Movement	£k
Extra Covid Costs	294
Lost Income	2,577
Covid Impact	2,871
Grant Support	(1,236)
Cancelled reserve transfer	(600)
Budgeted surplus	(122)
Net drawdown from reserve	913

- 6.7 At this point in time the budget for 2020/21 is not being comprehensively revised at a service level. As set out in previous paragraphs the budget gap created by Covid-19 restrictions will be assessed at a corporate level. The budget monitoring process will identify budget variances at a service level. This report includes an estimate of the drawdown on the equalisation reserve to balance the position. This estimate will be updated at each budget monitoring report to Strategy and Resources Committee.
- 6.8 A Budget Strategy is usually prepared for full Council in October of each year setting out the assumptions being used in the budget process and an indication of a draft Medium-Term Financial Plan. As a result of the uncertainties around the current medium term position this report may be in a more summarised form or be considered at a later Council meeting.

7 RISKS

- 7.1 All of the figures in this report are estimates and there is a clear risk that final outcomes will differ. The budget monitoring process will review things as the year progresses.
- 7.2 Any long term impact on revenue streams will require a new Medium Term Financial Plan including adjustments to budgets to bring the Council's planned expenditure in line with the future funding available.

8 IMPLICATIONS

8.1 Financial Implications

The whole report is of a financial nature illustrating the estimated impact of Covid-19 upon Council Finances. It is appropriate that the Committee consider these impacts and the current planned response.

Many of the estimates within the report contain a considerable level of uncertainty and although the themes of impacted services within the report will likely remain the same the numbers are very likely to differ.

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8.2 Legal Implications

There are no specific legal implications arising from this report.

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8.3 Equality Implications

An EqlA is not required because no changes to service levels are proposed.

8.4 Environmental Implications

This report sets out financial implications of the Covid-19 pandemic and there are no environmental implications.