



Finance and Resources

Cabinet Member Bulletin

Councillor Simon Hall

January 2020

Draft Local Government Finance Settlement

On December 20, the Government announced the draft local government settlement for 2020/21.

Whilst the increases announced in the September Spending Review were broadly incorporated. Whilst the increase in funding is to be welcomed (approximately 3% in cash terms), it is woefully inadequate in comparison to the increased demand for services, notably adult social care, children's social care, welfare-related, housing and homelessness. It also takes no account of our growing population, nor does it really do anything to unwind ten years of austerity. To put it in context, in five years, our government funding will have declined 20% in cash terms, which is some 30% in real terms.

The Government also announced that the cap on council tax increase would be 2% rather than last year's 3%. The capped level is below the RPI inflation rate.

It is also disappointing that the Council has ended the London Business Rates pilot, which will see some £4m lost to this authority.

There was no indication in the announcement of what is proposed for future years, so we are unable to plan properly for the medium to long term.

Reserves

Last year, the Value For Money opinion from our external auditors raised the issue of the level of our reserves.

Our General Fund reserve has remained substantially unchanged since this administration came to power. This is in contrast with the vast majority of local authorities around the country, who have used reserves to fund services in the last few years.

However, it is true to say that our main general fund reserve has historically been at low levels compared to other councils and that is clearly the case at the moment, albeit it is in the target range we (and indeed the previous administration) set.

In addition, we have less Earmarked Reserves (reserves created for specific purposes), as these have been used up for the purposes they were created for.

Over the last six years, we have been fighting the effects of austerity, supporting the most vulnerable and investing in the borough's future. And we will continue to do so. We have to recognise the impact of the risks that we face, given the massive reduction in funding from Central Government over the last decade at a time of increased demands.

As a result, and as part of our strong financial management and forward thinking, we have decided to make a significant contribution to reserves as part of the 2020/21 budget.

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Pension Fund

The latest assessment of the Council's pension fund shows it being worth in excess of £1.3 billion, compared to £0.75 billion when this administration came in, in 2014.

The pension fund has a triennial actuarial valuation, which looks at its assets and liabilities. This is currently under way, based on the situation as at 31 March 2019. The external actuaries are well progressed on this and will be presenting their draft findings to the Pension Committee next month.

Based on their work to date, indications are that the Pension Fund's funding level, assets as a percentage of its liabilities (the present value of future pension obligations), is now in excess of 90%. This compares to 73% three years ago and 66% in 2013. Indeed, this funding level is the highest in the last 20 years.

This provides reassurance to our staff, past and present. The Council stands as guarantor for the pension scheme, so any shortfall would have to be met by the Council. This massively improved funding level means that the Council will not need to increase its current annual contribution for past deficits and may well, in due course, be able to reduce them.

Unaccompanied Asylum Seeking Children funding

We continue to accommodate some 10% of all Unaccompanied Asylum Seeking Children in the Country. And the shortfall in funding is of the order of £10 million.

We are seeking to address this burden. That is why there is considerable lobbying going on and meetings are being arranged or requested at a, both with senior civil servants and senior politicians.

Launch of Social Work Apprenticeship

We are delighted to be launching our new Social Worker Apprenticeship scheme within Early Help and Children's Social Care and Adult Social Care, which will begin early 2020. This a practice based learning programme that combines on- and off- the-job learning and development, delivered flexibly around the demands of the workplace. Apprentices will develop new skills and knowledge whilst carrying out real work as part of a team in a social care setting. The Social Worker Degree Apprenticeship BA (Honours) Social Work (England) is approved by the Health and Care Professions Council, and successful completion entitles graduates to apply for registration as a social worker, and is part of our program to 'grow our' social workers for the future and develop our workforce.



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Voluntary and Community Sector funding

In December, a total of 53 projects across Croydon, offering everything from mental health support to encouraging children to make healthy choices; and housing for rough sleepers to helping domestic abuse survivors was approved to be funded. The funding which can support a project for up to three years has been allocated from the Community Fund which was set up to help voluntary or community groups deliver key outcomes boosting the health, quality of life or prospects of residents.

In their submissions, the groups had to set out how the funding would benefit the communities they serve and align with one of six themes:

- Helping people live long, healthy, happy and independent lives
- Helping children and young people thrive and reach their full potential
- Helping people access homes and prevent homelessness
- Helping everyone feel safer in their street, neighbourhood and home
- Helping everyone to have the opportunity to work and build their career
- Preventing, reducing or delaying care and support needs for older people

The grants were decided by a panel consisting of local young people, carers, council tenants, councillors and council staff and there were two separate bidding processes: a simple grant application for less than £15,000 and a bidding process for commissioned services between £15,000 and £40,000.

All bids were scored against criteria including whether the projects were local, deliverable and well-run, and the council balanced schemes across the borough so as many people as possible could benefit from the new funding.

The projects starting from April 2020 and shows the Councils continued commitment to the VCS sector by increasing funding to these important projects. This equates to over £4m per annum which not only includes the Community Fund but also the Community Small Grants Programme, Youth Fund, Green Fund, Local Voluntary Partnership (LVP) Fund rent subsidies and business rate relief. In addition there are substantial further commissioned services that fund the VCS sector by the Council.

We are delighted that we can support the borough's large and active voluntary and community sector with this funding. Funding opportunities for projects under £15,000 will reopen as we work hard to deliver benefits to our voluntary and community sector. Everyday hundreds of our residents benefit from the work of these groups and we cannot wait to see what they can achieve with this extra support.



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Workforce strategy – Improving equality, diversity and inclusion

An immediate action within our Workforce Strategy that was adopted in November is to improve recruitment experience and practice. To support this a revised recruitment policy has been developed to set core minimum standards for recruitment. As part of this we will be implementing a blind application process, which anonymises candidate names to help avoid unconscious bias and stereotypes in shortlisting processes. We have also added extra recruitment and selection training to support the requirements of the recruitment policy for hiring managers.

Criminal Litigation

As part of the Violence Reduction Programme the Council have been leading on a national project involving the prosecution of on-line sale of knives to minors. To date there have been 13 convictions with fines ranging from £3,500 - £40,000 reflecting the size and means of the defendant companies concerned.

Following a significant operation undertaken by the Trading Standards Team, in October 2019 10 defendants were convicted at Croydon Crown Court of offences of fraud and money laundering arising from a series of door step frauds against elderly people in South Croydon and across the south east. Sentencing will take place in January 2020.

General Election December 2019

With little more than 40 days notice, the Council's Acting Returning Officer and the Electoral Services team successfully ran the general election in Croydon on 12 December. Over 750 staff, the majority Council employees, worked in various capacities to help deliver these elections at which over 169,000 Croydon electors voted.

This was, of course, the second short notice borough-wide election in less than six months!

Planning and preparation are now underway for the third borough-wide election in 12 months, for the Mayor of London and Greater London Assembly, which will take place on 7 May.

I want to pay tribute to Seth Alker, Head of Electoral Services, his team, and all the other council staff who made this happen seamlessly.

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