

CAMBRIDGESHIRE COUNTY COUNCIL'S RESPONSE TO COVID-19

To: Commercial and Investment Committee

Meeting Date: 19th June 2020

From: Amanda Askham, Director Business Improvement and Development

Electoral division(s): All

Key decision: No

Outcome: The Council's response to COVID-19 and our strategies for county-wide recovery will have a significant impact on outcomes for individuals and communities.

This report provides an update on:

- the Council's ongoing response to the current Coronavirus pandemic;

Recommendation: a. Committee are asked to note the progress made to date in responding to the impact of the Coronavirus.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Chloe Rickard	Name:	Cllr Mark Goldsack
Post:	Commercial Transformation Manager	Post:	Chair of Commercial & Investment Committee
Email:	Chloe.rickard@cambridgeshire.gov.uk	Email:	Mark.goldsack@cambridgeshire.gov.uk
Tel:	01223 699717		

1. BACKGROUND

- 1.1. COVID-19 continues to spread across the world and in the UK. At 4th June, there had been 6.3 million confirmed cases and more than 380,000 deaths globally, with 280,000 confirmed cases and nearly 40,000 deaths in the UK. Across Cambridgeshire and Peterborough, 1,979 confirmed cases and 365 deaths occurred between 27th March and 15th May.
- 1.2. The Prime Minister addressed the nation on Sunday 10th May with a new message for the public to Stay Alert, Control the Virus and Save Lives. This was followed by publication on Monday 11th May of the Government's recovery strategy "OUR PLAN TO REBUILD". This has been followed by further guidance on schools, support for the care sector and reopening of public spaces and town centres. Officers and teams continue to work closely with our communities, partners and providers to develop appropriate operational responses to new guidance as it is issued.
- 1.3. The Council Senior Leadership Team continues to run a 'Gold Command' Incident Management Team at least twice weekly to co-ordinate our response. The Local Resilience Forum (LRF), a partnership of local agencies, continues to hold a Strategic Co-ordinating Group at least twice weekly to co-ordinate the multi-agency response. The Council's Recovery Framework was endorsed by General Purposes Committee on 14th May.
- 1.4. The Council continues to operate all essential services, with staff working from home wherever possible. Some services remain partially closed in line with government guidance and social distancing measures and are offering online services where possible. Plans to safely and gradually reopen services are being developed with partners through the LRF Restoration Group. Household Waste and Recycling Centres, Primary Schools and Early Years Settings have reopened successfully with some restrictions, temporary guidelines and social distancing measures in place.
- 1.5. This report provides updates relevant to this service committee on the Council's ongoing response to the coronavirus pandemic.

2. COMMITTEE UPDATES

2.1 Investments (property and multi-class)

- 2.1.1 Activity reported in May continues, including support to our commercial tenants and close monitoring of bookings at Brunswick House. No further requests for support have been received since the last report and there has been no change to the forecast impact on income. The Commercial Investment Group will continue to receive monthly updates which include mitigating actions and forecasts. However bookings for the 2020/21 academic year are currently, unsurprisingly, lower than anticipated when the budget for the year was set.
- 2.1.2 Actions to support the new investment into Multi Class Credit are proceeding, with a slightly delayed timetable, as we reassess advice on the likely impacts of COVID-19 on this asset class. The delay in investment will present a temporary reduction in returns in this 2020/21 year as previously reported. A further report to Investment Group in July will detail the recommended appointment of the Fund Manager and the profile of expected returns across

the year. A proposal to undertake the multi-class credit investment as part of the Treasury Management Strategy is on the Full Council July 2020 agenda.

2.2 Property

- 2.2.1 Mobilisation plans, aligned with the Cambs 2020 programme, are underway to enable teams to re-enter buildings in a safe and managed way at the appropriate time. The two metre distancing guidance reduces capacity to approximately 20% of normal occupancy at most properties.
- 2.2.2 The current focus of the Cambs 2020 programme is managing the most critical 'spokes' buildings, with the Babbage House and Papworth moves completed during this month.
- 2.2.3 The Registration Service and Park and Ride have reopened multiple sites over the last few weeks with 'COVID secure' measures in place.

2.3 Energy

- 2.3.1 Planning applications for the North Angle Solar Farm and Babraham Park Ride Smart Energy Grid Projects will be submitted during June 2020. These applications have been a key focus for the Energy Investment Unit during lockdown to facilitate investment decisions this year. The aim is to maintain confidence with the supply chain that a pipeline of projects will be coming forward and to retain employment and skills capacity.
- 2.3.2 An initial discussion has taken place with our investment advisers to understand the current impact of COVID on renewables and energy investments. Renewable energy has become an area of significant interest to investors with the current focus on the climate crisis and new environmental, social, and corporate governance (ESG) reporting. Our advisors consider interest and investment in this area will be an attractive proposition for the Council going forward, and we are continuing to explore more about these opportunities as part of C&I Investment Group.
- 2.3.3 Once CCC have finalised a commercial framework for future energy investments, which should be completed by July, there may be a unique opportunity to invest and receive investment in new 'green finance' IFISAs and community funds. This would tie in with the CCES prioritisation of renewable energy generation, and bring Council, local business and community efforts together to fully realise decarbonisation initiatives and green energy utilisation.

2.4 Procurement and Contract Management

- 2.4.1 The majority of our supply chain remains intact and delivering to the standards and timescales required. As lockdown restrictions begin to ease, monitoring of the longer term impact on supply chain will be crucially important to shape our recovery. Our involvement in the Economic Recovery Sub-Group continues to provide intelligence to inform our planning in this area.
- 2.4.2 A new Public Procurement Notice (PPN/04) was issued on 10th June addressing the second stage of supplier relief (1 July to 31 October), with a specific focus on transition plans to exit from any relief as soon as reasonably possible. These plans will include contract variations

if operational requirements have changed significantly. This revised guidance will be reviewed so that all services have consistent and clear advice to support their supplier infrastructure and chains. This advice will include alternate payment terms and temporary changes to contractual conditions, in line with Government measures. Internal Audit are maintaining a database of supplier relief.

- 2.4.3 Procurement activity has picked up since the last report. Currently 26 procurement projects are in progress with 13 on hold and 21 forecasted to follow. All delayed procurement and contract negotiations have a new timeline and plan ready for adoption when both the marketplace and Council can resume public procurement competitions and mobilise new contracts.

2.5 Contributions and Funding – specifically income generation

- 2.5.1 Plans for schools focused income generating activity are being developed alongside reopening and mobilisation plans for the new academic year, subject to Government guidance.

2.6 Economic Recovery

- 2.6.1 The Cambridgeshire and Peterborough Economic Recovery Sub-Group (ERSG) has worked with the Greater Cambridgeshire Partnership to commission a report on economic impacts resulting from the pandemic. The draft report indicates a significant impact to GVA with a return to pre-COVID levels not expected until 2031 - and even later for some sectors. A more detailed sector analysis will be available in July.

3. FINANCIAL IMPLICATIONS

- 3.1 The second return to MHCLG accounting for spending and financial consequences resulting from the pandemic was submitted by the Council on 15 May. This second return required significantly more detail than the first request from central government, such as the inclusion of actual expenditure figures for April, a specific projection for May and then for the remainder of financial year. We were also asked for information relating to cashflow and levels of reserves. The Council participated in work organised by the Society of County Treasurers and the County Councils Network to aid interpretation of the guidance to ensure greater consistency between individual Council returns.

- 3.2 The latest projected financial impacts for this committee are as follows:

<i>Headline full-year estimates for this Committee submitted to MHCLG in early May 2020 £000</i>						
	New commitments	Income forgone	Impaired savings	Gross Total	Specified funding	Net Total
Commercial & Investment Committee	£95	£1,532	£576	£2,203	-£	£2,203

- 3.3 Changes to the financial impacts within the remit of this Committee since the last reporting period include:

New Commitments: Compliance works across the Estate. Shire Hall Relocation (including Spokes). Higher cost of removals for Spokes/Babbage House due to revised health and safety requirements.

Changes in income forgone: Reduced rental income (commercial estate) – notification of a company voluntary arrangement was received this week and our response is being carefully managed.

4. ALIGNMENT WITH CORPORATE PRIORITIES

- 4.1 The current Coronavirus pandemic will have both an immediate and a longer term effect on all of the Council's priorities. The impacts will be monitored and managed through our risk logs and recovery plans and will feed into the annual review of Council strategy.

5. SIGNIFICANT IMPLICATIONS

- 5.1 Following the Government's recovery plans for the UK, it is important for people to get back to school and work, for communities and services to rebuild and for businesses to reopen. As a Council, we will need to carefully interpret guidance as it comes through from central government, and work with partners and communities to ensure that we restart Cambridgeshire at the right time and pace and only when it is safe to do so.
- 5.2 The Council's financial forecasts have changed dramatically since a balanced budget was set in February 2020. Whilst it is too early to predict the full financial impact of fighting COVID-19, we know that we need to continue lobbying government for further funding and maintain strong financial management if we are to emerge from this period with the financial stability we had achieved pre Covid-19.
- 5.3 A significant reduction in GVA is anticipated for Cambridgeshire and will have considerable impact on the local economy, potential partners and the labour market. Continuing designing and reviewing recovery plans with as a county area will be key.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	YES Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	YES Gus De Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	n/a
Have the equality and diversity implications been cleared by your Service Contact?	n/a
Have any engagement and communication implications been cleared by Communications?	n/a
Have any localism and Local Member involvement issues been cleared by your Service Contact?	n/a
Have any Public Health implications been cleared by Public Health	n/a

Source Documents	Location
Add any supporting documents	None