

Cycle Forum Briefing Tuesday 20 March

High Street Pedestrianisation - 12 month pilot

Part of the High Street is currently closed to traffic under an experimental traffic order. The scheme will be monitored and further engagement with local businesses and visitors will be undertaken to gauge levels of support for its permanent closure. The budget recommended will enable the delivery of a proportionate, well designed and quality end state that achieves calming and activation of the area, whilst addressing counter terrorism measures.

Meanwhile Programme

Two striking pieces of 'Ground Art' designed by local illustrator Adam Halliday –have been placed at either end of this section of the High Street to welcome the public, and celebrate a walking environment.



Photo of Ground Art at the High St

A trail of suspended, interactive lights that will frame and define the High Street and St Georges Walk with light and colour, as well as draw in more visitors whilst enabling better wayfinding. **Installation to begin during w/c 12 March** – this takes approx. 1 week.



Surrey Street and High Street CGI

A beautiful trail of suspended, interactive lights that will frame and define the High Street and St Georges Walk with light and colour, as well as drawing in more visitors whilst enabling better wayfinding. Light artists UAU are designing and installing the light trail that responds to movement underneath it, and creates an eye catching, well-lit environment that will encourage the community to inhabit the space. It will also aim to attract more people into the area which will see strengthening business/market trade. Detail design development is underway with technical issues; suspension methods etc. being resolved in collaboration with R&F Properties. Installation is due to take place during early spring 2018.

Four colourful stone planters that will act as a hostile vehicle mitigation measure are due to be installed on either end of this section of the High Street in Spring 2018.

Detail design nearing completion and fabrication to begin in coming weeks.

Installation to take place in early May – with an exciting programme of cultural & community activities and events.

Engagement

A High Street Survey is currently underway with interviewers talking to the public at the High Street. This will close on Monday 26 March and will be repeated will be repeated again in May as part of a larger engagement exercise with all stakeholders and advocacy groups in the area.

May 2018 - July 2018 Duration 8 Weeks

Phase Two (Round Two) engagement with the wider croydon community and including advocacy groups and forums will commence in **May 2018** (post elections) as part of a roadshow and targeted outreach exercise.

For General Release

REPORT TO:	Cabinet 11 December 2017
SUBJECT:	Croydon Growth Zone – Infrastructure Programme
LEAD OFFICER:	Shifa Mustafa Executive Director – Place Lee Parker – Director of Growth
CABINET MEMBER:	Councillor Alison Butler Statutory Deputy Leader and Cabinet Member for Homes, Regeneration and Planning Councillor Stuart King Cabinet Member for Transport & Environment Councillor Mark Watson Cabinet Member for Economy and Jobs
WARDS:	All wards
<p>CORPORATE PRIORITY/POLICY CONTEXT</p> <p>AMBITIOUS FOR CROYDON AND WHY WE ARE DOING THIS?</p> <p>The proposals presented in this report provide for the infrastructure that enables development and economic growth in Croydon leading to:</p> <ul style="list-style-type: none"> • 23,594 new jobs • a further 5,097 jobs during the construction phase • at least 10,000 new homes • the wholesale renewal of the retail core ensuring the metropolitan centre is an attractive place to live, work and invest. <p>CROYDON’S COMMUNITY STRATEGY 2016-21</p> <p>The proposals presented in this report will help deliver key outcomes from Croydon’s Community Strategy 2016-21:</p> <ul style="list-style-type: none"> • Outcome 1 – A great place to learn, work and live • Outcome 2 – A place of opportunity for everyone • Outcome 3 – A place with a vibrant and connected community and voluntary sector <p>CROYDON LOCAL PLAN AND OPPORTUNITY AREA PLANNING FRAMEWORK (OAPF)</p> <p>The proposals seek to deliver the overall objectives of the Croydon Local Plan and OAPF.</p>	
<p>FINANCIAL IMPACT</p> <p>The Council received a £7m grant from the Department for Communities and Local Government (DCLG). The grant is intended to fund the costs of any borrowing in the first 3-5 years of the programme before the business rates uplift (which are used to</p>	

service the loan). The funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and will ring-fence 50% of growth in business rates from April 2018 for 16 years, plus an option to extend by 3 years, in the designated area from the local government finance system. This income will be used to pay for the required infrastructure as set out in the report. The loan will not be drawn down until the Whitgift redevelopment has reached the stage where we have confidence in the timing of its delivery given its importance to the viability of the growth zone.

The full Growth Zone programme includes an estimated £520million of projects supported by a loan of £309.9million. The balance (£210million) is to be made up by contributions from TfL, the GLA or planning obligations.

This report excludes smart cities and social infrastructure which are detailed in separate cabinet reports.

KEY DECISION REFERENCE NO.:

2217CAB - 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 Note the activities underway and planned by the transport, public realm and culture, energy, parking and construction logistics workstreams.
- 1.2 Approve Growth Zone funding for the projects in 2018/19 valued at £4million set out in Section 3, paragraph 3.6 of this report.

2. EXECUTIVE SUMMARY

- 2.1 This paper provides details of the physical infrastructure elements of the Croydon Growth Zone programme. The Cabinet and the Mayor of London gave approval to proceed with the Growth Zone in July and September 2016 respectively and an additional report was approved by the Cabinet Member for Homes, Regeneration and Planning in July 2017 (2417HRP) setting out progress and approving the governance arrangements. The Croydon Growth Zone is a Tax Increment Financing (TIF) model which harnesses business rates growth to enable borrowing to fund infrastructure. The Council is now working with the Department of Communities and Local Government (DCLG) to process the formal designation of the Growth Zone which will allow for a loan to be taken out from April 2018 to fund the works set out in this report.
- 2.2 Croydon's growth is already evident and is now one of the prime areas of London where people choose to live, work, visit and invest. To ensure this change is sustained and that the benefit to Croydon residents is maximised, a range of infrastructure improvements have been identified by the London Borough of Croydon (LBC), working with key stakeholders including Transport

for London (TfL), the Greater London Authority (GLA), Network Rail and developers.

- 2.3 This report sets out a list of projects that enable growth by providing an increase in the capacity of the transport network including better facilities for pedestrians, cyclists and improved public realm. It also details initiatives that are aimed at mitigating the impacts of construction activity and pressures on parking and contributing to the case for inward investment. Projects are split into 5 themes, each overseen by the relevant sub-group reporting to the Growth Zone Steering Group. These are Transport, Public Realm and Culture, Energy, Construction Logistics and Parking. Particular emphasis is on the activities and estimated expenditure in 2018/19. Subsequent reports will be submitted recommending approval for individual projects or packages of works, once they are developed to the appropriate stage.

3. DETAIL

Background

- 3.1 From inception, the Growth Zone was developed as a collaborative approach with the GLA and TfL to secure Central Government investment in the form of fiscal devolution and/or grant funding in Croydon. It has developed into a business rate retention scheme based on a Tax Increment Financing (TIF) model over a designated area in Central Croydon. In essence, it proposes to borrow to fund infrastructure projects which are essential to growth, with the costs of borrowing repaid by future uplift in the business rates base.
- 3.2 The Growth Zone will run for 16 years, with an option to extend by 3 years, and will fund a number of phases of infrastructure delivery, although the focus is on the first five years in order to coincide with major development activity in the pipeline. This will minimise disruption, enable growth to occur earlier and bring forward the benefits of the town centre regeneration.

Development of the infrastructure programme

- 3.3 The Council working with stakeholders, initially identified a list of 39 critical infrastructure projects that would enhance the Growth Zone and enable development to be brought forward in a timely manner and, alongside other contributions, mitigate the impact of growth planned in central Croydon in the area designated by the GLA as the Croydon Opportunity Area (COA). The total cost of these projects is close to £520m to be financed via a loan of £309.9m with the remaining funding to be comprised of GLA, TfL and Council capital funding, planning obligations or other third party contributions. Alongside this work, financial modelling was undertaken to align the development trajectory, infrastructure delivery programme and proposed structure of the loan.
- 3.4 To ensure these projects contributed to growth and could be delivered on time and within the estimated budget, multi-disciplinary consultants were appointed in November 2016. Outline business cases have been developed for each project and further liaison with stakeholders has taken place to create a delivery plan, with the main focus being on the next five years to align with major

developments. The business cases include an assessment of the projects contribution to growth and business rate uplift in the COA.

- 3.5 During the process of developing the programme, a number of new project areas have been included which were not in the original list of 39. These are: Fiveways Junction, walking and cycling schemes, East Croydon station, Brighton Mainline Upgrade and transport corridor improvement schemes. Not all these require funding from the Growth Zone but have a positive effect on Growth in the COA and therefore are included for completeness. See **Appendix 1** for the baseline programme (projects and cost estimates subject to change as the programme is developed). They are also included in the light of the Mayor of London publishing his draft Transport Strategy. That draft proposes a sustainable travel (public transport, walking and cycling) modeshare of 80% for London by 2041 except at Opportunity Areas such as the Croydon Growth Zone where the expectation is to go much further.
- 3.6 The financial model used to support the Growth Zone provides information on cash flow which dictates how much of the loan can be spent each year. The model reinforces the importance of the Whitgift redevelopment with regard to achieving business rate uplift and as such the loan cannot be drawn down until further progress is made with the development. In 2018/19 a limit of £4million has been set which will be recharged to the loan once drawn down or from the £7m grant should the development not proceed. The £4million is recommended to be broken down as follows:

Workstream/Project	GZ funding required - 2018/19 (£000's)
Public Realm and Culture	1,200
Transport	1,000
Construction Logistics	400
Parking	400
Energy	50
*Smart Cities	700
*Social Infrastructure	250
TOTAL	4,000

*detail covered in separate cabinet reports

Governance

- 3.7 The Growth Zone has established governance arrangements in place. Each of the five themes noted in this report have a separate sub-group overseeing project development and delivery supported by a central programme management team. These report to a Steering group joint chaired by the Executive Director of Place and a Director from the Greater London Authority. A Board co-chaired by the Leader of the Council and Deputy Mayor for London oversees the programme.

Work programme

Construction Logistics

3.8 The **Construction and Logistics sub-group** is responsible for planning and overseeing measures that minimise the impact of the construction activity in the town centre and on adjoining roads. The Council as a local traffic authority has a Statutory Duty under Section 16 of the Traffic Management Act 2000 to secure expeditious movement on roads where Croydon is the traffic authority and facilitate the expeditious movement on other roads where the council is not traffic authority. A dedicated officer has been appointed to oversee this area of work in the Growth Zone.

Project / Initiative	GZ funding required - 2018/19 (£000's)
Highways Impact Electronic Monitoring and Co-ordination Systems	100
Staff resourcing (Development Impact Engineers)	105
Utility Co-ordination	60
Travel Demand Management	70
HGV Emission Control and Monitoring	18
Enforcement	30
LBC/Utility/Developer Co-ordination Workshops and Forum	12
Communications	5
HGV Holding Areas	10
TOTAL	400

3.9 The construction logistics programme includes a series of initiatives that aim to reduce congestion on the local highway network caused by construction related traffic. These include:

- Several electronic applications being considered by the Council to monitor construction traffic whilst also directing and coordinating it.
- A dedicated resource appointed to oversee this programme and liaise with developers and contractors.
- Additional support from a specialist consultancy that works with all the utility companies active in Croydon town centre to ensure utility works are coordinated and to minimise the impact of essential works.
- The Council has also looked at best practice from other towns and cities undergoing regeneration and that from Olympic Games. This has confirmed the importance of Travel Demand Management. This involves working with local businesses, supporting them whilst there is disruption to the transport network associated with the development activity and helping their staff and visitors switch from the car to public transport walking and cycling during the construction period and afterwards
- Monitoring of HGV emissions.
- Enforcement on HGV's if they exceed specified emission levels and enforcement activity relating to parking, moving traffic offences and prescribed delivery hours.

- Working closely with developers and contractors to identify the issues, co-ordinate works and develop local solutions that manage traffic in the town centre. This will involve a series of workshops and regular liaison via a construction and logistics forum.
- Communications around planned disruption to the transport network to allow residents and businesses to identify alternative travel options.
- The establishment of HGV Holding areas at various distances from the Town Centre to minimise the impact of construction delivery traffic and ensure timely arrival of goods.

Transport

- 3.10 The **Transport sub-group** is overseeing the development of tram, bus, rail, walking, cycling and highway schemes that will form the majority of the required infrastructure. Through the assessment of future growth and travel patterns, a range of schemes have been put forward which will ensure people can travel in, out and around Croydon safely and efficiently.
- 3.11 As a number of the projects are in the early stages of scheme development, a proportion of the funding for 18/19 will focus on the progression of concept / developed design options. In addition, a key element of next year's programme will relate to Croydon's project management input into the two TfL-led projects that form a key part of the programme: Fiveways & the Tramlink Dingwall Loop. Certain project areas are at a more advanced stage, in particular the Cycle programme, and this will be the main focus of scheme delivery across the year.
- 3.12 It is recommended that the £1million Transport Programme funding for 2018/19 should be assigned as follows.

Project / Initiative	GZ funding required - 2018/19 (£000's)
Trams – Dingwall Loop	25
Streets - Fiveways	15
Rail – West Croydon Station	90
Buses – Bus Priority Measures	100
Walking & Cycling Programme	460
Streets – A232 Chepstow Road / Addiscombe Road	80
Streets – Brighton Road Corridor	100
Streets – London Road Corridor	70
Streets – Mitcham Road Corridor	60
TOTAL	1,000

- 3.13 A brief summary of the work undertaken to date, along with the work planned for each of the project areas in 2018/19 is included below:

Trams – Dingwall Loop

- 3.14 The Dingwall Loop Tram scheme has been developed in response to the significant increase in tram patronage forecast over the next 15 years, with a particular focus on the impact of the redevelopment of the Whitgift site. Scheme designs are in the process of being developed for the new highway layout, to incorporate a second Town Centre tram loop line (via Dingwall Road and Lansdowne Road) and associated public realm improvement. The Loop would

enable trams arriving at the Town Centre from the east, to return eastwards more quickly, lifting the capacity of the network. Powers to build and operate the Loop need to be obtained from central government via a Transport and Works Act Order.

- 3.15 The funding for 18/19 will cover Croydon's resourcing of the overall project (£15,000), along with £10,000 as a part-contribution towards the completion of developed designs (RIBA Stage 3) associated with the public realm improvement for Dingwall Road, Lansdowne Road and Wellesley Road.

Streets – Fiveways

- 3.16 Public consultation on planned changes to the A23/A232 street environment in the Fiveways area took place between July 2017 and September 2017. Croydon officers are currently working with TfL to consider post-consultation changes to the scheme design. A planning application for the project is currently programmed, subject to necessary approvals being in place, to be submitted in summer 2018.

- 3.17 The funding for 18/19 will cover Croydon's resourcing of the project.

Rail – West Croydon Station

- 3.18 LBC, TfL, Network Rail and the GLA are in the initial stages of working towards the redevelopment of West Croydon Station. A tender process took place between September – November 2017 for consultants to develop design and development options (RIBA Stage 2) for the station site. A multi-disciplinary project team is in the process of being appointed to undertake this work between November 2017 and May 2018.

- 3.19 In 2018/19 it is anticipated that a further stage of design development work will be required, to take the project to the developed design stage (RIBA Stage 3). This will take the form of a new tender process and will be dependent on progress with the current commission.

Buses – Bus Priority Measures

- 3.20 In December 2016 a consultant's study for TfL was finalised which looked at potential bus priority measures that could be implemented in and around the Croydon Growth Zone area to improve the future efficiency / reliability of the bus network.

- 3.21 A proportion of the bus priority schemes relate to measures that could be delivered over the short-term (1 -2 years), with limited impact on wider plans for the town centre. TfL has provided resource to enable designs for these schemes to be developed during 17/18. The funding in 18/19 will contribute towards the development of construction design drawings and enable the consultation and delivery of some of the measures that can be delivered in the short term.

Walking & Cycling

- 3.22 The Walking and Cycling programme has been developed to create a significant increase in sustainable and 'active travel' in the Borough, with a particular focus on the safe routes in and around central Croydon. TfL has identified Croydon as the London Borough with the greatest potential for

Cycling due to the very large number of short car trips that could readily be made on foot or by bike if conditions are right. The proposed walking and cycling schemes will be delivered in 4 phases. Schemes in the first phase of 'quick wins' are being implemented or are about to be delivered. In 2018/19 it is proposed that the remaining phase 1 schemes will be completed and further design development work will be progressed on phase 2 schemes. Public consultation on a number of schemes in phase 2 is forecast to start in the autumn of 2018, with the potential for the implementation of phase 2 to commence towards the end of financial year 18/19.

A232 Chepstow Road / junction with Lower Addiscombe Road

3.23 This is a critical junction, providing access to the Growth Zone from the east for walking, cycling, trams, buses and other forms of road transport, whilst providing a strategic east-west traffic 'movement' function. Achieving an appropriate balance between the various modes of transport using this junction is essential if efficient access to and from the town centre is to be achieved.

3.24 In 18/19 funding has been set aside to enable the development of potential design options for the junction, with the intention to move towards public engagement / consultation in 2019.

Brighton Road / Mitcham Road / London Road Corridors

3.25 These three corridors have been identified as the key 'movement' corridors serving the Growth Zone and it is essential that their design, and the priority afforded to each transport mode, responds appropriately to the future needs of Croydon town centre, whilst also taking into account localised priorities. In 18/19 funding has been set aside to enable the development of potential design options for each of the 3 corridors with a view to improving the ability to move people and goods along them and to take them closer to the Mayor of London's 'Healthy Streets' objective.

Parking

3.26 The **Parking sub-group** is responsible for assessing current and future demand for parking and ensuring the provision of a balanced and accessible parking arrangement in the COA. The sub-group is also exploring how technology may be used to make parking easier and the service more efficient.

Project / Initiative	GZ funding required - 2018/19 (£000's)
Comprehensive assessments of existing & potential Controlled Parking Zones	255
CPZ: Digital mapping of TMOs	80
Project Management Resource	65
TOTAL	400

3.27 The Parking programme includes a series of initiatives that aim to manage the car parking stock and mitigate the impacts of development on demand, supply and displacement for both on and off street parking within the town centre and immediate surrounding areas. The Council will begin with a comprehensive review of the existing on-street parking provision through Controlled Parking Zones and gain a full understanding of whether it is fit for purpose taking into

account the imminent displacements through proposed developments. The reviews will include parking stress surveys together with full operational reviews to pick up on all signage, markings and safety issues and also identify opportunities for additional parking spaces where appropriate. This work will be undertaken with a combination of in-house and specialist external resources. Concurrently the Council will commission the transfer of Traffic Management Orders (TMOs) to a digital map based system which will enable an improved and more efficient method of managing parking compliance and enforcement. This will also enable swifter deployment of any technological solutions to aid parking management in subsequent years. The funding for 18/19 will also cover Croydon's resourcing to manage this programme.

Public Realm and Culture

- 3.28 The **Public Realm and Culture sub-group** is responsible for developing and delivering the short, medium and long term projects, improvements and programmes for the public spaces, public realm and streets in the COA. This will be achieved through high quality public realm and coordinated delivery with the other Growth Zone Sub Groups, partners, communities, landowners and stakeholders. The early stages of the Five Year Public Realm Programme to be delivered during 2018/19 are the subject of this report and approval is being sought to begin planning, design work and implementation.
- 3.29 A summary of the Five Year Public Realm Programme intended to be delivered between 2018 – 2023 is included in **Appendix 2**.
- 3.30 The Sub Group has begun the delivery of a range of temporary place, public realm, culture and meanwhile (projects identified for 2017/18. Meanwhile is defined as temporary and opportunistic uses of a space or facility that pave the way for future permanent activity.
- 3.31 All schemes will be submitted to the Council's Place Review Panel (PRP), which was launched in November 2016 to ensure projects and development proposals achieve the quality required to deliver long term sustainable regeneration, place making objectives and urban design principles.
- 3.32 The Growth Zone programme supports the Council's work on a Cultural Programme and Strategy providing a multi-faceted approach to regeneration and place making for local residents and visitors to the COA. This critically important work is exemplified in Croydon's bid to host the title of the London Borough of Culture in 2019. One of the main drivers for Croydon's ambition to host the title is the positive reputational change it would bring as well as significant funding and resources for additional cultural delivery.
- 3.33 It is recommended the £1.2m Place, Public Realm, Culture and Meanwhile Programme for 2018/19 should be assigned as follows.

Project	GZ funding required - 2018/19 (£000's)
Culture and meanwhile Programme 2018/19*	400
Mid Croydon Masterplan components (design and early implementation)	400

High Street pedestrianisation	400
Total	1,200

This allocation of funds is separate from the dedicated London Borough of Culture 2019 bid budget

- 3.34 The costs above are inclusive of staff, design and project management costs. The design will be overseen and led internally, using external support as required. The Council's highway contractors will carry out the implementation of the main public realm works under the direction of the Streets directorate.

Meanwhile Programme 2018/19

- 3.35 The 2017/18 Meanwhile programme includes the Grange Art Store, the outdoor month long Warhol exhibition which reached an audience of 8,000, pilot Parklets, creative road murals, High Street (experimental) pedestrianisation, 3 major lighting and projection projects with partners including the BIDS and London Lumiere, activation of the College Square (in collaboration with Central St Martin's University), the launch of a Night Time Economy Innovation Fund – 'Good Evening Croydon', and working with the Croydon BID to ensure their projects and interventions are delivered in tandem with the Sub Group's programme.
- 3.36 The next phase of funding for the 2018/19 year would enable further programme delivery with an increased level of community, partner and stakeholder engagement. Key projects would include further lighting improvements, activities in the High Street pedestrianised space, activation of Ellis House and St George's Walk, a second large scale outdoor free exhibition for Croydon and spaces for outdoor performance.

Mid Croydon Masterplan

- 3.37 As a consequence of the investment in the public realm at East Croydon and West Croydon through the delivery of the respective masterplan public realm components, it is considered that the wider COA should now be the focus. Public Realm improvements at College Square and around the retail core will be delivered in part by the College Green redevelopment and Whitgift redevelopment respectively. Delivery of public realm in Old Town will follow and build upon the recent interventions through the Mayor's Regeneration Fund. Therefore, it is considered the initial focus should be delivery of public realm improvements in the Mid Croydon area as defined by the Mid Croydon Masterplan.

Master Plan Number	Site
MC02	Thomas Turner Path
MC03	George Street cut
MC05	St. Georges Walk
MC06	Katherine Street West
MC07	High St Streetscape
MC08	Park Street West
MC09	George Street

MC10	Park Street East Development
MC11	Katherine Street East
MC12	Park Street East
MC13	Park Lane North
MC14	Queens Gardens and Tabener House
MC15	Fell Road
MC16	Mint Walk
MC17	Park Lane South
MC18	The Croydon Flyover

3.38 Through the governance of the Growth Zone the prioritisation of the components to be progressed to developed design (RIBA Stage 3) will be agreed, including taking account of developer activity in the Mid Croydon area to ensure alignment of their design and delivery.

High Street pedestrianisation

3.39 Part of the High Street is currently closed to traffic under an experimental traffic order. The scheme will be monitored and further engagement with local businesses and visitors will be undertaken to gauge levels of support for its permanent closure. The budget recommended will enable the delivery of a proportionate, well designed and quality end state that achieves calming and activation of the area, whilst addressing counter terrorism measures.

Energy

District Energy Scheme

3.40 The Smart City and Energy sub group has been responsible for overseeing the development of a Croydon Metropolitan Centre District Energy scheme.

3.41 Over the last 12 months, a feasibility study has been undertaken on the development of the District Energy scheme at Wandle Road Car Park. Initially, this would be from gas fired “combined heat and power” (CHP) engines. Other low carbon and renewable sources of heat could be integrated as and when they become viable.

3.42 The feasibility work assessed the business case for a range of network scales - from a scheme centered on civic buildings, to one extending to most of the key town centre development sites. This defined a base scheme, with sites with more certainty of coming forward and civic buildings, whilst assuming an energy centre which can expand in the future.

3.43 A discounted cash flow model was constructed to enable the financial viability of each option to be tested with revenue streams coming from:

- Connection Charges – one off payments from the developer to connect to the network
- Heat Charges – ongoing payments from customers for heat use.
- Power sales from the sale of electricity

3.44 On this basis, there is a pre-finance internal rates of return (IRR) of 6% (post

tax 25 year IRR) or 7.1% (post tax 40 year IRR) based on an initial capital cost of circa £24m.

3.45 The return on investment for each of the scheme options is marginal once the cost of financing is factored in. Due to the sensitivity, the Council has commissioned two separate pieces of work to provide greater certainty and assurance of the scheme business case:

- Heat pipe network assurance - Several areas along the proposed network route are already congested with existing buried infrastructure. A specialist heat network installer has been commissioned to undertake a detailed, non-obtrusive survey of the existing infrastructure and impact on the proposed route. Initial survey results show the routing in central Croydon are still viable.
- Peer review of feasibility report - The financial viability of the scheme is sensitive to the wide range of assumed values (e.g. heat demands, heat prices, plant sizing and costs etc.). A consultancy has been commissioned to review and 'sense check' the key assumptions and compare these with typical and industry standard values.

3.46 Next Steps:

- To review the outcomes of the 'due diligence' work and to develop the project brief for commencement of a procurement to undertake detailed work to develop a full business case. This will be through the GLA consultancy framework (for specialist advice on energy related issues in regard to strategic, technical, commercial, financial and legal matters).
- To explore and secure the funding for the technical, commercial and legal support from feasibility to business case from the Mayor of London's Decentralised Energy Enabling Project (DEEP).

3.47 Indicative timetable:

Activity / Task	Date
Commence procurement for business case	January 2018
Tender returns	April 2018
Commence contract	April/May 2018
Development of business case and procurement approach	May – October 2018
Report to Cabinet with decision to proceed	December 2018

3.48 In addition to the development of the districting heating plant, the Council are leading on two other energy projects – Community Energy and Healthy Homes.

Community Energy

3.49 Community energy covers aspects of collective action to reduce, purchase, manage and generate energy. It has an emphasis on local engagement, local leadership and control and the local community benefiting collectively from the outcomes.

- 3.50 The Council have commissioned Repowering London to assess a number of potential opportunities for community energy projects in the Borough. Repowering London specialise in working with community groups and local authorities to:
- Reduce CO2 emissions by generating decentralised low-carbon energy
 - Tackle fuel poverty and educate residents about energy efficiency
 - Promote local leadership through co-operative community engagement
 - Provide opportunities for local and responsible financial investment
 - Create training and employment opportunities for local people.
- 3.51 A number of assets have been looked at across the borough including leisure centres, council housing blocks, council buildings as well as schools. This has identified a list of buildings which have sufficient on-site annual output to deliver a return on investment.
- 3.52 As the energy system evolves, there a new products and services emerging. These include energy storage technologies, such as batteries at domestic, commercial and grid scale, as well as commercial arrangements with electricity suppliers and network operators that can create additional income streams for building managers.
- 3.53 Next Steps:
- Develop a detailed stakeholder engagement plan including building operators, legal services, local communities and residents to highlight benefits of community energy and to gather and gauge interest levels.
 - Continue to undertake feasibility work on council buildings to establish a business case for both solar photovoltaic and battery storage opportunities by December 2017.

Croydon Healthy Homes

- 3.54 It is estimated that 14,085 households in Croydon are in fuel poverty (2014 Department of Energy & Climate Change data). Of these, around 45% are owner occupiers, while 37% are in private rented accommodation.
- 3.55 The Council undertook a Croydon Healthy Homes pilot project in 2016/17 using £23k of Section 106 funds. The pilot scheme visited 213 households and delivered the following key outcomes:-
- Average lifetime energy savings £499 per household (a total of £106k for the programme) from installed measures.
 - 57 households were helped with damp / mould issues (in one case the home visitor helped liaise with a landlord to arrange a damp survey and resolve the cause, which was a leak from the upstairs flat)
 - Households referred to other services - 54 smoke alarms, 60 energy switching, 47 GP falls prevention, 49 Croydon Live Well.

- Social Return on Investment – estimated £208k saving to NHS and local authority services.
- 3.56 A further £93k funding has been secured from S106 to deliver a further 3 year ‘Healthy Homes’ project with a target to visit 600 vulnerable households. It is anticipated, subject to formal approval that the first home visits can be scheduled to begin in April 2018 and will provide:-
- Small energy efficiency measures such as LED lightbulbs and radiator reflector panels, and water saving measures such as aerating taps and shower heads
 - Energy efficiency advice and support to use actual measures and controls fitted in the home (including Smart Meters)
 - Advice and support on getting the best energy tariffs and securing the Warm Homes Discount
 - Support the clearing and managing debt to energy suppliers
 - Advice on damp and mould issues
 - A tablet based survey on health and wellbeing issues offering advice and signposting residents to relevant support.
 - A property survey will establish whether more intensive energy efficiency measures would be recommended.

The way forward

- 3.57 The projects include those that mitigate against the impact of development and those that provide and enable growth. Many projects have a dependency on one another e.g. public realm projects would be implemented after utility works have been undertaken so the programme is subject to change, particularly for those where further feasibility and community engagement is yet to occur. Adjustments to the timescales will be managed by the programme team and reported regularly to the Steering Group and relevant Cabinet Member.
- 3.58 A Statutory Instrument will be laid in parliament to designate the Growth Zone. It is proposed that the drawdown of the loan to fund the Growth Zone is triggered by the land draw down arrangements that are set out in the CPO Indemnity Land Transfer agreement (ILTA) between the Council and Croydon Limited Partnership (CLP).

Conclusion

- 3.59 The Growth Zone provides the confidence to developers and the investment community that Croydon’s regeneration is well underway and that there is substance and depth behind its ambition. The programme includes a wide range of infrastructure projects that enable growth, largely through the provision of additional transport capacity, but also improve the ‘look and feel’ of the town centre through significant public realm improvements. Measures set out in this report are essential if the full delivery of the Growth Zone programme as shown in Appendix 1 can be delivered alongside major development activity in the town centre.

4. CONSULTATION

- 4.1 In developing the Growth Zone infrastructure programme significant engagement has taken place with Transport for London and the Greater London Authority along with major developers to identify the type of schemes required. This high level programme has subsequently been reviewed and work on the business cases for these schemes been undertaken. Formal consultation on the proposed Fiveways junction improvement has recently concluded and the results of this are awaited. This scheme has also been discussed at the Scrutiny Streets, Environment and Homes sub-committee. Informal engagement has also started on the proposed Dingwall loop tram scheme. Residents groups have also been engaged, particularly over the issue of managing construction related traffic and this dialogue will continue. A new Stakeholder Engagement Manager is now in post and they will oversee engagement and consultation for all projects going forward in conjunction with TfL and Officers as necessary. A roadshow is planned to be in operation in the town centre from 2018 to provide information on how projects are being developed and for people to have their say. Finally, for each of the projects further statutory consultation will be undertaken through the planning and consent process at the appropriate stage.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

The effect of the decision

- 5.1 The Council agreed to the creation of the Growth Zone in July 2016, which included the funding mechanism for £525 million of projects; these are supported by a loan of £309.9 million to be taken out by the Council and the balance made up of contributions from TfL, the GLA and s106 planning obligations. DCLG have provided a £7m grant to cover the first 3-5 years of borrowing. The Council is working with DCLG to process formal designation of the Growth Zone.
- 5.2 Financial modelling has been used to profile necessary annual spend on infrastructure using the above funding structure. The latest run of the model indicates a maximum of £4m for 2018/2019, all of which is designated as capital expenditure and underpins the projects in this report. The model profiles the Council's spend until 2023/2024 although the timing of expenditure is subject to change and will be updated regularly for actual spend.

Risks

- 5.3 In order for Croydon to successfully regenerate and meet its growth targets, it will need adequate and appropriate infrastructure. There are a number of associated risks, which have been highlighted in the previous Cabinet report: The infrastructure projects are supported by the loan and external funding contributions. The loan is in the process of being agreed but is reliant on there being reasonable prospects of delivery for the redevelopment of the Whitgift Centre. The Council is working closely with external stakeholders to secure the

appropriate timing and level of funding.

The funding mechanism is dependant on business rate uplift, which is expected to significantly increase primarily due to the Whitgift Centre redevelopment. Sensitivity analyses have been carried out to show how the Council needs to react to changes to interests rates, increases in costs and reduction in business rate income within set limits.

There is a high degree of partnership working with external stakeholders, which requires strong governance arrangements to oversee project and financial management and delivery. This is a key role of the Growth Zone Steering Group.

Future savings/efficiencies

- 5.4 By working with partners to obtain external funding, the Council is able to secure infrastructure improvements which might not be covered by Council funding alone.
- 5.5 Some of the projects will look at the use of technology to improve efficiency and identify further savings over the lifetime of the Growth Zone.

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

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that the progress of the growth zone is dependent on the ability of the Council to retain business rates as detailed within the report. This requires the Secretary of State for Communities and Local Government to make the necessary Regulations in exercise of the powers conferred by section 143(1) and paragraphs 8 and 39 of Schedule 7B to the Local Government Finance Act 1988. Such regulations also require the consent of the Treasury in accordance with paragraphs 8(3) and 39(13) of that Schedule.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of Jacqueline Harris-Baker, Director of Law and Monitoring Officer)

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate HR implications that arise from the recommendations in this report for Croydon Council staff.

(Approved by: Sue Moorman, Director of Human Resources)

8. EQUALITIES IMPACT

- 8.1 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 action to tackle inequalities such as educational attainment, health, homelessness, unemployment, crime and social isolation,

particularly in the borough's six most deprived wards. Successful delivery of the Growth Zone proposals outlined in this report will create more opportunities for Croydon residents and contribute towards greater equality, fairness and better outcomes for all.

- 8.2 An Equalities Analysis will be initiated, and this will be developed as the Growth Zone programme evolves and in particular, as detailed feasibility and detailed business cases are prepared. Equalities Impact will be an intrinsic part of this. Impacts will be kept under review and where necessary action will be taken to mitigate any negative impacts.

9. ENVIRONMENTAL IMPACT

- 9.1 Projects included in the Growth Zone will be delivered in line with current environmental requirements and the Local Plan policy which promotes, as part of sustainable development, the consideration of environmental impacts. The Growth Zone focusses on improving air quality and enhancing facilities for healthy and sustainable transport.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 The Borough Commander is aware of the Growth Zone and has requested regular progress reports to enable future planning for policing. The design of public realm schemes will involve liaison and consultation with the Metropolitan Police Service to reduce the risk to personal safety.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The decision to progress with the Growth Zone was taken in July 2016. This report provides details of the infrastructure elements of the programme which will be developed from April 2018 once the funding and the Growth Zone designation is in place.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 As part of the justification for the Growth Zone outlined in the July 2016 cabinet report the option of not forward funding infrastructure but to depend upon the market and the provision of infrastructure only through public sector capital funding, CIL and s106 was considered but deemed unable to deliver the necessary infrastructure and be detrimental to growth and regeneration.

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BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

Croydon DIF Prioritisation September 2015 Arcadis

Croydon Growth Zone Delivery Plan and Programme - draft report December 2017 Peter Brett Associates

Appendices

APPENDIX 1 – Growth Zone baseline programme

APPENDIX 2 – Summary of five year public realm and culture programme