

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT AND GOVERNANCE COMMITTEE	
DATE OF DECISION	30th November 2023	
REPORT TITLE:	Sales, Fees and Charges Compensation Scheme 2020-21 and 2021-22	
CORPORATE DIRECTOR	Jane West Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Allister Bannin, Director of Finance (Deputy S151)	
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance	
KEY DECISION?	No	
CONTAINS EXEMPT INFORMATION?	No	Public Grounds for the exemption: N/A
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 This report provides details of the compensation received as a result of COVID-19 for Sales fees and charges. Covid impacted local authorities' ability to generate revenues in several service areas as a result of lockdown, government restrictions and social distancing measures, related to the pandemic. A one-off income loss scheme was set up to compensate for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services, in the financial year 2020-21 and the first 3 months of 2021-22 financial year (the extended scheme).
- 1.2 The scheme was set up whereby authorities will absorb losses up to 5% of their planned 2020-21 sales, fees and charges income, with government compensating them for 75p in every pound of relevant loss thereafter.

2 RECOMMENDATIONS

- 2.1 To note the details of the compensation received from the Sales, fees and charges scheme for the financial year 2020-21 and the first quarter of 2021-22.
- 2.2 To note that a reconciliation was carried out and the income received is in line with the losses incurred and claimable and that the grant for these losses has been received.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To confirm the Councils position in relation to the receipt of any sales fees and charges income and losses arising from this.

4 BACKGROUND AND DETAILS

- 4.1 The sales fees and charges scheme was set up to compensate authorities for eligible losses of income from sales, fees and charges which they had forecast to collect through the usual delivery of local services in 2020-21. This scheme was then extended to cover losses for the first 3 months of 2021-22.
- 4.2 At the request of the Committee the officers were tasked with confirming the position on Sales Fees and charges compensation scheme and provide an update on if this had been reconciled and all losses where applicable and recoverable had been recovered.

Table 1 below gives details of the submission made for financial year 2020-21 and the first 3 months of 2021 -22 (extended scheme).

Table 1 – Budgeted Income and Losses

	Budget (£,000's) 2020-21	Total Income Lost (£,000's) 2020-21	Budget (£,000's) 2021-22	Total Income Lost (£,000's) 2021-22
Off-Street Parking Services	-	-	558	313
On-Street Parking Services	20,822	6,335	4,647	1,345
Traffic Management and Road Safety	1,456	99		-
Culture and Heritage	51	51	13	13
Recreation and Sport	-	-	50	26
Adult Social Care	-	-	50	10
Regulatory Services	856	272	404	149
Community Safety	530	337		-
Building Control	1,358	596	335	136
Development Control	3,872	396		-
Trade Waste	-	-	198	193
Central Services	4,089	1,437	133	-
Education Services	-	-		81
TOTAL	33,034	9,523	6,388	2,266

As per table 1 the total income loss over the period was £11.789m (£9.523 for 2020-21 and £2.266m for the first quarter of 2021-22). Based on the criteria by which compensation was granted table 2 below gives details of this and the amount claimed. Croydon had to as per the scheme absorb the first 5% loss and then claim 75p in every pound. The total loss absorbed by Croydon was £4.426m.

Table 2 – Details of Irrecoverable loss and Compensation

	2020-21 (£,000's)	2021-22 (£,000's)
Budget (As per table 1)	33,034	6,388
Income lost (As per Table 1)	9,523	2,266
Less 5% of Budget Non-reclaimable	(1,652)	(319)
Less 25% of Income Losses Non-reclaimable	(1,968)	(487)
Total Compensation Claimed	5,903	1,460

The reconciliations were completed and certified and signed off in March 2023 and the income for 2020-21 and the first quarter of 2021/22 was received.

3 ALTERNATIVE OPTIONS CONSIDERED

- a. None.

4 CONSULTATION

- a. None.

7. CONTRIBUTION TO COUNCIL PRIORITIES

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 Finance comments have been provided throughout this report.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer), (07/11/2023).

8.2 LEGAL IMPLICATIONS

- 8.2.1 Payments to local authorities under the Sales, fees and charges income compensation scheme were made by way of grant payments under Section 31 of the Local Government Act 2003, in accordance with determinations by the Minister under Section 31(3) in relation to the amount of the grant and the manner of payment.

Comments approved by Sandra Herbert, Head of Litigation & Corporate Law, on behalf of the Director of Legal Services, and Monitoring Officer (7/11/2023).

8.3 HUMAN RESOURCES IMPLICATIONS

8.3.1 There are no immediate workforce or human resource management issues arising from this report and its recommendations.

Approved by Dean Shoesmith, Chief People Officer, 6/11/2023.

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, "have due regard to" the need to comply with the three arms or aims of the general equality duty. These are to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

8.4.2 Having due regard means to consider the three aims of the Equality Duty as part of the process of decision-making. This means that decision makers must be able to evidence that they have taken into account any impact of the proposals under consideration on people who share the protected characteristics before decisions are taken.

8.4.3 There are no equality implications arising from the contents of this report.

8.4.4 Comments approved by Naseer Ahmad for Equalities Programme Manager (Date 08/11/2023)

9. APPENDICES

9.1 None.

10. BACKGROUND DOCUMENTS

10.1 None.