

# London Borough of Croydon's Response: Ending the Transition Phase

On the 31<sup>st</sup> January 2020 the United Kingdom withdrew from the European Union. Under the terms of the Withdrawal Agreement, the United Kingdom entered the transition period that is due to end on the 31<sup>st</sup> December 2020. This period allows the UK to continue its current relationship with the EU while the future trading relationship and security co-operation is negotiated.

The end of this transition phase and exit from the European Union has major implications for local authorities in terms of their budgets, local economies, regulatory framework and community cohesion. 'No-deal' on the UK's future relationship with the EU remains a distinct possibility as the transition date for leaving the European Union approaches. It would still leave the Withdrawal Agreement in place: citizen's rights would be protected, but the UK would trade with the EU on World Trade Organisation terms, as well as having to rely on previous international conventions for security co-operation. 'No-deal' would exacerbate the impact on the borough at a time of great economic challenge due to the impact of coronavirus

## **1. LOCAL ECONOMY: OUR RESPONSE**

1.1. The Council has already taken a number of actions to support the local economy:

- Marketing 'Croydon is open' to attract more investment to the borough
- Working with the Government and the GLA to improve the infrastructure for growth: better roads and public transport, and excellent broadband
- Supporting the Growth Zone to develop new space, creating 23,594 jobs and 10,500 new homes for local people
- Through our Value Croydon approach, increasing the number of local suppliers that are benefiting from our commissioning – directly and through our existing providers, offering local SMEs access to supply chain opportunities and making it easier for them to bid for Council contracts, for example by breaking down large lots, ensuring low value contracts are offered to Croydon businesses.
- Encouraging and incentivising business to do the same through the Croydon Good Employer Charter: to pay the London Living Wage, recruit Croydon residents, use Croydon businesses for goods and services and have good policy and practice around equalities, workforce development and environmental sustainability.
- Helping business to locate space in Croydon, creating work spaces through planning policy, reactivating empty properties and creating a Creative Enterprise Zone.
- Supporting business and enterprise financially, through Croydon Enterprise Loan Fund and the Council's discretionary business rates relief

- Facilitating access to advice, information, mentoring and networking through the Croydon Business Network, Social Enterprise Network, a new small business hub and tech partnerships
- Supporting the development of new Business Improvement Districts and local economic development plans.

This activity was recognised by London Councils and the Federation of Small Businesses when Croydon Council won the Small Business Friendly Borough.

1.2 It is important to note that, due to the council's budget shortfall forecast for 2020/21 and ongoing budgetary pressures, activity and resources to support the local economy will need to be reduced. Working with partners and stakeholders will continue to be key to delivering the following actions from now onwards:

- Signpost to advice from Government and other sources to ensure that Croydon's businesses are compliant with emerging legislation, policy and practice. This will include continued promotion of the Mayor of London's [Brexit Business resource hub](#).
- With Croydon Business Network, support the delivery of a package of support to help existing businesses access new markets.
- Provide support to Croydon's existing business base to help create policies and procedures that enable them to become fit to supply major international companies.
- Joining with the Mayor of London to echo his message that #LondonisOpen - showcasing that Croydon is and will remain open for business, talent and ideas from across Europe and around the world - enhancing the borough's good reputation for being an easy place to invest and develop in, finessing the Council's offer and approaching developers to bring them to Croydon.
- Conduct an annual business survey which will add to local understanding of business confidence, concerns about Brexit, and views on the Council's openness.
- Encourage anchor organisations in Croydon (like NHS trusts, Home Office, Colleges, the Police) to support the local economy by paying the London Living Wage, buying local and employing local.
- As part of its regulatory and enforcement role, the Council will notify retailers and food businesses of changes in regulations.

## 2. WORKFORCE AND EMPLOYMENT: OUR RESPONSE

2.1 We want to ensure everybody has the opportunity to work and build their career. In addition to the local economy actions, there are a number of actions already underway specifically focused on workforce and employment:

- The Council and social care providers are actively recruiting social care staff through various initiatives.
- To improve local skills we are working with schools, colleges, trainers and businesses to support vocational routes for the local workforce into growth sectors of care, culture, retail, tech and construction.
- The Council's award winning apprenticeship programme currently works with providers to support business in developing training programmes for current and new employees and in creating new apprenticeships and employment pathways for Croydon residents.

2.2 The Council has also:

- Actively asked for a full disclosure from all existing Council staff who are EU citizens and captured status as part of right to work for all new employees, reminding them that they are valued by the Council, which is committed to their ongoing employment.
- Communicated with the Council workforce about the EU Settlement Scheme using information released by the Government.
- Arranged 'drop in' sessions/surgeries for any employee, locum or employee of our contractors engaged in delivering the Council's services, who are worried about their status, assisted with applications and offered other welfare support and advice.
- Ensured the Council's partners and providers are aware of the EU Settlement Scheme and its employer toolkit and are able to support their employees.
- Engaged with the business community to raise awareness of the EU Settlement Scheme and employment law in respect to EU nationals' status, particularly during the Brexit transition period.
- Supported businesses and training providers to seek funding to improve training provision
- Worked with the Voluntary & Community sector, faith groups and other places of community focus to ensure EU citizens are aware of the EU Settlement Scheme and get support if required to apply for settled status. Initially the Council will work with law centres, the Citizens' Advice Bureau and other advice agencies to develop a network of support and access to pro-bono advice. The Government has announced up to £9m in funding to VCS organisations to ensure EU citizens needing additional support get help in obtaining their settled status.
- Developed a web portal on Brexit on the Council's website for EU citizens with links to updated information on the EU Settlement Scheme including the Mayor of London's [guidance hub](#), and local sources of assistance.

### **3 COUNCIL FINANCE AND PROCUREMENT: OUR RESPONSE**

- 3.1 The Council has not managed its finances and resources well, the repercussions can be seen by the poor financial position that the Council see itself confronting and the issuing of a section 114. Although our Medium Term Financial Strategy has recognised the uncertainty that Brexit has created, as stated previously, it is not possible at this stage to estimate the financial impact with any certainty.
- 3.2 The following actions have been implemented:
- Updated policies, procedures and other documents to reflect new tender, contract and other regulations for implementation from the end of the transition period
  - Collaborated and shared information further with neighbouring London councils to resolve issues and create joint-solutions where possible
  - Completed the identification of suppliers based in the EU or with prominent EU connections and the Council has engaged with the relevant suppliers and supported business continuity plans to deal with emerging issues
  - Worked with existing contractors to identify the impact on workforce and ensure contractors have plans in place to mitigate the impact on the services being delivered to our residents
  - Reviewed risks and mitigations with housing contractors and increased time and cost contingencies in budgets for complex capital projects
  - Worked with businesses, VCS sector, faith groups and others to ensure all our EU citizens are aware of the EU Settlement Scheme, as set out at 7.3 above; this will serve to mitigate the risk of them facing unemployment and homelessness as the result of being unregistered at the end of the transition period.
  - Reviewed all council business continuity plans to consider supply chain and people impacts, identify critical suppliers and ensure strategies are in place for the partial/whole loss of these.
- 3.3 Further actions regarding finance and procurement have been identified, as set out below:
- Given the difficulty in modelling a rise in demand for services, make arrangements to monitor the effects of Brexit with partners across sectors and share monitoring data and information to capture issues as they arise and get an idea of changes in demand. The locality approach of the Council's operating model will enable targeted work with schools, the health service, VCS and other partners as emerging issues and changes in demand are identified.
  - Monitor staffing shortages across the health and social care system and its impact on the infrastructure.
  - Once it is announced, respond to consultation on UK Shared Prosperity Fund (UKSPF) that will replace the ESIF and call for it to be a more

responsive, less bureaucratic scheme led by local areas and not central government

- Identify what other sources of funding may be available to replace EU funding streams.

#### **4. COMMUNITY SAFETY AND COHESION: OUR RESPONSE**

4.1 The Council is committed to ensuring that everyone feels safer in their street, neighbourhood and home, working in partnership to reduce crime, anti-social behaviour and ensure public protection.

4.2 The Council is therefore already taking a number of actions to support this area:

- We promote Croydon as a welcoming and open place
- With our partners we are monitoring the level of community tension through existing projects. This work is supported by the Counter Extremism Community Connector who is working with faith and VCS groups to build local networks to promote cohesion, respect and tolerance and monitor community tensions. A protocol on coordinated responses to tensions and cohesion related issues is being agreed. A faith responders group supports responses to community tensions
- The Safer Croydon Partnership is working jointly to improve support and reduce vulnerability for all victims of crime, focusing on hate crime. This work includes funding community-led activities to overcome hate crime and support victims.
- Planning for any civil disturbance is led by the Police and have been shared with the Croydon Resilience Forum – the local multi-agency emergency planning partnership. They meet to assess risk and implement agreed action.
- The Council works with partners and providers to increase awareness of modern day slavery, identify and act to protect victims.