

**For general release**

<b>REPORT TO:</b>	<b>SCRUTINY &amp; OVERVIEW COMMITTEE</b> <b>22<sup>nd</sup> July 2020</b>
<b>SUBJECT:</b>	<b>CROYDON ECONOMIC RECOVERY</b>
<b>LEAD OFFICER:</b>	<b>Shifa Mustafa – Executive Director for Place</b>
<b>CABINET MEMBER:</b>	<b>Cllr Manju Shahul-Hameed – Cabinet Member for Economy &amp; Jobs</b>
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	<b>Shifa Mustafa – Executive Director for Place</b>

<b>ORIGIN OF ITEM:</b>	<b>Support for and the performance of the economy in Croydon is a priority for the Scrutiny and Overview Committee.</b>
<b>BRIEF FOR THE COMMITTEE:</b>	<b>The Committee is asked to review the report provided along with any additional information supplied at the meeting and decide whether it wishes to make any recommendations.</b>

## **1. EXECUTIVE SUMMARY**

- 1.1. The Covid-19 outbreak has inflicted an unprecedented blow to communities and the local economy.
- 1.2. Croydon is one of London's most diverse boroughs. It has been heartening to witness how the whole community in Croydon has come together to help one another through this time. Together we are so much stronger in responding to this crisis. The report to cabinet in June 2020 gave a detailed briefing on the impact of the pandemic and lockdown on the local economy, our initial crisis response and our thinking on the steps that are needed in the medium and longer term.
- 1.3. Whilst the health implications of Covid-19 have been severe, it is also now clear that we are entering a 'significant recession', potentially worse than the global financial crisis of 2008 - a crisis we have only recently recovered from after years of devastating austerity measures that took a dreadful toll on many of the most disadvantaged in our communities.
- 1.4. This new global recession will have a huge impact on businesses and employment in Croydon with long lasting consequences for communities across the borough.
- 1.5. On a national basis, we have seen over the last three months that the impact of the crisis has been to exacerbate existing inequalities, accelerate the decline of high streets and drive unemployment to record levels. The already disadvantaged are the hardest hit; these include: low earners, under-25s and women who are significantly more likely to work in a shutdown sector.

Croydon, however, has demonstrated that it is a resilient borough and that we have the capacity to work in partnership to respond dynamically and work towards sustainable economic renewal.

- 1.6. The Council is taking a proactive approach to respond to the crisis. We have a multi-faceted role in supporting the community and the local economy. We have developed a detailed understanding of the state of the local economy and the likely impacts of the lockdown on various sectors in the short, medium and long-term. The Council procures goods and services, it is a major local employer and landowner. It is an investor in Croydon and a source of finance for local businesses and organisations. The Council is in the process of distributing £56m of government funding in grants to 4,118 local businesses. £2.87m of residual grant funding is being used to pay discretionary business grants under the scheme announced by government in May. We will use all our economic functions, as an employer, commissioner, landlord, builder and planner to support the local economy. Regeneration of our town centre is vital and in developing our plans we will be open to talking to all who want to work with us.
- 1.7. The Council also has a local leadership role. We convened a business taskforce comprising leading stakeholders from Croydon and London to understand the impact of the crisis, coordinate emergency interventions, and inform the initial development of a medium and long-term recovery plan. As a local leader we will encourage other large commercial, public and social sector organisations that are committed to Croydon to use local suppliers, employ local residents, pay the London Living Wage and implement best practice in fairness, equality and sustainability.
- 1.8. We are in a rapidly changing situation. The full local repercussions of a world-wide economic crisis are unclear as is the pace at which the local economy will recover as lockdown eases in the UK. As such, we will continue to take an evidence-based, cross-disciplinary approach to foster and support an economic renewal that results in a more equal, inclusive and environmentally sustainable local economy. In working with our partners for the renewal and reform of our local economy we will be guided by our determination to reduce poverty, ill-health, social isolation and inequality. We will continue to lobby government where we think that changes in policy or additional resources are needed to achieve this end.
- 1.9. To lead these efforts, we have established a new Croydon Sustainable Economic Renewal Board who will develop a strategic and coordinated borough-wide response, across the public, private and voluntary and community sectors.

## **2. CROYDON SUSTAINABLE ECONOMIC RENEWAL BOARD**

- 2.1. The Croydon Sustainable Economic Renewal Board is taking a cross-disciplinary approach to fostering and supporting an economic renewal that results in a more equal, inclusive and environmentally sustainable local economy. Mindful that Croydon is one of London's most diverse boroughs, it will address the inequalities arising from the impact of Covid-19 in terms of job losses and its targeting of the more vulnerable and black and minority ethnic communities. It will work in collaboration with the Croydon Climate Crisis

Commission, to ensure that sustainability is at the heart of the economic renewal.

- 2.2. The Board is chaired by the Leader of the Council. Its core membership comprises Croydon Council cabinet members for Economy and Jobs; Environment, Transport and Regeneration; Homes and Gateway Services; Culture, Leisure and Sport; and Safer Croydon and Communities. Other cabinet members will attend as necessary depending on the topic or theme of the meeting.
- 2.3. Membership has also been drawn from key stakeholders from the borough and region across the public, private and voluntary and community sectors, including the Greater London Authority (GLA), Coast 2 Capital Local Economic Partnership, Croydon Health Services NHS Trust, Croydon BME Forum, Croydon Business Improvement District (BID), London South Bank University, BH Live, Schroders, Gatwick Airport Limited, Unison, and the Council's Executive Director of Place.
- 2.4. The Board will consider key themes of economy, business and employment; housing; culture; regeneration, social infrastructure, planning and development; transport and travel; and communities and volunteering.
- 2.5. These themes may be explored in more detail through task and finish groups tasked with identifying critical delivery plans and short, medium and long-term opportunities to support the economic renewal of the borough across the partnership.
- 2.6. Cross cutting themes including environmental sustainability, equality and inclusion, and wellbeing will be essential considerations throughout the work of the Board and the task and finish groups.
- 2.7. The Board's decisions will be made as recommendations to the appropriate decision-making bodies of its constituent members.

### **3. THE ECONOMIC IMPACT OF COVID-19 IN CROYDON**

- 3.1. It is already clear that the public health crisis is now a major global economic emergency. According to the [IMF](#), the crisis could be worse than the global financial crisis of 2008, with global growth in 2020 falling by 6.3 percentage points to -3%. The [OECD](#) estimated that UK output could fall by 26% and consumer spending by 37%. This has been confirmed by the latest data from the [Office for National Statistics \(ONS\)](#) which reported on the 14<sup>th</sup> July that there had only been a 1.8% improvement in UK output during May compared to the previous month - worse than the 5% boost economists had expected – leaving the UK output 24.5% below its pre-COVID-19 crisis level in February. The latest analysis from the [Office for Budget Responsibility](#) predicts an unemployment rate of at least 10% - far higher than the 8.5% peak during the 2008 financial crisis; and Chancellor Rishi Sunak has warned that “a significant recession” in the UK is likely, with a fall in GDP of 19.1% recorded in the three months from March to May ([ONS](#)). This is already having a huge impact on businesses and employment in Croydon with long-lasting impacts on communities across the borough.
- 3.2. The claimant count in the UK increased by 841,785 (66%) in the four weeks to 9 April 2020 (17 days after lockdown began) to 2.1 million, the highest claimant

count since 1996 ([ONS](#)). In Croydon the increase over the same period was 5,830 (54%) to 16,725, not quite as steep as the 61% increase in London overall. In May, this figure increased by a further 5,190 claimants to 21,950; 8.9% of the WAP. Overall, this represents a 103% increase in the claimant count since March – the lowest % increase in London.

- 3.3. Croydon had the 6th highest proportion of WAP claiming Universal Credit in May; however, Croydon's ranking has improved since March – when it demonstrated the highest WAP claiming UC. The 25-49 age group comprises the highest number of claimants and there are more male than female claimants as a proportion of WAP. The increase in claimant count over the lockdown period is equivalent to the increase in employment number since June 2016, thereby eradicating over three years of employment rises.
- 3.4. Of serious concern, however, is that around 44,600 Croydon employees have been furloughed. This equates to 18% of the WAP, slightly above the London average of 17.9%. This will impact on overall job loss figures in Q3 as we are anticipating a proportion of those furloughed will be made redundant when the scheme comes to an end in October. This suggests that unemployment in Croydon could still rise to 14%. Low-skilled, low paid workers, especially women and young people, are being disproportionately affected by the economic shock, according to the IFS and to the latest data for Croydon. They are more likely to work in sectors that have been shut down or reduced, such as hospitality and retail, and the gig economy. They are also less able to work from home and may have childcare responsibilities. The ability to work from home makes jobs less vulnerable to being lost and higher paid groups are ten times more likely to be able to work from home. People in low paid, casual work who have few savings may face financial hardship now, but may also be in danger of losing their jobs permanently.
- 3.5. The repercussions of the lockdown are being felt in the borough:
  - 8,762 households are currently in crisis, at risk or struggling financially.
  - The number of incidents of domestic violence increased by 20.4% in the eight weeks since the lockdown started, compared with the previous eight weeks.
  - Private tenants risk losing their tenancies after the five month pause on evictions.
- 3.6. The Council has carried out detailed research and is developing an increasingly granular understanding of the state of our local economy as well as the short, medium and long-term impacts of the COVID crisis. Our latest research is a survey of Croydon businesses in May about Covid-19 impacts on job losses, access to government funding and resilience, including: contingency funding; insurance; ability to operate during the lockdown; and support needed. Approximately 350 businesses responded to the survey and analysis of the results of that survey will inform the continued delivery of our current response and the development of medium and longer term measures in our Sustainable Economic Renewal planning.
- 3.7. Overall, 25% of jobs in Croydon are in highly resilient sectors; this is higher than the UK average employment share. 42% of jobs are in resilient sectors

that are expected to experience moderate to high impacts from the lockdown. Croydon's least resilient sectors have a smaller employee share (16% of jobs) than London and the South East, but they also remain important for the borough.

- 3.8. However, as we continue to monitor the changing picture across our business sector, some industries previously demonstrating resilience against the crisis, are now beginning to move down the resilience spectrum. In particular, construction and real estate activities (likely intrinsically linked) have fallen in resilience. Construction has seen the second largest proportion of its workforce furloughed, as well as representing the third largest proportion of businesses having lost greater than 50% of their turnover.
- 3.9. The impact on retail businesses across the country has also been devastating and wide-ranging, affecting businesses both large and small. The retail sector has a high share of jobs in Croydon and will take an employment hit in the short term, particularly affecting low paid workers. This is likely to have a higher relative impact on Croydon than other comparator areas. Already, Debenhams has announced its withdrawal from Centrale and John Lewis At Home from the Whitgift Centre; smaller units are seeking support through the government's aid schemes. The Council is continuing to work across our partnerships to secure new uses for any units that may see businesses withdrawing now or in the longer term.

#### **4. THE COUNCIL'S INITIAL CRISIS RESPONSE**

- 4.1. The Council has been quick to respond to the crisis. We have worked with our partners to instigate a number of steps to support our businesses and residents; including:

##### ***Reinvigorating partnership***

- 4.2. The Council has engaged with London Economic Action Partnership (LEAP) and Coast 2 Capital, both Local Enterprise Partnerships; the GLA; Transport for London (TfL); London Councils; and South London Partnership about our response. We have engaged with more than 7,000 local businesses and have convened a business taskforce to understand the impact of the crisis, coordinate emergency interventions, and inform the initial development of a medium and long-term recovery plan. The taskforce comprises leading stakeholders from Croydon and London, including Croydon, Purley and Central Parade BIDs, the Federation of Small Businesses, London Chamber of Commerce and Industry, London Growth Hub, Coast to Capital and LEAP.

##### ***Implementation of government grants and business rates relief schemes***

- 4.3. 5,898 Croydon businesses are being supported through 100% business rates relief in 2020-21 and/or a business grant of £10,000 or £25,000. 383 of these are businesses in the retail, hospitality and leisure sectors operating from properties with a rateable value of above £51,000, who are receiving the 100% rate relief but are not receiving a business grant. As at 15th July 3,569 businesses (90.5% of eligible businesses) had received a total of £48.22m in business grants. 245 businesses have so far been supported through the Discretionary Grant fund, with grants of £1,000, £2,000 and £5,000, totaling £913,500. The second phase will open on the 27<sup>th</sup> July 2020 with £1.9 million

to distribute through grants, now also including grants of £10,000 to businesses with a rateable value over £50k.

### ***Council funding and debt management***

- 4.4. Loans: Croydon Enterprise Loan Fund enables businesses to access loans of up to £50,000. We are in the process of repurposing this loan fund and using the funding to deliver restart and resilience packages for local businesses.
- 4.5. Grants programmes were quickly established: as at 14 July 2020 Croydon Cultural Relief Fund has given £129,246 in grants to 38 organisations and the Emergency Covid Fund for voluntary and community sector groups has given grants to 39 groups totalling £205,661.
- 4.6. The Council as landlord has offered the option of rent deferment for a set period to qualifying tenants of its commercial property portfolio. Very few applications have been received; the terms offered were as follows:
- All tenants will have the ability to pay on a monthly basis for an agreed term
  - The Council will defer any enforcement action for late payment and not charge interest in respect of the March quarters rental payments and this will be reviewed for the June quarter
  - Deferment of rent payment for an initial period of 3 months may be available to eligible businesses on a case by case basis and will require the completion of the attached application form. We will require payment by the end of the financial year of any agreed deferred rent.

### ***Business support***

- 4.7. Information, advice and guidance on how to respond to the crisis and access government support has been provided by the Council through dedicated webpages, telephone support and newsletters; and through Croydon Business Network and the Cultural Business Network. Businesses have also been signposted to further support from business advice hubs, Local Enterprise Partnerships and the borough's three Business Improvement Districts.

### ***Contracts and provider support***

- 4.8. The Council has contacted all contracted suppliers with information and given them a single point of contact. An early payment process has been established. Additional support is being offered to suppliers on a case-by-case basis to prevent provider failure.

### ***External funding***

- 4.9. We are recalibrating and refocussing existing external grants and funding to respond more effectively to the crisis and support recovery.
- 4.10. We are working with the GLA Pay it Forward team to facilitate free fundraising to help local businesses to secure trade by pre-selling vouchers, goods and services.

## ***Responsive planning policy***

- 4.11. The Council has taken a flexible approach to applications and planning obligations, to give businesses greater ability to adapt to the challenging circumstances of the lockdown.

### ***Low traffic initiatives***

- 4.12. The Council is creating temporary wider footpaths to facilitate social distancing, on-street spaces to exercise and temporary cycle lanes. We have secured £100k through the Department for Transport's emergency active travel fund for local authorities to fund emergency bike lanes, wider pavements, safer junctions and cycle and bus-only streets and school streets.
- 4.13. We are also ring-fencing a proportion of funding from the Reopening High Streets Safely Fund to support further highways interventions; including measures to support new 'pavement licences'.

### ***Employment support***

- 4.14. We know that nationally low earners are seven times, under-25s are two-and-a-half times and women are a third more likely to work in a shutdown sector. A rise in precarious forms of employment is likely, including casual, short/fixed term and zero hour contracts. Self-employment is likely to grow due to the contraction of employment opportunities. These workers might have to suffer a significant reduction in income. Young people will require focussed interventions to prevent long term damage to this generation's prospects.
- 4.15. Croydon Works, the job brokerage service, has been getting in touch with all 3,600 registrants on its database to find out how they are faring and identify any employment needs. Additionally, Croydon Works has brokered new job opportunities to meet gaps in resources in health and social care, the police force and supermarkets, often supporting those who have lost their jobs due to the impact of Covid-19. Alongside the Council's Gateway Service, Croydon Works has given targeted individual support to prepare residents for the workplace and help them into work by collaborating with Croydon Adult Learning and Training (CALAT) to deliver online sessions on employment skills.
- 4.16. CALAT delivers pre-entry level courses, qualifications at levels 1-4, and apprenticeships and work based training for employers. It provides courses suitable for all residents including people in disadvantaged groups, such as care leavers, people who are aged over 50 or long-term unemployed, and ex-offenders who may face additional barriers to access education, training and employment. CALAT is providing training in skills to enable people to apply for jobs in growing sectors of the economy. We have brought together education providers from across Croydon who met to look at addressing the challenges and opportunities.

## **5. THE GOVERNMENT'S RESPONSE**

- 5.1. Since March, we have been working with businesses to help them to access new packages of Government support released in response to the Covid-19 crisis. In Croydon, this has primarily been focussed on small businesses and

the self-employed, as this represents the vast majority of businesses (97.2% in Croydon). Government support has included:

- **Salary support:** employee furlough payments of 80% of pay till October (with reductions from August), a Self-Employed Income Support Scheme at 80% till May, and statutory sick pay rebates for small employers
- **Deferred tax and rate relief:** VAT payments deferred until the end of June, reduced rates are still available for hospitality, holiday accommodation and attractions, and self-assessment income tax payments for July 2020 deferred for six months. 100% business rate relief in 2020/21 for small businesses and those in the retail, leisure and hospitality sectors.
- **Business grants** of £10,000 and £25,000 to small businesses and those operating from smaller premises in the retail, hospitality and leisure sectors, and a discretionary fund of up to £617m for certain small businesses with fixed property-related costs ineligible for grant schemes.
- **Access to credit** through the Coronavirus Business Interruption Loan Scheme (CBILS) for small businesses, with the fees and interest covered for one year, and a Coronavirus Large Business Interruption Loan Scheme. The Future Fund issues loans between £125,000 and £5m, subject to equal match funding from private investors, to innovative companies in financial difficulty that cannot access the CBILS. 100% fast track Bounce Back Loans of between £2000 to £50,000 for small businesses with fees and interest covered for one year. Loans for social enterprises, and some small businesses with cash-flow problems, through Big Society Capital and Access, the Foundation for Social Investment.
- **Grants and loans** through Innovate UK for SMEs focussing on Research and Development.
- **Temporary protection** of high street businesses from aggressive rent collection and closure now extended to the 30 September 2020.
- **A new Business & Planning Bill** which will support the construction sector to restart and automate and fast-track licensing for food and beverage businesses to be able to accommodate customers outside.
- **Additional resources** are on offer in the form of helplines, webinars, growth hubs and the Find a Job service.
- **Reopening High Streets Safely Fund:** Croydon will receive £341,995 from this Fund (announced on 23 May 2020) to introduce safety measures and marketing to reassure consumers and workers.

5.2. Additionally, Rishi Sunak's statement on the 8<sup>th</sup> July announced a wave of new initiatives which the Council is currently working to ensure we can provide support to our businesses and residents as each initiative is implemented. This includes:



- **Job Retention Bonus** – businesses will receive a £1,000 bonus for every furloughed employee who is still working at their company as of 31<sup>st</sup> January 2021.
- **Kickstart Scheme** – designed to help 16-24 year olds. Those aged 16-24, claiming Universal Credit and at risk of long-term unemployment, will be eligible. Funding available for each six-month job placement will cover 100% of the National Minimum Wage for 25 hours a week – and employers will be able to top this wage up.
- **Apprenticeships, skills and training:**
  - Businesses will be given £2,000 for each new apprentice they hire under the age of 25. This is in addition to the existing £1,000 payment the Government already provides for new 16-18-year-old apprentices and those aged under 25 with an Education, Health and Care Plan.
  - A £111 million investment to triple the scale of traineeships in 2020-21 ensuring more young people have access to high quality training.
  - £17 million of funding to triple the number of sector-based work academy placements in 2020-21.
  - Nearly £900 million to double the number of work coaches to 27,000.
  - Over a quarter of a million more young people to benefit from an extra £32 million investment in the National Careers Service.
- **Infrastructure spending and decarbonisation:**
  - £8.8bn in spending on infrastructure, decarbonisation and maintenance projects
  - £3bn for green investment package
  - £2bn Green Homes Grant – homeowners and landlords in England can claim vouchers for green improvements e.g. loft, wall and floor insulation
  - £1bn for retrofitting public buildings
  - £5.8bn on shovel-ready construction projects
  - £1.5 billion for hospital maintenance and upgrades
  - £100 million for our local roads network
  - over £1 billion to start to rebuild schools in the worst condition in England, plus £760 million this year for key maintenance work on schools and FE colleges

- £1 billion for local projects to boost local economic recovery in the places that need it most
- £142 million for court maintenance to repair around 100 courts across England.

- ***Support for hospitality and leisure***

- New discount scheme for restaurants, cafes and pubs – 50% off, up to £10, sit down meals throughout August
- VAT cut for most tourism and hospitality-related activities, from 20% to 5%. This will run for six months, starting next Wednesday (15th)

- ***Support for housing***

- Stamp Duty threshold raised from £125,000 to £500,000, running until 31st March 2021, effective immediately

5.3. Despite the range of schemes, there are gaps in government support. Some businesses are not getting grants or loans because of eligibility criteria, including the sector in which they operate, or because they are not registered for business rates. More than 9,000 business in Croydon are not receiving support through a grant or business rate relief due to the following:

- 3,208 businesses are not in the retail, hospitality and leisure sectors and the rateable value of their premises is above the £15,000 threshold for a small business grant. However, these businesses may be eligible for other government support such as furlough schemes or loans.
- 5,914 businesses are not based in shops or any physical premises and are therefore not entitled to grants. However, some may be eligible for the government self-employed income support scheme.

## **6. LOBBYING FOR MORE GOVERNMENT SUPPORT**

6.1. Since the lockdown was introduced the Council has asked Rishi Sunak MP, Chancellor, and Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy for more action to safeguard local businesses against the severe financial implications. With 23 other London council cabinet leads we successfully lobbied Rishi Sunak to request support for the self-employed. The Council also successfully lobbied the government for more support for victims of domestic abuse, including funding and pan-London arrangements.

6.2. In view of the gaps in support, the government's action does not go far enough. Croydon's MPs, in particular Steve Reed MP, have lobbied the government to ensure this Council and local government generally receive the funding they need to respond to the Covid-19 emergency.

6.3. We have asked Simon Clarke MP, Minister for Regional Growth and Local Government, to extend the limited period for which Croydon is allowed to be a member of Coast to Capital, as well as LEAP Local Enterprise Partnerships, in order to allow businesses access to funds.

- 6.4. The Council is working closely with other London local authorities, London Councils, the GLA, LEAP, South London Partnership, the Federation of Small Businesses (FSB) and London Chamber of Commerce and Industry (LCCI) on the lobbying campaigns and supporting our partners through lobbying activities.
- 6.5. The Council is supporting Croydon BID's 'Raise the Bar' campaign to raise the rateable value threshold so more local businesses qualify for business grants.
- 6.6. As outlined above, the Council is already responding to the crisis by increasing support for businesses and residents facing financial difficulties. In addition to this, we are now moving onto the next stage, working with our partners to lead the economic renewal of the borough that will help rebuild our businesses and provide sustainable employment opportunities for our residents. Our aim is that this renewal will help reduce inequalities and build on the commitment to environmental sustainability that we made before the crisis began.

## **7. PATH TO RECOVERY AND RENEWAL**

- 7.1. Whilst the impact of Covid-19 has been wide-ranging and devastating across our community, we are confident that we can create a sustainable path to economic renewal by building on Croydon's many social and economic assets and by learning the lessons of the past three months. We will be more successful if our approach combines the goals of economic development, equality, poverty reduction, public health and environmental sustainability.
- 7.2. Croydon has a lot to build on. Even before this crisis hit, our borough was already on the path to Good Growth - our population and house building is increasing. It is the fifth largest business base in Outer London and the thirteenth largest in London overall. There are 14,010 businesses operating from 9,179 premises. In line with the rest of London and the UK, the overwhelming proportion (86.2%) of businesses in the borough are micro-sized (with fewer than 10 employees) or self-employed, demonstrating the strong entrepreneurial culture of our borough.
- 7.3. A significant amount of development and projects are already underway in the town centre, in part enabled by the Growth Zone programme. Whilst the Croydon Partnership (Westfield) Whitgift Centre re-development has yet to fully commence, there is an opportunity to review the scope and scale of the planned Croydon Partnership development. The Council will continue to liaise with the Partnership to maximise the contribution this could provide for the economic renewal of the town centre and borough as a whole. The Council is confident that the Growth Zone programme and accompanying financial planning can accommodate such changes, and that the development already underway across the town centre will support a regeneration and infrastructure programme of significant scale.
- 7.4. The review of our Local Plan presents a great opportunity to focus on the sustainable development of our town centre, district centres and places across the borough and support the work of the Croydon Sustainable Economic Renewal Board. Combined with the relative affordability of both our commercial and residential spaces and our close proximity to central London, we are an attractive place for businesses to invest and for Good Growth.

7.5. We want a recovery that provides opportunities for training and jobs in sectors that are economically sustainable and have prospects of future development and growth. Our employment support will ensure access to tailored support for disadvantaged residents disproportionately affected by the lockdown and those facing particular barriers to employment.

7.6. We can ensure wealth produced in Croydon stays local and is shared amongst many by:

- **Creating fair employment:** we pay the London Living Wage (LLW) and ask our providers to do the same. Our Good Employer Charter encourages local businesses to use local suppliers, employ local residents, pay the LLW and follow best practice in fairness, equality and sustainability.
- **Progressive procurement:** extending our Value Croydon approach to work with key anchor institutions (large commercial, public and social sector organisations that are committed to Croydon) so all reinvest as much of their spending as possible in the local economy
- **Using our land and property to benefit local people:** building and renewing housing with local labour and SME subcontractors. We support community land trusts and will transfer more under-used assets to the community if we think they will make better use of them.
- **Supporting local wealth creators:** through local economic development plans to make best use of assets and reactivate empty commercial property, and developing support for SMEs, social enterprises and co-ops.
- **Backing finance that supports our local place:** through Croydon Enterprise Loan Fund, Croydon Credit Union and pension fund investment.

7.7. Croydon's growing creative sector and Borough of Culture status in 2023 provide significant advantages for our renewal plans. The creative sector has been significantly impacted by the lockdown, with events cancelled and cultural venues and hospitality businesses closed for a significant period. We will seek regional and central government intervention to enable it to survive this further period of lockdown and go on to play a central role in the regeneration of Croydon.

7.8. The Croydon Sustainable Economic Renewal Board (described in Section 3) will lead this process, ensuring the development of a strategic and coordinated borough-wide response to the economic crisis arising from Covid-19 that addresses the health and economic inequalities that have been exacerbated by the pandemic.

## 8. CONCLUSION

8.1. The Covid-19 health and economic crisis is unprecedented, wide-ranging and devastating. However, Croydon is a resilient borough with a strong base upon which to re-build our economy. It is a major sub-regional economic centre. We have a young, agile population and an ingrained entrepreneurial culture with a high number of business start-ups. The high proportion of micro businesses and self-employed are likely to be more agile and flexible in the recovery.

8.2. Croydon is a fantastic place to live in. As we focus on renewal we have the opportunity to ensure our local economy grows and develops from within, and that wealth produced in Croydon stays local and is shared amongst many. We can build on the new form of localism that has arisen, fruit of the 'Stay at Home' message that saw a shift towards local shopping, greater levels of walking and cycling and a rediscovery of local green and open spaces.

8.3. The strength of our partnerships has shone through in the initial crisis response and we have well-established forums for networking, collaboration and mutual support. This joint work provides a solid foundation on which to build the sustainable economic renewal of the borough.

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**CONTACT OFFICER:** *Stephen Tate, Director, Growth, Employment & Regeneration*

**BACKGROUND DOCUMENTS:** Developing a sustainable economic recovery and renewal plan for Croydon, Cabinet Paper, 8<sup>th</sup> June 2020