

FOR GENERAL RELEASE

REPORT TO:	CABINET 8 JUNE 2020
SUBJECT:	Developing a sustainable economic recovery and renewal plan for Croydon
LEAD OFFICER:	Shifa Mustafa, Executive Director of Place Stephen Tate, Director of Growth, Employment and Regeneration
CABINET MEMBER:	Councillor Tony Newman, Leader of the Council
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

Covid-19 has had an unprecedented impact on a global scale, including the UK and Croydon. Our response will support the following Corporate Plan priorities:

- People live long, healthy, happy and independent lives
- Our children and young people thrive and reach their full potential
- There are good, decent homes, affordable to all
- Everyone feels safer in their street, neighbourhood and home
- We have a cleaner and more sustainable environment
- Everybody has the opportunity to work and build their career
- Business moves here and invests, our existing businesses grow
- We have an excellent transport network that is safe, reliable and accessible to all
- We value the arts, culture, sports and activities

FINANCIAL IMPACT

Whilst this report is for information, and therefore does not have any direct financial impact, it is clear that Covid-19 will have a significant impact on both the Council's financial position, as well as the financial position of residents and businesses across the borough. The Local Government Secretary has said in a number of public statements that local authorities will be reimbursed for costs associated with Covid19 and should not cut corners to manage financial costs.

To date the government has made a number of different funding streams available to local authorities to provide support for the costs we are incurring directly, however these do not currently cover the full cost being incurred.

FORWARD PLAN KEY DECISION REFERENCE NO.: Not a key decision

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

The Cabinet is recommended to

- 1.1 Record its thanks to the Council's partners in the public, private and voluntary and community sector who have come together as one borough to respond to the Covid-19 crisis.
- 1.2 Note the approach now proposed for the Council to work in partnership towards a sustainable economic renewal strategy.
- 1.3 Approve the establishment of a cross-sector Croydon Sustainable Economic Renewal Board to lead and coordinate the borough's renewal plan.

2. EXECUTIVE SUMMARY

- 2.1 The Covid-19 outbreak has inflicted an unprecedented blow to communities and the local economy.
- 2.2 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 May 2020 gave an overview of Croydon's response to Covid-19. This report sets out in more detail 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.
- 2.3 Whilst the health implications of Covid-19 have been severe, it is also now clear that we are heading into 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.
- 2.4 This new global recession will have a huge impact on businesses and employment in Croydon with long lasting consequences for communities across the borough.
- 2.5 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.

- 2.6 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 will be 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.
- 2.7 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.
- 2.8 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 lockdown in the UK will be relaxed. As such, we will 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.
- 2.9 To lead these efforts, we are proposing to establish 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.

3. CROYDON SUSTAINABLE ECONOMIC RENEWAL BOARD

- 3.1 The Croydon Sustainable Economic Renewal Board will take a cross-disciplinary approach to foster and support 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.
- 3.2 The Board will be chaired by the Leader of the Council. Its core membership

will comprise 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.

- 3.3 Membership will also be 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..
- 3.4 The Board will consider key themes of economy, business and employment; housing; planning and development, regeneration, social infrastructure and culture; travel and transport; community safety; and third sector and volunteering. These themes may be explored in more detail through subgroups. The board will also consider cross cutting themes including environmental sustainability, equality and inclusion, and wellbeing.
- 3.5 The Board's decisions will be made as recommendations to the appropriate decision-making bodies of its constituent members.

4. THE IMPACT OF COVID-19 IN CROYDON

- 4.1 The Covid-19 pandemic is the biggest public health crisis this country has experienced in over 100 years. Croydon has faced a devastating toll with 1,485 lab confirmed cases (or 385.4 per 100,000) as at 18 May 2020, the 14th highest rate in England and 4th highest in London according to [Public Health England](#). Some of those affected across our community will be left with life-changing implications. Up to 8 May 2020 410 fatalities due to Covid-19 had been registered in Croydon according to the [ONS](#). Some vulnerable groups are at greater risk of catching the disease and/or more likely to die from it (including older people, people from black and minority ethnic (BME) backgrounds, the lower paid, people living in shared accommodation and those with underlying health conditions). We have been working closely with the voluntary and community sector to ensure that extremely vulnerable people can 'shield' themselves from risk whilst still accessing essential food and supplies.
- 4.2 As the number of cases increased exponentially and the NHS was at risk of being overwhelmed, the government implemented a lockdown on 23 March. This checked the increase and the number of new Covid-19 cases is now beginning to decline. However, by closing businesses across all sectors of the economy, the lockdown has inevitably had a major impact on jobs and livelihoods.
- 4.3 It is apparent that the immediate impact of Covid-19 will be felt until such time as a vaccine becomes available. This will drastically change how we live our lives, how we work, how we shop, how we move around the borough, how we spend our leisure time and how we interact with our loved ones.

- 4.4. As such, 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%. Chancellor Rishi Sunak has warned that “a significant recession” in the UK is likely, with a fall in GDP of 5.8% recorded in March ([ONS](#)), almost as deep as the entire 6.9% drop in output seen over more than a year during the global financial crisis. This will have a huge impact on businesses and employment in Croydon with long-lasting impacts on communities across the borough.
- 4.5 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. Unemployment in Croydon could 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. 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.
- 4.6 Already, 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 three month pause on evictions.
- 4.7 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. The findings of the survey will inform the continued delivery of our current response and the development of medium and longer term measures in our Sustainable Economic Recovery Plan.
- 4.8 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.

4.9 The impact on retail businesses across the country has 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 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.

4.10 More detail on the sectors impacted by the lockdown is set out in Appendix 1.

5. THE COUNCIL'S INITIAL CRISIS RESPONSE

5.1 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

5.2 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 spoken to more than 3,000 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

5.3 4,888 Croydon businesses are being supported through 100% business rate 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 above £51,000, who are receiving the 100% rate relief but no grant. As at 26 May 2020, 3,191 businesses (77.5% of eligible businesses) had received a total of £42.785m in business grants.

Council funding and debt management

5.4 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.

5.5 Grants programmes were quickly established: as at 15 May 2020 Croydon Cultural Relief Fund has given £60,253 in grants to 16 organisations and the Emergency Covid Fund for voluntary and community sector groups has given £185,951 in grants to 36 organisations.

5.6 The Council as landlord is considering offering the option of rent deferment for a set period to qualifying tenants of its commercial property portfolio.

Business support

- 5.7 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

- 5.8 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

- 5.9 We are recalibrating and refocussing existing external grants and funding to respond more effectively to the crisis and support recovery.
- 5.10 We are working with the GLA Pay it Forward team on the creation of a specific page for Croydon to facilitate free fundraising to help local businesses to secure trade by pre-selling vouchers, goods and services.

Responsive planning policy

- 5.11 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

- 5.12 The Council is creating temporary wider footpaths to facilitate social distancing, on-street spaces to exercise and temporary cycle lanes. The government has announced a £250m 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; which we are currently lobbying for to ensure Croydon receives its fair share.

Employment support

- 5.13 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.
- 5.14 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.

- 5.15 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.

6. THE GOVERNMENT'S RESPONSE

- 6.1 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, 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 until the end of June.
 - **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.

6.2 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.

7. **LOBBYING FOR MORE GOVERNMENT SUPPORT**

7.1 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.

7.2 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.

7.3 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.

7.4 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.

7.5 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.

7.6 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.

8. PATH TO RECOVERY AND RENEWAL

- 8.1 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.
- 8.2 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.
- 8.3 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.
- 8.4 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.
- 8.5 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.
- 8.6 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.

8.7 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.

8.8 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.

9. CONCLUSION

9.1 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.

9.2 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 has seen a shift towards local shopping, greater levels of walking and cycling and a rediscovery of local green and open spaces.

9.4 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.

10. CONSULTATION

- 10.1 To understand the impact of Covid-19 on the local economy and businesses and shape the response by the Council and its partners, we have engaged widely, with organisations such as the GLA and TfL, partner groups such as South London Partnership, and businesses, directly and through Croydon Business Network. We established a business taskforce comprising leading stakeholders from Croydon and London, including Croydon, Purley and Central Parade Business Improvement Districts (BIDs), the Federation of Small Businesses, London Chamber of Commerce and Industry, London Growth Hub, and the Coast to Capital and London Local Enterprise Partnerships (LEPs). The findings of this engagement have been outlined in this paper.
- 10.2 Whereas this paper concentrates on describing the impact so far of the crisis on the local economy and jobs, the proposal to create a Sustainable Economic Renewal Board that draws on partners from across the public, private and voluntary sectors is intended to ensure that our renewal plans and initiatives are drawn up through full engagement and consultation with stakeholders and partners across the Croydon community.

11 PRE-DECISION SCRUTINY

- 11.1 The Council has implemented the measures set out in this report as an immediate response to a rapidly developing economic crisis. The Scrutiny and Overview Committee will review and scrutinise the Council's response and make recommendations on the plans being developed for tackling the economic impacts of lockdown and on the management of the Council's response.

12 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 12.1 Whilst this report does not have any direct financial impact, it is clear that Covid-19 will have a significant impact on both the Council's financial position, as well as the financial position of residents and businesses across the borough. The Local Government Secretary has said in a number of public statements that local authorities will be reimbursed for costs associated with Covid19 and should not cut corners to manage financial costs.
- 12.2 The development of initiatives to support the sustainable economic renewal will require additional funding but this will be sought through external funding sources as far as possible.
- 12.3 Any specific proposals requiring capital investment or with implications for the council's revenue budgets will be considered under the existing financial regulations and brought for Cabinet approval if required by the scheme of financial delegation.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk

13. LEGAL CONSIDERATIONS

- 13.1 The Head of Litigation and Corporate Law makes the following comments on behalf of the Director of Law and Governance.
- 13.2 The report seeks to provide an update on the economic impact of the Covid-19 pandemic along with the partnership work that has been and will be undertaken in response.
- 13.3 In outlining the partnership work to be carried out the report highlights the need to establish an Economic Renewal Board to assist in the borough's recovery, by way of recommendation to the appropriate membership body, in accordance with the relevant legislation.
- 13.4 The Coronavirus Act 2020 ('the 2020 Act') is currently the government's main legislative change in response to the pandemic. Most of its provisions came into effect on 25 March 2020.
- 13.5 Following the inception of the 2020 Act further legislation in the form of statutory instruments along with the introduction of additional government guidance have been issued to tackle the issues that have arisen. The Act has temporarily modified many duties and powers including those relating to social care, mental health, registration of deaths, inquests, the regulation of investigatory powers, gatherings events and premises, the postponement of elections, virtual local authority meetings and protection from eviction.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

14. HUMAN RESOURCES IMPACT

- 14.1 There are no direct LBC workforce impacts arising from the recommendations in this report.

Approved by: Sue Moorman, Director of Human Resources

15. EQUALITY IMPACT

- 15.1 There are no direct equality impacts arising from this report.
- 15.2 The impact of the virus is far reaching. The combined and unprecedented impact on the local economy, both on businesses and the workforce, will exacerbate inequalities, where some parts of our communities are disproportionately impacted for the short, medium and long term. The Council has been acutely aware of the disproportionate impact that the virus and lock down can have on particular demographics, such as older residents and those with pre-existing health conditions.
- 15.3 The lock down has had a disproportionate impact on certain population groups. In addition to residents who were already struggling for a variety of reasons

(health, financial, housing), other groups became vulnerable (or more vulnerable). These include shielded residents, furloughed workers and homeless people.

- 15.4 According to the IFS, the immediate economic shock disproportionately affected low-skilled low paid workers, especially women, and young workers. They are more likely to work in shut down or reduced sectors like hospitality and retail and the gig economy, and are less 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. Lower income workers are less likely to have enough savings to cover income falls, even over a short period (Resolution Foundation).
- 15.5 Women make up 78% of the workforce in roles with high-risk of infection (2.5m out of 3.2m), such as social care, nursing and pharmacy. 1m are low paid (Autonomy) They are at high risk of job or income loss, in particular through having to take unpaid leave to cover care (as grandparents, schools and childcare are no longer available), and at more risk of domestic abuse and exploitation during lockdown. Women disproportionately work in retail and hospitality: 17% of female employees against 13% of men working in shutdown sectors.
- 15.6 Data has been emerging to suggest that residents from black and minority ethnic (BAME) communities are disproportionately affected by Covid-19. The government has launched a review, led by the NHS and Public Health England. The Director for Public Health in Croydon has already engaged with national colleagues to ensure Croydon is involved in the review. BAME residents are more likely to be living in low income households. Those in low paying jobs or on zero hours contracts will be more affected. Some may need help to access support. People with no recourse to public funds could become destitute. They are more likely to be living in overcrowded, multigenerational households, making the lockdown harder to endure and isolation less possible. Those with private tenancies may be anxious about their position once the pause on evictions ends.
- 15.7 Crisis actions have been taken by Croydon Works and CALAT to address the specific needs of disadvantaged groups; these are set out at 4.14 and 4.15 in the report.
- 15.8 The Sustainable Economic Renewal Plan will include more activities focused on continued tailored support for disadvantaged residents and building on the strong local community structures that have provided support to residents.
- 15.9 A key priority for the Council is to work with our partners to make Croydon a stronger, fairer place for all our communities. Croydon's Opportunity and Fairness Plan 2016-20 outlines actions to tackle inequalities such as educational attainment, health, homelessness, unemployment, crime and social isolation, particularly in the borough's six most deprived wards.
- 15.10 The proposed approach outlined in this paper is to ensure that the economic renewal of the borough is such that it improves lives across all parts of all our communities and provides for the optimum social, cultural, economic and

environmental outcomes for all. We will work with our partners to deliver against these principles.

- 15.11 A key area of focus for the board will be health and economic inequalities. We will work with partners to ensure that the response targets those who have been disproportionately impacted as a result of Covid, and reduces inequality across the borough.
- 15.12 As such, an Equality Analysis is not relevant to this paper but will be undertaken against any of the specific aspects of the programme e.g. consultations as well as for specific interventions or investment decisions that may follow from the Economic Renewal programme as appropriate and following the Council's guidance.

Approved by: Yvonne Okiyo, Equalities Manager

16. ENVIRONMENTAL IMPACT

- 16.1 There has been a noticeable improvement in air quality and pollution levels across Croydon (as well as London, UK and globally). This provides an opportunity to take action in order to maintain the improved environment. The Leader of the Council has therefore asked the Croydon Climate Crisis Commission to refocus its attention on short and medium term actions over the next 3 years.
- 16.2 The Sustainable Economic Renewal Plan that is developed will take account of the Commission's recommendations and contribute to the development of a decarbonised economy in Croydon. Initiatives to promote walking and cycling are set to receive investment from central government in light of the reduced capacity of public transport due to social distancing rules. Investment to make the public realm and high streets healthy will be an important part of attracting visitors back to the metropolitan and district centres. There is an opportunity to develop a retrofit programme of existing homes that could reduce carbon emissions and fuel poverty.

17. CRIME AND DISORDER REDUCTION IMPACT

- 17.1 As above, the economic renewal programme for the borough will include an integral consideration of the opportunities to address underlying issues of crime and disorder and prevent creating future issues through the principles of good design and strong community collaboration.

18. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 18.1 This report recognises the contribution of the Council's partners in the public, private and voluntary and community sectors who have come together as one borough to respond to the Covid-19 crisis. Having set out the impacts of the lockdown on Croydon's local economy and the council's initial response, it recommends the setting up of Croydon Sustainable Economic Renewal Board

to lead a strategic and coordinated borough-wide response, across the public, private and voluntary and community sectors, to the crisis and to help address the health and economic inequalities that have been exacerbated by the pandemic.

19. DATA PROTECTION IMPLICATIONS

19.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

The Director of Growth Employment and Regeneration advises that this report provides an overview only, with no decisions that impact on personal data.

Approved by: Stephen Tate, Director of Growth, Employment and Regeneration

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APPENDICES TO THIS REPORT: Appendix 1 – Summary of impact of the Covid lockdown on Croydon's economy

BACKGROUND PAPERS: None