

BID Directorate CCC COVID-19 EMERGENCY PLANNING HIGHLIGHT REPORT

SERVICE AREA:	Commercial
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REPORTING PERIOD:	w/e 10 th April

KEY ACTIVITY HEADLINES

Delivery of critical commercial response and impact priorities.

Priority areas this week:

- Multi class credit investment – collating final case to return to Investment Group to support decision to proceed.
- Leading the coordination of advice to internal teams, partners, suppliers and customers re impact of Covid-19 – including:
 - o Procurement and Contract Management (waivers, extensions, application of Govt. Procurement Policy Notice)
 - o Consistency in approach and evaluation of approach with Internal Audit
 - o Financial mechanisms and analysis
 - o HR implications and measures
 - o Specific provision of guidance and advice to Education and Early Years sector
- Support to Economic Sub-Group via Steve Cox to build in resilience and understand of current issues as well as considerations of financial and commercial support mechanisms for remobilisation
- Connecting with Greater Cambridgeshire Partnership, Opportunities Peterborough and internal Business Intelligence to deliver analysis and stimulus package offer of economic impact on individuals and businesses. Some focus will be on businesses directly impacting on CCC services through supply or managing demand.
- Commencing work to support the Energy Investment Unit in two workstreams – (1) development of a plan to maximise opportunity for the Swaffham Prior Community Heat Project including a package to attract partnership, (2) continued development of a commercial plan to support the Solar Energy schemes financial return
- Planning commercial support to income generation, minimising impact on loss of income, development of short-term measures over the coming weeks and identifying support to maximise new opportunities as a result of changing markets and customer attitudes. Considering potential for market driven focused business models. – This work will form part of the recovery activity

RISKS / CHALLENGES (AND MITIGATION)

Risk 1 - Reduced income. The most immediate risk to the Council is reduced income from investments.

Mitigation - the Commercial Team are continuing to support the multi-class credit investment and will be making recommendations to the Investment Group in the next week. The Property team is forecasting and developing a process around managing the impact of reduced rental income from investment sites. The Commercial Team is continuing to support Property and Finance colleagues in this work as requested.

Risk 2 –Reductions in contractual service levels. There is a risk of avoidable reductions in service if contract managers are not clear about the areas of contractual obligations that should be retained at this time.

Mitigation - Procurement have provided some guidance on exemptions and the Commercial Team will continue to work with contract managers, providing guidance where requested and emphasising the need for a robust approach to approvals.

Risk 3 –Lack for capacity for appropriate commercial response. There is a risk that we have not yet fully scoped and resourced the total requirement for commercially focused activity and support– from immediate responses to businesses re rate relief and grant access through to the remobilisation of supply

chains and economy over the coming months. In addition, the team is very small (2.9 FTE) of which 1 FTE is currently redeployed to the Hub. There is a risk that the remaining team will quickly become overwhelmed by requests for support.

Mitigation - The Commercial Team helping to coordinate the CCC suite of processes and support as well as input into the Economic Sub Group to develop and agree stimulus packages. Additional resource is being added at Head of Service level across the BID Directorate, releasing some capacity to from the Director to support commercial work.

WORKFORCE UPDATE

Two managers are working on critical commercial activity (1.9 FTE) and 1 FTE is currently redeployed to Covid-19 Community Hub

No reports of illnesses or high risk isolation required to date.

FINANCIAL IMPACT (increase in costs / reduction in income)

Potential reduction in income from investments. Property are currently reviewing impact on property assets and the anticipated reduction in rent from tenants. A process is underway re rent deferrals and abatement and will be reported to Investment Group next week.

The multi-class credit return target of £1m is at risk if the deployment of funds into this asset class is delayed beyond May 2020. Noting that indications currently show that the investment should continue but the risk profile and monitoring will continue regularly and changes reported immediately.

Income target of £200k is at risk due to the inability to resource the completion of the e-learning product for sale to other authorities – however, the market is actively contacting the Team regularly as feel home working presents great opportunity for e-learning. Commercial Team have contacted the Learning Pool supplier to see what, if any, support can be given at this time.

Pressures and savings targets relating to renegotiation and procurement efficiencies of £250k at significant risk due to needing to extend current T&Cs, use of waivers and the supply chain being greatly affected.

Further savings within Business Planning that the Team were scheduled to help advise/support will be adversely affected but recorded in individual service highlight reports – figures not included here to avoid duplication.

RECOVERY ACTIVITY (plans being considered / future steps)

Income generating services – considering the full impact of Covid-19 and whether business models will need to change and adapt temporarily or permanently. Some consideration to be given to the opportunities that are beginning to arise as a result of changes in markets and customer attitude/behaviour.

Fully engaged with the Cambridgeshire and Peterborough focused Economic Recovery Sub-Group. It has had its first meeting and will meet fortnightly with a clear remit to have a focus on the medium term across the county. Engagement with businesses will be a key focus for Commercial Team in the next year.

Initial thoughts being collated to remobilise and plan support to procurement and contract renegotiation activities. This is to enable clear plans to be put into place to resolve and move on from any temporary measures having been agreed as a result of the critical response to Covid-19. Further, ongoing monitoring of planned procurement/contract management activities will continue to ensure market performance and changes are reflected appropriately in the processes undertaken. There is an expectation that whilst some markets and supply chains will be adversely affected, there are to be some pricing efficiencies achieved through alternate delivery or price driven competition.

COMMUNICATIONS

Regular updates provided to BID DMT, Amanda Askham and daily Transformation Team management meetings.

Further communications to be provided directly into groups and workstreams via SROs (eg, Steve Cox, Chris Malyon, Jon Lewis)