

COVID-19 Vulnerability and Recovery Indices Summary report

22 September 2020



For the attention of Simone Hines, President of the
Society of District Council Treasurers

Sent via email

**Grant Thornton UK LLP 110
Bishopsgate London EC2N
4AY**

**T +44 (0)20 7383 5100 F +44
(0)20 7383 4715**

21st September 2020

Dear Simone,

Development of the Covid-19 Vulnerability and Recovery Index for District Councils (the Assignment)

We have pleasure in enclosing a copy of our summary report in accordance with your instructions dated 27th August 2020 which is reproduced at Appendix A of this report. This document (the **Report** and accompanying **Excel Toolbook**) has been prepared by Grant Thornton UK LLP (Grant Thornton) for The Society of District Council Treasurers (the **Addressee**) in connection with the development of a COVID-19 Vulnerability and Recovery Index for all districts in England to analyse the potential impact of COVID-19 on the district councils and understand the vulnerabilities which need to be understood when considering recovery planning (the Purpose).

We stress that the Report and Toolbook is confidential and prepared for the Addressee only. We agree that an Addressee may disclose our Report to its professional advisers in relation to the Purpose, or as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without our prior written consent but in each case strictly on the basis that prior to disclosure you inform such parties that (i) disclosure by them is not permitted without our prior written consent, and (ii) to the fullest extent permitted by law we accept no responsibility or liability to them or to any person other than the Addressee.

The Report and Toolbook should not be used, reproduced or circulated for any other purpose, in whole or in part, without our prior written consent, such consent will only be given after full consideration of the circumstances at the time. These requirements do not apply to any information, which is, or becomes, publicly available or is shown to have been made so available (otherwise than through a breach of a confidentiality obligation).

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Addressee for our work, our Report, Toolbook and other communications, or for any opinions we have formed. We do not accept any responsibility for any loss or damages arising out of the use of the Report by the Addressee(s) for any purpose other than in relation to the Purpose.

The data used in the provision of our services to you and incorporated into the Report and Toolbook has been provided by third parties. We have not verified the accuracy or completeness of any such data. There may therefore be errors in such data which could impact on the content of the Report. No warranty or representation as to the accuracy or completeness of any such data or of the content of the Report relating to such data is given nor can any responsibility be accepted for any loss arising therefrom.



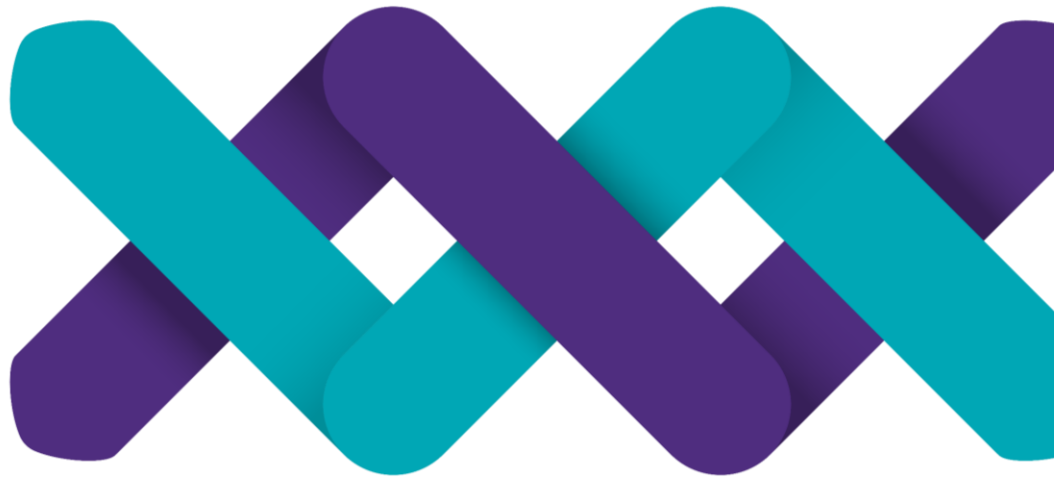
Yours faithfully

Rob Turner

Director
Grant Thornton UK LLP

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please see grantthornton.co.uk for further details.



Introduction

Introducing the COVID-19 Indices

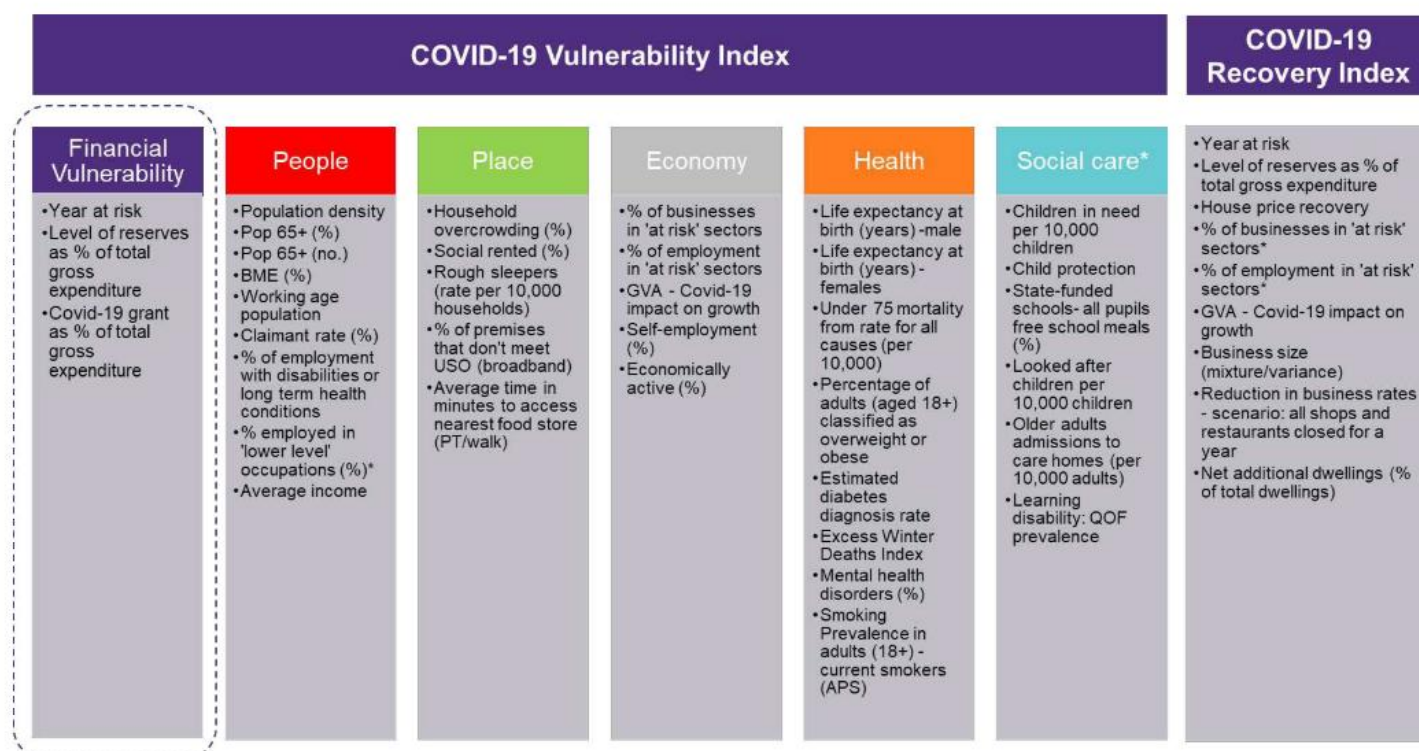
The purpose of this report is to provide a high level summary of the key findings from the district level analysis of the COVID-19 Vulnerability and Recovery Indices. It should be used alongside the separate Excel Toolbook which provides a detailed breakdown of all the data.

Grant Thornton's **Vulnerability Index** provides a nationwide view on the vulnerability of local authorities to the immediate and medium-term impacts of COVID-19. Levels of vulnerability to COVID-19 are explored through six socio-economic lenses and draws upon 36 national indicators which are listed in the diagram above. The **Recovery Index** seeks to understand how well placed areas are to respond and recover from COVID-19. It draws upon a more select number 9 key indicators which are listed in the final box of the diagram below. For more detailed metadata on each of the individual indicators used in the two indices please refer to the accompanying Excel Toolbook which includes a metadata tab.

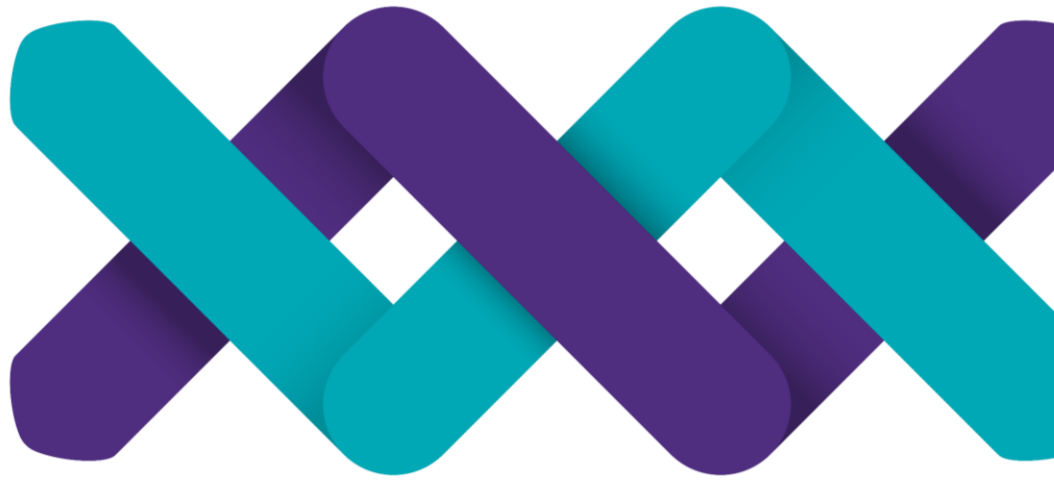
The remainder of this report provides some headline findings. The first section looks at the national picture across each of the baskets using a heatmap and a top/bottom 10 table. These outputs are both based on scores, with 100 indicating the district median. Full rankings and scores are available for all 188 in the accompanying Toolbook.

The second part of this report looks at the implications of the findings. We identify three key implications:

- The complexity of COVID-19 requires a local response
- Some vulnerabilities are more prevalent in particular localities
- There are particular issues that are more apparent in district authorities

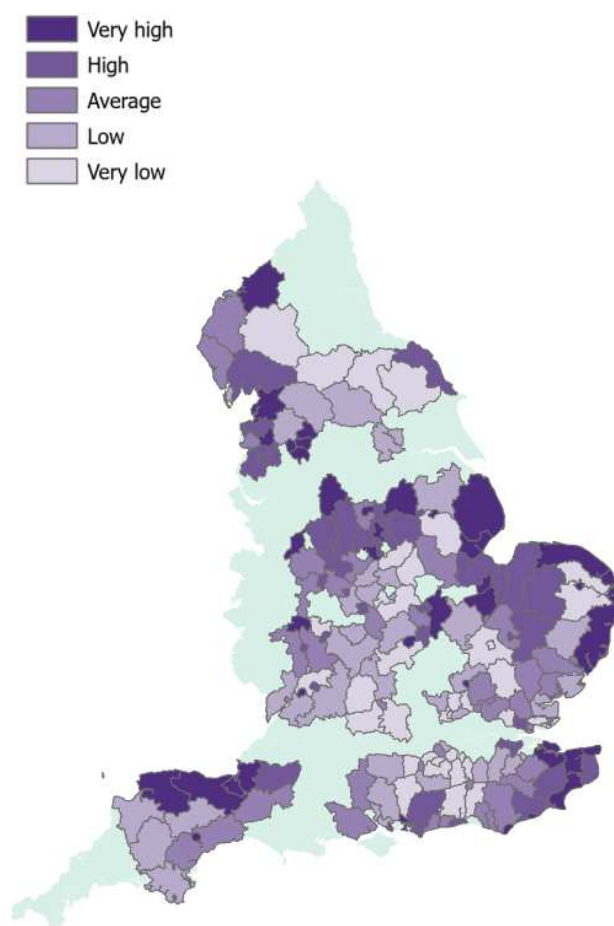


* The social care indicators are only published for upper-tier authorities and therefore the corresponding districts have been each given the county figure.



National headlines

Vulnerability Index



A darker shade indicates higher levels of vulnerability

Top 10 and bottom 10 nationally

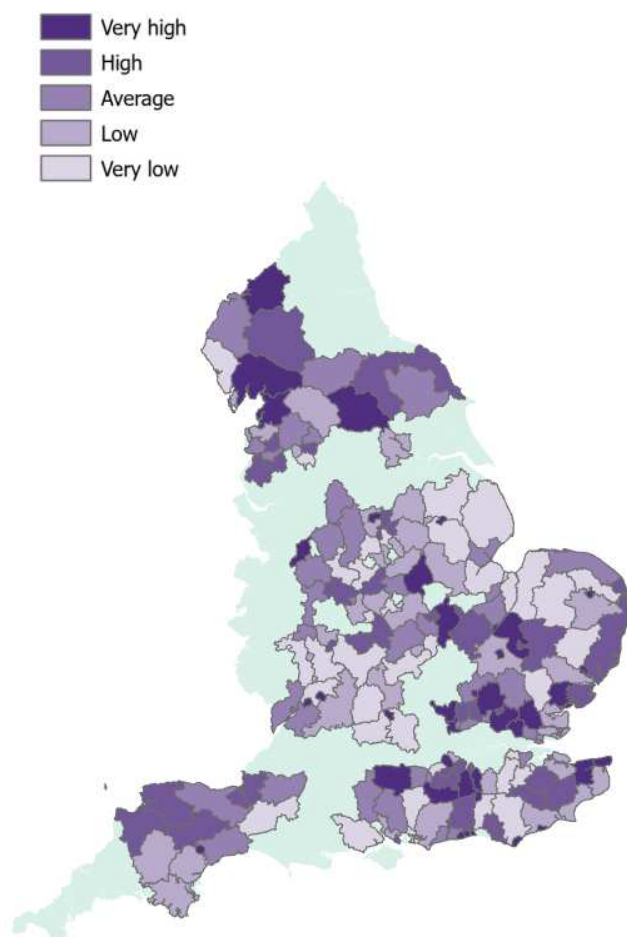
National rank (out of 188)	District name	County	Region	Score
1	Thanet	Kent	South East	106.93
2	Eastbourne	East Sussex	South East	105.88
3	Hastings	East Sussex	South East	105.84
4	Chesterfield	Derbyshire	East Midlands	105.59
5	Canterbury	Kent	South East	105.33
6	Burnley	Lancashire	North West	105.16
7	Hyndburn	Lancashire	North West	104.86
8	Pendle	Lancashire	North West	104.51
9	Newcastle-under-Lyme	Staffordshire	West Midlands	104.39
10	Norwich	Norfolk	East of England	104.18
179	Vale of White Horse	Oxfordshire	South East	96.11
180	Eden	Cumbria	North West	96.00
181	Harborough	Leicestershire	East Midlands	95.97
182	Blaby	Leicestershire	East Midlands	95.93
183	St Albans	Hertfordshire	East of England	95.77
184	Hambleton	North Yorkshire	Yorkshire and The Humber	95.07
185	Epsom and Ewell	Surrey	South East	95.00
186	Hart	Hampshire	South East	94.78
187	Elmbridge	Surrey	South East	94.13
188	Surrey Heath	Surrey	South East	93.31

Key findings

- There is no clear geographical pattern to the map which reflects that a range of places from across the country have high vulnerability.
- However, it appears that sometimes neighbouring districts share similar experiences resulting in small clusters of high vulnerability. Examples include Canterbury and Thanet in Kent and Pendle, Burnley and Hyndburn.
- It is also notable that the top three most vulnerable areas are all coastal districts – something which is explored later on in this report.

Financial vulnerability

Top 10 and bottom 10 nationally



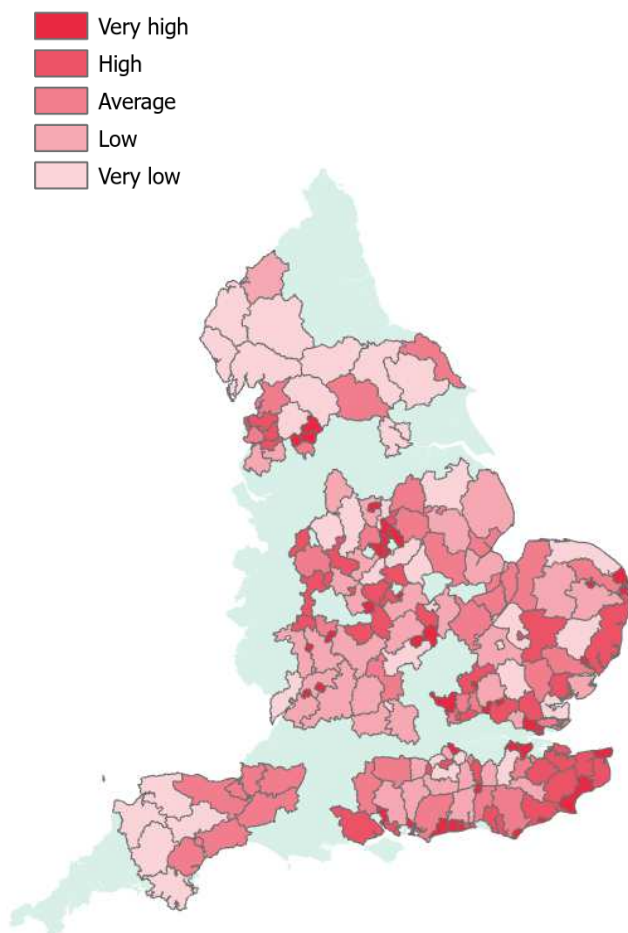
A darker shade indicates higher levels of vulnerability

National rank (out of 188)	District name	County	Region	Score
1	Stevenage	Hertfordshire	East of England	116.01
2	Chelmsford	Essex	East of England	114.73
3	Eastbourne	East Sussex	South East	114.68
4	Adur	West Sussex	South East	114.33
5	Lincoln	Lincolnshire	East Midlands	113.93
6	East Cambridgeshire	Cambridgeshire	East of England	113.66
7	Waverley	Surrey	South East	113.63
8	Chesterfield	Derbyshire	East Midlands	113.60
9	Exeter	Devon	South West	113.29
10	Oxford	Oxfordshire	South East	113.09
179	Wealden	East Sussex	South East	96.13
180	Rossendale	Lancashire	North West	96.03
181	West Lindsey	Lincolnshire	East Midlands	96.02
182	Surrey Heath	Surrey	South East	95.53
183	Nuneaton and Bedworth	Warwickshire	West Midlands	95.32
184	Malvern Hills	Worcestershire	West Midlands	95.07
185	Broadland	Norfolk	East of England	94.89
186	South Derbyshire	Derbyshire	East Midlands	94.83
187	Oadby and Wigston	Leicestershire	East Midlands	92.57
188	Wychavon	Worcestershire	West Midlands	92.35

Key findings

- The map shows that the picture nationally is very varied with no clear geographical pattern. This is perhaps not surprising given the nature of this basket, which is more about the financial sustainability of the council as opposed to place-based characteristics. This is also reflected in the top ten, with all districts from different county areas.
- Often districts within the same county can have very varied performance. For example, Lincolnshire, Derbyshire and East Sussex have districts that feature in both the top and bottom ten.

People basket



A darker shade indicates higher levels of vulnerability

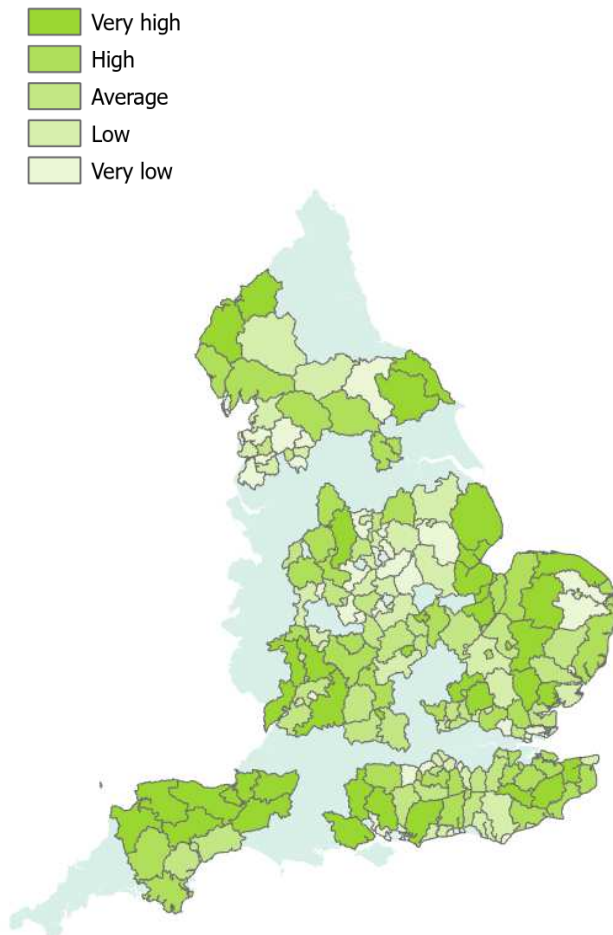
Top 10 and bottom 10 nationally

National rank (out of 188)	District name	County	Region	Score
1	Eastbourne	East Sussex	South East	113.01
2	Northampton	Northamptonshire	East Midlands	112.83
3	Hastings	East Sussex	South East	112.68
4	Ipswich	Suffolk	East of England	112.05
5	Worthing	West Sussex	South East	110.82
6	Gravesham	Kent	South East	110.68
7	Thanet	Kent	South East	110.67
8	Nuneaton and Bedworth	Warwickshire	West Midlands	110.59
9	Gloucester	Gloucestershire	South West	109.10
10	Basildon	Essex	East of England	108.54
179	Mid Devon	Devon	South West	92.46
180	Hambleton	North Yorkshire	Yorkshire and The Humber	92.27
181	West Devon	Devon	South West	92.13
182	Ribble Valley	Lancashire	North West	92.00
183	Derbyshire Dales	Derbyshire	East Midlands	91.16
184	Ryedale	North Yorkshire	Yorkshire and The Humber	89.82
185	Oxford	Oxfordshire	South East	89.82
186	Allerdale	Cumbria	North West	87.82
187	Richmondshire	North Yorkshire	Yorkshire and The Humber	87.29
188	Eden	Cumbria	North West	83.88

Key findings

- The map shows that high levels of vulnerability are generally found in the smaller more urban districts. However, there are exceptions to this pattern such as Oxford which is predominantly urban but yet ranks in the bottom 10 on People vulnerability.
- Coastal areas also tend to be more vulnerable on this basket, with three featuring in the top ten.

Place basket



A darker shade indicates higher levels of vulnerability

Top 10 and bottom 10 nationally

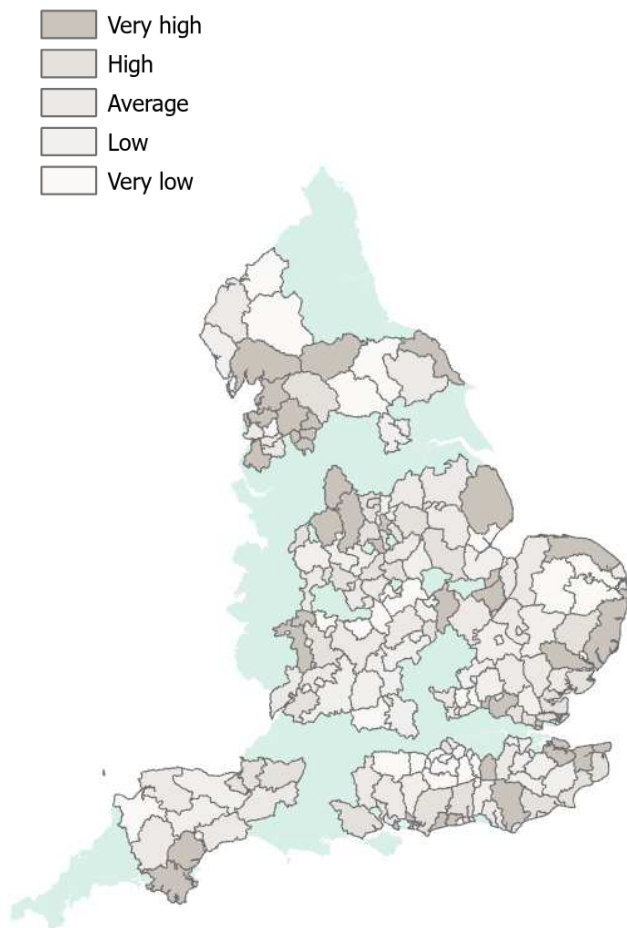
National rank (out of 188)	District name	County	Region	Score
1	Boston	Lincolnshire	East Midlands	118.65
2	Breckland	Norfolk	East of England	114.77
3	Somerset West and Taunton	Somerset	Somerset	113.70
4	Chichester	West Sussex	South East	113.24
5	North Devon	Devon	South West	113.07
6	South Holland	Lincolnshire	East Midlands	112.04
7	Ashford	Kent	South East	111.74
8	North Norfolk	Norfolk	East of England	109.85
9	Corby	Northamptonshire	East Midlands	109.30
10	Tunbridge Wells	Kent	South East	109.10
179	Ribble Valley	Lancashire	North West	92.95
180	Pendle	Lancashire	North West	92.91
181	Mansfield	Nottinghamshire	East Midlands	92.85
182	Epsom and Ewell	Surrey	South East	92.70
183	Ipswich	Suffolk	East of England	92.60
184	Broxtowe	Nottinghamshire	East Midlands	92.42
185	North Kesteven	Lincolnshire	East Midlands	91.84
186	Gedling	Nottinghamshire	East Midlands	91.66
187	Blaby	Leicestershire	East Midlands	91.03
188	Castle Point	Essex	East of England	90.85

Key findings

- This map is almost the inverse of the previous 'People' map – here we see higher vulnerability occurring in the larger more rural districts. This reflects aspects such as broadband access and longer journey times to nearest food stores. There are exceptions to this though such as Corby which is urban and yet ranks in the top 10.
- Its also notable that Pendle and Ipswich both feature in the bottom 10 whereas on some of the previous tables they have conversely featured in the top 10 most vulnerable which underlines that issues can play out differently in different areas.

Economy

Top 10 and bottom 10 nationally



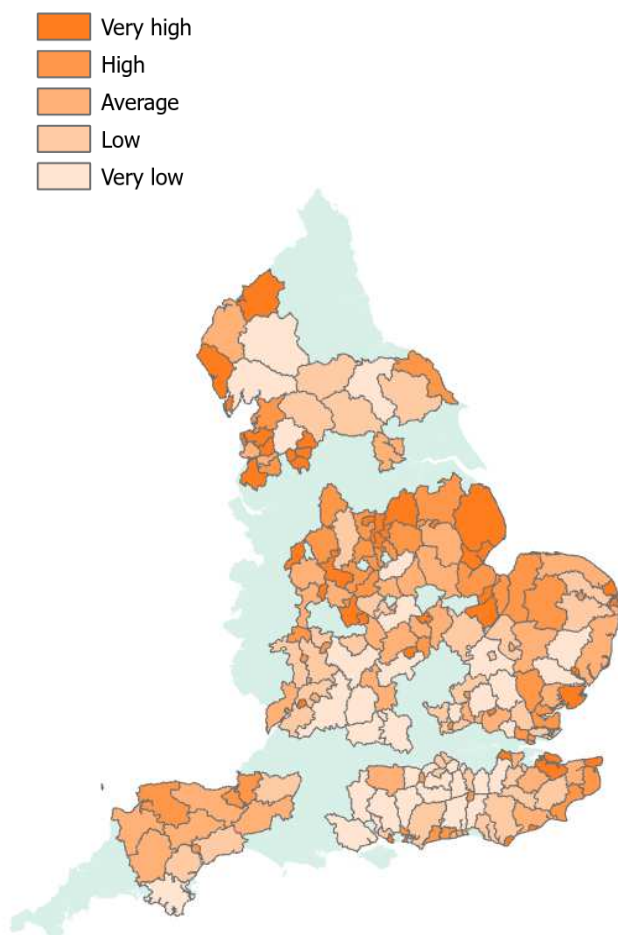
National rank (out of 188)	District name	County	Region	Score
1	East Lindsey	Lincolnshire	East Midlands	112.70
2	Pendle	Lancashire	North West	112.16
3	High Peak	Derbyshire	East Midlands	111.98
4	Thanet	Kent	South East	111.17
5	Canterbury	Kent	South East	111.13
6	North Norfolk	Norfolk	East of England	110.66
7	Havant	Hampshire	South East	110.02
8	Hyndburn	Lancashire	North West	109.99
9	Broxbourne	Hertfordshire	East of England	109.75
10	South Lakeland	Cumbria	North West	108.74
179	Boston	Lincolnshire	East Midlands	92.43
180	Blaby	Leicestershire	East Midlands	91.85
181	Torridge	Devon	South West	90.79
182	South Norfolk	Norfolk	East of England	90.24
183	Barrow-in-Furness	Cumbria	North West	88.97
184	Watford	Hertfordshire	East of England	88.46
185	Elmbridge	Surrey	South East	87.17
186	Bromsgrove	Worcestershire	West Midlands	87.04
187	Surrey Heath	Surrey	South East	86.90
188	Reigate and Banstead	Surrey	South East	84.36

A darker shade indicates higher levels of vulnerability

Key findings

- The economic vulnerability of places reflects the underlying sectoral mix which makes some places much more vulnerable than others.
- Whilst some areas will face risks in relation to tourism and hospitality, for others it will be risks associated with manufacturing.
- For example, Pendle and Hyndburn both have very high levels of employment in manufacturing which is one of the most at risk sector, whereas areas such as South Lakeland and East Lindsey have very high levels of employment in accommodation and food services which has been severely affected by the pandemic.

Health



A darker shade indicates higher levels of vulnerability

Top 10 and bottom 10 nationally

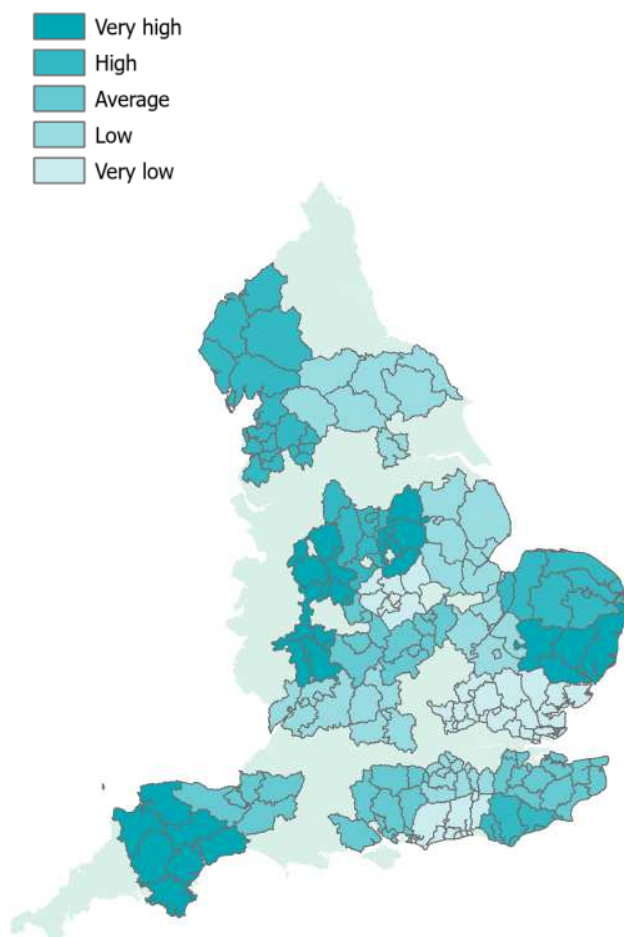
National rank (out of 188)	District name	County	Region	Score
1	Burnley	Lancashire	North West	111.43
2	Barrow-in-Furness	Cumbria	North West	111.19
3	Corby	Northamptonshire	East Midlands	110.80
4	Boston	Lincolnshire	East Midlands	110.67
5	Lincoln	Lincolnshire	East Midlands	110.64
6	Preston	Lancashire	North West	110.11
7	Great Yarmouth	Norfolk	East of England	109.69
8	Mansfield	Nottinghamshire	East Midlands	109.68
9	Ashfield	Nottinghamshire	East Midlands	108.45
10	Thanet	Kent	South East	107.82
179	South Hams	Devon	South West	92.08
180	Elmbridge	Surrey	South East	91.64
181	South Oxfordshire	Oxfordshire	South East	91.51
182	Waverley	Surrey	South East	91.34
183	Epsom and Ewell	Surrey	South East	90.69
184	Mole Valley	Surrey	South East	90.67
185	South Cambridgeshire	Cambridgeshire	East of England	90.67
186	St Albans	Hertfordshire	East of England	90.05
187	Horsham	West Sussex	South East	89.96
188	Hart	Hampshire	South East	88.23

Key findings

- Looking at the map we can see a darker shaded band across the middle of the country reflecting higher vulnerability, particularly in the East Midlands as reflected in the top 10.
- Other hotspots are found in the North west and parts of the Kent coast.
- The bottom ten is dominated by areas in the South East.

Social care

Top 10 and bottom 10 nationally



A darker shade indicates higher levels of vulnerability

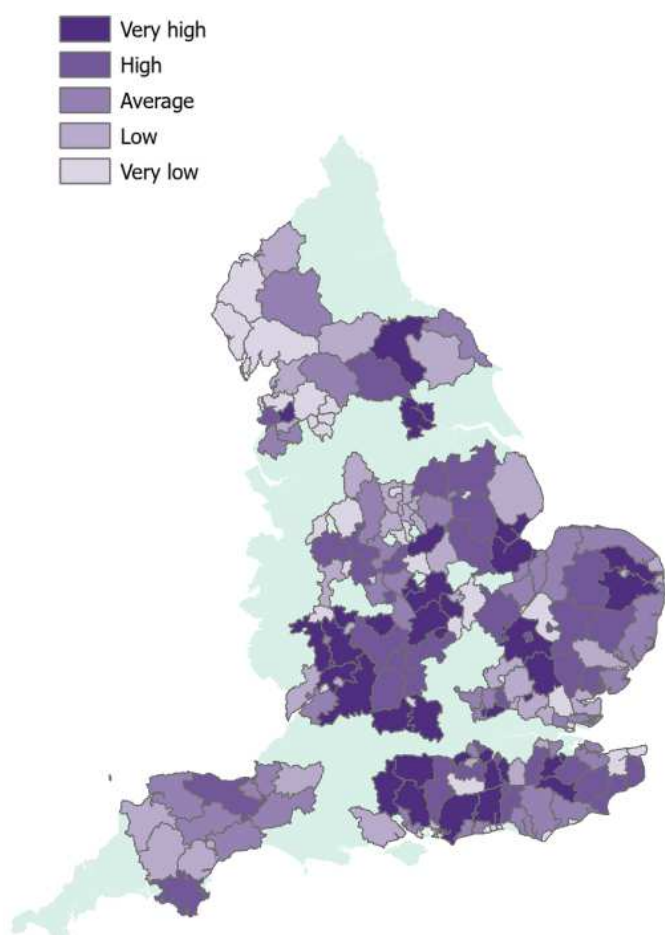
National rank (out of 188)	District name	County	Region	Score
1	Bolsover	Derbyshire	East Midlands	109.53
1	Chesterfield	Derbyshire	East Midlands	109.53
1	South Derbyshire	Derbyshire	East Midlands	109.53
1	Erewash	Derbyshire	East Midlands	109.53
1	North East Derbyshire	Derbyshire	East Midlands	109.53
1	Amber Valley	Derbyshire	East Midlands	109.53
1	High Peak	Derbyshire	East Midlands	109.53
1	Derbyshire Dales	Derbyshire	East Midlands	109.53
9	Burnley	Lancashire	North West	108.36
9	Preston	Lancashire	North West	108.36
179	Stevenage	Hertfordshire	East of England	92.27
179	Watford	Hertfordshire	East of England	92.27
179	Welwyn Hatfield	Hertfordshire	East of England	92.27
179	Broxbourne	Hertfordshire	East of England	92.27
179	Three Rivers	Hertfordshire	East of England	92.27
179	North Hertfordshire	Hertfordshire	East of England	92.27
179	Dacorum	Hertfordshire	East of England	92.27
179	Hertsmere	Hertfordshire	East of England	92.27
179	East Hertfordshire	Hertfordshire	East of England	92.27
179	St Albans	Hertfordshire	East of England	92.27

Key findings

- For this basket the map looks different, reflecting that we've had to use county level data and apply this to the corresponding districts.
- Stand out areas of high vulnerability are Derbyshire, Lancashire and Cumbria in the North and East Sussex and Devon in the south.

Recovery Index

Top 10 and bottom 10 nationally

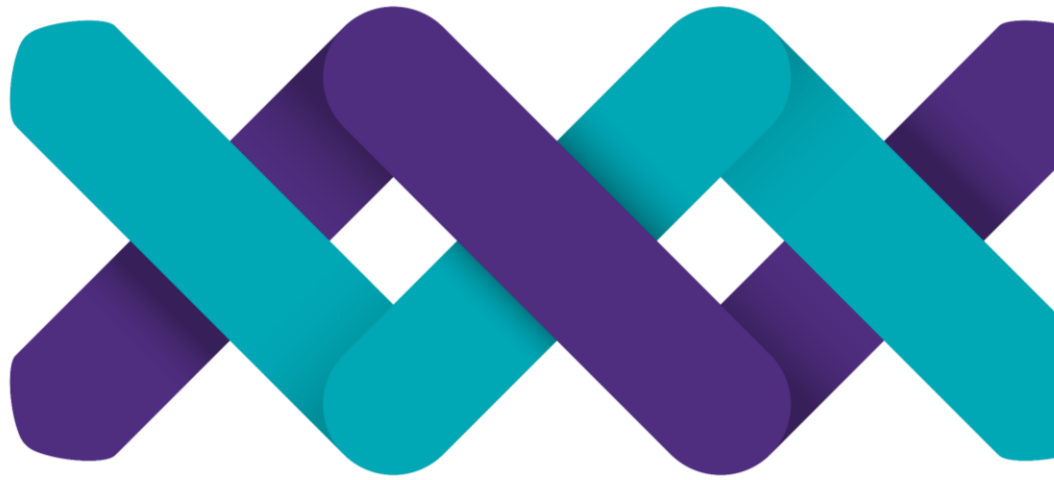


A darker shade indicates higher levels of recovery

National rank (out of 188)	District name	County	Region	Score
1	Surrey Heath	Surrey	South East	110.61
2	South Norfolk	Norfolk	East of England	110.13
3	Wychavon	Worcestershire	West Midlands	109.05
4	Blaby	Leicestershire	East Midlands	108.54
5	Broadland	Norfolk	East of England	108.30
6	Harlow	Essex	East of England	108.10
7	Warwick	Warwickshire	West Midlands	108.01
8	South Cambridgeshire	Cambridgeshire	East of England	107.95
9	Selby	North Yorkshire	Yorkshire and The Humber	107.82
10	Winchester	Hampshire	South East	107.77
179	Chesterfield	Derbyshire	East Midlands	91.26
180	Canterbury	Kent	South East	90.90
181	Eastbourne	East Sussex	South East	90.43
182	Burnley	Lancashire	North West	90.34
183	Wellingborough	Northamptonshire	East Midlands	90.10
184	Gosport	Hampshire	South East	90.02
185	Pendle	Lancashire	North West	88.69
186	Oxford	Oxfordshire	South East	87.06
187	Newcastle-under-Lyme	Staffordshire	West Midlands	86.21
188	Adur	West Sussex	South East	85.45

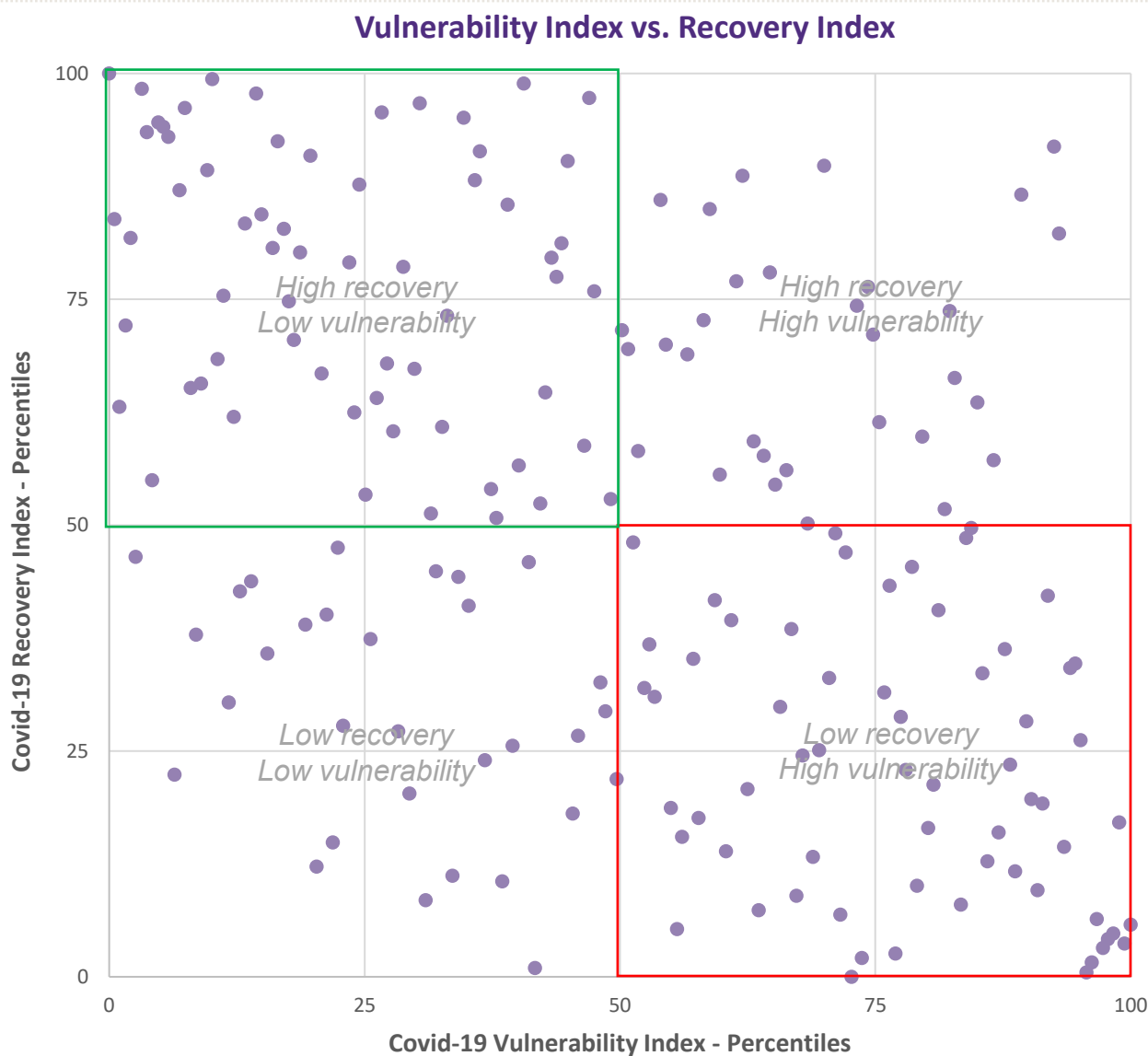
Key findings

- The Recovery Index is different from the Vulnerability basket as it seeks to understand which areas are more resilient and could 'bounce back' more easily. This index still includes some of the same indicators used in the Vulnerability Index, such as employment in 'at risk' sectors, but this is now examined in terms of which areas have the lowest levels of employment at risk.
- The picture is again quite varied with the top 10 featuring areas from different regions.
- Picking out a couple of areas that feature in the top 10:
 - Harlow's strong performance is driven by having a good mix of business sizes and relatively low reduction in business rates using a modelled scenario of all shops and restaurants closing for a year.
 - Warwick has a very low proportion of employment in 'at risk' sectors and has had good house price recovery post the previous recession.



Implications

The complexity of COVID-19 requires a local response

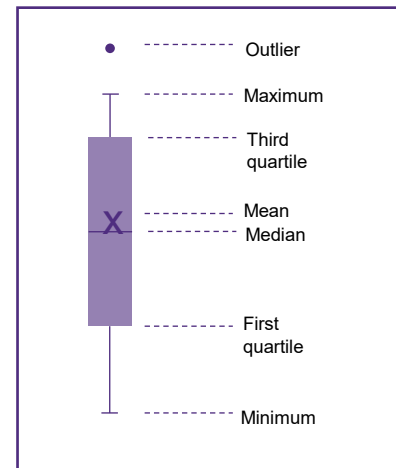
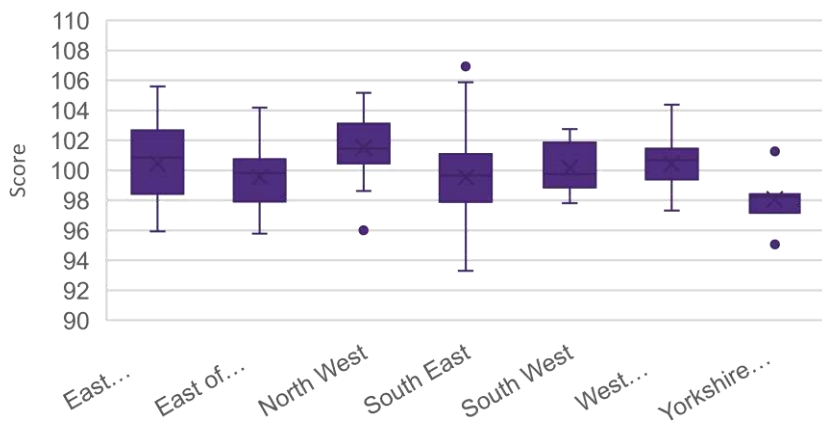


Key findings

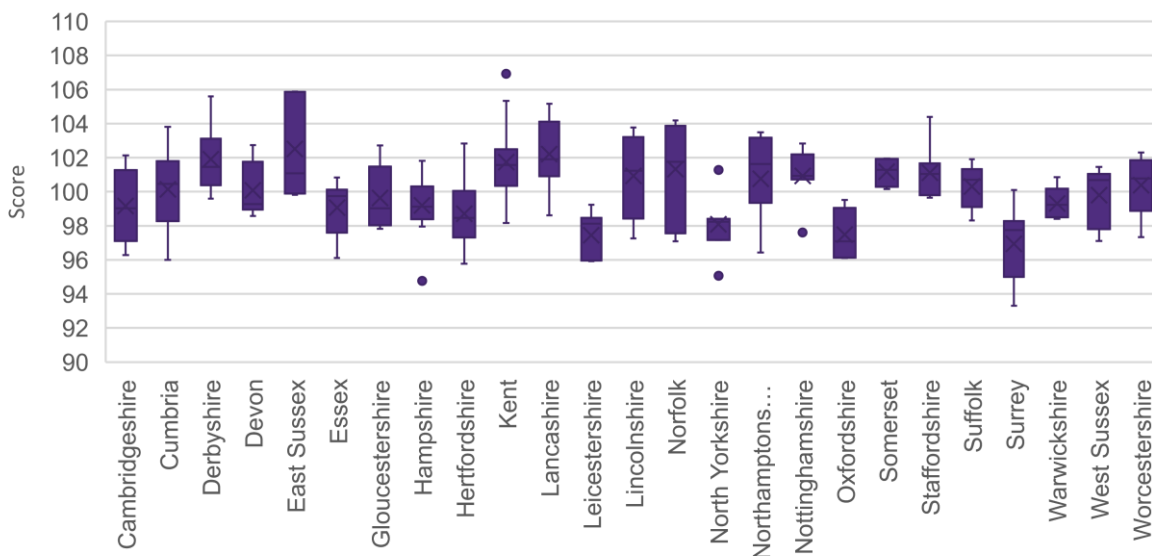
- The scatter chart correlates the Vulnerability Index against the Recovery Index, with each individual dot showing the performance of a single district. Scores have been converted to percentiles, for example the highest scoring area will have a percentile of 100 and the lowest scoring area a figure of zero.
- The lack of a clear correlation between the two Indices reflects that COVID-19 is complex and given the unique characteristics of districts requires a local response.
- The chart is split into four quadrants to aid interpretation. Areas that sit in the bottom right of the chart are the most vulnerable to COVID-19 as they have high vulnerability coupled with low recoverability.

The complexity of COVID-19 requires a local response

Regional



County

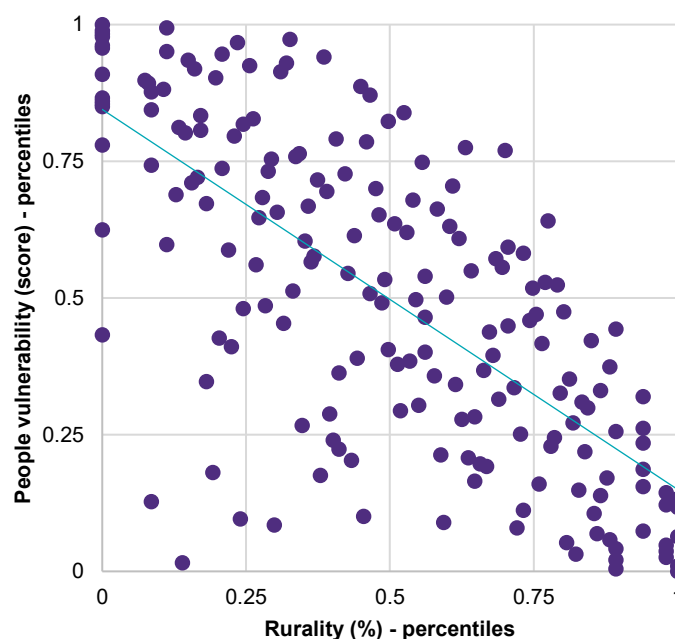


Key findings

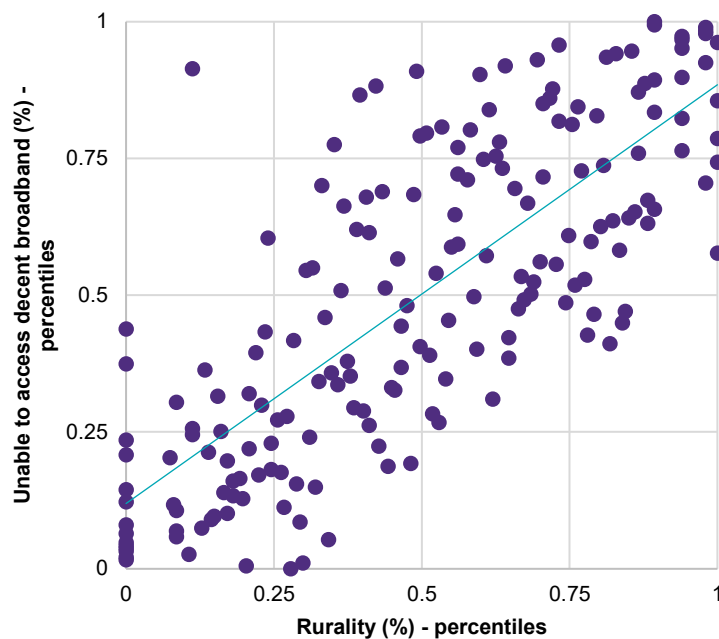
- The charts above demonstrate that there can be considerable variation in levels of vulnerability at a local level which reemphasises the importance of a local response to recovery.
- The first chart shows the variation in district Vulnerability scores at a regional level, with the greatest variation occurring in the South East where vulnerability scores range from as high as 106.9 in Thanet down to 93.3 in Surrey Heath.
- At a county level there is also notable variation between districts. The dots represent outliers – for example in Hampshire Hart has much lower vulnerability than the other districts in the county.

Some vulnerabilities are more prevalent in particular localities

People Vulnerability and rural/urban



Rurality vs Broadband connectivity

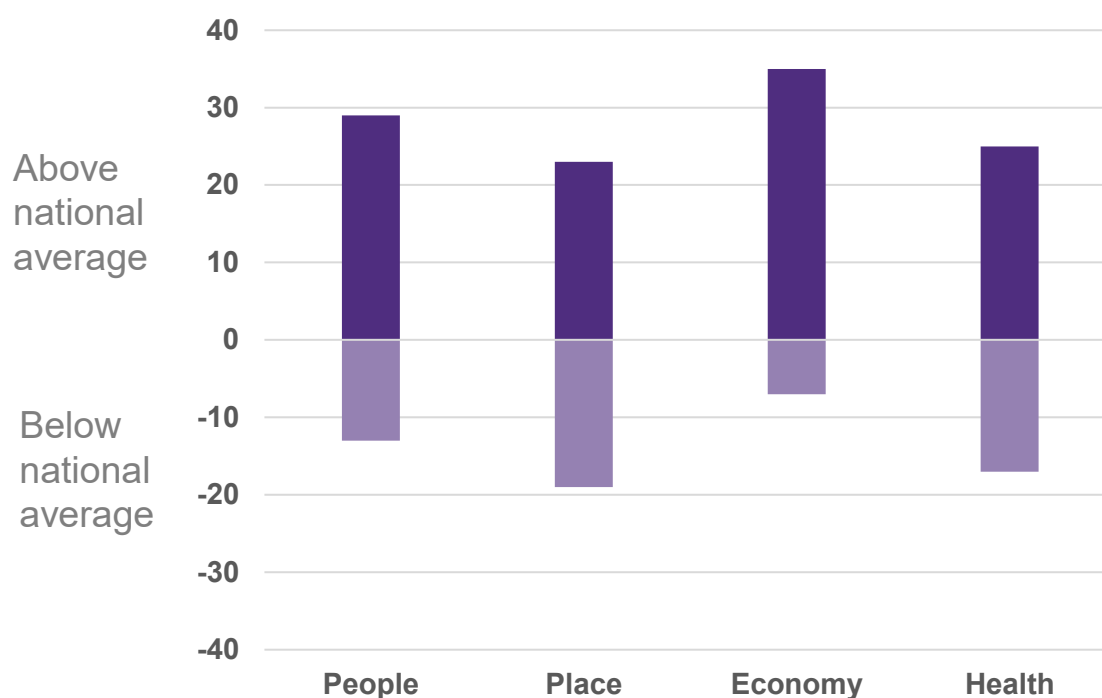


Key findings

- A deeper dive on some of the baskets and individual measures reveals that certain vulnerabilities are more prevalent in particular types of districts.
- The first chart shows that there is a close correlation between rurality and 'People' vulnerability. The negative relationship reveals that the more urban areas have higher levels of 'People' vulnerability, whilst the more rural localities perform generally better with low levels of vulnerability.
- The second scatter chart unpicks the 'Place' basket by correlating access to broadband against rurality. This shows a strong positive correlation with access to 'decent broadband' decreasing as levels of rurality increase. This is particularly pertinent given the increased reliance on broadband to enable people to effectively work from home.

Some vulnerabilities are more prevalent in particular localities

Coastal vulnerability

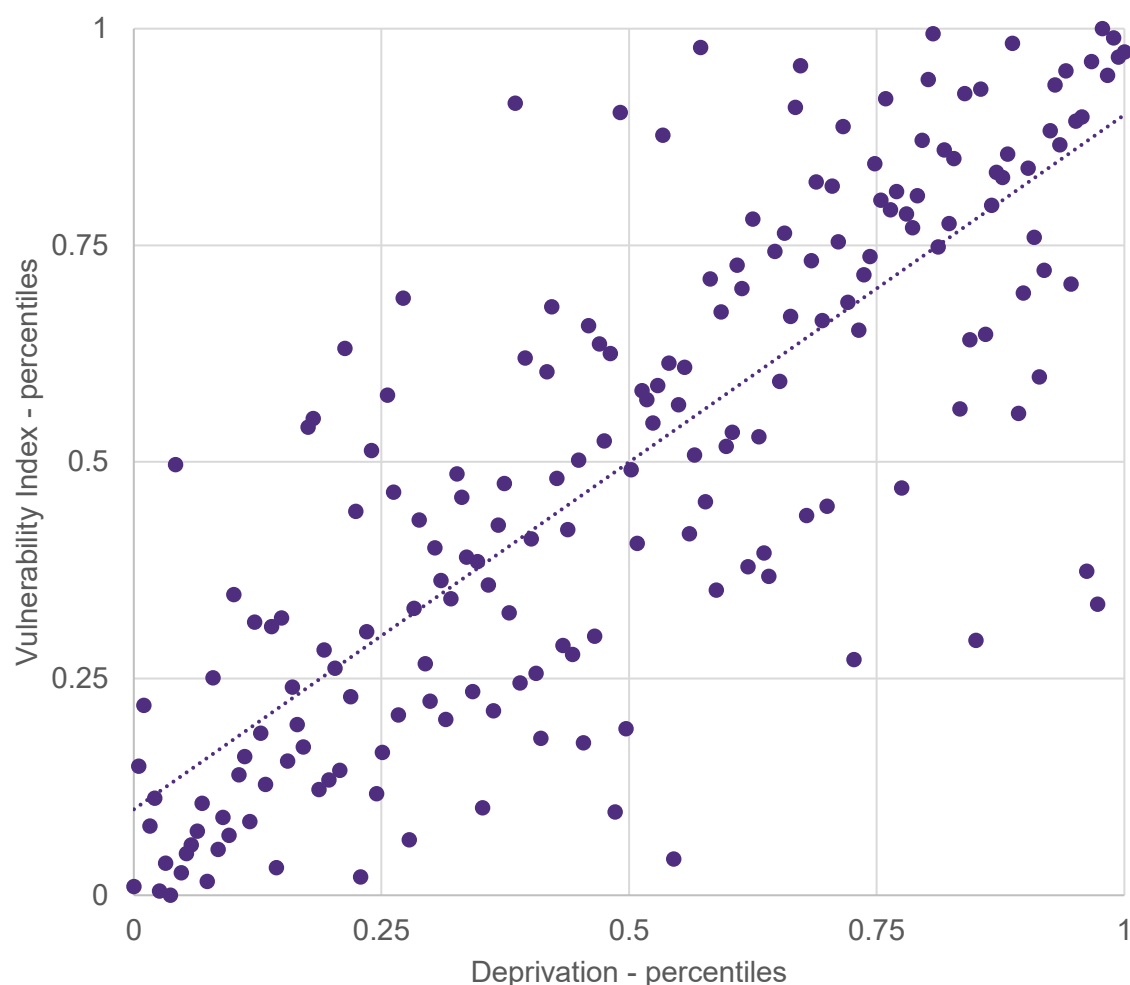


Key findings

- We've identified 42 coastal districts and the bar chart shows how many of these perform above and below the district average.
- More coastal areas have generally above average levels of vulnerability, particularly in relation to the 'People' and 'Economy' baskets.
- The high vulnerability on the 'Economy' basket for coastal areas could reflect that many coastal areas are reliant on accommodation and food services as a source of employment and income – a sector which has been hard-hit by the pandemic.
- One way areas are trying to counteract this is by promoting their place as a holiday destination for staycations. On the plus side this could provide a much needed boost to coastal economies but there is also growing concern that increased numbers of visitors could bring other risks associated with overcrowding and people unknowingly bringing COVID-19 into the area.

Some vulnerabilities are more prevalent in particular localities

Deprivation vs Vulnerability Index

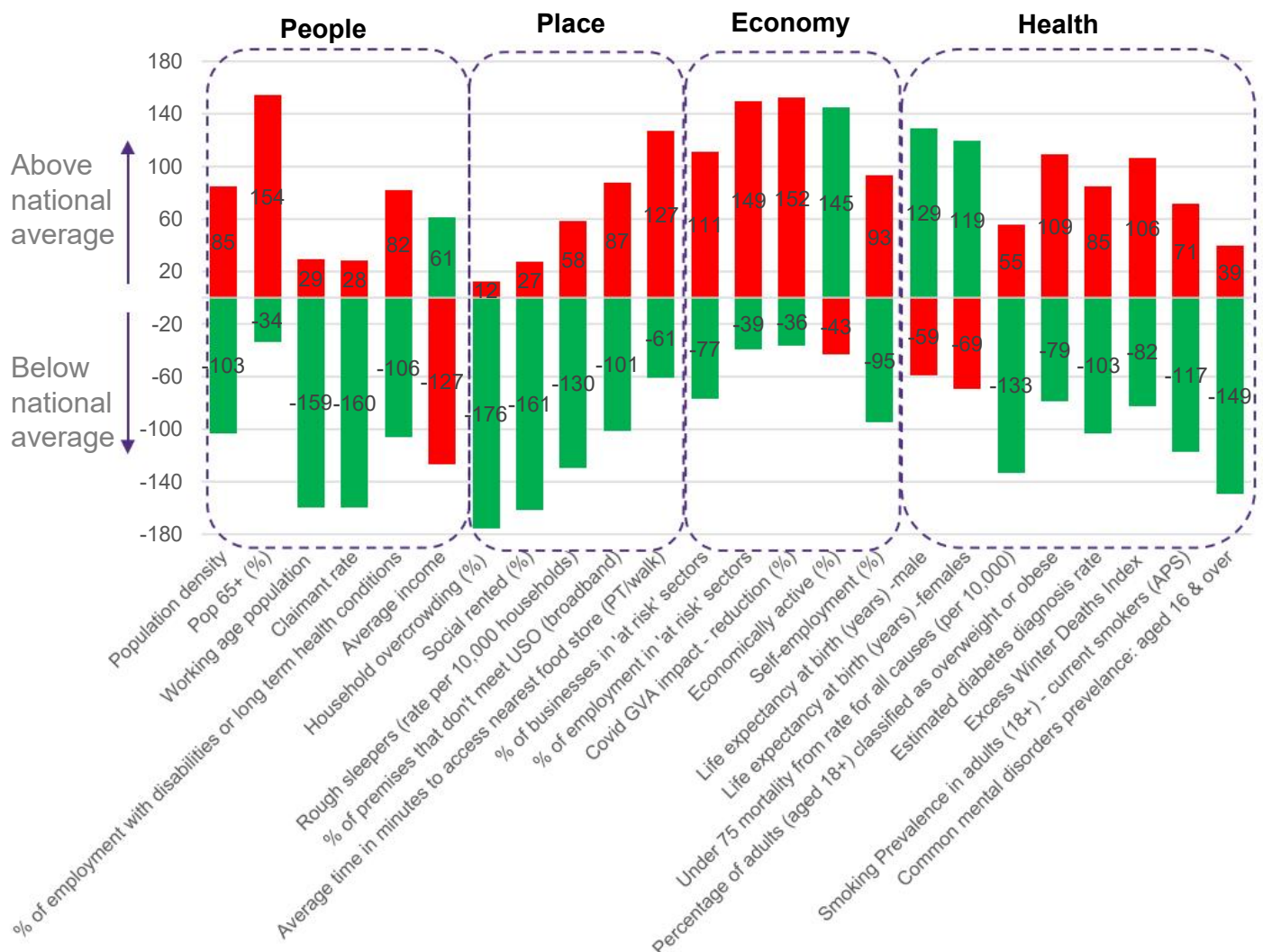


Key findings

- There is strong positive correlation between more deprived places and vulnerability which reinforces the importance of understanding what factors are driving a place's vulnerability.
- Deprivation is one of key drivers of allocation of grants, such as the top up grant and has been used in the calculation of the historic funding formula.
- However, whilst the correlation is strong, it is still apparent that there are some outliers to this pattern which suggests that looking at deprivation in isolation may mean that some places may not receive the financial support required, particularly those in the top left corner which have relatively low deprivation but suffer from higher levels of vulnerability.

There are particular issues that are more apparent in district authorities

Comparison to England average

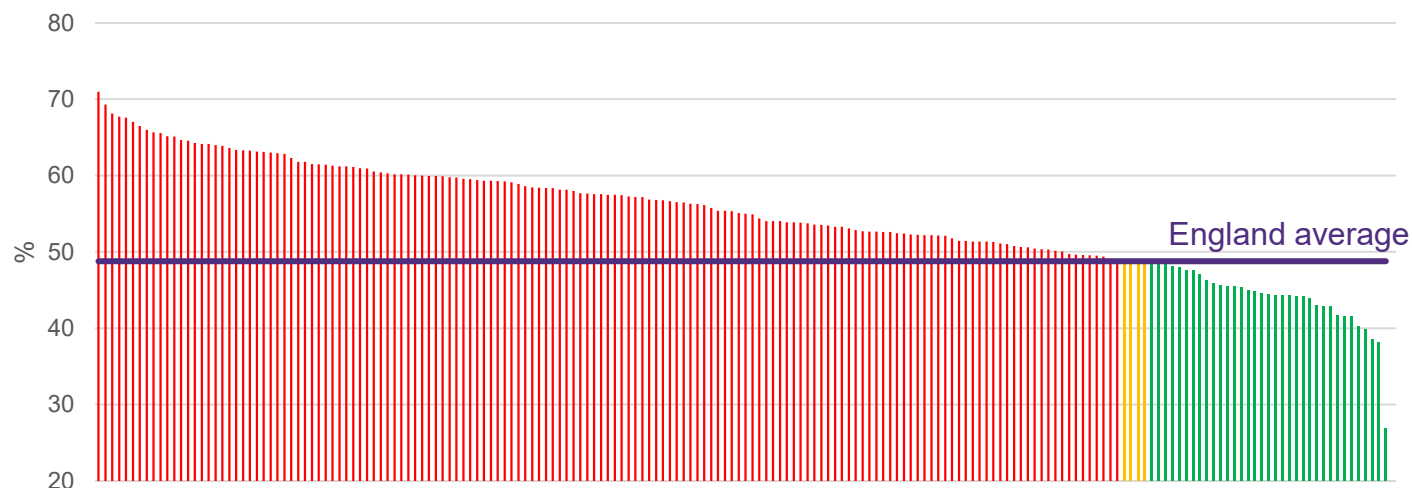


Key findings

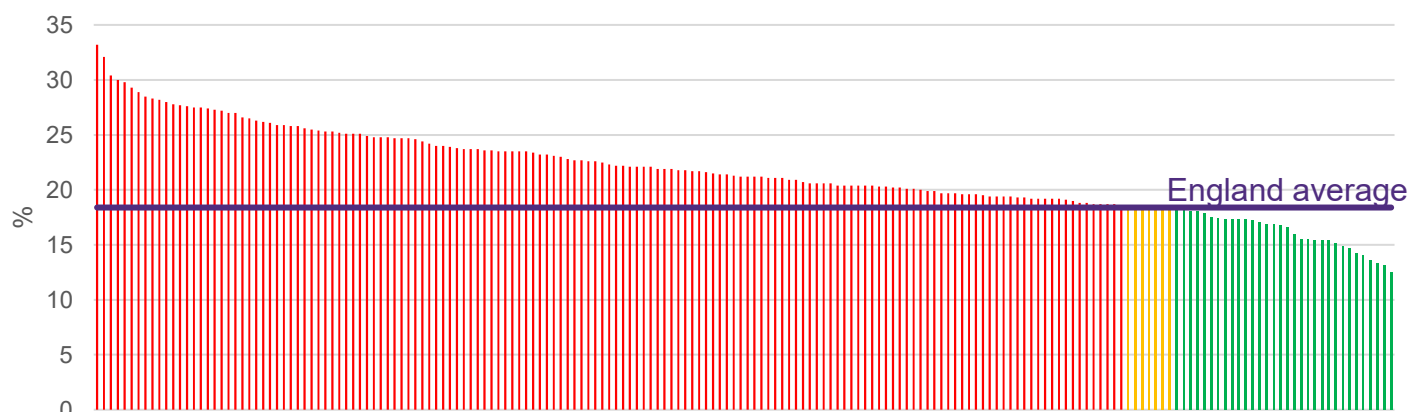
- The chart above drills into some of the key baskets to see how district performance on individual measures compares to the England average. The bars above zero indicate the number of districts that are above average, whilst the bars beneath zero show the number of districts that have a figure below the national average. In the majority of cases being above the national average shows increased vulnerability (as indicated by the red bars) but for a small number of variables a figure above the national average shows lower vulnerability (green bars).
- This helps to draw out particular issue areas that are contributing to a district's vulnerability. In the People basket over 80% of districts have above average levels of population aged over 65+, which presents dual risks not just in terms of the risks of contracting COVID-19 but also this age group will take longer to emerge from the pandemic and for consumer behaviours to turn back to normal. It is also notable in this basket that 127 districts have average income levels below the England average.
- Other key issues affecting districts relate to the Economy basket where a high number of areas are above the average on percentage of employment and businesses in at risk sectors alongside high GVA impact.

There are particular issues that are more apparent in district authorities

Employment in 'at risk' sectors



Population aged 65 + (%)



Key findings

- The two bar charts above pick out two key issues areas for districts.
- The red bars indicates that the districts are above the England average (purple line), the orange bars indicates districts that very close to the average and the green bar shows districts that fall below the England average. For these two metrics a figure above the England indicates increased vulnerability.
- In both cases it is clear that a very high share of districts exceed the England average and presents a risk to the districts.

Appendix A

Commercial in confidence



Our ref:

Society of District Council Treasurers

Sent via Email

Grant Thornton UK LLP

110 Bishopsgate

London

EC2N 4AY

T +44 (0)20 7383 5100

F +44 (0)20 7383 4715

For the attention of Simone Hines, President of the Society of District
Council Treasurers

27 August 2020

Dear Sir/ Madam

Development of the Covid-19 Vulnerability and Recovery Index for District Councils (the Assignment)

1 Introduction

- 1.1 This letter (the **Engagement Letter**), together with our standard terms and conditions (the **Terms and Conditions**), sets out the basis on which Grant Thornton UK LLP (Grant Thornton / we) will undertake our role for the Society of District Council Treasurers (the **Client / you**) in connection with the development of the Covid-19 Vulnerability and Recovery Index for district councils in England (the **Purpose**).

2 Scope of engagement

- 2.1 The services that we expect to perform pursuant to our engagement (the **Services**) are set out below:
- 2.2 We will develop a Covid-19 Vulnerability and Recovery Index for district councils in England to analyse the impact of Covid-19 on the district councils and understand the vulnerabilities which need to be understood when considering recovery planning. We will use six different baskets of publicly available data (People, Place, Economy, Health, Social Care, and Financial Vulnerability) to develop a Vulnerability Index which assesses over 40 different indicators to identify the specific strengths and challenges that places may encounter as a result of the Covid-19 pandemic. We will also produce a Recovery Index based on a basket of publicly available local economic and demographic indicators which can be used to understand the more long-term implications of Covid-19 and how well placed an area is to respond to the impacts of the pandemic.
- 2.3 For the avoidance of doubt the Covid-19 Vulnerability and Recovery Index for district councils in England will follow the same methodology as the Covid-19 Vulnerability and Recovery Index for other categories of councils which you have already had seen as a result of attending the Grant Thornton and SOLACE West Midlands Covid-19 Workshop held on 23 July 2020.
- 2.4 We will produce a report for you summarising the data in a scatter graph for all district councils in England and a scorecard for each of the district councils summarising where each district council area sits in terms of quartiles for each basket.

Chartered Accountants. Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No. OC307742. Registered office: 30 Finsbury Square, London EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please see grantthornton.co.uk for further details.

[grantthornton.co.uk](https://www.grantthornton.co.uk)

- 2.5 During the course of the engagement we may show drafts of our report to you and we draw your attention to section 3.5 of the Terms and Conditions. You will bring to our attention any issues in the draft report that you wish to have clarified prior to the report being finalised. A document remains 'draft' for these purposes until it has been manually signed by a Grant Thornton partner or director or electronically signed using an Advanced Electronic Signature such as DocuSign.
- 2.6 Notwithstanding the scope of this engagement, responsibility for management decisions will remain solely with the directors of the Addressee and not Grant Thornton UK LLP. The directors should perform a credible independent review of any analysis provided.
- 2.7 In conducting our work it is anticipated that meetings with relevant members of your staff will be required. Having regard to the potential restrictions on travel and access to your staff which may result from the Covid-19 pandemic (and which may change at short notice), it should be recognised that it is possible that our work may be restricted as a consequence, and that such meetings may need to take place on a virtual basis. We draw your attention to clause 14.7 in the Terms and Conditions.

3 Timetable

- 3.1 Our work will commence during the week commencing 4 September 2020 and will conclude by 17 September 2020.
- 3.2 We will work with you to meet this expected timetable, but point out that our ability to meet this deadline will be most notably dependent on the availability of the Client's executive team and the timeliness and completeness of the information provided.

4 Confidentiality and reliance

- 4.1 Our report and related communications including attachments (together, the **Deliverables**) will be addressed to you. We draw your attention to clause 3.4 'Liability to Addressees only' and clause 7.1 'The Addressees' confidentiality obligations' in the Terms and Conditions.
- 4.2 Notwithstanding clause 7.1 'The Addressees' confidentiality obligations' in the Terms and Conditions, we hereby agree that you may disclose our Deliverables to your professional advisers and district council members in connection with the Purpose without our prior written consent but in each case strictly on the basis that prior to disclosure you inform such parties that (i) disclosure by them is not permitted without our prior written consent, and (ii) we accept no duty of care nor assume responsibility to any to any person other than the Addressee(s).

5 Conflicts of interest and independence

- 5.1 It should be noted that Grant Thornton act as auditors to a number of district councils in England. These audit assignments are subject to separate letters of engagement.
- 5.2 To maintain the independence of the Services, this engagement will be conducted by a partner and team separate to the any of the audit teams concerned.
- 5.3 By agreeing to the terms of this letter of engagement you confirm your understanding of the roles that Grant Thornton is undertaking and you consider that there are no conflicts of interest or independence in relation to these roles. Should a conflict of interest or independence arise then this shall be promptly disclosed to the other party and appropriate safeguards discussed. If it is not possible to put appropriate safeguards in place, either party may terminate this engagement.
- 5.4 You agree that we reserve the right to act during and after this engagement for other clients whose interests are or may be competing with or adverse to yours, subject to clause 7 'Confidentiality' of the Terms and Conditions. In the event that we act for other clients whose interests may be adverse to yours we will manage the potential conflict of interest by implementing additional safeguards to preserve confidentiality and objectivity, such as the use of separate teams, physical separation of teams and separate arrangements for storage of and access to information. You agree that the effective implementation of such steps or safeguards will provide adequate measures to reduce the threat to this firm's objectivity to an acceptable level and to avoid the risk of client confidentiality being impaired.

6 Our team

- 6.1 Quality assurance will be provided by Phillip Woolley, a Partner in our Manchester office. Detailed below is the service team we intend to use on this assignment along with their proposed roles. It is our intention to use the same team throughout the course of this assignment however we may supplement or substitute members of our team from time to time as necessary.

Staff Member	Grade	Role
Phillip Woolley	Partner	Quality Assurance, strategic and negotiating advice]
Rob Turner	Director	Principal point of contact
Cordelia Canning	Manager	Development and analysis
Guy Clifton	Director	Client care

7 Fees

- 7.1 Our fees for providing the Services will be £15,000
- 7.2 Our fee invoices will be subject to VAT at the appropriate rate and will be payable by the Client.
- 7.3 We draw your attention to clauses 4.1, 14.4 and 14.5 of the Terms and Conditions

8 Fee assumptions

- 8.1 Our fees are based on the following assumptions:
- we will have disclosed to us all relevant records and related information, and the information we require will be reliable and will be provided to us without undue delay;
 - we will receive full co-operation from all relevant personnel at, and other professional advisers to, the Client; and
 - we are given appropriate access to all information and people involved in this assignment from the Client executive team we reasonably require in the course of our work.

9 Limitation of liability

- 9.1 We draw your attention to clause 9 'Limitation of liability' in the Terms and Conditions. The limitation of liability referred to in that clause refers to all assignments undertaken by us for you in relation to the Transaction, whether the subject of this Agreement or another engagement letter/agreement.
- 9.2 The data used in the Services and which will be incorporated into the Deliverables has been provided by third parties. We will not verify the accuracy or completeness of any such data. There may therefore be errors in such data which could impact on the content of the Deliverables. No warranty or representation as to the accuracy or completeness of any such data or of the content of the Deliverables relating to such data is given nor can any responsibility be accepted for any loss arising therefrom.
- 9.3 You are solely responsible for assessing whether the Services and the results of the Services would meet your specific requirements or fulfil a specific purpose, even if such requirements or purpose are specified by you.
- 9.4 You agree not to bring any claims in respect of the Services, the Deliverables, the data used in the Deliverables and/or this Agreement against any parties other than us.

10 Data Protection

- 10.1 We may need to Process Personal Data about you and individuals associated with you (such as clients, staff, trustees and others), which could include the following: personal identification and contact details, employment related information or financial data. We will hold the Personal Data as Data Controller. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store Personal Data.

11 Additional terms and condition of engagement

- 11.1 The additional detailed Terms and Conditions, version: T&C 04-20 apply to the Services as if they were set out in this Engagement Letter and should be read and understood in conjunction with it as they form an important and integral part of the overall terms of our Agreement.
- 11.2 Please follow this link [T&C 04-20](#) to access the Terms and Conditions. Alternatively refer to the "Terms and conditions" link at the bottom of our website (www.grantthornton.co.uk) A hard copy of our Terms and Conditions is available upon request.

12 Acceptance of terms

- 12.1 The Society of District Council Treasurers President signing this letter confirms that they have delegated authority from Society of District Council Treasurers members to sign the letter
- 12.2 We should be grateful if you would confirm your instructions by signing and returning the enclosed copy of this Letter of Engagement.

Yours faithfully



GRANT THORNTON UK LLP

I accept the terms of this Agreement for and on behalf of the members of the Society of District Council Treasurers:



Signed: Date:



