APPG for London

Minutes of the group's virtual meeting held on 24.06.20

Covid-19's impact on London boroughs' finances

Panel Speakers
Cllr Peter John, Chair of London Councils and Leader of Southwark Council Guy Ware, Director of Local Government Performance & Finance, London Councils Dianna Neal, Strategic Lead for Economy, Enterprise & Skills, London Councils Elly Shepherd, Strategic Lead for Housing & Planning, London Councils
Summary of discussion
Sir Bob Neill MP chaired the meeting. Following introductions, each panel speaker shared an overview of Covid-19's impact on London boroughs' finances and the implications for local services. Key messages focused on: • London boroughs' response to Covid-19 and the impact on services • London boroughs' financial situation and pressures pre-Covid-19 • What pressures boroughs' finances have faced and what could be done to stabilise boroughs' finances • London boroughs' work supporting business including the distribution of grants • London boroughs' ongoing support for business including the reopening of shops • London boroughs' homelessness and rough sleeping work during the Covid-19 pandemic It was highlighted that the Covid-19 pandemic has presented boroughs with an unprecedented financial challenge as the cost of additional services has been combined with the shortfall of income for councils. The meeting heard that as London emerges from lockdown, boroughs' support for vulnerable Londoners, namely those shielding and homeless people who have been accommodated, will cease to be funded by central government. Local government must consider ways to continue providing support after the funding has run out. The discussion noted that huge numbers of people have been made unemployed as a result of the pandemic. There are currently a million people on the furlough scheme in London while job seekers allowance claims have doubled, and universal credit claims have increased by 500%. There was widespread agreement that while the two tranches of support from government so far has been welcomed, there is still far more funding needed. There was recognition that the financial crisis presented by the Covid-19 pandemic will not be stabilised by the end of this year. It was recognised that London has been hit especially hard by the pandemic. Relevant factors include higher levels of deprivation and more at-risk BAME communities than other areas of the country. London's level of need, and the associated pressures on public services, are therefore

higher. It was widely agreed that London's recovery must be aimed at tackling deprivation and inequality.

The meeting considered the support that businesses have received through government grants distributed by boroughs and the risk of demand outstripping supply. Many London businesses are falling through the gaps as they don't meet the eligibility criteria for those grants.

While acknowledging the government's extra funding for homelessness support during the crisis, the meeting heard that further welfare policy changes are required to help reduce London's homelessness figures. Councils are hoping to build on the work done throughout the pandemic; hard-to-reach rough sleeper have actively engaged with services, such as drug and alcohol services.

It was raised that London boroughs and the Greater London Authority secured emergency accommodation for rough sleepers at the beginning of the pandemic in hotels, hostels and repurposed care homes. These hotels will need to return to commercial use, meaning boroughs are working to move rough sleepers to onward accommodation. As far as possible, no one placed will be asked to leave without an offer of ongoing support.

The meeting was brought to a close with attendees thanked for their contributions.

Actions to take
It was agreed that the APPG secretariat would use the ideas from today's discussion to prepare a letter to government which will be circulated for approval. The APPG secretariat will also disseminate the recording of the online meeting and the presentations for the record.