



# Finance and Resources

## Cabinet Member Bulletin

### Councillor Simon Hall

July 2020

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## Financial Impact of Covid-19

The budget for 20/21 was approved by Council at the beginning of March. Whilst that budget did have challenges, plans were in place to deliver that budget and manage the risks inherent in delivering that budget.

Covid-19 has, of course, totally changed the situation Croydon, and other councils around the country, find themselves in. The Local Government Association has indicated that the current impact, made up of direct costs of dealing with the pandemic, lost income and undeliverable savings, is nearly £11 billion for England. In response to this, local government has received, or been promised, less than £4 billion. Other funds paid to local government effectively pass through their books, e.g. business rates grants, so do not assist with councils' finances.

At the beginning of the pandemic, the Secretary of State, Robert Jenrick, told councils that they should spend whatever they needed to and that they would be fully reimbursed. However, as can be seen from the previous paragraph, that commitment is not close to being delivered. Indeed, MHCLG minister Simon Clark has, in a letter dated 3 July, talked about "shared financial pain".

Some 80% of councils in England have stated that they are at risk of having to issue a s.114 notice (which is when a council does not have sufficient funds to carry on operating normally or plans to balance the financial position). As detailed below, Croydon is taking active steps to draw up plans to balance the financial position, so that we do not find ourselves in that situation.

MHCLG made an announcement of what was supposed to be a comprehensive settlement for local government on 2 July. However, as recognised by the Tory-led Local Government Association, the Tory-led County Council Network, London Councils and many others, this was barely a sticking plaster over the financial gaping wound.

And this is against the backdrop of a decade of severe austerity for local government, which has seen a high percentage cut in central government spending than any other part of the public sector.

Croydon, as other authorities, has been completing monthly returns to MHCLG. In its latest return, it is showing a shortfall of some £65 million. The announcements made on 2 July will reduce this figure, although it is not possible, at the point when I am writing this bulletin, to be precise on the extent to which it helps, it will leave us with a very substantial gap to fill.

For more than two months, considerable work has gone on to look at options, as well as lobbying both as a Council and collectively through London Councils and the Local Government Association.

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In May, a Finance Review Panel was set up to support the activities of tackling this financial challenge. It is independently chaired, has a number of external members, as well as the Council's Executive Leadership team and Cllr Butler and myself. Its role is to challenge and support the work going on regarding the finances, both in terms of immediate measures, but also financial processes and the development of a revised medium term financial strategy. Its recommendations go to the Leader and myself and are then discussed by Cabinet as a whole.

Very significant work has already been achieved by senior officers and cabinet members working together, with a number of decisions and actions already taken. These include some really tough decisions having to be taken or considered, given the scale of the financial challenge and the abject failure of central government to deliver.

We will be updating Cabinet on 20 July regarding the progress made to date.

## Unaccompanied Asylum Seeking Children (UASC)

As members will know, this administration has been lobbying very hard to get increased funding for UASC. Indeed, the opposition has supported those efforts.

The Home Office announced an increase in the daily rates that local authorities whose UASC, as a proportion of the population of under 18s, was above the Home Office's recommended maximum.

As a result, Croydon should get an additional £4m in 20/21. This compares favourably with the budget assumption of an additional £2.7m.

However, this still does not recognise the particular pressures for Croydon, given its responsibilities as a gateway authority, or the additional costs caused by the continued failure of the voluntary national dispersal scheme which means that Croydon has more than four times as many UASC as it should according to the Home Office formula, nor the knock-on consequences in terms of care leavers or No Recourse to Public Funds.

Whilst this additional money is hugely welcome, it still leaves us with an estimated shortfall of £4-5m., which is a pressure that falls on Croydon residents. In the last three years, the net cost has been some £20m.

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## Business Rates

The Council has responded through Covid-19, by

- Processing the revised bills for those newly entitled to reliefs as a result of legislative changes
- Paying grants of £10,000 and £25,000 on a timely basis, after carrying out the checks that MHCLG made clear they expected local authorities to make
- Dealing sympathetically with businesses who needed extra time to pay their business rates as a result of Covid-19
- Suspending enforcement action during the main lockdown period.

## Council Tax

A lot of residents have been impacted by Covid-19. There are a series of actions that the Council has taken to help residents with Council Tax.

First of all, and in accordance with MHCLG rules, those working age residents previously in receipt of council tax support have had their bills reduced by £150 (or reduced to £nil where their bill was already less than £150).

Secondly, we have chosen to extend this £150 reduction to new Council Tax Support claimants and those who are not eligible for council tax support but who have lost income due to Covid-19.

Thirdly, we put in place a scheme where residents could defer their council tax payments for two months.

In addition, we suspended enforcement action and have been responding sympathetically to those needing to establish payment plans as a result of Covid-19.

## PPE

The council continues to have sufficient PPE stocks for frontline staff and has stocked up on face masks for staff who are returning to work and planning to commute using public transport. We continue to support care home and home care providers with emergency PPE supplies 7 days a week and the PPE team have provided over 300 emergency packs to date (supporting nearly 130 providers) via a dedicated email inbox. In June, PPE support was also extended to the many Croydon schools who have reopened, with each school that was planning to reopen given a basic supply of PPE to use in line with government guidance.

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## Adults Commissioning and Placements and Brokerage

The Adults Commissioning and Placements and Brokerage teams have been responding to the covid-19 pandemic in

- Supporting the NHS in discharging residents from hospital within 2 hours of a doctor agreeing that they can either be sent home or going to a care home.
- Ensuring that our residents living at home get the right care during covid-19 to prevent them from entering hospital.
- Providing advice and support to all Home Care and Care Home providers. This has included seminars, public health direct one to one support and emergency PPE as some examples of work carried out.
- Financially supporting our providers so they are still financially sustainable and recognising the increased costs of our key partners.

Since the end of March 2020 we have supported our NHS colleagues in discharging over 660 residents either back home or into a care home. The teams will continue to support the hospital and care sector over the coming months and have plans in place to support both in the event of any 2nd peak or increased number of cases.

## Care Homes

We continue to support care homes closely to reduce infection rates and help them cope with the impact of the pandemic. This involves daily monitoring of key data reported by homes and regular calls to homes. It is positive that over the six weeks we have seen a continued decline in both the number of homes reporting Covid 19 and the number of residents reported to have Covid 19 symptoms. However there is still much to do, including working with Public health and the CCG to improving our oversight of testing across care homes and reduce risk if there is a second wave.

Our care homes support plan was submitted to central government on the 29th May and outlines all the actions we have been taking across the partnership Croydon to support care homes. Two representatives from Croydon Care Homes attend a weekly strategy group with council and health leads to provide helpful feedback challenge on the impact our support is having, and what more we need to do. Over the past few weeks the commissioning team have been busy distributing over £2m of funding to our social care providers from central government (the Infection Control Fund).

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## Croydon Park Hotel

Due to Covid-19, the operator of Croydon Park Hotel went into administration in June. The administrators have now handed back the building to the Council. We have secured the building and are looking at options of how to use the building in the short term, whilst we consider the longer term options for the site.

When we bought the building, we knew it would provide an income stream but also had development potential and the rent received since acquisition is substantially in excess of the interest paid on the loans taken out to fund the purchase.

## Human Resources

Key activities are:

- Enhanced support, including occupational health and mental health for all staff during the pandemic period.
- We have successfully paid staff and pensioners with remote working technology since technology and have completed successful testing and upload of the recent cloud update for the My Resources system
- We introduced a risk assessment for those staff who have been working at BWH and have adapted this as an all staff assessment to ensure their welfare is paramount during the pandemic. This is also identifying where staff are best placed to do their work from, as we open up our buildings to staff in a socially distanced way.
- The Learning and OD team have produced a series of wellbeing activities to support staff working in different arrangements as well as guidance for managers to effectively manage staff remotely.
- The L&OD team have also produced a guide to re-introduce staff into BWH with the new health and safety arrangements.
- We successfully recruited 22 Social workers from South Africa in March and are currently awaiting confirmation from UK Visas & Immigration in relation to their sponsorship with Croydon. Subject to the Visa office in South Africa re-opening imminently, the expectation is that the first 12 will start with us August/September.
- During June and July the recruitment team are planning and testing the transition to 'Fluid' Taleo recruitment. This is a refreshed look and feel to our existing Taleo recruitment system and will include anonymised shortlisting and will be live the end of July.

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## Remote Meetings

As Members will be aware, since 23 April, the Council has been holding a number of meetings remotely. This has been able to happen as a result of two things. Firstly, new regulations under the Coronavirus Act 2020 have allowed us to lawfully hold remote meetings for the first time in history. The second enabling factor was a significant programme of work undertaken by officers from Democratic Services, Croydon Digital Services and the Corporate Legal Service.

This ambitious programme of work included interpreting the new regulations, benchmarking with other local authorities, amending constitutional procedure rules, designing a solution and then testing and learning how a remote meeting system would work. That testing included support being offered to all 70 Councillors to ensure that every elected Member can participate in remote meetings.

By the end of June, 12 remote meetings will have been held, enabling a wide range of Members to participate in a range of decision making and scrutiny. A further seven meetings are due to be held remotely in July, including two meetings of the full Council. I would like to take this opportunity to thank Members for their support in making remote meetings work as well as they have and to thank all of the many officers whose exceptional hard work has enabled so many remote meetings to take place.

## Schools Admissions Appeal

For the same reasons that formal council meetings now have to be held remotely, so too has this year's round of school admission appeals held over the summer months. Which school a child goes to is of paramount importance to every parent and the complexities of having to hold appeal hearings remotely has made this more challenging than ever.

I am proud to be able to report to Members that the remote School Appeals programme is running exceptionally well. Having trained every volunteer panel member and every clerk, the first appeals were held on 9 June and every appeal will have been heard remotely by 22nd July. In total over seventy appeals will be heard, with every parent provided with support to attend and participate remotely.

## Electoral Services

The annual electoral registration canvass will be commencing in July and run through to December. There will be some changes to the way in which the canvass is conducted following reforms introduced by the Government. Plans for canvassing activity may need to be adapted as the canvass progresses, because of Covid19.

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## Croydon Digital Service

CDS have enabled the council to respond to the COVID19 situation with the minimum of disruption. This includes meeting the requirement to rapidly enable the entire workforce to work remotely. Our core technology infrastructure has remained stable throughout despite the additional pressure thanks to the efforts of our internal team as well as our partners Littlefish and Capita.

Other work completed to support the council's work during the pandemic include the development of four brand new digital services using the new 'low code' development tool. These include a case management app for shielded residents and the business support grant service.

The council's website continues to be completely redesigned and rewritten. The pages on waste, births, deaths and marriages as well as adult social care have now gone live. Planning content is being reviewed before going live imminently.

Projects to implement new systems in adult social care and education continue to be delivered to scope and deadline, and the implementation of a new housing system has commenced.

## iWireless - 4G small cells deployed in the Town Centre

Croydon has installed its first 4G Small Cell antennae in the town centre this week, bringing enhanced mobile coverage for businesses, residents and visitors. The borough is the first in the country to follow DCMS guidance, offering non-exclusive, open access approach to telecoms operators. The installation commenced on 23 June.

iWireless deployed the first antennae on lampposts near Croydon University Hospital and West Valley Hospital in East Croydon amongst other locations within the town centre. Installation will continue to additional locations later in the summer and in early 2021

## Facilities Management

The FM team have done amazing work in keeping Bernard Weatherill House open throughout and designing plans for the full reopening of the building, including detailed risk assessments, one-way systems, marking of seats and desks. This has included a training video for all staff coming into the building. They have also ensured that the appropriate enhanced and regular cleaning has taken place and is planned. They are also working to ensure other council buildings can open.

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