

Scrutiny Streets, Environment & Homes Sub- Committee Agenda



To: Councillor Sean Fitzsimons (Chair)
Councillor Jan Buttinger (Vice-Chair)
Councillors Pat Clouder, Patricia Hay-Justice, Joy Prince,
Donald Speakman and Phil Thomas

Reserve Members: Richard Chatterjee, Karen Jewitt, Oliver Lewis,
Stephen Mann, Michael Neal, Pat Ryan and Sue Winborn

A meeting of the **Scrutiny Streets, Environment & Homes Sub-Committee** which you are hereby summoned to attend, will be held on **Tuesday, 23 January 2018** at **6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**. **A pre-meet for Members only will take place in room F4 at 6.00pm.**

JACQUELINE HARRIS-BAKER
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www.croydon.gov.uk/meetings
Monday, 15 January 2018

Members of the public are welcome to attend this meeting.
If you require any assistance, please contact the person detailed above, on the righthand side.

N.B This meeting will be paperless. The agenda can be accessed online at www.croydon.gov.uk/meetings

AGENDA – PART A

1. Apologies for Absence

To receive any apologies for absence from any members of the Committee.

2. Minutes of the Previous Meeting (Pages 5 - 12)

To approve the minutes of the meeting held on 7 November 2017 as an accurate record.

3. Disclosure of Interests

In accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, Members and co-opted Members of the Council are reminded that it is a requirement to register disclosable pecuniary interests (DPIs) and gifts and hospitality to the value of which exceeds £50 or multiple gifts and/or instances of hospitality with a cumulative value of £50 or more when received from a single donor within a rolling twelve month period. In addition, Members and co-opted Members are reminded that unless their disclosable pecuniary interest is registered on the register of interests or is the subject of a pending notification to the Monitoring Officer, they are required to disclose those disclosable pecuniary interests at the meeting. This should be done by completing the Disclosure of Interest form and handing it to the Democratic Services representative at the start of the meeting. The Chair will then invite Members to make their disclosure orally at the commencement of Agenda item 3. Completed disclosure forms will be provided to the Monitoring Officer for inclusion on the Register of Members' Interests.

4. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Cabinet Member Question Time - Cabinet Member for Homes, Regeneration and Planning (Pages 13 - 14)

Question Time with the Cabinet Member for Homes, Regeneration and Planning, Councillor Alison Butler.

6. Evolution of the Suburbs Supplementary Planning Document (Pages 15 - 36)

The emerging Local Plan contains policies and designations that facilitate sustainable growth within the suburbs and refer to supplementary guidance (in the form of a Supplementary Planning Document (SPD)) to steer this. The project team would appreciate and value Scrutiny's view on the issues outlined in the report.

7. Brick by Brick Business Plan (Pages 37 - 56)

To consider the Brick by Brick business plan.

8. Work Programme (Pages 57 - 60)

To note the Work Programme for the 2017/18 municipal year.

9. Exclusion of the Press and Public

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

Scrutiny Streets, Environment & Homes Sub-Committee

Meeting of held on Tuesday, 7 November 2017 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillor Jan Buttinger (Vice-Chair);
Councillors Joy Prince and Sue Winborn

Also Present: Councillor Stuart Collins

Apologies: Councillor Pat Clouder, Patricia Hay-Justice and Donald Speakman

PART A

39/17 Minutes of the Previous Meeting

The minutes of the meeting held on 12 September 2017 were agreed as an accurate record.

40/17 Disclosure of Interests

There were none.

41/17 Urgent Business (if any)

There were no items of urgent business.

42/17 Cabinet Member Question Time - Cabinet Member for Clean Green Croydon

The Cabinet Member for Clean Green Croydon gave the Sub-Committee a presentation on his portfolio, which can be found in the Presentations supplement, and stated that it was the ambition for Croydon is lead the way on innovation, service delivery and enforcement.

While it was noted that there were more reported flytips through the app it was stressed that it did not mean that flytipping was more prevalent, rather that people were reporting them. Furthermore the Cabinet Member informed the Committee that 82% of reports flytips were cleared within 48 hours and the new waste contract would require them to be cleared within 24 hours.

The Cabinet Member noted the importance of community involvement and informed the Sub-Committee that there had been over 120 Don't Mess With Croydon clean up events and there were 300 Street Champions.

The priorities for the portfolio were stated to be ensuring that the new waste contract through the South London Waste Partnership (SLWP) contract was successful and further developing the IT systems and the app. The Council would continue to work with the SLWP and review the work of other councils to introduce further good practice.

The Cabinet Member informed Members that he had spoken to a number of residents associations across the borough regarding the new contract and had received positive responses. While financial pressures continued it was stressed that it was important that there was a strong enforcement team, and that the SLWP efficiency savings were being directed into improved services.

In response to Member questions the Cabinet Member stated that maps had been drawn up of the flytipping hotspots and covert surveillance had been started to try to catch those committing the crime. It was anticipated that it would take around 18 months to completed surveillance in each ward, and Members were advised that if they had areas they thought were a hotspot that they should inform the Director of Safety.

Members queried the communication around bulky item collection and whether assisted collections could be provided to the elderly. The Cabinet Member assured the Sub-Committee that if the resident informed the Council then Veolia would assist in collecting bulky items. Whilst the information on the website was considered to be clear, particularly when booking a collection, it was suggested that a line should be added to any leaflets to make the distinction between the cost and volume of items for bulky items and white goods.

The Cabinet Member, in response to Member concerns, stated there were stickers for shops to advertise that they were responsible however officers would visit traders to discuss their responsibilities in keeping the area clean. Furthermore the Cabinet Member committed to put Kenley on the list of centres for a deep street clean.

In response to Member questions the Cabinet Member stated that flytipping was necessarily the governments or the council's fault and that it was wrong to use it as 'political football'. The Keep Britain Tidy campaign was noted as a charity, and not a government campaign, and it was suggested that a national campaign similar to the Drink Driving campaign was required. The Cabinet Member suggested that more resources needed to be given to local councils, or money should be ring-fenced for environmental services to provide a minimum statutory service.

Officers confirmed they would provide Members with the timetable of when the street vacuums would be introduced but confirmed that they would not be used as a leafing resource but as a street cleansing resource.

Members queried whether there was a correlation between flytipping and areas of high private rented properties, particularly at the beginning of the month when tenancies changed. The Cabinet Member confirmed that officers

were working with the Housing department and did contact landlords through the Landlord Licensing Scheme regarding responsible disposal of waste. Members were further informed that residents often contacted the Council when neighbours were moving out and were leaving waste, such as old mattresses, and officers would speak to those who had flytipped. The Director of Safety stated it was difficult to catch people in the act and so education was important alongside enforcement.

Members queried the statement that using the number of reported flytips was not a helpful assessment and were informed that in future it should be helpful, and that from 2016/17 figures there had been a 4% decrease in reports.

In response to Member questions officers confirmed the Council had responded to the Mayor's strategy and agreed with making a circular economy and deigning out waste, such as less packaging.

The Director of Streets, in response to questions, stated that as part of the procurement strategy for the new waste contract the option on bringing it in house was reviewed but it did not stack up economically. The Cabinet Member stressed the importance of Veolia instilling the pride for working for Croydon for their staff also.

Veolia representatives confirmed that they were looking to reduce agency staff which would reduce the issue of missed collections. Furthermore tablets had been installed in each vehicle which learnt the route used by crews and required assisted collections to be confirmed as having taken place.

The Sub-Committee were informed that the flytipping hotspots were based on the statistics received and were often found in places where there was little overlooking. The Director of Safety stated that the majority of flytipping was domestic waste rather than commercial waste and was often found in high population density areas with a high turnover of tenancies. Officers were identifying roads where there were issues and not only considered enforcement, but also education and ensured the right provisions were available for people to appropriately dispose their waste.

In response to Member questions officers confirmed the new waste contract would provide those with limited waste storage space with different coloured bags which would also help distinguish domestic waste from flytips in black bags. The coloured bags would also distinguish residential waste from commercial waste and vehicles would have cameras on them to enable officers to review data on areas with a large number of black waste bags.

Veolia representatives stated that cardboard was a valuable resource and they would be looking to actively promoting the recycling of cardboard to customers.

The Director of Streets stated that while the IT system had helped there was a need for further integration and part of the new service would introduce further integration with two-way communication between the Council and Veolia

being key. The Director of Safety also confirmed that improvements to creating automated feedback to customers was necessary, and that further development work on the app for enforcement was being undertaken. The Sub-Committee were informed that the enforcement team were due to have new devices in the new year. Officers confirmed that they were confident that the IT integration improvements would be in place for the start of the contract.

In reaching its recommendations, the Committee made the following

CONCLUSIONS:

- That work had been ongoing for two years to improve and integrate the IT system;
- That further work needed to be undertaken to ensure residents received notifications following reporting of flytips; and
- The new waste contract would introduce a number of service improvements and was welcomed.

The Committee **RESOLVED** to recommend to Cabinet that:

1. Leaflets on the bulky waste collections be clarified to include an additional line regarding the cost of white goods collection;
2. Members be informed when the integration of ICT systems across enforcement functions has been completed; and
3. An update be provided to Members as to the issues experienced on IT integration and notifications to the public.

43/17 South London Waste Partnership - Looking to the new contract in 2018

The Sub-Committee received a presentation from officers which can be found in the Presentations supplement.

The Veolia representatives stressed that the issues experienced in the London Borough of Sutton were due to it being a large scale change taking place on a single day; including the transfer of 330 staff, new vehicles and new technology being introduced. Members were assured that lessons had been learnt and that the contractor would not attempt such a large scale change in one day.

Members were informed that the new vehicles would be arriving in Croydon three months early and would be introduced one at a time so that any faults could be identified and rectified. Furthermore, the street cleaning kit would be delivered ahead of the contract start date.

The Sub-Committee were informed that Veolia were working to have flat waste collections on the same day which would not be day with bank holidays, and that work was underway to review the communications that were to be sent to residents so it was more descriptive.

While it was acknowledged there had been issues with the introduction of new technology in Sutton, the Echo system had been used by the teams in Croydon for some time. Additionally, Veolia had all the data on waste collections as it had been shared by the Council and that performance

monitoring had already been undertaken. While it was acknowledged by Veolia that there would be challenges with the roll out of the new contract it was noted that performance in Sutton had been higher than expected after three months.

Members queried whether Christmas trees would be collected from the kerbside this season and were informed by the Director of Streets that discussions were taking place with Veolia as to whether the introduction could be brought forward. However, the community collection points would be in place if the kerbside collection could not be introduced.

The Sub-Committee were informed that there were a number of KPIs with the new contract including; flytips to be cleared within 24 hours, no more than 30 missed collection per 100,000, and streets to be cleaned to a grade A and maintained to be grade B. The Director of Streets agreed to share the KPIs within the redacted contract with Members.

In response to Member questions officers stated that the Council had made a recent investment of new equipment which would be used by Veolia, however the payback had been the improvements to the service including additional afternoon collections and improved street cleaning. Members were assured that the equipment had not been bought for the benefit of the boroughs within the South London Waste Partnership, and that a decision had been made across the Partnership to invest in new kit.

Officers noted that the literature and communication of the new street cleaning standard would be important as residents were used to a frequency service and the new service would be concentrated on the standard of street cleanliness. As such it was felt that pictures showing the expected level of cleanliness would be integral to the communication. The Sub-Committee were assured that officers would work with Veolia to monitor the level of deterioration of street cleanliness and that there was some flexibility within the contract to provide more resourcing, if required. While officers would review the cleanliness through visits and spot checks, feedback from the public and councillors would also assist in ensuring the standard was met.

Veolia representatives stated that when a leaf lost its structure and shape it became litter and that the leafing plan was not deployed until as late as possible so as to make best use of resources. Members were informed that there was a separate resource that was deployed for ten weeks to deal with leaves.

Members queried how the new contract would resolve the issue of plastic and bottles being scattered down the road due to box lids being lost and were informed that the additional bin for paper would free up another box that could be used for plastics. Furthermore Veolia were looking at alternative containers for those who had limited space for bin storage. The Sub-Committee were also informed that if the teams collecting the bins caused a spillage then they were expected to clear it, however if they found spillage on the road then they were expected to call in the street cleaners.

The Sub-Committee were informed that there would be the introduction of battery collections within the new contract and that residents would need to present them on top of their bin in a clearly marked, or clear, bag.

Communication was recognised as being an important aspect of ensuring the new contract was a success and would be rolled out in the new year. It was intended that the literature would be more picture tutorial rather than having leaflets in a number of languages as it had been found to be more successful in other boroughs.

Recycling and waste collections in flats was discussed and officers stated that having different coloured bags for those without communal bins would assist. The bags would be delivered annually through Amazon to ensure that they were signed for and could not be stolen, and would include literature on which bags to use and when to present the bags. Discussions were being had on how to manage requests for further bags.

Members noted that often the bin storage areas in flats were extremely dirty and that put residents off from properly recycling. Veolia stated that if the dirt was created by them then they would clear it up, however it was not their responsibility to clean general dirt rather it was the responsibility of the property managers. Veolia would, however, work with the properties to identify which residents were causing the issue and would engage with them. While it was noted that many residents did not like touching the lids of the large euro bins and would often put their bags beside the bins there was not currently an alternative bin available to roll out but it would be reviewed. The Sub-Committee were also informed that food waste containers would be cleaned as part of the contract.

In reaching its recommendations, the Sub-Committee made the following

CONCLUSIONS:

- That the new waste contract was welcomed;
- That the communication strategy was integral in ensuring the successful delivery of the new contract; and
- That lessons had been learnt from the challenges experienced in the London Borough of Sutton.

The Sub-Committee **RESOLVED** to recommend to Cabinet that:

1. A further update on the contract delivery be brought to the Sub-Committee in twelve months;
2. The communications strategy be carefully planned for the new bin collections and street cleaning; and
3. The KPIs for the contract be available to Members so they are aware of the expected standards.

44/17 Responses from Cabinet

The Sub-Committee noted the responses from Cabinet following the recommendations made at the meetings held on 28 February 2017 and 28 March 2017.

The Director of Streets informed the Sub-Committee that a capital investment of £180,000 per annum for four years had been achieved which would concentrate on replanting trees in empty pits and where there was high air pollution. Furthermore officers were looking to procure a single asset based system for the management of trees in the borough. The Sub-Committee were informed that the reason vacant tree pits were being prioritised was that it cost ten times more to plant trees in new pits due to the investigative work that needed to be undertaken in regards to utility lines.

The Chair requested that at the meeting on 20 February 2018 the Cabinet Member provided more information on the responses to the crossover recommendations following the meeting on 28 February 2017.

The Sub-Committee **NOTED** the responses from Cabinet.

45/17 Work Programme

The Chair noted that the meeting scheduled for 20 February 2018 would be focussed on transport and environment and so requested updates on the impact of the scrutiny deep dives on the Air Quality Action Plan, Vision Zero and the Cycling Strategy.

The Sub-Committee **NOTED** the work programme for the 2017/18 municipal year.

46/17 Exclusion of the Press and Public

This item was not required.

The meeting ended at 9.05 pm

Signed:

Date:

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Councillor Alison Butler

Cabinet Member for Homes, Regeneration & Planning (HRP)

Deputy, Councillor Manju Shahul-Hameed (Housing & Regeneration)

Councillor Paul Scott (Planning)

Responsibilities

- Brick by Brick
- Building Control
- Capital Delivery (Housing/Public Realm) – T&E*
- Council Stock - Planned Maintenance & Improvement
- Council Stock – Responsive Repairs
- Development Management
- District Centres - Regeneration & Development – EJ*
- Gateway Services – Strategic Overview
- Growth zone – JE*
- Housing Allocations
- Housing Strategy & Commissioning
- HRA
- Metropolitan Centre - Development & Regeneration –EJ*
- Place Plans
- Private Sector Housing Standards & Enforcement
- Spatial Planning
- Temporary Accommodation
- Tenancy & Caretaking Services
- The Local Plan

Policy Developments

- The Housing and Planning Act 2016 contains provisions on new homes (including starter homes), landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants; sale of local authority assets; 'pay-to-stay'; secure tenancies), planning, compulsory purchase, and public land (duty to dispose)
- Neighbourhood Planning & Infrastructure Bill will restrict the use of pre-commencement planning conditions, strengthen the role of neighbourhood planning, and reform the compulsory purchase order process to make it clearer, fairer and faster
- The Mayor of London's manifesto outlines tackling housing crisis in the capital as one of the priorities and includes number of measures

Projects and Programmes

Brick by Brick

- A development company set up by the Council to provide new affordable and private for sale properties to accelerate the delivery of new homes and improve the housing stock in Croydon. Operating as a private, independent company, with the Council acting as sole shareholder. Profits are to be recycled to fund council activities. The company will be taking forward around 50 sites through planning this year, potentially delivering around 1,200 new units of housing

Housing Allocations Policy

- In 2016 the Council will consult on a revised housing allocations policy, and will make arrangements to introduce choice based lettings. The policy will require people to have lived for 3 years in Croydon before they qualify to join the housing list and give more priority to homeless applicants who work with the council to prevent their homelessness

Housing Revenue Account (HRA) Review

- In response to the provisions of the Housing and Planning Act and the Welfare reform and Work Act the Council will continue with a thorough review of its HRA in order to meet the financial requirements imposed by the extended right to buy, the sale of high value council homes and the 1% reduction social housing rents

Place Plans

- Place Plans are developed to maximise use of the existing growth capacity and to support a "smart" spatial vision for the borough. Specific areas in Croydon are identified for further growth through more efficient use of local infrastructure. Public engagement is taking place on measures including business development and public realm improvements in Coulsdon, New Addington, Purley, South Norwood and Thornton Heath

New developments

- Delivering a range of new developments including the regeneration of Fairfield Halls and College Green as well as transforming New Addington, Taberner House, and Lion Green
- Developing the Local Plan will enable the delivery of new housing

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For general release

REPORT TO:	Streets, Environment and Homes Scrutiny Sub-Committee 23 January 2018
SUBJECT:	Evolution of the Suburbs Supplementary Planning Document
LEAD OFFICER:	Steve Dennington, Head of Spatial Planning
CABINET MEMBER:	Councillor Alison Butler, Deputy Leader (Statutory) and Cabinet Member for Homes, Regeneration & Planning
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Steve Dennington (Head of Spatial Planning) Guy Rochez (Place Making Project Officer) Claire Hayward (Plan Making Project Officer)
ORIGIN OF ITEM:	This item has been identified by Streets, Environment and Homes Scrutiny Sub-Committee as an item of scrutiny.
BRIEF FOR THE COMMITTEE:	To consider sustainable growth in the suburbs.

1. EXECUTIVE SUMMARY

- 1.1 The emerging Local Plan contains policies and designations that facilitate sustainable growth within the suburbs and refer to supplementary guidance (in the form of a Supplementary Planning Document (SPD)) to steer this. It is expected that the new Supplementary Planning Document 2 will supplement the design policies set out in DM11 of emerging Croydon Local Plan: Detailed Policies and Proposals (CLP2).
- 1.2 It is proposed that this guide will not only update and replace the existing SPD2 (Residential Extensions and Alterations) but also provide guidance for small-medium sized residential developments including the subdivision of larger properties, infill development and the development of the largest back gardens in the borough. Furthermore, guidance will be provided for the Intensification Areas identified in the emerging Local Plan where development is expected to contribute to an increase in density and a gradual change in character.
- 1.3 The draft London Plan (published 1st December 2017) has set significantly increased housing targets for London and Croydon. It is proposed that a significant number of these homes across London will be accommodated through the sustainable growth of the suburbs. There is a need to ensure this pressure on delivering housing within the suburbs and outer London is steered

with design guidance to ensure new homes are integrated with the existing fabric of the Borough and accommodated in a sustainable manner.

- 1.4 Currently there is a lack of design guidance for the different types of suburban development and how they contribute to a holistic vision for the sustainable growth of the suburbs. As such some developments coming forward do not reach their full potential in this respect. It is proposed that the new SPD2 will provide clear design guidance for developments across Croydon's 16 Places (as identified in the Local Plan) that will contribute towards the sustainable growth of the suburbs, intensification and focused intensification areas to help ensure that such growth occurs in the most sustainable way and to the best possible design standards to ensure any impact is mitigated, in the context of the emerging policies set out in the Local Plan. The guidance will provide certainty to locals, developers and other stakeholders as to what kind of growth is anticipated, and ensure the Local Planning Authority are making decisions on proposals based on such guidance, rather than other means or even being hostage to planning by appeal.
- 1.5 The existing SPD2 (Residential Extensions & Alteration) was produced over a decade ago and needs to be replaced to reflect experience of applying the guidance, appeal decisions over the years, new legislation, the changing policy context and policy objectives in Croydon. Pertinent to this is the introduction of Permitted Development rights which give homeowners significant development rights to extend and alter their homes. It is expected that the new SPD2 will respond to this and consider how Permitted Development as well as planning approved extension and alterations may accommodate growth.
- 1.6 The new SPD2 is expected to provide certainty to developers, communities and stakeholders regarding what is anticipated to be the output of sustainable growth of the suburbs, intensification and focused intensification areas – 'what it will look like'. It will have weight in planning decisions as a material consideration, giving planning officers guidance as to what kind of growth could be appropriate, helping ensure that projects and developments delivered in the Borough are of the highest design quality, contribute towards the strategic vision of its Place and mitigate impact to ensure sustainable growth of the suburbs.
- 1.7 The proposed structure of the new SPD2 is set out in Appendix A. The scope of the guidance covers three key subject areas: Residential Alterations & Extensions, (Re)Developments & Intensification Areas. It is considered that each of these subjects will be the basis for individual components that form part of a suite documents, accompanied by a master document setting out the overall purpose and importance of the guidance. References in terms of guidance, structure and visual communication are provided in Appendix B.
- 1.8 The scope of SPD2 has been refined through a series of informal evidence gathering workshops with internal and external stakeholders over the past two months. This has included meetings with Spatial Planning, Development Management, Public Health, Regeneration, BrickXBrick, Strategic Transport, GLA, DK-CM, HTA, Croydon's Place Review Panel and local developers. These workshops have informed the issues detailed in the following pages. Following the review of these issues by Scrutiny, it is expected that the new SPD2 will be drafted in earnest with engagement with Residents' Associations and Planning

Committee Members, along with the stakeholders already consulted, in February – March 2018. More detail on the timeline is provided under 2.4.1.

1.9 It is expected that the issues detailed will form part of the evidence base for the new SPD2 as it is drafted. The project team would appreciate and value Scrutiny's view on the issues below, but with particular concern to the following strategic issues:

- Does the proposed scope of the new SPD2 cover the key issues for ensuring sustainable growth is delivered for all stakeholders? Should SPD2 provide a strategic long-term vision for the suburbs?
- Should such a vision give detail to how good growth can accommodate greater densities to ensure we deliver the housing required whilst mitigating associated impacts?
- Should such a vision propose a holistic approach to growth, incorporating issues such as transport and waste management?
- Are there further issues that Scrutiny advise the project team to investigate?
- Are there other stakeholders that the project team should consult?
- Does Scrutiny have any recommendations on the form of future consultation with the differing stakeholders?

2. Evolution of the Suburbs SPD – Scrutiny Report

2.1 Residential Extensions & Alterations

2.1.1 The guidance for Residential Extensions & Alterations (REA) is considered to form part of the vision for sustainable growth of the suburbs. Existing houses present opportunities to accommodate growth in terms of physical space, number of habitants and households. As such revised guidance on REA will form an integral part of the new SPD2.

2.1.2 Current Permitted Development (PD) legislation as part of the General Permitted Development Order (2015) gives homeowners considerable rights to extend and alter their homes without seeking planning permission. Thus a lot of extensions and alterations are beyond planning control. The existing SPD2 on Residential Extensions & Alterations was adopted in 2006, well before Permitted Development rights were legislated. As such the existing SPD2 does not reflect the scope of PD rights and is undermined by it in many respects. A comparison between the existing SPD2 guidance and PD rights is included in Appendix C. An approach to PD is considered to be important in producing meaningful and useful guidance on Residential Extensions & Alterations. This is likely to follow guidance that could be considered to be 'Permitted Development Plus'. Such guidance would be consistent with Permitted Development and provide additional guidance for extensions & alterations that go beyond PD rights. The guidance could also provide design advice for proposals that are PD, as well as schemes that require planning permission. As such this would encourage homeowners to approach extensions and alterations through PD with the same conscience to design as those applying for planning permission.

2.2 (Re)Development

2.2.1 There is need for guidance on the types of developments listed in Table 46.3 of the emerging CLP2 (included in Appendix D). Those relevant to the development of existing plots and homes are as follows:

- In-fill including plot subdivision: Filling in gaps and left over spaces between existing properties. It can also include subdivision of large plots of land into smaller parcels of land with a layout that complements the existing urban pattern.
- Rear garden development: The construction of new buildings in rear gardens of the existing properties. Houses must be subservient in scale to the main house.
- Regeneration: The replacement of the existing buildings (including the replacement of detached or semi-detached houses with flats) with a development that increases the density and massing, within the broad parameters of the existing local character reflected in the form of buildings and street scene in particular.

2.2.2 These forms of development are already common to Croydon and they continue to come forward for planning permission in great quantity. They form an integral aspect for the growth of the suburbs and as such guidance for them will be provided within the (Re)Development section of the new SPD2.

2.2.3 The quality of schemes for such small - medium scale developments varies greatly, and there is currently no collective vision for how developments may work together in an integrated manner, taking into consideration issues such as transport, parking, servicing and refuse collection, to deliver sustainable growth. As such there is scope for design guidance related to these types of development, as well as strategic vision for how developments can collectively contribute to the sustainable growth of the borough.

2.3 Intensification Areas

2.3.1 The emerging CLP2, pending the Inspector's report, identifies four intensification areas. These areas are currently defined as:

- Area around Kenley station
- Brighton Road (Sanderstead Road) Local Centre with its setting
- Around Forestdale Neighbourhood Centre
- Settings of Shirley Local Centre and Shirley Road Neighbourhood Centre

2.3.2 These areas have been identified due to their capacity to accommodate sustainable growth. They have good transport and other infrastructure provisions, including local amenities such as shops, but with comparatively low densities along with site opportunities for development. This capacity for growth in sustainable locations gives them importance as an integral aspect of the vision for the suburbs that design guidance within the new SPD2 is proposed to provide. It is expected that guidance for growth in these areas will need to be tailored to the specificity of each area.

2.4 Suburban Evolution – General Issues & Options

2.4.1 The issues tabled in the paragraphs below have a bearing on the different forms

of Suburban development described above. These issues should be considered in light of REA, (Re)Developments and the Intensification Areas as appropriate. The project team would welcome Scrutiny's response to these issues and comment on whether there are others that should be investigated.

2.4.2 Plot Widths

The character of streets across the borough are underpinned by the development patterns identified in the borough's Character Appraisal. These patterns are defined as much by the width of plots and the spaces between the buildings, as by the buildings themselves. It is considered that guidance within the new SPD2 should recognise the importance of working with the rhythm of the built form as an integral aspect to character. Such guidance would have a bearing on gaps between terraces, spaces between semi-detached houses and distances from boundaries in detached properties.

2.4.3 New Routes

Backland developments can present an opportunity to connect existing streets within the borough, providing new routes through neighbourhood blocks. This can be used advantageously in providing natural surveillance and embedding new development within the life of the existing community. To ensure developers think about how their proposals are part of the local context, it is considered that there is a need for guidance that exemplifies how developments may be planned to accommodate such routes.

2.4.4 Neighbouring Sites

It is not unusual for backland and smaller sites that come forward for development to sit alongside other sites with development potential that are under separation ownership. There is often greater development potential when adjoining sites come forward together and this can provide the opportunity to create more successful pieces of suburbia, rather than piecemeal development. It is considered that the new SPD2 should provide guidance on working with neighbouring sites and how to ensure future developments on adjoining sites are not sterilised by development on one site coming forward first.

2.4.5 Transport & Parking

Access to transport and parking provision are related issues when considering the development of suburban sites. The need for parking provision is determined by the sustainable transport accessible from the site (including walking and cycling, as well as bus routes and train services). As the Places of Croydon accommodate more growth the need for parking provision increases where there is a lack of accessibility to sustainable transport. It is a key development concern and often a key issue amongst residents. There are a number of approaches to transport and parking provision that can be considered alongside one another in relation to sustainable suburban growth that will be investigated as the guidance as SPD2 is drafted.

The suburbs are inherently car orientated places, however the Mayor's Transport Strategy and the draft London Plan are clear on the expectation that London's

future is increasingly car free. To encourage car free developments within the suburbs, there is need to provide more public transport provision. As the guidance is drafted it is expected that the project team will continue to consult with the Council's Strategic Transport Service and Transport for London to assess how sustainable growth of the suburbs can be tied into increased provision and new forms of public transport given the prospect of increased patronage. This may include neighbourhood trials on schemes such as on-demand bus services, e-bikes and increased cycle storage in key locations.

There are a number of different tools for assessing access to transport. The most common is PTAL, however it is recognised that this is a relatively blunt instrument. The new SPD2 presents the opportunity to investigate how alternative measures may guide the siting of developments and the associated quantum of parking provision.

Provision of parking can lead to the loss of landscaping, amenity space or green space, particularly in redevelopment of existing single family households into multiple residences where gardens are paved over to provide parking. The new SPD2 presents the opportunity to provide guidance on appropriate landscaping arrangements to ensure green space is maximised in such developments.

2.4.6 Housing Mix

The Croydon Local Plan & London Plan provide guidance on housing mix but this can be challenging to apply without precluding development on certain sites, particularly on smaller sites. SPD2 provides the opportunity to emphasise the importance of housing mix to developers and provide residents with reassurance that the Borough is proactively responding to local housing needs.

2.4.7 Under-development

The Council receives a significant number of suburban development proposals for 9 or less units, which avoid the need for affordable housing provision (the policy threshold for affordable housing is set at 10 units). As such development potential often is not maximised on some sites. It is expected that there will need to be some guidance on the expected capacity of sites of a certain size or type, and on subdivision to reduce the size of a site to ensure existing sites maximise their potential and deliver affordable housing where possible. The project team recognise that strict guidance on maximising the potential of sites could deter developers from Croydon and impact on the quantum of all housing delivered. This will need to be carefully considered within the guidance.

2.4.8 Overlooking Distances

All scales of suburban growth from REAs to larger developments within the Intensification Areas will need to demonstrate a reasonable approach to how overlooking to and from neighbouring properties is managed. Overlooking can be a particular issue in tight backland developments or where extensions or development on undeveloped land occurs in close proximity to existing residences. As the suburbs accommodate growth with greater densities of development, there is need for greater guidance than provided in the emerging Local Plan that sets out an approach to this.

2.4.9 Building along & up to boundaries

Developments that extend along the boundary of neighbouring properties can impact on the daylight / sunlight, views and potential for future development on neighbouring sites. It is considered that there is a need for guidance on scale and design of development that directly adjoins boundaries, but does not limit development along boundaries by being too numerically specific.

2.4.10 Daylight and Sunlight

There is a need for all developments to not cause undue harm to access to light for future and existing residents. Technical guidance / measurement for daylight and sunlight impacts provide one method for determining the success of a proposal. While interpretation and application of sunlight / daylight standards is important, there is the risk that this reduces the potential to accommodate quantum of development that would be acceptable in more urban conditions and as the suburbs evolve may become more appropriate. It is expected that guidance on daylight and sunlight will be provided within the new SPD2.

2.4.11 Sense of Arrival

New developments, notably on backlands which are typically accessed via narrow lanes alongside existing properties, usually require some kind of new entrance. To integrate them into the existing urban fabric there is a need to mark their entrance in a way that corresponds to the scale of the existing and the new, without compromising the safety and security. Generally gated communities are considered to have negative impacts on the vitality of local communities. Guidance within the new SPD2 will seek to address methods for creating effective entrances to new small – medium sized developments.

2.4.12 Access to sites

The narrow lanes typically used to access backland sites present a range of servicing difficulties, from day to day issues like waste collection, through to access for emergency vehicles. Poorly accessed sites can make developments unviable without the correct technical approach to alternative design solutions. These approaches need to be considered as part of the planning process to avoid repeat applications due to changes in proposals as a result of these issues emerging post-planning. These issues frequently require coordination between developers, Council and stakeholders to ensure they are well designed and do not undermine Building Control regulations. Guidance on such matters will be provided within the new SPD2.

2.4.13 Place-specific guidance

The Places, local areas and individual streets of Croydon have specific characteristics as a result of the patterns of developments that have occurred there. Different approaches to suburban development will have differing impacts depending on the place. The new SPD2 needs to take an approach to character which defines where it is appropriate for character to be maintained and where it is expected that there will be a positive evolution of character, or gradual change

for the Intensification Areas. Attempting to be overly place-specific risks creating an excessive amount of guidance as that limits flexibility in applications and stifles good design and innovation. However, without guidance, future developments may fail to respond to place-specific characteristics throughout the borough. The new SPD2 is expected to build up guidance based on the Borough's Character Appraisal, thus providing an approach to place-specific guidance.

2.4.14 Character

The Borough's Character Appraisal provides technical evidence on the typological characters of different forms of development across Croydon. Most prominent are Victorian terraces, 20th Century semi-detached homes and mixed aged detached houses. Each pattern of development, both in terms of townscape and architectural detail, contributes to the feel of the area. Guidance within the new SPD2 will be provided on how to positively respond to character. This will reduce the need for small developers or home owners to undertake a full contextual analysis and thus make the planning process for smaller projects easier to navigate.

2.4.15 Shallow Architecture

A considerable number of suburban residential developments come forward with designs that reflect neighbouring developments. This typically is embodied in a mock-Georgian, mock-Victorian or occasionally mock-Tudor drawn external appearance, however the reality of built-quality and the success of replicated detailing is often limited. The new SPD2 must consider how contemporary and innovative design, as well as traditional design, can be encouraged and delivered to a high quality.

2.4.16 Conservation Areas

Croydon has a total of 21 Conservation Areas, all with specific guidance. The majority of these areas are suburban in their character. Whilst the development potential within Conservation Areas is limited so as to conserve the character of the area, they still present some opportunities for appropriate growth. Whilst guidance in the new SPD2 may be applicable to projects in Conservation Areas, it must avoid contradiction or overlap with Conservation Area guidance which will hold more weight in planning decisions for these areas.

2.4.17 Pattern Book

To respond to the difficulty of small scale developers / homeowners having limited resources to carry out contextual analysis and invest in expensive design processes, Council officers and the Place Review Panel believe that the new SPD could provide a pattern book for common REA and developments to ensure a level of quality is locked into all proposals coming forward. Such pattern book would provide a baseline for these types of proposals, however there is a risk that any prescribed style could make the design process onerous and increase construction costs, thus limiting viability. Any such pattern book guidance would need to be technical rather than aesthetic.

2.4.18 Prefabrication

Prefabrication techniques are increasingly common at all scales within the construction industry. Buildability on small sites is challenging and disruptive to local communities. It is considered that SPD2 should be approached with an understanding to off-site manufacture and how it may be exploited to contribute to the sustainable growth of the suburbs.

2.4.19 Subservience

Commonly supplementary planning guidance in the UK on extensions and developments within the curtilage of an existing property require proposals to be 'subservient'. If poorly defined this can both limit the potential of sites in accommodating a greater quantum of development and prejudice good contemporary design not considered to be subservient. DM11 of the emerging Local Plan is clear that subservience is applicable in terms of the scale of developments in the grounds of an existing house, but does not give any further constraints or its applicability to design. The new SPD2 provides the scope to test the applicability of subservience in other scenarios and in terms of design.

2.4.20 Visible Ancillary Items

Additional items related to the servicing of buildings can become a detractor from the appearance of a development and have a negative impact on the street scene. It is considered that there is a need for guidance on common items such as flues, ducts, vents, antennas, signage and refuse stores, to ensure these are designed into proposals and avoid clumsy addition of such items.

2.4.21 Landscaping & Topography

Croydon is an inherently green borough. Managing the impact of suburban redevelopments on the appearance of neighbourhoods to ensure green space and vegetation is not lost is an important aspect in defining an approach to character and as conveyed in Local Plan policy. Equally the topography of Croydon presents opportunities that can be exploited to maximise the potential of a site to accommodate development, integrate ancillary spaces and minimise impact on the surrounding area. It is expected that guidance within the new SPD2 will encourage this.

2.5 Timeline & Future Engagement

2.5.1 Timeline

The following dates set out the proposed timeline for drafting and adopting the new SPD2:

Oct – Dec 2017: Stakeholder workshops

Jan 2018: Scrutiny

Jan - Feb 2018: Evidence assembly, early engagement and issues and options identification

March 2018: Informal workshops on issues and options

April - June: Revisions & development of guidance

July - August: Formal consultation on draft SPD in accordance with the relevant regulations and the Council's Statement of Community Involvement

September 2018: Consideration of representations and post-consultation amendments

October 2018: Adoption

2.5.2 Residents Associations & Planning Committee

Residents' Associations and the Planning Committee Members have been written to informing them that the SPD is being considered by this Scrutiny meeting. This provides the opportunity for early insight prior to detailed engagement.

Following draft guidance on the issues and options, they will be engaged in informal workshops in early March. They will be engaged formally once the final draft is published in July.

2.5.3 Design Workshops

To test the draft issues and options, a series of design workshops will be held in the spring of 2018, with the following stakeholders:

- Spatial Planning, Development Management, Strategic Transport, Streets & Districts and Regeneration
- HTA Architects & DK-CM
- Place Review Panel
- Local Developers / Agents & Brick by Brick
- GLA Regen & GLA Strategic Planning
- Residents' Associations
- Planning Committee Members

The design workshops will include testing the draft guidance through a series of devised scenarios at a range of scales to test the aspects of the new SPD2 from the scale of designing a dormer window through to proposing a series of developments that fulfil the proposed strategies for the identified intensification areas.

2.5.4 Formal Consultation

The draft new SPD2 will also be available during the period of formal consultation (expected to be summer 2018). This will be through the normal channels including documents being available on the Council's website and at libraries.

2.5.5 Discreet Packages of Work

There are a number of emerging tasks which could in themselves become

discreet packages of work. This work builds on the Local Plan evidence, most notably the borough character appraisal and typological work. These elements of work are set out below in relation to the relevant section of the new SPD that they would inform. It is the intention of the Spatial Planning Service that these elements will be undertaken in-house, however they could present opportunities for external input.

Masterplanning of Intensification Areas:

- Outline proposed massing, establishing building heights & lines
- Proposed uses
- Indicative visualisation of masterplans

Evolution of the Suburbs:

- Pattern book plans for converting single-family homes into multi-family developments: terrace, semi-detached & detached homes (extensions & subdivision). These plans would demonstrate typical ways in which these homes could accommodate development.
- Pattern book designs for curtilage houses
- Pattern book designs for garage conversions

Residential Extensions & Alterations:

- Pattern book plans for extending single-family homes: terrace, semi-detached & detached homes (dormers, roof, additional storeys, side, rear, wrap-around). These plans would demonstrate typical ways in which these homes could be extended or altered.

2.5.6 Pilot Schemes

To fully test the guidance and provide best practice references the project team are exploring the potential for pilot schemes. This is both in design and delivery.

In the context of design, there is potential to set the PRP panelists longer design tasks based on typical scenarios and ask them to use the guidance to produce proposals. This would be full pilot test runs of the guidance.

In the context of delivery, there is potential to work with Brick by Brick (BxB), or other local developers, to realise the guidance to its fullest. To an extent BxB already provide for exemplar reference, but the schemes that have already come forward are not a response to the guidance, but rather a result of their investment in design. Future schemes present the opportunity to provide responsive examples of 'what it will look like' for all those involved in suburban development.

CONTACT OFFICER: Guy Rochez, Place Making Project Officer

BACKGROUND DOCUMENTS: None

Appendices

Appendix A: Proposed Structure

Appendix B: Language & Graphic

Appendix C: Existing SPD2 / PD
Appendix D: Table 46.3 (from CLP2)

Evolution of the Suburbs SPD2

Scrutiny Report Appendix A - D

December 2017

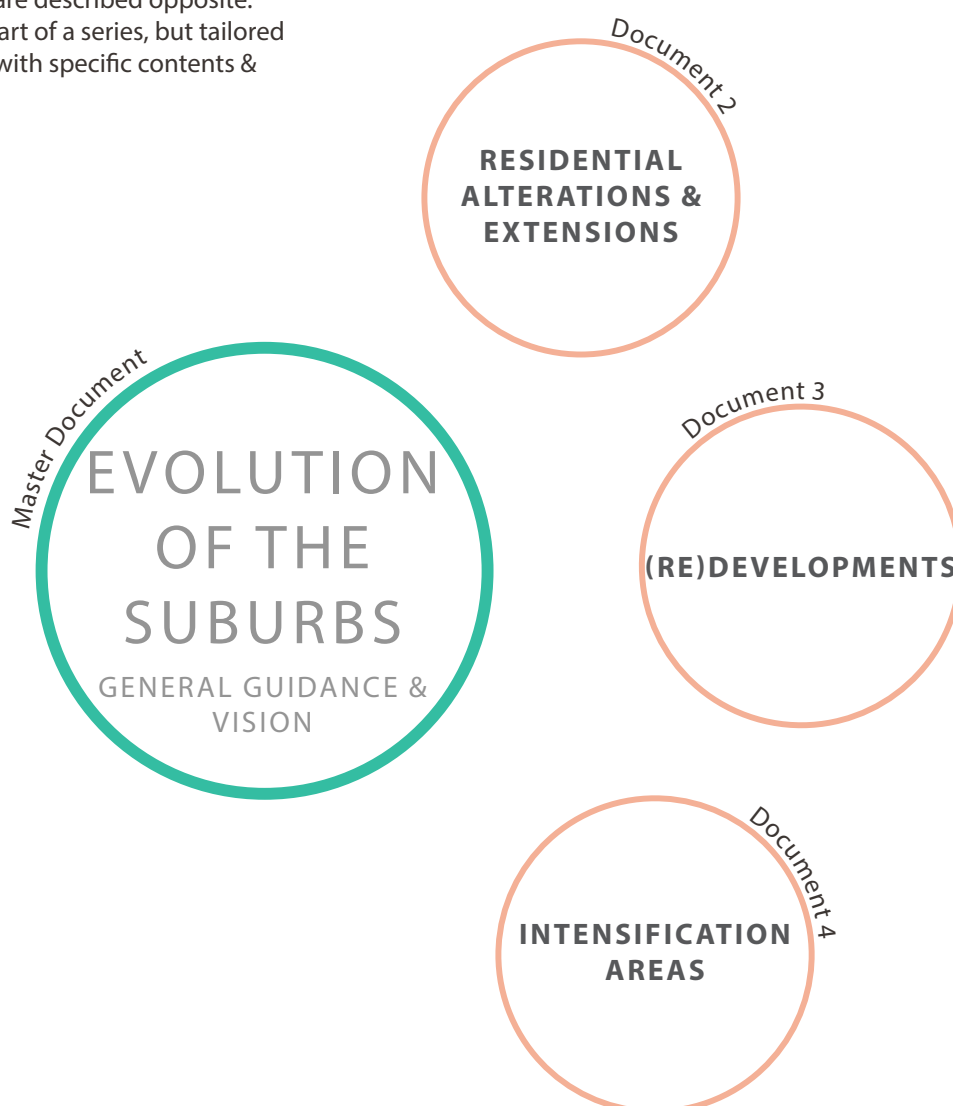
APPENDIX A: PROPOSED STRUCTURE

Whilst it is important that residential extensions & alterations, (re)developments and intensification areas are considered within an overall approach to the suburbs, guidance that covers all the related issues risks being lengthy and difficult to use.

Officers propose a structure similar to the Conservation Areas guidance, where there is the Conservation Area General Guidance (CAG) and then the specific Conservation Area Appraisal and Management Plans (CAAMP) as separate documents. Adopting a similar structure for the SPD would see a master document giving an overview of the approach to the evolution of the suburbs, followed by separate documents providing more detailed guidance for the identified aspects of evolution:

- Residential Extensions & Alterations
- (Re)Development (redevelopment of existing properties, infills & backlands)
- Intensification Areas

The contents of each element are described opposite. Collectively they would form part of a series, but tailored to the relevant audiences and with specific contents & glossary sections.



OVERVIEW / MASTER DOCUMENT

1. Introduction
2. Principles of Sustainable Intensification
3. Process for Suburban Growth
4. Design Process
5. Home, Neighbour & Community
6. Building Control
7. Environmental considerations (stormwater etc.)

31. Kenley
 - a. Area appraisal
 - b. Site identification
 - c. Masterplan strategy
 - d. 5, 10, 15 year vision
32. Shirley
 - a. Area appraisal
 - b. Site identification
 - c. Masterplan strategy
 - d. 5, 10, 15 year vision

RESIDENTIAL EXTENSIONS & ALTERATIONS

6. Shared Projects
7. Rear Extensions
8. Side Extensions
10. Wrap-around Extensions
11. Roof alterations & dormer windows
12. Additional storeys
13. Pattern book for common extensions & alterations
14. Home businesses

GLOSSARY & REFERENCE TABLES

33. Find out more
34. Glossary of terms
35. Table of policies/guidance
36. Contents

(RE)DEVELOPMENTS

15. Common issues: Parking, Transport, Underdevelopment & Environmental Impacts (loss of green space, stormwater)
16. Topographical opportunities
17. Relationship to neighbouring sites (plot widths, sterilizing future development)
18. Redevelopment of existing properties
19. Outbuildings
20. Front & Rear Gardens
21. Subdivision
22. Infill developments
23. Corner plots
24. Backland & Mews developments
25. Pattern Book for common (re)developments
26. Change of use

INTENSIFICATION AREAS

27. Identification of Intensification Areas
28. Accommodating Sustainable Growth
29. Brighton Road
 - a. Area appraisal
 - b. Site identification
 - c. Masterplan strategy
 - d. 5, 10, 15 year vision
30. Forestdale
 - a. Area appraisal
 - b. Site identification
 - c. Masterplan strategy
 - d. 5, 10, 15 year vision

APPENDIX B: LANGUAGE & GRAPHIC

Through the internal and external workshops conducted it has been established that graphic identity and language used to communicate the guidance must be tailored to the audiences to be reached. There are a number of planning design guides that have provided reference in terms of communication: Thurrock, Greenwich, Hackney and Essex.

AUDIENCE

The intentions for the new guidance is that it will be usable by both layman and professionals, from homeowners through to architects and planning officers. This range of audiences presents a challenge in presenting the information in a meaningful manner that reflects the differing interests outlined below:

- General public: general interest in how development will occur in their area
- Homeowners: Layman guidance on how to pursue a project to their home
- Developers, architects & planning consultants: Technical guidance on designing schemes & secure planning permission in the context of Croydon
- Planning officers: Technical guidance to assist in determining applications

This range of audience creates a dichotomy between pithy technical guidance for trained professionals and more verbose guidance in layman terminology for homeowners and other members of the public.

It is noted that guides such as Thurrock's endeavor to engage lay audiences with easy to navigate pages, advice on other issues related to building projects (such as building control and party wall issues), along with general guidance in approaching the design of a residential project. Further to this the Thurrock guide provides a glossary of terms to assist lay audiences. Counter to this the Greenwich SPD provides a considerably more technical focus that clearly relates to the local plan, and defines clearly what is supplementary guidance.

In catering to the audiences above, it is considered that the new SPD for Croydon will need to take a carefully balanced approach between discursive and technical guidance. It is expected that technical guidance will be highlighted within layman digestible text, diagrams & examples, along with succinct tables of the guidance as an appendix for direct reference by professionals. Through the more discursive text within the documents themselves it is expected that a vision for the suburbs is clearly described, providing the 'what it will look like' in relation to policy DM11 of the emerging local plan.

LOCAL IDENTITY

The issue of local identity within the context of providing design guidance for the suburbs is important in giving a holistic vision that works with this identity and is reflected in the detail of how the information is conveyed through the graphic presentation and descriptive text. Review of similar supplementary planning guidance from other boroughs has revealed successful approaches. Key examples are Hackney and Thurrock; both provide introductory pages that describe the borough and its key characteristics, common typologies and approaches to residential extensions and redevelopment projects. This sets the guidance firmly within an understanding of the place it relates to. The proposed structure for the Croydon SPD includes the scope for similar introductory and overview pages.

The manner in which the detailed guidance is displayed also has weight in engaging the reader and conveying a sense of identity. Guides such as Greenwich's uses screenshots of SketchUp models. These feel generic and fail to engage with the reality of detail inherent in the built environment. Whereas Thurrock and Hackney convey guidance through hand drawn visuals, which still provide clarity and accuracy, but with detail to the built environment that speaks of the places it describes and is thus more engaging and convincing. It is expected that the project team will develop a visual language that effectively describes the suburban characteristics of Croydon as a means to communicate the guidance clearly with respect to local identity.

GREENWICH SPD

RESIDENTIAL EXTENSIONS, BASEMENTS AND CONVERSIONS GUIDANCE SUPPLEMENTARY PLANNING DOCUMENT

5.15 Where the original rear wall of a house is stepped then each of these stepped walls will form the rear wall of the original dwelling house. In such cases, the limits on extensions apply to any of the rear walls being extended. As can be seen in the right hand drawing in Figure 5 below, each wall of the original house can be extended as long as the original stepped appearance of the property is maintained.

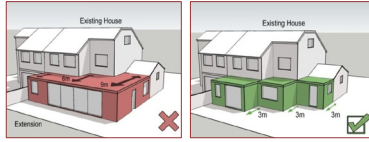


Figure 5 Infill extensions: the stepped appearance of the original house should be maintained, as illustrated by the drawing on the right.

5.16 Extensions as illustrated in the left hand drawing in Figure 5 are not permitted development and will be discouraged because they can cause harm to the neighbouring properties and block their daylight. What will be considered acceptable will depend on the impact upon neighbouring occupiers and their amenity.

5.17 Under the temporary prior approval process for larger household extensions introduced on 30 May 2013 to 30 May 2019, an in-fill extension for up to 6m for attached houses and 8m for detached houses can be applied for under the prior approval process. However, as set out in paragraph 5.4, it is only considered acceptable to extend by up to 3.6m in Royal Greenwich. Extensions larger than this would be discouraged because they are likely to restrict light to neighbouring properties.

Conservatories

5.18 A conservatory or pergola to the rear of a house is still considered as an extension. The criteria that apply to brick and rendered extensions also apply to these types of extensions. The side elevations of a conservatory should be built using solid materials to a maximum height of two metres to allow the passage of natural light and prevent any overlooking. Planning permission is not usually granted where the proposal is to add a conservatory or pergola to the rear of an existing extension.

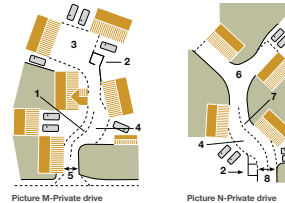
ESSEX DESIGN GUIDE

Headroom

Minimum headroom is to be normally 2.5 metres, but where the drive is to be used by fire tenders it is to be not less than 3.7 metres.

Surface Finish

Materials suitable for reducing vehicle speeds and of pleasant appearance should be used, e.g. loose gravel (which should be bound with an approved binder within 6m of the highway), tar spray and shingle dressing, (likewise to be bound within 6m of the highway), coloured asphalt, concrete or clay block paving, granite or man-made sets, cobbles or stable blocks.



1. Minimum centreline bend, radius 6m 2. Bin collection point no more than 25m from road 3. Size 2 turning head 4. Passing bay 5. 2.4m 6. Size 2 turning head 7. Minimum centreline bend, radius 7.75m where enclosed by walls 8. 3.7m

HACKNEY SPG

DESIGN GUIDELINES: SIDE EXTENSIONS

3.42 Side extensions can have a wider impact than the immediate setting of the original house. A number of factors have to be assessed, including the size, form and height of any proposed side extension, in order to determine if one is acceptable.

Issues

3.43 Hackney's residential streets are characterised by terraces of varying lengths with limited potential to accommodate side extensions. There are also streets which are composed of shorter terraces, or semi-detached and detached houses which

provide glimpses of rear gardens through the gaps between buildings.

3.44 The gaps between buildings can be key components of the identity and character of individual streets. This identity and character can be adversely affected when the spaces between buildings are completely closed up, especially when two adjacent owners carry out side extensions. Side extensions can also alter the appearance of symmetrically designed buildings creating a lop-sided appearance.

Figure 3.8 Image illustrating importance of gaps between buildings



THURROCK DESIGN GUIDE

Residential Alterations and Extensions Thurrock Design Guide



Case Study 2
Interpreting standard 4.1.3 to extend a property with a medium-sized plot



Project

This is a plan of the example above. Minus the original dwelling and its original garage, the plot is 215m², meaning that an area of 63m² (29%) can be added, subject to other planning policies and standards. Here are three possible approaches.

Approach 1 - Rear Extension

You could propose a single rear extension of up to 62m². This example connects the dwelling to its garage.

Approach 2 - Outbuilding associated with existing garage

You could propose a single outbuilding of up to 62m², in this case expanding the existing garage. This approach might be particularly suitable for creating space for a hobby or start-up business.

Approach 3 - Combined rear and side extensions

You could propose to extend to the side and rear of the property, with a total combined area of 62m². Such an approach would lead to a larger retained rear garden.

APPENDIX C: EXISTING SPD2 / PD

The tables below list out Permitted Development (PD) rights against Croydon's existing SPD2 on Residential Extensions & Alterations. This forms part of the evidence base for pursuing a 'PD plus' approach to guidance on alterations and extensions, proactively engaging with permitted development rights as part of the evolution of the suburbs.

	Existing SPD2	Permitted Development
Area covered		Not more than 50% of curtilage, excluding original house
Height		Not higher than highest part of existing dwellinghouse
Eaves		Not higher than eaves of existing dwellinghouse
Front extensions		Not permitted beyond primary elevation or an elevation that faces onto a highway
Single storey extensions	Subordinate and not more than 3m	Not more than 4m high and 4m deep for detached houses or 3m deep for other houses.
	May be deeper if two neighbours are extending at same time	
	Roofs not be used as terraces	
	Shape of roof to respect roof of existing property	
	Not project beyond primary elevation and be set 215mm back	
Two storey	Not permitted at rear of house, unless no harm can be demonstrated.	Not extend more than 3m from original house and not be within 7m of the boundary
	Side extensions should respect character and rhythm of street. Setting back from front elevation by approx. 1.5m on both floors. Maintain view to rear of curtilage.	
	Not be more than half the width of the original house	
Single storey extensions, not on article 2(3) land or on a site of specific interest		Not more than 4m high and 8m deep for detached houses or 6m deep for other houses.
Side extensions that extend beyond rear wall		Limited to single storey, and max. 3m beyond rear wall and not within 7m of the boundary opposite the rear wall
		Not within 2m of the curtilage and not with eaves higher than 3m
		Not beyond any side elevation and exceed 4m in height and have more than 1 storey and have a width greater than half the width of the original dwelling house
Single storey front extensions	Not be dominant, not full width. Material pallet to compliment existing.	Not permitted
Extensions between a side elevation and a rear wall		Not exceed 3m (4m for detached house), be single storey not higher than 4m, and not more than half the width of the house at its widest point.
Windows on side elevations	To be high-level, non-opening and fitted with obscure glazing	Obscure glazed and non-opening below 1.7m
Roof pitch		To be same pitch on double-height extensions, so far as is practicable.

	Existing SPD2	Permitted Development
Roof additions	Not exceed existing highest point of roof	Not exceed existing highest point of roof
	Not more than 2/3rd of width	Full width
	Not allow change form hipped to gable	
	Dormers to the front should be appropriate to character of the building.	Extend beyond the plane of the roof on the principal elevation
		Not exceed 40m ³ (50m ³ for detached)
		Eaves to be maintained (except for hip to gable)
		Minimum of 0.2m from edge of existing eaves
		Not extend beyond the face of the original house (except where connecting with an enlargement beyond the edge of the original house.
	Dormers should be located in line with centre lines of windows	
	Roof extensions should not wrap around two sides of hipped roof.	
Rooflights		Not be over 0.15m from existing roof
Porches	Appear as part of the original house	Not exceed 3m ² , not higher than 3m and not within 2m of the boundary
Outbuildings and incidental uses		Would exceed 50% of curtilage (excluding ground covered by original dwellinghouse)
		Not beyond principal elevation
		Not be more than 1 storey
		Not more than 3m or 4m high if dual pitch roof, and not more than 2.5m if within 2m of the boundary
		Height of eaves not higher than 2.5m
Verandahs, balconies and raised platforms		Not permitted
Antenna		Not more than 2 antennas on the property. Not bigger than 1m in length. Not higher than 0.6m from roof.
Chimney, flu, vent pipe	No guidance, except for protection / maintenance of chimneys	Not permitted if exceeds highest part of roof by over 1m
Materials	Opportunity to introduce new materials that are complimentary	Similar to existing

APPENDIX D: TABLE 46.3 (CLP2)

The tables below is extracted from the emerging Local Plan. It tallies the type of development that could be accomodated against the typologies of housing common to Croydon, as identified in the Borough Character Appraisal.

<u>Local character types</u>	<u>Conversion</u>	<u>Additions</u>	<u>In-fill and Plot Subdivision</u>	<u>Rear garden development</u>	<u>Regeneration</u>
<u>PREDOMINANTLY RESIDENTIAL TYPOLOGIES</u>					
<u>Compact Houses On Relatively Small Plots</u>					✓
<u>Detached Houses On Relatively Large Plots</u>	✓	✓	✓	✓	✓
<u>Large Houses On Relatively Small Plots</u>	✓	✓			✓
<u>Local Authority Built Housing With Public Realm</u>			✓		✓
<u>Medium Rise Blocks With Associated Grounds</u>		✓	✓		✓
<u>Planned Estates Of Semi Detached Houses</u>	✓	✓	✓	✓	✓
<u>Scattered Houses On Large Plots</u>	✓	✓	✓	✓	✓
<u>Terraced Houses And Cottages</u>	✓		✓	✓	✓
<u>PREDOMINANTLY MIXED USE CHARACTER TYPES</u>					
<u>Large Buildings with Continuous Frontage Line</u>	✓	✓			✓
<u>Large Buildings With Spacing</u>	✓			✓	✓
<u>Suburban Shopping Areas</u>	✓	✓	✓	✓	✓

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For general release

REPORT TO:	Streets Environment and Homes Scrutiny Sub-Committee 23 January 2018
SUBJECT:	Brick by Brick Business Plan 2018/9
LEAD OFFICER:	Colm Lacey
CABINET MEMBER:	Councillor Alison Butler Deputy Leader (Statutory) and Cabinet Member for Homes, Regeneration & Planning
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Colm Lacey, Managing Director/CEO BXB

ORIGIN OF ITEM:	This item has been identified by Streets, Environment and Scrutiny Sub Committee as an item of Scrutiny.
BRIEF FOR THE COMMITTEE:	To review the draft of the annual BXB Business plan 2018/2019

1. EXECUTIVE SUMMARY

This paper provides a draft of the annual BXB Business Plan for 2018/9 for review by the Streets, Environment and Homes Scrutiny Sub-Committee.

2. BRICK BY BRICK BUSINESS PLAN 2018/9

- 2.1 The borough has established a development company, Brick by Brick Croydon Limited (BXB), to bring forward housing led development in a way which realizes the development potential of a sites throughout the borough and maximises the benefit from development to local residents.
- 2.2 Each year, BXB develops a Business Plan relating to its activities over the forthcoming year and presents it to the relevant Scrutiny and Cabinet committees for review. The BXB Business Plan for 2018/9 is included as Appendix 1.

CONTACT OFFICER: Colm Lacey, Ext 65635

BACKGROUND DOCUMENTS:

The documents below are already published

- Wholly owned housing company – an option for tackling the shortage of homes in Croydon, Cabinet 29 September 2014
- Growth for the Prosperity of All: Growth Plan & District Centre Investment and Place Plans, Cabinet 29 September 2015
- Homes – our 10 priorities, Cabinet 16 March 2015
- College Green Cultural and Educational Quarter Cabinet Report, 20 Oct 2015
- Brick by Brick Croydon Limited – Property and Financial, Cabinet, 20th June 2016
- Call-in: Brick by Brick Croydon Limited – Property and Financial, Scrutiny and Overview Committee 7 July 2016
- Stage 2: Cabinet responses to Scrutiny recommendations on Brick by Brick Croydon Limited, Scrutiny and Overview 13th Dec 2016
- Brick by Brick Development Company - Business Plan, Cabinet, 20th Feb 2017

APPENDICES: Appendix 1 - BXB Business Plan 2018/9

DRAFT Brick by Brick Croydon Limited

Business Plan 2018/9

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DRAFT

1. Foreword

- 1.1 Croydon is becoming a model for suburban and city living. With excellent links to Central London, the South London suburbs, the south coast, Gatwick Airport and beyond, the borough is currently undergoing major economic and civic renewal including major retail investment in the metropolitan centre, new commercial occupiers and the continued expansion of the cultural sector.
- 1.2 Allied to this, the Council's new Growth Zone initiative is beginning to provide significant new investment in infrastructure including road, rail, tram and public realm improvements, as well as employment and cultural facilities. This creates an unrivalled context for investment and growth.
- 1.3 It's unsurprising therefore that the borough's population is rising and is set to rise still further in the years ahead. One of the greatest challenges for Croydon, in common with many other London boroughs, is the provision of new homes to suit a variety of incomes. Aside from the quantum of homes needed, the affordability of homes for both purchase and for rent is a key issue and increasingly challenging for many Croydon households.
- 1.4 Clearly, the delivery capacity of the wider development sector will continue to be instrumental if these targets are to be met, and both LB Croydon's new Local Plan and the Mayors new London Plan enable the development of new multi-tenure homes on appropriate sites throughout the borough. However, it is clear that the Council also needs to take a direct role in delivery if the housing supply challenge is to be met.
- 1.5 The borough is a significant land owner in its own right, and there is huge potential for new homes to be delivered on land currently owned by the council. These sites include major regeneration sites which have been considered for development for some time, but there is also significant development capacity on smaller infill sites, in both public and private sector ownership, located throughout the borough.
- 1.6 Traditionally, local authorities have delivered housing on their own land via land disposal or joint venture agreements with private sector property developers, a process which often did not allow them to fully benefit from any uplift in land values and/or development returns. This experience has led Croydon, and many other forward thinking local authorities, to think differently and seek a much greater commercial role in development and house building by establishing a development company: Brick by Brick Croydon Limited (BXB).
- 1.7 The BXB structure has a number of characteristics that help it deliver the desired transformational change in the delivery of new homes and maximise the direct benefits to local communities in Croydon. For example:
 - BXB activity creates development profit, all of which is returned to the local authority (as sole shareholder) in the form of dividend, to be reinvested in the borough.
 - BXB creates much needed new homes of a variety of tenures and priority will be given to local residents through the sales and/or letting process for both private and affordable homes.
 - The BXB model of delivering a number of sites simultaneously allows for commercial efficiencies which have the effect of increasing the overall quantum of affordable

housing in the programme – for example, BXB are often delivering 50% affordable housing within their smaller residential sites programme, far greater than the amount usually achieved on such sites.

- Where community facilities exist on sites to be developed, these will be replaced with onsite or very nearby with new, purpose built facilities which address local need.

1.8 BXB has been actively trading for over a year now and is a key economic actor in the borough, crucial to providing the wide range of housing typologies and tenures which will be necessary to service growth in the borough. This Business Plan sets out the vital role Brick by Brick will play over the coming years in contributing to the borough's success.

DRAFT

2. **Aims of Company**

2.1 BXB is a private, independent development company, commercial in character, which focusses on providing housing led development for the benefit of the people of Croydon.

2.2 The key aims of BXB are reflected in the Memorandum and Articles of the company, and include:

- To deliver multi-tenure housing for sale and rent.
- To ensure a transparent and commercially efficient form of development which maximises the amount of affordable and intermediate housing delivered as planning gain.
- To deliver new commercial and/or retail development.
- To deliver new or replacement cultural, community, educational, health, public realm and other development as part of mixed use schemes.
- To maintain an exceptionally high quality of design and delivery to ensure development activity is a positive physical addition to the local environment.
- To dispose of existing property and/or acquire new property in accordance with the terms of the Business Plan.
- To maintain and/or manage property assets.
- To carry out all of the above activities on a commercial basis and in the best interests of the company with a view to maximising dividend to the shareholder.

3. Market Analysis

- 3.1 The dynamism of the land and property markets in London have been well documented over recent years. A wealth of information and publications continue to be produced providing detailed analysis of the housing market in the capital. However, given the significant uncertainties being driven by factors such as Brexit and changes to interest rates, commentators continue to report a mixed forecast for house prices in the medium term.
- 3.2 This section examines a number of key indicators and draws together evidence regarding the impact market changes have had on the ability of Croydon residents to access housing. This is an important area of analysis in terms of the overall viability of a development company like BXB, with implications for overall market demand, the current and future demand for affordable housing and the value of BXB housing product.
- 3.3 Evaluating the housing market requires an understanding of the real cost of buying or renting a property and the level of housing need. This analysis is undertaken at a detailed local level for every site that BXB assesses to ensure that schemes are financially viable. The company also aims to maintain a wider perspective on the Croydon market to help make a strategic assessment of need, opportunity and risk.

Macro Trends in the UK Housing Market

- 3.4 The headline growth in UK house prices for 2017 is reported at between 2.6% and 2.7% according to figures released by Nationwide¹ and Halifax² respectively in January. This represents the slowest increase since 2012, and indicates a sharper decrease in growth than that shown by official ONS data (available to October 2017).
- 3.5 The regional analysis provided by Nationwide showed London to be the weakest performing region for the first time since 2004, with a price decrease of 0.5% recorded for 2017. The affordability gap in London as well as sluggish performance at the top end of the market are considered to be the key drivers for this overall slowdown. In addition, regional convergence is occurring partly as a consequence of the speed of recovery since 2008, with London having seen the fastest revival to make current prices 55% higher than the 2007 peak (still the largest increase nationally by some distance).
- 3.6 PWC³ reported that the impact of Brexit on house prices in the UK had been slow to materialise, although growth did begin to stall in the second half of 2016. The impact of political and economic uncertainty was more pronounced in terms of the volume of transactions. The volume of residential sales were 7.1% higher year-on-year in November 2017 (according to HMRC data⁴) which suggests that this initial dip has recovered back to previous levels. However, surveyor indicators published by Savills suggest that demand may be slowing once more going into 2018.

¹ Nationwide, *Nationwide House Price Index* (www.nationwide.co.uk/hpi), December 2017

² Halifax, *Halifax House Price Index* (administered by Markit), 08 January 2018

³ PWC, *UK Economic Outlook*, July 2017

⁴ HMRC, *UK Property Transaction Statistics*, 21 December 2017

3.7 The outlook for UK house prices varies somewhat according to different reports. The Nationwide analysis expects the UK House Price Index (HPI) to slow to 1% in 2018, but expects it to recover to 3-4% over the longer-term to maintain parity with the expected increase in earnings (with shortages in supply also continuing to be a factor). Other economic analyses show the following the following projections:

Organisation	2017	2018	2019	2020	2021
PWC ⁵	3.7%	3.9%	3.9%	4.1%	4.1%
Savills ⁶	4.0%	1.0%	2.5%	5.0%	2.5%

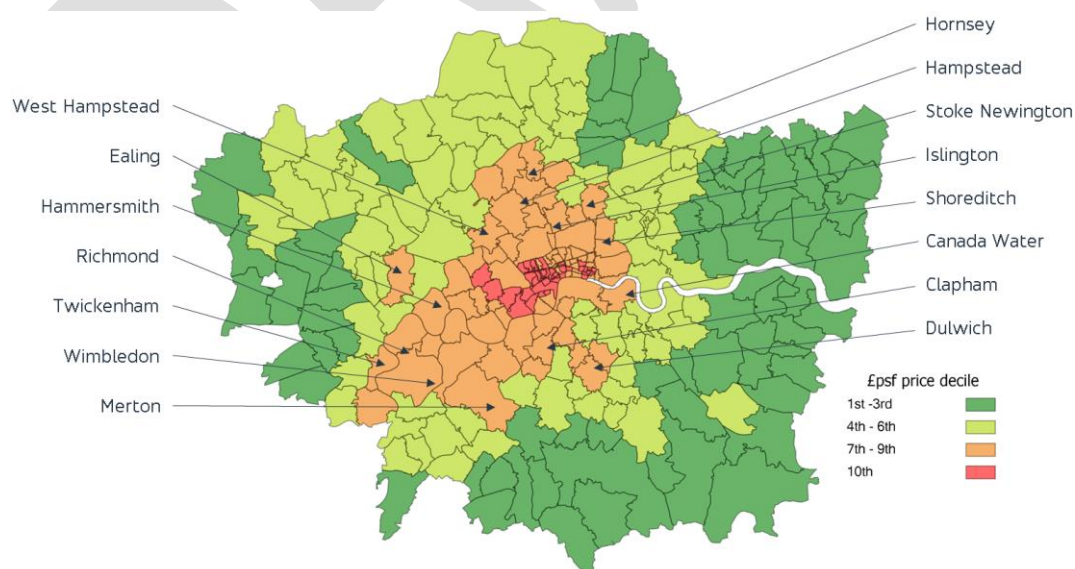
Most analysts agree that London and the south-east are likely to under-perform relative to the rest of the country over the next 2 years.

3.8 The other important macro-economic indicator for BXB to consider is the Construction Price Index given the significant impact that this has on the cost of development activity. This data is released quarterly by ONS with the most recent update available at Q3 in 2017 (see below). This data covers a wide range of construction activity, but the important measure is the one for new housing activity which shows that inflation on construction costs is currently out-pacing the HPI nationally.

	All Work	New Work	New Housing
Q3 Construction Price Index ⁷	2.0%	2.2%	3.7%

The Croydon Market

3.9 Whilst the outlook for house prices in the capital as a whole looks relatively weak, the complexity of the London market means that there are large variations across the city. Hometrack⁸ splits the London market into ten separate price bands (10 being the highest) which are distributed across post codes according to the diagram below.



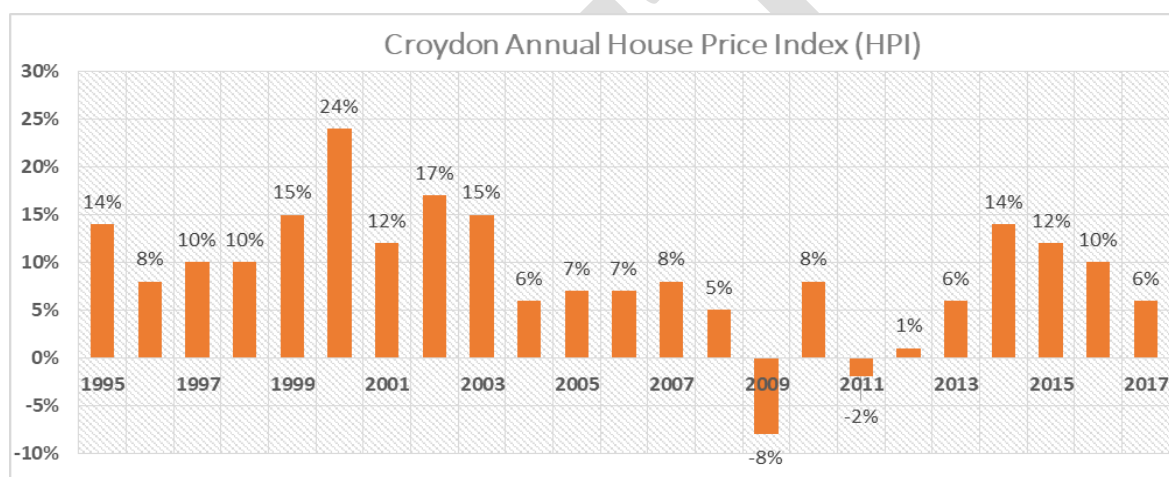
⁵ PWC, *UK Economic Outlook*, July 2017

⁶ Savills, *UK Housing Market Update*, December 2017

⁷ Office for National Statistics (ONS), *Construction Output Price Indices (OPIs) Quarter 3 2018*, 14 November 2017

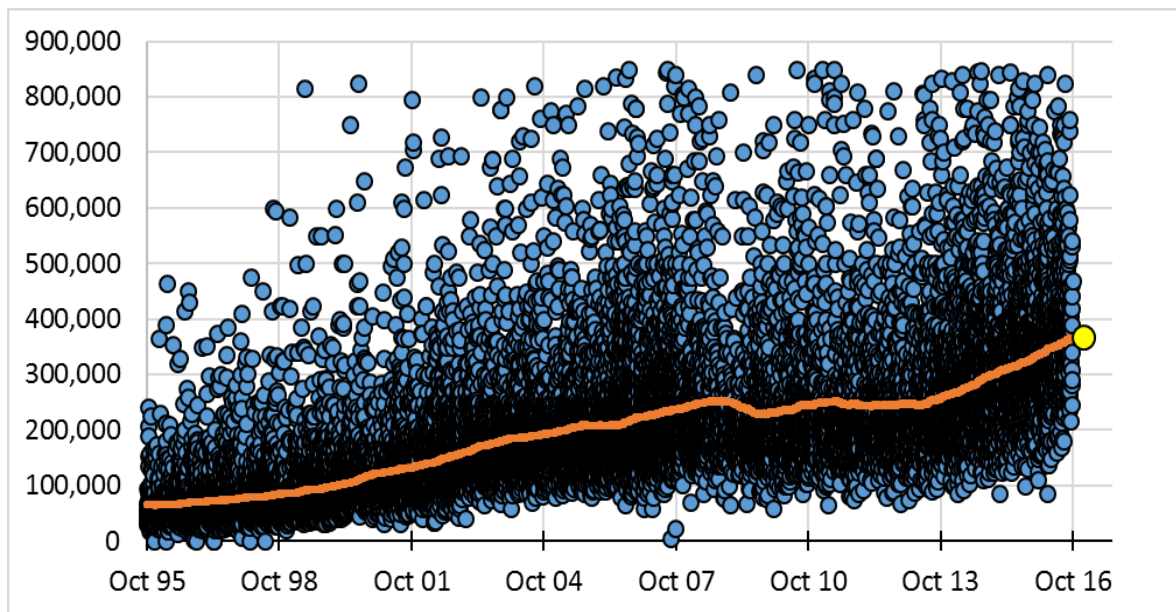
⁸ Hometrack, *The London Housing Cycle - where next?* (www.hometrack.com/uk/insight/market-analysis), 21/04/17

- 3.10 This allows house price analysis to be conducted separately for each range. Current forecasts indicate that the top three deciles will see price decreases, with less volatility expected towards the middle of the market where prices are expected to remain flat.
- 3.11 Meanwhile, the outlook for outer London boroughs (in the 1-3 range) continues to look positive, and the trend since 2014 for these areas to out-perform their inner London neighbours (which was partly sparked by stamp duty changes) is expected to continue. PWC report that on average outer London house prices have increased 9% faster than inner boroughs over this period.
- 3.12 This is positive news for Croydon which has already been one of London’s best performers in terms of house price growth over the last five years (estimated to be 68% according to CBRE Residential⁹). Increases in 2017 were slower than in previous years but still outperformed London (and the national average) at 6%. The table below shows BXB’s own analysis of house price inflation in Croydon over the last two decades.



- 3.13 CBRE’s *London Living 2017* analysis of the market in Croydon projects a further 19% increase to house prices in Croydon over the next 5 years. It also predicts population growth of 10% over the next decade (equating to 38,650 new residents) which would suggest a continuing uplift in demand for housing.
- 3.14 This is broadly consistent with the detailed analysis that was undertaken by BXB to create a House Price Index trend for the borough based on transacted values within Croydon over the last 20 years (see below).

⁹ CBRE, *London Living 2017 – A borough by borough review*, 08 November 2017



The trend line (orange line in the graph above) for house price movement indicates a 4.5% HPI and this trend appears both stable and consistent. Therefore, despite much larger growth over the last five years, BXB has adopted this as its conservative assumption for HPI in Croydon over the next 5 years to 2021. This is supported by the fact that the company's estimate of 6% for 2017 was accurate.

Year	2017 (actual)	2018	2019	2020	2021
Croydon HPI Forecast	6%	4.5%	4.5%	4.5%	4.5%

- 3.15 With the Construction Price Index running at 3.7% for housing as at September 2017 (see 3.8 above), and a forecast HPI of 4.5% for Croydon, BXB development activity remains fully commercially viable. Given the convergence of key indicators throughout the course of 2017, the market will continue to be monitored closely by BXB for any further narrowing in order to ensure that the forward facing commercial strategy remains fully relevant.

4. Company Structure, Board and Resourcing

- 4.1 BXB is a private company limited by shares, with a single shareholder (the London Borough of Croydon). The Company is governed by the Companies Act 2006, with the Articles of Association being adopted by Special Resolution on 4 October 2016.
- 4.2 This structure is flexible and enables a variety of approaches to deliver the aims of the company, for example:
- The ability to set up joint ventures with partner to meet the Company's aims
 - The ability of the Company, whether on its own or in a joint venture, to source funding for development
 - The ability to hold specific asset classes and generate a return to the shareholder
 - The ability to reclaim VAT on VATable services where these are provided
- 4.3 Strategic decision making for the company is undertaken by the Board of Directors (the Board). The Board consists of one Executive Director (Managing Director) and three non-Executive Directors. The Managing Director and one of the non-executive Directors are nominated by the Council. The Managing Director also acts as Chief Executive of the company.
- 4.4 The Directors are responsible for the management of the Company's business, for which purpose they may, with the exception of the matters requiring Shareholder consent and expressly reserved pursuant to Article 6 (Shareholder Reserved Matters), exercise all the powers of the Company. The Directors have a legal duty to promote the success of the company and to exercise independent judgement. This applies even if this is in conflict with other interests.
- 4.5 The Board meets approximately every six weeks in order that the Board and executive team can work closely to ensure that the aims of the Company are being met. The role of the Board includes (but is not limited to):
- testing the commercial analysis of the various development sites as set out in the financial appraisals
 - subject to satisfactory financial appraisals, acquiring the development sites in a way that maximises value (either unilaterally or in collaboration with development partners)
 - securing funding to deliver development activity
 - subject to funding, procuring and delivering development activity as efficiently as possible
 - ensuring effective engagement with the shareholder and any other stakeholder(s) as the Board deems appropriate
 - identifying further development and commercial opportunities in keeping with the aims of the company.
- 4.6 The current Board members are:
- Director 1 (Managing Director) – Colm Lacey (LB Croydon Director of Development)
 - Director 2 – Lisa Taylor (LB Croydon Director of Finance, Investment and Risk)
 - Director 3 – Jayne McGivern

- Director 4 – Jeremy Titchen

4.7 Information as to the operation and performance of the company is provided on an ongoing basis by the Board to the shareholder. This takes the form of:

- Detailed monthly highlight reports on all projects
- Annual Business Plan, presented to Scrutiny and Cabinet committees
- Annual Report
- Regular updates to cross-party members as requested

4.8 Nominated shareholder representatives also attend Board meetings in an observer capacity and are responsible for updating the council on BXB related issues via the relevant governance structures.

Resourcing structure

4.9 There are five main areas within the executive structure of the company. The company purchases services to fulfil these functions from various sources, including services purchased directly from Croydon Council at market rates.

- **Chief Executive:** ultimately responsible for the corporate strategy and operation of the company including strategic, commercial and creative direction, organisational culture, financial management, business development and the delivery of all schemes. The Chief Executive also has a role on the Board as Managing Director.
- **Development Management:** including a Head of Development and several Development Managers whose role is to provide a holistic clienting function for all development activity and to oversee the progress of all phases of development. This team commissions the architectural and technical services required to deliver development schemes.
- **Design Management:** including a Head of Design and several architects whose role it is to conduct feasibility on likely sites, specify design activity and provide design review, expertise and guidance through the development process. This team is also responsible for the day-to-day operation of Common Ground Architecture, BXB's in-house trading architectural practice.
- **Operations:** including a Head of Operations and support staff who are responsible for strategic finance, budgetary management, treasury, legal, sales and asset management.
- **Communications:** including a Head of Communications and team who are responsible for strategic communications, stakeholder engagement and consultation, marketing, public relations and media.

5. Land and Financing

- 5.1 The Company is designed to be wholly financially self-sufficient, with all costs relating to the operation of the business covered by the proceeds of development. Initial analysis work on potential sites takes the form of a desktop capacity study by the internal design and development teams, followed by more detailed site due diligence (title, planning, geotech, utilities, title etc) as necessary. This work informs a financial appraisal and the Board then decides, subject to viability and conformity with the business plan, whether to approve further more formal design and development work through the RIBA stages.
- 5.2 One of the key aims of the company is to bring forward land with the potential for development and a number of suitable sites have been identified in Croydon, the vast majority of which are in Council ownership. Sites which are suitable for development are purchased by the Company at market rates, often via an option agreement which is subject to a number of conditions including planning related clauses and overage arrangements which allows the council as landowner to fully capture any unexpected land value uplift.
- 5.3 The company also purchases land from the private sector, both strategically and speculatively, where there is a business case for doing so. Such purchases are reported to the Board for approval along with a financial appraisal which details the financial reasoning for the acquisition.
- 5.4 The full cost for each development site (including land, financing, construction and all associated fees) is appraised against revenue generating potential with the aid of specialist consultants. Each appraisal also includes an amount to cover corporate overheads and management costs (e.g. finance, company admin etc.). It is expected that over time, these central costs will be met on an ongoing basis by corporate reserves rather than debt.
- 5.5 Revenue for each scheme takes the form of sales values from private, affordable rented and shared ownership units, and rental value from any retained residential units and non-residential uses. Sales and rental values are calculated with reference to achieved sales values for similar units and an analysis of market trends in that location. In general, the margin hurdle for BXB developments is approximately 15% profit on cost for private schemes.
- 5.6 Initially, the Council provides the sole source of development finance. Repayment of any debt by BXB provides an additional revenue stream to the council as it has the ability to borrow at very competitive rates to service this lending.
- 5.7 All borrowing by BXB is site specific and subject to an individual loan agreement. The borrowing is secured against land and includes numerous pre-conditions on drawdown as well as ongoing performance measurements. These terms are reflected in the cost inputs to each site appraisal.
- 5.8 All of this information feeds into the company's financial planning process which allows it to make detailed projections as to the levels of planned expenditure and likely revenue from sales. The gap between the two, which will largely be driven by timing (given the intention to generate returns on all sites), provides an estimate of the company's financing

requirement which will need to be met in order for it to commence activity. Each element of the overall financial projection is summarised in detail below.

- 5.9 These estimates are monitored and reviewed regularly as part of a robust financial management cycle in order to provide a periodic review of actual spending on a site-by-site basis against the granular elements of the detailed financial appraisals. A change process is initiated in the event that appraisals need to be adjusted as estimates crystallize, and all key variations and exceptions are reported upwards (including a periodic Board report). All of this information is also integrated into detailed cash flow projections to give the company sufficient Treasury control.

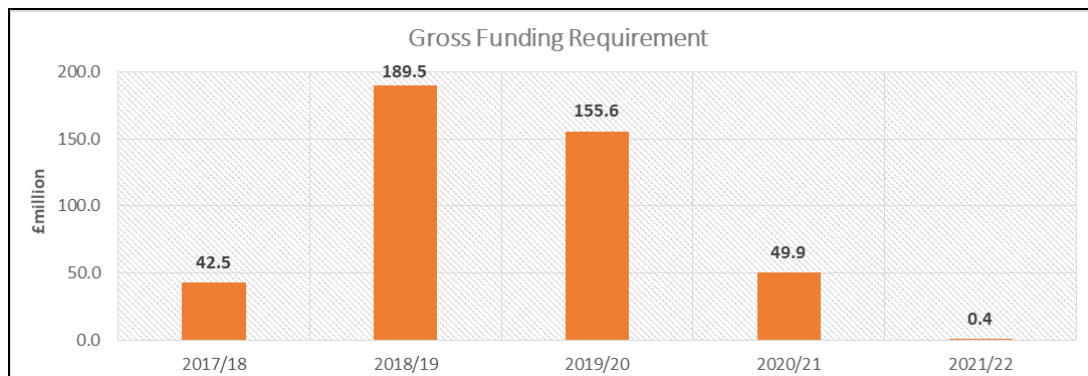
Projected Development Costs

- 5.10 BXB split its first 26 development sites from the ‘Smaller Sites Programme’ into three tranches for the purposes of planning submission. Planning permission has now been granted on all these sites and they will be progressing to construction in two phases: Phase 1 (10 sites) commencing on site at the end of 2017; Phase 2 (16 sites) commencing from February 2018.
- 5.11 Work is also progressing on site on the ‘Cultural Quarter’ scheme in central Croydon, a large, complex development site which includes the c£30m refurbishment of the Fairfield Halls building, a large new art gallery and substantial public realm works alongside residential and commercial development.
- 5.12 Substantial pre-planning activity is also underway on 3 larger sites, as well as a further 10 smaller residential sites, all of which were submitted to planning in December 2017. The full delivery of this programme of activity is currently estimated to result in gross development expenditure of £440m (based on the current financial appraisals across all sites). The total programme of activity is broken down as follows:

Activity	Planned Expenditure (£m)
Land and Construction Costs	372.65
Fees & Contingency	51.20
Planning Costs	11.58
Capitalised Interest	11.43
Sales Costs	8.02
Working Capital	4.85
Grant	(19.65)
TOTAL	440.08

- 5.13 This development activity will be delivered over the next five years. Figure 1 shows the overall expenditure profile for the company over this period based on the projections included in each site appraisal.

Figure 1 – Gross expenditure profile



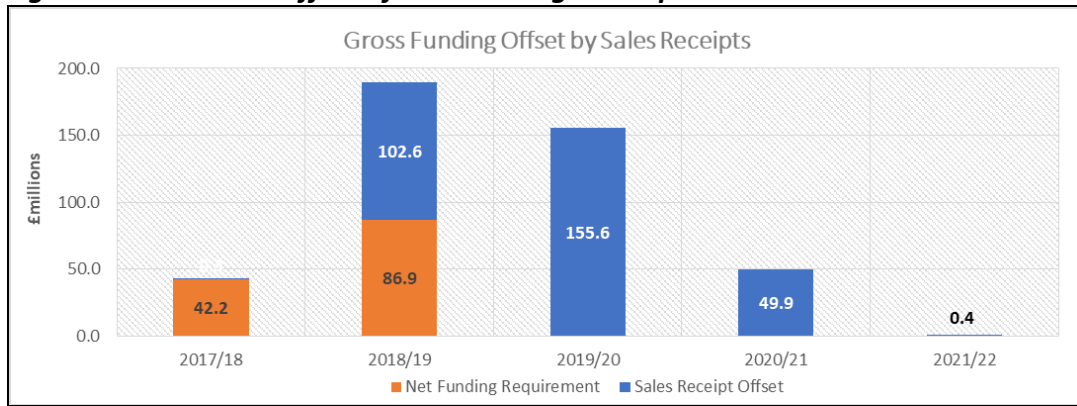
Projected Revenues

- 5.14 Each of the sites included in the programme of development has been appraised by comparing the projected cost of development against the income generating potential that the scheme will generate. Only projects that can demonstrate a sufficient level of return are taken forward.
- 5.15 The company is projecting revenue streams to be achieved from the sale of private and shared ownership units, as well as the production of affordable rent properties to Croydon Affordable Homes. Ongoing rental income will be generated from shared ownership units and rents on non-residential units, as well as ground rent on private flats. Anticipated revenues have been calculated based on market expectations and trends in each site location.
- 5.16 The current portfolio of projects is projected to deliver total receipts of £465m. This would result in a profit of £25m on the total investment detailed above. It should be noted that the expenditure projection above includes the c£30m cost of the Fairfield Halls refurbishment. A summary of projected sales is shown below.

Type of Sale	Est. Revenue (£m)
Private	316.49
Shared Ownership	92.56
Affordable Rent	47.25
Commercial	4.41
Other	4.39
TOTAL	465.09

- 5.17 BXB revenues start to generate from early 2018 when income from the affordable rent units included in the ten schemes in the first phase of construction is forecast to be drawn down. Sales will ramp up significantly from October 2018 as some of the early sites near completion and pre-sales start to conclude. Revenue from sales will be used to offset development expenditure and reduce borrowing in order to minimise the levels of debt interest accrued (as demonstrated in Figure 2).

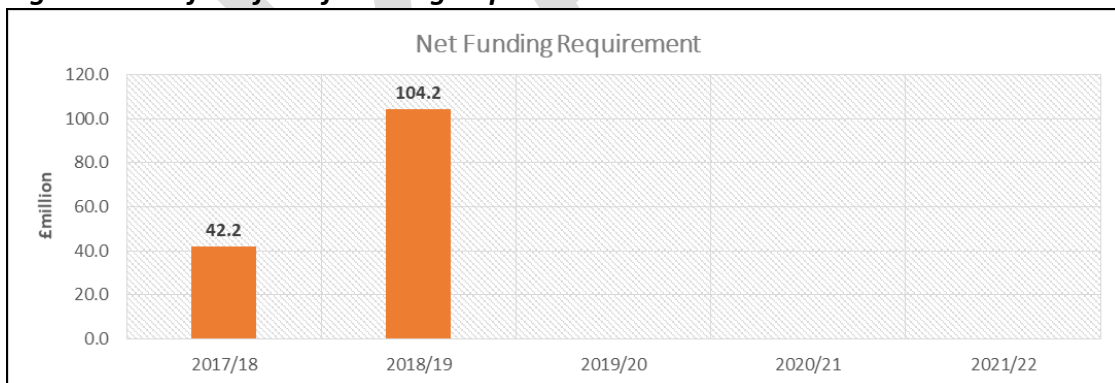
Figure 2 – Estimated offset of revenue to gross expenditure



Financing Arrangements

- 5.18 Initially, the Council will be the sole provider of development finance. Repayment of interest on this debt (and return on equity investment) by BXB will therefore generate an additional revenue stream for the Council given its ability to borrow at competitive rates to service this lending.
- 5.19 Given the expected offset of development expenditure against revenue as BXB starts to commence sales activity (see Figure 2), a total net financing requirement of £149m is currently projected for BXB. This reflects the peak funding requirement that will be hit during September 2018 (see Figure 4 also), after which sales receipts are expected to offset all expenditure and also allow debt to be run down (if required). This will be profiled over the next five years according to Figure 3 below.

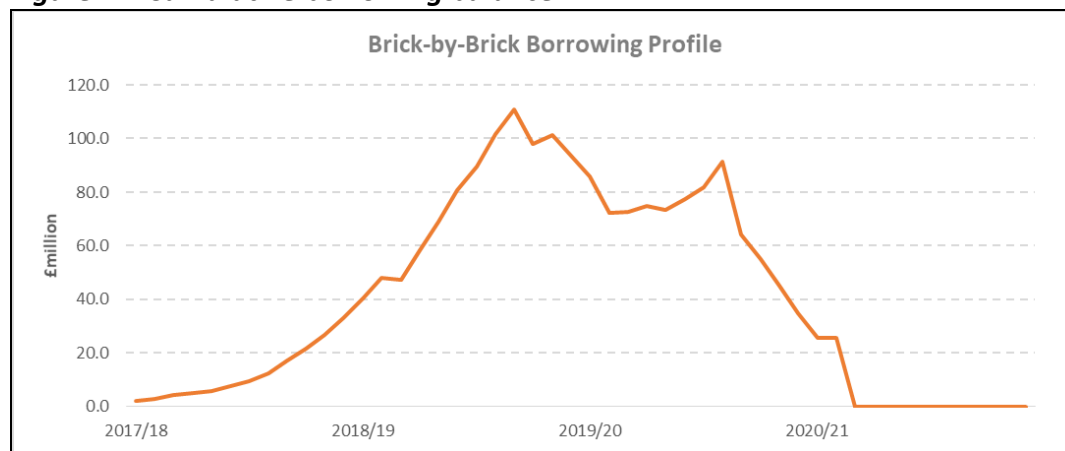
Figure 3 – Profile of net financing requirements



- 5.20 All borrowing is defined by comprehensive loan agreements for each site which ensure that financing is secured against land and is subject to stringent pre-conditions. A regular financing schedule is shared with the Council to give it sufficient notice to arrange and funds will be drawn down on a periodic basis according to these programme projections. From a BXB perspective, the profile of borrowing is optimised to provide maximum cash flow security while also minimising interest costs.
- 5.21 BXB has agreed with the Council that financing will be arranged on a 75:25 split between borrowing and equity. On this basis, BXB is projecting to borrow a total of £111m at an agreed rate. The repayment of principle will be reviewed annually, and will be largely dependent on how the company's development activity is expanding, as well as its access

to other forms of financing. The current profile of accumulated debt shown in Figure 4, and demonstrates an assumption that BXB will repay all borrowing by March 2020 (accruing interest of c£11m over this period).

Figure 4 – Cumulative borrowing balance



Operating Costs

- 5.22 The current financial projections includes an allowance in each appraisal for working capital which is intended to cover all BXB operating costs. This includes legal support, and all services purchased from the council which includes design and development management services as well as accommodation, ICT, HR support and other corporate functions.
- 5.23 A working capital provision of £4.85m is included within the current financial modelling which covers the entire existing site portfolio. The current projection for staff and services in 2017 indicates that this working capital provision will be sufficient over the five year period of development activity that is currently planned. As further projects and sites come on line, the working capital assumption will continue to be built in to ensure that operational expenditure remains commensurate to the size of the development programme being delivered by BXB.
- 5.24 In addition, there are many potential BXB sites which are at an earlier stage of design development (i.e. pre-RIBA Stage 2) and not currently included in the cashflow projections. As design work progresses on these sites these sites will be reported to the BXB Board using the standard appraisal processes and, subject to the suitability of the land for development, viability and the availability of funding, incorporated into the delivery programme.
- 5.25 It should be noted that in the future, where funding is not available from the Council, or where it better enables the delivery of schemes, BXB has the ability to seek finance from alternative sources. These could include partner finance, institutional funds, financial/bond markets and the wider banking sector. These sources of funding are particularly likely to be necessary to enable delivery some of the larger BXB schemes.

6. Development Programme

- 6.1 BXB has progressed a large number of sites in 2017/18, most notably the first three batches of the Smaller Sites Programme, 10 of which started on site in 2017, with the remainder scheduled to start in February 2018. These sites are:

Phase	Scheme	Total Units	Affordable Units	% Affordable	Estimated SOS	Estimated PC
1	Auckland Rise	57	19	33%	Dec 17	Dec 18
1	Cheriton	27	27	100%	Dec 17	Mar 19
1	Homefield House	24	0	0%	Dec 17	Mar 19
1	Kingsdown	34	6	18%	Jan 18	Jun 19
1	Malton	9	5	56%	Jan 18	Mar 19
1	Marston Way	12	0	0%	Dec 17	Dec 18
1	Northbrook	11	0	0%	Dec 17	Dec 18
1	Ravensdale	31	0	0%	Dec 17	Dec 18
1	Regina	19	19	100%	Dec 17	Jul 19
1	Tollers Lane	40	18	45%	Dec 17	Apr 19
2	Academy Gardens	9	0	0%	Jun 18	Apr 19
2	Chertsey Crescent	7	7	100%	Jun 18	Jun 19
2	Coldharbour	8	8	100%	Feb 18	Dec 18
2	Drovers	9	9	100%	Jun 18	May 19
2	Drummond Rd	28	0	0%	Jun 18	May 19
2	Eagle Hill	8	0	0%	Jun 18	Jun 19
2	Heathfield Gardens	20	0	0%	Jun 18	May 19
2	Hermitage Gardens	9	0	0%	Jun 18	Mar 19
2	King Henrys Drive	7	7	100%	Jul 18	Jul 19
2	Longheath	53	53	100%	Mar 18	Jun 19
2	Oxford Road	9	0	0%	Jun 18	Jun 19
2	Station Road	14	0	0%	Feb 18	Jun 19
2	Thornloe	10	0	0%	Feb 18	Dec 18
2	Tollgate	42	15	36%	Feb 18	Jun 19
2	Uvedale Crescent	6	6	100%	Jun 18	Jun 19
2	Warbank Crescent	36	36	100%	Jun 18	Jun 19
Totals		539	235	44%		

- 6.2 Work has also progressed on site on Phase 1 of the 'Cultural Quarter' scheme in central Croydon. This has included substantial progress on the c£30m refurbishment of the Fairfield Halls building and associated public realm works. Detailed design work has also progressed on the 218 unit residential component of Phase 1 which is due to start on site in summer 2018.

- 6.3 Substantial progress has also been made on 14 other sites, all of which were submitted to planning in December 2017. These sites are:

Scheme	Total Units	Affordable Units	% Affordable	Estimated SOS	Estimated PC
Avenue Road	12	6	50%	Jul 18	Jul 19
Belgrave and Grosvenor	102	51	50%	Sep 18	Sep 20

Coombe Road	9	0	0%	Jul 18	Jul 19
Coulsdon Community Centre and CALAT	33	16	48%	Jul 18	Oct 19
Queens Road (Ashby Walk)	9	0	0%	Jul 18	Jul 19
Queens Road (Tirrell Rd)	9	9	100%	Jul 18	Jul 19
Queens Road (Windmill Rd)	6	6	100%	Jul 18	Jul 19
Shrublands Estate Phase 1	26	26	100%	Jul 18	Jul 19
Sanderstead Road CP	14	0	0%	Jul 18	Oct 19
Wandle Road CP	128	51	40%	Aug 18	Sep 20
Warminster Road	6	0	0%	Jul 18	Oct 19
Lion Green Road	157	79	50%	Aug 18	Aug 20
Totals	511	244	48%		

- 6.4 BXB also has a substantial pipeline of sites which are at an earlier stage of delivery (i.e. pre RIBA Stage 2). Design and viability work is underway on many of these sites and as they progress through the BXB design and viability gateway process, these are reported to the BXB Board for approval. Subject to such approval, it is likely that these sites will progress to planning application from summer 2018.
- 6.5 In aggregate, this is a complex development programme with a significant level of inherent risk. The company operates a risk management strategy that addresses both corporate risk (through its governance processes) and project risk (through the appraisal of sites and design/development management approach).
- 6.6 At scheme level, a detailed risk register is in place for each site and risks are managed on a day-to-day basis within the Project Teams. A detailed project dashboard is also provided for discussion at each Board meeting which:
- a) identifies each risk the possible consequences thereof;
 - b) assesses the risk and ranks in terms of its estimated impact and immediacy; and
 - c) controls the risk by detailing the appropriate mitigation, assigning owners and defining a monitoring approach.
- 6.7 Risks are considered and discussed in detail by the Board to ensure that the commercial strategy of the company is up to date and commensurate with emerging macro-economic changes or specific project issues. For example, local and regional construction costs and land values are constantly evaluated to ensure that viability is maintained throughout the lifetime of the project, and to provide sufficient notice for an alternative commercial strategy should one be required. Any such change would then be reflected in the Business Plan for the forthcoming period.

DRAFT

Agenda Item 8

REPORT TO:	STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE 23 January 2018
SUBJECT:	STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE WORK PROGRAMME 2017/18
LEAD OFFICER:	Richard Simpson, Executive Director Resources (Corporate Resources and S151 Officer)
CABINET MEMBER:	Not applicable
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Stephen Rowan, Head of Democratic Services and Scrutiny

ORIGIN OF ITEM:	The Scrutiny Work Programme is scheduled for consideration at every ordinary meeting of the Scrutiny and Overview Committee. The Streets, Environment and Homes Scrutiny Sub-Committee can establish its own work programme.
BRIEF FOR THE COMMITTEE:	To consider any additions, amendments or changes to the agreed work programme for the Committee in 2017/18.

1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's work programme for the 2017/18 municipal year.
- 1.2 The Sub-Committee has the opportunity to discuss any amendments or additions that it wishes to make to the work programme.

2. WORK PROGRAMME

2.1 The work programme

The proposed work programme is attached at **Appendix 1**.

Members are asked to note that the lines of enquiry for some items have yet to be confirmed and that there are opportunities to add further items to the work programme.

2.2 Additional Scrutiny Topics

Members of the Sub-Committee are invited to suggest any other items that they consider appropriate for the Work Programme. However, due to the time limitations at Committee meetings, it is suggested that no proposed agenda contain more than

two items of substantive business in order to allow effective scrutiny of items already listed.

2.3 **Participation in Scrutiny**

Members of the Sub-Committee are also requested to give consideration to any persons that it wishes to attend future meetings to assist in the consideration of agenda items. This may include Cabinet Members, Council or other public agency officers or representatives of relevant communities.

3 **RECOMMENDATIONS**

3.1 The Sub-Committee is recommended to agree the Scrutiny Work Programme 2017/18 with any agreed amendments.

3.2 The Sub-Committee is recommended to agree that topic reports be produced for relevant substantive agenda items in the future.

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

None

APPENDICES:

Work Programme 2017/18 for the Streets,
Environment and Homes Scrutiny Sub-
Committee.

STREETS, ENVIRONMENT AND HOMES SUB-COMMITTEE

13 June 17	12 September 17	7 November 17	23 January 18	20 February 18	20 March 18
Cycling Strategy (including cycling groups)	Growth Zone - Public Realm Fiveways	Clean Green Croydon Q and A Waste contract – looking to the new contract in 2018	Homes, Regeneration & Planning Q and A Sustainable Growth of the Suburbs Brick by Brick Business Plan	Transport & Environment Q & A Transport / Rail Infrastructure	

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