

Scrutiny Streets, Environment & Homes Sub- Committee Agenda



To: Councillor Sean Fitzsimons (Chair)
Councillor Jan Buttinger (Vice-Chair)
Councillors Robert Canning, Richard Chatterjee, Luke Clancy, Felicity Flynn
and Callton Young

Reserve Members: Clive Fraser, Karen Jewitt, Michael Neal,
Andrew Pelling, Helen Pollard, Joy Prince and Gareth Streeter

A meeting of the **Scrutiny Streets, Environment & Homes Sub-Committee** which you are hereby summoned to attend, will be held on **Tuesday, 22 January 2019** 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**

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Monday, 14 January 2019

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 - 18)

To approve the minutes of the meeting held on 6 November 2018 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 and Gateway Services (Pages 19 - 36)

Question Time with the Cabinet Member for Homes and Gateway Services, Councillor Alison Butler.

6. Housing Resource Allocation Budget 2019/20

(To Follow)

7. Brick By Brick Business Plan 2019/20 (Pages 37 - 62)

To review the proposed 2019/2020 Business Plan of Brick by Brick.

8. Responses from Cabinet (Pages 63 - 74)

To note the responses from Cabinet to recommendations made by the Streets, Environment and Homes Scrutiny Sub-Committee.

9. Work Programme (Pages 75 - 78)

To note the Work Programme for the remainder of 2018/19 municipal year.

10. 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, 6 November 2018 at 6.30 pm in Council Chamber - Town Hall

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillors Robert Canning, Luke Clancy, Felicity Flynn and Callton Young

Also Present: Councillor Stuart King, Cabinet Member for Transport Environment and Regeneration.
Councillor Alison Butler, Cabinet Member for Homes and Gateway Services
Councillors Gareth Streeter and Lynn Hale
Steve Iles, Director of Public Realm
Richard Lancaster, Strategic Transport Manager [Projects]
Ben Kennedy, Transport Strategy Manager
Julia Pitt, Director of Gateway
David Morris, Programme Lead, Gateway Services
Jane Porter, Chief Operating Officer OPTIVO
Tracy Cullen, Chief Executive CCHA
Anne Tighe, Chief Executive CAYSH
Gary Langston, Lead Manager, Thames Reach

Apologies: Councillors Jan Buttinger and Richard Chatterjee

PART A

33/18 Minutes of the Previous Meeting

The minutes of the meeting held on 9 October 2018 were agreed as an accurate record.

34/18 Disclosure of Interests

There were none.

35/18 Urgent Business (if any)

There were no items of urgent business.

36/18 Cabinet Member Question Time: Cabinet Member for Environment Transport and Regeneration

The Cabinet Member for Environment Transport and Regeneration, Councillor Stuart King, gave a presentation on the Strengths, Weaknesses, Opportunities and Tensions arising from areas within his portfolio.

The Sub-Committee was informed that there were 33 specific commitments within the Manifesto which applied specifically to his portfolio. In order for these objectives to be achieved, there needed to be clear political and managerial leadership behind the plans.

The presentation highlighted the following:

- The Borough was experiencing rapid growth with a unique growth zone model which will have £3mil investment on social infrastructure, public realm and transport over the next few years.
- The £100mil plus contract awarded to Conway for the Next Generation Highways contract
- Lack of financial support to deliver the Tram extension irrespective of Transport for London's (TFL) support for the extension.
- As TFL no longer received revenue funding from government, there were challenges to the Blackhorse Lane project and the Mayors support on this would be welcomed.
- Increase of car ownership has proved to be a challenge in the drive to deliver 80% across London of the Mayors Transport Strategy for journeys to be completed through cycling or other methods such as walking or public transport.
- Brighton Mainline upgrade was underway following various consultation events having taken place.
- A bus review for the south of the Borough was in progress with plans in place for the review to be extended to the north of the Borough.

It was questioned what has been done by the Council to ensure that the current plans for the Blackhorse Lane bridge did not continue to be delayed. The Cabinet Member responded that a lot had already been done through official and political channels and that this was a joint procurement process between the Council and TFL. As an interested stakeholder, a robust challenge had been made to the contractor about how unacceptable the delays were. TFL had also been informed to hold the contractor to account.

It was further asked what mitigation measures had been put in place for business owners in the area who petitioned for a discount during this period and it was suggested that a co-ordinated Cabinet response was required on this matter. The Cabinet Member responded that compensation was being sought from TFL, and discussions were taking place with the Cabinet Member for Finance and Resources regarding the application of business rates relief for those affected.

It was also acknowledged that there would be a need for a closure to pedestrians at some point during the works to the Bridge. A Member enquired whether it would be possible to ensure that this did not occur during school term time. The Cabinet Member replied that it was difficult to guarantee that the work would not occur during school times, but it had been requested for escorted access to be arranged during school times in the am and pm in the event of closures to minimise disruption where possible.

A Member questioned the value of the work completed on Public Realm projects. The Cabinet Member responded that the pedestrianisation of the high street and the activities that had occurred in that space to date had been exciting and well received.

It was highlighted that the government had announced that an extra £420 mil would be spent on potholes and queried if Croydon was eligible for a share. The Cabinet Member responded that Croydon was not eligible for a share, this was one of features of devolution in London. London car drivers pay £500mil in vehicle excise duty, the government pays nothing in revenue funding to TFL and the whole £500mi of vehicle excise duty was being spent on roads outside of London. It was regrettable that the Council was not funded properly and devolution for vehicle excise duty money had been called for on many occasions.

It was commented that the Royal Society of Public Health had published a report which highlighted three entries from Croydon in London's top 10 unhealthiest streets. The Cabinet Member felt that this report painted an inaccurate picture of the north of the Borough, especially in light of the recent £2.4mil regeneration of Thornton Heath High Street which had brought the community together. An evaluation would be organised to assess the impact of the work completed on public realm and whether the outcomes intended had been realised. There was an aspiration for more work to be undertaken in the area over the next 3 years

A Member highlighted that it was almost the two year anniversary of the Tram incident and as such it was disappointing that many of the recommendations made at meetings following the incident had yet to be implemented. The Cabinet Member acknowledged the approach to this poignant time and informed the Sub-Committee that the Leader was in the process of writing to TFL regarding the recommendations that had not yet been completed. A paper would be presented at Cabinet later this year on the internal Council review of the response to the incident and along with any lessons learnt.

A Member raised concerns from ward residents regarding the reduction in frequency of many bus routes as well as the removal of bus stops in their area despite consultation which recommended to retain them. It was asked how confident officers were that TFL would listen to residents and the Council during the upcoming bus review particularly in light of budget constraints. Additionally reassurance was sought that the Local Plan would form part of the decision making process for the bus review in light of the expected growth of the borough.

Officers responded that discussions had taken place with TFL regarding the concerns shared and that residents may view the consultation as simply a box ticking exercise. Officers had been clear that they want the best outcome for Croydon and were confident that there would be a positive outcome. TFL were clear that the Council was willing to take a private as well as a public approach to address concerns if necessary, but were confident that the desired outcome could be achieved without taking this approach. Croydon was one of the few boroughs in which bus usage had risen with figures showing a 6% increase and as such it would be in TfL's best interest to invest in the borough.

It was commented that it would be beneficial to see the timeline of the bus review and influence on Petal (PTL) ratings on decision making. The Cabinet Member responded that the review was in its early stages and encouraged all Ward Councillors to engage with the process and ensure that their input was fed into the consultation.

A Member noted that while TfL had finalised a good scheme for the 5 ways improvement, the work would not commence until 2021 and questioned whether there was scope to bring the start date forward. Officers replied that this was a much improved scheme and one of the challenges for time scale was the environmental assessment that had to take place prior to proceeding with the project. Additionally, as large sums of public money was to be used on the scheme, a rigorous procurement process would be needed to sign up the right consultants and contractors to deliver the budget on time and to the expected standards. This also contributed to delays in schemes such as this.

Officers informed the Sub-Committee that in terms of the timeline for delivery of the scheme, it would be going through planning process over the next six months. TFL were preparing to submit screening opinion to the Council to determine the environmental impact and planning requirements. Beyond that there was an extended 2 year periods for detailed planning designs, followed by a construction period of two years. The Council was working with TFL to identify and shorten time scale where possible. There was still a long way to go and at this stage the Council was working with Westfield to establish how both parties would interact with each other.

It was questioned what had been done to achieve the cycling targets, how realistic the targets from Central Government and TFL were and whether there was more funding available to realise projects given the intensification of Croydon. Officers advised that Croydon was fortunate that through the Growth Zone programme there was £309mil funding available for infrastructure investment over the next 20 years, which had been earmarked for over 46 projects. Part of the programme of funding had an element for cycling which will fund programmes in the wider cycling strategy.

The Chair raised questions on the school travel programme which, although a very good idea, had not produced the desired outcomes. Some schools had worked very hard on the programme, but there was little evidence of their progress. It was disappointing that a significant amount of children attended schools that did not consider the impact of travel on children and the

environment a priority. It would be beneficial for the Sub-Committee to be provided with figures on the percentage of schools that had received accreditation.

Officers responded that it was expected that the percentage would be significant. In particular for new schools which required accreditation as part of their planning process. The Council had been working extensively with schools and encouraged them to attain at least bronze accreditation. It was acknowledged that it was more difficult due to the lack of ability to enforce the programme in existing schools, but instead work was focused on encouraging and engaging school leaders to expand their role from that of just an educational remit.

The Chair welcomed the series of consultations on the Brighton Main Line (BML) upgrade but was concerned about potential disruption and impact for East Croydon. The Cabinet Member stated that the Council was supporting of the BML upgrade due to the benefits it would deliver for the transport links in the area as well as the wider economic benefits. It was acknowledged that there had already been disruption to current services from the upgrade, which would be short term and needed to be absorbed in order to realise the potential long term benefits.

The Chair also commented on the lack of connectivity from inner London Boroughs to the north of Croydon and suggested that this needed increased consideration due to the impending expected increase in growth. The lack of connectivity would result in the north of the borough being unable to sustain the growth expected. It was questioned what representations had been made to the Mayor and Government about the need to connect the Croydon tram system to its neighbours.

Officers responded that these points had been raised with Heidi Alexander, Deputy Mayor for Transport and letters were being sent to make a case for the extension of public transport. Funding had been identified for West Croydon station and in order to deliver the Mayor's ambition of 80% sustainable travel more work was needed.

The Chair thanked the Cabinet Member and officers for answers to questions.

In reaching its recommendations, the Committee reached the following **CONCLUSIONS**:

1. The Cabinet Member and officers were thanked for their presentation and report.
2. That going forward, rolling trackers for recommendations would be implemented to ensure that they were being monitored and completed as required.
3. There was a concern at the lack of progress made on some of the recommendations that has been made over the last few years, in

particular in relation to bonfires, smoke control and the impact on air quality.

The Committee **RESOLVED** to:

1. Recommend to the Cabinet Member for Environment, Transport and Regeneration for exact timescales to be provided on the resolution of outstanding recommendations.
2. Recommend to the Cabinet Member for Environment, Transport and Regeneration for a review of Public byelaws to take place despite constraints.
3. Recommend to Cabinet that Business Rates Relief be considered for those affected by the delays in the completion of the Blackhorse Lane Bridge.

37/18 Housing in Croydon

The Director of Gateway introduced the item following the Chairs congratulations on her appointment to the role.

The Sub-Committee was informed that her role did not retain responsibility for housing but was linked through early intervention and prevention of homelessness as well as rough sleeping. The service primarily managed different programmes which enabled people to help themselves access homes and provide support in other aspects of their lives.

The report focused on housing in the borough and registered providers who addressed housing need. In attendance were representatives from housing providers as well as housing support. The guests presented on their item, providing information on key issues as well as outreach work.

OPTIVO

The Chief Operating Officer provided an overview of their portfolio which focused on three key area, with most of their homes being for general needs tenants. There was also a commercial aspect of their portfolio held for student and key worker accommodation.

In Croydon, Optivo had over 3,400 homes in the borough. There was currently a large development programme underway to build 1500 home a year, with 550 homes on-site in Croydon with an ambition to have over 1000 homes by 2023 on a shared ownership and affordable rent basis. Optivo were keen to continue to support families and people on lower incomes into affordable homes.

The Sub-Committee was informed that Optivo had partnered with Croydon on the Housing 1st pilot to provide homes and had been investing in financial inclusion and sustainable tenancy schemes. The Housing Association (HA)

had 450 households in Croydon in receipt of Universal Credit and were experienced in working with this clients group having formed an understanding of the challenges faced. They had also been successful in working with residents on an employment and skills programme. Optivo was a large local employer who supported the local economy, with their head office and repairs services located in Croydon.

There remained many challenges for the HA such as budget constraints, and staff restructures, rebuilding and re-establishing strong working relationships and working with the Police and the Council to rehome families experiencing gang violence. There had been funding cuts and grants per homes remained low in comparison to the cost of building due to the increased costs of construction. Welfare changes due to uncertainty over benefits also remained a challenge for residents.

There were opportunities to invest in Croydon and as one of the Mayors strategic partners, Optivo had secured an additional £145m to invest in affordable homes. Additionally reviewing tenancies and being in the position to offer affordable homes to local residents.

Through the valued partnership with the Council, the HA had three key priorities which included building new affordable homes, provision of support to vulnerable residents and working together to strengthen communities.

Croydon Churches Housing Association (CCHA)

The Chief Executive gave an overview of their portfolio advising that they held 1500 properties over four boroughs, with a large proportion of these properties in Croydon. There was an emphasis on providing more homes which had been a priority over the last 5 – 10 years and there was now in place a programme to build 50/60 new homes per year.

The regeneration plans for Croydon were positive, however as Croydon became more attractive to developers, competition for land increased with unit costs rising significantly. This had made it more difficult to produce affordable schemes at the London affordable rent and in order to do this they had to be supplemented with more shared ownership schemes and sales. CCHA had benefited from the opportunity to deliver larger schemes and was being offered sites of up to 40 homes which was better for resources and management costs in comparison to smaller schemes.

The introduction of the new Senior Supply Officer role had been welcomed, received positively and has had an impact. There was a programme of over 100 homes on site with 70 in Croydon alone which will be delivered in the next few years. They were committed to growth and acknowledged the demand for homes, although being able to respond to this remained a challenge.

CCHA had 212 residents on Universal Credit (UC), the process had been difficult for them, which in turn has impacted financially on CCHA. 14% of households were on UC and rent arrears for these residents were high at an average 8.25% in comparison to just over 2% for other residents. The welfare

debt advice saw 141 residents last year with figures predicted to increase in the forthcoming year.

The process of UC remained a challenge for residents and was not limited to the rigorous form filling, but also the four to six week period of waiting for benefits to be paid. As a result it could seem that the system was setting up residents to fail as the delayed payment caused significant arrears to accumulate at the beginning of tenancies. Residents were benefiting from the Croydon Council hardship fund but this was limited and could not be relied upon to last indefinitely due to funding cuts.

Challenges remained from the number of incidences of drug and substance misuse reported, were on an increase and were working closely with police and neighbourhood organisations on this matter. The main threat to CCHA income was in supported housing, as a large proportion of their portfolio was supported housing, however funding cuts were creating instability due to a move to provide more statutory services. A complete review of supported housing was needed in order to optimise the services they have and they will be working with the Clinical Commissioning Group on this.

CCHA had limited access resources and partnership was key to further development and delivery of their objectives. They remained committed to the community of Croydon.

CAYSH

The Chief Executive gave an overview of their services which as a supported housing provider dealt particularly with young people aged 16-21, exploring the different ways to manage the complex needs of those they supported. CAYSH were a local Croydon based organisation whose main objective was to provide safe accommodation for young people facing homelessness, provision of support and advice to enable independent living and sustainability.

The organisation as well as the Council realised that young people needed a different approach, with intervention required at the earliest opportunity to ensure that they did not become the families or households that face homelessness in the future. In order to do this, targeted work was carried out on prevention as well as safeguarding. Croydon was commended on the work that was being carried out to create high quality outcomes for its young people through its commitment to appropriately centred solutions.

The organisation utilised service users as ambassadors who were employed and could identify what kind of responses and intervention would be most beneficial to shape the service.

CAYSH provided the following range of services:

- Community liaison work
- Floating Support

- Drop in Centre
- Supported Housing
- Supported Lodgings
- Concierge

The organisation experienced many challenges, including the following:

- Rising Population.
- Increase in Complex Needs.
- Increase in Mental Health population in young people.
- Lack of affordable homes.
- Welfare benefit challenges.
- Recruitment issues in managing and managing pay levels

Thames Reach

The Lead Manager gave an overview of the charity who work with rough sleepers. Within the borough they had a contract with the Council to go out and find rough sleepers to encourage them into one of the hubs to work on referrals.

Issues have been identified in the car parks around the borough with around 19/20 people bedded down on any given night. There had been difficulties experienced in moving rough sleepers on, getting them into employment and accessing services or working with organisations to help them off the streets as some were resistant to offers despite the availability of support.

There was also a growing issue with rough sleepers that are EEA nationals due to high level of support needed and the charity had been working on assisting them with routes back home as well as help with services such as housing and substance misuse. The work in partnership with the Council had been significant as Croydon was one of the few London boroughs funding beds for this client group who had no recourse to public funds.

There had been extensive work with the Council to source provision of accommodation for rough sleepers to move into, but this as well as the process of universal credit remained a challenge.

Other challenges faced included that whilst the staff are trying to put in place an action plan for every rough sleeper to help them off the streets, the team only consisted of 5 people who conducted 4 outreach sessions per week, which meant that resourcing was limited.

The opportunities that would be provided through the Housing 1st pilot was welcomed and it was encouraging to see the partners working together extensively to bring this to fruition.

In response to a Member question about what to do when encountering a homeless person, Thames Reach advised that most homeless people knew what services were available and when encountering someone begging the wider public needed be aware of the options available so that they can direct them to CRISIS or one of the other outreach organisations. It was more difficult to get a homeless person to engage with services if they were successful in begging in certain locations around the borough.

It was questioned whether in light of diminishing public sector income, what plans or innovations the organisations had to diversifying their finances. Optivo responded that there was a small programme of outright sales to subsidise the rented programmes. More importantly the organisation had been looking at how they are operating services to deliver increased efficiencies whilst reducing costs. The use of technology had been vital to diversifying and promoting efficiencies.

CCHA responded that some elements of their business had seen a small move to private sales to cross subsidise affordable rent. In supported housing they had moved some schemes to a leasehold model. As a result of Universal Credit there was a balancing act between collection of rent against welfare and debt advice. On resourcing, partnership was key to the success of the organisation and they had been selling finance and forecasting services to smaller associations that had growth ambitions.

It was further questioned how the organisations worked with the Council to integrate services for recipients of UC to support them on the pathway into employment and their responsibility to ensure that integration was effective.

Optivo responded that in the last three years they had seen a 12% reduction in residents on benefits across their portfolio. They were passionate about the social impact of UC and getting people into work. They worked in partnership with the Council to identify opportunities for jobs and skills pathways into employment. They had initiatives in the Croydon works job brokerage to get people into the work supply chain and supported the Croydon Partnership and the Whitgift job pop up business school.

CAYSH responded that all the young people they worked with wanted somewhere to live and a job which they equated to feeling safe and secure. One of the initiatives in place was a partnership with Andrews Estate Agents who provided them with long lease properties, CAYSH suppressed rents for a period which allowed the young person to save for their deposit. Universal Credit could often act as a disincentive at the start of the claim as a result of large arrears built up. It then impacted upon their ability to secure the accommodation and personally limited their ability to travel to their place of employment, purchase work clothes or equipment needed to carry out their duties.

The organisation had been working with the Council and local businesses to tap into the growth of the borough and would like to increase access to businesses such as the Westfield Development through work experience and apprenticeships.

CCHA responded that they promoted back to work programmes, apprenticeships and work experience for residents. They had also employed residents. As a small housing association they were able to provide one on one support where needed to support residents into employment.

A Member questioned what opportunities there were to build on an asset based approach and how this could be implemented. What recommendations could be made for the future of Gateway service, what steps were taken to measure resident satisfaction and if the organisations paid staff the London living wage?

CCHA responded that the only recommendation for Gateway was for more to be done to attract homelessness initiatives and services to the Borough. Resident satisfaction figures for 2018 were disappointing at 74% in comparison to 86/88% the previous year but this was due to issues with estates services contractors. The organisation did pay the London living wage and this extended to contractors used including those for cleaning services who also paid the living wage. They had an active asset management system to ensure that all properties were maximised.

Optivo responded that through an asset based approach they had been exploring ways to maximise resources, work collectively and establish whether homes were sustainable. They were also being more open and transparent with partners, other housing providers and pooling resources to make outcomes more viable. The latest resident satisfaction figures was 96% and had previously been 98%.

The only recommendation for the future of Gateway was to increase the collective ways of working to improve services and for all partners to pool increased resources on safeguarding. An affirmative answer on the payment of the London living wage would be provided after the meeting.

CAYSH responded that their satisfaction figures were over 70%, they did pay the London living wage and were trying to diversify into an asset based approach, where possible through grant fund raising. The recommendation for Gateway services was for the focus to be kept on the young people they were trying to support.

Thames Reach responded that their satisfaction survey was completed on 4th November and details would be provided after the meeting. Difficulties in recruitment due to the extra money recently offered by commissioners to most boroughs increased competition and as a result they were unable to take advantage of the extra money offered until the end of the financial year. A definitive answer on the London living wage would also be provided after the meeting.

In response to a concern raised regarding the plans in place for alternative accommodation for the residents of Lansdowne Road Hostel due to the pending demolition when building work started, the Director of Gateway stated that this was a priority. Officers had been working with residents on pathways to different accommodation such as social housing, sheltered accommodation, and private sector housing.

It was noted that in relation to the Night Watch services, a rough sleepers initiative funding had been secured and the Council was working with the private sector to develop an increased offer for single homeless people. A social lettings agency was launched in the Gateway service in April 2018 with 75 landlords signed up who were willing to offer tenancies. The Gateway service would provide the much needed wrap around service needed once they had secured their tenancy.

A Member questioned what progress had been made on fixed term tenancies which the Council had discussed abolishing.

Optivo responded that they would be recommending at their next board meeting to move away from this approach as there was no evidence to support that it delivered benefits. Instead it would hinder mutual exchange which help people to move into appropriate properties and avoid the bedroom tax.

CCHA responded that only residents moving into large properties were offered this and a recommendation was also being made to the board to abolish this as there was no evidence of the intended outcomes.

The Chair questioned what work was being done to address the social isolation of vulnerable residents.

Optivo responded that they were working with sustainability teams on this issue. There had been an increase in hoarding cases identified and they had in place a team dedicated to identifying vulnerable residents. Data checks were being completed to identify people that had little or no contact and also residents that they contacted on a regular basis in order to measure instances of vulnerability. Fire compliance was taking place in complex schemes due to the lay outs and through working with fire authorities there was now a more detailed plan and consistent approach to safety.

CCHA responded that their staff had received adequate training and were able to identify vulnerable residents. As they were a smaller housing association, residents were visited once a week and a lot of mechanisms were not in place as they were not needed. Fire safety compliance measures had taken place and there was an extensive partnership with the London Fire Brigade in place.

Although the impact of BREXIT was unknown at this stage, the housing providers alluded that the biggest concern would be around construction and development.

The Chair thanked all guests for attending the meeting to answer questions.

In reaching its recommendations, the Committee reached the following **CONCLUSIONS**:

1. The Members thanked the registered housing providers and support for attending the meeting.
2. The Sub-Committee was disappointed by the level of detail provided in the report.
3. The Sub-Committee thought the Housing First initiative to be innovative and welcoming and looked forward to being updated on progress made at a future meeting.
4. The Sub-Committee felt that the work of the Gateway service was making a positive difference to the lives of Croydon residents.
5. Although welcomed, it was felt that the short term funding provided by the Government to Thames Reach would not be beneficial to their workforce in the longer term.
6. The Sub-Committee agreed that the housing providers should be congratulated for ensuring that their contractors paid the London Living Wage to their staff.

The Committee **RESOLVED** to:

1. Recommend to Thames Reach that more was to be done to attract and retain employees.
2. Recommend to Optivo, Caysh, CCHA and Thames Reach to continue to work to encourage their contractors to pay staff the London Living Wage.

38/18 Work Programme

The Sub-Committee **NOTED** the work programme for the remainder of 2018/19 municipal year.

39/18 Exclusion of the Press and Public

This was not required

The meeting ended at 9.35 pm

Signed:

Date:

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For general release

REPORT TO:	Streets Environment and Homes Scrutiny Sub-Committee 22 January 2019
SUBJECT:	Cabinet Member Question Time
LEAD OFFICERS:	Hazel Simmonds, Executive Director – Gateway, Strategy and Engagement Julia Pitt, Director - Gateway Services Yvonne Murray, Director – Housing Assessments and Solutions Kirsteen Roe, Director – Council Homes, Districts and Regeneration Steve Iles, Director - Public Realm
CABINET MEMBER:	Cabinet Member for Homes and Gateway Services, Councillor Alison Butler
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Councillor Alison Butler

ORIGIN OF ITEM:	This item has been identified by the Sub-Committee as an area of scrutiny.
BRIEF FOR THE COMMITTEE:	The Sub-Committee is asked to consider the update on areas of the Cabinet Members portfolio and consider if it wishes to make any recommendations.

1 EXECUTIVE SUMMARY

1.1. This report sets out a review of 2018/19 which focuses on current issues, and headlines, including any key decisions made in the last year. It also covers service budget issues, both for the immediate and longer term, plus any future strategies and policies that will be worked on over the coming 12 months.

1.2. Provides a progress update and response to the conclusions and recommendations made at meetings concerning the areas of this portfolio: Brick by Brick, Council Home Stock, Council Estates, Regeneration, Croydon Affordable Homes, Gateway Services & Access Croydon, Homelessness, Housing Needs & Assessments, The HRA, Landlords Licensing Scheme & HMO's, Social Lettings Agency, Temporary Accommodation and Tenancy & Caretaking Services.

2 REVIEW OF 2018

2.1. Homelessness

Croydon continues to face a significant need for temporary and emergency accommodation from homeless households, along with a declining but still concerning number sleeping rough in the borough. Over £1.3m of growth has been included in the 2018/20 budget to help tackle this growing demand. The council was successful in bidding for funding from the government's Homelessness Prevention Programme ('Trailblazers'), and was allocated £1m funding for homelessness prevention, early intervention and supporting people out of homelessness. The funding has been allocated for activity in the 24 months from January 2017 - £192,000 in 16/17, and £404,000 in 2017/18 and 2018/19. The council was also allocated £510,210 from the government's Rough Sleeping Initiative Fund to action to significantly reduce the number of people sleeping rough - £12,400 in 16/17, and £193,800 in 2017/18 and 2018/19

In Croydon, the number of decisions the council had to make in response to households applying as homeless in 2017/18 was 1,336, the fewest in 11 years, a strong indication of the impact Croydon's 'Gateway & Welfare' approach is having. In 2017/18, the council managed to prevent or relieve homelessness for 2,155 households, the highest number since 2010/11.

The number of people in temporary accommodation also fell from 2,449 in March 2017, to 2,005 in March 2018, the lowest level in 6 years. The number of households in Emergency Accommodation has fallen from 801 at the beginning of the financial year to 667 at the end of 2017/18. The number of households placed in bed and breakfast accommodation with shared cooking and washing facilities by the council at the end of March 2018 was 121, the fewest since 2009/10. However, these figures do not take into account how the council has shifted its focus and activity, through its Gateway and Welfare Service, to intervening early, and preventing homelessness before it reaches a crisis point wherever it can.

Homelessness Strategy

Local authorities are required to publish a homelessness strategy under the Homelessness Act 2002, and in developing the strategy should engage with other public bodies and local authorities, voluntary organisations and other people and organisations considered appropriate. Initial engagement work has already been undertaken to publish a draft review of homelessness (currently published for feedback and comments on the council's web site), and to engage with a wide range of organisations with an interest in homelessness and the different groups of residents potentially at risk of becoming homeless. The engagement has met a positive response, particularly around the work to tackle rough sleeping using Rough Sleepers Initiative Funding. A new council Homelessness Prevention Strategy Framework is expected to be published early in 2019, followed by further engagement and project development. Aside from the obvious concerns about lack of housing supply and the impact this has on affordability, other issues raised include:

Poverty - Croydon residents earn less, and are employed in less well paid occupations than other parts of London (Annual Survey of Hours and Earnings, NOMIS - Office for National Statistics, Index of Multiple Deprivation 2015). There is

also plenty of relevant recent research concerning poverty and destitution, and the association between Universal Credit and poverty (Joseph Rowntree Foundation, Child Poverty Action Group, DWP Department for work and Pension). Young people are particularly disadvantaged by welfare reform and housing benefit provision.

The mismatch between housing supply and housing demand - Croydon's population is the largest in London and is growing. A growing population increases housing demand and need. There will be nearly 2,500 new households forming in the borough each year over the next 20 years. The draft London Plan expects Croydon to meet an annual housing target of more than 2,900 new homes per year. Housing supply will need to double to keep up with demand.

Market housing is unaffordable to working families and single households - On average, full-time workers could expect to pay around 7.8 times their annual earnings on purchasing a home in England and Wales in 2017 this is much higher in London. Housing affordability has worsened significantly in 69 local authorities in England and Wales over the last five years, with over three-quarters of these being in London and the South East. The freezing of the Local Housing Allowance (Housing Benefit) over a period of 4 years has had a huge impact on homelessness, pricing those on lower incomes and benefits out of the market. This has meant the council has had to intervene to prevent families becoming homeless either with costly discretionary housing payments or insourcing alternative accommodation. The introduction of Universal Credit have made it harder for people to afford private rented homes even with benefit help, the main reason for this is private landlords are unwilling to rent is the perceived risk of rent arrears. Young people are particularly disadvantaged.

Local Authorities funding reduction and the government's austerity policies have had an impact on public services generally, and in particular on the community service that help prevent homelessness. In particular this has affected housing support, hostels, specialist provision including mental health and drug and alcohol services, floating support

Increasing incidence of multiple/complex needs presented by vulnerable people accessing housing support. Most support providers tell us that they are catering to people with more complex and multiple needs than previously.

The complex rules affecting non UK nationals that are homeless or sleeping rough, and the limits to how public services can assist. Over 60% of the increase in rough sleeping in London is from non UK nationals. Since 2014 this group have limited access to benefits and housing.

¹ See Annual Survey of Hours and Earnings, NOMIS data and the Index of Multiple Deprivation 2015.

¹ 'Destitution in the UK 2018' – Joseph Rowntree Foundation - <https://www.jrf.org.uk/report/destitution-uk-2018>; DWP Poverty statistics

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691917/households-below-average-income-1994-1995-2016-2017.pdf#page=14 ;

CPAg Rough Justice 2018 <http://www.cpag.org.uk/content/rough-justice-problems-monthly-assessment-pay-and-circumstances-universal-credit-and-what-ca>

2.2. Rough Sleeping

Rough sleeping had been increasing in Croydon from 2010 to 2016 – from 4 in 2010 to 68 in 2016. However, in 2017 the number of rough sleepers in Croydon fell to 31. Up to 2016 we used the estimate methodology - an intelligence-based assessment leading to a single figure that represents the number of people thought to be sleeping rough in the local authority area on a ‘typical night’ – a single date chosen by the local authority between 1 October and 30 November. In 2017, however, we carried out a street count, where we recorded rough sleepers who were seen bedded down – a snapshot of the number of rough sleepers in the local authority area on a single night between 1 October and 30 November. Rough sleeping in Croydon has responded to improved partnership working with CR0 2020 and the Rough Sleepers Alliance, increased frequency of outreach, providing discretionary accommodation to prevent/end rough sleeping, and the beginning of our Housing First Pilot which has already placed 3 rough sleepers in accommodation.

The Council has a track record in working closely with the voluntary and faith sector to tackle rough sleeping and for several years has provided training free of charge for volunteers within services such as Night-watch and the Croydon Churches floating shelter. The Council supports the floating shelter by ensuring that individuals accessing the shelter have a positive route out and by funding an “on-call” service provided through Croydon Reach, the commissioned outreach service.

We adopted this multi-agency approach to applying for funding from the MHCLG Rough Sleeping Initiative fund in May 2018, inviting partners to give evidence on gaps in services to Rough Sleeping advisers. £510,210 was secured for the financial year 2018/19 with provision funding of £468,504 for 2019/20. The funding for 2018/19 has enabled Gateway to bring a number of initiatives forward:

1. Commissioning a **Housing First** service. Housing First is an internationally evidence-based approach, which uses independent, stable housing as a platform to enable individuals with multiple and complex needs to begin recovery and move away from homelessness. Evidence has shown that, through the provision of intensive, flexible and person-centred support, 70-90% of Housing First residents are able to remain housed. Having a place to call home also leads to improvements in health and wellbeing, and reduces ineffective contact with costly public services.

Croydon’s Housing First scheme was launched on 1st October, to address the needs of some of the most chronically homeless Croydon residents, who had experienced repeated or extended periods of rough sleeping, combined with other support needs such as mental ill health or substance use. Housing First will provide 20 of the most chronic residents with stable accommodation within the community by March 2020. Thamesreach Charity have been commissioned to support individuals from the street into their new accommodation and to sustain it thereafter and by 10th December had been successful in engaging four individuals to access accommodation. The Housing First support team will work alongside them to establish themselves within their accommodation, and within their new communities, with the intention that this leads to long term tenancy sustainment.

2. Funding the SLaM START team to provide a service in Croydon. The SLaM START team has been delivering assertive mental health outreach to rough sleepers in Southwark and Lewisham for over 20 years. The inability of rough sleepers with complex needs to access mental health services was identified

as a key barrier to engaging rough sleepers from the streets. The START team opened on 1st October 2018, and by the end of the month had received 26 referrals, and accepted 20. The service is best explained through a case study: an individual who would not engage with services, had twice been referred to mental health services but not seen, was not in receipt of benefit and had not seen a GP for 20 years. The service carried out a mental health assessment at their sleep-site at 5am. They are now in hospital receiving antipsychotic medication, engaging with their care coordinator, eating with other patients and washing themselves. They have shared information and have told the service that they were last in accommodation 20 years ago. The service combination of mental health specialist, knowledge of homelessness and understanding of the sector enables this service to engage actively and imaginatively with rough sleepers.

3. Delivering a pilot employment and accommodation service in partnership with Crisis Skylight, addressing rough sleeping amongst EEA migrants: EEA migrants who are rough sleeping have two options – to reconnect to their home country or to find work. Rough sleeping is a significant barrier to sustaining work. The pilot provides 12 weeks rent free accommodation coupled with intensive support from Crisis Skylight to access sustainable employment and private rented accommodation. The numbers supported through the scheme are small – a target of five individuals by 31/3/19. To date four individuals have been supported and two have accessed accommodation. Learning from the scheme is that it is unlikely that it could be scaled up, as many rough sleeping EEA migrants are too far from the workplace to access sustainable employment and accommodation within 12 weeks, but for those it can support it is life-changing.
4. Funding a dedicated rough sleeping caseworker to assess the council's duties under the Homelessness Reduction Act and to work closely with external agencies to deliver personal housing plans.
5. Since November, Funding an intensive support worker to help rough sleepers with complex needs to sustain temporary accommodation whilst a longer term solution is sourced. With a small caseload of 12 weeks the worker is able to engage with these individuals, have regular contact and be there in times of crisis to bring in other services where at other times the individual would lose their accommodation.

2.3. Temporary Accommodation

Croydon has done well in recent years reducing temporary accommodation number 3000, to almost 2,000. Croydon like many London Boroughs has been experiencing a steady increase in homelessness for a number of years. In response to the demand for increased temporary accommodation the Council has set up a number of schemes which have historically been used to accommodate households where the Council has accepted statutory duties under homeless legislation.

In the context of wider supply issues it needs to be borne in mind that whilst social housing supply is declining the Private Rented Sector (PRS) supply is rapidly growing and as such it is increasingly becoming the only tenure available.

Croydon needs to procure temporary accommodation to meet the demand, there is a clear need to continue to increase supply from the PRS Private Rented Sector, and the issue for the Council is that rising costs are increasing budget pressures.

Actions to Mitigate Risks, a number of actions are already being undertaken to mitigate the risks and reduce budget pressures. These include:

- A bid to the Government under the Private Sector Access fund for £750k which includes an amount for incentives to landlords
- A commitment to join Capital Letters which is a pan London initiative to reduce procurement costs funded by the Ministry of Housing Communities and Local Government
- Engagement with a range of developers who are offering large economies of scale and reduced costs by accessing a range of funds
- A property acquisition programme to purchase properties to reduce pressures on temporary accommodation.
- On-going discussions with existing suppliers to drive down costs of new units

2.4. Gateway Services

Croydon's Gateway Approach

Gateway ensures residents are given a personalised action plan to address debts, budgeting, benefit maximisation, employment and address any housing issues they may have. With our approach and areas of work we also focus on UC principles, public health, health and well-being. In the last 18 months, Gateway have supported:

- 12,590 residents increase their benefits by £19.952m.
- £6.942m of UC claimed for our move vulnerable residents.
- 10,835 residents obtain blue badges/taxi cards or freedom passes.
- 10,540 with their financial assessments.
- 472 Appointees/deputyships with their finances.
- Circa 1,200 benefit caps residents.
- 5,105 households with discretionary payments made to secure tenancies, help moving to suitable and affordable accommodation and for emergency goods and furniture.
- 664 residents into employment and/or placements.
- 7,543 households with children to have free school meals.
- 6,466 residents with personal budgeting support and/or assisted digital who have moved onto Universal Credit.
- 2,544 preventions that have saved residents from having to present as homeless.
- 1,314 residents have been moved out of emergency and temporary accommodation into permanent accommodation.

Croydon's support for residents on Universal Credit (UC)

Croydon was one of the original pilot sites for Universal Credit (UC) roll out and have played a vital role in UC improvements during the test and learn phase and many of the developments made to UC; has been driven by Croydon and our colleagues in other LAs lobbying and working closely with DWP; withdrawal of 7 day waiting period and moving back emergency accommodation to Housing Benefit control to name two

important policy changes.

DWPs current figures highlights we have circa 25,000 on Universal Credit in Croydon, of which Purley Job Centre have 6,536, Thornton heath Job Centre have 7,382 and Croydon Job Centre have 11,024.

Croydon's approach has always been to support the main principles of Universal Credit delivery and message, but to offer local support, with more intensive support for our more vulnerable residents. When we started to pilot UC, we seconded a member of staff to work with DWP for two years to help the housing design on UC.

A challenge for 2019 is that the DWP has withdrawn funding from the council and passed a reduced amount to CAB to deliver. We are liaising with CAB to ensure we have a workable solution which does not detrimentally impact on our residents.

Discretionary Support for UC residents

Croydon have maximised discretionary funds to support residents. Croydon each year provides £500k Housing Revenue Account budget to top up our Discretionary Housing Payment (DHP) fund to support Council tenants in rent arrears. Croydon have also committed £455k each year to continue the Croydon Discretionary Scheme (CDS), after Central Government removed the funding. In the last 18 months, £1.3m has been spent of DHP money for residents on Universal Credit (£4.061m in total on DHP) and this amount equates to helping 1,069 residents during this time on UC and in arrears and or are looking to move to affordable accommodation. In the last 18 months, the Discretionary Team have supported 4,593 residents in total, this ranges to helping with arrears, moving home, food, utility payments and white goods.

Gateway have been working with Policy in Practice and using their business analytics tool to highlight residents affected by welfare reforms and/or in debt. This tool categories cases into coping, struggling, at risk and in crisis; which means we can use resources the tackle the households most in need first. It also allows we can sort into properties with children and/or disabilities, which again means we can tackle these families first. This approach is reducing homelessness and ensuring children are not put at risk, which could increase workload and finances of our colleagues in Social Services. We have also used this tool around providing local events and targeting that specific local needs.

Social Lettings Agency

In April 2018, Gateway created and implemented a Social Lettings Agency (SLA) to trial a different way of securing properties and working with landlords, to offer greater wrap around support to vulnerable residents and to give assurances to landlords on affordability and sustainability of tenancies. The cohort of residents the SLA is primarily working with is those pre-statutory homelessness – very early interventions to secure long-term, safe, affordable homes for people in danger of losing their home.

Gateway are now working with over 70 landlords and securing properties at Local Housing Allowance through negotiating with landlords and are on average placing between 15 to 20 residents a month. The SLA offer tenancy ready training for the residents they are working with and direct contact to the team for landlords. We are also trialing a household budgeting app from January 2019; which will give landlords, residents and SLA staff sight of household's bills, ensuring they are paid and to act

as an early indicator if a bill is missed. This means SLA staff can address and tackle any issues, a day after any bill is not paid.

The key challenge is the rent differential between market rates and LHA rates for rent. With our holistic wrap around support and offer of tenancy sustainment work for both landlord and tenant, we can successfully negotiate landlords down to LHA rates. As an example, a landlord originally approached offering a property at £1,600 per month. However, after we sold the SLA service and they met the family in need of a new home, the landlord agreed to reduce the rent to £1,250 p.m. in line with the LHA. This meant we could quickly move this family in, and saved them £4,200 in rent each year.

Gateway in the Community

Our Gateway approach in the community is to focus on prevention and early intervention, provide a holistic response to whole family needs looking beyond the presenting issue, and prevent households from experiencing crisis and helping shape a positive future for Croydon residents. Main principles are:

- An innovative way of working way of working across the Council, with our partners and our residents in order to prevent residents from experiencing crisis and homelessness
- First Response Gateway Community Locality model run by the community for the community delivering services that are responsive to the specific needs of residents
- Ensures residents are financially stable, able to better manage their money and maximise their income through personal budgeting support, debt management, landlord liaison and by gaining employment
- Community Connect support includes: benefits advice, personal budgeting support, housing options advice, income maximisation and employability support (e.g. job club, training and volunteering opportunities)
- Works as an Alliance (36 partners) of organisations with shared objectives
- Was piloted in our two most deprived wards – Fieldway and New Addington

60% of residents seen at the locality are on Universal Credit. To date the locality in Fieldway and New Addington have achieved the following:

- Preventing homelessness by sustaining 47 tenancies
- 25 long-term unemployed residents into work and 22 into education/training
- Addressing poverty – the Food Stop reached its target number of members (100) within just weeks of its launch (160 members currently)
- The Food Stop has helped families save a combined £27,140 on their food shopping bills
- We've been closely tracking progress of the first 100 residents signed up to Food Stop when it launched and who are receiving support via Community Connect.

We've seen some fantastic results in the first year, including:

- 22% had rent arrears, and now none of them do.

- 45% were at financial risk, and we have reduced this to 21%, who we continue to work with.
- Only 14% were in work and this has increased to 32%

A second locality is due to open at the Parchmore Centre in Thornton Heath in January 2019, to build upon the already established local support in place, with early intervention and prevention targeted support to residents in need.

Successful bids - Flexible support Community Fund bid was successful in obtaining £97k to place two officers in the Parchmore Community Centre from January 2019, where the full wrap around Gateway support will be delivered in the Parchmore Centre to support our residents in the North of the Borough. As part of the successful bid, a £15k discretionary fund is to be used directly to support residents into work, this can be for work equipment, training and or travel.

DWP Proof of Concept Fund bid was successful through a joint application with Gateway Enablement Team, Mind and Status, which guaranteed £4,150 a month for 18 months and then £7,150 for every successful resident into work.

Through our work with Universal Support, Gateway have secured £157k in funding for this year, which i.e. being directed to fully support our residents on Universal Credit.

Gateway Link

Gateway Link assists practitioners across services with high cost, high profile cases or cases that are “stuck” in the corporate system. The team co-ordinate a multi-service/disciplinary approach building on existing pathways and challenge ineffective hand-offs between services. This approach encourages increased collective organisation responsibility for families/adults which in turn produces cost savings and avoidance for the council, whilst achieving better outcomes for residents by reducing less reliance on council services and greater independence. Last year the team generates (outside of panel work, see below) £1.7m financial benefits. We ensure we closely link in with Troubled Families to ensure Croydon maximises its claim, providing essential funds to support the delivery of Early Help initiatives.

In 2018 we have also placed a Gateway Link Interventions Officer within Children’s front door – SPOC, Single Point of Contact – which has been gratefully received and quickly evidenced the benefit of this colocation. The Interventions Officers have been able to prevent cases being picked up by children’s, either via bringing the case into Gateway or giving advice on who has the duty to the family (particularly in housing cases, where other authorised have on-going duties they need to fulfil). This intervention has enabled us to keep the family together in their current home, as we know from past experience when a family ends up homeless this has a detrimental effect on children’s health, well-being and school attainment and attendance.

By having this collaborative approach we can ensure that the resources of the council are maximised to provide the best outcomes for our residents – we ensure the skills within Gateway are implemented, enabling social workers and other practitioners to concentrate their time and effort where their expertise lies.

Gateway Link panels have been set up to review the most expensive families in terms of combined cost to the Council across a range of services-adult social care, children's social care including children with disabilities and special educational needs, housing and welfare and Council debt. The aim is to identify opportunities for both immediate action and longer-term systemic change and service redesign to reduce costs and improve outcomes for these families.

The panels are sponsored by the Cabinet members for Finance, Children and Families and Adult Social Care. High cost and complex cases are presented at each panel. Traditionally cases known to social care services have been person focused, the Gateway Link Panels in contrast look in depth at the whole household and the impact that the individuals needs have on the family, this enables more creative outcome focused solutions to be developed for each household which in turn reduces costs to the Council. Services suggest cohorts for consideration and this has resulted in buy in from all areas of the council and at all levels as well as resulting in financial benefits of over £2 million pounds.

2.5. Council Homes Planned Maintenance Programme

Capital investment into Council owned homes over the last year has focused upon ensuring that all homes remain compliant and continue to meet the Decent Homes Standard. Overall, the programme is expected to deliver over £28m of maintenance and improvements to Council owned homes this year.

The impact of the tragic events at Grenfell Tower has brought fire safety to the fore. In total approximately £10m of fire safety works including sprinkler installations have been delivered to 26 blocks and 1,252 dwellings. By the end of the financial year every block over 10 storeys and above will have an active sprinkler system installed, providing reassurance to the residents of high rise accommodation.

Major works have started on a number of schemes. At College Green sheltered block works have begun on the replacement of the roof, windows and boilers, as well as the installation of rain screen cladding. There have been some delays due to issues with the existing structure and the project is expected to be completed in October/November 2019. External refurbishment works to Davidson Lodge commenced in September 2018 and are progressing well on site with expected completion in December 2019. Two major refurbishment projects that are due to commence in late spring/early summer are Dartmouth House and Chertsey Crescent with completion scheduled for autumn 2020. Finally, works to Longheath Gardens external refurbishment have progressed to all 17 blocks and are expected to be complete in October this year.

The Croydon Housing Asset Management Plan has been developed to provide housing services with agreed objectives that align with the Corporate Plan 2018-22. The four overarching objectives are:

- Compliant, decent and energy efficient homes
- Homes in places where people want to live, work and socialise
- Residents of all ages and backgrounds involved in shaping services
- Affordable and cost effective homes

Over the next year key policies and procedures will be implemented to ensure that robust, auditable processes are in place across Asses & Involvement, Capital

Delivery for Homes and Schools, and Repairs and Maintenance.

Several innovative projects are in the pipeline for commencement in 2019/20. The Community Energy Scheme will provide our social housing tenants with the option of 100% renewable energy, at a guaranteed discount to market prices for 25 years. This will help reduce fuel poverty and increase the health and wellbeing of our residents. The other scheme is Digital Connectivity for Social Housing, which will offer full fibre broadband across the borough to provide our social housing tenants with access to digital services and improve digital inclusion. Both project will also provide job and training opportunities to our residents.

2.6. Responsive Repairs

In December 2013 following a European Commission compliant competitive dialogue procurement process, the Council appointed Axis in April 2014 as the Service Provider to deliver a Repairs, Voids and Gas Contract consisting of the following work streams:

- Repairs Price per Property (PPP) and SORs
- Voids Price per Void (PPV) and SORs
- Gas 3* servicing and maintenance

The potential contract term is 15 years broken down 7+4+4 we are now coming to the end of year 4 of this contract.

The contract is generally performing well across the board with performance in almost all KPI's consistently on target. There are some concerns with performance for orders issued and overdue which has never been within target and more recently P15 gas & heating repairs. The KPI relating to orders issued and overdue has been reported as underperforming since the start of this contract, however this is not completely representative of the actual performance in this area. The official KPI is reported based on data received each month but there is a manual admin 'lag' between the job physically being completed and the system being updated to record this, if we were to re-run the reports from previous months (with time allowed for the system to be updated) then the figures shown would be significantly different.

Complaints and customer satisfactions whilst in the main at target do indicate ongoing issues with lack of feedback and follow up and jobs not completed first time, these specific areas are monitored by the Members & Resident Services manager as part of the joint service improvement plan and discussed regularly at monthly performance meetings.

Corporate Social Responsibility and Community Benefit are both integral to the contract with dedicated contract meetings to ensure that activities against these areas are delivered. As well as corporate sponsorship of the recent customer service awards and the Mayors Civic awards, the partnership have organised and sponsored numerous community events, most recently the provision and delivery of 47 'Christmas dinners in a bag' to families identified as in need in north Croydon, a bedding donation appeal for residents of The Wellington hotel along with a bag for every resident containing essential toiletry items

With the first break point of the contract at year 7, a joint contract review has started with echelon to consider whether the contract should be extended for another four years. This is a significant piece of work, of which there will be several stages, initially there will be a review of the contract documentation to determine what needs to be

done in relation to the extension/termination, but also take into account the internal Council processes which need to be followed to ensure we meet the timescales.

The contract review will be split into the following parts:

- a. A review of the service being delivered by Axis across the following areas:
 1. Cost
 2. Performance
 3. Relationship
 4. A comparison to the contract deliverables
- b. In depth options appraisal. This will be a report which describes the various delivery models available (wholly owned subsidiary, joint venture, managed service, DLO - Direct Labour Organisation), the various pros and cons of each and comparison against the current model. It may be that a SWOT analysis of these model types may rule them out as options, but in some cases it may be appropriate to include site visits so that we can see how these might work in practice for us. The final report will not make any recommendations but will set out in detail how each of the models works.
- c. Benchmarking against other contracts using a similar model, if we can identify the critical success factors on other similar contracts we will be much better placed to comment upon whether we need to re-procure or simply adapt working practices and behaviour.
- d. Factor in the cost of re-procurement and mobilisation/bedding in

2.7. Resident Involvement

A review of resident involvement activities across housing is underway and has already led to improvements to the way that we engage with residents about their housing services and neighbourhoods. This has resulted in 8 new members as well as 12 previous members being reselected for the panel of the Tenant and Leaseholder Panel (TLP) representing a wider range of our residents across the borough. A new associate membership option is also now available enabling residents to participate virtually in the panel's activities without attending meetings. This provides an option for those individuals who are unable or do not wish to attend evening meetings to still be fully active in influencing the strategic decisions the council takes about how we manage our homes. In addition the council is establishing a new virtual safety panel to ensure that residents' views are heard loud and clear when it comes to the safety of their homes.

2.7. Fire safety

The current spend for 18/19 on fire safety works is £272,667, this includes both capital and HRA spend. This excludes project works.

Work continues to ensure fire safety within residential blocks owned or leased by the London Borough of Council is compliant and meets current standards in order to provide safe homes for our residents. Work is ongoing to identify where we need to replace/upgrade flat front entrance doors, where installation/ upgrade of emergency lighting and fire alarm systems is required and blocks with spandrel panels which may need to be replaced. This information will then be used to create programmes of

works.

The relationship between LBC and the London Fire Brigade continues to be a positive one and we are working with LFB to provide training for staff regarding person centred risk assessments and Personal Emergency Evacuation plans. We continue to meet formally with LFB on a monthly basis and carry out joint audit visits to blocks.

Following the release from Government, on Tuesday 18th December, of their statement and plan in response to the Hackitt Review, the council is working with the London Council's Directors Fire Safety Group to share best practice on how to address the recommendations from the Hackitt Review and the Government's plan to implement all of the recommendations.

Post Grenfell Croydon council increase the level of fire safety across all council owned blocks this included undertaking a higher specifications than required for our fire risk assessments, from type 1 (Non-destructive assessment of the common parts of a building) to type 4 (Destructive inspection of the common parts of a building and the flats)

Remedial works following level 4 FRA's 50% of the reports have been received from Oakleaf the councils Fire Risk Assessors. Whilst we are assured all the fire risk assessments have been completed, there have been delays with Oakleaf and their quality checking process. It has been made clear to Oakleaf what our expectations are and there performance is being closely monitored.

In 2017 the council commissioned Echelon our partnering advisors were engaged to carry out a fire safety process and systems audit to provide recommendations for areas of improvement on process, compliance and the contracts managed by the council on the general needs housing stock. The recommendation from the audit was that the council established a Compliance team that has responsibility for overseeing and monitoring all compliance activities across the various teams.

- The Compliance team are currently working with the re-procurement team to finalise the FRA re-procurement report.
- The remedial works being identified are included in the ongoing procurement process as referred to above.
- Work is ongoing between the Asset team and Compliance team with regards to using the compliance model in Apex the new model - Compliance with legislative, local and aspirational Quality Standards to drive plans and programmes

2.8. Tenancy and Caretaking Services

In April 2018 the Tenancy & Caretaking service started working within their new structure with 7 managers managing across the borough.

On 8th October 2018 the council announced the reintroduction lifetime social tenancies in our own housing stock. We said we were removing fixed-term social tenancies that are reviewed every five years, which had been introduced before the current administration came to power in 2014. From that day, anyone who signs a

new contract with the council will have an open-ended assured contract without a time limit as long as they meet the usual tenancy conditions. To ensure that the council homes continue to meet tenants' needs, Croydon will continue to offer incentive schemes so residents who no longer need larger homes can downsize elsewhere and free the property up for others. By reintroducing lifetime social tenancies for local people, Croydon Council is underlining its commitment to protecting renters.

BxB continue to work on the estates and there is an element of disruption with parking and bin collections. Over the year Tenancy have worked closely with residents and with BxB to ensure that this disruption is reduced by sending back bin crews or removing nuisance vehicles.

All work coming to the Tenancy and caretaking service is filtered through the CRM database to allow managers to have an in depth view of workflow and an up to date record of the amount of work being received by the team. Since 1 April 2018 the service has received 1240 referrals through CRM, with 70.4% coming directly from our residents.

The introduction of the South London Waste Partnership bin collections has been sporadic in some areas to begin with, however a strategy meeting was set-up with the service which has resulted in improvement in the service being delivered.

With an aging residential population and the increase of vulnerable residents the Tenancy service are using Tenancy Sustainment officers (TSO) to support residents in need to maintain their tenancies and reduce social isolation.

Tenancy are working with Repairs, Homes and improvement team, Transport and BxB to install Electrical Vehicle Charging posts for electric cars.

in order to improve and maintain a more efficient service new mobile devices are being rolled out to all staff to allow them to access the internet which will enable them to upload all outstanding repairs, record on the 'Don't mess with Croydon' App allowing for more immediate recording of service failures and faster rectification.

The CRM workflow database is being reviewed with ICT to carry out further phase improvements on issues that have arisen to allow for simpler KPI recording and case management.

2.9. Empty Properties

On 31st December 2018 our records indicate that 3,603 dwellings had been declared as vacant to the council. This figure is for all empty residential dwellings and includes short term voids and properties that are vacant between tenancies.

Our records indicate that 1,854 of those properties had been empty for more than six months and can be classed as Long-Term Empty Properties

The Council's Empty Property Service is actively involved in 783 long-term empty dwellings and is either working with the owners of these properties, regularly monitoring them or taking enforcement action to bring them back into use.

Empty Properties are regularly reported online, by telephone or via the Don't Mess with Croydon app. There are two full time Empty Property Officers employed by the council who are constantly seeking to locate the owners of these long-term empty properties and find ways to bring them back into use as suitable housing.

2.10. Private Sector Housing

Our borough-wide selective licensing scheme for privately rented properties has now been in place for three years. At the start of the scheme it was estimated that there were approximately 32,500 privately rented properties in Croydon, however we now know that there are more than this having received almost 34,000 licence applications and continue to receive around 250 each month. During the life of the scheme to date approximately 10,000 properties have been inspected, most of these proactively, but we continue to receive approximately 750 complaints about poor housing conditions from tenants each year.

The proactive inspections have shown that, as the council suspected, tenants are not contacting the council for assistance when there is disrepair in their homes for a variety of reasons. The licensing scheme has enabled the proactive inspections to take place and housing conditions to be improved in cases which, without the scheme, we would not have been aware of. Since the scheme started officers have taken enforcement action in approximately 1,000 cases, including prohibiting the use for habitation of 33 properties.

The licence conditions are enabling the council ensure that landlords deal with anti-social behaviour by their tenants, from disposing of rubbish and recycling properly to curbing noise nuisance, ensuring gardens are maintained and preventing issues such as drug smoking in flats (which can affect the occupants of adjacent flats).

The use of financial penalty notices to deal with breaches of the licensing scheme is increasing, with action taken or in the process of being taken against 22 landlords to date.

The scheme expires on 30 September 2020 and the council is currently focusing on gathering evidence to use in our submission to the secretary of state to renew the scheme on 1 October 2020. Prior to that there will be a full public consultation which will include progress to date with the current scheme in more detail.

Post-Grenfell, the private housing team have carried out programmed inspections on privately owned blocks of flats with colleagues from the London Fire Brigade. To date it has not been necessary to take formal enforcement action relating to issues with cladding, although progress on replacing cladding on the two taller blocks, Citiscape and Centrillion, is being closely monitored by various services. Smaller blocks of flats brought into use by Permitted Development are also being proactively inspected.

HMOs

From 1st October 2018, landlords renting out smaller houses in multiple occupation (HMOs) for the first time need a mandatory HMO licence. Under the new law, these licences have extra conditions including national minimum room sizes.

Croydon Council is using its discretionary powers to continue to require at least 10 square metres per bedroom for one person and 15m² for a couple, compared with the new national minimum size of 6.5m² and 10.2m².

Croydon's other minimum size requirements that are not changing range from 12.5 m² for an en-suite single bedsit to 18.5m² for a double room with a kitchenette. The council has decided to keep its existing room sizes because most HMOs in the borough are bedsits with no communal living room.

These changes only apply to landlords applying for new HMO licences or renewals; not those that currently already have a mandatory HMO licence nor ones that currently have a Croydon selective licence. Before the law change, the mandatory requirement to license HMOs had been limited to properties consisting of three or more storeys and five or more people in at least two households sharing facilities. This storey element has now been removed nationwide.

2.11. Croydon Affordable Homes (CAH)

In order to make renting in Croydon more affordable, the Council have set up a charitable partnership to deliver affordable properties to rent in the borough. Croydon Affordable Homes (CAH) was set up in July 2017 with the goal of renting out at least 340 local homes costing a maximum 65% of the usual private rent to borough residents by 2020.

The first phase was to transfer 96 one, two and three bedroom properties council-owned temporary housing to becoming part of CAH. This gives the tenants longer tenancies, turning temporary accommodation into assured shorthold tenancies lasting between one and three years.

The 96 properties are a mix of one, two and three-bedroom houses and flats in areas including New Addington, Selhurst and Sanderstead. Rents have not gone up as a result of the deal, and a couple on housing benefit can afford the rent through the Local Housing Allowance.

The second phase is for the council to purchase an additional 250 one, two and three-bedroom houses and flats which will be transferred to CAH in April 2019

The current position on the purchasing of these properties:

- 176 properties purchased
- 61 Purchase approved
- 13 Properties under consideration (in process)

Phase three which consists of 244 homes will be delivered between 2018 and 2020 that will be part-funded by £30 million worth of Right To Buy house sales.

These homes will be built by Brick by Brick, the development company set up by Croydon Council, and Hub, the company leading the regeneration of the former Taberner House site in Croydon town centre.

2.12. Brick by Brick

The BXB structure has a number of characteristics that help it to satisfy the desire for the delivery of new homes whilst also maximising the direct benefits to local communities in Croydon (financial and otherwise). For example:

- BXB activity creates development profit, all of which is returned to the local authority (as sole shareholder) in the form of an annual dividend, to be reinvested in the borough;
- BXB delivers further financial benefit in the form of interest paid on loan facilities arranged between the Council and the company, as well as the purchase value of land that is transferred to the company (with any future uplift in land value driven by the property market wholly secured for the Council in the original land deal), all of which can be used to support frontline services in a time of heavily pressurised local government budgets;
- BXB creates much needed new homes of a variety of tenures, with priority given to local residents for an 8-week period through the sales and/or letting process for both private and shared ownership homes. Affordable rent homes are allocated via the council's housing list.

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 well beyond that ordinarily provided by developers – for example, BXB often deliver 50% affordable housing within their smaller residential sites programme, far greater than the amount usually achieved on such sites (where there is no requirement on private developers to do so).

BXB has been actively trading for two years now and has established itself as a key economic actor in the borough. In preparation for meeting the company's strategic target of 500 completed homes per annum, a substantial amount of work was undertaken at the outset by the BXB in house design team to identify local authority owned land with development potential. A detailed review of the Council's asset register and GIS mapping was conducted in order to create a pipeline list of c250 sites with capacity for over 4,000 residential units. Based on feasibility assessments, this pipeline list was subsequently broken up into tranches of sites to be taken forward to early stage design and ultimately, subject to viability, submission to planning.

To date the company has achieved 40 planning consents which will enable it to deliver more than 1,300 units of housing. There are also a further 5 schemes currently being prepared for planning or already being considered by the planning department. All of this work has created the foundation for the company to start meeting its target of 500 completed homes from 2019 onwards.

Of the schemes that already have planning consent, 22 are in contract and/or on-site, and a further 17 are currently out to tender. Several of the schemes that are on site have practical completion dates scheduled for the first half of 2019, starting from Jan/Feb 2019.

2.13. Taberner House and Queens Gardens

The Taberner House redevelopment comprised the erection of four buildings ranging

in height from 13 to 35 storeys comprising 514 residential units and commercial space at ground floor level. The 2017 planning permission secured a minimum 35% of units as affordable accommodation, with 50.2% of the provision proposed as affordable rent. This included a block of 90 affordable rent units to go to families on the councils housing waiting list.

Since the time of the permission we have been in dialogue with L&Q who are looking to take on blocks 3 and 4 which will take the number of affordable homes to over 50%.

Queens Gardens

A re-landscaped Queens Gardens was also provided as part of these proposals, the details of which were secured by planning condition and the Local Planning Authority (LPA) are in the process of negotiating these details with the developers, HUB.

The new landscaping seeks to preserve the historic character of the space, enhance the character and appearance of the gardens and improve lighting / security throughout the area. The Queens Gardens will be made more space available for the public and the proposed buildings orientation will assist in providing light and additional surveillance into the gardens. The proposals currently provide a new public square, new seating throughout with some being integrated, a new lighting strategy, a water feature, play space, raised planters, replacement trees/landscaping and additional CCTV enhancing security. Natural stone and granite paving is to be provided on the central and southern sections with resin bound gravel within the sunken garden.

These proposals will be a significant improvement to that existing and the LPA are in negotiations with the developer to ensure that these enhancements are delivered. In terms of the current status of the planning condition approval, the LPA is awaiting further specifications from the developer and further discussion is required around long term maintenance for the areas to be maintained by the Council.

Contact Officer: Shifa Mustapha, Executive Director Place
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Background Documents: None

Appendices: None

For General Release

REPORT TO:	Streets Environment and Homes Scrutiny Sub-Committee 22 January 2019
SUBJECT:	Brick by Brick Business Plan 2019/20
LEAD OFFICER:	Shifa Mustafa, Executive Director Place
CABINET MEMBER:	Cllr Alison Butler, Cabinet Member for Homes, Regeneration and Planning
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:	
<p>Maximise the use of the Council’s assets to deliver new homes, including affordable housing, private for sale and private rented stock.</p> <ul style="list-style-type: none"> • Enable an innovative commercial model which will benefit the Council financially and help meet savings targets. • Brings forward the development of key sites across the borough addressing key local, regional and national policies. • Secures improved community facilities. 	
FINANCIAL IMPACT:	
<p>Brick by Brick’s development activity will have a positive financial impact for the Council as 100% shareholder in the company.</p> <p>This income generated from the Council will be from three key elements of activity as detailed in section 5 of this report.</p>	
KEY DECISION REFERENCE NO.:	
<p>1. DRAFT RECOMMENDATIONS</p> <p>That Scrutiny reviews the proposed 2019/2020 Business Plan of BXB as set out in Appendix 1 of this report.</p>	

2. EXECUTIVE SUMMARY

- 2.1 This paper provides a draft of the annual BXB Business Plan for 2019/20 for review by the Scrutiny Committee.

3. DETAIL

- 3.1 The borough has established a development company, Brick by Brick Croydon Limited (BXB), to bring forward housing led development in a way which realises the full development potential of sites throughout the borough and maximises the benefit from development to local residents. Although the Council is the sole shareholder, the board of the company operates independently from the Council and on a commercial basis.
- 3.2 Each year, BXB develops a Business Plan relating to its activities over the forthcoming year and presents it to Scrutiny (prior to Cabinet) for review. The BXB Business Plan for 2019/20 is included as Appendix 1.

4. CONSULTATION

- 4.1 The structure and operation of BXB has been the subject of a number of previous Cabinet and Scrutiny reports and members have been consulted as part of these processes. In addition, ward and Cabinet members, and local MPs, are consulted by BXB as part of the development of their proposals for individual sites.
- 4.2 BXB also undertake a detailed public consultation and engagement process as part of their design development for individual schemes. This includes public events and drop in sessions on site to explain the proposals and seek feedback, presentations to local representative groups and dialogue with individuals who have an interest in the proposals. The results of these processes are included within the Statement of Community Involvement which are included as part of any subsequent planning application.
- 4.3 In addition, consultation is undertaken by the Council as local planning authority as part of the statutory planning process for all BXB schemes which are submitted for planning consent.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The Brick by Brick business plan provides an overview of the company's operations for the forthcoming financial year. It also includes a five-year outlook in respect of the company's financial projections to inform the council, as shareholder, of the forecast financial performance of the business.

1 The effect of the decision

The key implication for the Council contained within the BXB business plan is the estimated net funding requirement driven by the company's cash flow projections. This provides an estimate of the levels of finance that the company will seek to draw down from the Council through a combination of borrowing and equity investment (on a 75:25 split) to fund its planned development programme.

BXB is currently projecting to require £78m of funding in 2019/20, which will be made up of £58.5m in borrowing (with interest charged) and £19.5m of equity investment. The Council currently has a draft budget of £30m in 2019/20 to cover BXB funding. The remainder will be covered by slippage from the 2018/19 budget of £175m, for which a budget adjustment of £100m was reported to Cabinet at Q2.

After 2021/22, BXB anticipates that it will become self-financing, with revenue from sales of housing sufficient to cover all known on-going development expenditure. In addition, as profit is generated this will also be used to pay down debt as per the terms of the lending agreements with the Council. All debt required for the current programme is projected to have been repaid by 2022.

It should be noted that all lending to BXB is on commercial terms.

2 Risks

The company's cashflow projections are updated on an ongoing basis. The projections that inform the BXB business plan are necessarily taken at a point in time and are subject to change as programme estimates shift. The key risks to the figures provided in the business plan for existing schemes are escalations to cost estimates and time delays (which result in revenue from sales being postponed). Each of these could effect both the net funding requirement and the profitability of the business (and therefore the dividends available to the Council as 100% shareholder).

To mitigate these risks, BXB's assumptions within its financial appraisals include sales estimates which are as prudent as possible. In addition cost estimates are based on detailed estimates provided by the company's cost consultancy partner, and agreed costs from completed tenders are added to the financial modelling as soon as they are available.

In addition, the BXB cashflow projections are likely to change as new schemes that are identified to be viable are developed in more detail and added to the programme. These will increase the overall profitability of the business but will require investment and may therefore change the company's funding requirement. The current cashflow model also includes an allowance for the likely cost of new schemes over the next 12 months.

3 Future savings/efficiencies

The other key implication included within the BXB business plan is an estimated profit expectation based on the current programme of work. As the sole shareholder this profit belongs to the Council, and can be taken as a series of dividends or reinvested in further development activity across the borough. The company is currently projecting to achieve a profit of c.£65m on its existing development activity.

BXB is also supporting the Council to achieve other important financial benefits. The interest charged on loans made to BXB to fund the BXB residential programme is projected to generate c.£15m for the Council.

Approved by: Lisa Taylor, Director of Finance, Investment & Risk

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that under the Articles of Association of Brick by Brick Croydon Limited, the Council, through the executive, as sole shareholder of the company, is required to approve and adopt the company's Business Plan on an annual basis.

Approved by Sean Murphy, Head of Commercial and Property Law and Deputy Monitoring Officer on behalf of the Director of Law and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no HR implications arising from this report.

Approved by Gillian Bevan, Head of Human Resources on behalf of the Director of Human Resources.

8. EQUALITIES IMPACT

- 8.1 BXB continuously evaluates its approach to Equalities issues to ensure it is commensurate with the scale and nature of its development programme. The impact of the activities contained within the attached BXB Business Plan on protected groups is expected to be positive. The provision of new affordable housing, maintaining and improving existing, social housing and tackling poor private housing conditions, meeting housing need and preventing homelessness, providing housing support and high quality housing management services are all expected to benefit groups with protected characteristics. Similarly, the creation of additional revenue streams to the Council allows reinvestment into Council services to benefit of all residents.

With regard to the development programme, BXB completes Statements of Community Involvement for all schemes submitted to planning, detailing how local residents and other stakeholders have been consulted and engaged in emerging proposals, and how their feedback has been incorporated. Similarly, the impact of proposals on certain protected groups is often discussed and considered through the planning process – eg DDA compliance, Lifetime homes provision, disabled parking provision etc.

9. ENVIRONMENTAL IMPACT

- 9.1 No specific adverse environmental impacts arise from this report. Any environmental issues arising from site development are regulated by the planning and building control processes.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 No specific adverse crime and disorder impacts arise from this report. Any secure by design issues arising from site development are regulated by the

planning and building control processes.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The basis for the recommendation set out in this report are set out in previous Cabinet reports, including the opportunities to deliver real benefits to local people through developing new homes, infrastructure and community facilities, and the jobs, opportunities and stronger vibrant communities that will also flow from that growth.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Options originally considered for the development of land across the borough to address housing need have included the disposal of land on the open market to enable development and the procurement of developers via development agreement to take forward sites. These were rejected as neither option is as commercially efficient as the BXB model, and nor they do not maximise the direct benefit to local residents from development in their borough.

CONTACT OFFICER: Shifa Mustafa, Executive Director Place (LB Croydon)

BACKGROUND PAPERS:

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
- Brick by Brick Development Company – Business Plan, Cabinet 12th Feb 2018

APPENDICES: Appendix 1 - BXB Business Plan 2019/20

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2019-20 Business Plan

DRAFT

Issued 11.12.18 revision: **DRAFT**

Brick by Brick Croydon Limited

Registered Number: 09578014

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1. Introduction

- 1.1. Brick by Brick Ltd (BxB) is a development company that was established by LB Croydon to proactively lead the delivery of new homes, of all tenures, throughout the borough for the benefit of Croydon residents. The company is commercial in character and is run by its own board of directors. Croydon Council is the sole shareholder.
- 1.2. Over recent years, Croydon has rapidly become a model for suburban and city living. With excellent links to Central London, the South London suburbs, Gatwick Airport and the south coast beyond, the borough continues to undergo major economic and civic renewal including major investment in the metropolitan centre. In addition, the Council's Growth Zone continues to provide significant investment in local infrastructure including road, rail, tram and public realm, as well as new employment and cultural facilities. This creates an unrivalled context for investment and economic growth.
- 1.3. As a consequence, it is not surprising that the borough's population is rising and is projected to rise still further in the years ahead. One of the greatest challenges for Croydon in this context, in common with many other 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 outright purchase and 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 Local Plan and the Mayors London Plan enable the development of new multi-tenure homes on appropriate sites throughout the borough. However, over the last couple of years, it has become clear that the Council needs to take a direct role in the delivery of housing if the supply challenge is to be met.
- 1.5. The local authority is a significant land owner in its own right, and there is real capacity for new homes to be delivered on this land. These areas of land include major regeneration sites which have been considered for development for some time as well as many smaller infill sites 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, along with many other forward thinking local authorities, to think differently and seek a much more direct role in development to maximise both the delivery of housing and the financial value of land assets.
- 1.7. The establishment of BxB has been a huge step forward in allowing the council to address housing supply. The BxB structure has a number of characteristics that help it to satisfy the desire for new housing delivery whilst also maximising direct benefits to local communities (financial and otherwise). For example:
 - 1.7.1. BxB activity creates development profit, all of which is returned to the local authority (as sole shareholder) in the form of an annual dividend, to be reinvested in the borough;
 - 1.7.2. BxB delivers further financial benefit in the form of interest paid on loan facilities arranged between the Council and the company, as well as land value on sites that are sold to the company (with any future uplift in land value wholly secured for the Council through overage arrangements), all of which can be used to support frontline services in a time of heavily pressurised local government budgets;
 - 1.7.3. BxB delivers much needed new homes of a variety of tenures, with priority given to local residents through the sales and/or letting process for both private and shared ownership homes. Affordable rent homes are allocated to the council's housing list via Croydon Affordable Homes.
 - 1.7.4. The BxB model of delivering multiple sites simultaneously allows for commercial efficiencies which have the effect of increasing the overall quantum of affordable housing in the programme – for example, BxB often succeed in delivering 50% affordable housing within their smaller residential sites programme, far greater than the amount usually achieved on such sites as there is no requirement on private developers to do so.



- 1.7.5. Where community facilities exist on sites to be developed, BXB aims for these to be replaced either on-site or very nearby with new, purpose built facilities which address local need. This allows for investment in public infrastructure in the course of delivering new homes.
- 1.7.6. BXB place contractual stipulations on all their contractors with regard to the use of local employment and local supply chain, creating jobs for Croydon residents.
- 1.8. BXB has been actively trading for two years 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 continue to play over the coming years in contributing to the borough's success.



2. Company Aims and Objectives

2.1 The key aims of BXB can be summarised as follows:

- To deliver multi-tenure housing for sale and rent.
- To ensure an equitable, transparent and commercially efficient form of development which maximises the amount of affordable housing delivered through the planning process.
- To maintain an exceptionally high quality of design and delivery to ensure development activity is a positive addition to the local environment.
- To deliver new or replacement cultural, community, educational, health, public realm and other development as part of mixed use schemes.
- To deliver new commercial and/or retail development.
- 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

2.2 The BXB board have set a series of strategic targets that have been incorporated into this Business Plan as key deliverables for BXB in the medium-term. These are:

- The delivery of c500 completed residential units per annum from 2019 onwards
- Maintaining a 50% affordable housing provision across the BXB residential programme as a whole (a mix of shared ownership and affordable rent)
- A profit expectation of 15% profit on cost for private units and 8% profit on cost for affordable units to returned to the shareholder (with corresponding annual profit targets set according to when schemes complete)
- An 8-week prioritisation period for Croydon residents to purchase/rent BXB homes when they are launched to market (with a corresponding aim to prioritise provision of homes to households and first-time buyers ahead of investors)

Social value

2.3 In essence, the BXB model aims to maximise the benefit to local residents from development activity. Going forward this will include the development and implementation of a defined Social Value/CSR Policy aimed at ensuring there is the broadest possible positive impact from BXB work beyond housing delivery, making real, tangible improvements to the lives of Croydon residents. This is likely to include working on bespoke initiatives with the council and innovative local organisations to further their social value objectives, providing both enabling funding and BXB staff volunteering time and expertise. The policy will be developed in consultation with local experts and organisations and will be ready for full implementation in the financial year 2019/20.



3. Progress to Date

- 3.1 BXB has been actively trading for two years now. In this time the company has grown steadily and progressed development throughout the borough at an unprecedented pace and scale. It is important to consider this in the context of setting the Business Plan for 2019/20 and the medium-term.
- 3.2 In preparation for meeting the company's strategic delivery targets, a substantial amount of work was undertaken at the outset by BXB to identify local authority owned land with development potential. A detailed review of the Council's asset register and GIS mapping was conducted in order to create a pipeline list of c250 sites with capacity for over 4,000 residential units. Based on feasibility assessments, this pipeline list was subsequently broken up into tranches of sites to be taken forward to early stage design and ultimately, subject to viability, submission to planning.
- 3.3 To date the company has achieved planning consent on 38 schemes which will enable it to deliver more than 1,300 units of housing. There are also a further 5 schemes currently being prepared for planning or already being considered by the planning authority. All of this work has created the foundation for the company to start meeting the target of c500 completed homes per annum from 2019 onwards.
- 3.4 Of the schemes that already have planning consent, 22 are in contract with building contractors and/or on-site, and a further 16 are currently out to tender. Several of the schemes that are on site have practical completion dates scheduled for the first half of 2019, starting from Jan/Feb 2019.
- 3.5 With units ready for sale in 2019, the company has also progressed the fit out of a central Croydon marketing suite. This is located at 62 George Street and will serve as a central location from which to manage all sales activity across the BXB programme (alongside specific show flats which will be provided on selected BXB schemes). The marketing suite will be staffed by experienced sales negotiators and mortgage advisors to support prospective buyers through the complex process of identifying the right homes to meet their affordability criteria. Meanwhile, the rest of the building will serve as the BXB company headquarters and offices, with staff working from the office space located above the marketing suite.
- 3.6 The BXB staff team has grown over 2019, with a number of new specialist staff joining the Development, Construction, Operations and Communications teams to address a growing workload and enable BXB to take advantage of a range of new opportunities. The company also completed the TUPE transfer of a number of staff from Croydon Council to BXB.
- 3.7 Another key achievement for the company over the last year has been the growth of the in-house architecture practice 'Common Ground Architecture' (CGA). The practice has been set-up as a trading arm of BXB and has now grown to 10 FTE architects, providing architectural services for external clients as well as BXB. CGA aims to generate an annual profit through the work it delivers (both internally and externally) and as such has its own section within the company Business Plan (see Section 7). Through the work that it has completed with BXB, the practice has developed a considerable expertise in the delivery of complex infill schemes of the sort that many councils will need to consider over the coming years in order to meet housing delivery targets.
- 3.8 The performance of the company over the last two years has been high profile and received considerable recognition. This has included multiple prestigious awards from a variety of industry sources including Inside Housing, Housing Design Awards, New London Architecture and the Architects Journal.



4. Market Analysis and Business Risk Assessment

[NOTE: ALL FIGURES TO BE UPDATED WITH LATEST MARKET ANALYSIS (INC BREXIT) CURRENTLY UNDERWAY]

- 4.1 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.
- 4.2 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.
- 4.3 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

- 4.4 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).
- 4.5 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).
- 4.6 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.
- 4.7 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%

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

⁵ PWC, *UK Economic Outlook*, July 2017

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



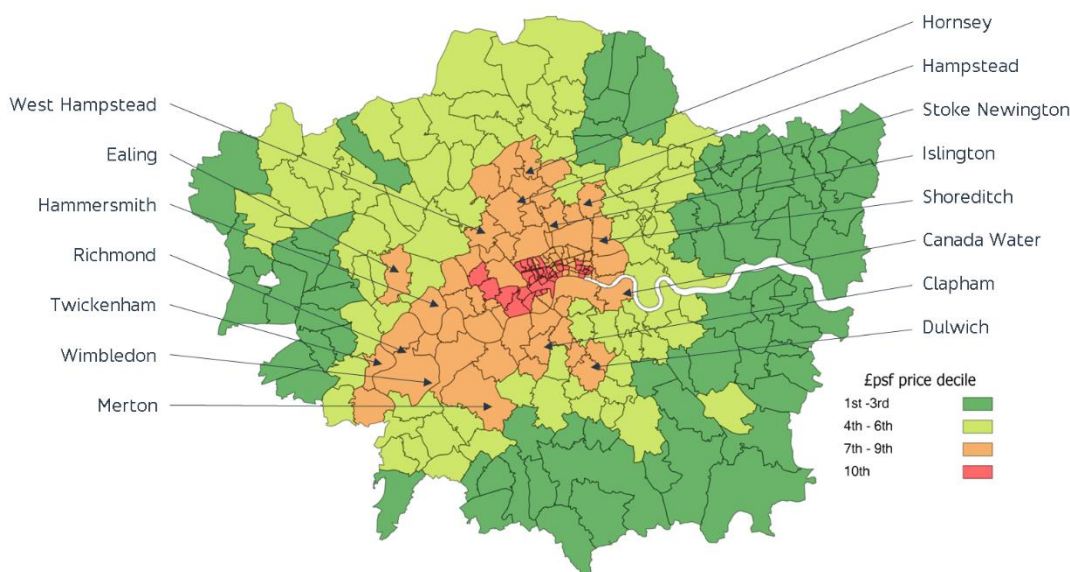
Most analysts agree that London and the south-east are likely to under-perform relative to the rest of the country over the next 2 years.

4.8 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

4.9 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.



4.10 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.

4.11 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.

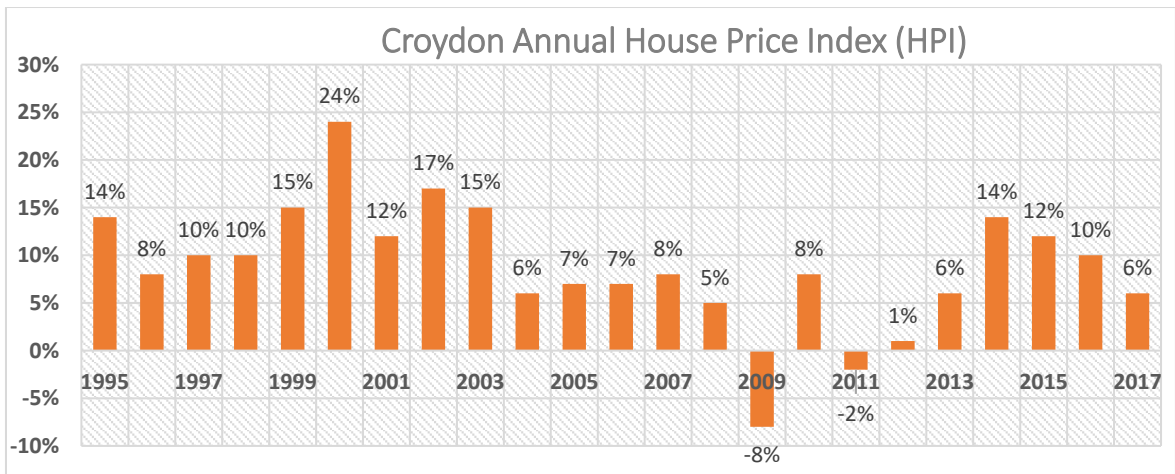
4.12 This is positive news for Croydon which has already been one of London's best performers in terms of house price growth over the last five years (estimated to be 68% according to CBRE Residential⁹). Increases in 2017 were slower than in previous years but still outperformed London (and the national average) at 6%. The table below shows BXB's own analysis of house price inflation in Croydon over the last two decades.

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

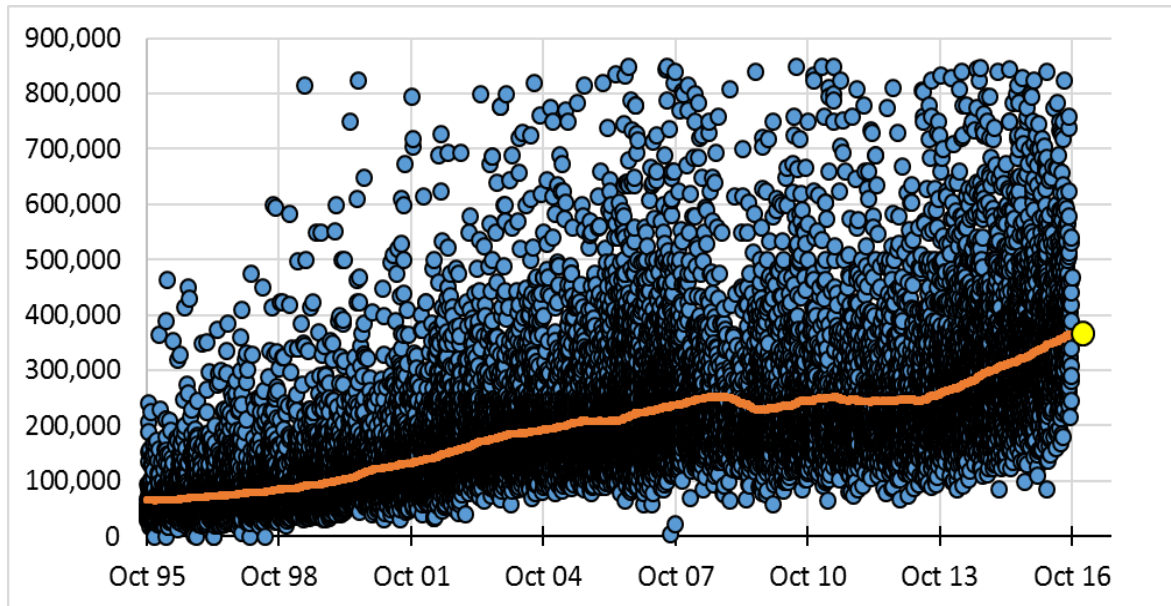
⁹ CBRE, *London Living 2017 – A borough by borough review*, 08 November 2017





4.13 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.

4.14 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).



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%



4.15 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.



5. Brick by Brick Ltd – Planned Programme Activity

5.1 BXB's development programme can be broadly split into three main areas of activity:

- **Existing Programme** – consisting of 43 schemes which either have planning consent already (38) or have been submitted to planning (5)
- **College Green** – including the work on Fairfield Halls, Fairfield Homes, Fairfield Car Park and the associated public realm improvements
- **Pipeline Programme** – covering the next tranche of sites from the company's pipeline site list which will be taken from feasibility to planning over the next 12 months

Existing Programme

5.2 The planned activity with the existing programme will be primarily focussed on taking schemes through to completion throughout 2019/20. A total of 22 schemes are already on site, with a further 17 either out to tender or already at pre-contract with an expectation that they will start on site before the end of the 2018/19 financial year.

5.3 The key programme deliverable for 2019/20 is the completion of 14 sites. The projected completions are those starred in the table below, where a full breakdown of planned activity on the existing programme is provided.

5.4 The 5 schemes in planning are expected to have completed the planning process by the beginning of 2019/20, meaning they would be taken through Stage 3 design, then tendered and commence on site in 2019/20.

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



2	Tollgate*	42	15	36%	Aug 18	Dec 19
2	Uvedale Crescent	6	6	100%	Apr 19	Mar 20
2	Warbank Crescent	36	36	100%	Jun 19	Jul 20
3	Avenue Road	12	7	58%	May 19	May 20
3	Coombe Road	9	0	0%	Mar 19	Apr 20
3	Coulsdon Community Centre	33	16	48%	Aug 20	Mar 22
3	CALAT	0	0	0%	Jun 19	Jun 20
3	Queens Road (Ashby Walk)	9	0	0%	Apr 19	Mar 20
3	Queens Road (Tirrell Road)	9	9	100%	Apr 19	Mar 20
3	Queens Road (Windmill Road)	6	6	100%	Apr 19	Mar 20
3	Shrublands	26	26	100%	Jun 19	Aug 20
3	Warminster	6	0	0%	Jun 19	Aug 20
3	Lion Green Road	157	79	50%	May 19	Jun 21
3	Wandle Road Car Park	128	60	47%	Mar 19	Apr 21
3	Belgrave & Grosvenor	102	50	49%	Apr 19	May 21
4	Sanderstead Car Park	14	4	14%	Jun 19	Aug 20
4	Tamworth Road	8	0	0%	Jan 20	Dec 20
4	Arkeil Grove	9	9	100%	Sep 19	Oct 20
4	Bedwardine Road	22	16	73%	Sep 19	Oct 20
4	Kennelwood Close	6	5	100%	Sep 19	Oct 20
TOTALS		1,093	522	48%		

College Green

- 5.5 2019/20 is also shaping up to be a critical year for the College Green project in Central Croydon. BXB works are significantly advanced on the refurbishment of Fairfield Halls, and this work, along with the works to the Fairfield underground car park, is currently scheduled for completion in August 2019.
- 5.6 BXB will also be advancing work on the Fairfield Homes element of scheme located on the remainder of the site, with a view to submitting a planning application in February 2019 and starting on site with this very substantial scheme towards the end of the year.

Pipeline Programme

- 5.7 In order to secure a robust pipeline of work for the medium-term business outlook, BXB will also be progressing the next tranche of sites from feasibility through to Stage 2 (and planning submission) in the next 12 months. The current programme of activity should sustain the company's target completions over the next 2 years, and the new tranche will enable it to continue to meet this target for the next 12 months beyond that. BXB intends to progress a tranche of c50 sites (with capacity for c600 units) on an annual basis over the duration of this Business Plan period.
- 5.8 The current proposed pipeline sites to be progressed are spread across the borough as follows:

Area of the Borough	No. of Schemes	Est. No of Units
North	8	176
Central	33	252
South	9	133
TOTAL	50	561



- 5.9 Given that these schemes are at an early feasibility stage, the exact detail for each scheme has yet to be fully worked out. However, BXB will be aiming for 50% affordable housing provision across this tranche of which 25% will be S/O and 25% affordable rent (in line with its strategic targets). Based on its established development programme timescales, BXB will aiming to start these schemes on site in summer 2020 with a view to completions being staged across the second half of 2021.



6. Brick by Brick Ltd – Financial Projections

[ALL FIGURES TO BE UPDATED POST UPDATED MARKET ANALYSIS AND APPROVED BY BXB BOARD]

- 6.1 BXB has been established 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, geotechnical, utilities, etc) as necessary. This work informs a financial appraisal and the Board then decides, subject to viability, funding and conformity with the Business Plan, whether to approve further formal design and development work through the RIBA stages.
- 6.2 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 majority of which are in Council ownership. Sites which are suitable for development are purchased by BXB 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.
- 6.3 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.
- 6.4 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).
- 6.5 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.
- 6.6 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. 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.
- 6.7 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.
- 6.8 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

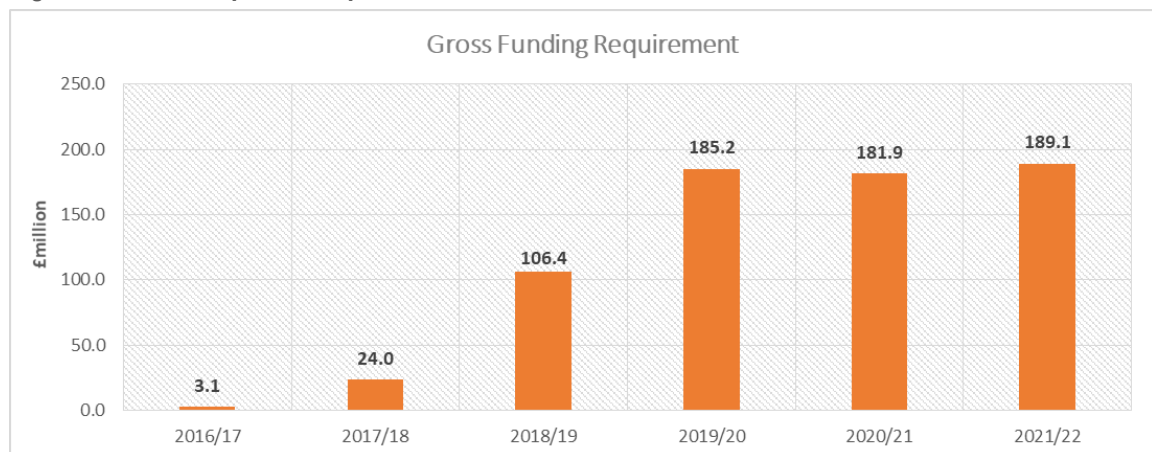
- 6.9 BXB development expenditure has been projected based on the programme activity outlined in Section 4 of the Business Plan. It has therefore been split according to the 3 different areas of the programme identified.
- 6.10 The 43 schemes that make up the existing programme are all at a sufficient stage of maturity for detailed cost estimates to be known. A full financial viability appraisal has been prepared for each of these schemes and approved by the Board. The expenditure projections for this element of the programme has been prepared based on an amalgamation of the detailed information contained within each viability appraisal.
- 6.11 The College Green scheme operates slightly differently. The Fairfield Homes element of the project is a standard residential scheme and therefore has a financial viability like any other BXB scheme to capture expenditure, revenue and expected profit. The Fairfield Halls and Public Realm elements are purely expenditure (with no profit element) and are therefore based on a set of detailed cost plans. Finally, the Fairfield Car Park is a revenue generating project but is modelled differently to a standard residential scheme, necessitating a bespoke financial appraisal. Each of these elements has been combined to generate a summary of College Green as a whole.
- 6.12 Finally, the new pipeline sites are at a much earlier stage of development than the other residential schemes in the BXB programme. Without any detailed design work having been undertaken, it is not possible to create detailed cost estimates for these schemes. However, broad capacity studies have been prepared and the company is therefore able to project what it expects to spend on these schemes based on average cost rates across the existing programme.
- 6.13 A summary of the forecast expenditure for the business as a whole over the medium-term is provided below (based on the projection methodologies described above):

Activity	Existing Programme (£m)	College Green (£m)	Pipeline Programme (£m)	Total Development Expenditure (£m)
Land & Construction Costs	264.40	148.53	168.01	580.94
Fees & Contingency	41.46	14.99	26.34	82.79
Planning Costs	9.44	0.95	6.00	16.39
Capitalised Interest	10.91	TBC	6.93	TBC
Sales Costs	5.54	3.14	3.52	12.20
Working Capital	3.67	1.30	2.33	7.30
Grant	(10.86)	TBC	(6.57)	TBC
TOTAL	324.56	TBC	206.56	TBC

- 6.14 This combined 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 within each element of the programme above.



Figure 1 – Gross expenditure profile



Projected Revenues

- 6.15 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 of the scheme. Only projects that can demonstrate a sufficient level of return are taken forward.
- 6.16 The company is projecting revenue streams to be achieved from the sale of private and shared ownership units, as well as the transfer 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.
- 6.17 The current portfolio of projects (excl. Fairfield Homes) is projected to deliver total receipts of **£364m**, with a further **£231m** to be generated by the pipeline sites (based on an extrapolation of values from the existing programme). Overall, this would generate a profit of **c£65m** on the total investment in the BxB residential programme detailed in 5.14.
- 6.18 A summary of projected sales income is shown below.

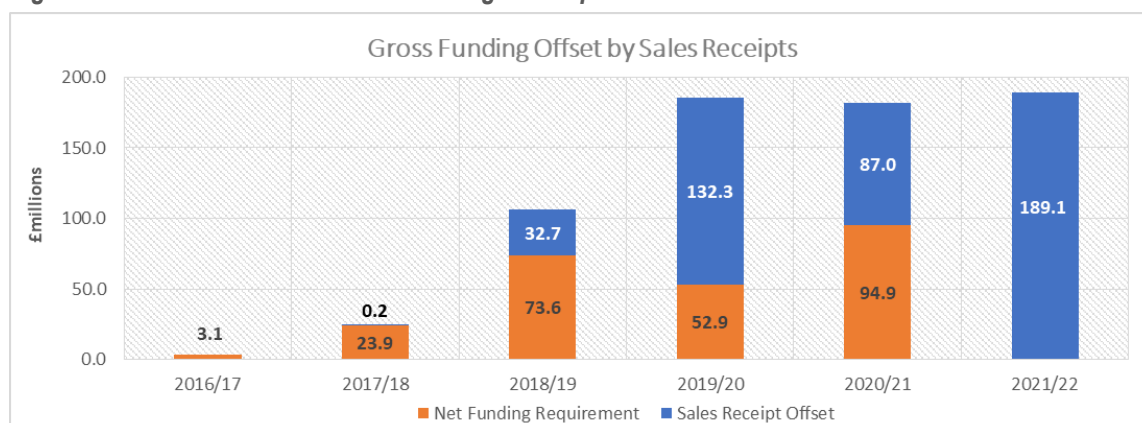
Type of Sale	Existing Programme (£m)	College Green (£m)	Pipeline Programme (£m)	Total Development Revenue (£m)
Private	218.43	120.92	133.21	339.35
Shared Ownership	93.89	21.89	52.28	115.78
Affordable Rent	45.50	0.00	44.26	45.50
Commercial	3.47	4.53	0.00	8.00
Other	3.05	2.06	1.64	5.11
TOTAL	364.36	149.40	231.39	745.15
ESTIMATED PROFIT	39.80	TBC	24.83	42.44

- 6.19 BXB revenues started to be generated from mid-2018 when income from Croydon Affordable Homes (CAH) for the delivery of affordable rent units commenced based on construction starting. Sales will ramp up significantly from March 2019 when the first schemes containing private and shared ownership units are forecast to part-complete (Auckland Rise and Ravensdale Gardens).



6.20 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

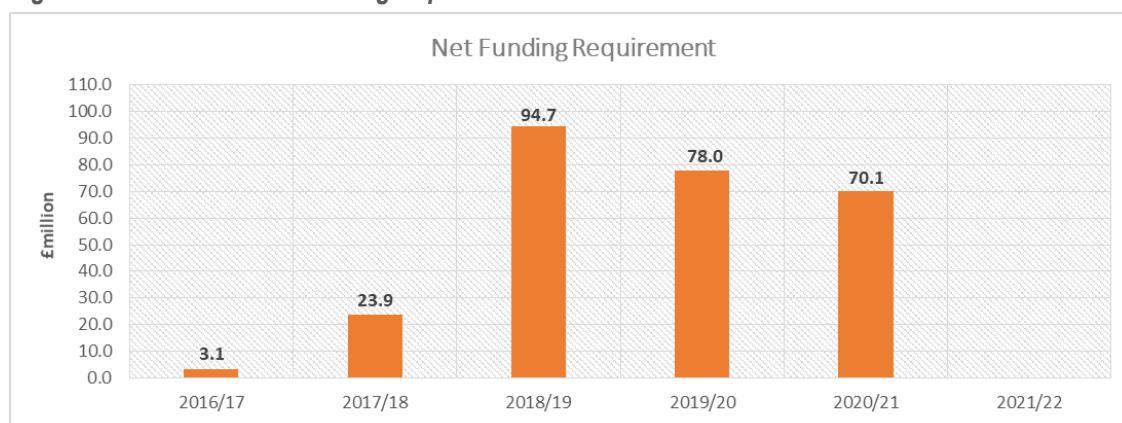


Financing Arrangements

6.21 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 a revenue stream for the Council given its ability to borrow at competitive rates to service this lending.

6.22 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 **£270m** is currently projected for BXB. This takes into account the profile of expenditure versus income, and considers where sales receipts are available to offset 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, with peak borrowing shown as **August 2021** in Figure 4.

Figure 3 – Profile of net financing requirements

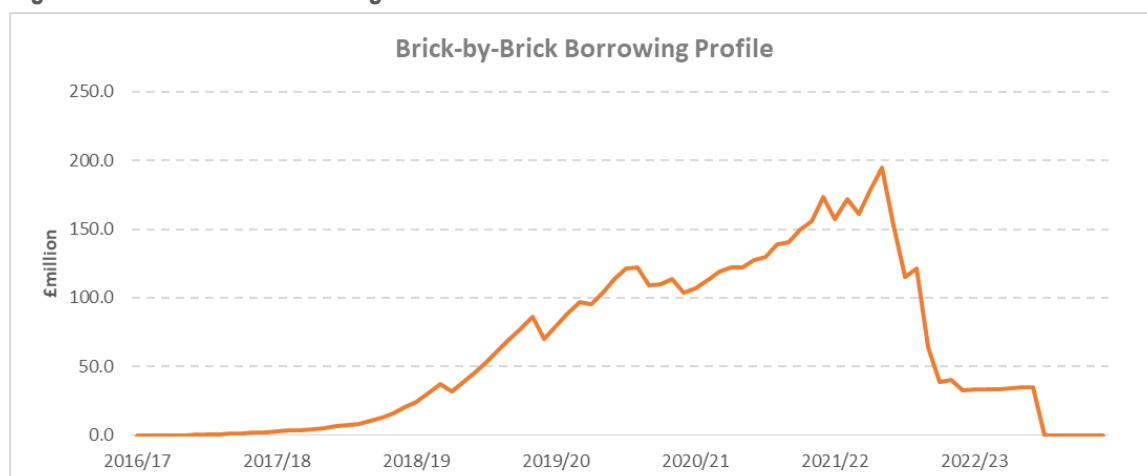


6.23 All borrowing is defined by comprehensive loan agreements for each site which ensure that financing is secured against land and is subject to stringent pre-conditions. A regular financing schedule is shared with the Council to give it sufficient notice to arrange and funds will be drawn down on 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.

6.24 BXB has agreed with the Council that financing will be arranged on a 75:25 split between borrowing and equity. On this basis, BXB borrowing is expected to peak at **£195m**. The repayment of principal 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 **October 2022** (accruing interest of **c£37m** over this period).

Figure 4 – Cumulative borrowing balance



Financial Targets

6.25 Based on the figures included in the overall BXB financial projections detailed above, the Board has decided to set a series of annual targets for the business to achieve in terms of the value generated for the shareholder (i.e. LB Croydon). These targets are summarised below:

Target	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	TOTAL (£m)
Profit	13.17	4.74	13.56*	31.47
Land Value Released	1.87	2.05	2.40	6.32
Debt Repaid	0.00	0.00	125.10	125.10
Interest Paid	6.74	8.39	8.75	23.88

6.26 These targets are intended to act as the key financial performance indicators for BXB as a whole, and will be monitored closely on a monthly basis and regular reports to the Board. The Board has set the 2019/20 figures as fixed targets for the forthcoming financial year. The 2020/21 and 2021/22 targets are indicative at this stage and will be reviewed and set annually when the business plan is published prior to each financial year.

7. Brick by Brick Ltd – Operating Costs

- 7.1 To deliver a development programme of the scale that is outlined in this Business Plan, BXB has recognised the need to expand staffing structures in order to create a sufficient level of capacity. As described in Section 3, BXB became an employing entity in its own right in 2018/19. This has allowed it to expand staffing levels across the Development and Construction teams, and within Common Ground Architecture. This expansion will continue into 2019/20 with the ultimate aim of growing the number of staff working for BXB to c37.
- 7.2 The company's operating costs are currently provided for by an allowance that is included within every individual scheme viability appraisal to ensure that a proportion of the revenue generated by each development is used to fund the operating costs of the company (which include staff costs alongside other operating overheads such as office accommodation, legal, ICT, HR, insurance and other corporate functions, some of which are purchased from LB Croydon).
- 7.3 A working capital provision of [£7.30m] is included within the current financial modelling for the existing programme. This allowance has been used to cover the operation of BXB over the last three financial years since it began trading in 2016 (so 2016/17, 2017/18 and 2018/19).
- 7.4 The annual operating budget for the company is projected to be as follows over the next three years:

Target	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)
BxB Staff	1,811	1,811	1,811
Accommodation	131	150	150
ICT	75	75	75
HR & Finance	20	20	20
Insurance	50	50	50
Legal	100	100	100
Common Ground Architecture Contribution	(123)	(130)	(130)
TOTAL	2,064	2,076	2,076

- 7.5 The operating allowance included in the existing programme is therefore estimated to be sufficient to cover the company's cost to [2020/21] (which includes all operating expenditure to date as noted above). This underlines the importance of bringing forward the next tranche of schemes from the list of pipeline sites in order to generate sufficient allowance to cover the company's operational expenditure from 2021/22 onwards. Paragraph 6.13 demonstrates that each additional 650 units added to the BxB programme creates a working capital allowance of c£2.3m. The company therefore aims to set an operating budget that is within this level and aims to consistently bring forward enough development schemes on an annual basis to support the organisation.
- 7.6 Common Ground Architecture operates as an internal trading account. This essentially means that it charges fees for all work that it undertakes (whether internal to BXB or for external clients) in the way that an ordinary architecture practice would. This means that the cost of running Common Ground Architecture (CGA) is not covered by the BXB operating allowance. Instead, where CGA acts as architect for a BXB scheme it charges a fee to the scheme under the design fees allowance. Similarly, where it performs client side design monitoring on behalf of BXB, its fee is charged to a different element of the scheme viability (e.g. professional fees). This means that the cost of operating CGA is not included in the figures above (instead a detailed business plan for the practice is included in Section 8 of the Business Plan). However, a contribution towards corporate overheads is factored into the CGA business plan and is offset against the overall BxB operating cost projections.



8. Common Ground Architecture – Business Plan

- 8.1 Common Ground Architecture (CGA) is the trading name for BXB's internal design team which has been set up to operate as an architectural practice. It is a trading arm of the business (with its own internal profit and loss account) that is able to charge commercial fees and is expected to generate a profit. The practice consists of a small team of architects (currently 6 and growing) which take instructions from either BXB (for internal projects) or external clients, with fees charged for both.
- 8.2 In terms of the work undertaken for BXB, the practice is delivering on the following instructions:
- Design review and compliance for Brick by Brick projects (including brief writing, design review and provision of design expertise and guidance throughout the development and construction process)
 - Acting as the lead architect on a number of specific BXB schemes (including 24 Station Road, 44B Portland Road, Avenue Road, Fairfield Homes Block 7 and the BXB office at 62 George St)
- 8.3 On an annual basis, CGA prepares a planned programme which demonstrates the projects that it expects to work on (both internal and external), the fees generated by these projects, and how this will offset the cost of running the practice in order to contribute a profit to BXB as a whole. This also allows the practice to undertake capacity planning where demand for services is expected to exceed current resourcing constraints, and make provision in the form of short term temporary injections of architectural capacity or permanent recruitment (where the uplift in demand is expected to be more permanent).
- 8.4 The 2019/20 summary Business Plan for Common Ground Architecture is outlined below. This is based on an expectation that the practice has capacity to work on 12 smaller projects each year with a build cost of c£2.5m, alongside the corporate design role for BxB outlined above.

	2019/20 (£000s)	2020/21 (£000s)	2021/22 (£000s)
BxB Corporate Design Services	200	200	200
Existing BxB Projects	32	0	0
Existing External Projects	62	0	0
New Smaller Projects	560	650	650
TOTAL INCOME	854	850	850
Staff Costs	(511)	(500)	(500)
Supplies & Services	(20)	(20)	(20)
Operating Overheads	(150)	(150)	(150)
TOTAL EXPENDITURE	(681)	(670)	(670)
TARGET PROFIT	173	180	180
TARGET MARGIN	20%	21%	21%

- 8.5 This model is considered to be beneficial for BXB because the profit generated by the practice is returned to the company's annual profit and loss position overall. This means that the profit margin that would otherwise be paid to an external practice as part of their fee for undertaking the design of a scheme is actually retained by the business. Furthermore, it allows the company to maintain a level of internal expertise which provides valuable quality control for the wider BXB programme.



REPORT TO:	STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE 22 January 2019
SUBJECT:	STAGE 2: SCRUTINY RECOMMENDATIONS ARISING FROM: STREETS & ENVIRONMENT SCRUTINY SUB-COMMITTEE MEETING ON 20 MARCH 2018 AND 26 JUNE 2018
LEAD OFFICERS:	Jo Negrini, Chief Executive
CABINET MEMBERS:	Councillor Stuart Collins, Cabinet Member for Clean Green Croydon

1 EXECUTIVE SUMMARY

- 1.1 At the Streets, Environment and Homes Scrutiny Sub-Committee meeting on 20 March 2018 & 26 June 2018 Members made recommendations to Cabinet.
- 1.2 The responses to the scrutiny recommendations arising from this meeting were presented to Cabinet at its meeting on 24 September 2018.
- 1.3 The Cabinet responses to the scrutiny recommendations from the Streets, Environment and Homes Scrutiny Sub-Committee is now attached as **Appendix 1** to this report.

2. RECOMMENDATIONS

- 2.1 The Streets, Environment and Homes Scrutiny Sub-Committee is invited to comment on the recommendations and to note the report.

CONTACT OFFICER: Stephen Rowan, Head of Democratic Services and Scrutiny
ext 62529

BACKGROUND DOCUMENTS: None

APPENDICES: Appendix 1, Cabinet Responses

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SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 20 March 2018, the Committee RESOLVED to:						
1. To recommend to Transport for London (TfL) that they provide an updated report to the Committee in 6 months on Tram safety and Future proposals.	Place Councillor King/Scott (Job Share)	Accept – to be sent to TfL in a letter	Simon Trevaskis	n/a	Letter has been sent to TfL	6/11/18
2. To recommend to Transport for London (TfL) that Tram Operators attend a future meeting to provide an update on safety measures implemented. The committee should also invite Trams drivers/their representatives to the meeting to provide their view and perspective on safety measures that have been improved.	Place Councillor King/Scott (Job Share)	Accept – to be sent to TfL in a letter	Simon Trevaskis	n/a	Letter has been sent to TfL	6/11/18
3. To recommend to Transport for London (TfL) that they review their funding criteria for major projects as currently the current regime means that significant tram expansion will never be funded.	Place Councillor King/Scott (Job Share)	Accept – to be sent to TfL in a letter	Simon Trevaskis	n/a	Letter has been sent to TfL	6/11/18
4. To recommend to Transport for London (TfL) that a briefing on Capital Gains including figures to be provided to the Committee.	Place Councillor King/Scott (Job Share)	Accept – to be sent to TfL in a letter	Simon Trevaskis	n/a	Letter has been sent to TfL	6/11/18
5. That Croydon Council ensure that it holds to account Tram and Bus Operators on their safety measures.	Place Councillor King/Scott (Job Share)	Accept - write to TfL requesting that it report annually to the Croydon Public Transport Liaison	Ian Plowright Head of Transport	n/a	Letter to be sent to TfL September 2018	6/11/18

SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
		Panel on Tram and Bus safety measures and the progress these measures are making in Croydon towards the Mayor of London's Vision Zero objective				
STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 20 March 2018, the Committee RESOLVED to:						
6. That Croydon Council consider how it can re-establish its original role as the Champion of the Tramlink expansion.	Place Councillor King/Scott (Job Share)	Accept	Ian Plowright Head of Transport	Consideration is not likely to have financial implications. The financial implications of taking on such a role are unknown	March 2019	TBC
7. That Croydon Council, in its new role as Champion of the Tramlink expansion, should undertake a review about how Tramlink expansion could be funded and consider other forms of funding outside what is provided by TFL.	Place Councillor King/Scott (Job Share)	Accept	Ian Plowright Head of Transport	Estimated cost of review £50,000 (funding source not identified)	June 2019 (subject to funding being identified)	TBC

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STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 20 March 2018, the Committee RESOLVED to:						
8. That Croydon Council help improve public transport connectivity with other South London Boroughs, such as Sutton, Bromley, Merton, Lewisham, Southwark and Lambeth, It should set up a South London Tramlink Expansion Partnership. One of its first aims should be how the boroughs can help link up the tram system to the DLR and other major public transport networks/nodes.	Place Councillor King/Scott (Job Share)	Accept	Ian Plowright Head of Transport	Unknown at this stage	Invitation to be sent to senior officers and / or politicians at south London local authorities (and to the South London Partnership) to meet with a view to establishing such a partnership Dec 2018	TBC
STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
1. That Govia Thameslink Railway (GTR) apologise to the people and business of Croydon for the disruption they caused through a timetable change, which they failed to deliver, and that they should provide generous compensation for passengers.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevaskis	n/a	Letter has been sent to GTR	6/11/18
2. That Information on GTR timetables changes be communicated to passengers more effectively than and with as much advance notice as possible.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevaskis	n/a	Letter has been sent to GTR	6/11/18

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STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
3. That passengers with disabilities were being particularly disadvantaged by the breakdown in the delivery of rail services, and GTR should rethink their approach to ensure additional resources were directed to resolving this issue.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevaskis	n/a	Letter has been sent to GTR	6/11/18
4. Cancellations of late evening and Sunday services should be minimal, and in particular GTR should not be cutting the last train services which had the biggest impact on passengers getting home at night.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevaskis	n/a	Letter has been sent to GTR	6/11/18
5. A robust programme of rebuilding of trust between the operators and passengers should be devised.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevsaskis	n/a	Letter has been sent to GTR	6/11/18
6. Consideration needed to be given to the reinstatement of the 9:42 and 10:12 Coulsdon Town to London Bridge which were vital trains for commuters.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevsaskis	n/a	Letter has been sent to GTR	6/11/18
7. Consideration is also needed to be given by GTR to the reinstatement of facilities such as the bus and tram pass on vending machines.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevsaskis	n/a	Letter has been sent to GTR	6/11/18

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STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
8. For GTR to make a commitment in support of public scrutiny of their performance by local authority scrutiny committees.	Place Councillor King/Scott (Job Share)	Accept – to be sent to GTR in a letter	Simon Trevsaskis	n/a	Letter has been sent to GTR	6/11/18
9. To thank Network Rail for their attendance and the openness of their responses.	Place Councillor King/Scott (Job Share)	Accept – to be sent to Network Rail in a letter	Simon Trevsaskis	n/a	Letter has been sent to Network Rail	6/11/18
10. Where Network Rail was responsible, information on timetables changes should be communicated to passengers more effectively and with as much advance notice as possible.	Place Councillor King/Scott (Job Share)	Accept – to be sent to Network Rail in a letter	Simon Trevsaskis	n/a	Letter has been sent to Network Rail	6/11/18
11. Network Rail should Should review its own internal assurance processes in regards rail operators proposed timetable changes, and consider whether it needed to take a stronger public stance when it had concerns about the deliverability of those timetable changes.	Place Councillor King/Scott (Job Share)	Accept – to be sent to Network Rail in a letter	Simon Trevsaskis	n/a	Letter has been sent to Network Rail	6/11/18

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STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
12. The facilities for disabled passengers at all stations, but in particular at mainline stations where passengers had to wait, needed to be revised by Network Rail to ensure that their needs were taken into consideration, especially at times of service disruption.	Place Councillor King/Scott (Job Share)	Accept – to be sent to Network Rail in a letter	Simon Trevsaskis	n/a	Letter has been sent to Network Rail	6/11/18
13. That Network Rail take into consideration Croydon’s population increase and economic expansion as important factors to be considered when planning changes.	Place Councillor King/Scott (Job Share)	Accept – to be sent to Network Rail in a letter	Simon Trevsaskis	n/a	Letter has been sent to Network Rail	6/11/18
14. That the Department for Transport (DfT) consider whether GTR should continue as the operator for the Thameslink and Southern franchises.	Place Councillor King/Scott (Job Share)	Accept – to be sent to DfT in a letter	Simon Trevsaskis	n/a	Letter has been sent to DfT	6/11/18
15. That the Department for Transport (DfT) explain its own role in why it allowed GTR to press ahead with a major time-table change when GTR didn’t have the resources in place on the day of implementation, and which others had flagged up earlier as a cause for concern.	Place Councillor King/Scott (Job Share)	Accept – to be sent to DfT in a letter	Simon Trevsaskis	n/a	Letter has been sent to DfT	6/11/18

SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
16. It should make it a legal requirement for rail operators to co-operate fully with local government scrutiny reviews of local rail services, as recently confirmed by the House of Commons Communities & Local Government Select Committee 2017 “Recommendation 6: Scrutiny committees must be able to monitor and scrutinise the services provided to residents. This includes services provided by public bodies and those provided by commercial organisations. Committees should be able to access information and require attendance at meetings from service providers and we call on DCLG to take steps to ensure this happens (Paragraph 90)”	Place Councillor King/Scott (Job Share)	Accept – to be sent to DfT in a letter	Simon Trevsaskis	n/a	Letter has been sent to DfT	6/11/18
17. That Croydon Council Officers explore a case for compensation to the borough due to the effects this has had on economic activity.	Place Councillor King/Scott (Job Share)	Accept	Ian Plowright Head of Transport	Cost of legal advice unknown and funding not identified as yet	February 2019 subject to funding	TBC
18. To copy all the above recommendations to the Office of the Rail Regulator.	Place Councillor King/Scott (Job Share)	Accept – to be sent to the Office of the Rail Regulator in a letter	Simon Trevsaskis	n/a	Letter has been sent to the Office of the Rail Regulator.	6/11/18

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STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
19. To flag up the Committee's concerns to the Office of the Rail Regulator about the industry-wide assurance process for time-table changes, and whether the system was robust enough to ensure that operators have the correct resources in place to deliver the changes from day one.	Place Councillor King/Scott (Job Share)	Accept – to be sent to the Office of the Rail Regulator in a letter	Simon Trevsaskis	n/a	Letter has been sent to the Office of the Rail Regulator.	6/11/18
20. For the the Office of the Rail Regulator to review its stance on local government scrutiny of rail operators as local accountability of public services is a fundamental role of local government, as recently confirmed by the House of Commons Communities & Local Government Select Committee 2017 " Recommendation 6: Scrutiny committees must be able to monitor and scrutinise the services provided to residents. This includes services provided by public bodies and those provided by commercial organisations. Committees should be able to access information and require attendance at meetings from service providers and we call on DCLG to take steps to ensure this happens (Paragraph 90) ".	Place Councillor King/Scott (Job Share)	Accept – to be sent to the Office of the Rail Regulator in a letter	Simon Trevsaskis	n/a	Letter has been sent to the Office of the Rail Regulator.	6/11/18

SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPT/ REJECT RECOMMENDATIONS (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (ie Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
STREETS, ENVIRONMENT AND HOMES SCRUTINY SUB-COMMITTEE - At its meeting on 26 June 2018, the Committee RESOLVED to:						
21. The Committee also resolved that these conclusions and recommendation should be copied to the three local MPs.	Place Councillor King/Scott (Job Share)	Accept – to be sent to the three local MPs in a letter	Simon Trevsaskis	n/a	Letters have been sent to the three local MPs.	6/11/18

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Agenda Item 9

REPORT TO:	STREETS ENVIRONMENT AND HOMES SCRUTINY SUB- COMMITTEE 22 January 2019
SUBJECT:	WORK PROGRAMME 2018-19
LEAD OFFICER:	Simon Trevaskis, Senior Democratic Service and Governance Officer- Scrutiny
CABINET MEMBER:	Not applicable

ORIGIN OF ITEM:	The Work Programme is scheduled for consideration at every ordinary meeting of the Streets Environment and Homes Scrutiny Sub - Committee.
BRIEF FOR THE COMMITTEE:	To consider any additions, amendments or changes to the agreed work programme for the Committee in 2018/19.

1. EXECUTIVE SUMMARY

- 1.1 This agenda item details the Committee's work programme for the 2018/19 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 2018/19 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

APPENDIX 1

Work Programme 2018/19 for the Streets Environment and Homes Scrutiny Sub-Committee.

Streets, Environment and Homes Sub-Committee

Meeting Date	Item
26 June 18	- Network Rail – New Timetable
9 October 18	- Cabinet Member Q&A, Clean Green Croydon - South London Waste Partnership
6 November 18	- Cabinet Member Q&A Environment Transport & Regeneration - Croydon Social Housing
22 January 19	- Cabinet Member Q&A, Homes & Gateway Services - Brick by Brick- Update - HRA Budget 2019/2020
19 February	- Trams Update - Utilities Update
19 March 19	- Private Housing Sector Review

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