

For General Release

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| REPORT TO: | Cabinet 21 February 2022 |
| AGENDA ITEM: | |
| SUBJECT: | Annual Delivering the Croydon Growth Zone Report – 2022/23 |
| LEAD OFFICER: | Sarah Hayward – Acting Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough, Director of Planning and Sustainable Regeneration |
| CABINET MEMBER: | Councillor Oliver Lewis, Cabinet Member for Culture & Regeneration |
| WARDS: | Fairfield, Addiscombe West & Park Hill & Whitgift |
| CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: Delivering the Growth Zone will support investment in jobs, housing, inclusive economic growth and the regeneration and recovery of the Town Centre, particularly in terms of post coronavirus pandemic recovery. The approach to the Growth Zone programme as set out in this report aligns with the priority commitments in the Croydon Renewal Improvement Plan to: <ul style="list-style-type: none">• <i>live within our means, balance the books and provide value for money for our residents; and</i>• <i>ensure our systems, processes and controls are fit for purpose</i> This report reflects the recommendation made in the October 2020 Grant Thornton Report in the Public Interest (RIPI) that: <i>‘the s151 officer should revisit the Growth Zone assumptions following the pandemic and make recommendations to Cabinet and Council for the continued investment in the scheme’.</i> This report also responds to the ‘key next steps’ set out by PWC in their November 2020 review of the council’s capital investment programmes: <i>‘Given the current economic uncertainty, the steps the Council have taken to review and revise down the ambitious investment plan for Growth Zone are</i> | |

sensible. There will be a continuing need for some investment in Croydon, particularly in light of the need to generate growth after the pandemic, and so switching off all planned investment would be unwise. Any subsequent increase in planned investment should be supported by a business case and taken through robust governance and sign off processes for full scrutiny.'

FINANCIAL IMPACT

The Growth Zone business rate uplift retention funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and ring-fences growth in business rates from April 2018 for 16 years. A Statutory Instrument was laid in parliament which led to the formal approval of the Growth Zone by the Government from April 2018.

The original Growth Zone programme included an estimated £520 million of projects supported by a loan of £309.9 million with the balance (circa £210 million) met from other sources including TfL, the GLA or S106 planning obligations.

In October 2018 Cabinet approved a programme of activities and associated funding draw down for the first phase of the Growth Zone programme up to 2023 (see key decision reference 1418CAB). Cabinet further approved £1.721 million to support a related Smart Cities and Digital Transformation programme on 8th July 2019. A further report was issued to Cabinet 22nd February 2020 requesting the original budget of £167m be re-profiled to £78m. A further Cabinet Report in March 2021 agreed a reduced £4m Growth Zone programme for 2021/22.

This report is proposing a further re-profile of the capital expenditure for the programme, reducing the programme-wide expenditure to £4m in 2022/23.

KEY DECISION REFERENCE NO.: 1322CAB

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

1. RECOMMENDATION

The Cabinet is recommended to:

- 1.1 Approve a £4m budget for the 'Delivering the Growth Zone' programme 2022/23;
- 1.2 Note the indicative amended funding profile for Growth Zone Sub Groups as detailed in section 6 of this report, including the forecast budget slippage from 2021/22; and,
- 1.3 Subject to the requirement to comply with the provisions of Part 4G of the Constitution in taking delegated decisions, and the parameters previously approved in the March 2021 Cabinet report 'Delivering the Growth Zone' delegate to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery in consultation with the Chief Finance

Officer (Section 151), the Cabinet Member for Renewal and Cabinet Member of Culture and Regenerations authority to make necessary changes to the funding assigned to Sub Groups as outlined in Table 1 Section 6.

2. EXECUTIVE SUMMARY

- 2.1 This annual report sets out proposals for a Growth Zone programme for 2022/23. This factors in the Council's current financial position, resourcing implications and responds to recommendations of the RIPI (October 2020) and the PWC capital investment review. It reflects the need to consider the approach to recovery and renewal of Croydon town centre following the devastating socio-economic impact of the coronavirus pandemic and the implications for development activity. Finally, the proposed 2022/23 Growth Zone programme allows the Council to review, model and plan for different scenarios regarding major developments in central Croydon.
- 2.2 This report sets out high level details of a proposed Growth Zone capital programme of £5.7m for financial year 2022/23 (£4m assignment to 22/23 and retention of a forecast £1.7m 21/22 underspend). A further report will be submitted to Cabinet in the 22/23 financial year identifying the capital expenditure proposed for financial years 2023/24 and 2024/25.

3. INTRODUCTION

- 3.1 The Growth Zone programme was originally established to leverage opportunities to create the appropriate social, economic, cultural and physical infrastructure needed to ensure that the significant development and growth anticipated within Croydon town centre was sustainable. As a 16-year programme, starting in 2018, it was always envisaged the strategic direction of the Growth Zone and funding available would flex and change over time, with a governance structure established to ensure that the priorities of the programme reflect the needs of the town centre as development and regeneration takes shape. Our key priority is to deliver the benefits of growth and regeneration to local people and ensure that no community is left behind as per the Equality Impact Assessment found at Appendix 1. The Growth Zone will support existing communities, alongside planning for and providing the infrastructure and services needed to support new residents who will settle in the town centre. The Council want to develop the talents and aspirations of our residents, businesses and communities, making Croydon an exciting place to live, visit, invest and spend time.
- 3.2 Whilst many of the major development projects planned for the town centre were starting to progress in the early years of the Growth Zone programme, there have been delays and reconsideration of the nature to some key town centre developments, including the proposed redevelopment of the Whitgift Centre. This, compounded by the devastating economic impact of the coronavirus pandemic on town centre businesses, Growth Zone stakeholders and funding partners, alongside the significant shift in

consumer behaviours, work and travel patterns, has meant that the Council has to re-appraise the objectives of the Growth Zone programme.

- 3.3 In the spring of 2020 the Growth Zone team undertook a review of all the programme's activities and projects, and many were paused, with the approval of the Growth Zone Working Group. The independent strategic review undertaken by PWC reported in November 2020 that 'given the ongoing COVID-19 pandemic and economic uncertainty, reducing planned funding in FY20/21 to £6.7m was a sensible step as the original business plan is no longer fit for purpose and requires revision.' As a continuation of this prudent approach a £4m programme for 2021/22 was agreed by Cabinet in March 2021.
- 3.4 The Growth Zone programme always envisaged an evolving and growing town centre neighbourhood, but the current circumstances require us to remain prudent and re-focus the programme. Working with our key stakeholders and partners we will reassess how best to target expenditure to where it will create the most impact and taking the time to plan for longer term investment to engender the town centre's sustainable socio-economic recovery. The PWC report states: 'reappraisal may enable LBC to pause further investment. However, we would not recommend closing down the GZ programme as this provides LBC with a vehicle to focus any recovery investment required of it and (dependent on central government policy) does provide LBC with the ability to use Business rates that it may otherwise have to return to central government.'
- 3.5 In March 2021 the majority of major transport infrastructure and public realm projects were still on hold, although some walking and cycling infrastructure projects have continued to be progressed. Work on construction logistics continued. Some activities relating to culture, social infrastructure, energy and smart cities have continued, where possible via remote working. The March 2021 Cabinet saw the planned funding for FY21/22 to be £4m, which supported the continuation of some public realm projects, albeit at limited capacity, and the Growth Zone team, working with colleagues across the Council and key strategic partners, have started to consider the programmes, revised objectives and approach.
- 3.6 Given the Council's constrained finances, consideration will be given to how best to place the Growth Zone programme to target emerging national and regional funding streams, and how to seed Growth Zone investment to realise larger funding commitments from public and private sector partners. With Croydon's existing communities we want to build a place where innovation and enterprise can flourish, which attracts people to its culture and creativity, nurtures local talent and supports individuals and communities to fulfil their potential. Croydon will continue to be exceptionally well connected, with new and improved infrastructure that enables people to easily come together, and travel to, from and around the borough, with fantastic digital, communications and transport networks.

Policy Context

- 4.1 The approach to the review of the Growth Zone's programme for 2021/23 aligns with the priorities set out in the Council's Economic Strategy 2019-2024:
- To create places where businesses, investors and residents want to live, trade and invest
 - To create a business environment for growth
 - To invest in ideas that can deliver real change for Croydon
 - To invest in our people
- 4.2 This approach accords with the Mayor of London's Good Growth principles, as set out in the London Plan 2021. These principles support growth on the basis of its potential to improve the health and quality of life of all Londoners, to reduce inequalities, as guided by the Good Growth Principles¹, and to make the city a better place to live, work and visit. It uses the opportunities of a rapidly-growing city to plan for a better future, using each planning decision to improve London, transforming the city over time. It plans not just for growth, but for Good Growth – sustainable growth that works for everyone, using London's strengths to overcome its weaknesses. The key principles of Good Growth are:
- Building strong and inclusive communities
 - Making the best use of land
 - Creating a healthy city
 - Delivering the homes Londoners need
 - Growing a good economy
 - Increasing efficiency and resilience
- 4.3 The Growth Zone also contributes to the delivery of the vision for the Croydon Opportunity Area (COA) as set out in the Croydon Local Plan 2018, which sets the framework for additional residential development, stimulating inwards investment and make the COA an attractive place to live, work and visit.
- 4.4 Alongside the Good Growth principles, the council's review of the Growth Zone will consider how best to align with the GLA's nine 'missions' which form the London Recovery Programme, in particular:
- High Streets for All
 - Good Work for All
 - A Green New Deal
 - A New Deal for Young People, and
 - Building Strong Communities

¹ <https://www.london.gov.uk/what-we-do/regeneration/advice-and-guidance/about-good-growth-design#acc-i-52684>

4.5 Croydon's Local Strategic Partnership is developing a plan to support the borough's recovery from the economic and social impacts of the Covid pandemic. The partnership brings together the council and representatives of the emergency services, health, education, business, faith, voluntary and community sectors. The plan will interpret the GLA's nine recovery missions in the light of the borough's needs and circumstances and include joint actions to achieve those missions.

5. Growth Zone programme 2022-23 – Strategic Review and Next Steps

5.1 The Council will continue with a comprehensive review of the entire Growth Zone programme, including a reassessment of original business cases/vision and identification of updated programme priorities. The proposed Growth Zone funding for the next financial year will need to be adjusted to reflect the current economic and financial challenges, especially related to the impact of coronavirus on the town centre and development activity. This review will incorporate sensitivity testing of the programme's financial appraisals, and analysis of any risks to the continued progression of key development sites and associated local investment.

5.2 A significant proportion of the major development sites in the COA are progressing. The August 2021 Town Centre Cabinet Report clarified that *'There have been significant developments in the town centre that have brought new economic benefits delivered or being delivered through a number of master plans. However, the continued uncertainty around the Whitgift has the capacity to cause blight and means it is imperative we work with our partners to develop a new vision that builds on our cultural and night-time offer as well as responding to the changing retail environment accelerated by the pandemic. [...] This vision could help inform both the phased redevelopment of the Whitgift and a meanwhile and precursor strategy, bringing some bottom up thinking, energy and expertise².*

5.3 We have started to work with Growth Zone partners and stakeholders to reforecast the programme of development activity, business investment, population growth and demographic change in the town centre. The existing Growth Zone governance structure remains, with Croydon Growth and Major Development Board, Growth Zone Steering Group, Growth Zone Working Group and themed subgroups feeding into the overall review.

5.4 TfL have been hard hit by the coronavirus pandemic, and they are currently seeking funding from the Department of Transport in order to continue with some of the key transport infrastructure projects planned under the Growth Zone. The Council will work with TfL to re-profile their commitments and the priority order and timeline for investment in transport projects.

5.6 The town centre has recently benefitted from the completion of London Southbank University (LSBU) in September 2021, the upcoming London Borough of Culture 2023, helping to boost a healthy night time economy. There is continued developer interest in continuing build out of the five town

² <https://democracy.croydon.gov.uk/documents/s31766/Future%20Town%20Centre.pdf>

centre masterplans and public realm improvements.

6. Growth Zone – re-profiled budget 2022-23

- 6.1 High level detail of the re-profiled Growth Zone programme for the next financial year is set out in this section of this report. A revised figure of £5.7m (£4m assignment to 22/23 and retention of forecast £1.7m 21/22 underspend) to be ring-fenced to the Growth Zone programme for the financial year 2022/23 is identified to enable continuation of key priority projects and activities, as defined and confirmed in 21/22 and a commitment to providing further progress in 22/23.
- 6.2 Table 1 below sets out the proposed profile for the £4m 2022/23 Growth Zone Programme assignment and the programme with the retention and reprofiling of already approved 2021/22 £1.7m slippage. The forecast slippage from 21/22 has largely been assigned to the Place and Public Realm Sub Group and Culture Sub Group to support the delivery of live and mature public realm projects such as Minster Green and Borough of Culture.
- 6.3 The slippage has largely occurred as a consequence of the financial constraints on the Council in the 21/22 financial year, the diminished resources within the Growth Zone Service and across the Growth Zone Sub Groups, and the impact of the coronavirus pandemic on the ability to deliver. Given the Growth Zone has a period of 16 years these small slippages can be absorbed across the whole programme period.

Table 1

| Sub Groups | Revised Core funding 2022/23 - £4m (£000's) | Revised Core funding 2022/23 - £4m and retention and reprofiling 2021/22 slippage - £1.7m (£000's) |
|---------------------------|--|---|
| Transport | 700 | 700 |
| Public Realm | 1,611 | £ 3,219.5 |
| Construction Logistics | 100 | 100 |
| Parking | 200 | 200 |
| Culture | 367 | 503.5 |
| Smart Cities | 200 | 200 |
| Social Infrastructure | 100 | 100 |
| Energy | 100 | 100 |
| Staffing costs | 622 | 577 |
| TOTAL | (£4,000) | (£5,700) |

- 6.4 The indicative assignment to the Sub Groups has been agreed in consultation with Sub Group leads and partners through the Growth Zone Steering Group and Growth Zone Working Group. Furthermore, the Leader of the Council meets with the Mayor's Deputy Mayor for Planning, Regeneration and Skills annually to discuss the Growth Zone budget and programme setting for the forthcoming year.
- 6.5 Looking forward, should business rate retention income increase, or be forecast to increase over the 16 year period of the Growth Zone the funding available can be increased and the programme expanded accordingly. This process will be informed by partners and developers to ensure forecasts regarding development and consequently business rate retention income are robust.

7. Re-profiled programme and workstream

7.1 Transport

- 7.1.1 Strategic transport modelling work is being undertaken this year in conjunction with TfL, which will inform the Growth Zone (GZ) Transport programme for 2022/23. Next year's GZ Transport programme will also be influenced by the complementary transport investment funding that is / is not made available by TfL via the annual Local Implementation Plan Funding process, which is dependent on a funding settlement from central government. At the time of writing this report, this has not yet been announced, and may not be known until closer to the start of the new financial year. Consequently the 2022/23 GZ Transport programme is not yet confirmed. However, it is envisaged that the following projects will remain major components of the GZ Transport programme:
- 7.1.2 Brighton Mainline Upgrade Programme (BMUP) / Croydon Area Remodelling Scheme (CARS). Network Rail's assessment of future rail capacity needs post COVID suggest that CARS remains one of the most important capacity upgrade projects nationally. Croydon Council needs to remain a full partner and 'critical friend' as Network Rail continues the development of its proposals and Business case (subject to further funding being awarded by Department for Transport (DfT) for project development). The level of Croydon Council input will be dependent on the pace at which the DfT dictates.
- 7.1.3 West Croydon Station. Two recent events suggest that opportunities are arising to re-engage with Network Rail to pursue the rebuilding of West Croydon Station as per the West Croydon Masterplan. Network Rail has recently been re-engaged with a view to going to the next stage of feasibility (technical and financial) and design. The Station requires rebuilding before the implementation of CARS so that West Croydon can take additional passenger demand during the rebuilding of East Croydon Station.
- 7.1.4 'Trams for Growth 2'. TfL's strategy for growing the capacity of the current tram network 'Trams for Growth' informed the original GZ Transport Programme, delivery of many of the capacity increase measures in the Strategy to be supported with GZ funding. TfL is embarking on the remaking of 'Trams for Growth'. The development of 'Trams for Growth 2' needs to be a

partnership project between TfL and Croydon Council, given the importance of London Trams to Croydon, and the level of GZ investment previously envisaged to support delivery of 'Trams for Growth'.

- 7.1.5 Bus Priority Programme. Buses are critical to the sustainable recovery of the Town Centre and Growth Zone. The attractiveness of bus services is dependent on their journey speed and reliability. Bus Priority measures are critical in maintaining and improving bus journey time and reliability. TfL hopes to continue to fund a significant bus priority programme, but this is dependent on the financial bailout it receives from central government. The level of Growth Zone financial input into a Bus Priority programme focused on the Town Centre will be dependent on the level of Bus Priority funding from TfL, in turn dependent on the level of financial support provided to TfL from central government. The programme is vital to decreasing bus journey times, thereby enhancing the attractiveness of bus travel, and supporting affordable and sustainable access to the Growth Zone.
- 7.1.6 Walking and Cycling. TfL has identified Croydon as the London borough with the highest potential for both walking and cycling. That potential is focused on and around the Croydon Town Centre. Transforming the environment for walking and cycling into and within the Town Centre is a means by which reduced Growth Zone funding can still make a powerful impact and support a sustainable recovery. The scale and content of the programme is dependent on the level of additional funding TfL is able to provide, including Liveable Neighbourhood funding, following agreement with central government on the next financial bailout/support for TfL. The programme is critical to delivering on key Croydon Climate Crisis Commission recommendations and addressing the inactivity and resulting health crisis facing Croydon.
- 7.1.7 Construction Logistics and Delivery and Servicing Planning. Significant development is planned in the Croydon Opportunity Area. This means many more thousands of people living next to the services they require and excellent public transport. However, the delivery and servicing demands imposed by these new developments has the potential to impact on the quality of environment in the Town Centre both during the construction phase and the lifetime operational phase of those homes. There is an increasing need to plan and manage freight/delivery demand and traffic across the Town Centre, taking account of wider post pandemic shifts in on line retail and associated delivery. Freight movement will be vital to the success of the Town Centre but minimizing its impact within the Growth Zone is essential to creating a safe and attractive environment for people to move around in and enjoy.

8.1 Place and Public Realm Sub-Group

- 8.1.1 Minster Green Project to be developed up to RIBA Stage 4 in 22/23 with onsite works starting in 22/23.
- 8.1.2 The Fair Field: a decision is required on the most appropriate way forward, either delivering the scheme submitted for planning approval, or a more interim solution. This will be explored through the Growth Zone Working Group and Steering Group. Coordination with other neighbouring developments will

continue.

8.2 Construction Logistics

- 8.2.1 The Construction and Logistics team review the impact of additional traffic arising from construction vehicles on the road network especially the 'last mile' into Croydon town centre,
- 8.2.2 To ensure a seamless approach to delivering economic development and to safeguard the interests of residents, businesses and the travelling public we require to implement several measures to minimise disruption on the road network.
- 8.2.3 These projects include better co-ordination of works and encourage collaborative working; programming deliveries in orderly and timely manner; improve communications to the general public and monitoring air quality around developments.
- 8.2.4 Proposals for an Urban Freight Management Plan and Construction Consolidation Centre have been curtailed due to a lack of staff resource and due to development not coming forward at the rate previously anticipated. There are no immediate plans to restart the project.

8.3 Culture

- 8.3.1 The Council has reaffirmed its commitment to London Borough of Culture 2023. The programme of cultural events and activities in the town centre will expand in the run up to Croydon's launch as London Borough of Culture in 2023, with key support to be established to help creative and cultural businesses and organisations to respond to changing requirements following the lifting of lockdown restrictions. The London Borough of Culture (LBoC) programme is a vital tool for the recovery of the cultural and creative sector and has been re-focused on grassroots activity that address inequalities and supports sector resilience and development.
- 8.3.2 Additional cultural activities delivered through the Growth Zone include a 50% contribution to the GLA Creative Enterprise Zone (CEZ) programme of £36k. The CEZ programme has been extended by the GLA with support from Croydon Council following the pandemic. It is anticipated the programme will now run till 31st October 2022. The role will vitally deliver a legacy programme in establishing the CEZ as an independent Community Interest Company to build a self-sustainable. In addition, £20k is required to support the assessment, recording and potential conservation of a number of significant street art pieces that were delivered during the Rise Festival in 2018. This was a visual arts programme supported by the Growth Zone under the original culture programme which saw a number of sites across the town centre activated through world-class street artists. The visual art identity of Croydon is vital to ensure it remains a vibrant destination in the lead up to London Borough of Culture 2023.

8.4 Smart City

- 8.4.1 Smart City sensors and digital advertising deployment through smart bus shelter/street furniture deployment progressing with Valo Smart City. Currently working with Planning to gain Digital Advertising Consent before installation can commence. Successful deployment will provide public digital messaging, air quality monitoring, noise monitoring, traffic and footfall count at 185 locations across the borough. 4G small cells deployment to continue with Freshwave and BT Wholesale. Digital Inclusion workstream progressing to provide better Digital Inclusion skills support for Microbusinesses and SMEs. Developing GIS mapping for overall Digital Borough and Smart Cities connected data to support coordination of all public digital infrastructure across the borough, working with LBC services including highways, strategic transport and more.
- 8.4.2 An upgrade of the Council's public space CCTV infrastructure from an obsolete and unrepairable analogue system to a digital system.
- 8.4.3 The Digital Town Hub is set to identify wider benefits to the Council with a 12-month pilot period. South Norwood went live in Summer 2021 and Purley in August/September 2021; Thornton Heath is going live in early 2022

8.5 Social Infrastructure

- 8.5.1 The provision of social infrastructure in the form of health, education, community and play facilities is an important aspect of the programme. They will support the growing number of residents and visitors to the town centre and avoid undue pressure on existing facilities.
- 8.5.2 Due to resourcing constraints, the social infrastructure programme has been reduced and is focusing on the Clocktower and Town Hall civic complex only.

9. CONSULTATION

- 9.1 Consultation has taken place with key stakeholders and partners as established through the Growth Zone governance structures.

10. PRE-DECISION SCRUTINY

- 10.1 The Chair of Scrutiny has confirmed Scrutiny committee do not wish to consider the report.

11. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

11.1 Revenue and Capital consequences of report recommendations

The recommendation in this report is to re-profile the approved capital budget of £27.7 (approved February 2020 cabinet) million for financial year 22/23 to a new profile of £4 million.

11.2 The effect of the decision:

The effect of this decision is to ensure capital budget remains in line with anticipated expenditure based on the capacity to deliver and facilitates an appropriate programme given the current challenges, especially related to coronavirus pandemic recovery.

11.3 Risks:

The Growth Zone is subject to a governance process where the risks are reviewed on a regular basis. The key risks of the Growth Zone are set out below:

- The Growth Zone financial model is based on anticipated future business rates income, which would enable the Council to repay its borrowings. Any significant changes to future income streams will impact on the viability of the Growth Zone.
- The borrowing levels depend on the satisfactory progress of developments occurring in the town centre, which will bring about the uplift in business rates used to repay the debt. If these developments slip, the amount to be borrowed in future years could be affected and if so this variation will be reported to Cabinet.
- Any overspends in early programmes will impact on the funding available for later projects and programmes. Expenditure and delivery of projects will be managed by the Growth Zone Steering Group and Working Group. Any unavoidable overspend will mean a reduction in funding available for projects planned for the future.
- Project and programme delays could impact on the success of the Growth Zone. Governance arrangements are in place with partners and stakeholders to ensure clear understanding of roles and responsibilities. Regular cross partner meetings of the Growth Zone Steering Group and Working Group is a practical method of monitoring project management and the early identification of any delivery issues for attention.

11.4 Options

The only option proposed is to amend the profiled budget to align with delivery programmes based on 22/23 resource, acknowledge the current challenging circumstances and timescales of development sites.

11.5 Future savings/efficiencies

As further work is undertaken in the Growth Zone, a specific aspect will be the consideration of procurement routes and the packaging up of individual projects to identify and achieve cost efficiencies. The Growth Zone Steering Group brings all partners together to ensure the sharing of information and this will be the forum to facilitate much of these activities.

Approved by: Gerry Glover - Head of Finance (Sustainable Communities, Regeneration and Economic Recovery)

12. LEGAL CONSIDERATIONS

- 12.1 The Interim Head of Commercial and Property Law comments on behalf of the Interim Director of Legal Services that the Non-Domestic Rating (Designated Areas) Regulations establish and enable what is known as a 'Local Growth Zone' by providing for the local retention of non-domestic rates collected in designated areas in England, Croydon being one of those areas. Through the 2018 Regulations the Growth Zone in Croydon is established for 16 years from 1st April 2018.
- 12.2 The recommendations in this report are in accordance with the Council's Constitution and in implementing the recommendations the officer decision maker will need to adhere to the Decision Making Protocol within Part 4G of the Constitution, the provisions of Part 4B of the Constitution in relation to Access to Information including the publication, where required, of key decision notices and will need to adhere to the provisions of the Budget and Policy Framework Procedure Rules at 4C.

Approved by: Kiri Bailey, Interim Head of Commercial and Property Law on behalf of the Interim Director of Legal Services and Deputy Monitoring Officer.

13. HUMAN RESOURCES IMPACT

- 13.1 There are no immediate HR issues that arise from the recommendations in this report for LBC employees and staff. Should any matters arise these will be managed in accordance with the Council's policies and procedures.

Approved by: Gillian Bevan, Head of HR (Resources and Assistant Chief Executives) on behalf of the Chief People Officer.

14 EQUALITIES IMPACT

- 14.1 A key priority for the Council is to work with our partners to make Croydon a safer, fairer and more inclusive place for all our communities. One of the Council's core priorities detailed in Equality Strategy 2020 -2024 is to focus on tackling ingrained inequalities and the underlying causes of inequality and hardship such as structural racism, environmental injustice and economic injustice. Successful delivery of the Growth Zone interventions and projects outlined in this report will create more opportunities for Croydon residents and contribute towards greater equality and fairness by focusing on tackling ingrained inequality and poverty in the borough reducing tackling the underlying causes, of inequality and hardship, such structural racism, environmental injustice and economic injustice.
- 14.2 The Equality Analysis dated February 2022 found that the programme will have a positive impact for all protected groups that share protected characteristics. These include improved accessibility within the street environment and access to public transport, a cultural offer that supports routes to employment and training opportunities; and safe and reliable public transport and walking and

cycling routes. This will be kept under further review during the life cycle of the programme.

- 14.3 Though the Equality Analysis has identified positive impact in many areas however mitigation has been identified to minimise and plan for any negative impacts that may rise across characteristics throughout the life of the project. The action plan will be reviewed and monitored.
- 14.4 Further Equalities Analyses are being undertaken for each individual Growth Zone project as these progress through the design stages. However, these further analyses have not been recorded so cannot be considered at this stage. The Growth Zone programme governance sets out that individual work stream sub-groups will ensure this occurs and where necessary action will be taken to mitigate any negative impacts on groups that share a protected characteristic.

Approved by: Denise McCausland, Equalities Programme Manager

15. ENVIRONMENTAL IMPACT

- 15.1 Projects included in the Growth Zone are being delivered in line with current environmental requirements and the Local Plan policy, which promotes, as part of sustainable development, the consideration of environmental impacts. For example, the Growth Zone transport, corridors and public realm projects include specific objectives focused on improving air quality, increasing urban greening, tree planting and shading and provision of sustainable drainage. The Council is enhancing facilities for healthy and sustainable transport, targeting the shift from car use to walking, cycling and public transport in line with the Mayor's Transport Strategy targets and Healthy Streets indicators. The Energy, Smart City, Parking and Smart City workstreams are all focused on making best use of available data and technology to reduce the environmental impact of the town centre regeneration, and future population and visitor growth. In response to the Council's Declaration of a Climate and Ecological Emergency, we are reviewing where relevant projects could contribute more to tackling climate change.

16. CRIME AND DISORDER REDUCTION IMPACT

- 16.1 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.

17. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 17.1 The decision to progress with the Growth Zone was taken by Cabinet in July 2016 and the Mayor of London in September 2016. Subsequently, Cabinet in December 2017 agreed the Growth Zone work programme for 2018/19, and an updated programme to 2023 was agreed by Cabinet in February 2020. Government approved the Regulations for the Growth Zone funding mechanism and area in February 2018. Since the inception of the Growth Zone and the initial Development Infrastructure Funding Study (January 2014), it has

been understood that the infrastructure required to mitigate the growth planned will not be delivered by existing delivery methods, current funding availability or through planning gain. Therefore, the Growth Zone is essential to enable the delivery of critical and essential infrastructure to mitigate the impact of the growth planned (Croydon Local Plan 2018, Croydon Opportunity Area Planning Framework 2013 and London Plan 2021) for the benefit of existing and future residents, businesses and visitors. The Growth Zone is an innovative approach to fund and deliver this critical and essential infrastructure.

- 17.2 The recommendation to approve a substantially reduced Growth Zone funding profile for the coming financial year reflects the need to undertake a review of the Growth Zone's assumptions and programme requirements in the light of the impact on the town centre of the coronavirus pandemic; changes to the pipeline of major developments; and the implications of the Council's current financial status. By retaining a slim lined £4m programme the Council can continue to progress key projects and secure external match-funding, during this period of review.

18. OPTIONS CONSIDERED AND REJECTED

- 18.1 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 critical and essential infrastructure to mitigate planned growth. This remains the case today, the absence of the Growth Zone is very likely to lead to the accommodation of growth, especially in the Croydon Opportunity Area, without the critical and essential infrastructure identified in the approved Delivery Plan.
- 18.2 A zero budget for financial year 2022/23 was considered and deemed unjustified, this would risk the continuity of the programme and previous year's activities.
- 18.3 As noted above, the 2020 PWC review confirmed that switching off all planned Growth Zone investment would be unwise.

19. DATA PROTECTION IMPLICATIONS

- 19.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No

- 19.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

- 19.3 A DPIA has not been completed as the work of the Growth Zone programme includes no use or analysis of personal data. There are therefore no data protection implications.

Approved by: Louise Edwards, Information Manager

CONTACT OFFICER: Steve Dennington, Head of Spatial Planning (ext.: 64973)

APPENDICES TO THIS REPORT:

Appendix 1: February 2022 - Growth Zone Equalities Impact Assessment

BACKGROUND PAPERS: March 2021 Delivering the Growth Zone Cabinet Paper – Item 48/21 -

https://democracy.croydon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1&utm_source=interaction&utm_medium=find-it&utm_campaign=council-meetings