

Part A

Report to: Overview and Scrutiny Committee

Date of meeting: Thursday, 23 July 2020

Report author: Managing Director and Head of Programme Management Office

Title: Covid-19 – Our Road to Renewal

1.0 Summary

- 1.1 The emergence of Covid-19 and the subsequent lockdown has had a significant impact across the town and council. Whilst the focus initially has been on the immediate coordinated response to support the town during the lockdown period, our focus is now on ensuring that the council has a clear plan in place to lead the renewal of both the town and the council itself.
- 1.2 The council's Road to Renewal Plan forms part of a package of forward looking strategies which will ensure that the council provides a focus on moving forwards from Covid-19 whilst clearly aligning this to the long-term ambitions for the town and organisation. The plans, including the Council Plan and Organisational Development Strategy, have been developed in conjunction with one another and are intended to be read within the shared context of the post-Covid world.
- 1.3 Our Road to Renewal Plan details the specific activity to be undertaken by the council in order to lead the renewal work. As well as alignment with the Council Plan, it builds upon both the positives, such as the overwhelming community-spirited reaction to the crisis, and the lessons learnt from the council's initial response.
- 1.4 Our Road to Renewal Plan also details the separate work streams established to deliver a comprehensive and joined-up renewal of the town and council. Within the framework of the Council Plan it also outlines the specific objectives for each area of focus which cover the community, economy and business and the council's organisational renewal, including its financial resilience.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Our Road to Renewal Plan does not align with the Council Plan and wider council ambitions	Council priorities are unclear or conflicting leading to an ineffective response by the council in relation to renewal	Council Plan, Delivery Plan and Road to Renewal Plan have been developed in conjunction with one another and form a comprehensive package of activities designed to support the post-Covid renewal across the town and within the council whilst aligning to the longer term strategic direction of the organisation. Clear objectives have been identified within the Road to Renewal Plan which support the delivery of Council Plan themes and commitments	Treat	4
Our Road to Renewal Plan is not adopted by the council	No clear direction for the council to support renewal in the town nor to ensure resilience and ongoing service delivery within the council itself	The Road to Renewal Plan developed in conjunction with the Council Plan and following significant input and socialisation with Group Heads, Heads of Service, Staff and Members. Our Road to Renewal Plan takes into account key lessons learnt from the council and community's initial response to Covid-19 and provides detail on the areas where it seeks to harness unique opportunities to make change for the benefit of the town and council	Treat	4
Our Road to Renewal Plan is adopted but cannot be delivered	Town and council do not deliver the renewal as effectively as they could. Perceived lack of leadership and support	A significant appraisal of resourcing requirements has been undertaken in relation to the activities identified within the Road to Renewal Plan. This will be aligned to the corporate budget position prior to approval. A robust governance and reporting structure has also been established to ensure ongoing momentum and appropriate levels of scrutiny	Treat	8
Our Road to Renewal Plan does not allow for an agile response to the changing external environment	Council's support for renewal is not as effective as it could be	It is acknowledged that the Road to Renewal Plan details key activities for the delivery of the objectives but there may be need to accelerate, amend or stop these plans in light of the fast changing external environment. The governance structure in place allows for a formal change control process so that decisions to deviate from the Road to Renewal Plan are not made in isolation and with full overview of the Renewal Co-ordination Group	Treat	8

3.0 Recommendations

3.1 On 6 July 2020, Cabinet approved the following recommendations:

- The Road to Renewal Plan work stream objectives outlined in this report are approved
- The Road to Renewal delivery actions (Appendix 1) are approved
- The Road to Renewal Plan governance structure (Appendix 2) and associated reporting proposals are approved, including that progress on delivering the Road to Renewal delivery actions will be reported on a quarterly basis to Cabinet
- The Managing Director be authorised to make amendments to the plan objectives, governance structure and delivery actions in consultation with the Elected Mayor and with oversight from the Renewal Coordination Board

3.2 Overview and Scrutiny Committee are requested to:

- Note the report and Road to Renewal Plan
- Provide comments and feedback on the Road to Renewal Plan
- Approve the quarterly reporting of the plan and its progress to Overview and Scrutiny Committee

Further information:

Liam Hornsby, Head of Programme Management Office
Liam.hornsby@watford.gov.uk
01923 278094

Report approved by: Donna Nolan, Managing Director and the Renewal Coordination Board

4.0 Context – Renewal

The renewal phase is an integral phase of the Watford's response to Covid-19 and can be defined as:

“The process of rebuilding, restoring and rehabilitating the community following an emergency”

4.1 To be successful, our renewal process will have certain key focus points and features:

- Co-ordination – it should act in line with an agreed aim and objectives, and be managed in line with accepted governance, co-ordination and decision making processes
- Focus points – renewal should support the restoration of emotional, social, economic and physical wellbeing. A key point, which is pertinent in these circumstances particularly, is that the process of restoration may reflect a ‘new normality’ as for many, life may never be the same again.

4.2 In respect of the current pandemic, the County Council has already established a Hertfordshire wide Recovery Coordinating Group. The Managing Director represents the council on this group. The Recovery Coordinating Group is a multi-agency group with a clear link to the Strategic Co-ordinating Group which will now only assume primacy in the event of a second wave of the virus. Unless this happens, the Hertfordshire Recovery Coordination Group will lead on Covid-19 activity at a County-Level.

4.3 It is likely that individual agencies will also develop their own renewal processes and internal groups, and it is important that the council establishes a suitable framework enabling it to link in to county-wide structures, whilst leading a co-ordinated effort in respect of the local community. Whilst local renewal efforts should be tied in with the county effort, it is important that these are nuanced to suit the needs of individual localities.

4.4 As such, the council has established its own Renewal Co-ordination Board, chaired by the Managing Director and attended by the Shared Director of Finance, Group Heads of Transformation, Place Shaping, Corporate Strategy and Communications and Community and Environmental Services and the Head of the Programme Management Office. This group will be responsible for leading the renewal work streams and ensuring the ongoing management of dependencies, risks and issues. The Managing Director will report to the Elected Mayor on a regular basis and, as part of the Council Plan Quarterly Report to Cabinet, an update on progress of relevant renewal activity will also be provided to Overview and Scrutiny Committee.

4.5 The principles of the council’s renewal phase will include:

- Ensuring that the process enables and supports our community and businesses to move forward from the pandemic’s impact
- Consideration of the changing needs of affected groups over time, and allowing for a long term process
- Active participation from the community, businesses and other impacted stakeholders
- Integration between the work stream groups within the borough’s renewal

operation, and also with the county wide RCG

- Early commencement of the renewal phase

5.0 Background and Focus

- 5.1 There is little doubt that Covid-19 has had a significant impact across the country. This applies not only to the immediate reaction and response to the pandemic but also in relation to the future and the inevitable renewal required.
- 5.2 Following the Bank of England's confirmation that the economy contracted by over 20% in April 2020 alone, Hertfordshire's Growth Board have commissioned a review of the probable impact on Hertfordshire. Despite Central Government's £50 billion support package, the review predicated a rise in unemployment across the County, with a particular reduction in entry-level jobs. The Office for Budget Responsibility further predicts an unprecedented national economic contraction of up to 35% in the next quarter of the year, leaving an additional 2 million people across the country unemployed. The starkness of these figures highlights the need for a co-ordinated and robust Renewal Plan, led by the council, to mitigate the impact to the town and council as much as possible.
- 5.3 Such plans for Renewal cannot be made in isolation. The unprecedented nature of the Covid-19 crisis and the subsequent shift in the landscape has meant that existing plans and strategies do not necessarily meet the future reality of the council's ambition. Furthermore, the appointment of a new Managing Director at the council has provided an opportunity for a new Council Plan to set the strategic direction of the council in the context of both our new ambition and Covid-19, with the Road to Renewal Plan forming a key component of its delivery to ensure an ongoing focus on renewal of the town and council.
- 5.3 Whilst the economic impact of Covid-19 is clearly significant, the Road to Renewal Plan is not restricted to a focus solely on economic renewal. To ensure that appropriate focus and resource is committed to supporting a holistic renewal of the town and council, four work streams have been established:
- Community
 - Economy and Business
 - Organisational Renewal
 - Financial Resilience

These work streams are consistent with the themes of the Council Plan to create a 'thriving and creative town', a 'healthy and happy town' and a council that 'serves our residents'. Each work stream will be led by a Group Head of Service reporting directly into the council's Renewal Co-ordination Group, as per appendix 2. In line with the council's standard programme management methodology, progress will be

closely monitored and risks, issues and dependencies actively managed.

6.0 Members

As they had during the Covid-19 incident, members will have a key community and strategic role in relation to the Road to Renewal Plan. Members will work across all aspects of the work streams outlined in this report and, to support them navigate the complexity of renewal, a guide similar to the one developed during the incident, will be created. Aspects of Member roles during renewal may include:

- Being a focus for community concerns and a conduit to renewal structures
- Identifying issues within their own wards
- Building and utilising local community links
- Providing visible community leadership
- Maintaining liaison with other locally elected representatives
- Maintaining community and business liaison
- Encouraging and supporting those working on renewal in the community and in businesses

7.0 Work Streams

7.1 Each of the established renewal work streams has a specific focus underpinned by a list of clear objectives. These are linked directly to specific activities within the Road to Renewal Plan, as per appendix 1. Each activity simultaneously supports a key Council Plan commitment, ensuring necessary alignment across the scope of activity being undertaken by the council over the next 18 months. This will ensure that the council is clear about its priorities and enable the response to be as effective as possible.

7.2 Work Stream 1 - Community

7.2.1 The community response to Covid-19 across Watford was positive, strong and highlighted the huge number of community, voluntary and charitable groups that exist within the town. Supporting the Council Plan theme to create 'a healthy and happy town', the Community work stream, led by the Group Head of Community and Environmental Services, seeks to harness this positive aspect of the recent crisis as well as identifying how our community can be supported following the initial response to Covid19 and lockdown. This will include maintaining and utilising the army of volunteers who signed up to help the most vulnerable in our community, ensuring that those who require help after lockdown has ended continue to be supported, celebrating the town's community response to the crisis and providing leadership and support during any economic unrest.

7.2.2 With this in mind, the objectives for the Community work stream are to:

- Recognise Watford's fantastic community
- Engage our community in the renewal process
- Support and facilitate the ongoing welfare of residents who have suffered hardship, loss and trauma as a result of the pandemic
- Put in place mechanisms to identify those with ongoing vulnerabilities and a strategy for addressing these needs
- Identify funding opportunities to assist in the renewal process
- Deliver and support appropriate memorial and thank you events and initiatives
- Provide community reassurance through effective community leadership

7.2.3 As per the diagram in Appendix 2, the above objectives will be delivered by four projects working together within the work stream:

- **Watford Helps – supporting the most vulnerable in our community**
This project will focus on ensuring that those residents who have received support from the council and its partners at Watford and Three Rivers Trust will continue to be supported after lockdown. This will include specific focus on the mental health and wellbeing of those having experienced bereavement, isolation or financial hardship as a result of the crisis and work to address the issue of digital isolation. The Watford Helps project will also ensure that the great work undertaken by volunteers throughout the crisis is maintained through a reshaping of the council's relationship with the voluntary and charitable sectors.
- **Watford Together – community connection**
During lockdown, Watford Together provided a real focus for the community by introducing a range of online and digital activities, events and resources. The importance of culture and creativity and its contribution to health and wellbeing is more important than ever and the Council Plan creates a renewed focus on diversity, culture and heritage and working with partners to achieve a suitable future for the sector. This project will therefore seek to build upon the positive impact of Watford Together by continuing to engage with the community to commemorate Watford's response to Covid-19 and recognise the dedication of front line workers across the town. This work will include community events, a public arts installation and a community garden of remembrance.
- **One Watford – community resilience and cohesion**
Building upon the internal work throughout the initial response, this project will seek to harness the positive partnership working established in the community-wide response to the Covid-19 crisis. Under the banner of One Watford, it will ensure that our key partners have a clear and shared purpose to maintain community

safety and social cohesion during a period of economic turmoil which has historically resulted in periods of social tension and disruption.

- **Rough Sleepers and Homelessness**

The Council Plan sets out the ambitious commitment to achieve and maintain zero rough sleeping on the streets of Watford and this project will focus on the work to achieve this in the context of Covid-19 and the subsequent economic turmoil which can lead to an increase in rough sleeping. Support from Central Government during the pandemic meant that the council were able to remove all rough sleepers from the streets of Watford and this project acknowledges that there is now a unique opportunity to ensure that the council engages with individuals, including some of the most vulnerable in our society, to avoid returning to the (albeit relatively low) levels of rough sleeping prior to the crisis.

7.2.4 Full details of the activities planned to meet the council's renewal objectives in relation to the Community work stream can be found within Our Road to Renewal Plan in Appendix 1.

7.3 Work Stream 2 - Business and Economy

7.3.1 The economic consequence of Covid19 is likely to be significant for Watford. With one of the Council Plan's themes to 'create a thriving and creative town', this work stream, led by the Group Head of Place Shaping, subsequently provides a focus on how the council can not only support the local economy to survive the economic shock of lockdown but also to revive and then thrive. A comprehensive programme of activity has been established to drive forward the economy of the town by remobilising the Town Centre, invigorating small and medium businesses and attracting and retaining big businesses. To deliver the scale of the council's ambition, the Business and Economy work stream will have the following objectives:

- Create an economic and business revive and thrive strategy that is intelligence-led and informed by local businesses and partner organisations (BID, Chambers etc) to ensure an ongoing focus on business need
- Establish new, stronger and more focused partnerships with businesses of all sizes across the town
- Actively support initiatives intended to assist SMEs to survive and grow
- Attract and retain big businesses to the town
- Ensure Watford Town Centre remains a regional leisure and shopping destination which supports the local economy and local people
- Through links with partners, act as a conduit to central government and other bodies where there are unmet support needs for businesses
- Support growth and development aspirations so that Watford remains an economic leader in the sub-region
- Collectively pursue relevant opportunities for funding

- Deploy our investment to achieve appropriate commercial returns in conjunction with driving the economic growth potential of Watford
- Work with 'anchor' institutions in Hertfordshire to maximise the benefits of economic growth for local residents
- Ensure there is the appropriate office, industrial facilities and infrastructure to attract and retain businesses in the borough
- Deliver transport improvements (e.g. Watford junction, sustainability measures, mass transit) to support the retention of businesses and a flourishing town centre.

7.3.2 As per the diagram in Appendix 2, the above objectives will be delivered by four projects working together within the work stream. These are based around the council's new economic strategy which will advocates a three phase approach. Phase 1 - the survival phase, including a specific focus on safely reopening the Town Centre; Phase 2 - the revival phase; Phase 3 - the thriving phase:

- **Reopening our Town Centre**

To co-ordinate the town's response to the easing of lockdown in the Town Centre, the council set up a Business Reopening Taskgroup. This brought together a number of key Watford agencies and organisations including: Intu, Watford BID, Hertfordshire Police, Street Angels and Watford Borough Council service areas including Environmental Health, Transport and Infrastructure, Parking, Contract Management for Watford Market and Veolia, Taxi liaison and Communications. The multi-agency taskgroup has already undertaken a significant amount of activity which ensured the safe and successful re-opening of the Town Centre on 15 June. This included changes to highway infrastructure, parking, public health, business health and safety advice, taxi engagement, town centre business coordination, Intu coordination, marshalling and face to face engagement, Watford Market, community safety, signage and engagement and communications. The situation in the Town Centre will continue to be monitored as and when advice from Central Government is updated. The council will continue to work with partners and businesses to provide advice, support and guidance as necessary.

- **Survive**

This project has already been the key focus of much of the planning, intended to ensure that as many businesses as possible within the town are able to survive the economic shock of Covid-19. This has included the administration of the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund, announced by the Chancellor on 11 March and 17 March 2020, which has resulted in support to over 1,200 businesses totalling more than £15m. With the council responsible for the administration of the financial support schemes, work continues to ensure that all businesses obtain the support that they are entitled to and those businesses who have not yet applied for their grant have been contacted by telephone, email and post urging them to make a claim. As well as the grant funding in response to Covid-19, there was also support announced in the 2020 budget which increased the retail discount from 50% to 100%. This means that, in

addition to the grants, those businesses entitled to retail relief will pay no business rates in 2020/21. The amount of retail relief awarded in Watford for 2020/21 is £34,747,023 compared to £1,069,599 in 2019/20 so an additional £33,677,423 in 2020/21.

Further activities within this phase to support our local businesses and local economy will include the creation of a Business Information Hub to provide key information to businesses, targeted symposia to bring the Watford community together, a partnership with WhatsApp in relation to their small business app and a Watford Business Survey so that the council can respond as effectively as possible to business need.

- **Revive**

The next phase of this work stream will focus on the longer term ambition for businesses and the economy in the town. A dynamic and responsive Watford Economic Revive and Thrive Plan will be developed that can evolve and be tailored to respond appropriately to economic requirements as the national position in relation to renewal becomes clearer, and our understanding of the impacts on the town are better understood. This will require good qualitative information from trusted sources to be gathered as well as tracking a mix of traditional and new economic indicators. This work will:

- Examine the impact to the labour market as a result of the economic crisis and articulate responses that are needed
- Ensure that as many businesses as possible continue to operate safely
- Ensure businesses know about and can access available support
- Identify where resources are needed in order to fill in any gaps left by national programmes that are supporting businesses and lobbying the LEP, Hertfordshire County Council and the Government as appropriate
- Assess the impact on the visitor economy including the town's culture, leisure, hospitality, events, and night time economy offer and work with partners to drive the future development of the Town Centre
- Consider interventions to support the resilience of those elements of the economy which are likely to be the last to open up due to the challenges associated with social distancing
- Review existing strategies including the emerging Hertfordshire Industrial Strategy, to determine if they are fit for purpose and to determine what new interventions, if any, are needed

In addition to the Watford Economic Revive and Thrive Plan above, the council will also formalise an enhanced business engagement and SME support strategy working with partners from the FSB, BID and Chamber, including the continuation of web briefings, Mayor symposiums and similar events. The council will also establish a key account process for 50 key businesses operating in Watford to improve communication channels with the largest firms operating in the town so that the

council can seek to respond to individual challenges or opportunities.

- **Thrive**

The final phase of detailed work is aimed at establishing a new normal that takes Watford's growth forward in a sustainable way and enables the town to thrive. During this phase, stronger engagement with businesses will be developed, identifying both larger businesses that can be retained, attracted and assisted in growing, and working to develop the SME and micro businesses essential for the Watford economy. Work with the Growth Board, Hertfordshire County Council and the Local Enterprise Partnership (LEP) to support and drive regional approaches will be essential to ensure that Watford businesses benefit from regional and national initiatives. To achieve this the council will continue to work and partner with business organisations to support business growth and work with partners to create an agile and flexible skills offer to retrain local residents who become unemployed (particularly in the retail and hospitality sector), working with employers where there are job opportunities. This phase will also see the development of a clear strategic approach which will support local businesses and the local economy in the long term. This work will include the creation of a new proposition for investing in Watford (brand positioning), exploring the feasibility of using our own investment to establish a growth fund to attract and develop businesses that want to grow in the town, developing a Transport Strategy to address climate change and economic growth, and bringing forward plans for a mass transit system earlier than currently envisaged. The council will also strengthen its policies relating to design, affordable housing, delivering integrated and mixed communities and sustainable development

7.3.3 Full details of the activities planned to meet the council's renewal objectives in relation to the Business and Economy work stream can be found within the Road to Renewal Plan in Appendix 1.

7.4 Work Stream 3 - Organisational Renewal

7.4.1 Like all organisations, the council itself has been impacted by Covid-19. Whilst internal resilience, recently upgraded IT systems and staff dedication meant that the net effect has been mitigated, the re-allocation of resources to respond to the crisis has meant that there is a need for an internal operational renewal, as well as the opportunity to apply the learning from Covid-19 to do things differently in the future. Linking in with the Council Plan ambition to create 'a council that serves its residents', the organisational renewal work stream, led by the Group Head of Transformation, will take the learning from the initial Covid-19 response, feedback from staff, members and partners to ensure that key improvements are sustained to become business as usual, embedding a 'one council' approach.

7.4.2 The objectives of this work stream are therefore to:

- Restore service delivery to agreed business as usual in a planned way

- Ensure the consistent application of appropriate policies during the renewal phase
- Ensure the management of backlogs, identifying any extra resources required to restore normal services
- Identify employee support needs and vulnerabilities and respond to these
- Ensure that employees are supported, that efforts are acknowledged and that effective communications with employees is maintained
- Capture learning through a process of debriefing, both single and multi-agency
- Ensure that learning is used to identify opportunities and inform future changes, such as modernisation and transformation, linking to the existing programme
- Ensure that there are appropriate commemorative events for council staff and Members

7.4.3 To ensure delivery of these objectives, four cells, aligned with the themes of ‘staff wellbeing’, ‘resilience’, ‘HR policy’, ‘digitisation’ and ‘remobilisation’ will be established to focus on key activities. These are as detailed within Appendix 2 of this document:

- **Staff Wellbeing and HR policy**

This project will focus on the health and wellbeing of staff, ensuring that they continue to be appropriately supported through the Renewal phase. The council’s Organisational Development Plan, also on this agenda, outlines the council’s long term approach to organisational development, Human Resource policies and employee support and recognition, which is key to ensuring that the council retain a satisfied workforce motivated to do their very best for the council’s customers. This is such an important strand of work in shaping the future of the organisation, it will feed directly into the Council Plan with any dependencies with the Road to Renewal Plan managed by the Renewal Coordination Group.

- **Remobilisation**

This project, with cells covering staff, customers and buildings, will focus on ensuring that the council’s operational services can continue within the new normal. Assessing the impact of Covid-19 on project delivery and identifying any backlog of work as a result of realigned resources to support the council’s initial response to the crisis, will be key. This cell will also be concerned about the re-opening of the Town Hall, for customers, staff and Members, ensuring that social distancing guidelines can be adhered to and that processes and policies are in place to reflect the new ways of working. For further information on the impact of organisation renewal work and Covid-19 on Business As Usual activities, please see 10.1 of this report.

- **Resilience**

The council responded quickly to Covid-19 and the announcement of lockdown. A

number of Incident Management Cells were established, drawing upon resource from across the council. Each cell reported into the daily Incident Management Teams, chaired by the Group Head of Transformation so that service changes could be considered, issues resolved and key messages cascaded. Whilst the incident is clearly not yet over, some of the cells have now achieved their objectives and can be closed, others can be undertaken in the business as usual environment and others will form part of the Road to Renewal Plan and fall within the Renewal Co-ordination Group structure. Work in this project will ensure that the transition to the new governance structures are seamless and, through an agreed cell closure process, that any lessons learnt from the council's initial response are captured and used to inform the next phase of work, including planning for a local lockdown or second spike in infections.

- **Digitisation**

This cell of activity will build upon the work which has already been taking place across the council through the Watford 2020 programme to ensure that as many services as possible are accessible by resident online, so that customers can interact with the council as a time that suits them.

7.4.4 Full details of the activities planned to meet the council's objectives in relation to the Organisational Renewal work stream can be found within the Road to Renewal Plan in Appendix 1.

7.5 Work Stream 4 - Financial Resilience

7.5.1 Operating as part of the local and national economy, the council itself is not immune from the economic impacts of Covid-19. The current estimate of the direct financial impact of the crisis on the council was recently assessed as £3.1m, of which £0.7m related to additional costs and £2.4m was as a result of loss of income. This represents 19.68% of the council's total £15.75m annual revenue budget. In addition to the direct impact there is a substantial impact on Council Tax and Non Domestic Rates income. Whilst there is an immediate impact on the council's cash flow, the real impact will not be felt until the next financial year, when any deficit on the collection fund has to be repaid, and through reductions in the Council Tax and Non-Domestic rates base. The council is currently forecasting that the impact next year could be in the region of £1.2m with an ongoing loss of £0.75m as a result of reduction in the Non-Domestic rate base.

7.5.2 Nationally, emergency funding of £3.2 billion was announced to support councils through the immediate pressures. This was made available through two tranches of non-ringfenced grant funding of £1.6bn. The first funding announcement was on 20 March and the council was allocated £50k; the second was announced on 18 April with the individual allocations released on 29 April. Watford was allocated a further £959k, taking the total amount of emergency funding available to the council up to £1m. A further £0.4m worth of savings have been identified from in-year budgets to

date in order to mitigate the impact of Covid-19 and support the renewal work. Work to identify further in-year savings is ongoing.

- 7.5.3 Central Government has also made some changes to the timing of central funding and payments from local authorities to assist councils with cash flow. In order to support cash flow further, £5m of borrowing, already planned for the capital programme during 2020/21, has been brought forward to ensure the council has sufficient funding available. The biggest impact on the council's cash flow comes from the capital programme and it is expected that delays in delivery will have an offsetting impact so that any interest costs can be financed from within existing budgets.
- 7.5.4 Any additional expenditure or reduction in income over and above that funded by Central Government will be a call on reserves. Generally the first call will be on the economic impact reserve, currently standing at £1.9m and then on the General Fund balance of £2m. There is one key exceptions to this, in agreeing the Croxley Park deal, the council set up a sinking fund with the cash received and this will be used to fund any shortfalls in rents at Croxley Park such that the £1.5m annual contribution to the revenue budget can be maintained. The council are currently reviewing reserves to assess the feasibility of creating a one-off budget to fund renewal activity.
- 7.5.5 In light of the above, the objectives for this work stream, led by the Shared Director of Finance are:
- Quantify the budgetary impact of the pandemic on the council and identify and pursue external opportunities for funding
 - Model the effects of disrupted revenue streams
 - Ensure the prompt administration of national and local financial schemes during the renewal phase
 - Develop draft local approaches to mitigating budget challenges
 - Assess the impacts of supply chain disruption (including key contractors)
- 7.5.6 As detailed within Appendix 2, these objectives will be achieved through the establishment of a number of project streams, each focused on a different aspect of the council's financial resilience, further supporting the Council Plan theme to create a 'council that serves its residents':
- **Closing the Financial Gap**
As detailed in 7.5.1, the council are estimating a significant gap in operational finances as a result of Covid-19. This currently stands at £3.1m and whilst financial support for Local Authorities has been made available by Central Government (see 7.5.2), it is expected that the financial gap will increase as the impact on Council Tax

and Non-Domestic Rate income becomes clear. This project will therefore maintain an overview of the impact of Covid-19 on the council's finance and investigate options for closing the gap. This is likely to be in the form of rephasing previously allocated spend, particularly in relation to the council's capital programme, that will now not happen this financial year as a result of Covid-19, as well as identifying in-year savings within budgets.

- **Investment Portfolio**

The council has a significant investment portfolio. The expected contraction of the economy will undoubtedly have a subsequent impact on the council's investment so this project stream is designed to specifically track and model this so that the effect can be quantified and managed. This work will include the ongoing management of the Croxley Business Park, which represents one of the most significant investments made by the council and accounts for income of £1.5m on an annual basis.

- **Contractor Resilience**

As an organisation operating within the local and national economy, the council works in partnership with a number of contractors across the private sector. The operations of many of these organisations were impacted by Covid-19 and, with the UK's exit from the European Union still scheduled for the end of the year, this project will seek to review the resilience of the council's partner organisations, understanding where supply chains may be disrupted, reviewing any financial difficulties caused by Covid-19 to contractors and ensuring that our local small and medium businesses have as much information as possible about how they can work with the council during the renewal phase.

7.5.8 Full details of the activities planned to meet the council's objectives in relation to the Financial Resilience work stream can be found within the Road to Renewal Plan in Appendix 1.

8.0 The need for agility

8.1 Many of the interventions that should emerge in the coming months to respond to the economic challenges will only start to bear fruit in 2021/22. The success or failure of these interventions will need to be constantly monitored and finessed to ensure that they have the best possible chance of having the desired impacts. The current uncertainties associated with the exit from lockdown or the potential of a second wave / increase in infections and, as a result, the lack of clarity regarding the long term impact to the local, regional, national and global economy makes it almost impossible to look further ahead at this juncture.

8.2 In light of this, the Road to Renewal Plan governance has been designed to ensure that the council can continue to react in as agile a way as possible in delivering the Plan, whilst maintaining clear decision-making and accountability. A robust change control process will be applied so any deviation from the approved Road to Renewal Plan can be assessed and formally approved with appropriate oversight and an

understanding of the impact on deliverables elsewhere within the programme of works. The established reporting lines will ensure ongoing oversight of any changes.

9.0 UK exit from the European Union

9.1 Alongside the uncertainty presented by Covid-19, the council are conscious that the UK remains due to exit the transition period with the European Union on 31 December 2020. At the current time, no long term trade deal has been agreed between the UK and the European Union, increasing the potential of further economic turbulence and uncertainty for industry and business. The Road to Renewal Plan has been reviewed so that any activities, particularly those relating to supply chains and economic disruption, can be managed collectively, minimising the resource impact on the council.

10.0 Impact on Business as Usual activity

- 10.1 The emergence of Covid-19 and the subsequent lockdown had a significant impact on the business as usual activity across the council. This was either as a result of reduced demand for the service, a complete withdrawal of the service or a reduced capacity to deliver the service at the usual quality.
- 10.2 Whilst the implementation of remote working solutions, including unified communications, shortly before lockdown significantly helped to mitigate the impact on Business as Usual activity, the council also delivered a whole range of additional services in response to Covid-19 utilising existing resource. This included working with volunteers, supporting the most vulnerable in our society, additional focus on our crematoriums, increased public health engagement, the administration of Covid-19 related grant schemes and changes to transport and infrastructure.
- 10.3 This change in focus and provision of additional services has led to a backlog of work in many service areas. A review of the activities stopped or reduced through the lockdown has been undertaken. In the vast majority of areas, it is believed that the backlog of activity can be cleared whilst using existing resource.
- 10.4 However, some activities cannot yet recommence because of restrictions in relation to social distancing. These include:
- Professional driver training
 - Provision of certain medicals for taxi drivers
 - Physical taxi inspections (and subsequently ability to renew vehicle licenses)
 - Planning enforcement inspections
 - Mayoral and Chairman engagements
 - Historic planning record requests
 - LAPPC inspections

- Drop-in services at the Town Hall (these will be managed by appointment only or over the telephone)
- Museum services (although an offer has been provided through lockdown via Watford Together)
- Educational services (although an offer has been provided through lockdown via Watford Together)
- Leisure centres

10.5 The following services are only being provided following the completion of a risk assessment and conclusion that the activity can proceed with risks sufficiently mitigated. These will continually be reviewed and are expected to be increased once effective track and trace provision is in place:

- HMO and housing inspections
- Nuisance investigations
- Food inspections (following FSA guidance conducting remote interventions for high risk premises and those with a food hygiene rating of 0,1, or 2 only)
- Pest control (limited to commercial and domestic external)

10.6 Other services are continuing but at a reduced level in order to balance the prioritisation of Covid-19 activity with providing services for residents. These include:

- Parking enforcement – whilst parking enforcement has resumed this continues to be a reduced service covering just day time hours and with no additional match day restrictions in place
- Flytip investigations – high impact and repeat flytips continue to be investigated whilst others are being immediately cleared
- Parking and council tax recovery activities – these were suspended during the lockdown period to support residents but have recommenced in accordance with national guidance which does not include face-to-face visits

11 Implications

11.1 Financial

11.1.1 The Shared Director of Finance comments that the budget implications contained within this report are outside of currently approved budgets. The budget paper to be reviewed by Council on 14 July 2020 makes provision for a Renewal Fund which, if approved, will be used to fund the additional staffing resources set out within this paper.

11.2 Legal Issues (Monitoring Officer)

11.2.1 The Group Head of Democracy and Governance comments that the Council Plan and the revisions to the budget required will need to be approved by Council on 14 July 2020 as part of the budget and policy framework.

11.3 Equalities, Human Rights and Data Protection

11.3.1 Equalities Impact Assessment

Under s149 (1) of the Equality Act the council must have due regard, in the exercise of its functions, to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
- advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
- foster good relations between persons who share relevant protected characteristics and persons who do not share them.

As the Road to Renewal plan represents a significant package of activities, impacting on service delivery, an equalities impact analysis has been undertaken. The main conclusions of the analysis are that nothing contained within the Road to Renewal Plan will adversely impact upon a person with protected characteristics. However, it is acknowledged that Covid-19 itself has disproportionately impacted those with protected characteristics, and the Road to Renewal Plan specifically seeks to address these issues:

- Research to date has indicated that the BAME community face worst outcomes in relation to Covid-19 and so appropriate mitigation measures have subsequently been introduced, including additional council risk assessments for BAME colleagues, for example.
- Elderly and disabled people were amongst those who were instructed by the government to shield throughout lockdown, leading to an increase risk of isolation and mental health issues in this group. The council rapidly introduced a support structure for these individuals through its Watford Helps initiative but have included specific objectives in the Road to Renewal Plan to ensure that those currently receiving support no longer require it or are successfully transitioned to a body that can provide longer-term support post-Covid. Furthermore, initiatives relating to digital isolation will support equality across different age ranges whilst specific commitments have been made to support those who have experienced mental health or isolation issues through lockdown.
- The Hertfordshire Growth Board economic update of June 2020 specifically indicated that young people, whilst less impacted by the virus itself, will be disproportionately impacted by the potential economic downturn with the Institute of Student Employers reporting that graduate recruitment is down by 12% with an overall reduction of 23% in entry level roles. Our Road to Recovery Plan specifically addresses this by linking young people across to the town to our

volunteering approach and providing a particular focus for young people within the skills and employment work with our partners.

- Our commitment to ensure that as many services as possible can be accessed online will enhance the service provision for Watford residents, allowing them to access services at a time that is convenient for them. Existing provision, via the telephone and post will remain and the plan outlines how the Town Hall can reopen to provide face to face services where these are necessary and when the risk to both the public and our colleagues is mitigated to an acceptable level. Additional online services will reduce the need for residents to attend the Town Hall in person, protecting those with protected characteristics who could be at an increased risk of illness should they physically attend the Town Hall.

The Equality Impact Analysis notes that, like all organisations and local authorities, Watford is restricted by the national guidelines relating to social distancing. If these remain in place or are increased as a result of a localised outbreak, some of the community events planned could not be attended by individuals shielding. However, the council will continue to follow national guidance and should there be a localised outbreak of Covid-19, it is unlikely that any such event would go ahead.

11.3.2 Data Protection Impact Assessment

Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

11.4 **Staffing**

11.4.1 It is recognised that Our Road to Renewal represents a significant level of additional activity for the council. In order to ensure that the council is realistically able to deliver the Renewal Plan, there is a need for additional resource. The proposed resource has been outlined below:

Work Stream / Cell	Resource (FTE)	Existing Resource (FTE)	Additional Resource (FTE)	Est. Cost (2020/21)	Future Cost (Est)
Community	5.75	0.5 x Volunteers Officer	Cultural Strategy – specialist resource	£25,000 (50 days @ £500)	£0
		1.25 x Rough Sleeping (Existing Housing team)	1 x Rough Sleeping	(MHCLG funded)	£0
		2.7 x Watford Together (Existing Culture and Events Team)	Voluntary Sector Strategy – specialist resource	£15,000 (30 days @ £500)	£0
		0.2 x One Watford (Group Head of Community and Environmental Services)	One Watford Strategy – specialist resource	£10,000 (20 days at £500)	£0
Business and Economy	3.5 plus specialist	1 x Economic Development Officer	1 x seconded Projects Officer	£33,750 backfill (Band 7 from July 2020)	£45,000 backfill (Band 7 ongoing)
			1 x Business Accelerator Advisor	£20,000 (£50 p/h x 400 hours)	£0
			0.5 x Employment and Skills Officer	£12,500 (Band 7 from October 2020)	£25,000 (Band 7 ongoing)
			Economic Strategy development – specialist resource and CRM	£55,000 (four months from July 2020)	£0

Work Stream / Cell	Resource (FTE)	Existing Resource (FTE)	Additional Resource (FTE)	Est. Cost (2020/21)	Future Cost (Est)
			Brand Positioning – specialist resource	£50,000 (four months from November 2020)	£0
			Inward Investment – specialist resource	£12,800 (six months from October 2020)	£0
Organisational Recovery	3	1 x Projects Officer			
		1 x Head of PMO			
		1 x Operational Leadership Team effort			
Financial Resilience	0.2	0.2 x Head of Leisure and Community			
Project Management	2		1 x Senior Project Manager for Financial Resilience and Business and Economy	£67,000	£67,000
			1 x Project Manager for Community and Organisational Renewal work streams	£38,250	£51,000
Public Health	14.5	14.5 existing (Existing Community Protection team)			
Total	28.75	23.25	5.5 (excluding specialist resource)	£339,300	£188,000

11.5 Accommodation

11.5.1 The Organisational Renewal work stream is concerned with ensuring that the Town Hall is able to open to customers, staff and members safely and with due regard for government guidance in relation to social distancing. A range of measures have already been introduced to allow this to happen but the council will continue to follow the advice of Central Government, including ensuring that those who can work from home continue to do so, particularly given that many staff rely on public transport to travel to work. The reopening of the Town Hall will be graduated and it should be noted that the council anticipate increased numbers of staff working from home even after restrictions are lifted which may have a longer term impact on the type of accommodation required.

11.5.2 The Business and Economy work stream recognises that there may be a need for shared working spaces within the town to support the local economy. Social distancing guidelines mean it is unlikely that the council will be pursuing this opportunity in the short term and any change to the use of the building would be subject to an additional business case in any event.

11.6 Community Safety/Crime and Disorder

11.6.1 Having reviewed the Road to Renewal Plan in line with section 17 of the Crime and Disorder Act 1998, it is not considered that any activity provided within the plan would increase crime and disorder in the area. It does, however, acknowledge that periods of economic unrest can lead to a breakdown of social cohesion and a specific work stream, One Watford, within the Community work stream, will seek to ensure ongoing partnership with other statutory bodies and as part of the council's Community Safety Partnership to monitor and address this.

11.7 Sustainability

11.7.1 The Road to Renewal Plan recognises the opportunity for both the town and council to emerge from the Covid-19 crisis in a sustainable way. The plans for the town under the Business and Economy work stream specifically reference the need to support low carbon businesses and include a whole range of sustainable transport plans, building upon the Sustainable Transport programme which has introduced the shared bike scheme, TravelWatford app and Demand Responsive Transport.

Appendices

- Appendix 1 – Our Road to Renewal plan
- Appendix 2 – Our Road to Renewal governance

Background papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Hertfordshire Growth Board – Economic Update June 2020
- Cell Management and Renewal Resource Report – June 2020
- Road to Renewal Plan Equalities Impact Assessment – June 2020