

# Public Document Pack

## Scrutiny & Overview Committee

Meeting held virtually on Wednesday, 22 July 2020 at 6.30 pm via Microsoft Teams

This meeting was webcast and is available to view on the Council website

### MINUTES

- Present:** Councillors Sean Fitzsimons (Chair), Robert Ward (Vice-Chair), Leila Ben-Hassel (Deputy-Chair), Richard Chatterjee (reserve for Councillor Jeet Bains), Jerry Fitzpatrick and Joy Prince
- Also Present:** Councillors Simon Hall, Paul Scott and Manju Shahul-Hameed
- Apologies:** Councillor Jeet Bains

### PART A

#### 26/20 **Minutes of the Previous Meeting**

The minutes of the joint meeting held with the Health & Social Care Sub-Committee on 26 May 2020 were agreed as a correct record.

#### 27/20 **Disclosure of Interests**

There were no new disclosures of interest made at the meeting.

#### 28/20 **Urgent Business (if any)**

There was no urgent business for this meeting.

(**Note:** At the meeting the Committee agreed to change the running order of the meeting to take the Croydon Economic Agenda item after the update on the Council's response to the Covid-19 pandemic. The minutes are presented in the original running order to correspond with the published agenda.)

#### 29/20 **Update on the Council Response to the Covid-19 Pandemic**

The Committee received an update on the Council's response to the covid-19 pandemic covering the period since the previous update provided at the Committee meeting held on 26 May 2020. The update was presented by the Chief Executive of Croydon Council, Jo Negrini, a copy of the presentation can be found on the following link –

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MIId=2152&Ver=4>

During the presentation the following information was noted:-

- The pandemic continued with the Council responding as needed. The Gold and Silver emergency response arrangements remained in place along with reporting into the London response arrangements.
- As services began to reopen a significant focus had been placed on the continued support for vulnerable residents who had been shielding and support for the provision of mobile testing.
- When decisions were made to reopen services the key principle was safety first, with all reopening's approved by the Director of Public Health.
- The Council's website had a full list of the services that had reopened and provisional dates for those still to open. The Waste & Recycling and Registrar's services had opened first, with parks and public toilets also now open. Access Croydon had reopened to the public using an appointments system. Six libraries were due to open later in week and preparations were being made to reopen leisure centres.
- There had been 14,814 vulnerable residents on the Government's Shielding list. 700 of these would require ongoing support once the scheme ended on 31 July. Services were working to ensure that plans were in place for these individuals from that date.
- The test and trace system would be one of the resources used to support local authorities to manage outbreaks within their local area. New powers were expected to be granted from the Government to support the work of the Director of Public Health in controlling outbreaks and preventing the spread of the virus. It was expected that these would include powers to either restrict access to or close premises, prohibit certain events and restricting access to or closing outdoor spaces.
- Croydon had received £23m in funding from the Government, but at present there was still a significant funding gap. Three submissions had been made to the Ministry of Housing, Communities & Local Government (MHCLG) setting out covid-19 related expenditure, with further submissions due to be made.
- The crisis had demonstrated that the Council was able to adapt and deliver change quickly, such as setting up a digital solution for shielding residents within days of the programme starting. The crisis had also demonstrated that community resilience in the borough was strong and existing partnerships had worked well together to provide support for vulnerable residents. Another learning point from the crisis was there was greater scope to use digital solutions than had previously been thought.
- At present there was very low numbers of positive Covid-19 cases across London, with only four new cases in Croydon in the past seven days.

Following the presentation, the Committee had the opportunity to ask questions on the information provided. The first question asked whether the Council was in a position to manage local outbreaks and whether the right level of data was being provided to allow outbreaks to be promptly identified. In response, reassurance was given that the Council had been planning from an early stage in the pandemic to manage any local outbreaks, using experience elsewhere in the country and scenario testing to continually refine these plans. At present, not all the data needed was being provided, but assurance had been given that it would be forthcoming. In the meantime, the Council was receiving data on positive covid-19 tests which could be used to identify potential outbreaks.

As recent Government guidance had made the wearing of face coverings in shops mandatory it was questioned what someone unable to wear a covering for medical reasons was able to do. It was advised that anyone unable to wear a face covering would be able to obtain an exemption. The exact process for obtaining an exemption was still to be confirmed, but it was likely that the process would involve their physician. The Public Health team worked closely with providers on the guidance and would be using a communications strategy to ensure a consistent message was disseminated. It was noted that the input from Councillor Jerry Fitzpatrick as the Council's Autism Champion would be welcomed.

As a follow up it was questioned whether support was being provided to local businesses to manage potential issues that may arise around the use of face coverings. It was advised that advice for businesses was being provided on the Council website, on the Growth Hub and through webinars.

Concern was raised about the impact of the pandemic upon the care home and domiciliary care sector, particularly how robust the sector was going forward. Information was requested on the support being provided by the Council the sector through this difficult time. It was advised that the Council had worked closely with care homes with a dedicated team in place to provide support. The Public Health team continued to work to ensure that the right level of support was in place in the event of a second wave, while all partners were working together to provide support in the event of an outbreak.

In response to a question about the provision of face coverings for shielding residents it was advised that the Council had been helping care homes and other groups with the provision of PPE throughout the crisis, but would not be able to supply the wider public without funding to do so.

It was suggested that the provision of face coverings for vulnerable people on the Shielding Programme may be something that the Government could supply. In response, it was highlighted that the Government had indicated that once the Shielding Programme ended funding for support such as food supplies may not continue. It was agreed that the issue of supplying face coverings for vulnerable residents would be taken away for further investigation and an update provided for the Committee once available.

In response to a question about the powers for local authorities over unlicensed events it was advised that these type of events were difficult to prevent, but action to address this issue was being discussed by the Local Strategic Partnership. The Police actively monitored for unlicensed events and stopped any once they became aware of them. Going forward the Council would be using its powers of dispersal in consultation with the Police, with joint communications being prepared to raise awareness.

It was agreed that further information would be provided to the Committee on whether there had been any disruption to clinical waste collections during the pandemic and whether the Council had used different methods to boost its social media messaging to ensure that its messages were being disseminated widely.

At the conclusion of the item, the Chair thanked the officers for the presentation and their engagement with the questions of the Committee.

### **Information Requests**

The Scrutiny & Overview Committee requested to be provided with the following information:-

- An update on the provision of face coverings for vulnerable residents on the Shielding Programme.
- An update on the performance of clinical waste collections during the pandemic.
- An update on methods used to boost the Council's social media messaging.

### **Conclusions**

Following discussion of this item the Committee concluded that although the uncertainty over exemptions for the wearing of face coverings was as much a national issues as a local one, effective communication from the Council with local residents, businesses and community groups was essential.

30/20

### **Scrutiny Review of Croydon Council Finances**

The Committee received two reports previously considered and approved by the Cabinet on 20 July 2020 which set out proposals for managing the financial uncertainty facing the Council in light of covid-19 expenditure. The Committee also received a presentation delivered by the Cabinet Member for Finance & Resources, Councillor Simon Hall, and the Section 151 Officer, Lisa Taylor, a copy of the presentation can be found on the following link –

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CIId=166&MIId=2152&Ver=4>

During the presentation the following information was noted:-

- Croydon Council had already been facing a challenging financial position due to underfunding which had been significantly exacerbated by the covid-19 crisis.
- The Revenue Budget Outturn for 2019-20 had ended with a £186,000 overspend which had been met from general fund reserves.
- Responding to covid-19 had created a huge increase in expenditure driven by a lot more residents requiring support as well as managing a range of new duties and responsibilities.
- As a result of the covid-19 crisis the savings originally planned for 2020-21 had been placed on hold. There had also been a significant loss of income from areas such as parking fees and rents.
- The Council had submitted three returns to MHCLG setting out all additional expenditure, missed savings and lost income resulting from the covid-19 crisis which totalled £85m. To date funding of £23.5m had been received from the Government which left a shortfall of £65.4m to be found.
- The Administration had been addressing this shortfall by looking at how the Council could deliver the same outcomes for residents with less expenditure. To achieve this a Financial Review Panel had been established which included external members to provide an independent challenge.
- A staff review was being implemented as staffing represented £174m of costs annually. There was also plans to introduce a capitalisation objective to address one off costs.

Following the presentation the Committee was given opportunity to ask questions about the information provided. The first question concerned the staffing restructure and whether any such restructure had been planned prior to the pandemic. In response, it was advised that a targeted review had been planned to look at how the Council could be more efficient. However, no restructure had been planned on the scale required as a result of the pandemic.

As a follow-up, it questioned whether there were likely to be any decisions taken that would affect service provision and if so whether these should be in the public domain. In response it was highlighted that the staffing review was currently in its consultation phase which meant that no final decisions had yet been made. There may be certain teams affected which would lead to services being delivered differently, but the current plan was to continue to deliver all services.

It was questioned whether it would be possible to deliver the same outcomes with less staff or financial resources. The Cabinet Member confirmed that service outcomes would be maintained, although services may not be delivered in the same way.

The rationale behind the decision to have a 15% target for staff reduction was queried; in particular, whether this was being applied equally across all services or not. It was highlighted that the Chief Executive, as Head of Paid Service, had authority over staffing matters. It had been decided that it was important to strike a balance between minimising the impact upon services and also sending a clear message to MHCLG that the Council was trying to achieve its budget shortfall. At the start of the process the Cabinet had outlined a number of principles which included minimising the impact upon frontline services, minimising compulsory redundancies, consulting with the unions during the process and having a flexible consultation process. It was agreed that a summary of the staff proposals would be shared with the Committee following the meeting.

It was highlighted that the budget originally set by Council in March 2020 included provision for contributing £5m to the general reserve fund, as such it was questioned whether this still achievable. It was confirmed that although it would be challenging to achieve without further funding from MHCLG the capitalisation objective would contribute towards achieving this aim.

In response to a question about whether the budget changes would be brought to a meeting of the Council, it was highlighted that Cabinet would be receiving reports at every meeting on the proposals as they were developed. At present it was forecasted that £20m of savings had been identified from the work carried out to date. An updated Medium Term Financial Strategy was likely to go to the Council in November and would be published in the public domain at the earliest possible time.

Regarding the previously identified savings of £31m in the 2020-21 budget which were no longer achievable, a breakdown of these savings was requested. It was agreed that further information would be provided to the Committee.

An update on the current status of discussions with the Government about the Council's predicted budget shortfall was requested. It was advised that discussions with the MHCLG had been proceeding on an informal basis, but were now becoming more formal. Croydon was also joining together with other London Councils to lobby the Government on behalf of local government to fill the large hole in council finances created by covid-19 expenditure.

It was confirmed that the key decisions contained in the two Cabinet reports related to recommendations 1.2 and 1.4 in the 'Responding to the Finance Challenge' report and recommendations 1.1 to 1.5 in the 'July Financial Review' report.

It was highlighted that the Institute for Fiscal Studies had stated that 7% of expenditure within the Croydon Council budget was currently spent on interest and debt repayment. As such, it was questioned whether the reserves were manageable with the escalating debt and how the risks around this were being managed. It was confirmed that the level of reserves held by the Council needed to be increased which was an aim over the next few years,

although as previously stated it would be challenging to do so this year without the Government reimbursing the covid-19 related shortfall. It was also confirmed that almost all of the Council's debt was set at a fixed rate and would not be impacted by any rate increase. Although the Croydon Park Hotel had entered administration, income continued to be received from the majority of Council rents and the income outweighed the interest paid on the Council's investment properties.

In response to a question about the support available for Council suppliers who may be experiencing difficulty during the crisis, it was advised that a Supplier Relief Programme had been put in place as a result of covid-19 which allowed suppliers to contact the Council to explore options should additional support be needed. It was confirmed that a number of businesses had already benefitted from this programme.

As a follow-up, it was questioned whether the Council was in a position to step in to continue a service should a supplier go under. It was advised that although it would depend on the individual circumstances of the service, as a general principle the Council would look to continue services where possible. As an example it was highlighted that plans were already in place to continue services should a care provider collapse.

It was confirmed that the Corporate Risk Register would be circulated to all Members by the end of July and discussions were underway to bring the register to Cabinet meetings alongside the quarterly finance reports.

In response to a question about how the budget setting process had been strengthened it was confirmed that greater officer ownership had been included starting with the work of the Finance Review Panel. The budget setting process would involve all of the Corporate Leadership Team to help identify cross-departmental savings rather than identifying savings individually. A process was also being put in place to hold managers to account for the delivery of their budget proposals.

It was also confirmed that Cabinet Members had been involved throughout the process with regular joint meetings of the Cabinet and Executive Leadership Team (ELT) being scheduled. There had also been a push to improve the availability of data with monitoring moving from a quarterly to a monthly schedule. It was emphasised that Scrutiny had an important role to play in the process, but given the uncertainty this year it was unlikely to be able to get involved any earlier in the process than the end of 2020. It was suggested that the Medium Term Financial Strategy could come to the Committee prior to Council, should the Committee wish to review it.

It was explained that the budget development process started with meetings between the Cabinet Members and ELT that would lead to a set of proposals that would continue to be refined before going to a meeting of the Cabinet for approval. Processes were being put in place to ensure that key drivers came to Cabinet a few months prior to the actual budget.

To ensure that the savings and service reconfigurations identified were delivered programme management methodology was being used with ELT reviewing progress made on a weekly basis and Political Cabinet providing regular oversight. A fixed term resource had been allocated to the Finance department to enable the production of data to identify quickly when anything went off track, allowing action to be quickly taken to address as needed. As well as savings, options to maximise income including regeneration opportunities were being considered.

It was confirmed that there was no plan to sell assets as local government account rules prevented the proceeds from the sale of assets being allocated to the general fund.

In response to a question about continuing to allocate new revenue funding it was advised that this would only be the case where the service involved could not stop. Discretionary spending had been halted and brought under greater control.

At the conclusion of the item, the Chair thanked the Cabinet Member and the Section 151 Officer for their attendance at the meeting and their engagement with the questions of the Committee. The Chair highlighted that as the two Cabinet reports included key decisions it was within the remit of the Committee to exercise the call-in function if they were not satisfied with the information provided.

### **Information Requests**

The Scrutiny & Overview Committee requested to be provided with the following information:-

1. A summary of the staffing proposals arising from the Staffing Review
2. A breakdown of £31m savings outline in the 2020-21 Budget.

### **Conclusions**

Following the discussion of this item the Committee reached the following conclusions:-

1. There was much to commend in the reports, particularly the improved budget monitoring processes, strengthening the Finance department and additional support for Cabinet Members in their roles. As such the Committee was reasonably reassured about the direction of travel and key principles informing the process.
2. The Committee was surprised to learn that the savings identified in the process so far amounted to £20m which left a significant shortfall still to be found.
3. Although there had been an effort to provide information and it was clear that officers were working hard at a fast pace, it was concluded that there was not the level of detail available to allow greater scrutiny.

4. The Committee concluded they required more information to be reassured about the judgements being made on the savings proposed and as such agreed that the key decisions contained in the two reports would be called-in. The call-in form would outline the additional information required by the Committee to provide the reassurance needed.

31/20 **Croydon Economic Recovery**

The Committee received a presentation for its consideration on the plans being put in place to support the economic recovery in the borough as it emerged from the covid-19 lockdown. The Cabinet Member for Economy & Jobs, Councillor Manju Shahul-Hameed, the Cabinet Members for Environment, Transport & Regeneration (job share), Councillor Paul Scott and the Executive Director for Place, Shifa Mustafa, delivered the presentation. A copy of which can be found on the following link –

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CIId=166&MIId=2152&Ver=4>

During the presentation the following information was noted:-

- As well as the initial health crisis created by covid-19 there was now likely to be an economic crisis as well arising from the impact of the pandemic. Partnership working would be essential to ensure the economic impact was managed as well as possible.
- There were 14,000 businesses in the borough that had been impacted by covid-19 and to date the Council had distributed £49.5m in business grants.
- Unemployment in the borough was current at 8.9%, but this could eventually rise to 14%. Additionally 18% of the working population in the borough was currently furloughed.
- The Council continued to implement the distribution of Government grants and other schemes for local businesses. Internal processes had been put in place around debt management to support businesses. The Council also continued to provide signposting and other information to businesses on an ongoing basis.
- The disadvantaged such as low earners and the under 25s were likely to be the most impacted by the crisis.
- An Economic Renewal Board had been launched to deliver a sustainable recovery from the crisis. The Board was looking at a number of themes including the town centre, district centres, employment and skills. Task and finish groups had been set up to develop future plans based upon the themes identified.

- The task and finish groups brought together a wide team of people with different experiences to workshop ideas for possible interventions in different local centres. It was recognised that each centre was different and a one size fits all approach would not work. Ideas being considered included more external sitting spaces, meeting spaces and busking spaces. It was hoped that various ideas could be trialled leading to long term positives for local centres.

The Committee had also invited Simon Maddox from the Selsdon Regeneration Group to provide an update on their work in Selsdon. It was advised that a Community Plan was being created which had involved over 1000 people from the local community to help with prioritising ideas for the local centre. One such idea that was being explored was a touchdown place for people who worked from home which was being developed through the Selsdon Baptist Church. It was highlighted that it was important to identify and manage the assets that were individual to the local area.

The Committee was given the opportunity to ask questions on the information provided. The first question concerned the distribution of the Business Grants to local businesses. It was confirmed that to date £48m had been distributed from a total fund of £60.6m. Work continued to identify the remainder of the businesses the Council had not be able to contact with visits made to businesses to establish contact. In some cases, businesses had gone out of business while others could not be identified as business rate payers in March 2020. Having difficulty contacting some of the businesses identified by the Government was a common experience for local authorities across London.

There had been some late submissions that were still being processed and other payments had been delayed due to issues such as name changes which required additional checks. If a business had followed the Government criteria when applying for the Business Grant then payment would have been made. Delays occurred when incorrect information was provided.

In response to a question about support available for local district centres it was advised that the aim of the task and finish groups was to produce a series of pick and mix interventions that local councillors and community groups could buy into. It was likely that the areas in the borough with Business Improvement Districts (BIDs) would trial interventions in the first instance to ensure they worked. It would then be for individual areas to decide which intervention feels appropriate for their area, with the possibility that some of the work could be funded by Ward Budgets.

Concern was raised about the openness of the Economic Renewal Board and how its activity would be communicated. In response, it was highlighted that when the Board had been established it had been announced by the Leader of the Council who had set out the process. It had also been publicised through social media and business networks. As the Board had been set up in response to a possible economic crisis arising from the covid-19 lockdown it was important to move quickly with initial ideas likely to be presented to councillors and community groups in the next few weeks.

Further information was requested to outline the plans for marketing Croydon to businesses and in particular the post covid-19 offer. It was advised that Croydon was being promoted as '15 Minute City' due to its close proximity to central London which would be attractive for businesses looking to relocate from more expensive central locations. It should also be recognised that Croydon had the highest number of start-up businesses in London. South Bank University was currently looking to move to the borough which would bring further investment into the education sector.

At present it was not possible to predict what the 'new normal' would look so it was essential to be flexible, but at the same time there was a need to demonstrate to people that change was happening through ideas such as the installation of new outside seating and planting. Option for using existing Council buildings such as libraries to support businesses were also being considered as well as working with landlords to bring empty spaces into use.

At the conclusion of the item, the Chair thanked that Cabinet Members and Executive Director for Place for their attendance at the meeting and their engagement with the questions of the Committee. The Chair also thanked Simon Maddox from the Selsdon Regeneration Group for attending the meeting and providing insight into community led economic activity in the borough.

## **Conclusions**

Following the discussion of this item the Committee reached the following conclusions:-

1. The Committee retained a concern about the transparency of the Economic Renewal Board and felt that there should be an aim to make it as transparent as possible to allow local businesses and the public to understand the aims of the Board and the outcomes it was delivering.
2. The Committee welcomed the confirmation that options for using existing Council buildings to provide business support were being investigated and would encourage the exploration of options for using Fairfield Halls during its closure.
3. Although it was acknowledged that the Council was marketing the borough as a place to do business and there was limited funding available to expand upon current activity, given the opportunities that may be available arising post covid-19 lockdown it would encourage the exploration of cost effective options to increase the marketing of the borough.

## **Recommendations**

The Committee agreed to make the following recommendations to the Cabinet Member for Economy and Jobs and the Cabinet Member for Environment, Transport & Regeneration (job share):-

- .....
1. That information on the Economic Renewal Board, including terms of reference, vision and an ongoing overview of activity, is published on the Council website.
  2. That options for using the Fairfield Halls for alternative means during its closure are explored.
  3. That options to increase the marketing of the borough are explored to identify cost effective solutions.

32/20 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 10.00 pm

**Signed:**

**Date:** .....