

## For General Release

<b>REPORT TO:</b>	<b>CABINET 14 July 2014</b>
<b>AGENDA ITEM:</b>	<b>8</b>
<b>SUBJECT:</b>	Growth Plan and District Centre Investment: Growth for All
<b>LEAD OFFICER:</b>	Jo Negrini, Executive Director Development and Environment
<b>CABINET MEMBER:</b>	The Leader Cllr Tony Newman, Cllr Butler & Cllr Letts
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> The Growth Plan will sit alongside the Independence and Liveability Plan for the Borough and outline how sustainable growth will be delivered for residents, businesses and investors across the Borough. It will set out how increased employment opportunities will be delivered, homes will be built and communities will be supported to ensure existing and new residents want to live and work in Croydon.	

### **FINANCIAL IMPACT**

The establishment of a Revolving Investment Fund to support the growth promise will have significant financial implications for the council. The finance section sets out some of those detailed considerations.

**KEY DECISION REFERENCE NO.: 1285** This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

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

### **1. RECOMMENDATIONS**

1.1 Agree the principles of the Growth Plan as the basis for developing constituent key documents listed in para.2.5 with detailed plans for each part of the borough to create sustained growth in Croydon which will lead to more jobs for local people, homes and places where people want to live and work

## 2. EXECUTIVE SUMMARY

2.1 Croydon is planning a multi-billion pound programme of economic and physical regeneration, across the Borough as a whole. This is a major long-term regeneration programme of Olympic 2012 proportions, which will transform Croydon's districts and town centre, repopulate the centre and create thousands of jobs.

2.2 In order to ensure that Croydon delivers inclusive growth for all, including residents, investors, developers, companies in Croydon now and in the future a Growth Plan (the Plan) is being produced. This plan for growth will be represented through a set of guiding principles which are detailed in the body of this report. These principles will outline the key areas to support growth for the whole borough.

2.3 The purpose of this overarching plan is to set out the principles by which Croydon will grow along with how and where it will grow. It will specifically identify measurable objectives to ensure sustained and manageable growth and support the borough to understand the scale (and sources) of investment and the key Council actions required to realise this vision.

2.4 The guiding Principles identified to deliver growth for the borough are as follows. This report sets out the need to focus on these priorities to deliver sustained and inclusive growth.

- a. Business as Usual is Not an Option
- b. Creating 16,000 More Jobs Across the Borough
- c. Accelerating Home Building: 9,500 starts
- d. Building More Affordable Homes
- e. Revitalising Our District and Local Centres
- f. Re-establishing Croydon as London's Premier Retail and Leisure Destination
- g. Re-establishing Croydon as Outer London's Prime Office Centre
- h. Enabling Sustainable Travel
- i. Creating Pathways to Work for Croydon Residents
- j. Attracting a Major University
- k. Securing Investment in World Class Broadband Infrastructure: the Fourth Utility
- l. Supporting Croydon Tech City and the Creative and Digital cluster
- m. Enabling Entrepreneurs to Start a Business and SMEs to Grow
- n. Investing in the public realm and tackling the repairs backlog
- o. Buying Local and Using the Council's Purchasing Power to Support Croydon Businesses

2.5 The Growth Plan comprises a suite of new key documents which build from the Council's current policies and Local Plan. Together these show that Croydon is moving on, investment is underway and Croydon is now truly open for business. These documents are:

1. The Promise which represents how the Council will realise sustainable growth for the borough and will outline why growth in Croydon is important, not just to Croydon itself but to London and the region more widely.
2. Place Plans which will outline where growth will be realised and the positive impact that will develop the districts to become more vibrant through sustained

growth. Activity to identify growth potential through an understanding of the borough's strategic sites is already underway and will inform this detail.

3. Revolving Investment Fund determining how this growth will, in part be funded.
4. 5-year Delivery Plan demonstrating how sustained growth can be managed.
5. The Contract which will outline, in detail, the principles behind the desired growth, where the growth should be and when it should take place.

### **3. DETAIL**

#### **3.1 Our Vision for Croydon**

3.1.1 Today, Croydon is vibrant, diverse, a borough of many places where brilliant people, live and work. The vision for Croydon is to create a place where:

- ◆ Everyone is proud to live here, communities are more inclusive and equal, where every person can reach their full potential and enjoy the benefits of a vibrant expanding economy.
- ◆ Companies and entrepreneurs are proud to invest here because Croydon is a great place to do business, with modern offices in a cosmopolitan centre, strong district centres, and all served by world class digital networks.
- ◆ Residents from all of South London, Surrey, East and West Sussex and Kent come to visit here attracted by Europe's largest retail and leisure mall, and the 'new' Cultural Quarter.
- ◆ All families and single people, young and old can afford to rent or buy a home, in a decent, safe, and vibrant neighbourhood well served by their district centre.

3.1.2 By focusing on the district centres, and appreciating their individual character a range of different opportunities will be presented. These opportunities will deliver a new set of priorities, ensuring that issues are resolved in conjunction with businesses, residents and most importantly communities.

3.1.3 The vision is that everyone can sustainably travel around Croydon to and from the Metropolitan Centre by tram, by bicycle, on foot, by bus, by train and by car. The vision for Croydon encompasses many places, many neighbourhoods, and a Metropolitan Centre; all attractive places for the people who live, work and visit here.

3.1.4 Today, and even more so in future, Croydon is truly open for business. We will continue to attract more investment to the Borough to help us realise this vision.

#### **3.2 Foundations for Inclusive Growth... Business as Usual is Not an Option**

The future of Croydon is poised for transformation. From its early beginnings as a market town and Archbishop's residence, through to the arrival of the railways in the Victorian era, and later the commercial boom in the 1960 / 70s, a strong civic pride runs through Croydon's history.

3.2.1 Croydon's economic potential is based on sound foundations. Fast and frequent rail services run to central London (Victoria - 16 minutes, and London

Bridge - 12 minutes) and Gatwick airport (14 minutes). The borough provides access to a pool of highly skilled labour, including talented local residents and a large London labour market within easy commuting distance. High profile employers are located here in a range of sectors including professional and business services, retail, health and the public sector. School performance is above the national average, some of which is 'outstanding' like the Brit school, London's leading creative academy.

3.2.2 Croydon has however been tipped for growth before and has not fulfilled its potential. The challenges facing Croydon today makes growth all the more imperative; business as usual is simply not an option. There are 11,000 fewer jobs now than in 2007; if trends continue, a further 20,000 could be lost by 2036<sup>1</sup>. Like all of London, housing shortages are acute; in Croydon 5,000 people are on the Housing Register with 2,000 in temporary accommodation. Homelessness has increased by 18% over the past two years, twice the London average. Several communities, mainly in the north suffer from high and persistent levels of deprivation. By focusing attention on these key issues in the northern districts growth will provide much needed opportunities.

3.2.3 As the green shoots of recovery take root in the UK economy, the borough must be ready to capitalise on the new economic cycle. The challenge is to deliver inclusive and sustainable growth, which benefits residents of all different backgrounds, ages, and skill levels across the borough. Internationally, when the gap between rich and poor becomes too large, it can harm the sustainability of growth, creating an economy of exclusion and wasted potential.<sup>2</sup> Growth needs to provide the jobs, homes and learning opportunities for all, particularly our young people to create an inclusive society offering a better life chances for everyone. These jobs must be created across the borough as a whole with a focus on the districts in the short to medium term and in advance of the major regeneration in the metropolitan centre.

3.2.4 The next five years needs to follow a detailed plan to make sure Croydon does not miss another economic cycle. The Council will 'lead from the front'. If the Council does not, there is a risk that growth will not materialise or benefit only a minority. The main principles on which the *Promise* and *Places Plans* will be based are as follows:

### **3.3 Creating 16,000 More Jobs Across the Borough**

Croydon will enable private investment to create 16,000 more jobs (net) by 2018/19 across the borough. This is an ambitious target; according to GLA projections, Croydon is expected to deliver just 8,000 jobs over ten years. To deliver these more ambitious target, key office development sites need to be brought forward throughout Croydon. The growth and regeneration of our

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<sup>1</sup> GLA Economics, London Labour Market Projections, Table A.5.6, <https://www.london.gov.uk/sites/default/files/llmp.pdf>

<sup>2</sup> See for example, Christine Lagarde, IMF "A New Multilateralism for the 21<sup>st</sup> Century: the Richard Dimbleby Lecture" February 2014

district centres needs to be considered, and investment in our industrial estates and other major employment areas must be enabled.

3.3.1 Croydon expects to see growth potential in business and professional services, health and social care, education, retail, creative and digital industries. The expansion of Gatwick Airport is strengthening Croydon's competitive advantage and this will accelerate if a second runway is built at Gatwick.

3.3.2 The Croydon Partnership development of the Whitgift scheme will provide at least 5,000 jobs in retail and leisure. Ruskin Square will accommodate at least 1,000 jobs in professional and business services. New developments on land that is in Council ownership or easy to acquire, could transform the quality of the offer to companies seeking to remain and expand in Croydon. As set out below, Croydon residents must have or be able to acquire the skills necessary to access these jobs and developers must be encouraged to source construction workers locally.

#### 3.4 **Accelerating Home Building: 9,500 starts**

Last year Croydon identified capacity to start construction of 9500 homes by years 2018 / 19 or an average of 1900 per annum. This capacity can only be increased if the delivery of sites is brought forward within the next 5-years. While this is a higher than the 1435 completions per annum now being proposed in by the Mayor of London in the *Further Alterations to the London Plan*, it will be accelerated over a shorter period of time. Given the shortages that residents face, this more ambitious target must be achieved.

3.4.1 However, to do this, the Council will have to play a strong role in enabling sites to come forward in a shorter timeframe in every part of the Borough. This will include assembling larger sites, investing in 'stalled schemes', forming partnerships with landowners, developers and housing associations, and in some cases directly building homes. Our *Promise and Places Plans* will set out how we will do this.

#### 3.5 **Building More Affordable Homes**

Housing in Croydon is more affordable than in much of the rest of London. In April 2014, the average house price in Croydon was £282,461, 40% lower than Outer South London and 60% lower than inner London. Average monthly private rents in September 2013 were £890, the third lowest in London, nearly half those of Inner London and a third of Outer South London. However, buying or renting a house is still out of reach for many residents and the problem is getting worse. Average sales values in Croydon increased by 10.9% in the last year.

3.5.1 At the same time, demand is increasing. The Council has 5,000 households on its housing register; this has increased by 18% over the past two years and this twice as fast as in other London boroughs.<sup>3</sup> Homelessness applications in Croydon increased by 86% between 2009 / 10 to 3,135 applications in 2012 / 13.

3.5.2 Yet, there has been a significant reduction in private rented accommodation available to accommodate homeless households; far fewer landlords are willing

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<sup>3</sup> Ibid.

to accept benefit claimants. Local Housing Allowance rates allow claimants access to only 30% of the private rented sector in Croydon<sup>4</sup>. As Council housing stock becomes available, most of it is being used as temporary accommodation for homeless households, 512 in 2012/13, with a total of 1091 Council homes currently being used for this purpose<sup>5</sup>. Croydon is also under pressure to accommodate households who are being “pushed out” of the Inner London boroughs as a result of the government’s caps on housing benefit allowances, rising rents and housing costs.

3.5.3 The Local Plan states that on a site-specific basis, the Council will require a minimum 15% of homes to be affordable and will negotiate to up to 50% subject to viability testing. In terms of the mix of affordable housing, the Local Plan currently promotes a 60:40 ratio of affordable / social rent to intermediate low cost home ownership. These policies and practices are now being reviewed in order to apply more stringent viability tests and to increase the proportion of affordable housing to 30% on new housing sites across the Borough not just in the Metropolitan Centre.

### **3.6 Revitalising Our District and Local Centres**

Croydon’s district centres have a distinctive style and character – with their independent shops, specialist markets, green spaces and community facilities that help to reinforce Croydon’s reputation as a diverse and interesting place.

3.6.1 Each district will be supported by a broad range of improvements and opportunities. In the autumn a series of engagement roadshows will take place to further understand the challenges and opportunities presented. Each district centre has a unique set of characteristics that must be nurtured and developed sustainably.

3.6.2 Comprehensive regeneration plans are needed for each of these centres to complement growth in the Metropolitan Centre. Priority areas include (but are not limited to) South Norwood including Portland Road, the London Road corridor from Norbury to West Croydon and New Addington Central Parade.

3.6.3 In the north of the borough, the districts are more densely populated and opportunities for growth and improvement come from a range of proposals including the development of the evening economy in Thornton Heath and an established art scene in Crystal Palace that could be further nurtured through more facilities for business creation. Local Implementation Plan funding from TfL that is allocated to Norbury (£1.3m) and South Norwood (£1.5m) for corridors and neighbourhoods which will create a much needed enhancement that will support the local economy.

3.6.4 To the east of the borough, further rejuvenation will be delivered through a mixture of new homes, community and cultural facilities to support local trade and increase employment opportunities and capitalise on its excellent transport links. Public realm improvements in New Addington are taking shape through the design of further improvements. The regeneration project to the west of Central Parade is developing to meet area-based objectives.

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<sup>4</sup> Cabinet Report on Homelessness February 2013)

<sup>5</sup> Figures from LBC Head of Housing Solutions.

3.6.5 In the south, improved public realm and new residential facilities are underway and the Place Plans will identify further requirements needed to support the area to reach its potential. As part of the A23 corridor study for example that is currently being carried out, early discussions about improvements to Fiveways Junction at Waddon and the Purley Gyration are taking place.

3.6.6 The *Places Plans* will set out our initial thoughts on the investment priorities for key areas and will provide the starting point for further discussions and contributions with key stakeholders in each of the centres.

### **3.7 Re-establishing Croydon as London's Premier Retail and Leisure Destination**

The Croydon Partnership development of the Whitgift Centre will transform the centre of Croydon and deliver outcomes across the borough through the provision of jobs and supply chain opportunities to our small business population. This will create Europe's largest shopping and leisure mall and is stimulating new investment in the Metropolitan centre as a whole. With 1.5million sq.ft. of retail and leisure, 5,000 jobs and up to 600 new homes, this is one of the largest investment projects in the UK outside the Royal Docks, Canary Wharf and Stratford. The scheme will bring improvements to the public realm in the Metropolitan Centre and lead to the Wellesley Road being more 'people friendly'. The benefit to business and residents in the districts will be delivered over the coming years.

- 3.7.1 There is a central role to be played by the Council in enabling the scheme through assembling the site (using a Compulsory Purchase Order), ensuring that the detailed design of the scheme itself is to the highest standards and strengthens surrounding retail areas, while ensuring that local residents gain access to both the construction and permanent jobs. Those affected by the closure of the Whitgift will be supported to find alternative places to trade during construction and will have options to come back into the development once it is completed. 3.7.2 This is expected to strengthen and bring forward more investment for the benefit of the whole of Croydon whilst delivering more attractive and vibrant district centres.

### **3.8 Re-establishing Croydon as Outer London's Prime Office Centre**

Croydon has a total office stock of approximately 7.9million sq.ft<sup>6</sup>, making it the largest office centre outside the West End and the City/Canary Wharf. High profile occupiers include: Zurich, AIG, Liverpool Victoria, Carillion and many more. East Croydon station with frequent, rapid rail services to Central London, Gatwick, and many other locations is one of the key reasons for Croydon's historic success as an office location.

- 3.8.1 Today, Croydon's future as an office centre is at turning point. Lack of demand has left many of Croydon's office blocks unoccupied and many are unlikely to be occupied as offices again. Along with vacant sites (particularly Ruskin Square) these obsolete office buildings are blighting the Metropolitan Centre. Although a total of 704,000 sq.ft of modern offices are available (Impact House and Interchange House comprise just under half of this), this is a very restricted supply. Of far more importance, there are now no readily available new, high

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<sup>6</sup> PMA Promis

quality buildings near East Croydon station.

3.8.2 Companies now in Croydon and seeking to relocate to better and larger premises near East Croydon station, or companies wishing to move to Croydon cannot find modern buildings and the choice in the Metropolitan Centre as a whole is very limited. Other locations, most notably Crawley and Stratford, are attracting occupiers who, in the past, would have located in Croydon. The districts offer much potential for further generation of office space for new business start-ups and growing businesses providing much needed employment in those centres.

3.8.1 Meanwhile, the government's Permitted Development Rights (PDR) scheme allows conversions of office space to residential use without planning permission. In Croydon, proposals exist to convert 19 buildings with 1,200,00 sq ft of offices (check) to create some 1200 housing units; more proposals are expected. It is not clear, however, what proportion of these will actually be delivered. The PDR scheme is getting in the way of our wider efforts to contribute to London's and the UK's economic growth.

3.8.2 In order to re-establish Croydon's position as Outer London's pre-eminent office location, there is a need to reduce the stock of obsolete space and to create a pipeline of new office developments near East Croydon station. This process is underway. The redevelopment of the Whitgift and the conversion of some offices to housing (via the PDR scheme) will lead to a significant reduction in obsolete office space. Furthermore, developers have prepared proposals for some 1,800,000 sq.ft. of offices with just over 1,000,000 sq.ft at Ruskin Square although it is not yet clear when construction will start on these schemes.

3.8.3 The Council are now working with the developers of Ruskin Square, and promoters of other office schemes near East Croydon to explore how, together a pipeline of high quality office space can be created. It is also intended to promote the comprehensive redevelopment of the new cultural / office / educational quarter. In positively promoting the development of a pipeline of new offices, proposals to demolish existing office buildings and replace them with residential schemes will be strongly resisted in key locations around New Town.

3.8.4 Creating this pipeline is key to retaining many companies now in Croydon and attracting new inward investors as without it Croydon cannot secure the future as Outer London's pre-eminent office centre. Our *Promise* and our *Places Plans* will set out how we will do this.

### **3.9 Enabling Sustainable Travel**

Wherever possible Croydon needs to develop its transport links more sustainably than anywhere else in the UK, by tram, bus, rail, cycle and on foot. As Croydon grows, pressure on the transport network will increase as more people travel to access jobs and services. How those journeys are made and the services available can have profound impact on their quality of life.

3.9.1 The Tramlink services offer unrivalled connections in and around Croydon. It is unique to the borough and provides access to our district centres. Tramlink network which carries over 30 million passengers each year, makes it



the busiest tram network in the UK. Croydon will continue to support investment in the Tramlink network including extensions to the line and capacity enhancements.

3.9.2 East Croydon is one of the busiest interchanges on the national network but it does not have the look and feel of a nationally significant station, nor does it provide the gateway to the town centre that it should. Network Rail's planned investment to improve route capacity includes the creation of platform 0 and -1 scheduled for 2019-2024. However, this investment provides a once in a lifetime opportunity for a more comprehensive redevelopment of the station and we are keen to bring this investment forward into the current control period. The Council will support the redevelopment East Croydon station so it becomes the gateway to the Metropolitan Centre that it ought to be.

3.9.3 Analysis by TfL shows Croydon to be a short car journey hotspot, which puts pressure on our main arterial roads like the A23. People will be encouraged to take more trips on foot and by bike by investing in dedicated cycling and walkways. Investments will be made to ensure it is easier, and safer, to travel on foot and by bike in every part of the borough.

3.9.4 Our *Promise* and our *Places Plans* will set out our proposals in more detail. These may include offering residents and businesses in each part of the Borough the option of introducing lower speed limits on local roads and key through routes.

### **3.10 Creating Pathways to Work for Croydon Residents**

Croydon has a high economic activity rate (those in work and looking for work) at 81%; this is above the rate in London (77%) as a whole. However, unemployment in Croydon remains above pre-recession levels and is high in the more deprived wards of the borough such as Broad Green, Selhurst, Fieldway, New Addington and Thornton Heath.

3.10.1 In order to ensure that Croydon's economic growth benefit all residents, people who are unemployed or inactive (not seeking work but wish to work), must be placed back into employment where they are able to do so. The Council's flagship Pathways to Employment programme is designed to ensure residents are able to take advantage of the job opportunities that will be created over the coming years. This ten point action plan is being driven by the Croydon Congress and will expand as new job opportunities are created.

3.10.2 The Pathways to Employment programme is being expanded building on the achievements so far, continuing to work with Job Centre Plus, the colleges, CALAT and other providers to tackle barriers to employment and ensuring people have the right skills to gain jobs. Employers are key to this ambition as they need to be encouraged to recruit locally from people of different backgrounds and abilities. The job opportunities will be maximised for Croydon

residents in all of our major development projects in the Metropolitan Centre and across the borough as a whole.

### **3.11 Attracting a Major University**

Low proportions (43%) of Croydon's residents have Level 4 qualifications compared to the London average (49%). Yet demand for higher level qualifications will continue to increase as UK employment becomes more knowledge intensive. A range of degree courses can be undertaken at the University Centre at Croydon College already but there is a need to expand provision.

- 3.11.1 Attracting a major UK university to the Metropolitan Centre could bring many benefits. Not only would it provide new learning opportunities for local residents, it would bring new vibrancy and activity to the centre. Discussions with a number of universities have commenced and the Council will actively pursue different options, including the potential for an international partner. The *Promise* will set out these plans in more detail.

### **3.12 Securing Investment in World Class Broadband Infrastructure: the Fourth Utility**

Due to the global communications revolution; access to world class broadband services is now key to the future of many businesses. Digital infrastructure is becoming the fourth utility as important, as electricity, gas, and water networks. As business-to-business and business-to-consumer services require ever-faster connections and bandwidth, so the need for 21<sup>st</sup> century digital infrastructure becomes more imperative to compete in the global economy.

3.12.1 However, most communities in the Borough, and many parts of the Croydon's Metropolitan Centre, are not well served with digital fibre optic infrastructure. One-third of BT's street cabinets serving the Metropolitan Centre have not been upgraded to Fibre To The Cabinet (FTTC) and Virgin Media's cable network only serves 18% of postcodes in the area. This means that 64% of postcodes in the town centre are 'white spots' where superfast broadband (24 Mbit/s or more) is not available to businesses or consumers.

3.12.2 Infrastructure providers will be lobbied to extend fibre coverage and increase the availability of superfast broadband and ensuring high quality digital communications are embedded into the design of new buildings. Alongside this, businesses will be supported to increase take-up of high speed connections with the BDUK voucher scheme and, in due course, other initiatives.

### **3.13 Supporting Croydon Tech City and the Creative and Digital cluster**

In common with many other communities, the rapidly expanding cluster of creative and digital businesses will be an important source of jobs growth. Croydon Tech City is the association body which represents the tech community in Croydon. Estimations suggest there are 185 technology, media and telecoms businesses in the Metropolitan Centre and in the wider borough there are over 1,400 information and communications businesses, of which 830 are tech and media. Since 2011, this sector expanded by 38% in Croydon,

faster than in London and the UK as a whole. Croydon Tech City estimate the informal start up network of businesses around the fringe extends to 600 home start-up businesses. Croydon's tech growth has been almost entirely built through organic growth and expansion of existing businesses which are thriving in the low cost environment.

- 3.13.1 Tech and creative clusters will be supported where value can be added most. One area of concern identified by Croydon Tech City is the lack of fit for purpose specialist office solutions for the growing tech community. Whilst Croydon has 11 serviced/short term office facilities, only one of these is set up to deliver the specialist tech environment required by these types of businesses, and this is relatively basic. By comparison, the Shoreditch / City fringe cluster has 23 specialist tech start up environments, including co-working, incubators, accelerators and serviced office facilities<sup>7</sup>. In addition, there are no viable 'hatchery' incubator solutions in Croydon for the very early stage businesses. Different solutions will be examined to address these gaps and the *Promise* will set out these proposals for the borough as a whole.

### **3.14 Enabling Entrepreneurs to Start a Business and SMEs to Grow**

Croydon is an attractive location for SMEs and start-ups, providing excellent connections to London and South East markets, affordable premises and access to a wide talent pool. There is a strong entrepreneurial spirit among local residents, particularly in our minority ethnic communities and among our Tech City community.

3.14.1 Croydon is committed to making it easier for businesses to get the right support at the right time. The business support landscape will be simplified by signposting and improving awareness of business support available via the web, advisers, hubs, incubators and partnerships such as the Princes' Trust. District business associations and networks will be supported to develop business clusters across the borough.

3.14.2 Where the market is failing to provide the support businesses need, Croydon will intervene. The Croydon Enterprise Loan Fund is a success story on which to build. Managed by GLE One London, it provides loans of up to £5,000 for start-ups and up to £25,000 for established SMEs unable to access finance through conventional channels. This support is vital as the economy begins to recover and other schemes will be explored to improve the availability of capital to SMEs and the *Promise* will set out these proposals.

### **3.15 Investing in the public realm and tackling the repairs backlog**

The quality of the public realm contributes to negative perceptions about Croydon as a place to invest. Parts of the borough suffer from litter, fly tipping and poor quality public realm. These problems are by no means universal nor

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<sup>7</sup> Source [www.gocowo.com](http://www.gocowo.com) 2014

are the perceptions necessarily accurate (Croydon is in fact London's greenest borough with 128 parks) but they fuel negative press and deter investors.

3.15.1 The £50m Connected Croydon programme is helping to address this challenge. However, there is an ongoing repairs and maintenance challenge facing the Council for which there is currently no funded solution. Council officers estimate the backlog of repairs to be in the order of £130m which is only likely to get worse with time. An up-to-date assessment of the scale of the repairs and maintenance challenge will be undertaken to review the set of design standards for the public realm and find solutions to fill the funding gap. There is also a requirement to lobby Government to recognise the unique challenges in Croydon and examine new ways of funding the repairs challenge. The *Promise* will set out how it is intended to approach this challenge and the *Places Plans* will identify the priority investments.

### **3.16 Buying Local and Using the Council's Purchasing Power to Support Croydon Businesses**

The Council is a major purchaser of products and services and it is imperative to ensure that the benefits of this expenditure is maximised for the local businesses and residents. The Social Value Toolkit and Commissioning Strategy set out the opportunities and key principles. Mutuals, cooperative and social enterprises generate wealth and employment while income is retained locally for the benefit of the community. Growth of this cooperative economy will be encouraged.

### **3.17 Next Steps: The *Promise* and the *Places Plans***

These are the principles which provide the starting point for the Growth Plan. In September, the Council's Cabinet will consider a draft *Promise* and draft *Places Plans* for each part of the Borough. The Council and partners will then look to work with communities and stakeholders across the Borough. These contributions will then be taken on board and later in the year final version of the *Promise*, the *Places Plans* and more detailed delivery plans will be published.

## **4. CONSULTATION**

4.1 In the preparation of the principles guiding the *Promise* a number of stakeholders and industry experts have been consulted. In order to ensure that all Croydon stakeholders have a vested interest in the growth of the borough however, it is proposed that:

- ◆ There is a systematic level of engagement across the borough against the *Promise* which will deliver Growth to All
- ◆ There is coordinated consultation against the *Place Plans* in each part of the borough (district centre roadshows) to ensure that residents and businesses alike have the opportunity to shape their communities
- ◆ Engagement activities are joined up with other council activity in specific areas so that all factors are considered simultaneously

- 4.2 There are a number of key dates by which the Promise and the suite of documents supporting it will be agreed. These are:
- ◆ The Promise and launch of consultation on the Place Plans – Cabinet September 2014
  - ◆ Detailed consultation on the Place Plans – October 2014
  - ◆ Report to Cabinet to agree the final detail of the suite of documents

## 5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 In order to deliver the scale of change required for the growth plan there is a need for the Council to play a role in the funding of development. To do this the feasibility of a Revolving Investment Fund is being investigated. A Revolving Investment Fund (RIF) is by definition a self-sustaining investment portfolio that draws in significant levels of funding and assets from any number or type of contributor and, over a significant period of time – typically 20-30 years, provides funding, finance, debt, skills and resource to a portfolio of projects, whilst ensuring a more strategic and joined up approach to Council investment. The significant timeframe allows some of the “seed” funding to be “localised” e.g. once revolved or recycled, initial funding conditions are no longer applicable, thus enabling greater scope for and freedom of investment.

5.2 A RIF has the potential to build momentum through quick wins and to take full advantages of economies of scale whilst mitigating any potentially negative impact of project interdependencies. A RIF can also facilitate cross subsidy between capital projects due to its scale and breadth. As a result projects which, despite their contribution to the delivery of wider objectives are unlikely ever to be invested in because of their viability position can be included as part of a broader portfolio.

5.3 Further to what it might operationally achieve, establishing a fund of this nature, not just in terms of available investment funding but ambition too, can provide a psychologically important statement of intent, not least by the committal of a (significant) element of the Council’s assets. Such action demonstrates to existing and potential developers, residents and businesses long term confidence and commitment to establishing and then supporting a successful market in Croydon.

- 5.4 The key drivers for establishing a RIF for Croydon, are to:
- ◆ Deliver projects and programmes which is enable the borough to grow sustainably; and
  - ◆ Deliver capital and revenue returns for the Council

5.5 The fund would be internally ring-fenced with clear governance and decision making. It would not replace our mainstream, capital programme but would be complementary where opportunities exist to intervene to drive sustainable development.

5.6 Work is underway on strategic site appraisals to help develop the detailed business case for the RIF. This will be brought back to the September Cabinet.

Approved by: Richard Simpson, Director of Finance and Assets

## **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The Council Solicitor comments that there are no direct legal implications arising from this report.

Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no anticipated Human Resources impacts at this stage aligned to the Growth Plan. The detailed Delivery Plan will however need to be reviewed in line with resources and structures.

Approved by: Adrian Prescod on behalf of the Director of Human Resources

## **8. EQUALITIES IMPACT**

- 8.1 A full EQiA will need to be produced and ensure that Growth for All will reach all aspects of Croydon residents and businesses. This will be completed with the Delivery Plan stage.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 The increased provision of housing and commercial facilities will have an environmental impact on the borough. This is supported through the Planning Framework as mitigation measures are identified. Through more detailed analysis the work carried out on the logistics and mapping framework the challenges will be addressed.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 Through the creation of accelerated housing delivery as a route to support the increase in population, it is anticipated that there will be an impact on crime and disorder. This will be managed through close working with colleagues in Council and other public services. By ensuring mixed developments and providing new employment space, opportunities for employment and new skills will also act as a support mechanism.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 If the principles of the Promise are not adopted and the Investment Fund is not established, the growth of the borough will be negatively impacted. The growth of the borough needs to be effectively managed to ensure sustainability and equity of delivery.

## **12. OPTIONS CONSIDERED AND REJECTED**

- 12.1 The borough is left to grow organically with no regard for inclusive growth – rejected. The borough follows the outline of the principles of the Growth Plan and delivery plan once completed – accepted.

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**CONTACT OFFICER:** Lisa McCance, Head of Economic Development ext. 65655

**BACKGROUND PAPERS:** None