



Purpose: For Decision

## Committee report

Committee	<b>CABINET</b>
Date	<b>10 SEPTEMBER 2020</b>
Title	<b>COVID-19 RESPONSE AND RECOVERY</b>
Report of	<b>DEPUTY LEADER AND CABINET MEMBER FOR STRATEGIC FINANCE AND COVID-19</b>

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### EXECUTIVE SUMMARY

1. This report provides an update on the key activities undertaken by the council in continuing to respond to the risks and challenges presented by the continued circulation of the Covid-19 virus and the progress made since the cabinet report of 11 June 2020 in recovering from its impacts.
2. With the council continuing to fulfill its role as place leader, the report recommends Cabinet support for the first edition of a draft Medium Term Recovery Plan - "A Better Island" (Appendix 1), prior to consulting with key partners on its content, including seeking the partnership endorsement for the plan by the Island Health and Wellbeing Board.
3. The report also proposes Cabinet agrees that the Health and Wellbeing Board becomes the strategic oversight body for the Island Recovery Plan.

### BACKGROUND

4. Since the Cabinet report of 11 June, which highlighted the proposed actions to be taken in response to the UK government's initial three stage recovery plan, the council has successfully navigated an easing of lockdown arrangements on the Island while maintaining vigilance in controlling the risk of further infection. Thanks to careful local planning and preparations to manage each of these stages, the easing of lockdown measures has not resulted in an increase in infection rates on the Isle of Wight.
5. An Island outbreak control plan was published in July 2020, with accompanying governance arrangements, establishing the intelligence gathering and resulting decision making approach to imposing local lockdown measures where necessary.
6. The unprecedented nature of the Covid-19 pandemic continues to require ongoing, parallel deployment of "response" and "recovery" approaches, severely testing the

human and financial resources of all those organisations charged with protecting and supporting our population.

7. A Hampshire and Isle of Wight Local Resilience Forum (HIOWLRF) Recovery Coordinating Group leads the development of recovery across the LRF area, bringing to bear the combined resources of local authorities, emergency services and other key stakeholders. Strategic issues affecting the whole of the area's recovery are considered and addressed at this forum with the Island's own recovery plan informing and being informed by this regional effort.

## RESPONSE

8. The actions taken to respond to the health, humanitarian, economic and environmental impacts of the pandemic reported to Cabinet on 11 June have continued during June, July and into August.
9. The draft Recovery Plan - "A Better Island" - sets out the scale of the support provided so far in responding to the impacts on businesses and communities. Key to the effectiveness of response, as expressed in low infection rates on the Island, has been the effective communication of key messages linked to personal hygiene, social distancing, protecting mental health, respecting others and behaving responsibly. The adoption of these behaviours by the population has enabled risks to be effectively managed and the spirit of collaboration in responding to the pandemic to be sustained and taken forward into the recovery phase.

## Understanding the Impacts of the emergency

10. In moving to plan for recovery from the pandemic both as a council and as place leader for the wider Island community the main issues to be addressed in the next version of recovery plan include:
  - loss of life and the mental wellbeing of those affected;
  - staffing issues – safety, absence, changes in ways of working, functions/roles;
  - uncertainty;
  - changes in behaviour – provision of services, working patterns, daily lives;
  - continuing and increased needs of protected, vulnerable groups;
  - state of economy – increased unemployment;
  - Brexit;
  - public transport – safety, availability;
  - businesses becoming unsustainable;
  - public finance pressures;
  - impact of any second wave on infection rates.
11. Keeping up to date, local intelligence in relation to these impacts and how they are mitigated is at the heart of taking any informed recovery actions.
12. In summary the impacts of the pandemic on every aspect of day to day lives are unprecedented and continuing, requiring continued leadership and effective planning. The performance of the council to date in response, and in preparing for recovery provides confidence in the wider community that working together on the Island and with regional partners future challenges can be effectively addressed.

## STRATEGIC CONTEXT

13. Officers continue to work to deliver the corporate objectives in line with the Corporate Plan wherever possible. However, the short-term focus has been on maintaining critical services to support the most vulnerable in our community, delivering statutory services and assisting our business community to 'survive' the pandemic.
14. Up until February 2020 the council was making good progress in meeting its objectives in its the Corporate Plan 2019-2022.
15. While the vision remains the same "the Isle of Wight to be an inspiring place in which to grow up, work, live and visit", the key objectives of the plan will need to be reviewed and updated in the near future, considering the impact of the pandemic and proposed recovery.
16. A sense check of all other key strategies will be needed in light of the recovery plan to assess their continued relevance, potential review and deliverability in a post pandemic policy and funding environment.

These include:

- the health and wellbeing strategy;
  - "Inspiration Island" – the regeneration strategy;
  - the draft Island Plan;
  - Digital Island;
  - the draft Climate Change strategy and action plan;
  - the updated transport plan.
17. The pandemic has also forced changes to the way in which services have been delivered and accelerated the ways in which working online and in cross disciplinary teams had already been heading.
  18. Understanding how the best features of this approach, in improving productivity and collaboration can best be captured and mainstreamed, while maintaining staff safety and working conditions is an important part of recovery. Changed working spaces and adoption of home working has informed a substantive review of ongoing and future office accommodation needs.

## RECOVERY

19. As the council moves through the response and recovery planning phases of the coronavirus pandemic it also needs to consider how it will both recover, restart and re-set its own services and also help the Island recover its wider social and economic wellbeing.
20. The response to the pandemic is being led by the assistant chief executive with the director of regeneration, supported by the director of neighbourhoods leading recovery planning and implementation.
21. The council's Corporate Management Team has acted as 'recovery executive' and the Cabinet will act as the council's 'recovery board'.

22. In June the Cabinet endorsed a short term recovery action plan outlining proposed measures linked to easing of lockdown in the community and re-opening of council services. Good progress has been made in taking these steps with closed businesses reopening, the visitor economy restarting, limited school re-opening and most public facing services recommencing delivery

23. Attached at Appendix 1 is a draft Medium Term Recovery Plan - "A Better Island". The actions in this plan will involve collaboration with other partners in securing a successful recovery from the pandemic should there be no further major outbreak. We need to consult with partners regarding these actions and the respective responsibilities and resourcing involved.

24. The plan outlines three stages to recovery:

- Stage 1 – the short term actions that were taken to begin recovery– up to 30 September 2020.
- Stage 2 – medium term actions – 3 to 12 months.
- Stage 3 – 12 months onwards.

25. The main "pillars" for action in the recovery plan are around community recovery, economic recovery, and place recovery.

#### Stage 1 - Short-term – three months

26. A Stage 1 short term action plan addressing key issues and recovery actions up to the end of September 2020 has enabled:

- the socially distancing reopening of recycling facilities;
- development of initial measures, in collaboration with town and parish councils, to ensure social distancing is maintained in high risk areas as a result of the easing of lockdown measures starting on 1 June;
- implementation of a care home support plan;
- development of testing and contact tracing arrangements to support the council's successful piloting of the national NHS Covid-19 app;
- development and operation of an outbreak control plan;
- preparations for the phased reopening of Island schools and expansion of a system of social support to reassure children and families in adjusting to this change;
- accelerated and enhanced implementation of the Island's mental health plan with a specific response to Covid-19;
- targeted risk assessments and introduction of protective measures for the phased re-opening, where appropriate of public facing service;
- development of a sustainable 18-month supply and distribution of PPE to meet service needs;
- a review of office working practices and policies to enable sustainable arrangements to enable safe and productive working from home, in offices and other works spaces;
- review of housing support services to address increases in presentation of homelessness;
- submission of funding bids to further improve cycling and walking;
- advice and guidance to businesses on their responsibilities in terms of social distancing.

27. Further work will be undertaken to acknowledge the efforts of the Island community in responding to the pandemic and commemorate those who have been lost. An assessment of key lessons learnt during the response will also be commissioned.
28. The summer months are central to the Isle of Wight's economic wellbeing; it is the key time for tourism related businesses to generate the income that sustains them over the winter to next year, the agricultural industry needs to harvest and transport its produce and the ferry companies are transitioning back to their usual competitive situation.
29. Restarting the Island economy relied on a greater movement of people which created the potential for increased spread of the coronavirus.
30. A coordinated plan to manage the increase in visitor numbers was successfully implemented balancing the need to encourage a safe welcome with reassuring residents. The publication of the local outbreak control plan (led by the director of public health) has also supported the level of reassurance in the council's ability to act in re-establishing controls if needed. "A Better Island" (Appendix 1) sets out proposed actions in the next two phases of recovery. Addressing the impacts and resulting actions in terms of community, economic and place aspects of recovery.

### Stage 2 – 3 to 12 months

31. Assuming there is no further lockdown needed the plan sets out the proposed key objectives, resulting activities and milestones to support successful recovery under the three key pillars.

#### 1. Community recovery

- Operate effective outbreak control arrangements and communicate key behaviours.
- Address inequality of impact of Covid-19 on vulnerable groups.
- Establish sustainable community response and recovery arrangements.

#### 2. Economic recovery

- Create a skills system responsive to changing employer demand.
- Support our residents into appropriate employment pathways.
- Enable our residents to unlock their potential through upskilling, reskilling, training provision and apprenticeships.
- Support our existing and new businesses to survive in the short term and to adapt and thrive in the new post-Covid economy.
- Encourage our businesses to be inclusive and resilient, by tackling low pay, in-work poverty and to reduce their carbon emissions.
- Work with our anchor institutions and major employers to utilise our supply chains and increase spend with local businesses.

#### 3. Place recovery

- Increase the supply and accessibility of homes of all tenures across the Island, and the supply of workspace that responds to changing needs.
- Improve physical and digital connectivity in and between all our settlements and the rest of the world.
- Achieve sustainable, welcoming places with inclusive public realm

improvements in our towns that are accessible for all.

32. Securing partner involvement in delivering these objectives and aligning action the council might take with that of other organisations will need oversight by a partnership board. The 11 June Cabinet report proposed the establishment of an Island recovery taskforce. Following discussions with partners the existing Health and Wellbeing Board can act in this role without the need for new structures. Private sector input will be provided via the chair of the Island Economic Board becoming a member of the Health and Wellbeing Board.
33. Progress against the milestone in each of three pillars will be reported to the board which will in turn update the respective partner organisations including the council's Cabinet. The board will also agree any updates and changes to the recovery plan which will remain a flexible framework to respond to any changes in circumstances.
34. Recovery in the medium term will also require a review of the council's Corporate Plan with a view to supporting sustainable recovery of services and the wider Island socio-economic position, given available resources.
35. A renewed vision for the Island, as a prosperous, digitally well connected and confident community, enjoying a unique and internationally recognised natural environment offering the best quality of life in the UK. The nurturing of healthy, vibrant and caring communities will also underpin the Island community's internal and externally facing identity.
36. Reinforcing joined up responses across council services and working with partner organisations will be needed to respond to the changed cultural and funding environment created by the pandemic.
37. The recovery plan provides the framework for acting on an assessment of the impacts of the pandemic on key sectors of the economy and wider community while maintaining a focus on responding to any future reoccurrence. A programme of key interventions around improving Island infrastructure and embedding resilience of local businesses and communities, set out in the plan will also form the basis of Island bids for any regional and national recovery resources.

### Stage 3 – 12 months onwards

38. The “new normal” will have been established enabling the Island to move forward with confidence in planning and delivering sustainable communities, stronger for the experience of overcoming the Covid-19 emergency.
39. The council is in a good position to monitor and evaluate the impact of the recovery plan and its actions following the publication of an updated Island economic profile in December 2019 with a return to pre pandemic performance levels being the initial objective.

### COLLABORATION IN RECOVERY

40. Collaboration with other partners in the public, private and community sectors has proven its worth in responding to the pandemic. The Island Health and Wellbeing Board provides the best forum for sustaining this collaborative approach during recovery. Expanding the membership of the board to include the private sector in the person of

the chair of the Island Economic Development Board ensures all aspects of recovery can be addressed and properly coordinated.

41. It is proposed the council consults on the Island Recovery Plan with the Health and Wellbeing Board, its constituent members and other bodies to secure the partnership approach required to implement and resource an effective recovery.
42. Cabinet is also recommended to agree to the Health and Wellbeing Board as being the accountable body for the wider Island Recovery Plan.

## FINANCE

43. A key impact for the council of the pandemic has been the impact on the council's budget, having set a budget for 2020-21 immediately before the onset of the Covid-19 emergency. A detailed report was presented to the Corporate Scrutiny Committee on 9 June 2020 outlining the council's response to the pandemic to date and the estimated financial impact. At that point in time and after two tranches of emergency funding from the government an estimated financial gap of £9.8 million was reported.
44. At that time it remained uncertain whether or not there would be further funding allocated from central government to help meet the £9.8 million shortfall. It was therefore reported that given the council's obligation to plan its financial management responsibly and given the forecast deficit of £9.8 million, compared with the available headroom of £3.2 million in general reserves, the Cabinet had begun the process of developing a deficit recovery strategy to enable the council to continue to operate without the need to consider emergency spending controls and service reductions under a section 114 notice.
45. Further to this, the leader presented the deficit recovery strategy totalling some £11.5 million to Full Council on 15 July which in summary is as follows:
- Placing on hold schemes from the capital programme totalling some £4.5 million.
  - Use of the corporate contingency up to £2 million (representing 60 per cent of the total).
  - Use of the transformation reserve of up to £2 million (representing 50 per cent of the uncommitted balance).
  - Use of reserves earmarked for short term risks where that risk has now been mitigated (eg the pending court case regarding Christ the King sixth form buildings which has now been successfully defended by the council) £3 million.
46. A further tranche of emergency funding of £1.2 million was announced on 2 July 2020. The government also announced its intention to provide a scheme whereby a proportion of income losses could also be recovered, although detailed estimates of how much is likely to be recovered are not yet available.
47. The most up to date forecast of the budget gap (as per the Delta 4 Return 31 July 2020), indicates that the estimated gap for 2020/21 has increased to £10.7 million as summarised in the table below:

Description	Amount (£m)
Additional costs	8.2
Budgeted savings - unable to be achieved	1.0
Income losses (eg rents, fees and charges)	8.4
Funding losses (ie council tax and business rates)	3.4
Less: Emergency Covid-19 funding (three tranches)	(10.3)
<b>Total shortfall:</b>	<b>10.7</b>

48. The current estimated gap is therefore still within the amount provided for by the deficit recovery strategy. The £10.7 million gap however does not, as yet, factor in reimbursement from the government's income compensation scheme.
49. Any recovery plan activity will be resourced as part of the overall deficit recovery strategy, access to any additional funding provided by government for issues and actions proposed in the plan and existing service resources.

### LEGAL IMPLICATIONS

50. The HIOWLRF has established an incident "stabilisation" phase in responding to the continuing risk presented by the pandemic. Key decisions linked to short term response and recovery were made using the council's constitution and any appropriate emergency powers.
51. In moving forward into the recovery phase, the council will rely on its existing duties and powers and utilise any additional powers and responsibilities the UK government confers on councils to support successful recovery.

### OPTIONS

52. The options available to members in considering adoption of the recommendations and appendix in this report are as follows:
1. In acting in its "place leadership" role to agree to seek partner views on the draft Medium Term Island Recovery Plan - "A Better Island" (Appendix 1), noting that it will be revised and updated as the work progresses.
  2. Cabinet agrees to the Health and Wellbeing Board taking responsibility for the development and implementation of the Island Recovery Plan with quarterly updates being provided to Cabinet.
  3. To adopt the recovery plan for the wider Hampshire and the Isle of Wight, once developed and be led by the regional approach to addressing key impacts and actions in recovering from the pandemic.
  4. To address recovery issues on an ad hoc basis as requested by national government guidance and reflecting local circumstances in recovering local service provision.



53. Options 1 and 2 form the basis for the recommendations in the report due to the wide-ranging impacts, the evidenced need for place leadership experienced during the continuing response phase and the need to review the council's Corporate Plan going forward.

## EQUALITY AND DIVERSITY

54. In responding to the coronavirus pandemic, the council will need to keep in mind its responsibilities in accordance with the Equalities Act (2010):

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

55. The impact of the pandemic will have been disproportionate on those with protected characteristics and our recovery plan will be informed by an equality impact assessment of the recovery plan as it evolves and reviewing this regularly during its implementation.

## RISK MANAGEMENT

56. The response and recovery actions to date and going forward are informed by a risk led approach deployed under the Local Resilience Forum arrangements.

57. The recovery plan is informed by key risks that will impact on our recovery approach. Key risks and mitigations the plan addresses include:

- significant future outbreaks of diseases and the resulting impact on the council's ability to delivery recovery plans – key services and protect the most vulnerable;
- public 'disquiet' with visitors returning and therefore slowing down economic/social recovery;
- too many Island businesses do not recover leading to high rates of unemployment and potential costs for the council in support to the most vulnerable (eg local council tax support scheme);
- high sickness levels for staff given the length and intensity of response and recovery – build and support their resilience;
- positive learning and benefits from the response is lost as we slip back into old ways of working – need to capture the best of both.

58. Documenting the risks to effective recovery and tracking their mitigation is at the heart of the recovery approach in addition to taking actions to mitigate the impacts of the pandemic itself.

## EVALUATION

59. In considering the options available and the adoption of recommended Options 1 and 2 the Cabinet will want to consider the following:

60. Focusing on our needs as an Island in terms of recovery, while also needing to access the expertise and resources available in the wider LRF area will be important. All

organisations presented on the HLOWLRF will be facing similar issues and the opportunity for learning and sharing best practice will be key.

61. If no action is taken in managing the approach to recovery on the Island and the ad hoc approach outlined in Option 3 is adopted, the risk of some services, particularly those supporting the most vulnerable, not recovering or being at risk of collapse, without the support of an agreed corporate approach, is heightened.
62. The pandemic has fundamentally changed the way in which services have been and will need to be delivered in the future. Reinstatement of previous approaches without taking this into account via Island based recovery planning for future delivery is not possible.
63. Every aspect of life on the Island has been disrupted by the pandemic. As the “place leader” the council has the responsibility to protect, develop and reassure the population through proactive, ongoing engagement and effective communications around a comprehensive approach to recovering successfully from the effects of the pandemic. Leading recovery therefore becomes the council’s key priority requiring a reset of the way which the council works as a corporate body and its relationship with the wider population.

## RECOMMENDATION

It is recommended that Options 1 and 2 are adopted

64. Option 1 - In acting in its “place leadership” role to agree to seek partner views on the draft Medium Term Island Recovery Plan - “A Better Island” (Appendix 1), noting that it will be revised and updated as the work progresses.
65. Option 2 - Cabinet agrees to the Health and Wellbeing Board taking responsibility for the development and implementation of the Island Recovery Plan with quarterly updates being provided to Cabinet.

## APPENDICES:

[Appendix 1](#) - “A Better Island - Covid-19 Medium Term Recovery Plan.”

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