



**CABINET
AGENDA**
for the meeting
on
16 August 2021 at
6.30 pm

To: Croydon Cabinet Members:

Councillor Hamida Ali, Leader of the Council
Councillor Stuart King, Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal
Councillor Muhammad Ali, Cabinet Member for Sustainable Croydon
Councillor Janet Campbell, Cabinet Member for Families, Health & Social Care
Councillor Alisa Flemming, Cabinet Member for Children, Young People & Learning
Councillor Patricia Hay-Justice, Cabinet Member for Homes
Councillor Oliver Lewis, Cabinet Member for Culture & Regeneration
Councillor Manju Shahul-Hameed, Cabinet Member for Communities, Safety and Business Recovery
Councillor Callton Young OBE, Cabinet Member for Resources & Financial Governance

Invited participants:
All other Members of the Council

A meeting of the **CABINET** which you are hereby summoned to attend, will be held on **Monday, 16 August 2021 at 6.30 pm** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**

Asmat Hussain
Executive Director of Resources and
Deputy Monitoring Officer (Interim)
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

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www.croydon.gov.uk/meetings
6 August 2021

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<https://webcasting.croydon.gov.uk/croydon/meetings/12904>

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If you require any assistance, please contact Victoria Lower 020 8726 6000 x14773 as detailed above.

AGENDA – PART A

1. Apologies for Absence

2. 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.

3. 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.

4. Libraries Consultation Phase 2 Results (To Follow)

Cabinet Member: Cabinet Member for Culture & Regeneration,
Councillor Oliver Lewis

Officer: Interim Executive Director Place, Sarah Hayward

Key decision: yes

5. Tackling problems in the borough's private rented sector and helping make Croydon the 'Better Place to Rent' (Pages 7 - 26)

Cabinet Member: Cabinet Member for Homes, Councillor Patricia Hay-Justice

Officer: Interim Executive Director Place, Sarah Hayward

Key decision: no

6. Unaccompanied Asylum Seeking Children Update (To Follow)

Cabinet Member: Cabinet Member for Children, Young People & Learning, Councillor Alisa Flemming

Officer: Interim Executive Director Children, Families & Education,
Debbie Jones

Key decision: no

- 7. Phase 4: Additional Restrictions Grant (Discretionary) (Pages 27 - 44)**
Cabinet Member: Cabinet Member for Communities, Safety & Business Recovery, Councillor Manju Shahul-Hameed
Officer: Interim Executive Director Place, Sarah Hayward
Key decision: yes
- 8. Croydon Business Improvement District (BID) (Pages 45 - 84)**
Cabinet Member: Cabinet Member for Communities, Safety & Business Recovery, Councillor Manju Shahul-Hameed
Officer: Interim Executive Director Place, Sarah Hayward
Key decision: yes
- 9. Post Covid Vision for the Town Centre (Pages 85 - 112)**
Cabinet Member: Cabinet Member for Culture & Regeneration, Councillor Oliver Lewis
Officer: Interim Executive Director Place, Sarah Hayward
Key decision: no
- 10. Financial Performance Report – Month 3 (June 2021) (Pages 113 - 140)**
Cabinet Member: Cabinet Member for Croydon Renewal, Councillor Stuart King and Cabinet Member for Resources & Financial Governance, Councillor Callton Young
Officer: Interim Director of Finance, Investment & Risk, Chris Buss
Key decision: no
- 11. Stage 2: Responses to Recommendations arising from Scrutiny & Overview Committee on 27 May 2021 (Pages 141 - 146)**
Cabinet Member: All Cabinet Members
Officer: Interim Executive Director Resources, Asmat Hussain
Key decision: no
- 12. Investing in our Borough (Pages 147 - 152)**
Cabinet Member: Cabinet Member Resources & Financial Governance, Councillor Callton Young
Officer: Interim Executive Director Resources, Asmat Hussain
Key decision: no

13. 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.”

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For General Release

REPORT TO:	CABINET 16 August 2021
SUBJECT:	Tackling problems in the borough's private rented sector and helping make Croydon a 'Better Place to Rent'.
LEAD OFFICER:	Sarah Hayward Interim Executive Director of Place Steve Iles Director of Public Realm
CABINET MEMBER:	Councillor Patricia Hay-Justice, Cabinet Member for Homes
WARDS:	All wards
<p>COUNCIL PRIORITIES 2020-2024</p> <p>The private rented sector provides homes for one third of the households in the borough of Croydon.</p> <p>Croydon Council aspires to making Croydon a 'Better Place to Rent'. The provision of a decent home being protected by a well-managed tenancy is a right for all with responsibility falling to the council to provide intervention through proportionate regulation, a which service forms part of the boroughs current priorities:</p> <ul style="list-style-type: none"> • We will live within our means, balance the books and provide value for money for our residents. • We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. • We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand. 	
<p>FINANCIAL IMPACT</p> <p>The decision to refuse the selective licensing schemes impacts on projected income targets. The costs of data collection can be met through current budgets.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO: N/A</p>	

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

1. RECOMMENDATIONS

The Cabinet is recommended to:

- 1.1 Note the content of the letter from the Secretary of State at Ministry for Housing Communities and Local Government, dated 7 June 2021, at Appendix A, which sets out the decision to refuse the application submitted by the Council on 20 July 2020 for confirmation of two selective licensing schemes in the Borough.
- 1.2 Note that as a consequence of the refusal decision in 1.1, that the two selective licensing designations made by Cabinet on the 11th May 2020 do not come into force.
- 1.3 To agree that the council takes steps to review its position to the known issues in respect of conditions and anti-social behaviour in the borough's private rented sector as detailed in section 5 and to thereafter present proposals for Members' further consideration.
- 1.4 Note the proposed timescales for data gathering and forming of options as detailed in section 6.

2. EXECUTIVE SUMMARY

- 2.1 The previous borough wide selective licensing scheme ran from 1st October 2015 to 30th September 2020. It was locally referred to as the Croydon Private Rented Property Licensing Scheme ("CPRPL 2015").
- 2.2 On the 11th May 2020, under section 80 of the Housing Act 2004 ("2004 Act"), Cabinet resolved to make a designation of 22 wards, called area A (predominately in north Croydon), as a selective licensing area. Separately, but coincident, Cabinet resolved to make a designation of 6 wards, called area B (in south Croydon). The two designations together covered the full borough; (locally referred to as "CPRPL 2020").
- 2.3 As the proposed designation(s) covered either 20% of the total geographic area of the authority or 20% of the total privately rented stock, an application for approval was made on the 20th July 2020 to the Secretary of State at Ministry for Housing Communities and Local Government ("MHCLG"). On the 8th June 2021, after 10 months, the council was notified of the refusal to introduce the two designations.
- 2.4 To evidence the proposed selective licensing schemes a Private Rented Sector: Housing Stock Condition and Stressors Report was commissioned from Metastreet ["Stock Condition Report"]. The stock condition report was published in September 2019. It identified that the private rented sector ("PRS") housing

stock in the whole borough suffers from poor property condition, a significant and persistent anti-social behavioural problem and is often associated with areas of deprivation. The data found that; over 23% of PRS properties contain a significant property hazard, 12.4% of PRS properties have had a reported issue of anti-social behaviour (“ASB”) investigated, 268 ASB incidents occurred per 1,000 PRS properties and deprivation is a feature across a number of areas in the borough with 11 of the 28 wards in the worst 30-40 IMD percentile nationally.

- 2.5 A mandatory houses in multiple occupation licensing scheme is currently the only active property licensing scheme in operation in Croydon. At this stage, the Council strongly believes that further steps are required to secure the improvements that are needed to help improve the Private Rented Sector in the borough and make ‘Croydon the Better Place to Rent’.

3. THE DECISION FROM THE SECRETARY OF STATE.

- 3.1 The decision of the Secretary of State for Housing Communities and Local Government to refuse the applications is attached at Appendix 1 to this report.
- 3.2 Section 81(2) of the 2004 Act looks for the Council (acting as the “local housing authority or LHA”) to ensure that any exercise of the power to designate an area for selective licensing is consistent with the council’s overall housing strategy. Section 81(4)(b) states that the council must not make a particular designation under section 80 unless they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well) the scheme is set out to achieve.
- 3.3 The statutory power for the Secretary of State to require a council in England to prepare a housing strategy was removed by section 29 of the Deregulation Act 2015 which amended section 87 of the Local Government Act 2003. However, the changes in the Deregulation Act did not remove or amend the requirement, in Section 81(2) of the 2004 Act, which provides that the authority must ensure that any exercise of the power in Section 81 is consistent with the authority’s overall housing strategy. In addition, Section 333D (1) of the Greater London Authority Act 1999 (“the 1999 Act”) requires that in exercising any function relating to housing, a council in London must have regard to the London Housing Strategy. Section 333D (2) of the 1999 Act requires that a housing strategy prepared by a London Borough must be in general conformity with the London housing strategy.
- 3.4 Section 81(3) of the 2004 Act further requires that an authority must seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour - (a) as regards combining licensing under that Part of the 2004 Act with other courses of action available to them, and (b) as regards combining such licensing with measures taken by other persons.

4. LEARNING FROM THE SECRETARY OF STATE'S REFUSAL DECISION AND ASSESSMENT.

- 4.1 The council is continuing to review the basis of the Secretary of States refusal to help inform future decisions that form the options for tackling the known problems in the PRS in the borough.

5. TACKLING PROBLEMS IN THE BOROUGH'S PRIVATE RENTED SECTOR.

- 5.1 The stock condition report outlined the problems in Croydon's PRS, one of the largest in England and one that has grown rapidly in recent years, from 16% (2006) to 35.6% (2019) of all properties.
- There are 164,378 residential properties in Croydon, 58,585 (35.6%) are PRS properties, 81,300 (49.5%) are owner occupied and 24,493 (14.9%) socially rented.
 - Poor housing conditions are prevalent in the PRS. 13,896 PRS properties are predicted to have at least 1 serious or category 1 hazard. This represents 23.7% of the PRS stock.
 - There are significant levels of ASB linked to PRS properties across the borough
 - In the 4 years to the 31.3.19, 7,285 PRS properties have been subject to one or more ASB investigations.
 - Over the same period, a total of 15,746 ASB investigations have been carried out in PRS properties.
 - Croydon faces challenges relating to the Index of Multiple Deprivation ("IMD") Barriers to Housing and Services index. All wards are worse than the national average.
 - 39 the 220 lower super output areas in Croydon fall in IMD Decile 1 or 2 (worst 10% or 20% in the country).
 - 27% of PRS properties in Croydon have an energy performance rating ("EPC") of E, F, or G. 5.5% of PRS properties have an F or G rating
 - At 25,000, Croydon has more fuel poor households than any other London borough.
- 5.2 Energy emissions from domestic properties are included in the Croydon Climate Crisis Commission Draft Recommendations presented at Cabinet on 7 June 2021. The report looked to "provide practical recommendations for delivering a step change in Croydon's transition to net zero by 2030". The residential environment was central to the campaign with domestic emission sources, notably heating and powering homes, still making up approximately 46% of CO₂ emissions in Croydon. Latest data from the Department for Business, Energy and Industrial Strategy ("BEIS") stated that the domestic share of CO₂ emissions in Croydon is now 49%. Without action, pre-existing industry trends are expected to increase the share of Croydon's emissions associated with domestic activities to 60% by 2050, underscoring the importance of catalysing change in the residential sector.
- 5.3 As part of formulating the two recent designations officers pulled together a range of options that individually or collectively could assist the council in tackling the borough PRS problems. The council needs to consider whether any alternative approaches could be as effective in addressing the problems

identified in the PRS. In October 2019 the alternative options were to:

- Use of Part 1 Housing Act 2004 enforcement powers [housing health and safety rating system] and Public Health powers
- Voluntary Accreditation schemes to facilitate improvement in management practices and standards.
- Rely on prosecutions and civil penalties for housing offences.
- Improvement grants to improve sub-standard properties.
- Enforcement powers to address anti-social behaviour
- Do nothing.

5.4 To seek views on the proposal to introduce selective licensing a statutory public consultation ran for 12 weeks from December 16th 2019. The consultation responses proposed wider alternatives which the council then reviewed. The responses proposed the alternative where no scheme is introduced, others propose voluntary schemes such as accreditation, registration, pre-letting compliance inspections and wider education programmes. The consultation responses proposed alternative schemes including a variety of part-borough licensing schemes where the suggested focus is the tenant, landlord (without property), size and/or age of property, property condition, level of overcrowding or deprivation, the PRS in chosen wards, property EPC rating and/or council tax banding.

5.5 In the Cabinet report of May 11th 2020, council officers explained that they were of a strong belief that the best approach for achieving the proposed scheme objectives was with the introduction of a full borough scheme and it believed that the evidence base was there to successfully support this.

5.6 Over the next few months the Council must conduct a further review of options to decide the council's approach to tackle the problems identified in the PRS (paragraphs 5.1 and 5.2). To enable this further data will need to be gathered in relation to the last selective licensing designation and current housing condition and stressors. The additional data will support due consideration of how steps can be taken support the Council's housing outcomes in the private rented sector, including in relation to such matters as the Housing Improvement Plan and associated Housing plans, policies and strategies. Thereafter, the Council will generate options that will help achieve these objective(s) of reducing problems relating to the private rented sector, including for example; poor housing conditions and ongoing anti-social behaviour.

5.7 As with CPRPL 2020 the council will need to comply with the statutory requirements laid out in Section 81(4) of the 2004 Act.

s81 (4) The authority must not make a particular designation under s80 unless—

- (a) they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve, and
- (b) they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well).

5.8 The report proposes that the council takes further steps to gather further

information, including in relation to the now concluded CPRPL 2015 outcomes and to allow the formulation and review of options to tackle the problems within the PRS.

- 5.9 Potential options are the introduction of discretionary licensing schemes relating to additional houses in multiple occupation licensing and selective licensing scheme. Further information is provided in Appendix B.

6. GUIDE TIMESCALES TO REVIEW OPTIONS

- 6.1 Table 1 provides a draft timetable for forming future options. These will need to be supported by the housing approach (housing improvement plan) going forward, which is to be developed by the Housing Improvement Board.

Table 1 – Time periods to formulate substantive new options.

Stages	Timescales (2021)
Collect further evidence in relation to the PRS in Croydon and outcomes of CPRPL 2015.	from 11 th August
Cabinet Report Tackling problems in the borough's private rented sector and helping make Croydon the 'Better Place to Rent'.	16 th August
Metastreet analyse data sources to allow a further review including a subsidiary report on houses in multiple occupation	from 23 rd August
Analyse data and housing conditions reports to generate options for next steps	from 6 th September
Identify and provide brief on preferred options	22 nd September
Review of Secretary of State decision and assessment of how options tie in with proposals in the Housing Improvement Plan and revisions to housing policies.	by 1 st October

7. CONSULTATION

- 7.1 This report seeks Cabinet approval for the Council to move forward to take steps to review the data relating to problems in the PRS and to formulate options with objectives that allow the council to take steps to tackle them.
- 7.2 At this stage there is no merit in a consultation exercise until the data analysis permits options to be formulated for consideration in light of the ongoing problems in the PRS and the Secretary of State refusal.
- 7.3 If the Council again decides to introduce one or more discretionary licensing schemes there is a statutory requirement to consult persons who are likely to be affected by the designation and consider any representations made. In addition, depending on the options for consideration, some of these may require specific consultation – statutory or otherwise.

7.4 The process to make the two selective licensing designations [CPRPL 2020] incorporated a significant consultation exercise that achieved approximately 2,000 responses. The consultation was undertaken by Opinion Research Services on behalf of the Council.

8 PRE-DECISION SCRUTINY

8.1 Over the next couple of months the council will assess data and other work ongoing within the area of housing with a view to formulating options to deal with the problems identified in the borough's PRS.

8.2 Before any formal decisions are made, any proposals will need to go before the Council's Scrutiny Streets, Environment & Homes Sub-Committee.

9 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

9.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue Budget available				
Expenditure	2,253	4,553	4,553	4,553
Income	(2,253)	(4,453)	(4,453)	(4,453)
Effect of decision from report				
Expenditure	0	0	0	0
Income	0	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

9.2 **The effect of the decision**

Should the recommendation in this report be approved there will be a small amount of expenditure (circa £3k) incurred to assist in the gathering of additional data but this can be contained within existing budgets.

Although this report recommendations does not directly affect the current HMO and selective licensing budgets there is a current pressure on budgets as a result of the Secretary of State's decision not to approve the original submission

as shown in Quarter 1's financial monitoring position.

9.3 Risks

There is a consequential risk to budgets due to the Secretary of State's determination to reject the original proposals for landlord licensing. Budgets were approved by Cabinet 8th March 2021 based on the assumption that the full scheme would be approved and the subsequent decision has resulted in current and continuing pressures in these areas budgets.

9.4 Options

The approval of the recommendations in this report will shape the future direction of landlord licensing in the borough to ensure the council meets statutory duties and will also mitigate budgetary pressures. Should approval not be given then a review of the financial position will need to be undertaken along with a review of the structure within Private Sector Housing to minimise any effect on statutory duties and the council's budgets. It should be noted that under current legislation any landlord licensing scheme must use any income through fees only to pay for associated costs of implementing and enforcement of the scheme.

9.5 Future savings/efficiencies

As the original scheme was not approved by the Secretary of State there will be an associated budget pressure in connection with the decision. Although the recommendations in this report do not directly affect those budgets should approval be given it will establish the best way to manage and mitigate any pressures both financially and to uphold the councils statutory duties. Following the ending of the last scheme in 2020, mitigation measures have already been put in place and savings on staffing costs have recently been made.

Approved by: Matthew Davies Deputy section 151 officer, Financial Investment and Risk.

10. LEGAL CONSIDERATIONS

- 10.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that there are no direct legal implications arising from the recommendations in this report, however specific legal advice will be required in relation to the developing of options and depending on the option/s considered appropriate, different consultation, publication and notification requirements will need to be met.

Approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

11. HUMAN RESOURCES IMPACT

- 11.1 There is no immediate HR issues arising from this report, if any should arise these will be managed under the council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place & Housing for and on behalf of Sue Moorman, the Director of Human Resources.

12. EQUALITIES IMPACT

- 12.1 At this stage, where the council seeks approval to take steps to move forward to formulate options an Equalities Analysis has not been completed. Future decisions will require the council to consider whether any decisions will have a disproportionate impact on people sharing one or more protected characteristics. This will be achieved through an Equalities Analysis assessment.

- 12.2 Generally, steps taken to tackle the problems identified in the PRS, be it property condition, ASB, tenancy conditions or property management result in a positive impact relevant to all protected characteristic groups. Work by officers in this sector help; protect tenants from unlawful discrimination, improve living and environmental conditions, provide enhanced protection against retaliatory eviction, by signposting to other services and through joint working with other enforcement agencies to deal with crime and anti-social behaviour.

Approved by: Gavin Handford Director of Policy and Partnership

13. ENVIRONMENTAL IMPACT

- 13.1 This report asks for agreement from Members for the council to take steps to generate options to tackle the problems in the borough's PRS. Property condition improvements are likely to be central and as such future actions will seek to have a positive impact on energy use and energy efficiency. At this stage the preferred options are not known and so it is not possible to provide much detail. Options are also likely to seek to require the improvement in property standards that may include a requirement for landlords to improve the energy rating of their properties.

14. CRIME AND DISORDER REDUCTION IMPACT

- 14.1 The recommendations do not impact on this objective.

15. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 15.1 The stock condition report identifies significant problems in the boroughs PRS; see paragraph 5.1. The proposed designations made by Cabinet on the 11th May 2020 will not go ahead as they were not confirmed by the Secretary of State. In addition to updating Cabinet on the Secretary of State's decision, this

paper seeks agreement for the council to take steps to identify options whose objectives look to tackle the problems so identified.

16. OPTIONS CONSIDERED AND REJECTED

- 16.1 Following the decision by the Secretary of State to refuse the designations the Council needs to decide what options are available to allow it to tackle the problems in the private rented sector.
- 16.2 Following the Secretary of State's decision an option could have been to do nothing and not look to generate future options. A consequence of this would be to leave one third of the borough's properties inadequately regulated and many tenants and indeed landlords insufficiently supported with the aims of improving property standards, reducing ASB and making Croydon a "Better Place to Rent".
- 16.4 This report recommends to Cabinet that officers should go back and review the existing evidence, build up further evidence, create options and come back to present those at a later Cabinet to decide the best way forward.

17. DATA PROTECTION IMPLICATIONS

17.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

NO

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

NO

No Data Protection Impact Assessment has been completed for this report as the recommendations do not result in the processing of personal data.

Approved by: Steve Iles Director of Public Realm

CONTACT OFFICER:

Nicholas Gracie-Langrick.
Private Sector Housing Manager.
020 8726 6000 Ext: 50190
nick.gracie-langrick@croydon.gov.uk

APPENDICES TO THIS REPORT

Appendix A - Letter from the Secretary of State refusing the application for confirmation of two selective licensing schemes. Date of letter: 8th June 2021.

Appendix B – Further information on discretionary licensing.

BACKGROUND PAPERS:

None



Ministry of Housing,
Communities &
Local Government

Rt Hon Robert Jenrick MP
Secretary of State for Housing,
Communities and Local Government

Nick Gracie-Langrick
Place Department
Public Realm Division
6th floor zone A
Bernard Weatherill House
8 Mint Walk
Croydon
CR0 1EA

***Ministry of Housing, Communities &
Local Government***

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3430

Email: robert.jenrick@communities.gov.uk

www.gov.uk/mhclg

07/06/2021

By email: Nick.Gracie-Langrick@croydon.gov.uk

Dear Mr Gracie-Langrick,

Thank you for your application on behalf of The London Borough of Croydon (the Council) seeking Secretary of State confirmation to designate the Council's district as subject to selective licensing under **section 80 (1) of the Housing Act 2004**.

The London Borough of Croydon Council has applied to me, the Secretary of State for Housing, Communities and Local Government for confirmation of a selective licensing designation of 28 wards on the grounds of poor housing conditions and significant and persistent Anti-Social behaviour.

After careful consideration, I have concluded that the application **fails to satisfy the criteria set out in s.81 (2) and s.81(4)(b) of the 2004 Act and Article 4 of the Selective Licensing of Houses (Additional Conditions) Order 2015**. As such I consider that it is appropriate to **refuse** to confirm the designation of 28 wards as subject to selective licensing on both grounds applied for. Below is a detailed breakdown of my assessment, this may assist you should you wish to make another application.

ARTICLE 3 (Conditions specified for the purposes of Section 80(2)(b) of the 2004 Act)

(1) The following conditions are specified as additional conditions for the purposes of section 80(2)(b) of the 2004 Act, which a local housing authority must consider are satisfied in relation to the area before making a selective licensing designation under this provision -

- a. that the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area;
- b. that the properties referred to in sub-paragraph (a) are occupied either under assured tenancies or licences to occupy; and
- c. that one or more of the sets of conditions in articles 4 to 7 is satisfied.

I am satisfied that the Council have met the statutory criteria in Article 3 Selective Licensing of Houses (Additional Conditions) (England) Order 2015.

ARTICLE 4 (Conditions in relation to housing conditions)

The first set of conditions is -

- a. that having carried out a review of housing conditions under section 3(1) of the 2004 Act, the local housing authority considers it would be appropriate for a significant number of the properties in the PRS to be inspected, with a view to determining whether any category 1 or category 2 hazards exist on the premises;
- b. that the local housing authority intends to carry out such inspections with a view to carrying out any necessary enforcement action and
- c. that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to the improvement in general housing conditions in the area.

The Council did not provide sufficient evidence of housing conditions under s.3(1) of the 2004 Act. I am not satisfied that the Council have met the statutory criteria in Article 4 Selective Licensing of Houses (Additional Conditions) (England) Order 2015.

The Council have a wide range of tools available to them to tackle poor housing conditions in their area, the Council detailed what other measures had been considered, they were therefore unable to demonstrate how selective licensing, combined with other measures taken by them will contribute to the improvement in general housing conditions in the area.

In the Council's previous selective licensing scheme 2015-20, the Council did not demonstrate strong outcomes or efficient delivery of the scheme. This evidence further persuades me not to grant a further scheme.

I am not satisfied that the Council have met the statutory criteria in Article 4 Selective Licensing of Houses (Additional Conditions)(England) Order 2015

CONSULTATION REQUIREMENTS (s.80(9) of the 2004 Act).

Before making a designation, the local housing authority must:

- a. take reasonable steps to consult persons who are likely to be affected by the designation; and
- b. consider any representation made in accordance with the consultation and not withdrawn

I am satisfied that the Council have met the statutory criteria in s.80(9) of the 2004 Act.

SECTION 81 of the 2004 Act (Designations under section 80: further considerations)

(2) The authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy.

(3) The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour -

(a) as regards combining licensing under this Part with other courses of action available to them, and

(b) as regards combining such licensing with measures taken by other persons.

(4) The authority must not make particular designation under section 80 unless -

(a) they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objective or objectives that the designation would be intended to achieve, and

(b) they consider that making the designation will significantly assist them to achieve the objective or objectives (whether or not they take any other course of action as well).

The Council did not provide a copy of the housing strategy to evidence that the power to designate is consistent with the Council's overall housing strategy.

The Council did provide sufficient evidence of a co-ordinated approach in connection with dealing with other strategies (on homelessness, empty properties and anti-social behaviour).

The Council did provide sufficient evidence to demonstrate what other courses of action have been considered or actioned previously.

The Council did not provide an up to date comprehensive housing strategy, the overall objectives did not provide the level of detail necessary to satisfy me that making the designation will significantly assist them to achieve the objectives stated.

I am not satisfied that the Council have met the statutory criteria under s.81(2) and s.81(4)(b).

In conclusion, and after careful consideration, I have decided **not to approve** the application. It is not incumbent on the Council to publish a notice informing its populace that an application for a selective licensing designation has not been successful.

However, it is best practice, and I, therefore, encourage the Council to take reasonable steps to publish the outcome of this application.

A handwritten signature in black ink that reads "Robert Jenrick." The signature is written in a cursive style. Below the signature is a single horizontal line.

Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities and Local Government

FURTHER INFORMATION ON DISCRETIONARY LICENSING SCHEMES

1. LICENSING OF HOUSES IN MULTIPLE OCCUPATION (HMO)

- 1.1 An HMO is defined under section 254 of the 2004 Act and it applies if one of the following applies:
- The property is a house or flat occupied as a main residence by three or more persons in two or more households (a household can be an individual, couple or family) where the toilet, bathroom or kitchen facilities are shared by the occupiers.
 - The building has been converted into self-contained flats where one or more of the flats has its toilet, bathroom or kitchen facilities located outside the flat across a communal hall or landing.
- 1.2 Part 2 of the 2004 Act covers the national mandatory houses in multiple occupation licensing (“MHMOL”) scheme. A MHMO is a property that has 5 or more unrelated people living in it in 2 or more separate households. In Croydon approximately 800 HMOs are licensed with the MHMOL scheme.
- 1.3 Part 2 also includes for discretionary licensing of an HMO that falls outside of the MHMO definition. This is termed additional HMO licensing (“AHMOL”) and it allows the council to designate under, section 56 of the 2004 Act that specific types of HMOs, located in an area or the whole of its area should be subject to additional licensing controls.
- 1.4 Section 56(2) outlines the condition in relation to the making of a designation; the council must consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.
- 1.5 Additional HMO licensing enables the council to set a common policy across all HMOs, requiring all landlords work to the same standards with poorer badly managed properties being improved over a five year time frame. By holding a licence, a landlord will need to comply with licensing conditions which ensures the HMO is properly managed, tenants are protected, ASB or waste is controlled, and the property is not overcrowded and meets acceptable health and safety standards. A licence is only awarded when the licence holder is deemed to be a fit and proper person.
- 1.6 Discretionary licensing allows a council to choose to licence certain types of HMO including purpose-built flats and buildings which have been poorly converted in the past. A “s257 HMO” applies where the building was converted into self-contained flats before 1991 (or after 1991 without Building Regulation Approval), is occupied as a main residence by three or more persons living in two or more of the flats and less than two thirds of the flats are owner-occupied. Section 257 HMOs are not subject to Mandatory HMO

licensing and there is some cross over with selective licensing that sees flats subject to licensing.

- 1.7 In 2010 Croydon council made an AHMO licensing designation for an area of Croydon with the designation running from the 24th August 2010 for 5 years. The scheme incorporated HMOs of any size occupied by three or more unrelated tenants who shared toilet, bathroom or kitchen facilities. The area covered all borough wards except Fieldway, New Addington, Selsdon and Ballards and Shirley. [Note Borough ward boundary changed in October 2018 so these reflect historic wards]. In 2010 the council was aware of 511 HMOs and received approximately 250 complaints in relation to HMOs per year.
- 1.8 On the 1st August 2014, for the remaining period of the original designation, the existing AHMOL scheme was widened. In 2010 not all wards contained an HMO. Over time, changes in the nature of occupancy of properties in these wards meant these wards became more favourable to locate HMOs and so their exclusion had led to a disparity in the standards required in different parts of the borough. The widening saw the inclusion of;
 - i. all wards so Fieldway, New Addington, Selsdon and Ballards and Shirley were included; and
 - ii. Section 257 HMOs blocks of flats when located in any ward. Under the Housing Act 2004, a converted block of flats is classed as a HMO if the conversion does not comply with 1991 Building Regulations and where less than two-thirds of the flats are owner occupied (usually leasehold).
- 1.9 At the end of the 2015 AHMO licensing scheme an additional 235 HMOs benefited from a property licence. A further designation was not made because the smaller HMOs were incorporated into CPRPL 2015.
- 1.10 Whilst larger selective licensing schemes need to make an application to Government, AHMO licensing schemes fall under a General Approval; Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015 (“General Approval”). The Secretary of State for Communities and Local Government in exercise of powers under section 58(6) of the Housing Act 2004 gives to all local housing authorities in England the following general approval: Subject to the undertaking of a consultation period, of not less than 10 weeks, every LHA that designates an area as subject to additional HMO licensing has the Secretary of State’s general approval of that designation for the purposes of section 58(1) (b).
- 1.11 Where the council believes that an area would benefit from the making of an AHMO licensing designation the council must take reasonable steps to consult persons who are likely to be affected by the designation; and then consider any representations made in accordance with the consultation and not withdrawn.
- 1.12 The option exists for Croydon to take such steps as to make an AHMOL designation for the area or part area of Croydon and for specific types of HMOs.

1.13 The table provides the wards in which the mandatory (some pending renewal) and non-mandatory (“NM”) HMOs are located.

Table 1 - Location of the boroughs HMOs at a ward level.

Ward	MHMO numbers	NMHMO	Ward	MHMO numbers	NMHMO
Addiscombe East	24	19	Purley & Woodcote	19	11
Addiscombe West	52	45	Purley Oaks & Riddlesdown	12	4
Bensham Manor	79	47	Sanderstead	6	5
Broad Green	67	42	Selhurst	79	39
Coulsdon Town	6	3	Selsdon & Addington Village	7	3
Crystal Palace & Upper Norwood	13	10	Selsdon Vale & Forestdale	5	2
Fairfield	44	10	Shirley North	6	4
Kenley	6	2	Shirley South	1	4
New Addington North	4	2	South Croydon	46	21
New Addington South	15	3	South Norwood	39	21
Norbury & Pollards Hill	44	8	Thornton Heath	72	34
Norbury Park	26	12	Waddon	34	28
Old Coulsdon	3	1	West Thornton	67	43
Park Hill & Whitgift	1	3	Woodside	28	23
			TOTAL	805	455

2. SELECTIVE LICENSING OF PRIVATE RENTED PROPERTIES.

- 2.1 The 2004 Act introduced selective licensing to give local authorities an additional tool to tackle problems associated with private renting. Part 3 of the 2004 Act gave local authorities the power to designate areas of selective licensing to help tackle anti-social behaviour (“ASB”) and low housing demand. In the 2015 Order the conditions for introducing a designation were expanded to include poor property conditions, high crime, high levels of deprivation and high migration. A pre-requisite to allow consideration of one of the 2015 conditions is that that the area must contain a high proportion (over 19%) of properties in the PRS, in relation to the total number of properties in the area. Croydon has 6 wards where the PRS tenure is <19%; see table 2.
- 2.2 CPRPL 2015 was introduced to tackle the persistent ASB in the borough. The two designations made by Cabinet on the 11th May 2020 [CPRPL 2020] proposed a more focused approach than the previous borough-wide scheme [CPRPL 2015]. The proposed scheme had two areas; Area A: (22 wards in mainly north and central Croydon) was to be introduced to tackle poor property conditions and Area B: (6 wards across the south of Croydon) was to be introduced to tackle ASB. The focus for both schemes was property condition, ASB and the causes of deprivation.
- 2.3 With the decision of the Secretary of State to refuse the application for two

designations the council needs to re-consider the best approach to tackle the significant PRS problems identified. Any new approach will need to pull together objectives with clear purpose. The objectives proposed for CPRPL 2020 in relation to property condition and management were:

- Reduce housing hazards in licensable dwellings by 25%.
- Carry out compliance checks by email on 100% of licenced properties.
- Carry out targeted audit and compliance checks by inspecting at least 10,000 licensed properties over the lifetime of the scheme.
- The council will remain involved with the property until it is free from hazards and has the best practicable Energy Rating and that there are no continuing long term management issues.
- Ensure that all licensed properties have an energy rating of at least “E” by the end of the scheme and that 75% have an energy rating of at least “D” (subject to exemptions).

- 2.4 It is worth noting that Secretary of State approval would only be required where 20% or more of the borough’s PRS or 20% or more geographical borough land area was included in the designation(s). This was introduced by the General Approval 2015. 20% of the PRS is 11,710 properties of which it is estimated that around 85% would be licensable (not subject to an exemption).
- 2.5 It is not an alternative for a LHA to make two or more designations at the same time, each of which account for less than 20% of the area or private rented stock, but cumulatively account for more than 20% of either. In this situation all of the schemes will need to be submitted to the Secretary of State for confirmation.
- 2.6 If a LHA makes one or more designations that are in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval. If there is to be a future introduction of selective licensing this will require, for each designation, a full assessment, consultation and notification process to comply with the statutory requirements all of which will have additional financial and time costs.

Table 2: PRS property condition in Croydon; evidence base.

Ward	Number of PRS properties	% PRS of stock	E-G of all properties	IMD Decile	No. of category 1 hazards	% PRS with category 1 hazard	ASB incidents	ASB per 1,000 PRS
Fairfield	4792	56.80%	611	2.6	642	13.40%	828	173
Addiscombe West	3488	48.90%	1032	4.78	697	20.00%	861	247
Bensham Manor	3125	47.40%	771	3.82	884	28.30%	894	286
Broad Green	3638	46.20%	806	3	816	22.40%	942	259
Selhurst	2525	46.20%	608	2.17	688	27.20%	644	255
Park Hill & Whitgift	1202	45.90%	367	7.67	184	15.30%	186	155
South Norwood	3640	45.80%	1108	3.2	898	24.70%	987	271
South Croydon	3718	45.30%	1255	5.6	812	21.80%	659	177
West Thornton	3175	45.30%	805	3.55	889	28.00%	804	253
Thornton Heath	3278	42.90%	916	3.5	1012	30.90%	1114	340
Woodside	3077	40.90%	974	3.6	762	24.80%	954	310
Norbury & Pollards Hill	2002	40.10%	610	4.86	499	24.90%	545	272
Waddon	2850	36.40%	1031	3.5	599	21.00%	562	197
Crystal Palace & Upper Norwood	2860	36.10%	1005	4.67	604	21.10%	736	257
Addiscombe East	1790	34.90%	560	6.14	416	23.20%	385	215
Purley Oaks & Riddlesdown	1291	30.00%	651	7.67	285	22.10%	300	232
Purley & Woodcote	2011	29.00%	938	6.7	514	25.60%	659	328
Norbury Park	1092	28.90%	539	5.6	350	32.10%	347	318
Selsdon Vale & Forestdale	1126	26.40%	405	7	181	16.10%	217	193
Coulsdon Town	1281	22.40%	534	7.71	314	24.50%	411	321
New Addington South	969	21.60%	271	2.43	241	24.90%	256	264
Shirley North	1242	20.10%	868	6.22	273	22.00%	443	357
Kenley	754	18.30%	777	7.43	234	31.00%	354	469
Selsdon & Addington Village	731	18.20%	465	6.43	248	33.90%	391	535
Sanderstead	1032	17.00%	936	8.78	295	28.60%	374	362
New Addington North	656	16.90%	223	2.14	157	23.90%	288	439
Shirley South	638	15.60%	525	6.67	209	32.80%	230	361
Old Coulsdon	570	14.20%	725	6.86	193	33.90%	307	539
TOTAL	58553	35.60%	20316		13896	23.70%	15678	268

Note: order of wards is related to the project %PRS.

ASB incidents: numbers relate to a 4 year period from 1.4.2015.

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For General Release

REPORT TO:	CABINET 16 August 2021
SUBJECT:	Phase 4: Additional Restrictions Grant (Discretionary)
LEAD OFFICER:	Sarah Hayward, Interim Executive Director of Place Stephen Tate, Director of Growth, Employment and Regeneration
CABINET MEMBER:	Councillor Shahul-Hameed, Cabinet Member for Community Safety & Business Support Councillor Callton Young, Cabinet Member for Resources & Financial Governance
WARDS:	All
<p>COUNCIL PRIORITIES 2020-2024</p> <p>The coronavirus crisis has had an unprecedented economic impact, and this has not been experienced equally, with some businesses hit particularly hard (including those, such as non-essential retail, being forced to close) and others more able to adapt to survive.</p> <p>The council's approach to the distribution of the latest round of Additional Restrictions Grant funding will support the following priority:</p> <ul style="list-style-type: none"> • We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. 	
<p>FINANCIAL IMPACT</p> <p>In November 2020 the Government confirmed that Croydon would receive an Additional Restrictions Grant (ARG) of £7,734,200. Following the 3rd lockdown this amount was increased by £3,435,165 bringing the total of the Additional Restrictions Grant Funding to £11,169,365, to be spent by March 2022.</p> <p>An indicative ARG top up grant of £2,674,867 was also confirmed by Government but only if the current allocation of £11,169,365 had been spent or had a commitment to spend by 30th July 2021. Croydon was successful in distributing all additional restrictions funding and this report now looks at the allocation of the ARG top up grant of £2,674,867.</p> <p>This is one of 13 business grant schemes that have been announced since October 2020 (see Appendix 1).</p>	

This grant will support local businesses to restart and recover as Croydon emerges from lockdown, reducing the reliance of such businesses on other support provided by the Council, and preventing business closures and subsequent unemployment, which would place a future burden on Council services.

FORWARD PLAN KEY DECISION REFERENCE NO.: 4021CAB

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

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

1. RECOMMENDATIONS

The Cabinet is recommended to

- 1.1 Approve the proposed criteria and implementation of phase four of the Additional Restrictions Grant funding allocation, as detailed in this report.
- 1.2 Note the outputs that have been created by the previous phases of the Additional Restrictions Grant funding to date.
- 1.3 Note that due to the Council's successful allocation of the £11,169,365 of Additional Restrictions Grant funding a further £2,674,867 top up grant will be secured to support businesses in the borough.
- 1.4 Delegate to the Interim Executive Director of Place the power to make decisions regarding the operation of the allocation of the £2,674,867 Additional Restrictions Grant, in accordance with the funding guidance established by Government.

2. EXECUTIVE SUMMARY

- 2.1 Croydon is facing one of the most challenging periods in its economic history. Despite Croydon's many strengths, the impact of COVID-19 (coronavirus) has created an economic crisis that needs an ongoing coordinated response in order to reduce the impact on Croydon businesses.
- 2.2. The consensus is that the impact of COVID-19 on the business community and the wider economy has been and will continue to be seismic, and that recovery will take some years to play out, with many business practices unlikely to ever return to established pre-pandemic patterns.
- 2.3. The Council has worked with key stakeholders and business networks in the borough to support local businesses through the coronavirus crisis, and distribute targeted financial assistance. Although the pandemic continues, the easing of restrictions and the local success of the coronavirus vaccination

programme means that the Council can now start to work towards a plan for local economic recovery.

- 2.4 There is an opportunity to 'build back better and greener'. The Council has the ability to kickstart economic recovery in Croydon by targeting discretionary grant funding to safeguard good businesses, drive high street renewal, boost trade and enterprise, support skills development and encourage business diversification.
- 2.5 This report seeks approval of the proposals for the implementation of the fourth phase of distribution of Additional Restrictions Grant (ARG) – £2.64 million of discretionary funding which is due to be provided by central government to support economic recovery in Croydon.

3. INTRODUCTION

- 3.1 The impact of the pandemic has been significant on employees and businesses across the borough.
- 3.2 At its peak, in June 2020, the take up of the Job Retention Scheme (furlough) was 37% of employees in Croydon. Whilst this rate has now reduced to 9% (as at 31st May 2021), in line with the London (11%) and England (9%) averages, it does not account for how many employees never returned to work following the June 2020 peak; perhaps reflected by the fact that the rate of Croydon's working age population now claiming Universal Credit increased from 5.1% in March 2020 to 10.6% now - significantly above the London (9.6%) or UK (7.4%) rates.
- 3.3 In the week beginning 28th June 2021, Croydon's high street footfall was 25.1% up on the same week last year but according to the OBR economic and fiscal outlook, (March 2021), for Q1 2021, consumption is still expected to be 12% lower than its pre-pandemic peak in London.
- 3.4 A report commissioned by the South London Partnership (SLP) on 'The future of the South London economy post Covid-19' (Oxford Economics, 2021), found that the economic consequences are being felt by some groups of the South London population more than others. Younger, self-employed, part-time, and less well-qualified workers have been disproportionately exposed to the economic impacts of the crisis—as well as ethnic minorities—resulting in relatively deprived communities being more affected.
- 3.5 Oxford Economics estimated that the Croydon workforce shed 3,000 jobs in 2020, a 1.3% contraction, and expect a further 4,800 jobs to be lost in 2021.
- 3.6 Croydon's hospitality sectors are the most exposed to the crisis. Accommodation & food in particular will see GVA almost halve in 2020 alone, and will account for around a third of jobs lost in Croydon through 2020 and 2021. Arts, entertainment & recreation and other services will similarly see a sharp fall in output. Oxford Economics also expects Croydon to shed jobs in wholesale & retail trade, professional and administration & support services.

- 3.7 Croydon's prospects for growth are also weaker than its South London counterparts, with less exposure to the types of sectors that will drive the recovery across the sub-region, region and country. Croydon is forecast to be the SLP's weakest performing borough over the period 2019 to 2030.
- 3.8 Linked to the local digital/tech sector, Oxford Economics forecast information & communication to be Croydon's fastest growing sector in GVA terms, averaging 2.0% per year. Other business services, such as professional and administrative & support services, will similarly be among Croydon's faster growing sectors.
- 3.9. In November 2020 Croydon Council received £8,214,767 of discretionary funding from central government, of which £7,734,200 was Additional Restrictions Grant. A further ARG allocation for Croydon of £3,435,165 was announced by Government on the 15th January 2021. This brought the total ARG allocation for Croydon to £11,169,365. Despite the internal and external challenges faced by Croydon Council, all £11,169,365 of funding has been distributed to businesses. Croydon Council will now focus on ensuring that the additional top up grant announced by government of £2,674,867 is now distributed to support business recovery, continuing to save businesses and secure employment across the borough.
- 3.10 This grant funding is in addition to a number of other mandatory grants that have also been provided by central government for distribution by local authorities. More detail on the broader programme of business grant funding and support which has been implemented is provided in Appendix 1.
- 3.11 Since the beginning of the pandemic, to date, alongside distribution of grant funding direct to businesses, the Council's Economic Development team have signposted over 4,500 businesses to additional business support, funding, advice and guidance and supported businesses in a series of 10 business grant workshops.
- 3.12 The Council has established a key stakeholder group focused specifically on the safe re-opening and management of the borough's high streets, and have rolled out local targeted communications and marketing, alongside installation of hand sanitiser stations and social distancing signage.
- 3.13 The Council has updated our online guidance and signposting, and we issue a regular e-newsletter to all businesses signed up to the Council's network (7,000 business contacts). We are working closely with local business organisations, through our Croydon Business Network and Croydon Business Taskforce, whose members include London Chambers of Commerce, Federation of Small Businesses, Chamber of Trades and Business Improvement Districts, to help businesses manage the impacts of coronavirus, navigate the return to more normal practice as we emerge from lockdown, and begin to plan for future economic recovery and renewal.
- 3.14 This report sets out how, at a strategic level, the Council intends to use £2,674,874m of ARG funding to target support for key areas of the borough's economy, focusing on businesses that have been hard hit by the coronavirus pandemic and sectors which will engender inclusive recovery in the borough.

Decisions regarding the precise allocation of funding will be taken in accordance with clear governance structures and processes to be established by the council's Economic Development team and approved by the Cabinet Member for Resources and Financial Governance, and the Cabinet Member for Economic Recovery and Skills.

- 3.15 This report also details the successful delivery of the initial £11,169,365 Additional Restriction Grant Allocation.

4. ADDITIONAL RESTRICTIONS GRANT – ALLOCATIONS AND DISTRIBUTION TO DATE

- 4.1 Government did not specify the types of businesses councils should support through ARG funding, but suggested that consideration could be given to businesses forced to close during the periods of coronavirus restrictions that are not ratepayers, businesses not forced to close but severely impacted by the restrictions and businesses that supply the retail, hospitality and leisure sectors. The Council modelled our outreach and support for businesses in the three phases of allocation and distribution of ARG following consultation with local business networks and representative organisations. This was to ensure that the fund was agile enough to deliver the best impact for businesses in the borough.

- 4.2 **Emergency Phase One** - The first phase of ARG funding, allocated by Croydon Council from December last year, was prioritised towards businesses in the following sectors:

- Non-essential Retail
- Hospitality and Leisure.
- Arts & Entertainment
- Work Space Providers

- 4.3 This ARG first phase funding was targeted at applicants whose substantive part of their business had been required to close by law due to the national restrictions in place from 5th November to 2nd December, and who did **not** hold a rating liability for National Non-Domestic Rates (Business Rates). Funding was also prioritised to businesses in the supply chain for sectors or activities required to close by law or who were in the events sector; who could demonstrate that the national restrictions had had a direct negative impact on the substantial part of their business leading to a loss of income.

- 4.4 **Phase Two:** The second phase of ARG funding was broken down into four more specific funding pots, available from February this year. This was:

- £250,000 Growth and Innovation Grant fund to help businesses purchase equipment or software that would help them innovate and develop their businesses.
- A continuation of direct emergency grants to businesses from phase one
- £1,000,000 grant funding targeted at businesses forming part of the evening and night-time economy

- £150,000 contingency fund to support businesses not able to access funding from the 1st lockdown.

4.5 **Phase Three** - the total funding allocated for the third phase of Croydon's ARG distribution was £5 million. Government then committed a further £425 million to the Additional Restrictions Grant, but it was made clear that local authorities would have needed to have spent or committed to spend their existing allocations by the 30th July 2021 before any further funding would be made available. It has been widely recognised across the UK that this was a challenge for local authorities. Phase Three was distributed as follows:

- An extension to the existing Growth & Innovation Grant Fund which was increased to £500,000 and was made available to help businesses purchase equipment or software that would help them innovate and develop their businesses, increasing business resilience, and assisting in the recovery of the borough (providing grants of up to £20,000).
- An extension to the existing Evening & Night Time Economy Grant Fund, increasing it by £500,000 providing a further 50 £10,000 grants to assist an additional 50 businesses.
- ARG – Croydon Recovery Grants available to businesses who received support through phase two of the emergency Additional Restrictions Grants and mandatory grants (grant value up to £2000)
- Business Fund – that supported the delivery of grants from the initial lockdown £1,511,812.

Grant Name	Amount	Number of Grants awarded
Emergency Phase One	£ 650,000.00	215
ARG - Emergency Response - Phase Two	£ 1,909,000.00	669
Evening & Night Time Economy	£ 1,500,000.00	150
Croydon Recovery Grant (G19 & G20)	£ 4,826,000.00	3483
Discretionary Fund (First Lockdown)	£ 152,500.00	13
Discretionary Fund (First Lockdown) – Phase Two	£ 1,511,812.00	171
Business Recovery & Innovation Grant	£ 500,053.00	33
Business Support Grant	£ 120,000.00	4
	£ 11,169,365.00	4738

5. RECOVERY PLANNING

5.1 Following the government's announcement of opening the economy and removal of all constraints on business opening and legal limits on social contact from 19 July 2021, there is a pressing need to provide support, advice and funding to help businesses recover and repair the economy. We must recognise that the economic impact of the coronavirus period will continue for a

long time. The government's furlough scheme, despite being extended to September, may not offer enough finance to support jobs longer term, which will impact on unemployment figures in Croydon.

5.2 It is anticipated that a significant growth in local unemployment will occur following the end of the furlough scheme, with struggling businesses closing or reducing staffing substantially in the subsequent months. Rising unemployment is likely to occur alongside growing in-work poverty, with increasing numbers of households relying on in-work benefits, and generally a higher reliance on public sector support and Council services across the board. The Council must work to target support for businesses that are struggling in the current climate but are otherwise viable, particularly those in key growth sectors that will help to drive the borough's sustainable and inclusive recovery.

5.3 The Council will work with community, business, research and education partners to ensure that the allocation of this phase of ARG will support the borough's skills development and build community wealth. We are proposing to focus the Council's support and ARG funding towards a number of key business sectors and economic themes – set out below. Analysis of recent economic data and local trends shows clearly that hospitality and creative sectors require specific support. This accords with the council's Economic Growth strategy and reflects qualitative information from business networks and representatives.

- Town Centre Recovery
- Supporting Creative & Cultural Business Recovery
- Creating a Culture of Enterprise
- Driving a Green Recovery
- Supporting Enterprise
- Supporting Small Businesses
- Supporting Black, Asian and Minority Ethnic Businesses
- Digital Recovery
- Creating Community Wealth
- Encouraging more businesses into the borough (Inward Investment)

6. IMPLEMENTING ARG PHASE 4

6.1 Guidance from the department of Business, Energy and Industrial Strategy (BEIS) regarding the use of ARG funding is not particularly onerous. It states that 'Local Authorities should allocate funding through direct business support grants or through wider business support measures.' Businesses who have already received other government grants during the coronavirus period can still be eligible for ARG funding, but this is subject to an overall subsidy cap. Businesses have to be actively trading to be eligible for ARG funding – this can include new businesses or start ups where the council is confident that these have been established legitimately. Any ARG funds remaining with the Council (i.e. not distributed to partners or businesses) at the end of March 2022 will be subject to recovery by BEIS. The Council undertake weekly reporting on ARG distribution to BEIS and daily monitoring through internal processes.

- 6.2 We have established a project board by expanding the Croydon Business Network. This includes the Council’s Economic Development officers, representatives from the borough’s business networks, anchor institutions, education bodies and civil society. Working with these partners we are gathering and responding to economic and business intelligence for the borough.
- 6.3 The Council will use ARG funding to kickstart activity, and where possible, match funding from other bodies/providers/partners, to prompt action towards economic recovery. The grant cannot be used to cover Council officer time or salary costs. All funding allocated will be monitored and evaluated against key outcomes agreed at the point of issuing the grants for business recovery initiatives.
- 6.4 It is unlikely that the road to recovery will be entirely linear following the lifting of social and business restrictions this summer. In planning and distributing the ARG we are aware of the need to prepare for further economic shocks over the coming year. With this in mind, the council’s Economic Development team will work with partners and stakeholders to continually review the phase 4 programme and allow for suitable flexibility within contracts and funding agreements to respond to changes in external circumstances, whilst maintaining oversight to ensure a suitable audit trail, procurement assurance and reporting to BEIS. We will ensure that support, guidance and funding issued by central government, the Greater London Authority and the London Economic Action Partnership are also fully utilised and complement the ARG scheme to build resilience in Croydon’s economy.
- 6.5 The Programme will deliver a £2,674,867 million programme that includes:

	Title	Description	Amount	Detail/Examples
1	Business innovation and recovery events	Events to promote Croydon businesses and support SME’s to innovate and recovery after the Covid Pandemic	£100,000	Events that helps SME’s to innovate and recover following the COVID lockdowns Also sets out the reasons why businesses should invest in Croydon
2	Innovation and growth	Grants of up to £10k delivered through ‘pay it forward’ platform	£200,000	If a business applies for a £10k grant, they need to match this sum either through crowd funding or themselves. Data from ‘pay it forward’ shows that for every £1 invested £3 is raised. This is the best way to maximise Croydon’s funding
3	District Centre Business Support	London Road Traders Crystal Palace Purley BID New Addington BID Croydon Division (South East Chambers) New Area Partnerships (FSB)	£50,000 £50,000 £20,000 £10,000 £30,000 £50,000	Funding provided to established business networks and BIDs in the district centre (see Town Centre Recovery below for Croydon BID) Paid membership for 357 businesses targeted outside areas covered by business groups/BIDs

		Croydon Business Fund	£40,000	
4	Town Centre Recovery	Croydon BID businesses	£40,000	Town Centre Business Support
		Croydon Welcome Back Fund	£210,000	Used to support new business and existing businesses specifically for town centre recovery
		Anchor Business support	£750,000	To support anchor organisations that have a significant economic impact in Croydon (this may also be used outside the growth zone if appropriate).
5	Work space	Work space Support	£250,000	Funding provided to recognised work space providers to support current businesses and to attract new.
6	Creative Business Fund	Supports creative industries growth sector	£750,000	Previous growth sector, hit hard by covid with greatest potential in borough. 50 grants at £10k each and £5k at 50 each. Required to ensure borough of cultures is a success from an economic stand point (include creative digital, tech, venues, R&D)
7	New Enterprise Programme	Supports new business start ups	£50,000	Targeted support at new business entrepreneurs.
8	Data and discretionary	Data partnership	£20,000	Economic Data
		Contingency Pot	£54,867	Contingency for businesses who have not received grants but applied in phase 1, 2 or 3.

Details of the above grants and eligibility are attached in Appendix 2

6.6 Grants and outcomes will be distributed and procured in line with Council policy and governance. They will be evaluated through full governance of the steering group and with oversight and input from the Croydon Business Taskforce, and the Council's Silver and Gold groups as part of the emergency Covid recovery response to ensure maximum impact for Croydon businesses and the Croydon economy.

7. CONSULTATION

7.1 The proposals in this report have been informed and influenced by engagement with key external public sector stakeholders, notably London Councils, the GLA, the South London Partnership and other local authorities. This scheme was also informed by significant engagement from the local business community which included consultation with the Croydon Business Taskforce (a representative steering group of business membership groups that include the

Federation of Small Businesses and the London Chamber of Commerce) and the Croydon Business Network (a working group of business support organisations and business membership groups that deliver support businesses in Croydon to start, develop and grow).

8 PRE-DECISION SCRUTINY

- 8.1 An update of the Additional Restrictions Grant programme was presented at an informal meeting of the Scrutiny Committee meeting on 15th February 2021. The committee have been invited to scrutinise the current programme.

9 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 9.1 The top up additional restrictions grants fund that has been agreed by Government (£2,674,867) plus the ARG grants that were distributed in phase one, two and three (£11,169,365) will support the recovery of our local businesses and maintain employment for residents which will have a positive impact on the Council's finances in the longer term.

- 9.2 This will complement the mandatory business grant funding has been agreed by Government and will support businesses who have been impacted by the Covid 19 lockdown.

- 9.3 The resource cost of the delivery of the grants has been scoped in-house, the new burdens funding will be used to fund the cost of staffing.

- 9.4 Strong, robust monitoring to ensure that grant applications awarded do not exceed grant funding will be in operation.

- 9.5 Weekly and monthly reporting will be completed and returned to government and HMRC.

9.6 The effect of the decision

Croydon businesses, including sole traders, will receive business support that supports them to survive and lessens the impact of COVID-19 on their fixed costs. This will sustain businesses and employment within the borough.

9.7 Risks

Spending against funding will be monitored daily to ensure grant funding is not exceeded. Local authorities will also be required to report weekly on the BEIS fund and a future audit will be implemented (internally), BEIS will audit councils on an adhoc basis.

There is a reputational risk that despite Croydon Council's best intentions this fund does not create the economic impact needed for Croydon's business community.

There is a risk that these grants can attract fraudulent applications and therefore a full fraud risk management plan must be implemented, as with the previous phases of grant distribution.

9.8 Options

Alternative options were considered which included a sector specific approach. This was rejected as COVID 19 has impacted all sectors.

9.9 Future savings/efficiencies

The implementation of this grant will help to sustain Croydon's businesses which will in turn will sustain employment in the borough. This will help to support future savings and finances for the Council.

Approved by: Matthew Davis, Deputy Section 151 Officer, Finance Department

10. LEGAL CONSIDERATIONS

10.1 The Head of Commercial and Property Law comments on behalf of the Director of Law and Governance that in response to the Coronavirus, COVID-19, the government has put in place additional support for businesses that had been impacted by social distancing and business closures restrictions arising out of the pandemic (using a grant under Section 31 of the Local Government Act 2003).

10.2 The Government has issued guidance for local authorities in administering the Fund which sets out eligibility criteria and the governments recommended prioritisation of categories of business. This guidance should be followed when administering the funds.

10.3 Local authorities are responsible for delivering grants to eligible businesses and whilst there is no specific statutory power to make these payments, guidance indicates that Councils are able to rely on the General Power of Competence in Section 1 of the Localism Act 2011 to undertake these payments.

10.4 The United Kingdom left the EU on 31 January 2020, and the State Aid regime has been replaced by a similar regime known as 'Subsidy Control'. Under this regime, a subsidy is a measure which is

- given by a public authority and
- makes a financial or in kind contribution to an enterprise which is not available on market terms, and
- affects international trade

10.5 The Government's guidance on this new regime acknowledges that subsidies (or in this case grants) to very local companies are unlikely to be caught as this is unlikely to affect international trade. It is therefore considered that the proposals in this report will be compliant with the new Subsidy Control regime and the proposed scheme follows government guidance. Nevertheless, the Council is required to keep a record of any and all public subsidy which it gives

to businesses, in the implementation of the proposals in this report such a record will be maintained. The Subsidy Control regime is new and developing and any further relevant guidance on this will be shared with officers responsible for administering the Additional Restrictions Grant scheme.

Approved by: Nigel Channer- Interim Head of Commercial & Property Law on behalf of Interim Doutimi Aseh, Director of Law & Governance & Interim Deputy Monitoring Officer.

11. HUMAN RESOURCES IMPACT

- 11.1 Delivery of the fund will require additional staffing redeployed to the Economic Development team. The Economic Development team's inbox will additionally experience high volumes of enquiries once the scheme is live and will require increased provision.
- 11.2 Additional staffing for this team will be employed via the Council's Recruitment Policy or the Council's internal redeployment policies.
- 11.3 Any other HR impact issues that may arise will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place and Housing, for and on behalf of Sue Moorman, HR Director

12. EQUALITIES IMPACT

- 12.1 Phase 4 of the Additional Restrictions Grant has used specific equalities data that has been collected in phase 3 of the programme to support the shaping of the programme. The consultation that has been undertaken has also included significant qualitative data that was collected across a broad spectrum of Croydon's SME business community including the local Black Asian Minority Ethnic business community and the Work & Health Programme. The ARG Phase 4 programme aims to provide support to all businesses with extra support for those residents and businesses further away from work place opportunities. This will be achieved by working closely with the Croydon Division of South East Chambers, BME Forum, Asian Resource Centre and London Road Traders Association, DWP and Reed in Partnership.
- 12.2 The impact of the virus is far reaching. The combined and unprecedented impact on the local economy, both on businesses and the workforce, will exacerbate inequalities, where some parts of our communities are disproportionately impacted for the short, medium and long term. The Council has been acutely aware of the disproportionate impact that the virus and lockdown has had on particular demographics, such as older residents, those with pre-existing health conditions and Black Asian Minority Ethnic communities.
- 12.3 Prior to the Covid lockdown ONS 2011 census data has already shown us that Black, Asian and Minority Ethnic residents were already disadvantaged in

employment opportunities, an example of this can be seen by employment data which showed 66% of Asian residents and 69% of black residents of working age were employed in London, compared to 83% white British and other. The covid emergency is expected to exacerbate the disparity.

- 12.4 The Additional Restrictions programme also looks at supporting growth sectors impacted by Covid to mitigate employment loss and also ensure entrepreneurial opportunities are available for all residents. Identified growth sectors include the creative and cultural industries. Data from Centre for Cities shows that in 2016 only 23 per cent of the sector were from a BAME background compared to 36 per cent of the total London workforce. The programme will provide an intergrated approach working with stakeholders in the community to ensure that grants are distributed and available to all Croydon businesses and residents within the specified criteria.
- 12.5 Supporting businesses and sustaining jobs will assist in reducing inequality across the borough. The grants scheme will be promoted widely through all the mediums available to the council, including social media and our dedicated business newsletter. Additionally, we will run regular workshops targeted at smaller, independent businesses who may not access information in traditional ways or where English may not be their first language. We will also work through our established business networks and recognised business representatives to ensure all businesses are aware of the grants and wider support available to them through the Council.

Approved by: Gavin Handford, Director of Policy & Partnerships

13. ENVIRONMENTAL IMPACT

- 13.1 There are no direct environmental considerations arising from this report.

14. CRIME AND DISORDER REDUCTION IMPACT

- 14.1 The Croydon Additional Restrictions Programme will support businesses and sustain jobs preventing future issues through key principles of economic development.

15. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 15.1 The aim of the programme is to deliver resilience and innovation to the recovery of Croydon's businesses protecting employment and jobs. It combines direct financial support with additional support for businesses helping them to find news ways of work, increasing their markets and making our economy resilient and attractive place to live and work.
- 15.2 The criteria of this fund was developed to support the recovery of as many businesses as possible impacted by COVID 19 and secure jobs for Croydon residents.

16. OPTIONS CONSIDERED AND REJECTED

- 16.1 Alternative options considered include a scheme with a sector specific approach.
- 16.2 Alternative options have been extensively considered. Regular consultation has been undertaken with key partners, notably London Councils, the South London Partnership and other local authorities.

17. DATA PROTECTION IMPLICATIONS

17.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No, it will be business data that is processed however this will include sensitive financial evidence and banking details and therefore a process that conforms to GDPR and the processing of sensitive data has been implemented.

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

A DPIA was completed for the last discretionary fund, all handling of data remains the same.

Approved by: Stephen Tate, Director: Growth, Employment & Regeneration

CONTACT OFFICER:	Carol Squires, Head of Economic Development, Growth, Employment & Regeneration
APPENDICES TO THIS REPORT:	Appendix 1 – Grants Appendix 2 – Phase 4 distribution
BACKGROUND DOCUMENTS:	None

Number	Letter	Official Grant Scheme Name	Period	Description	LBC Description	Awards	Grant to Croydon	Awards to Businesses	Amount
1	A	Local Restrictions Grant (Sector)	1/11/20 - 4/11/20	Nightclub Grant	Nightclub Grant	Funding to those businesses closed by statute since first lockdown - nightclubs and sexual entertainment venues (from 4/11/20 payments will be made under LRSG(Closed)A	See LRSG (Closed) Addendum	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£667 per 14 day period £1000 per 14 day period £1500 per 14 day period
2	B	Local Restrictions Support Grant (Closed)	Date of Tier 3 restrictions	Tier 3 Impacted Grant	Tier 3 Impacted Grant	Businesses closed due to tier 3 lockdown	L/As will receive 80% of estimated following the first 14-day period of closures. Funding will be received every 14 days periods of closures elapse	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£667 per 14 day period £1000 per 14 day period £1500 per 14 day period
3	C	Local Restrictions Support Grant (Open)	17/10/20 - 4/11/20 Period of Tier 2 lockdown in London	Tier 2 Impacted Grant	Tier 2- OCT	Funding to those businesses affected by the Local Restrictions in Tier 2 or 3 - specifically aimed at the Leisure and Hospitality Industries. This is a discretionary scheme and award levels are only those suggested by BEIS	£480,567	RV LE £15K RV GT £15K and LT £51K RV GE £51K	up to £934 per 28 day period up to £1400 per 28 day period up to £2100 per 28 day period
4	D	Local Restrictions Support Grants (Closed) Addendum	5/11/20 - 2/12/20	2nd National Lockdown Grant	National NOV Lockdown mandatory	Funding to those businesses closed by statute on 2nd National Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses	£5,845,518 £8,768,277 To be topped up if necessary. This funding includes LRSG (Sector) Funding	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£1334 per 28 day period £2000 per 28 day period £3000 per 28 day period
5	E	Additional Restrictions Grant	5/11/20 - 2/12/20 Amount paid can be spent up to 31/3/22	2nd National Lockdown Discretionary Grant	National NOV Lockdown Discretionary	Discretionary Scheme to be decided by the Local Authorities	£7,734,200 £3,435,165 £20 per head of population. No top up will be awarded.	This is a discretionary scheme and can be used to provide businesses with cash support for either those more affected or those not qualifying on above schemes	
6	F	Local Restrictions Support Grant (Open) Version 2	02/12/20 to 29/12/20	Tier 2 Impacted Grant	Tier 2 - DEC	Funding to those businesses affected by the Local Restrictions in Tier 2 or 3 - specifically aimed at the Leisure and Hospitality Industries. This is a discretionary scheme and award levels are only those suggested by BEIS	£361,455 To be topped up if necessary. This funding includes LRSG (Sector) Funding	RV LE £15K RV GT £15K and LT £51K RV GE £51K	Up to £467 per 14 day period Up to £700 per 14 day period Up to £1050 per 14 day period
7	G	Christmas Support Payment for wet-led pubs	02/12/20 to 29/12/20	Christmas Support Payment (CSP)	Christmas Support Package (CSP)	One off payment of £1,000 for pubs . Pubs that derive over 50% of their income from food sales will not be eligible to receive funding through this grant scheme.	£70,400 - One off funding	Pubs where food sales are less than 50% of takings.	£1,000
8	H	Local Restrictions Support Grant (Closed) Version 2	16/12/20 to 29/12/20	Tier 3 Impacted Grant	Tier 3 DEC	Businesses closed due to tier 3 lockdown	L/As will receive 80% of estimated following the first 14-day period of closures. Funding will be received every 14 days periods of closures elapse	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£667 per 14 day period £1,000 per 14 day period £1,500 per 14 day period
9	I	Tier 4	20/12/2020 to 04/01/2021	3rd Lock Down Grant	Tier 4 Dec Lockdown	Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses	£3,626,378	RV LE £15K RVGT£15Kand LT£51k RV GT £51k RV GT £15K and LT £51K RV GE £51K	£667 per 14 day period £1,000 Per 14 day period £1,500 per 14 day period £1,000 per 14 day period £1,500 per 14 day period
10	J	National Lock Down CBSG	05/01/2021 to 15/02/2021 (TBC)	National Lock Down January	3rd National Lock Down	Funding TBC	£17,532,000	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£4,000 (TBC) £6,000 (TBC) £9,000 (TBC)
11		LRSGCAJAN	05/01/2021 to 15/02/2021	LRSGCAJAN		Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses	£8,768,277	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£2,001 £3,000 £4,500
12	K	LRSGCAFEB Additional National Lock Down	16/02/2021 to 31/03/2021	National Lock Down February & March	Additional National Lock Down	Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses	£9,185,814	RV LE £15K RV GT £15K and LT £51K RV GE £51K	£2,096 £3,143 £4,714
13	L	Restart Grant	01st April 2021	Restart	Restart	Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, gym facilities and hospitality businesses	TBC	RV LE £15K RV GT £15K and LT £51K RV GE £51K RV LE £15K RV GT £15K and LT £51K RV GE £51K	£2,667 £4,000 £6,000 £8,000 £12,000 £18,000

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Business Grant Summary (proposal)

	Title	Description	Amount	Delivered By	Detail/Examples
1	Business innovation and recovery events	Events to promote Croydon businesses and support SME's to innovate and recovery after the Covid Pandemic	£100,000	External delivery	Creates platform to highlight the successes and future opportunities Sets out our the reason why to invest in Croydon
2	Innovation and growth	Grants of up to £10k per businesses delivered through pay it forward platform	£200,000	GLA	Open to businesses that were active on or before 5 th Jan 2021 If a business applies for a £10k grant, they need to match this sum either through crowd funding or themselves. Data from pay it forward shows that for every £1 invested £3 is raised. This is the best way to maximise Croydon's funding
3	District Centre Business Support	London Road Traders Crystal Palace Purley BID New Addington BID Croydon Division (South East Chambers) New Area Partnerships New Business start-ups Croydon Business Fund	£50,000 £50,000 £20,000 £10,000 £30,000 £50,000 £50,000 £40,000	London Road Traders Crystal Palace Purley BID New Addington BID Croydon Division (SEC) Federation of small businesses Start Up Croydon Croydon Division South East Chambers	Funding provided to established business networks and BIDs in the district centre (see Town Centre Recovery below for Croydon BID) Paid membership for 357 businesses targeted outside areas covered by business groups/BIDs Targeted at small start-up/entrepreneur To support innovation, recovery and resilience for BAME businesses
4	Town Centre Recovery	Croydon BID businesses Croydon Welcome Back fund Recovery Fund	£40,000 £210,000 £750,000	Croydon BID Croydon Council Croydon Council	Funding for business represented through the BID Used to support new business and existing businesses specifically to drive town centre recovery. Funding to support to anchor organisations who are providing a significant contribution to the economic recovery and regeneration of the borough.
5	Work space	Work space Support	£250,000	Start Up Croydon	Funding provided to recognised work space providers to support current business and to attract new.
6	Creative Business Fund	Supports creative industries growth sector	£750,000	Creative Enterprise Zone	Previous growth sector, hit hard by covid with greatest potential in borough. 50 grants at £10k each and £5k at 50 each. Required to ensure borough of cultures is a success from an economic stand point (include creative digital, tech, venues, R&D)
7	Data and contingency	Data partnership Contingency	£20,000 £54,867	GLA Croydon Council	Data partnership which will support real time evidence of the recovery of Croydon businesses and residents. Sum held back to end of scheme to address budget issues
		TOTAL	£2,674,867		

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For General Release

REPORT TO:	CABINET 16 August 2021
SUBJECT:	Croydon Business Improvement District (BID)
LEAD OFFICER:	Stephen Tate, Director of Growth, Employment and Regeneration Chris Buss, Director of Finance Investment and Risk, Section 151 Officer
CABINET MEMBER:	Councillor Shahul-Hameed, Cabinet Member for Communities, Safety & Business Recovery
WARDS:	Fairfield
<p>COUNCIL PRIORITIES 2020-2024</p> <p>The coronavirus crisis has had an unprecedented economic impact, and this has not been experienced equally, with some businesses hit particularly hard (including those, such as hospitality and non-essential retail, being forced to close) and others more able to adapt to survive.</p> <p>The Council's approach to supporting and implementing Croydon Business Improvement District's (BID) Ballot will support the following priorities:</p> <ul style="list-style-type: none"> • We will live within our means, balance the books and provide value for money for our residents. • We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. • We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand 	
<p>FINANCIAL IMPACT</p> <p>There are a number of financial implications associated with the creation and operation of Croydon Business Improvement District. These are funded from the Council's revenue budget.</p> <ul style="list-style-type: none"> • £54,210.00 per annum Croydon Council BID levy contribution on 8 properties if the ballot renewal is successful • £4,800 cost of the renewal ballot to the Council (if the ballot is unsuccessful this will be paid by the Croydon BID Company) 	

- £18,600 per annum payment that the Croydon BID Company make to the Council to collect the BID levy

FORWARD PLAN KEY DECISION REFERENCE NO.: 3121CAB

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

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

1. RECOMMENDATIONS

The Cabinet is recommended to

- 1.1. Agree that on receipt of the Croydon Business Improvement District (BID) agreed proposal for the renewal of the proposed BID activity, the Interim Executive Director for Place in consultation with the Cabinet Member for Communities, Safety & Business Recovery be given delegated authority to:
 - 1.1.1. Consider on behalf of the Council as billing authority, whether the proposal conflicts with any formal adopted policy of the Council and if it does, give notice of this in accordance with the Business Improvement Districts (England) Regulations 2004 (“the BID regulations”);
 - 1.1.2. Determine whether the Council should support the Croydon BID proposal and to vote on its behalf in the BID ballot. If a no vote is proposed, this will be referred to Cabinet for further consideration;
 - 1.1.3. Formally manage the ballot process in accordance with the BID regulations;
 - 1.1.4. That subject to a “yes” vote at ballot:
 - a. the Council will act as the relevant billing authority and will manage the billing and collection of the additional levy, and its transfer to Croydon BID;
 - b. the Council meet the Council’s obligations in paying the extra BID levy, as a non-domestic ratepayer in the BID area, in accordance with the BID regulations over the life of the BID
 - c. the Council enter into key operating agreements with the Croydon BID Company regarding the operation of the BID and the delivery of Council requirements and baselines

2. EXECUTIVE SUMMARY

- 2.1 Croydon is facing one of the most challenging periods in its economic history. Despite Croydon’s many strengths, the impact of COVID-19 (coronavirus) has created an economic crisis that needs an ongoing coordinated response in order to reduce the impact on Croydon businesses.

- 2.2 The consensus is that the impact of COVID-19 on the business community and the wider economy has been and will continue to be seismic and that recovery will take some years to play out, with many business practices unlikely to ever return to established pre-pandemic patterns.
- 2.3 The Council has worked consistently with key stakeholders and business networks in the borough to support local businesses through the coronavirus crisis, and distribute targeted financial assistance. Croydon BID has been instrumental in delivering support for businesses throughout the pandemic period and as they recover from the series of lockdowns that have been implemented since March 2020.
- 2.4 Croydon BID is focused on supporting the recovery of businesses inside the town centre. They remain fundamental to support the private sector in kickstarting economic recovery in Croydon, driving high street renewal, boosting trade and enterprise, supporting resilience and diversification in the business community.
- 2.5 This report identifies economic opportunity created by the Council supporting the renewal of Croydon BID. Specifically, this paper sets out the Council's approach to the renewal of the Croydon Town Centre BID (Autumn 2021).

3. INTRODUCTION - BUSINESS IMPROVEMENT DISTRICTS

- 3.1 Business Improvement Districts (BIDs) are business-led organisations that aim to improve the economic prospects of a defined area through the delivery of short, medium, and long-term projects and initiatives identified in consultation with the local business community.

They are independent organisations financed principally through a small, compulsory annual levy based on the rateable value of businesses in the BID area. This income is ring-fenced to provide improvements to the local area that would otherwise not occur.

Governed by legislation, BIDs generally operate for up to five years. They can only exist if they have been sanctioned through a formal ballot conducted among businesses that operate in the BID area when a majority of votes both by number and aggregate rateable value needs to be secured.

- 3.2 The BID regulations allow any local business community to set up a Business Improvement District, provided that 51% or more of voting business ratepayers in the proposed area (in terms of both absolute numbers and rateable value) vote in favour. The vote for a BID is carried out by secret postal ballot, which is organised by the local authority. Eligibility to vote is based on one vote per each eligible business premise (hereditament) situated in the defined BID area.
- 3.3 The regulations require the BID business plan ('the BID proposal') to include the range of new or expanded services and works over and above those provided by the local authority. The local authority is in turn required to demonstrate its intention to maintain its existing services to businesses within

the geographical area of the BID for the duration of the BID through baseline agreements. The focus of a BID is to create a programme that provides additionality, complementing those services provided within the area by the local authority and other statutory services. A BID has the potential to bring significant extra regeneration impact to a town or district centre.

4 Croydon Business Improvement District - Implications for the Council

4.1 Under the regulations, the Council has a duty to consider whether or not the proposals conflict with any formally adopted and published policy of the Council, and if it does, give formal notice to the Croydon BID explaining the nature of that conflict. By giving its approval the local authority is satisfying itself that the proposal conforms to the regulations. It also needs to satisfy itself that the Croydon BID proposal has sufficiently demonstrated:

- The business consultation undertaken;
- The financial management arrangements for the Croydon BID body;
- The proposed business plan;
- That a contract is in place between the Croydon BID company and the local authority; and
- That all necessary steps have been taken to ensure the proposal is robust.

4.2 The Council has voting rights on the ballot for the BID, if we have Council owned hereditament in a proposed BID area. However, in reality, if a BID is successfully voted in the financial implications for the Council in terms of delivery of local services would be the same.

5. Croydon Business Improvement District & Croydon Council – Working together in partnership delivering positive benefits to the local economy.

5.1 A key priority for the Council is to ensure that Croydon residents benefit from economic growth in the borough, and to ensure they have the opportunities to develop new or to expand existing local businesses, as well as skills and qualifications to access decently paid jobs. To maximise this opportunity, we are working with businesses and community representatives across the borough's town and district centres to create high streets that serve their local community, are accessible and safe, with high quality public realm that is easy to navigate.

5.2 Croydon BID and Croydon Council has developed an integrated working relationship that has supported town centre businesses throughout the Covid lockdown. Working together to create and publicise opportunities, supporting local businesses and employment in the town centre and ensuring that financial support developed by Croydon Council through the additional restrictions grant is delivered directly and efficiently to Croydon BID and the business community. This mutually beneficial relationship will continue as the Council and the BID work together on the economic and social recovery of the town centre.

5.3 The benefits to the Council of Croydon Town Centre Business Improvement Districts is as follows:

- Contributes towards our key priorities:
Focusing on tackling ingrained inequality and poverty in the borough and tackling the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice. This is because the Croydon Town Centre BID supports the economic growth in the borough, helping to ensure that Croydon residents have opportunities to access good employment.
- Long term savings of a dedicated resource to act as a link to the town centre.
- A focus on economic regeneration within the district.
- Deliver additionality against the Council's priorities of reducing crime and disorder & working towards environmental improvements and sustainability.
- Better community cohesion from the events schedule planned by the BID to encourage footfall.

5.4 The draft priorities for the Croydon Town Centre BID for the next five years are will be confirmed after further consultation and formal submission of the proposals to the Council (see draft proposal – appendix 2):

- **Investment into the safety of businesses, staff and customers**
Working with partners to improve safety and security, reducing business crime, anti-social behaviour while improving the feeling of safety for those that live, work and visit
- **Enhancing Croydon town centre's appeal**
Working to enhance the appeal of Croydon town centre through targeted intensive cleansing, alongside practical solutions to support businesses.
- **Activate and attract**
To support recovery activate the town centre to attract customers back into Croydon through seasonal events, marketing and promotion, sector specific campaigns, meanwhile activations to fill the gap while improving the offer and to place arts and culture centre stage as they look to support a year of culture in 2023.
- **Representing your needs locally, regionally, and nationally**
Croydon businesses need a strong, representative collective voice to support its needs. Croydon BID will be providing strong leadership and direction on the issues that matter to businesses. Providing an independent business voice.
- **Driving forward the need to compete**
Croydon BID, in partnership, will drive forward an agenda to create the sector specific strategies complete with operational delivery plans to allow Croydon the opportunity to harness the opportunities and progress.

5.5 The Croydon Town Centre BID area (detailed in Appendix 2 of this report), is focused around the Metropolitan Centre and as at May 2021, has approximately 550 members (properties eligible to pay business rates). As part of the modelling exercise, the levy has been set at 1% of the business rate

per annum (by rateable value), estimated at c. £950,000 per annum if all is collected and at c. £902,500 per annum if 95% of all fees are collected. A threshold level means that hereditaments below £40,000 per annum will not have to pay the levy.

- 5.6 It is the Croydon Town Centre BID’s intention that, subject to a yes vote at ballot the BID will commence December 2021 and that its third term will run for 5 years (2021 – 2026) with a re-ballot expected in autumn 2026.
- 5.7 The proposed timeline from ballot to the start of the BID, if successful, is therefore as follows.

Publication Notice of Ballot	6 th September 2021
Voting starts	20 th September 2021
Voting closes	21 st October 2021
The results are announced	22 nd October 2021
If a Yes vote new Croydon Town Centre BID would start	1 st April 2022

6. CONSULTATION

- 6.1. Consultations and discussions regarding the content of the report have been discussed with internal colleagues across different teams including Legal, Finance, Democratic Services, and Revenue & Benefits.
- 6.2. The Croydon Town Centre BID has been engaging and consulting with businesses within the BID area and initial feedback from hereditaments has been favourable. Consultation on the key proposed BID themes and activities will continue through to the production of the formal BID proposal document that will be used for canvassing throughout the ballot period. In order to research the business needs the following steps have being undertaken:
- Formal consultation with all 550 businesses via online survey - 158 responses received to date;
 - Three formal workshops held focusing on the Commercial Office Sector, Retail Sector and the Hospitality Sector
 - One to one meetings with high value levy hereditaments

7 PRE-DECISION SCRUTINY

- 7.1 Whilst at present there is no decision to scrutinise in terms of the delegation and the implementation of a BID ballot is a statutory requirement, the exercise of discretion as part of the delegated authority sought is subject to Scrutiny.

8 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 8.1 There are financial implications for the Council in association with the renewal of Croydon Town Centre Business Improvement District (BID). This includes

funding the ballot process, at a cost of £4,800 (including staff costs). The ballot will be managed by the Council's Democratic Services team.

8.2. If Croydon BID is renewed the Council will be responsible for the administration, billing and collection of the Levy from the businesses within the geographical area of the BID. There is however no financial impact to the Council's revenue fund from this responsibility as these costs are recharged to the members within the BID. Currently the charge for this service is £18,600 per annum.

8.3 The Council will be responsible for paying the BID levy on 8 properties. Currently the cost stands at £54,210.00 per annum - a total of £271,050 for 5 years. The future cost is dependent on whether there is a review of rates during this time in which case the cost could be higher or lower depending on the valuations of the properties in question:

Cost Per Annum	Properties
£ 510.00	Suite 1 3 rd Floor Davies House
£ 9,150.00	Croydon Library & Clock Tower
£ 1,760.00	1 st Floor Davies House
£35,200.00	Bernard Weatherill House
£ 4,975.00	Fairfield Halls
£ 585.00	75-77 High Street, Croydon
£ 1,430.00	6th Floor, Davis House, 69-77 High Street, Croydon
£ 600.00	Suite A, Part 7th Floor, Davis House, 69-77 High Street, Croydon
TOTAL	£ 54,210.00

8.4 **The effect of the decision**

- Receipt of revenue per annum to help in the recovery and regeneration of the area;
- Continuity of business relationships built up in the area through various ongoing and past initiatives;
- Continued engagement of local businesses to work in partnership with each other and with the Council for the recovery and betterment of the area;
- Continued development of initiatives that attract footfall to the area, support community safety, inward investment and community engagement.

8.5 **Risks**

The BID process is seen by the government as an innovative process of enabling business communities to contribute significantly to the future economic development and recovery of their local area, regenerating high streets and playing a key role in the emergency response in the recovery of economic areas following the covid 19 lockdown.

The risk of an area not embracing this potential is that investment needed to retain businesses, increase footfall and attract inward investment in Croydon town centre may not be forthcoming, compared with neighbouring areas where this opportunity is being exploited. In a time of austerity, Croydon, a significant commercial centre in South London, cannot risk losing the

opportunity to engage its local business communities and support the recovery of its economy.

8.6 Options

There are no perceived alternative options for the Council. If the business community chooses to pursue the legislative BID route and vote 'yes', then the Council is obliged to play its part in the process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

8.7 Future savings/efficiencies

As a private sector initiative, the running of the Croydon BID has no impact on the future savings or efficiencies of the Council. If the businesses vote for a renewed 5 year term then there would be a financial contribution expected from the Council who would be a bid levy member. Currently this contribution would be £54,210.00 per annum. It is important to note that Croydon BID, if renewed, will contribute to the wider economic recovery of the Town Centre which is facing severe challenges.

Approved by: Matthew Davies, Deputy Section 151 Officer, Finance Department

9. LEGAL CONSIDERATIONS

- 9.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Local Government and Housing Act 1989, Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 ("BID Regulations"), as amended, provide for the establishment of a Business Improvement District within a specified geographical area in the Borough to carry out specified projects for the benefit of the business improvement district or those who live, work or carry on any activity in the district, and to finance those projects through a local levy.
- 9.2 Business Improvement Districts are business led partnerships which are created through a ballot process to deliver additional services to local businesses. The Council is responsible for managing the ballot process in accordance with the BID regulations.
- 9.3 A Business Improvement District is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area.
- 9.4 If the local authority is of the opinion that the Business Improvement District arrangements are likely to conflict to a significant extent with an existing policy, place a financial burden on rate payers or the burden from the levy is unjust, it can decide to veto the proposals. The Council can only veto proposals within 14 days from the date of the ballot.
- 9.5 The Business Improvement District proposer (which can be the local authority, a business rate payer or a person or company whose purpose is to develop the Business Improvement District area, or that has an interest in the land in the area) is required to develop a proposal and submit this to the Council, along

with a business plan. The proposal should set out the services to be provided and the size and scope of the Business Improvement District. It will also set out who is liable for the levy, the amount of levy to be collected and how it is calculated. At least 84 days before submitting proposals, the ballot proposer should notify the local authority and the Secretary of State of their intention to put the BID proposal to ballot. At least 42 days before the final ballot date, the ballot holder should publish a notice stating the date of the ballot, and send a copy of this to the Secretary of State. If it appears that a significant breach of the rules has occurred during the ballot process a request to declare the ballot void may be submitted to the Secretary of State for Housing, Communities and Local Government within 28 days of the result of the ballot being published.

- 9.6 A Business Improvement District is managed by a Business Improvement District body. The Business Improvement District body is responsible for developing and implementing the proposal which sets out how the Business Improvement District will operate. They will provide the local authority with this proposal along with the business plan (including the estimated cash flow and predicted revenue to be generated by the Business Improvement District) along with the financial management arrangements for the Business Improvement District body. The Council is responsible for managing billing and the collection of the levy and will hold the levy in a ring-fenced revenue account on behalf of the Business Improvement District body.
- 9.7 Further legal advice as to implications will be required once the BID Proposals are received and there is clarity as to the nature of these. This will include further legal advice when any of the proposed delegations are sought to be exercised.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

10. HUMAN RESOURCES IMPACT

- 10.1 As Croydon BID is a private organisation, the management and operations of the BID Company will not be the responsibility of the Council and will have no additional human resources impact. The impact of the ballot and billing / collection / transfer of the BID levy need to be factored into the Council's current human resources within Electoral Services and Finance and Resources for the year of ballot.
- 10.2 Any other HR impact issues that may arise will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place, for and on behalf of Sue Moorman, HR Director

11. EQUALITIES IMPACT

- 11.1 The BID is a separate entity to the Council and provides services that are over and above those undertaken by the Council.

- 11.2 The proposal to renew the Croydon BID will support the Council in delivering on the economic recovery and regeneration of the town centre supporting the Council's Equality and Inclusion objective to work in partnership to lift people out of poverty by increasing employment opportunities across the borough and ensuring local people to have a pathway into employment, education and training.
- 11.3 The need or otherwise for a full Equality Analysis for Croydon Town Centre BID is dependent on the feedback from engagement and consultation which is ongoing at present. The feedback from this process should be analysed and used to update the Equality Analysis with any social inclusion and/or equalities issues. If no negative equalities implications are identified it is not necessary to undertake a full equality analysis.

Approved by: Yvonne Okiyo, Equalities Manager

12. ENVIRONMENTAL IMPACT

- 12.1 There are no direct environmental considerations arising from this report.

13. CRIME AND DISORDER REDUCTION IMPACT

- 13.1 Investing in safety for the town centre and supporting the reduction of crime is a key consideration for Croydon BID. This will support the work of partners, stakeholders and the Council in reducing crime and creating a vibrant and safe town centre.

14. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 14.1 The activity of Croydon BID has created a significant impact in the town centre providing support and help to businesses who have been severely impacted by the Covid 19 lockdowns.
- 14.2 If the business community chooses to vote yes to the renewal of Croydon BID then the Council is obliged to play a part in that process. It is also obliged to fund the ballot process unless the ballot is unsuccessful.

15. OPTIONS CONSIDERED AND REJECTED

- 15.1 Alternative options considered:

As the Croydon BID proposal has yet to be submitted no options have been fully considered.

16. DATA PROTECTION IMPLICATIONS

16.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No, it will be business data that is processed however this will include sensitive financial data when processing payments and therefore a process that conforms to GDPR and the processing of sensitive data has been implemented through the Councils existing structures through Revenue & Benefits and Democratic Services teams.

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

No.

Approved by: Stephen Tate, Director: Growth, Employment & Regeneration

CONTACT OFFICER: Carol Squires, Head of Economic Development; Growth, Employment & Regeneration

APPENDICES TO THIS REPORT: Appendix 1 – Croydon BID Map
Appendix 2 – Draft Croydon BID Proposal

BACKGROUND DOCUMENTS: None

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CROYDON TOWN CENTRE BID AREA



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TOGETHER WE CAN
TOGETHER
WE
WILL

2022-2027
BUSINESS PROPOSAL



LET'S MAKE IT HAPPEN

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WHAT IS A BID?

Business Improvement Districts (BID) are independent business-led, business-funded organisations formed to improve a defined commercial area. Around 300 of them currently operate across the country. A BID is established statutorily once elected by a majority of business owners in the area and can only operate for a maximum term of five years before seeking re-election by eligible voters.

BIDs are not-for-profit organisations financed principally through a small, compulsory annual levy paid by businesses in the BID area, based on rateable value.

By working in partnership and bringing together the skills, experience and influence of local businesses, public authorities and other key agencies, BIDs can serve as a highly effective model for delivering added value to an area through dedicated services and initiatives.

ABOUT CROYDON BID

We've been at the heart of Croydon town centre for the past 15 years, putting the interests and priorities of the local business community first.

With backing from 500+ organisations across the retail, commercial, leisure, hospitality and public sectors, we were set up to help make a real difference to the town, by introducing initiatives and much-needed services that would not otherwise exist.

Our vision is for Croydon to become one of the most sustainable, welcoming, vibrant and culturally diverse locations in south London in which to do business, work, live and visit.

With continued support and direction from our members, we have already invested £15m in making our streets safer, cleaner, brighter and more welcoming for those working, living, visiting and doing business here.

Now, as we prepare to meet the challenges facing Croydon and our business community head on, our plans for the future are aimed at not just delivering some of the essentials that we all expect from a place but building upon the all-important foundations needed for Croydon's sustainable growth. Together, we can make a real difference and look forward to working with you as we strive for a better Croydon.



PUTTING YOU FIRST

03

CROYDON BID | RENEWAL PROPOSAL

02

CROYDON BID | RENEWAL PROPOSAL
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THE

CHALLENGES

WE FACE TOGETHER

As regeneration continues and we emerge from one of the most difficult trading periods in our history, creating and maintaining an improved experience for all those who visit, work and live in the town centre is more important than ever to increase our town's appeal and ensure its economic success.



Together we can. Together we will.

VOTE YES



REBOOT

Our Chairman Darren Hockaday on how together, we are so much stronger

I write this as our town centre begins to emerge from one of the most difficult periods in living memory, affecting every one of us personally and professionally.

I would like to pay tribute to all the businesses in our town for the way in which you have adapted to the unpredictable and uncertain times in which we live and operate. The effects of the global COVID-19 pandemic continue to impact on our economy, causing some businesses to close, jobs to be lost and resulting in different ways of working for many.

We finally are beginning to experience reopening and lifting of restrictions and there is good cause for optimism. At the BID team, we are realistic about the challenges the town centre faces after such a prolonged setback. Our resolve is greater than ever before to drive and prioritise the improvements needed to support you and the business community to come back stronger and for Croydon to prosper.

It is time to reboot and revitalise the town centre, with plans that help kick-start the local economy. Ensuring the area is safer, cleaner, more appealing and welcoming continues to be paramount: a positive experience and good first impression will go a long way towards raising and improving Croydon's profile. Having pulled out all the stops to continue supporting businesses throughout the pandemic, I passionately believe that Croydon BID has come through this period even closer than ever to businesses, repeatedly demonstrating precisely what can be achieved when everyone within the town centre pulls together.

Through our on-going discussions and consultation with you, we understand the concerns and pressures that our members will be facing over the next five years and we will ensure your views continue to be strongly represented. The challenges facing businesses are reflected in our Renewal Proposal for 2022 – 2027 and, over the following pages we set out precisely how, with your continued support, we aim to achieve our shared vision of making Croydon one of the most sustainable, welcoming, vibrant and culturally diverse locations in south London in which to do business, work, live and visit.

Naturally, it is disappointing that we have yet to see redevelopment of Croydon's Whitgift Shopping Centre but we are determined to continue playing our part to see that materialise. We strongly believe that the town needs and deserves a vision of the

future and the certainty to flourish – a common goal that sustains belief and investment.

Regeneration of our town centre has nevertheless continued apace with 350,000 square feet of office space created, 3,500 new homes, retail and leisure facilities already built or under construction. New audiences, new markets and new opportunities are steadily opening up and with those come the potential for further investment.

The growing number of vacant buildings, empty shops and underutilised spaces is concerning. We will push hard for a co-ordinated and cohesive strategy to determine what needs to be done and how best to bring these back into use while ensuring that plans are implemented at pace to revitalise the heart of the town.

The benefits that Croydon's excellent transport links bring to those doing business, living and working here cannot be overstated. Our aim is to continue campaigning for further improvement and, specifically, for reclassification of our two main stations from Zone 5 to Zone 4, helping to make Croydon an even more attractive prospect for investors.

In recognition of the challenging times that our business community faces over the next five years, our Board has pledged to maintain the annual levy rate at 1% throughout its fourth term. We believe we can continue creating value for all our members while containing costs and achieving savings wherever possible.

In September, along with other eligible businesses in the town centre, you will be invited to support these proposals at the Croydon BID Renewal Ballot. Only with a majority 'YES' vote at the ballot will we be able to build on what has already been achieved and continue working on your behalf to deliver a further five years of transformation and progress.

If ever Croydon town centre needed a Business Improvement District, now is that time!

Darren Hockaday
Chairman

CROYDON A VOTE FOR

As I introduce our Renewal Proposal for the next five years, I can say with certainty that our town centre is not at the stage many of us expected or hoped it would be this time five years ago.

The events of the last year have accelerated levels of decline, bringing into stark reality the challenges we now all face in recovering from the impact that COVID-19 has had on our local economy. One thing in which we can be confident, however, is the resilience of the Croydon town centre community and its willingness to work together, firstly to identify the hurdles that need to be overcome and then to get things done.

Our resilience has been tested like never before. Through our combined efforts, we have worked hard to keep everyone safe and informed while tackling the operational needs of our town centre. I am thankful to each and every one of you for your support in doing what was needed to get us through this enormously difficult period.

Help for our struggling retail, hospitality and leisure sectors has been particularly important throughout this time and I am especially proud of the lead role Croydon BID played in securing a change in Government policy which resulted in greater financial support being provided to businesses nationally through our lobbying efforts and 'Raise the Bar' campaign.

Though the threat of COVID-19 remains, our focus now is on recovery – the single most important issue identified in consultation with our members.

As we reflect on the challenges facing Croydon, businesses have made it clear that the basic fundamentals, namely a safe, clean and attractive business environment are essential for success. Equally there is the need to go further and for firm foundations to be put in place for future sustainable growth.

Only now, as many of the restrictions of the past 18 months start to ease, does it feel like we can start to look to the future with a degree of optimism and confidence.

Together we can. Together we will.
VOTE YES

Our Chief Executive Matthew Sims on building greater confidence in Croydon

Over the next twelve months, our priority will be to restore even greater confidence and optimism by working together with you to address the most fundamental needs for a successful town centre, namely:

- Tackle high levels of anti-social behaviour and business crime through a dedicated programme of services and initiatives to reduce their impact
- Restructure and invest more into supporting the need for even cleaner, brighter streets
- Support a co-ordinated approach to address homelessness and street begging
- Reimagine and reactivate vacant units across the town centre in conjunction with partners and property owners
- Push for greater certainty on redevelopment of our town centre and in particular the Whitgift Centre
- Launch a campaign for the reclassification of Croydon's two main train stations from Zone 5 to Zone 4

We know the road ahead will not be easy and that uncertainty may continue for some time. It is therefore important that we remain realistic and focus on the improvements that are within our gift to deliver. Nevertheless, the BID team is committed to working hard to drive things forward and we are confident that through delivery of this plan and with your support over the next five years, sustainable economic growth and certainty can be achieved for our town centre.

Together, we will go beyond fixing the basics and strive for more. Croydon deserves it.

Matthew Sims
Chief Executive



RESTORE

THE VALUE

WE ADD

Serving the needs and interests of the business community is at the forefront of everything that we do and all of the projects and services we deliver are aimed at making a real difference to our town, enriching and enlivening the environment, enhancing its appeal and helping businesses to succeed.



Together we can. Together we will.
VOTE YES

SERVING THE NEEDS AND INTERESTS OF OUR BUSINESS COMMUNITY HAS BEEN AT THE HEART OF EVERYTHING THAT WE HAVE DONE OVER THE PAST FIVE YEARS IN ORDER TO CREATE A SAFE, WELCOMING AND APPEALING ENVIRONMENT THAT ENRICHES AND ENLIVENS CROYDON TOWN CENTRE AND HELPS IT TO GROW.



WE HAVE DELIVERED

20 17 - 2022



40,000 extra hours of dedicated town centre policing

5,100 extra hours of patrolling by our new Ranger teams since October 2020

£84,000 raised to provide direct support to Croydon's homeless

9,500 hours of additional dedicated deep cleaning, graffiti and gum removal

187,000 square metres of our key thoroughfares deep-cleaned

14,500 items of street furniture cleaned, graffiti and fly posters removed

24,300 plants introduced providing year-round colour

6,000 hours of festive lights across 10+ of our main streets

3,000 hours of diverse events and activities delivered, energising the town

380 event days delivered brimming with energy, vibrancy and talent

16,500 spectators at our big screen Wimbledon LIVE

100+ new pieces of colourful artwork transforming pockets of neglected space

394,000 visitors to our two websites supported by 17,000 social media followers

THE STORY SO FAR

220,000 of those living, working and visiting greeted by our Street Ambassadors

26,000 extra hours of information, advice and guidance provided by our Ambassadors

54m steps walked by our Ambassadors patrolling our town over the past five years

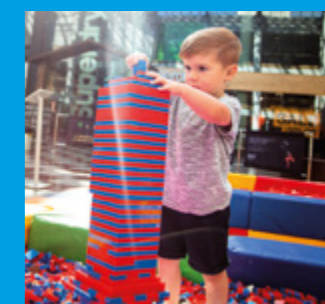
11,000 intelligence reports logged by our Ambassadors

400,000 communications issued across 200+ campaigns to keep businesses up-dated

£1.9m in grant funding secured for our businesses as a result of our 'Raise the Bar' campaign

20,000 business engagement visits to support businesses and keep them up-dated

1,000s of hours championing your needs and interests at local, regional and national level



COVID-19 OUR RESPONSE

Extraordinary times call for extraordinary measures and the events of the past 18 months have certainly demanded decisive leadership and exceptionally swift action to support individuals and businesses throughout the COVID-19 pandemic.

From the outset, through our combined efforts, our priority has been keeping everyone safe while addressing the operational needs of the area.

We have listened carefully to members' concerns and changing priorities and have put in place a series of practical initiatives to help businesses through these challenging times.

Keeping members updated on the latest information has been an essential part of our activity and the creation of our COVID-19 Hub has enabled businesses to access news, advice and reopening guidance, all via a central portal.

The impact of the pandemic has highlighted the need for our members' opinions to be heard at the highest levels and we will continue to strongly represent your views to safeguard the interests of businesses and the town centre.

In that regard, one highly significant and important demonstration of the added value that we have been able to provide is our triumph in securing a major change in Government policy that led to greater financial support being made available to our town's struggling retail, hospitality and leisure sectors.

Through the launch of our national 'Raise the Bar' lobbying campaign, we urged the Government to

increase the arbitrary £51,000 rateable value threshold to allow businesses to access vital financial support, without which many would have disappeared from our high streets.

Political leaders from across both sides of the House, 16 national trade bodies, the Greater London Authority, the London Chamber of Commerce and over 150 Business Improvement Districts nationwide added their backing to our campaign, which succeeded in attracting widespread media coverage and resulted in an important national policy change that benefited businesses nationwide.

For as long as the threat of COVID-19 remains, it may be some time before its full impact on our town centre is known.

One thing we are confident of, however, is the resilience of our business community and its willingness to work together to get things done.

We have the agility, tools and plans in place to be able to respond to the unfolding short and medium-term situation. Our future focus will continue to be on what is important to our members and where we can continue making most difference to ensure our town centre has the best possible opportunity to thrive in a post-Covid economy.

COVID-19 WHAT WE DELIVERED

We delivered practical initiatives and innovative solutions to support our business community throughout the pandemic:



NIGHT AND DAY RANGERS

New to the town centre in October 2020, we launched a team of uniformed Night Rangers to provide visibility, reassurance, confidence and support for those visiting and working in the area after dark. The introduction of a team of Day Rangers swiftly followed in December with each team working in pairs to provide support to businesses five days per week from Wednesday through to Sunday.

SIGNAGE

Creating an environment that has everyone's welfare and safety at its heart has been our priority. With support from the Reopening High Streets Safely Fund and in conjunction with the local authority, we produced a range of bright and highly visible signs, information towers, banners, posters and queue markers to provide practical advice and support for those visiting and operating in the town.

CLEANSING

With hygiene and safety at the top of everyone's mind, our cleansing team was out in force to support local businesses as the town centre prepared to reopen helping businesses to clean down their areas and treating over 1,600 items of street furniture with anti-viral agents.

BUSINESS PROMOTION

To support our members throughout these challenging times, we have utilised all our platforms to promote businesses, their offers and their discounts as well as highlighting the Eat Out to Help Out scheme.

COMMUNITY SUPPORT

Working with the private and public sectors, we worked with many partners to support our community in providing much needed support including 1,000's of free car parking spaces to all emergency services and key workers and access to food supplies.

COVID-19 HUB

Information is key and with no rule book for dealing with the challenging times we have all had to face, we created a COVID-19 information hub to keep members up-dated on the latest information, advice and guidance from the Government via a central portal.

A series of practical and sector-specific guides and toolkits was also developed with our partners to support businesses as the town centre reopened and to provide guidance on such topics as queue management.

CRISIS COMMUNICATIONS

Through our digital platforms, regular e-bulletins, video conferencing, face to face and telephone contact, we have kept our members up-dated with all the relevant information available locally and nationally, issuing a total of over 25,000 communications, 500+ tweets and 750+ updates to our 4,600 followers on our Check Out Croydon Facebook page.

CROYDON CHAMPIONS

In June 2020, we launched the Croydon Champions working in conjunction with Croydon Voluntary Action. A team of 89 volunteers was recruited to help welcome people back to the town centre and to offer support where it was needed. In two months, 267 volunteer hours were delivered by the Croydon Champions, an initiative that was highlighted as an example of best practice by the High Streets Task Force.

RAISE THE BAR HIGHLIGHTS



£1bn+

business support grants made available to businesses

£1.9m

discretionary grant fund secured to support Croydon businesses

£1.4m

PR equivalent value

9.9m

reached via 270+ media articles

WHAT COULD

BE LOST

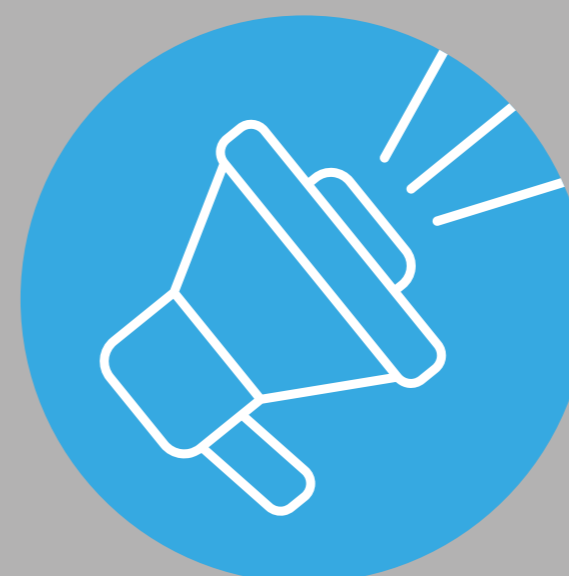
IN SEPTEMBER, ALL ELIGIBLE BUSINESSES WITHIN THE CROYDON TOWN CENTRE BID AREA WILL BE INVITED TO VOTE ON WHETHER THEY WISH US TO CONTINUE WORKING ON THEIR BEHALF FOR FIVE FURTHER YEARS.

WITHOUT A MAJORITY 'YES' VOTE AT THE BALLOT, CROYDON WILL LOSE FIVE YEARS OF ADDITIONAL INVESTMENT AND IN FUTURE THERE WILL BE:



- **NO** Deep cleaning team removing gum, graffiti and jet washing
- **NO** Tailored business cleansing programme
- **NO** Commercial waste and recycling
- **NO** Improvements to the appearance of neglected areas
- **NO** Hanging baskets and colourful floral displays across the town
- **NO** Winter lights

- **NO** Attractive art installations brightening the streets
- **NO** Festivals and events such as Brickosaurs and Treat Out Croydon
- **NO** Street Live entertainment including Big TV screen events like Wimbledon Live
- **NO** Christmas markets
- **NO** Marketing and promotional campaigns to boost footfall
- **NO** Street Ambassadors



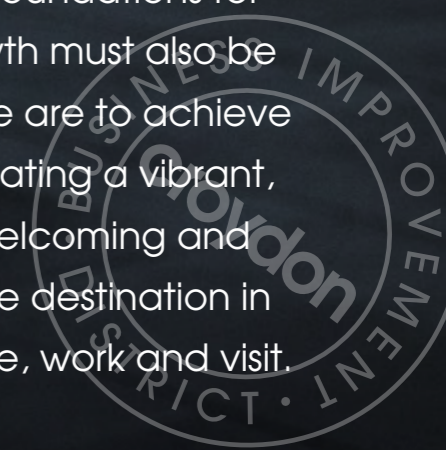
- **NO** Strong, representative voice
- **NO** Business updates, newsletters and digital communications
- **NO** Business networking events, briefings and forums
- **NO** Town centre data and insights
- **NO** Check Out Croydon loyalty card
- **NO** Targeted business promotions
- **NO** One stop shop to help resolve operational issues



- **NO** Additional police resource
- **NO** Targeted police operations eg against shoplifters
- **NO** Day and Night Ranger patrols
- **NO** Croydon BID Radio Link scheme
- **NO** Croydon Business Crime Reduction Partnership
- **NO** Business crime intelligence sharing
- **NO** Free security training and workshops
- **NO** Promotional safety campaigns

OUR PATH TO RECOVERY

A clean, safe, attractive and welcoming town centre environment is essential businesses tell us but firm foundations for economic growth must also be put in place if we are to achieve our vision of creating a vibrant, sustainable, welcoming and culturally diverse destination in which people live, work and visit.



Together we can. Together we will.
VOTE YES

CONSULTATION RESULTS

We pride ourselves on our regular communications and on-going dialogue with businesses in the town centre to ensure their needs are being met and their views and concerns are heard and represented.

As events of the past 18 months continue to impact even now on each and every one of us, never has there been a more important time to obtain our members' views on their immediate priorities and how we can continue supporting them over the next five years.

During March and April, quantitative and qualitative research was carried out among all our levy payers via on-line and hand-delivered surveys and through three independently facilitated video conferencing sessions. A total of 158 survey responses were received and the results have been utilised to help us shape our business proposal for 2022 – 2027.

WHAT YOU

TOLD US

WHEN CONSIDERING THE CHALLENGES FACING CROYDON, YOU TOLD US THAT ECONOMIC RECOVERY, SAFETY AND CROYDON'S ABILITY TO COMPETE WERE AMONG YOUR TOP PRIORITIES:

97%

of you rate recovery of the economy following the COVID-19 pandemic as a priority

93%

said Croydon Council's Renewal Plan and their financial ability to support the business community was important

97%

of you stated that feelings of safety and security for you, your business and staff is a priority

93%

of you rate the changing nature of retail across high streets and town centres as a priority

96%

of you said Croydon's ability to compete and subsequently grow in the future is a priority

85%

of you state that the re-development of the Whitgift Shopping Centre is a priority

WE ASKED YOU WHAT WAS IMPORTANT TO YOUR BUSINESS AS WE LOOK TO MOVE FORWARD, TOGETHER.

RESOLVE

97%

of you stated that we should play an active role in supporting the reduction in homelessness

RESOLVE

95%

of you would like Croydon BID to continue funding our additional, dedicated police operations

REFRESH

98%

said that continued funding of a dedicated deep-cleaning and jet washing service was important

REFRESH

96%

want us to collectively support the use of vacant units through alternative means

REVITALISE

97%

want us to create and deliver a programme of engaging events to attract footfall

REVITALISE

97%

want Croydon BID to support their business with advertising, marketing, PR and promotional campaigns

REPRESENT

96%

want regular communications on the issues that matter to inform your business

REPRESENT

94%

would like Croydon BID to continue to represent, lobby and influence on your behalf

THRIVE

95%

want Croydon BID to work in partnership with transport providers to improve access

74%

of businesses rated Croydon BID's contribution over the last 5 years as 'Very good' or 'Good'

OUR VISION

FOR CROYDON TO BE ONE OF THE MOST VIBRANT, SUSTAINABLE, WELCOMING AND CULTURALLY DIVERSE LOCATIONS IN SOUTH LONDON IN WHICH TO DO BUSINESS, WORK, LIVE AND VISIT.

OUR PURPOSE

An independent, business-led, business-funded organisation, we share a common vision with our members and key partners as we look beyond fixing the basics and put in place strategies and plans that will help Croydon town centre to grow and thrive.

As we begin to emerge from national lockdown restrictions and start to fully identify the repercussions that COVID-19 has had on our economy, our Renewal Proposal has recovery of the town centre at its heart.

On your behalf, we are committed to addressing the challenges the town centre faces with practical and innovative solutions, championing your interests on matters that most affect your business.

Our proposal highlights how through the delivery of innovative projects and services, we will manage not just fundamental needs but also deliver activities that enliven and enrich our town centre.

Together, we are committed to delivering value to the area in order to build firmer foundations for sustainable economic growth.

RESOLVE
PUTTING SAFETY FIRST

1

REFRESH
FRESHENING UP OUR STREETS

2

REVITALISE
BOOSTING OUR TOWN'S APPEAL

3

REPRESENT
CHAMPIONING YOUR INTERESTS

4

THRIVE
BROADENING OUR HORIZONS

5



WHAT WE WILL

DELIVER

Working together with our members, partners, suppliers and key agencies, we are committed to delivering a comprehensive programme of co-ordinated projects and initiatives designed to help forge an even stronger, more effective town centre community, improve our town's image, attract greater investment and help guarantee Croydon's future success.



Together we can. Together we will.
VOTE YES



THE CHALLENGE

Ensuring the safety and well-being of everyone in the town centre has always been high on our agenda but, in our experience and that of our members, the multitude of security issues currently facing the area has reached an unprecedented level.

Rising crime, aggressive street begging, street drinking and antisocial behaviour are all detrimental to the town and its reputation. The growing number of homeless and rough sleepers on the streets is also of mounting concern and is an issue that is deserving of everyone's attention.

The plain fact is, however, that none of these are matters that can be addressed overnight nor by any one single organisation. A concerted, collective response is what is needed to help resolve these issues and to create an environment in which people and businesses feel safe and happy to invest.

THE AIM

Over the next five years, our aim is to build upon the strong relationships that already exist within our community to see strategies developed and initiatives put in place that focus the necessary resources on deterring and tackling crime, providing reassurance to the public and giving businesses the tools and support they need to thrive.



1

RESOLVE

PUTTING SAFETY FIRST



Chief Supt. Dave Stringer, Commander, South Basic Command Unit (BCU), Metropolitan Police Service

The safety of all those within Croydon town centre is paramount. Feeling safe is of fundamental importance to each and every one of us, whether at home or out and about during the day or at night. Croydon, in common with many other areas, will face significant challenges as we come out of lockdown.

We are looking to make a significant impact on reducing crime and anti-social behaviour. We value and wholeheartedly support the leading, independent role that Croydon BID plays in representing the needs of the business community and the difference it makes in delivering partnership-led solutions to tackle criminal activities head-on."



1

RESOLVE

PUTTING SAFETY FIRST

Croydon's reputation and future success hinge upon its ability to attract and retain businesses, employees, residents and visitors who are assured of being safe and secure in the town.



WE WILL

INVEST IN YOUR SAFETY



To address the issues that are of increasing concern to our members, we will:

ADDITIONAL POLICE RESOURCES

Continue to fund extra police resource in the town centre to provide a visible, reassuring street presence, help deter and cut crime and support businesses through regular engagement and intelligence-sharing.

TARGETED POLICING OPERATIONS

Co-ordinate town-centre wide and individually-targeted security operations to crack down on shoplifting, anti-social behaviour and other forms of business crime in conjunction with the police and other agencies.

CO-ORDINATED ACTIVITY TO RESPOND TO HOMELESSNESS

Bring key partners together to identify the main issues and challenges associated with homelessness and support the development of a co-ordinated strategy to provide long-term solutions for those in need. Working with the private sector, we will also raise awareness of the issue and identify ways in which, together, we can provide support and additional funding.

ACTIVELY TARGET AGGRESSIVE BEGGING AND ANTI-SOCIAL BEHAVIOUR

Work with key partners to actively target aggressive street begging and anti-social behaviour so that its impact upon all those who visit, work and live in our town is minimised.

DELIVER A TEAM OF SAFETY FOCUSED DAY RANGERS

Fund a team of Day Rangers to provide advice, support and a reassuring, visible street presence for those who use our town centre during the day and to help businesses deter and tackle crime through regular engagement.

FUND A TEAM OF SAFETY FOCUSED NIGHT RANGERS

Fund a team of Night Rangers to support the town's evening and night-time economies through the provision of routine street patrols, advice and support for the public and regular engagement with and assistance for businesses to minimise the impact of anti-social behaviour.

OPTIMISE THE CAPACITY OF CCTV IN THE TOWN CENTRE

Optimise the operational capability of the town centre CCTV system to ensure it is fully utilised to its maximum capacity as a vital tool in the armoury for combating and deterring crime in the town centre.

SUBSIDISED MEMBERSHIP TO THE CROYDON BID RADIO LINK

Reinforce the benefits of a collective effort towards tackling crime, by providing subsidised membership of the Croydon BID Radio Link scheme to all town centre businesses. We will expand its use and provide staff with a highly effective tool for reporting issues through rapid intelligence sharing and contact with our Ranger teams.

CROYDON BUSINESS CRIME REDUCTION PARTNERSHIP

Continue to keep businesses up-dated with the latest information and intelligence on crime, anti-social behaviour and repeat offenders via our sector-specific partnerships, enabling members to work collectively towards creating a safer town centre environment.

OFFER FREE TRAINING, ADVICE AND SUPPORT WITH BUSINESS RESILIENCE

Develop a suite of conflict management, cyber security and counter terrorism workshops and training sessions to provide you and your staff with the advice and information required to tackle crime and support you with business resilience.

DELIVERY OF PROMOTIONAL SAFETY CAMPAIGNS

We will develop a series of promotional campaigns to highlight the success and progress of crime reduction initiatives in the town centre, provide reassurance and help improve overall perceptions of safety.

WE HAVE

40,000

hours of additional, dedicated town centre policing

5,100

hours of additional patrolling through our new Ranger team since October 2020

£84,000

raised in providing direct support to those homeless in Croydon

THE CHALLENGE

The value of a clean, well-maintained and welcoming environment should never be underestimated when it comes to attracting and retaining businesses, employees and visitors.

Appealing outdoor spaces and streets that are dirt and rubbish-free go a long way towards shaping perceptions and creating a town centre in which we can all be proud.

For busy urban environments such as ours, keeping the streets permanently fresh and clean is a costly and never-ending challenge.

But the importance of maintaining Croydon's appeal is now far greater than ever our members tell us, as the town grapples with growing amounts of dirt and grime, the number of vacant premises and empty areas of land continue to rise and re-development, by its very nature, continues to disrupt daily life.

THE AIM

Over the next five years, our aim is to intensify our street cleaning and recycling services to support and meet the growing needs of the town centre business community. Working with our members, key partners, landlords and property owners we also aim to introduce projects that will refresh and enhance our town spaces through the addition of vibrant floral and art displays, while transforming the use and appearance of vacant commercial properties to improve the look and feel of our streets and provide an extra dimension to what is on offer.

REFRESH

FRESHENING UP OUR STREETS

2



Kevin Dewick, Area Director, HSBC

Croydon BID brings added value to our town centre community at a time when businesses are increasingly under unprecedented pressure. The BID team consistently demonstrate enormous commitment towards creating a clean, safe, comfortable and attractive environment for all those in the town as well as providing lively programmes of entertainment and colourful art and floral installations, which not only serve to challenge preconceived notions of Croydon as a concrete jungle but also help to improve everyone's experience of the area, all of which can only be for the good of those doing business here.



REFRESH

FRESHENING UP OUR STREETS

Attractive outdoor spaces and streets that are clean, vibrant and welcoming are all key factors in helping to shape first impressions of our town amongst all those who use it and play an important role in the drive to attract and retain investment and ensure economic growth.



WE WILL

INVEST IN BRIGHTER STREETS



ADDING VIBRANCY AND COLOUR

Enhance and expand our annual programme of adding an abundance of colour to our streets through the provision of hundreds of hanging baskets and improved planting and maintenance of prime sites at key entry points into the town centre, to add vibrancy to the area and improve the town's appeal.

PUBLIC REALM IMPROVEMENTS

Invest in a co-ordinated programme of public realm improvements across the town centre to address the basic need to freshen up the appearance of neglected street furniture including bollards, seating areas and railings, in an effort to improve standards, transform the appearance of public spaces and create a positive impression.

ENHANCING VACANT PREMISES

Develop a programme of activity with our members, key partners, landlords and property owners that dresses or makes new vacant commercial premises to bring them back to life, provide a new, additional dimension to what is already on offer in the town and to transform the appearance of tired and empty spaces.

WINTER LIGHTS

Continue to support the town centre business community during the peak winter shopping season by funding the installation of an annual winter lights scheme adding colour and vibrancy to 10+ key streets across our town.

WE HAVE

9,500

hours of additional, dedicated town centre jet-washing, deep cleaning, graffiti and gum removal

187,500

square metres of our most popular streets deep cleaned removing dirt, stains and general grime

24,300

plants added to the town centre offering year-round colour and vibrancy

6,000

hours of winter illuminations delivered across 10+ major streets, kick-starting the festive season

To address the issues that are of increasing concern to our members, we will:

DEDICATED STREET CLEANSING SERVICE

Step-up our approach towards tackling grime, graffiti, gum and fly-tipping in the town centre by boosting investment in our dedicated deep cleansing and jet washing service to improve the look and feel of our main thoroughfares and help enhance the experience of all those visiting, working and living in Croydon.

TAILORED BUSINESS CLEANSING SERVICE

Deliver a targeted business cleansing service for our members tailored specifically to meet their individual needs and tackle such issues as cleansing shop fronts and graffiti tag removal, at no additional cost.

COMMERCIAL WASTE AND RECYCLING SERVICE

Provide a subsidised commercial waste and recycling service for our town centre community, designed to reduce business costs by offering access to a wide range of discounted services seven days a week, while supporting the environment.

IMPROVING NEGLECTED AREAS

Identify tired and run-down areas that can be transformed and brought back into use through the introduction of colourful, creative art projects and installations that freshen up and add vibrancy to the town's appearance while helping to reduce the risk of criminality.

THE CHALLENGE

Creating and maintaining a more welcoming, relaxing and enjoyable environment for everyone is crucial when it comes to increasing Croydon's appeal, boosting visitor numbers and revitalising the local economy. The twin challenges of attracting people into our town centre and managing their experience and perceptions of it while in the midst of what was initially expected to be a five-year redevelopment programme have long-since been recognised by our members.

But the combined effects of a slowdown in the pace of Croydon's regeneration along with the downturn last year in our economy have accelerated the decline in our local street scene with derelict areas of land and more commercial premises than ever now standing empty and reductions in footfall due to, a switch in people's shopping, working and socialising habits.

THE AIM

Over the next five years our aim is to inject extra life, energy and colour into our town through the creation of attractive outdoor spaces and expansion of leisure time events and entertainment, such as our highly popular Brickosaurs Trail and giant TV screens. Seasonal and sector specific campaigns will add further support, providing a valuable extra dimension to the town centre experience. We will continue to build on Croydon's reputation as an up-and-coming place in which to invest by utilising new and existing communication platforms to promote everything the town has to offer, as well as through our planned support for Croydon's London Borough of Culture 2023 celebrations.



3

REVITALISE

BOOSTING OUR TOWN'S APPEAL



Jo Bailey, Centre Manager, Centrale Shopping Centre

The pandemic has been undeniably tough on our town centre and the economy, but the last 18 months have also really highlighted the importance of community and supporting one another. As restrictions ease and Croydon comes to life once again, Croydon BID's work to create an experience to be proud of in the heart of town is more important than ever.

Centrale and Whitgift Shopping Centres have recently collaborated with Croydon BID to deliver BRICKOSAURS, a family focused event throughout the summer holidays. This forms part of a wider programme of exciting events and activities, designed to enliven our town centre and deliver for the people of Croydon. The BID plays an important role in the town's recovery by restoring confidence; supporting businesses; and bringing people back to our city centre.



REVITALISE

BOOSTING OUR TOWN'S APPEAL

Creating and maintaining an improved and enjoyable town centre experience for all those who visit, work and live in the area will contribute significantly towards enhancing people's perceptions of Croydon, increasing footfall and raising the town's profile.



WE WILL

CREATE A BETTER IMPRESSION



SEASONAL EVENTS AND ENTERTAINMENT

Deliver a mixture of lively entertainment and seasonal and targeted sector-specific events such as Brick Live Safari, Brickosaurs and Treat Out Croydon Food and Drink week to add extra vibrancy to the town centre, increase its appeal and encourage people to spend more time here.

MARKETING AND PROMOTION

Increase our promotional and marketing support for the town centre, delivering sector specific campaigns such as our recent Treat Out Croydon, to raise awareness of the town's wide retail, hospitality and leisure offer and to attract new visitors and encourage people back.

TARGETED BUSINESS PROMOTIONS

Enhance our capacity to support members' promotional needs with further targeted activity, across print and digital platforms such as social media campaigns and our seasonal guides in order to attract and drive up customer numbers at no additional cost.

TARGETED RESIDENTIAL CAMPAIGNS

Capitalise on the rise in our town centre's residential population by delivering dedicated promotions that raise awareness of everything the town has to offer and encourage people to discover and re-discover what is available during the day and at night.

LONDON BOROUGH OF CULTURE 2023

Work with our partners to develop and deliver a programme of memorable activities that help to underline Croydon's growing arts, music and cultural reputation and showcase everything that it has to offer in order to capitalise on the significant commercial opportunities available to the business community during Croydon's London Borough of Culture 2023 celebrations.

WE HAVE

380+

event days, delivering a diverse range of activities full of energy, vibrancy and talent

100+

new pieces of art added across the town centre transforming pockets of neglected spaces into vibrant, colour filled masterpieces

394,000

visitors to our two websites supported by 17,000+ social media followers designed to promote your business and our community

220,000

people who live, work and visit our town centre greeted by our team of Street Ambassadors

To address the issues that are of increasing concern to our members, we will:

REVITALISE EMPTY PREMISES

Explore with our partners, landlords and property owners, the potential for introducing creative and innovative new temporary uses for empty premises and vacant plots of land across the town centre to expand and improve upon the range of leisure time activities currently available to those visiting, working and living here.

APPEALING ART INSTALLATIONS

Add to the cultural experience of our town through the introduction of further stunning public art displays and colourful installations such as the giant Otto Schade mural on Katharine Street to help visually transform entire areas, revitalise empty sites and leave everyone with a positive, lasting impression.

THE CHALLENGE

As the town centre starts to emerge from one of the most difficult trading periods in living memory, championing the needs, views and concerns of our members is more important than ever.

While the pandemic's impact on our town centre may not be fully realised for some time to come, reductions in public expenditure and a slowdown in the town's regeneration programme present considerable challenges for the local business community which in turn underlines the need for hard decisions and swift and collective action to be taken.

Through our campaigning efforts on behalf of the town centre, we have successfully demonstrated the enormous benefits that can be derived when organisations work together at a local, regional and national level, achieving far more than any one individual organisation is able to do on its own.

THE AIM

To build on these achievements, we will continue to develop and maintain strong working relationships with policy makers and influencers, ensuring that the business community's views are robustly represented at the highest levels. Regular engagement with our members and ensuring that they are kept up-to-date on the latest news, developments, issues and policy changes will also be key in the drive to forge an even stronger, more dynamic and effective town centre community and help guarantee Croydon's future success.



4

REPRESENT

CHAMPIONING YOUR INTERESTS



Nick Smith, Owner, The Ludoquist

The Ludoquist has always been about community – and when Covid hit, it was clear to us that community was going to be more important than ever. Croydon BID helped co-ordinate local hospitality businesses so that we largely worked with each other in a supportive way through the pandemic, rather than in competition. BID also worked successfully to raise our concerns and challenges at not just a local but a national level, tapping into the wider hospitality community outside Croydon to pressure government.

The next few years are likely to be not much easier for Croydon than the last one, and we're delighted that there is such a strong team in place to continue to represent and inform businesses like us."



REPRESENT

CHAMPIONING YOUR INTERESTS

Representing members' interests and ensuring their views and concerns are heard will be more important than ever as our town begins to recover from the devastating impact of COVID-19 while continuing to grapple with the protracted upheaval of regeneration.



WE WILL

BRING BUSINESSES TOGETHER



BUSINESS EVENTS AND FORUMS

Continue to deliver a series of regular, high-profile briefings, networking and sector-specific events such as Link-UP and Spotlight featuring prominent keynote speakers to provide members with the chance to learn at first-hand about the issues affecting our town centre as well as the opportunity to connect, discuss and ask questions.

REGULAR COMMUNICATIONS

Increase our capacity to use a range of print and digital platforms, including social media and regular e-bulletins to further develop a sense of community among town centre businesses. We will keep them up-dated on the latest news and progress being made within the area and provide additional promotional support through spotlight interviews and venue reviews.

BUSINESS RATES REFORM

Support the campaign for an overhaul of the outdated business rates system so that it better reflects our business community and acknowledges the imbalance in taxation between digital and high street business. Through our lobbying efforts at a local, regional and national level we will collectively push the Government into taking action and making a long-overdue decision which is now even more important in light of the challenges facing our high streets.

ONE STOP SHOP

Continue to serve as a vital 'one stop shop' for businesses, utilising the BID team's vast knowledge, experience, skills and contacts to help tackle and resolve any day-to-day operational issues while enabling members to continue focussing on what they do.

WE HAVE

400,000

communications issued from over 200+ campaigns to keep you up to date and informed on the latest news, events and promotions

£1.9m

secured discretionary grant fund to support Croydon businesses thanks to our national 'Raise the Bar' campaign

20,000

business engagement visits to keep you informed, up-dated and offering pro-active support when you need it

1000's

of hours representing your needs, influencing policy and direction at local, regional and national meetings

To address the issues that are of increasing concern to our members, we will:

CHAMPION YOUR INTERESTS

Identify and understand the medium and long-term challenges that our members face and work with you and our partners to ensure your views are strongly and widely represented within key local forums such as the Local Strategic Partnership Group and Joint Advisory Group as well as regionally via the Greater London Authority. As part of the Business Improvement District network of over 300 BIDs, we will also continue to ensure members views are heard at a national level in the drive to secure positive outcomes for the town centre.

LOCAL INSIGHTS AND MONITORING

Continue to invest in data and intelligence gathering platforms such as footfall cameras, Mastercard expenditure data and transport data as well as sector specific surveys to provide members with valuable insights and up to date information on customer shopping and travel trends, for example, enabling them to plan ahead and make better informed business decisions.

THE CHALLENGE

As we face up to the immediate challenges confronting the town centre, it is equally important to consider our long-term aspiration for Croydon and the pivotal role the business community can play over the next five years and beyond in reshaping and reinventing our town, taking account of changes in people's work, shopping, travel and socialising habits, in order to maximise its future success.

Our town is finally beginning to shake off its unfashionable image, as a mixture of modern residential, office and retail developments start to replace the outdated office blocks of the 1960s.

And with its growing reputation as a digital tech hub and a burgeoning arts, music, and cultural scene, the town's transformation is steadily under way – a change that will be reinforced further this autumn with the arrival of the proposed new town centre university campus.

THE AIM

Building on the key cornerstones of our proposal, our ultimate aim is for Croydon to evolve into a modern, thriving, ambitious and vibrant urban environment in which businesses and residents alike can happily co-exist and be proud, visitors are keen to return to and into which people and businesses continue to invest.

It is an ambition that is likely to take far longer than five years to achieve and we know the road ahead is unlikely to be easy but we remain realistic about what we are able to achieve.



5

THRIVE

BROADENING OUR HORIZONS



Richard Plant, Partner, Stiles Harold Williams

When I look out across the town centre, I am optimistic for the future given the number of cranes across our skyline, progressive development plans and the clear opportunity Croydon has to grow as a destination. As we look to the future, working together, we need to harness the growth potential of Croydon, boosting its appeal to investors. Croydon BID's demonstrate clear and confident plans as we look to recover including the reclassification of our town main train stations from zone 5 to zone 4 which will I am sure help to make Croydon an even more attractive prospect



THRIVE

BROADENING OUR HORIZONS

Improving people’s perceptions and experiences of Croydon and creating and maximising new opportunities to help increase its appeal will be central to our efforts to build a stronger, more dynamic and thriving town centre.



WE WILL

ENABLE CROYDON TO THRIVE



RECLASSIFICATION FROM ZONE 5 TO ZONE 4

Continue promoting the benefits of Croydon’s unrivalled transport connections to all those who live, work and do business here while campaigning for reclassification of the town’s two main train stations from Zone 5 to Zone 4, to help make Croydon an even more attractive prospect.

UNBLOCKING THE CROYDON BOTTLENECK

Lobby with our partners for early development and implementation of an action plan to enable Network Rail to unblock the Croydon bottleneck to provide Brighton mainline passengers with more reliable, frequent and faster services and deliver much needed capacity for further growth.

ATTRACTING INWARD INVESTMENT

Support the creation and delivery of an inward investment strategy with our partners to capitalise upon Croydon’s growing reputation as a good place in which to invest and independently identify and target opportunities across all sectors to improve and expand on what Croydon currently has to offer.

INFLUENCE FUTURE REGENERATION PLANS

Push for greater clarity and certainty over plans for the town’s redevelopment by securing a commitment from our partners, landowners and developers to provide greater communication, consultation and information on the future direction of our town to help business owners plan for the future and maximise their success.

To address the issues that are of increasing concern to our members, we will:

PROMOTING CROYDON

Continue to build on Croydon’s growing reputation as an up-and-coming place to be, by promoting the area’s unique qualities, characteristics, diversity and history. Working together with our members and partners, we will seek out opportunities to raise and maintain our town’s profile and counter negative opinions to enhance people’s perceptions and experience and provide investors with the confidence they need.

EXPLORING NEW AND ALTERNATIVE USES

Commission an independent study to identify alternative uses for vacant spaces across the town centre to help revitalise the retail core of the area and identify opportunities for short and medium term growth.

Working with our partners, landlords and property owners, we will look to expand and improve upon the range of amenities currently available to increase the town’s appeal and ultimately boost footfall.

SUPPORTING HOSPITALITY

Ensure our evening and night-time economy sector is better informed and well-placed to thrive in future, by commissioning an independent study into the needs, expectations and demands of those who visit, work and live in the area in order to identify potential opportunities for the future. Along with our partners, we will then deliver a programme of activity designed to create the appropriate environment to maximise sustainable growth.

WE HAVE

£1bn+

grant fund secured to support businesses with a rateable value of £51k+, supporting tens of thousands of businesses, thanks to our national ‘Raise the Bar’ campaign

£10m+

reach, nationwide, of our national ‘Raise the Bar’ campaign, shining a light on the need for greater financial support from the Government

15,000

signatures petitioning the Government, supporting our campaign to ‘Raise the Bar’

BUDGET

An indicative five-year budget has been prepared based on the ratings list (2021-2022) as supplied by Croydon Council at the time of writing this business plan.

Recognising the challenges facing Croydon and our collective need to recover from the impact of the COVID-19 pandemic, Croydon BID is making the pledge to freeze its levy at 1% of the rateable value of each hereditament* and is committed to containing costs and achieving savings wherever possible.

The Croydon BID levy will raise £4.5 million to be spent exclusively in the BID area over its five-year term. Furthermore, Croydon BID will work with partners and stakeholders to supplement its annual income to allow greater delivery against the priorities you have identified.

The Croydon BID budget will be allocated proportionately against the priorities identified within the Renewal Proposal 2022-2027.

Decisions on expenditure and budget allocation will be governed by the Croydon BID Board which is a cross sector representation of our membership. These decisions will always be based on the need to offer maximum value to Croydon BID levy payers and the town centre and will be recorded accordingly.

- The budget has been based on an estimated collection rate of 95%.
- The Croydon BID levy is collected by our agent Croydon Council. The levy collection charge is £19,000 per annum, which amounts to 2.2% of the annual levy and £35 per hereditament.
- Management and overhead costs of Croydon BID include all staffing, office accommodation, levy collection charges and legal and accountancy costs associated with running the BID.
- The budget will remain flexible to allow for changes within the BID area that may arise as a result of changing economic and environmental factors, adjustments to business rates values and other unforeseeable events beyond our control

NB Levy collection charges will be reviewed by Croydon Council and Croydon BID annually taking into account the number of levy payers per calendar year.

*Rateable business unit

Croydon BID Indicative Budget 2022-2027

Income (£)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
BID Levy Income (95% collection rate)	858,107	858,107	858,107	858,107	858,107	4,290,535
BID levy from previous years	12,000	12,000	12,000	12,000	12,000	60,000
Contributions	30,250	30,250	30,250	30,250	30,250	151,250
Total Income	900,357	900,357	900,357	900,357	900,357	4,501,785
Expenditure (£)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Resolve	222,000	222,000	222,000	222,000	222,000	1,110,000
Refresh	180,500	180,500	180,500	180,500	180,500	902,500
Revitalise	170,000	175,000	170,000	165,000	170,000	850,000
Represent	80,000	80,000	80,000	80,000	80,000	400,000
Thrive	40,000	35,000	35,000	35,000	35,000	180,000
Overheads inc staff	219,250	219,250	219,250	219,250	219,250	1,096,250
Total Expenditure	911,750	911,750	906,750	901,750	906,750	4,538,750
Surplus/ (Deficit)	-11,393	-11,393	- 6,393	-1,393	- 6,393	
Surplus bought forward from previous year	50,000	38,607	27,214	20,821	19,428	
Surplus to take forward	38,607	27,214	20,821	19,428	13,035	

GOVERNANCE

Croydon BID is an independent, not-for-profit company limited by guarantee, governed and chaired by the Croydon BID Board.

The Board provides strategic direction and input and is responsible to stakeholders for the conduct, performance and due governance of the BID Company. It is also responsible for setting the annual budget and monitoring finances throughout the course of the year. Membership of the Board is voluntary and directors are unpaid.

The structure of the Board reflects the number and types of business in the town centre and consists mainly of BID levy-paying businesses or statutory service providers. From time to time, the Board may co-opt new members or invite observers to Board meetings.

The work of the Board is supported by a series of committees whose membership is drawn from the wider BID stakeholder community. Each committee is chaired by a Board member and meets to drive forward the work of the BID, on a project-by-project basis.

The BID's finances are independently audited and reviewed each year and are presented in the Annual Report & Accounts and at the AGM to which Croydon BID levy payers are invited.

It is important that the activities of the BID represent additional value above and beyond public services already provided by the local authority and other public sector partners. To that end, Croydon BID has entered into several baseline agreements with Croydon Council to clearly define the levels of service that can be expected from the local authority.

A formal Operating Agreement has been entered into with Croydon Council that defines all of the contractual arrangements for collection and enforcement of the BID levy. For further details on these visit www.croydonbid.com.

THE CROYDON BID BOARD

Darren Hockaday Chair	Phil Crawley Marks & Spencer Croydon	Maxine Maatsankofa HM Revenue & Customs	Cllr Manju Shahul-Hameed Croydon Council
Jonathan Sharrock Coast to Capital	Mark Davis Trams for London (Transport for London)	Caileen Mitchell Croydon College	Stephen Tate* Croydon Council
Joanne Bailey Centrale & Whitgift Shopping Centres	Dominic Glanz Unibail-Rodamco- Westfield	Richard Plant Stiles Harold Williams	Carol Squires* Croydon Council
Janet Borrow Company secretary	Caroline King Superdrug	Ian Stephenson McDonalds	Inspector Steve Warnes* Croydon Metropolitan Police Service
Martin Corney The Whitgift Foundation		Andrew Taylor Mr. Fox & Parliament Bars	

* Observer

THE CROYDON BID EXECUTIVE TEAM

Croydon BID is managed by a small executive team that is responsible for planning and delivering all of the BID's projects and services, drawing on the support and expertise of the local business community. The team currently comprises:

Matthew Sims Chief Executive	Shaun Webster Head of Operations	Keely Dench Business Engagement Manager	Cheryll Wright Business Crime Reduction Manager
--	--	--	--

In addition, the BID team directs and oversees the services provided by its Street Ambassadors, Day and Night Time Rangers and street cleaning contractors.

LEVY RULES AND REGULATIONS

The BID levy is a mandatory charge, enforceable in the same way as non-domestic rates, following a successful ballot.

- The BID levy is the principal source of income for Croydon BID.
- The term of the BID will be 1st April 2022 to 31st March 2027.
- The levy will be set at 1% of the relevant rateable value of each hereditament* within the BID area valued at £40,000 or more.
- There are no exemptions or discounts to the levy for charitable status, mandatory rate relief or businesses paying other service charges.
- Currently the number of businesses within the BID area is 550, who will be eligible for the vote and to pay the levy.
- All premises with a rateable value of less than £40,000 within the BID area will be exempt from paying the levy and therefore will not be eligible to vote in the ballot.
- The levy will be due on 1st April each year and will be payable in full in one single instalment.
- There will be no refund if the BID levy payer vacates the premises during the year, therefore steps should be taken where appropriate to apportion liability with incoming tenants, landlords or freeholders.
- Hereditaments will be charged as at 1st April 2022 ratings list. Where new properties come into the ratings list, or mergers or splits occur, the hereditament will be charged as per the current ratings list at that time.
- Where a property is empty, the levy liability will transfer to the eligible ratepayer which may be the property owner.
- Before the end of the five year term Croydon BID Board may seek renewal of the BID for a further five year term, through a renewal ballot.

*Rateable business unit

WORKING OUT YOUR BID LEVY

To calculate the amount of levy payable, simply multiply by 0.01, the rateable value of your business unit based on its rateable value as at 1st April each year.

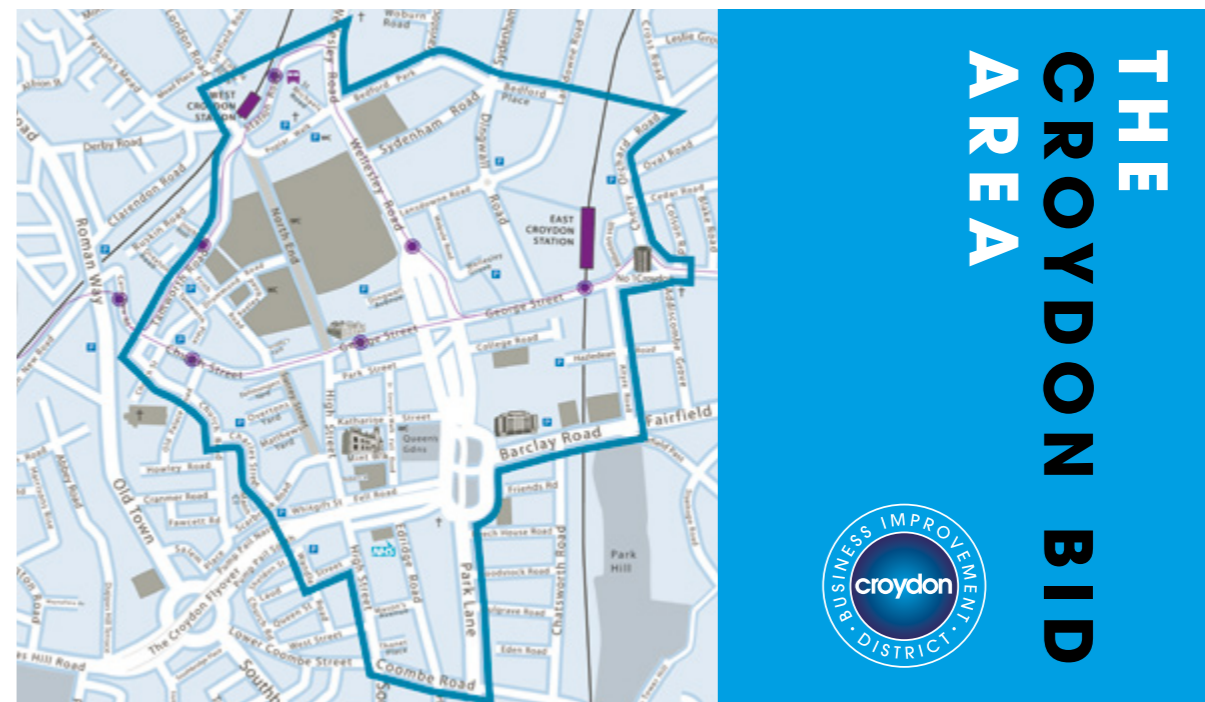
If you are unsure of your rateable value, please contact the Croydon BID Team on 020 8603 0050.

Typical rateable value	Annual BID levy
£40,000	£400
£50,000	£500
£100,000	£1,000
£500,000	£5,000
£1,000,000	£10,000

COLLECTION OF THE BID LEVY

Arrangements for the collection of the BID levy are set out in a formal Operating Agreement between Croydon BID and Croydon Council (for details visit www.croydonbid.com). These arrangements are governed and administered within the guidelines set out in the BID (England) Regulations 2004.

Croydon Council will be responsible for collecting the BID levy on behalf of Croydon BID. The levy will be collected in one instalment due on 1st April each year and held in a separate account solely for Croydon BID. Enforcement measures for collection of the BID levy are detailed in the Operating Agreement between Croydon BID and Croydon Council.



ALTERATION OF THE BID ARRANGEMENTS:

The streets and hereditaments to be included in the BID area may change due to alterations in Croydon Council's rating list. Rateable business units may additionally be included if their rateable value, at any time during the BID period, meets or exceeds £40,000 or they are newly added to the ratings list and the rateable value threshold criteria is met. They may also be excluded from the BID area and BID levy charge in cases where amendments are made to the ratings list that either remove rateable units from the list or alter the

rateable value to below £40,000. BID arrangements may be altered without an alteration ballot as long as there is no proposal to alter:

1. The geographical area of the BID
2. The BID levy in such a way that would:
 - cause any person to be liable to pay the BID levy who was not previously liable to pay;
 - increase the BID levy for any person other than for inflation purposes.

THE BALLOT

The Croydon BID ballot will run from 20th September 2021 to 21st October 2021, giving you the chance to vote on our business proposal and determine the future of Croydon BID.

Croydon BID must receive a YES vote from the majority of our voting members in the ballot, both by number and by the total rateable value of those businesses who cast their vote.

- The ballot is a confidential postal ballot
- To ensure neutrality, Croydon Council will be responsible for the administration, management and delivery of the ballot
- A voting paper will be sent to you for each business unit that you own or occupy that has a rateable value of £40,000 or more
- Where a business has more than one business unit with a rateable value of £40,000 or more, it will receive a ballot paper for each individual unit
- Each ballot paper counts as one vote. It is therefore important that **EVERY voting paper** is completed and returned

THE VOTE

- A notice of impending ballot will be issued on **6th September 2021**
- Your ballot paper will be distributed on **20th September 2021** when the ballot opens
- You will need to cast and return your postal vote by **5pm on 21st October 2021**
- The result of the Croydon BID ballot will be announced on **22nd October 2021**

**Your business.
Your town centre.
Your decision.
VOTE YES**

KEY DATES:

6th September 2021
Notice of ballot published
by Electoral Services

20th September 2021
First day of ballot period

21st October 2021 at 5.00pm
Last day of ballot period -
deadline for receipt of
ballot papers

22nd October 2021
Announcement of result



**Croydon Town Centre Business
Improvement District**

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Croydon, CR0 1YD
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Your business.
Your town centre.
Your decision.
VOTE YES

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TOGETHER WE CAN
**TOGETHER
WE
WILL**

**2022-2027
BUSINESS PROPOSAL**

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LET'S MAKE IT HAPPEN

For General Release

REPORT TO:	CABINET 16 August 2021
SUBJECT:	Post Covid Vision for the Town Centre
LEAD OFFICER:	Sarah Hayward Executive Director of Place Heather Cheesbrough Director of Planning and Strategic Transport
CABINET MEMBER:	Councillor Oliver Lewis Cabinet Member for Culture and Regeneration
WARDS:	Fairfield & Addiscombe West (in part)

SUMMARY OF REPORT

This report sets out the council's ambition to develop a new vision for Croydon town centre that responds to the fundamental societal and economic changes that have been driven by the global Covid 19 pandemic. The council is ambitious for the future of Croydon as a cultural and night time economy hub, with a vibrant day time economy. But realising this vision will require us to use our convening power to bring together a diverse partnership that can respond to the challenges created by the pandemic for every economic and social sector. The report seeks to establish a board for this purposes and proposes wide engagement to ensure and inclusive vision is developed. The report also sets out next steps for the Council in relation to activities arising from the compulsory purchase order.

COUNCIL PRIORITIES

The report and recommendations address several of the Council's priorities, namely:

- *We will live within our means, balance the books and provide value for money for our residents.*

The town centre is a key focus for jobs, investment, education, leisure, services, shops, homes and public life. Its health and vibrancy is central to the economic and social wellbeing of our residents and businesses. The Covid 19 pandemic has accelerated the decline in retail, changed behaviours regarding the use of town centres and has created great uncertainty in work and travel patterns, which without direct intervention by the Council will undermine regeneration initiatives. The Council's role will be largely to convene stakeholders and the borough's diverse communities, facilitate meaningful public and stakeholder engagement through platforms like the Croydon Urban Room and influence external developers and investors to help bring consensus for a Town Centre vision and inform the preparation of a Regeneration and Recovery Action Plan for the regeneration and redevelopment of the Whitgift Centre and the wider Town Centre. Collaboration with all parties and the public will help create an authentic vision with a sense of ownership to help deliver. The recently completed study for the Council investigating the Future of Destination retail is informing a new dedicated North End Quarter chapter in the Local Plan Review; this will provide an important framework to inform the participatory exercise to define a detailed vision.

- *We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.*

Croydon town centre (and the North End quarter in particular) has excellent accessibility and rich & diverse heritage which facilitates all residents across the borough to access its offer and services. A healthy, vibrant and inclusive town centre that provides opportunities for all through an equitable choice of services, shops, education, public space and housing will help address inequality and hardship. Opportunities to nurture local young people, organisations and businesses with affordable and accessible provision of services and infrastructure will also be key. An accessible participatory process to determine the future vision will be essential in understanding diverse needs and ensure the town centre is truly inclusive. The Urban Room platform will be important for this effort to provide an accessible process, with the first step focusing on empowering our diverse communities to meaningfully engage and influence the future of their town centre. The sustainable transformation of the built environment of the area with integrated green and blue infrastructure, improved connectivity and sustainable travel links, high quality streets and public spaces and enhanced biodiversity not only improve perception, attractiveness and value of the area, but also importantly ensure longer term improvements in sustainable economic growth, health and wellbeing and positively address environmental injustice and climate change.

- *We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. Moreover, to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.*

A new vision for the Town Centre needs to include safe, inclusive and clean streets and high quality public realm which facilitates ease of movement for all by active travel and public transport, helping to reduce air pollution and promote healthy lifestyles. A new emphasis on a biodiversity and greening to the town centre should help promote health and well-being in the population.

FINANCIAL IMPACT

The expenditure of up to £50,000 funded from existing recovery grants secured for this purpose from external sources, is proposed to kickstart the community, business and stakeholder engagement and visioning exercise through the platform of a medium term 'Croydon Urban Room'. In addition to the Council's financial commitment, this approach will need to be supplemented by external funding and resource from partners and external bidding.

FORWARD PLAN KEY DECISION REFERENCE NO.: Not a key decision

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

Cabinet are recommended to agree:

- 1.1 The setting up of an Advisory Town Centre Board, in principle, with Council representatives being the Leader (Chair) and the Cabinet Member for Culture & Regeneration; and delegate authority to finalise the terms of reference to the Interim Executive Director of Place, in consultation with the proposed stakeholders, members and Chair.
- 1.2 The delivery of a community engagement programme for the town centre, and the North End area in particular to build on and help deliver the vision as set out in the Local Plan.
- 1.3 The setting up of a Croydon Urban Room within the town centre as a focus and platform for community, business and stakeholder engagement.
- 1.4 A budget of up to £50,000 funded from central Government's Welcome Back Fund, to kickstart the community, business and stakeholder engagement.
- 1.5 The preparation of a Recovery and Regeneration Plan as a non statutory document for the town centre.
- 1.6 The Cabinet is recommended to note the contents of the report and on the basis of the activities of Croydon Limited Partnership (CLP) in preparing short, medium and long term plans for the redevelopment of the Whitgift Centre, that legal instruction is initiated for the transfer to Whitgift Limited Partnership of land acquired through the Compulsory Purchase Order (CPO).

2. EXECUTIVE SUMMARY

- 2.1 The Covid-19 pandemic has had a dramatic impact on the retail and leisure sectors, challenging the operating models of town and retail centres across the country. While it remains to be seen what the long-term impact of the pandemic will be on town centres, it is clear that a new vision is needed in order to respond to this changing landscape and to make Croydon town centre a successful and sustainable post-Covid destination. The purpose of this report is to initiate work with partners and local communities to develop a new vision for Croydon town centre that responds to the economic and social challenges created by the pandemic and to update members on the Whitgift redevelopment.
- 2.2 The current economic and societal climate is uncertain for town centres throughout the UK, however a vibrant and attractive town centre as a destination of choice for residents, workers and visitors is central to the identity of the borough and its sustainable growth, regeneration and placemaking is central to meeting the Council's Corporate Plan priorities. A proposed new way forward is outlined, which seeks to work in partnership with stakeholders and

communities and, by using the proposed new policies in the Local Plan Review and the Future of Destination Retail study as a springboard to create a new collaborative vision for the town centre grounded in Croydon's DNA and heritage. This vision could help inform both the phased redevelopment of the Whitgift and a meanwhile and precursor strategy, bringing some bottom up thinking, energy and expertise.

- 2.3 Prior to the pandemic shifts in consumer behaviour had already started to present challenges for town centres across the UK. The pandemic has accelerated behaviour change and created new economic and societal shifts that create both challenges and opportunities.
- 2.4 Croydon's has significant assets that mean it is well placed to respond to these challenges if we can leverage the right partnerships to develop and deliver a shared vision. The town centre benefits from the catalysts of London Southbank University (LSBU), the London Borough of Culture 2023, a healthy night time economy and strong developer interest including the continuing build out of the five town centre masterplans and public realm improvements. These all bring opportunities to attract new life and complementary uses to the town. The Council will continue to optimise these opportunities for placemaking and regeneration of the town centre. However, the Council's lack of ownership and direct involvement in the Whitgift Centre redevelopment, the changes brought by the Government in respect of Permitted Development and Use Class E, and the challenging financial position of the Growth Zone present challenges that will require careful navigation.

3. BACKGROUND

- 3.1 This August marks the ten-year anniversary of the London riots that devastated large parts of central Croydon. The borough and town centre recovery from the riots was uneven and many residents and businesses feel they were left out. The proposals in this report will seek to build a much more inclusive approach to recovery from the pandemic by giving our community a real voice in the development of a new vision for the town centre.
- 3.2 There have been significant developments in the town centre that have brought new economic benefits delivered or being delivered through a number of master plans. However, the continued uncertainty around the Whitgift has the capacity to cause blight and means it is imperative we work with our partners to develop a new vision that builds on our cultural and night-time offer as well as responding to the changing retail environment accelerated by the pandemic.
- 3.3 A more detailed chronology and supporting text in Appendix 1 provides further details of key events in the history of the scheme between 2010 and 2021. The related reports to Cabinet appear as background documents to this report. It should also be noted throughout this period the Council's officer project team and its external surveyor and legal advisors have regularly met to monitor, inform and steer the project.
- 3.4 A Scrutiny Task and Finish Group has been set up to undertake a review on the future of the Town Centre in Croydon. The recovery of the town centre has

been identified as one of the key areas of work it would like to prioritise in the Scrutiny Work Programme for this year. The findings and recommendations of this Task and Finish Group will inform our vision.

The CLP Perspective and CLP Partner Update

- 3.5 Since the granting of the 2018 planning consent for the redevelopment of the Whitgift Centre, the participants in CLP have been impacted by structural changes that have affected the retail sector generally and by the Covid pandemic, which together have resulted in contraction of the retail market and the failure of many of retailers (including those who had a major presence in Croydon, such as House of Fraser and Debenhams). Both CLP partners have endured these financial and operational challenges, have undergone significant corporate change, and say that they have become stronger and better able to envision and deliver future-ready retail and town centre assets. CLP recognises that the now expired 2018 consented scheme is no longer an appropriate or sustainable development, and states that it is aligned to work together with other stakeholders to unlock the investment needed to deliver a new vision for the town centre. They have stated that this approach will represent one of the most significant regeneration opportunities of a major urban centre in the post-pandemic, climate-emergency era and will need to take into account the changes to people's lifestyles, expectations and shopping habits.
- 3.6 **Unibail Rodamco Westfield (URW) Corporation's** group strategy is to concentrate on the best assets in key cities and shaping and improving those cities through positive regeneration. In January 2021, URW announced the extension of its Management Board (MB) including new the appointment of Jean-Marie Tritant, as chief executive officer and chairman of the MB. The new MB leads a more decentralised URW with empowered regions, each headed by a regional chief operating officer (COO) - Scott Parsons for the UK. The Group's strategy is based on three pillars: concentration, differentiation and innovation. This strategy has allowed URW in the past to generate strong growth and outperform the market, driving returns and growth. The Group strategy to increase the densification of its portfolio by adding office, residential, hotel and other "mixed-use" projects enables URW to leverage its key strengths to reinvent city districts in the UK, Europe and the US.
- 3.7 **Hammerson** is a public Real Estate Investment Trust, listed on the London Stock Exchange, which owns assets across the UK, France and Ireland. In 2020, the structural changes in physical retail and the Covid pandemic resulted in the largest fall in net rental income and UK asset values in Hammerson's history and a financial loss of £1.7 billion. This situation led Hammerson to undertake a rights issue and sell assets, which has been successfully completed raising over £1bn between October 2020 and June 2021. Over the last 12 months there has been a significant change of management including a new Chair and rotation of the Board, a new CEO, CFO, COO and a new Chief Development and Asset Repositioning Officer. These recent changes position Hammerson with a different outlook and strategy to its assets; to become a developer, owner and operator of sustainable, mixed-use destinations, which create thriving urban spaces for the communities they serve.

- 3.8 CLP's immediate focus is dealing with the significant vacancy rate in both Centrale and The Whitgift Centre generated over the past 12-18 months. This requires significant resource but has been successful in for instance moving the Next outlet store into the former Debenhams. The situation with vacant units and the pandemic during 2020 has created a negative loop where higher vacancy has led to less vibrancy and fewer visitors, which has contributed to higher vacancy. CLP inform the Council there is currently a very significant cost to keeping the centres open and trading due to the vacancy rate and the situation where retailers are occupying at nil cost or inclusive rents just in order to keep units open and trading.
- 3.9 CLP believe that as the UK emerges from lockdowns and people return to town centres, it is expected that conditions will improve to allow more of the vacant space to be occupied and enlivened. CLP's intention is to broaden the mix of uses in the centres - the recent opening of Flip Out in Centrale is an example that has added a new family leisure use to the town centre. With other lettings to the NHS and use of space in Centrale as a vaccination centre, there is a proactive approach to secure alternative uses which will generate footfall for the town and help reposition the purpose of the centres. Future plans include introducing a textile repairs café into Whitgift; and pilot work to explore setting up a tech office hub in the centre. There is an active proposal looking at repurposing part of the former Allders building for an education user and CLP is working with council officers to identify other potential occupiers and uses to broaden the appeal of the town centre.
- 3.10 CLP states it will continue to deliver events and marketing to promote the town centre, at a cost of over £0.5m p.a. There is a dedicated CLP team on site, which includes on-site marketing managers and an activation team, who run and co-ordinate the events and promote the centre's in all forms of media, including social media. CLP will continue to work with the Council to deliver an ongoing series of cultural and family events and initiatives. Current examples include the Art Trail and the upcoming Brickosaurs trail which will have a number of large lego models of dinosaurs displayed across both Centrale and Whitgift. CLP will maintain a very active community programme working with local stakeholders and businesses such as Fashion Meets Music, Lives Not Knives, the Brit School, Conditions Art Workshop, Turf Projects, the Windrush Generation Legacy Association and more to take space in the centres and provide activation for otherwise vacant space.

CLP Proposed Next Steps

- 3.11 CLP has set out the proposed next steps to prepare for redevelopment to help activate the town centre in the meantime,
- By the end of 2021, CLP will commence work on the brief, vision and principles for a future masterplan, working closely with the Council to ensure alignment with their own emerging local plan framework.
 - CLP will continue its work to support the activation and marketing of the town centre and will report regularly on progress. Wherever possible, uses and activations that can be established on a longer-term basis will be delivered.

- CLP will over the course of 2021, as the development framework emerges and there is further certainty for investment, continue to work with other owners and stakeholders to regularise the land interests and create an investable proposition that can support future development proposals.
- CLP will explore stand-alone development opportunities that can be brought forward within the framework subject to demand and feasibility especially on redundant areas of the site.
- CLP will work closely with the Council on proposals, events, and activations to help Croydon town centre, including celebrating being the 2023 London Borough of Culture.

3.12 Given the significant changes in both the operating landscape resulting from the Covid pandemic and within the senior management and approach of both CLP partners, there is a renewed opportunity to begin to build a new sustainable post-Covid vision for Croydon town centre. CLP have stated that that they are committed to Croydon and to the redevelopment and regeneration of the Whitgift Centre. Both partners have suffered significant setbacks over the last 16 months arising from the pandemic. This has led to the need for a re-evaluation of their assets and business strategy. Both partners need time to work through what this will mean for Croydon and the Whitgift, however they are committed to work with the Council, other town centre stakeholders and the communities to ensure that successful and fit for purpose proposals for the regeneration and redevelopment of the Whitgift and town centre are evolved.

DEVELOPING A NEW COLLABORATIVE VISION

- 3.13 Whilst regular dialogue between the Council and CLP has always been undertaken, it is now even more critical to ensure that new proposals (meanwhile, precursor and end-state) come forward as swiftly as possible and that proposals are robust, sustainable, viable and deliverable. A new, coordinated and more inclusive approach to the revival of the town centre is necessary which harnesses its rich and diverse heritage, energy, ideas and collateral from stakeholders and communities. This also aligns with the Mayor's London Recovery Plan prepared to address the impacts of the pandemic. The Mayor's Plan consists of nine missions and the recommendations in this report would provide a Croydon town centre specific response.
- 3.14 Whilst the Council is bound in the short term by the contractual agreement of the Indemnity Land Transfer Agreement (ILTA) with CLP, it has no land or finance to bring about the town centre's regeneration unilaterally, however the Council has significant convening power to bring stakeholders together, build partnerships and channel inward investment, particularly in view of the huge opportunity of the Borough of Culture. By focusing on areas within the Council's control, the Council will drive regeneration through complementary work streams to run concurrently with any development proposals brought forward by CLP. The Council will continue to add value and challenge and ensure Croydon residents and businesses inform and help deliver the regeneration and recovery for the town centre.

Advisory Town Centre Board

- 3.15 In recognition that a way forward in a post-pandemic world for the whole town centre including the redevelopment of the Whitgift is challenging, an Advisory Town Centre Board is proposed which brings together key stakeholders in the town centre. Membership will be made up of key strategic partners agreed in advance with the Chair.
- 3.16 There are a number of key stakeholders who have huge influence and significant financial commitment in the town centre, its vitality and vibrancy would be in all their interests. The remit of the Advisory Board is to bring together and coordinate resources, intelligence and data, to help build a consensus amongst stakeholders on the regeneration and recovery of the North End Quarter and Whitgift Centre and an alignment of initiatives and activities to achieve a greater sum of the parts and to help inform the preparation of a clear and deliverable Regeneration and Recovery Plan for the regeneration and redevelopment of Whitgift Centre and wider town centre over the next 5 years. This would be a non-statutory document but could be used as a basis for bidding and statutory documents in the future. The Council will be the convenor and Chair of the Board. The terms of reference for the Advisory Town Centre Board will be developed in collaboration with these stakeholders and approved in accordance with each stakeholder's decision making processes. It is recommended that Cabinet delegates authority to finalise the terms of reference to the Interim Executive Director of Place, in consultation with the proposed stakeholders, members and Chair.
- 3.17 The Board will not be decision making and it is recognised that all stakeholders will have their own decision making process to comply with in order to make commitments under the proposed Regeneration and Recovery Plan and Advisory Town Centre Board.
- 3.18 As a complementary activity in collaboration with the wider community, it is proposed that the Council will provide an initial sum of £50,000 to kick start the town centre engagement and visioning initiative, however this will need to be supplemented by external and partnership funding and resources in kind from other parties. The focus of this will be to deliver and facilitate a meaningful public engagement programme to inform the Regeneration and Recovery Plan using tools and techniques such as the platform of the Croydon Urban Room and to ensure all interests seek to progress the regeneration and redevelopment of the Whitgift Centre as swiftly as possible.

Croydon Town Centre Community Collective

- 3.19 Croydon benefits from huge passion, talent and energy. Through a diverse forum open to all and facilitated through ward members and community leaders, the Collective would be a focus for community engagement. The Collective will have a diverse and inclusive membership and a reach that is reflective of the borough and the Croydon Opportunity Area's existing / new residents, workers and visitors. To ensure this, the Collective will be formed with input regarding membership from services across the Council, voluntary sector, third party partners, third party service providers and developers (to access residents and occupiers of new development schemes). The Collective

will generate ideas and proposals to both inform as well as practically deliver a renaissance to the town centre. An initial focus of activity would be the visioning of the town centre that builds upon the Local Plan proposed new policy and could be informed, facilitated and promoted through activities aligned with the London Borough of Culture 2023 and which also encourages people back into the town centre. The outputs from this engagement work would also inform the Regeneration and Recovery Plan.

Croydon Urban Room

- 3.20 To provide a physical manifestation and focus to the Croydon Collective and Town Centre Visioning activities, it is proposed to re-establish the Croydon Urban Room, which was used to great effect for the early engagement on the Review of the Local Plan. Using an empty shop unit in the town centre as a collective space for exchange. The aim will be to make accessible future planning and placemaking, build and share knowledge and skills to generate viable ideas and proposals. An initial focus of activity could include the following.
- 3.21 An accessible public programme to upskill and empower our communities (particularly harder to reach demographics) to meaningfully engage and influence the process as well as to ensure a clear understanding of opportunities, challenges, delivery and parameters. This can be done successfully through the tools of the Croydon Urban Room including exhibitions, activities, design led workshops, talks, roundtables etc. Youth engagement will also be a key part of the programme through re-establishing the 'Croydon Young Future Thinkers' initiative as part of the Urban Room.
- 3.22 This will lead to the realistic and resilient visioning of the town centre over a number of years / periods that builds on emerging frameworks and policies and could be informed, facilitated and promoted through activities of the Croydon Urban Room. There will also be opportunity to further align it with the London Borough of Culture 2023 programme and completion of a number of significant residential and mixed use schemes, as well as public realm projects that also encourages people back into the town centre.
- 3.23 The funding of the Urban Room will need to come from a variety of sources and partners. Council funding will primarily come from grants the Council is in receipt of that are focused on supporting post Covid 19 pandemic economic recovery and / or town centre / high street renewal. The remainder to come from stakeholder / partnership funding, in-kind contributions such as provision of space, and other external grants that could be jointly bid for with key stakeholders, particularly academic institutions.

PLANNING CONTEXT

Croydon Local Plan Review

- 3.24 Policies for this part of the town centre in the current Croydon Local Plan 2018 and guidance in the Croydon Opportunity Area Planning Framework (OAPF) are based on evidence dating back before 2010 and are now an outdated approach to planning and development in town centres. The OAPF and 2018 Local Plan underpinned the previous planning consents and CPO process. In

recognition of the need for a fresh approach, a new transformation chapter has been prepared as part of the Review of the Local Plan, called 'The North End Quarter'. This chapter specifically addresses the challenges in this retail led part of the town centre. New evidence has been commissioned to inform the chapter which investigates the future of destination and big box retail and based on this the chapter sets out a planning framework for a unique mixed use, sustainable, diverse, and flexible approach, emphasising public health and wellbeing and providing space for local, small and medium sized businesses and occupiers alongside a mix of other uses. It also sets out an indicative spatial framework that seeks to improve the quality of the built and natural environment. A reduction in comparison goods retail space is envisaged with any proposed increase in other floorspace to be justified. Policy to enhance placemaking including improved permeability, connectivity and public realm improvements; green and blue infrastructure and enhancing biodiversity has been drafted. Rather than a single phase comprehensive redevelopment of the Whitgift Centre and surrounding land it is envisaged that there may be phased redevelopment based on a comprehensive masterplan, including where appropriate the reuse of existing built form with high quality and sustainable design encouraged. This planning policy framework provides a strong basis to inform the engagement work as set out in the recommendations.

- 3.25 Cabinet is due to consider authorising publication and consultation on the Local Plan Review proposed submission Regulation 19 document in October 2021, with a likely adoption date of early 2023.

Class E and Permitted Development (PD)

- 3.26 The 1st August 2021, saw the introduction of new Permitted Development (PD) Rights for Class E uses classes (Commercial, service or Business use) to Residential. This means that any premises in this use class under 1500m square metres, empty for 3 months or more can, subject to certain other conditions and limitations, be converted to residential through a Prior Approval process, with only extremely limited control by the Local Planning Authority.(LPA) The PD rights include Conservation Areas. The existing town centre office to residential Article 4 Direction in place until 31st July 2022 will protect equivalent development until its expiry.
- 3.27 The impact of this on the health and vitality of Croydon town centre, and indeed the Borough's other town centres is very concerning. Uncontrolled residential development under PD, can give rise to sub standard accommodation and impact negatively on neighbouring sites. The break up of retail frontage with residential units can undermine commercial vitality and viability and also give rise to complaints from new residents in respect of existing noisy or unneighbourly uses. In addition, affordable housing or other s106 contributions cannot be negotiated. To help navigate these concerns and informed by a detailed research study, the emerging Local Plan chapter for the North East Quarter sets out some policy, spatial guidance and a framework for specific types of development and land uses that are considered appropriate to ensure the resilience and vitality of the town centre. It has to be recognised though that the LPA has very little control over this new PD right and this could undermine the Council's efforts in town centre regeneration.

REGENERATION AND CULTURAL CONTEXT

Borough of Culture

- 3.28 The Borough of Culture is a fantastic opportunity to re-establish the importance of the role of Croydon town centre in the psyche of the borough and the wider sub-regions through cultural placemaking. It will help to re-establish the Croydon town centre as a vibrant visitor destination through cultural and artistic interventions which will celebrate Croydon's unique identity, showcase our local talent and create opportunities for our creative and cultural sectors beyond traditional retail offers. The Borough of Culture will occupy fringe, vacant and meanwhile spaces across the Borough to demonstrate how the arts can lead the call for system change with our communities and give opportunities for communities to shape the areas they live, work and visit.
- 3.29 Whilst the programme is yet to be developed, the town centre planning, regeneration and placemaking should be a coordinated part of the process of programme development through events and activities which critically examine, explore and celebrate Croydon's unique heritage, identity and cultures, but are economically viable as public funding is going to be very constrained for the foreseeable future.

Croydon's Evening and Nighttime Economy Plan

- 3.30 The aim of this plan is to make Croydon South London's destination of choice. Beyond the 9-5 economy, the 6 till late economy is about utilising town centre spaces in a different way, and bringing people together to create a lasting yet evolving evening and night time culture that meets the needs of all residents and businesses. The refurbishment of Fairfield Halls is central to this, but Croydon's many individual businesses provide important cultural venues that offer a diverse night time offer. Post pandemic, further consideration will be required to understand how people's habits and lifestyles have changed and the influence this will have on the regeneration of the town centre and to align with the Borough of Culture work. The Council will drive this forward with its fellow Evening and Nighttime Economy Steering Group members.

Croydon Town Centre Regeneration and Recovery Plan

- 3.31 Croydon is a place that has continually reinvented itself and has a rich and diverse heritage. Town centres throughout the UK are seeking to redefine themselves post pandemic, with huge uncertainty over their future role and form. Croydon is already well placed to take on this challenge with a set of five design led and delivery focused town centre masterplans already underway in their delivery. A vision and delivery plan for the town centre, building on the planning policy position, and responding to the Mayor's Recovery Plan needs to be arrived at through collaboration, introspection, exploration, testing and reality. At the same time, it needs to be grounded in a robust and sustainable framework that complements the other key masterplan areas and programme of public realm enhancements to improve the permeability, connectivity, activation and quality of its streets and public spaces. It has to be inclusive, authentic and reflect the diversity of the borough's communities and businesses and their needs, flexible enough to encompass opportunity, safeguard and celebrate heritage and respond to Croydon's DNA, engendering civic pride and

sense of ownership.

Growth Zone

- 3.32 The Growth Zone programme was originally established in 2016. It ring-fenced business rates growth from April 2018 (for 16 to 19 years) to enable borrowing to fund infrastructure to support growth. It was meant as a virtuous circle – early investment in infrastructure would lead to faster and better growth, which would in turn provide the business rates to repay the loan taken to fund said infrastructure.
- 3.33 The original Growth Zone programme included an estimated £520 million of projects supported by an initial £7m revenue grant from Central Government and a loan of £309.9 million, with the balance (circa £210 million) met from other sources including TfL, the GLA or S106 planning obligations.
- 3.34 The £309.9m loan was based on the estimated future business rates the programme would be able to retain in the future, and therefore the repayments the programme would be able to make against that loan. When the Growth Zone financial model was built, a significant proportion of the estimated future business rates was dependent on the Whitgift Centre redevelopment being delivered as the programme was in 2018.
- 3.35 The combination of the redevelopment of the Whitgift centre being slower, plus the impact of the pandemic that has affected the High Streets means that the borrowing power of the Growth Zone programme and therefore its financial profile needs to be reviewed, as well as the associated programme of infrastructure. The review of the Growth Zone's financial model is ongoing however, it is expected that the programme will need to be considerably reduced. The current Growth Zone programme for 2021/22 was reported to and approved by Cabinet in March 2021.
- 3.36 As a programme spanning over a couple of decades based on predicted future business rates it was always envisaged that the strategic direction of the Growth Zone, as well as its financial profile might flex and change over time and would need to be reviewed regularly. The governance of the Growth Zone programme was established to reflect this, so the programme is in a good place to accommodate this change of pace and scope.

Employment, Skills & Economy

- 3.37 The town centre is facing one of the most challenging periods in its economic history. The impact of the COVID-19 pandemic lockdown has created an economic crisis that needs an ongoing coordinated response in order to reduce the financial impact on town centre businesses and it is widely recognised that the disruption within the economy will mean that many business practices will be unlikely to ever return to established pre-pandemic patterns.
- 3.38 There is an opportunity to 'build back better and greener', using a coordinated approach to attract London living wage businesses into the town centre that provides jobs for Croydon residents. Evidence is emerging from the Croydon Business Network (a forum that represents business membership, trade organisations, workspace providers and education institutions) that there is a

rise in inner London businesses accessing flexible workspace. This presents an opportunity for the town centre and the Whitgift Centre.

- 3.39 The Council has the ability to support economic recovery in the town centre by coordinating and supporting the work of partners and stakeholders to safeguard good businesses, drive high street renewal, boost trade and enterprise, support skills development and encourage business diversification which will support the CLP meanwhile and precursor activity.
- 3.40 London South Bank University will open their new established premises at Electric House, next to the Whitgift Centre in the new academic year bringing a new unique higher education offer to the borough, complimenting existing adult education, further education and higher education offerings of Croydon College, Sussex Innovation Centre and CALAT.
- 3.41 This offers a new opportunity to the town centre and Whitgift Centre not only to provide new skill pathways for residents but also provides a new student market which will bring much needed footfall to the area.
- 3.42 A new tech and innovation workspace could be located inside the Whitgift Centre, bringing new workspace to tech businesses and providing an innovation space for the London South Bank University School of Engineering. This brings new meanwhile opportunity to the centre which starts to build a vibrant digital tech innovation space.
- 3.43 At its peak, in June 2020, the take up of the Job Retention Scheme (furlough) was 37% of employees in Croydon. Whilst this rate has now reduced to 9% (as at 31st May 2021), in line with the London (11%) and England (9%) averages, it does not account for how many employees never returned to work following the June 2020 peak; perhaps reflected by the fact that the rate of Croydon's working age population now claiming Universal Credit has increased from 5.1% to 10.6% since March 2020 - significantly above the London (9.6%) or UK (7.4%) rates.
- 3.44 In the week beginning 28th June 2021, Croydon's football was 25.1% up on the same week last year and according to the OBR Economic and fiscal outlook, March 2021, in Q1 2021, consumption is still expected to be 12% lower than its pre-pandemic peak.
- 3.45 Oxford Economics estimated that the Croydon workforce shed 3,000 jobs in 2020, a 1.3% contraction, and expect a further 4,800 jobs to be lost in 2021.

Croydon's hospitality sectors are the most exposed to the crisis. Accommodation & food in particular will see GVA almost halve in 2020 alone, and will account for around a third of jobs lost in Croydon through 2020 and 2021. Arts, entertainment & recreation and other services will similarly see a sharp fall in output. Oxford Economics also expects Croydon to shed jobs in wholesale & retail trade, professional and administration & support services.

- 3.46 Therefore it is important the approach set out in this report ensures that these sectors are particularly supported within the town centre and that residents are supported fully to access good jobs in the town centre.

Phase 4 Additional Restrictions Grant

3.47 The Council is expecting confirmation from Department of Business, Energy, Industrial Strategy on its most recent Additional Restrictions Grant (ARG) submission. £2.674m has been sought to be spent by March 2022 to supplement economic recovery in the town centre. The ARG principles are as follows;

- Town Centre Recovery
- Supporting Creative & Cultural Business Recovery
- Creating a Culture of Enterprise
- Driving a green recovery
- Supporting Enterprise
- Supporting Small Businesses
- Supporting Black, Asian and Minority Ethnic Businesses
- Digital Recovery
- Creating Community Wealth
- Encouraging more businesses into the borough (Inward Investment)

3.48 Further funding will be sought from the London Recovery Fund and we will work with London Business Hubs and Universities to provide local businesses with 121 mentoring and businesses support.

CURRENT WHITGIFT LAND OWNERSHIP, CPO LEGACY AND LAND TRANSFER

Current Whitgift Land Ownership

3.49 The freehold of a large part of the proposed redevelopment site is held by the Whitgift Foundation including the Whitgift Centre itself. CLP has the benefit of an agreement with the Foundation to facilitate the delivery of the scheme. Parties to that agreement have confirmed to officers that it remains in force.

3.50 Since the inception of the Whitgift redevelopment scheme CLP has acquired land by agreement. CLP also owns the Centrale Shopping Centre on the opposite side of North End, outside the redevelopment site.

3.51 The Council's ownership includes the freehold of the Alders car park and a long lease of the Whitgift car park, both of which are subject to long leases currently held by CLP and sub-let to NCP. NCP is facing administration and is being restructured and as part of this, it is expected that both its leases will be terminated with the car parks handed back to CLP (as immediate landlord) in July 2021.

3.52 Other interests in the site are held by retail operators including major national retailers, such as M&S, H&M, Boots, Superdrug and Sainsbury's and smaller businesses.

CPO legacy matters

3.53 The CPO has enabled the assembly of a number of land interests, primarily through the three GVDs but also by private treaty. The compensation process arising from this is continuing and is likely to do so for some time. Funding for

the CPO compensation is held in an escrow account. The Council, as the CPO acquiring authority, and advised by its professional team undertake land assembly or other tasks associated with CPO legislation, in discussion with CLP.

- 3.54 Subject to very limited exceptions, the land interests and new rights which were subject to Notice to Treats (NTT) have not been acquired by the Council and those notices are due to expire in September 2021.
- 3.55 When the NTTs expire, formal notice will be given to all affected parties. Further compensation claims may arise at this stage. Council officers are working with CLP to issue the notices of expiry of NTTs in September 2021. Compensation claims are covered by the Indemnity Agreement the Council has with CLP, who underwrite the costs arising from the CPO.

Land Transfer

- 3.56 Land vested in the Council through the CPO is subject to the terms of the ILTA which requires that it should be transferred to CLP (or its property arm WLP) . In the meantime, CLP is responsible for its management. The transfer of this land to CLP/WLP is part of their objectives for their predevelopment work, as this should enhance the attractiveness of the asset. The absence of a viable planning consent or any new development proposals is of obvious concern, although it is appreciated that preparing new development proposals during a pandemic, with the full implications for retail yet to emerge, is challenging.
- 3.57 To ensure the vitality and viability of the Whitgift Centre during this period of reappraisal, the Council and CLP have been collaborating to ensure activation is maintained through temporary uses both short and medium term. A wider mix of uses, to encompass commercial, leisure, arts, public and community is being sought with the potential for these uses to be precursors to inform the longer term vision. The creation of a Tech Hub around Trinity Square anchored by LSBU School of Engineering in the Whitgift Centre is an initial pilot. It is anticipated that this would be managed by a specialist operator who would help create an appropriate environment for small and medium sized digital and innovation enterprises. A number of creative and arts led uses are already successfully operating in meanwhile spaces in Trinity Court and the expanded Hub could be a complimentary addition to that.
- 3.58 Furthermore, prior to the impact of the Covid 19 pandemic officers and CLP were discussing the potential of collaborating through workshops to explore potential new uses including short, medium and long term approaches, programming and activation Whitgift Centre. The lockdown halted this, however these have now been instigated again. Central to this is the preparation of a robust meanwhile and precursor strategy, which sets out new temporary uses and initiatives. This should be the first phase of a coordinated medium and long term strategy for the area informed by the various frameworks set out above. The Council considers that collaboration is critical to the successful preparation and delivery of such a strategy. Meaningful community, business and stakeholder engagement through the Urban Room platform should be integrated and inform all phases of development for the area.

Clause 11 discussions

3.59 The extent of the changes in the retail market and the impact of the Covid 19 pandemic were not foreseeable in 2014 when the ILTA was entered into. Whilst the agreement sets out arrangements under clause 11 to address the non-delivery of the Whitgift redevelopment, all the provisions effectively require is for the Council and CLP to seek to agree a way forward for a period of 12 months with recourse to the options of:

- CLP and the Council to agree a course of action and amend the ILTA,
- CLP to work up another planning application or
- the disposal of the site.

3.60 If none of these transpire within periods of between two to five years, depending on the option selected, a sum of £4m indexed linked improvements is to be spent by CLP on North End and a programme of asset management initiatives/interim uses on the Whitgift Centre or (if substantially demolished subject to necessary approvals) the site of the Whitgift Centre.

4. CONSULTATION

4.1 Consultation to date on the future of this part of the town centre has been undertaken through statutory Local Plan, OAPF, CPO and planning application processes. Further consultation has been undertaken for development of the five other masterplan areas in the town centre through extensive public engagement activities, as well as for the variety of public realm and meanwhile projects including the Connected Croydon programme. The Local Plan Review Proposed Submission consultation, if approved by Cabinet in October, will provide an opportunity for the public to comment on the all aspects of the review of the Local Plan and in particular the new transformation chapter for North End Quarter.

4.2 It is proposed to supplement these statutory processes with a broader and deeper consultation and engagement process, largely via the Collective and Urban Room, with stakeholders, businesses and the wider communities to add value and ownership of how the town centre evolves following the establishment of the Advisory Town Centre Board. The deeper consultation and engagement will be designed to ensure the reach is representative of the borough and Croydon Opportunity Area's existing / new residents, workers and visitors. The consultation and engagement design will be informed by services across the Council, voluntary sector, third party partners, third party service providers and developers (to access residents and occupiers of new development schemes). This will entail a programme of activities over the next year with the specific outcomes of informing the Recovery and Regeneration Plan, and developing a town centre vision.

4.3 Statutory public consultation will take place on planning applications that come forward for developments within the town centre, including new proposals for the Whitgift Centre. It is hoped though, that through the town centre visioning process, the Urban Room and Advisory Town Centre Board that pre application consultations will also be undertaken.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report				
Expenditure				
Income				
Remaining budget	_____	_____	_____	_____
Capital Budget available	50			
Expenditure	50			
Effect of decision from report				
Expenditure	50			
Remaining budget	0	_____	_____	_____

5.2 The effect of the decision

This report recommends that £50k be agreed to fund the community and stakeholder engagement outlined in the report. The funding will be secured through the assignment of grants the Council is in receipt of that are focused on supporting post Covid 19 pandemic economic recovery for town centre and high street renewal.

5.3 Risks

The primary risk is that the funding sources outlined above are unable to be either secured due to availability or linked to legislative restrictions. Given current understanding of these pools of funding and their conditions this is considered unlikely, but should this risk be realised the Director of Planning and Strategic Transport will agree an alternative funding approach with the Councils Section 151 officer.

5.4 Options

Given the Council's current financial situation there are no other Council funding options currently as no funding is available as demonstrated by the Council's March 2021 budget setting report approved by Council.

5.5 Future savings/efficiencies

The proposed funding approach seeks to engage the use of grants the Council is in receipt of that are focused on supporting post Covid 19 pandemic economic recovery and / or town centre / high street renewal. Therefore, it is considered that the funding approach has no impact on the savings and efficiencies identified in the Council's March 2021 budget setting report approved by Council. It is also anticipated that this relatively small investment will begin the process of vitalising Croydon Town Centre post-Covid-19 which may ultimately result in increased business rates growth

Approved by: Matt Davies Deputy Section 151 Officer, Finance, Investment and Risk.

6. LEGAL CONSIDERATIONS

- 6.1 The Interim Head of Commercial & Property Law comments on behalf of the Interim Director of Law and Governance that legal implications are embodied in this report, which includes input from the Council's external solicitors.

Approved by Nigel Channer, Interim Head of Commercial & Property Law, on behalf of the Interim Director of Law and Governance & Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 The Council's current financial challenges have reduced the amount of staffing resources significantly within the Regeneration and Growth Directorate and Spatial Planning service. The activities set out in the report will be accommodated within existing staffing structures and resources.

- 7.2 There is no immediate HR issues arising from this report, if any should arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place & Housing for and on behalf of Sue Moorman, the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 The Council has a statutory duty to comply with the provisions set out in the Equality Act 2010. In summary, the Council must in the exercise of all its functions, "have due regard to" the need to the need to comply with the three arms or aims of the general equality duty. There are no direct equalities impacts arising from the recommendations within this report.

- 8.2 The report sets out the key consultation and engagement programme that will be undertaken to inform a future vision and associated delivery mechanisms. The Council will seek to ensure that this programme is undertaken in such a way to ensure responses come from all parts of the community, and analysis of responses will include analysis against equality criteria in order to understand any differing views across the diverse communities in Croydon.

Approved by: Gavin Handford - Director of Policy & Partnership, Strategy and Partnerships.

9. ENVIRONMENTAL IMPACT

- 9.1 Primarily and initially the environmental impact of this report will be addressed through the Council's function as Local Planning Authority. The current development plan that is used to determine development proposals has been adopted alongside a Sustainability Appraisal to ensure the planning framework and policies are the most sustainable of reasonable options. Furthermore, individual development proposals have to adhere to the development plan policies relating to sustainability, such as carbon reduction.
- 9.2 Also, any non-planning related activation and intervention in the town centre, for example if it engages procurement, will be required to adhere to the Council's environmental impact requirements. The proposed Town Centre Board and vision will, in addition to the statutory framework, have regard to the recommendations of the Council's climate change commission.
- 9.3 Finally, many of the Council's stakeholders and partners will have their own environmental and sustainability strategy and objectives.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 The coordinated, collaborative and planned regeneration of the town centre can only improve the vitality, viability and diversification of the town centre uses and residents, workers and visitors. The improvement of places in terms of activation and placemaking objectives has long and understood history of reducing crime and disorder. It is considered the recommendations of this report will have a positive impact on the reduction of crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Cabinet is being recommended to agree that a new Town Centre Board be established and Town Centre Vision prepared in collaboration with the community and stakeholders, to ensure that the Council has a recovery plan for the town centre which recognises the structural and behavioural impact of the Covid 19 pandemic and that the redevelopment of the Whitgift Centre has slowed due in part to changes in the sector and will require a new approach to regeneration. This will require the expenditure of approximately £50,000 for the community and stakeholder engagement.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The options considered included do nothing and allow the regeneration and redevelopment of the town centre to take place entirely by developers and landowners bringing forward proposals that would be assessed against the Development Plan (Local Plan and London Plan 2021). The option was dismissed as it is considered critical that the Council works with the community, businesses and stakeholders to set a collaborative vision, objectives, framework and delivery path for the regeneration of the town centre in the short to long term.
- 12.2 The Local Plan 2018 provides planning policy for the town centre and in particular, the retail core, with further detail provided through the OAPF. However, in response to the need for a timely recovery plan following the Covid 19 pandemic a more flexible and proactive approach is required, which would help deliver on the Council's priorities addressed at the start of the report. The OAPF and Local Plan 2018 in this regard is now dated, although the Local Plan Review will provide new emerging retail and town centre policy and development parameters which seek greater flexibility around uses, approach to delivery and revisits much of the earlier thinking about retail protection.
- 12.3 Options that require the Council to significantly fund and deliver development proposals and interventions itself are not tenable in the light of its current financial challenges.
- 12.4 The Council remains in a contractual relationship with CLP which indemnifies the Council in respect of the Whitgift CPO.

13. DATA PROTECTION IMPLICATIONS

- 13.1 No data protection implications have been identified at this stage given the projects and engagement in the recommendations are in their infancy.

(Heather Cheesbrough Director of Planning and Strategic Transport)

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

No (The subject of the report does not involve the processing of personal data). However, should a data protection implication emerge as a consequence of the recommendations. Data will be managed under the same agreed processes included in the DPIA for the Croydon Local Plan Review and Draft Purley Way Masterplan.

(Heather Cheesbrough Director of Planning and Strategic Transport)

CONTACT OFFICER:

Heather Cheesbrough Director of Planning and Strategic Transport

APPENDICES TO THIS REPORT:

Appendix 1 – Summary of events 2013 – 2018

BACKGROUND PAPERS

11th June 2018 Cabinet Report: Delivering the Whitgift Redevelopment – Proposed revisions to the CPO Indemnity and Land Transfer Agreement & Pre-conditions to Drawdown of Land

Cabinet Report 7 April 2014 – Agenda item 6 - Whitgift Centre and surrounding land – Proposed compulsory purchase order (including Equality Analysis Appendix F)

Cabinet Report 15 September 2014 - Agenda item 7 - Strategic Metropolitan Centre – Update

Planning Committee Report 14 November 2017 – Agenda item 6.1 – Application ref: 16/05418/OUT - Whitgift Shopping Centre and Surrounding Land, Croydon, CR0 1LP

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Summary of events 2013 – To present day

Main abbreviations and parties:

The CPO: The London Borough of Croydon (Whitgift Centre and Surrounding Land bounded by and including parts of Poplar Walk, Wellesley Road, George Street and North End) Compulsory Purchase Order 2014

CLP: Croydon Limited Partnership

WLP: Whitgift Limited Partnership – CLP’s “property owning arm” – holds a long leasehold interest in the Whitgift Centre, subject to a number of sub-leases

ILTA: CPO Indemnity and Land Transfer Agreement between the Council, CLP, WLP and the Sureties which provides for the assembly of land for the redevelopment of the Whitgift Centre and surrounding land and CLP to indemnify the Council. The ILTA has been supplemented as explained below. The sureties are currently: Westfield Corporation Limited and Hammerson UK Properties plc

SoS: Secretary of State

SUO: Stopping up Order

NoE: Notice of Entry

NTT: Notice to Treat

GVD: General Vesting Declaration

WF: Whitgift Foundation – the freehold owner of the majority of the CPO land, most of whose interests were excluded from the CPO

Date	Event
January 2013	The Mayor of London adopted the Croydon Opportunity Area Planning Framework (OAPF) as supplementary planning guidance, indicating that major development was needed to deliver successful regeneration of Croydon’s retail core. The OAPF was adopted by the Council as a supplementary planning document in April 2013.
5 February 2014	Outline planning permission and conservation area consent granted: refs 12/02542/P and 12/12543/CA for a mixed use retail-led scheme, providing for comprehensive redevelopment of the Whitgift Centre and surrounding land. Related s106 agreement entered into.
7 April 2014	Cabinet resolved to make a CPO to assemble the land needed to facilitate the comprehensive redevelopment of the Whitgift Centre and surrounding land and gave authority to enter into contractual arrangements with CLP and related parties in relation to the scheme. Delegated authority was given to specified officers to take all necessary steps to promote the CPO, acquire land and rights by agreement or under the CPO and to complete the contractual arrangements with CLP.
15 April 2014	The Council entered into the ILTA (see above). The CPO was made by the Council and submitted to the SoS.

18 April 2014	First publication of the making of the CPO.
10 November 2014	Judicial review claim brought by the Whitgift Trust in respect of the outline planning permission dismissed by the Court.
24 December 2014	Detailed planning permission granted for a small part of the site (Chapel Walk) 14/02824/P.
28 January 2015	Non-material amendment of outline planning permission 12/02542/P approved.
4 February 2015	Supplemental and novation agreement to ILTA entered into and a related "Access Management and Maintenance Agreement" re land in Dingwall Avenue proposed to be stopped up (proposed frontage to a new John Lewis store).
February – March 2015	Public Inquiry: CPO & SUO (SUO for part of Dingwall Avenue).
25 September 2015	First publication of notice of confirmation of CPO (but "Confirmation Date" in ILTA is specially defined as 23.02.16).
16 February 2016	Statutory challenge to confirmation of the CPO withdrawn by consent.
16 December 2016	Dingwall Avenue SUO published (but not implemented).
20 April 2018	Second outline planning permission for larger retail and housing scheme granted ref: 16/05418/OUT and s106 agreement completed.
8 June 2018	Takeover of Westfield Corporation Limited, one of the participants in CLP, by Unibail-Rodamco SE.
11 June 2018	Cabinet considered a report regarding CLP's "reasonable prospects of delivery" of the scheme and the implications of the revised planning permission, authorised execution of GVD(s) and service of NTTs (subject to relevant notices being served by CLP under ILTA) and amendment of the ILTA re Second Planning Permission. Cabinet authorised officers to take all necessary steps to implement the CPO and in relation to the Council's obligations under the ILTA.
4 July 2018	Second Supplemental Agreement to ILTA in light of Second Planning Permission and amended timescales. Escrow Agreement entered into on the same date.
18 July 2018	Second Dingwall Avenue and Poplar Walk SUOs published (again not implemented).
17 August 2018	CLP served "Drawdown Notice" and "RFD Notice" under the ILTA requesting service of notices/ execution of GVDs to implement CPO in specified ways in respect of individual plots. The RFD Notice confirmed that the Third Party Interests and New Rights proposed by CLP were required for the purposes of the Development (as then envisaged).

17 August 2018	Third Supplemental Agreement to ILTA and “Standstill Agreement” with Marks & Spencer PLC entered into (in connection with CLP’s proposed agreement with M&S).
September 2018	<p>CLP paid estimated CPO compensation into an Escrow Account, following which 3 GVDs were executed by the Council and Notices of GVDs and NTTs were served (+ NoEs in limited circumstances). The service exercise began on 5 September 2018 and the majority of NTTs were served on 6 September 2018. Service of notice of each of the GVDs was completed on 6, 10 and 12 September 2018.</p> <p>The GVD land vested in the Council on 1 February 2019 (GVD2), 5 February 2019 (GVD1) and 7 February 2019 (GVD 3).</p>

Narrative: Events up to 2018

- 1.1 From 2000 onwards, Croydon town centre was in decline. Over the next ten years studies were undertaken which increasingly demonstrated the need for comprehensive regeneration. The Opportunity Area Planning Framework and the Core Strategy, both adopted in 2013 provided the policy context for a comprehensive regeneration, to be facilitated through a Compulsory Purchase Order. (CPO) Other parts of the town centre were covered by five delivery focused masterplans.
- 1.2 Croydon Limited Partnership (CLP) and various associated entities were formed by Westfield Shopping Towns Limited and Hammerson UK Properties Limited in January 2013 as a joint venture to take forward proposals for the redevelopment of the Whitgift Centre and surrounding land. Prior to that time, each of those parties had been making separate efforts to acquire land and rights needed to undertake redevelopment. (Westfield Corporation Limited was acquired by Unibail-Rodamco SE in 2018 and now trades as Unibail-Rodamco-Westfield.)
- 1.3 In 2014 when the CPO was made it was estimated that at least 360 parties held interests in the land needed for redevelopment. The Whitgift Centre was subject to at least four distinct layers of ownership: the freehold (which was then and is still held by the Whitgift Foundation), a head lease (which had been acquired by Whitgift Limited Partnership, (WLP) CLP’s “property arm”) an underlease (subsequently acquired by WLP) and the occupational tenants and other occupiers.
- 1.4 As at 2014 it was estimated that there were at least 160 occupational tenants and other interests in the Whitgift Centre and surrounding properties in North End and George Street, including a wide range of national retailers and some 40 smaller independent retailers and over 90 concessionaires trading from the former Alders building. Other parties with significant interests in the site included Minerva Stores Limited, Marks & Spencer, Legal & General Assurance Society Limited, the long lessees of the two multi-storey car parks and various mortgagees. In addition, the Council held (and still holds) superior interests in the two car parks and parts of the highway land surrounding the site.
- 1.5 The CPO Indemnity and Land Transfer Agreement (ILTA) is a contract between CLP and the Council entered into in 2014 (and subsequently revised) which governs their relationship in respect of taking forward the redevelopment of the Whitgift Centre under which CLP indemnifies the Council in respect of all costs arising through the CPO process.

- 1.6 A revised planning permission for the redevelopment was granted in 2018 (ref: 16/05418/OUT). This addressed issues raised during the CPO inquiry and viability and operating requirements.
- 1.7 In June 2018, Cabinet authorised officers to take all necessary steps to implement the CPO and in relation to the Council's obligations under the ILTA, on the basis of CLP having provided evidence of "reasonable prospects of delivery" of the scheme. Amendments to the ILTA were also approved to align the agreement with the revised planning permission.
- 1.8 It should be noted that whilst the ILTA has been updated on three occasions, it does not reflect the current situation of retail decline, the impact of the Covid pandemic and the resulting changed nature of town centre recovery and regeneration that is now needed. A review and update of the ILTA is dependent on the outcome of the ongoing conversations between the Council and CLP on future proposals for the Whitgift.
- 1.9 The June 2018 Cabinet resolution included delegations as set out below, which are still relevant. The Council has considered the specific delegations below and is satisfied that these are still applicable for the purposes of implementing and progressing all the necessary matters arising from the CPO.

*The Cabinet **RESOLVED** to agree that the Executive Director of Place, acting in consultation with the Director of Law & Monitoring Officer be authorised to:*

- a. *take all necessary steps to implement the The London Borough of Croydon (Whitgift Centre and Surrounding Land bounded by and including parts of Poplar Walk, Wellesley Road, George Street and North End) Compulsory Purchase Order 2014 ("the CPO") including the execution of one or more General Vesting Declarations and the service of Notices to Treat and Notices of Entry in respect of interests and rights within the Order Land specified in the Drawdown Notice;*
 - b. *take all necessary steps in relation to the acquisition of land and new rights and settlement of compensation and any other claims or disputes including legal proceedings relating to the implementation of the CPO, defending or settling claims made to the Lands Chamber of the Upper Tribunal and/or any applications made to the Courts and any appeals;*
 - c. *in the event that a valid Call Option Notice is served on the Council on behalf of the Developer in accordance with the terms of the ILTA (as amended):*
 1. *to appropriate the Council's land interests referred to in paragraph 10.1 for planning purposes pursuant to section 122 of the Local Government Act 1972; and*
 2. *to arrange for the transfer to the Developer of the Council owned land within the redevelopment site identified in paragraphs 10.1 and 10.13; and*
 - d. *take all other necessary steps in relation to the implementation of the CPO and in relation to the Council's obligations under the ILTA.*
- 1.10 The role of the Council in progressing the redevelopment of the Whitgift has always been one of facilitator with its statutory powers as a Local Planning Authority, Highway Authority and as an acquiring authority for CPO purposes. The role of CLP has been to fund and use its commercial expertise and land ownership to deliver an appropriate redevelopment.

2019 – The Present

- 1.11 In early 2019 CLP initiated high level discussions with planners regarding reserved matters and possible non-material amendments to the outline planning permission (ref: 16/05418/OUT). These were in response to improving the scheme's viability but were

not pursued further with the LPA. In mid-February 2019, CLP issued a press report that the redevelopment scheme was “under review [by the developer] due to Brexit and structural changes on the high street” and that development would not begin until 2020.

- 1.12 Following service of notices as part of the exercise of CPO powers in September 2018, land interests subject to three general vesting declarations (GVDs) vested in the Council in early February 2019. This included the L&G parcel on North End, occupied by H&M. In July 2019, the former Alders store was possessed, which accommodated the Croydon Outlet Village. The poor state of repair of the premises required their immediate closure and the relocation of traders into alternative accommodation within the Whitgift Centre. Since then, CLP has been managing the Alders building, has undertaken survey work and is in the process of clearing the building.
- 1.13 In February 2021 – the target date for CLP to commence the retail component of the scheme passed. In April 2021 - the outline planning permission (ref: 16/05418/OUT) expired. The Council has continued dialogue with CLP both at political and senior officer level throughout these key milestones. The Council is aware that throughout Europe and the USA, retail malls are seeking to reimagine themselves, in a world of online shopping and a move away from consumerism. The pandemic has accelerated these changes and has created a very difficult business environment for both CLP partners. Both have seen their balance sheets suffer and their ability to undertake capital expenditure has been significantly curtailed. Existing and previously robust centres such as Stratford and particularly, West London have suffered with footfall significantly down. Croydon on the one hand is fortunate that the 2018 development did not proceed; opening post pandemic with an outdated operating model, but the Whitgift Centre now is very tired and requires a fresh approach away from a traditional model dominated by retail and anchored by department stores. An approach is needed founded on its own inherent uniqueness, rich surrounding heritage and harnessing a range of uses and likely different leasing arrangements.
- 1.14 It has become increasingly apparent that the extent of the structural changes in high street shopping, added to the impact of Covid 19 Pandemic, that a retail-led scheme of the kind previously envisaged and consented is not feasible. Preparatory discussions with CLP have focused around a mixed use scheme, with a lesser quantum of retail and increased office/workspace, education uses, leisure, community, public realm and residential. This is likely to be a phased approach, based on a comprehensive masterplan, with an initial first phase of the former Alders building and its surrounds. It is also apparent that it may be several years before the necessary investment and major works are likely to be commenced. To shape and inform future proposals, the Council's emerging Local Plan Review chapter for the North End Quarter and its evidence study on the future of destination retail and the town centre sets out important parameters and guidance for a more resilient mix of uses and needs to revitalise the area.

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REPORT TO:	Cabinet 16 August 2021
SUBJECT:	Financial Performance Report – Month 3 (June 2021)
LEAD OFFICER:	Chris Buss, Interim Director of Finance , Investment and Risk (S151 Officer)

SUMMARY OF REPORT:

This report provides the Council’s annual forecast as at Month 3 (June 2021) for the Council’s General Fund (GF), Housing Revenue Account (HRA) and the capital programme. The report forms part of the Council’s financial management process of publically reporting financial performance against its budgets on a monthly basis.

FINANCIAL IMPACT

The Month 3 position is currently indicating a net overspend of £0.020m against budget – this represents a £0.563m favourable movement against the Period 2 forecast. This is before taking into account further risks and risk mitigations. In total, £10.626m (Month 2 £11.828m) of further risks (of which £2.229m relates to approved savings risks) are identified against which £7.799m (Month 2 £8.748m) of potential opportunities are identified and set out in the body of the report. Section 3 details these risks and risk mitigations and further discusses the impact on the General Fund if these were to materialise.

The HRA is indicating an overspend of £0.802m (Month 2 £1.595m) against budget. This overspend is further detailed within Section 5 of the report.

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

1. RECOMMENDATIONS

- 1.1 Cabinet are asked to note the General Fund is projecting a net favourable movement of £0.563m from Period 2. Service departments are indicating a £3.471m overspend (Month 2 £4.034m) with this being netted of as in the past two months against release of a one off Covid Grant (£3.451m) confirmed to Croydon Council for 21/22 by MHCLG as part of the Local Government Finance Settlement;
- 1.2 Note that a further number of risks and compensating opportunities may materialise which would see the forecast year-end variance change and these are reported within Section 3 of this report. Should these risks materialise or the mitigations not be effective the Council could overspend by £2.847m (Month 2 £3.676m);

- 1.3 Note the Housing Revenue Account (HRA) is projecting a £0.802m (Month 2 £1.595m) overspend for 2021/22. If no further mitigations are found to reduce this overspend the HRA will need to drawdown reserves from HRA balances;
- 1.4 Note the capital spend to date for the General Fund of £4.372m (against a budget of £138.688m) and for the HRA of £4.061m (against a budget of £183.209m);
- 1.5 Note, the above figures are predicated on forecasts from Month 3 to the year end and therefore could be subject to change as forecasts are refined and new and updated information is provided on a monthly basis. Forecasts are made based on the best available information at this time; and
- 1.6 Note that whilst the Section 114 notice has formally been lifted, the internal controls established as part of the S114, such as the Spend Control Panel remain. However, restrictions have been lifted for ring-fenced accounts such as the Pensions Fund, Housing Revenue Account and Coroner's Costs as these do not directly impact on the financial position of the General Fund. The Spending Control Panel which was set up at the beginning of November 2020 continues to meet on a twice daily basis.

2. EXECUTIVE SUMMARY

- 2.1. This reports sets out the Council's current General Fund revenue budget projected outturn for the full year as at Month 3, June 2021.
- 2.2. The forecast General Fund revenue forecast has improved by £0.563m from an overspend of £0.583m in Month 2. As would be expected, the identification of options to mitigate these service overspends tend to follow from the identification of pressures and it is expected and required that services formulate plans to address these overspends over the coming month.
- 2.3. Further risks and opportunities not yet sufficiently developed to be included in the forecast itself of a net £2.827m have been identified (risks £10.626m and opportunities of £7.799m) if all materialising would increase the forecast overspend to £2.547m, without further drawdown of covid grant related reserves.
- 2.4. The Housing Revenue Account is forecasting an overspend of £0.802m (a reduction of £0.793m on the Month 2 forecast of £1.595m). This projected variance impacts on HRA balances rather than GF reserves.
- 2.5. The capital programme for both the General Fund and HRA is reporting a spend to date of £8.433m against overall budget of £321.897m
- 2.6. This is the third financial monthly Cabinet update report for the 2021/22 financial year. This is the first time the Council is reporting on a monthly basis to Cabinet.
- 2.7. The Financial Performance Report (FPR) which will continue to be presented to each Cabinet meeting provides a detailed breakdown of the Council's

financial position and the challenges it faces. It covers the GF, HRA and capital programme and ensures there is transparency in our financial position, enables scrutiny by both members and the public, and offers reassurance as regards the commitment by chief officers to more effective financial management and disciplines.

- 2.8. The 2020/21 financial year was a very difficult year for the Council. The former Director for Finance, Risk and Insurance (Section 151 Officer) had to issue the Council's very first S114 notice in November 2020.
- 2.9. A further S114 notice was issued on the 2 December 2020 as the Council continued to have an unbalance budget. Since 8th March 2021 the S114 notice has been lifted as the Council received confirmation of a Capitalisation Direction from MHCLG of up to £70m for 2020/21 and £50m for 2021/22.
- 2.10. The Council has had the benefit of a number of recommendations from various stakeholders and scrutiny panels such as the external auditor's Report in the Public Interest. These recommendations have been taken on board and the Croydon Renewal Plan has been developed which will over the medium term financial strategy period restore the Council's finances to balance and develop a more effective system of internal control.
- 2.11. This report forms part of the reporting framework on the delivery of the Croydon Renewal Plan by ensuring the delivery of the council's budget is reported monthly and transparently.
- 2.12. The Council is still working with the external auditors on finalising the 2019/20 audit of accounts however the 20/21 Outturn has now been presented to Cabinet on 12th July 2021 based around their findings.

3. FINANCIAL POSITION

- 3.1. The FPR shows that the Council is forecast to have a General Fund net overspend variance of £0.020m (after drawing down on £3.451m of covid-related grant reserves) – an improvement of £0.563m on the net forecast reported at Month 2 (before additional risks and mitigations), whilst the HRA is projecting a £0.802m overspend before risks mitigations. The current financial forecast is based on the known position at the time of writing this report. It is important that cabinet is aware of the much higher profile that the process has within the Council with iterations of the report going through a range of formal officer meetings including directorate meetings, Executive Leadership team and informal meetings with lead members.
- 3.2. Work is ongoing in departments to review the forecast position for each area and MTFs savings and risks to reduce any overspends and identity further options to mitigate these. Further details and options identified will form part of the monthly Finance Performance Reports.

3.3. In 2020/21 the monitoring forecasts presented details of Covid funding that the Council had received from Central Government, however the Government has not provided any further indication that it seeks to continue to fund Local Government in relation to Covid pressures and thus this section has been removed from 2021/22.

3.4. The position of the General Fund is shown below in Table 1.

Table 1 – Month 3 Projection per Directorate

	Month 3	Month 2				
	Forecast Variance	Forecast Variance From Previous month	Change from previous month	Savings Non-Delivery	Other Pressures	
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Children, Families and Education	(554)	(0)	(554)	-	(554)	
Adults, Health and Social Care	(187)	(169)	(18)	-	(187)	
Gateway & Housing	1,675	234	1,441	-	1,675	
Place	3,450	3,944	(494)	-	3,450	
Resources	(914)	25	(939)	-	(914)	
Departmental Total	3,471	4,034	(563)	-	3471	
Corporate Items	(3,451)	(3,451)	-	-	(3,451)	
Total General Fund	20	583	(563)	-	20	

3.5. Net overspends and underspends within the services budgets are presented as forecast variance (as per Table 1), and are additionally classified as either non-delivery of agreed savings or other pressures. Non-delivery of savings relates to non-achievement of the approved MTFs savings whilst other pressures are as a result of new and external pressures not previously provided for within the Council's 21/22 Budget. Further explanations of these overspends are provided within Section 4 of this report.

3.6 The main areas of movement from Month 2 are as follows:

- Adults, Health and Social Care £0.018m **favourable** movement due to department being able to manage and mitigate the Transitions service overspend;

- Place £0.494m **favourable** movement mainly due to reduced Library services expenditure and additional income received from British Library;
- Resources £0.939m **favourable** movement, principally related to staffing savings / vacancies not being filled, improved projection of court cost income from Revenue and Benefits and release of debt write off costs for closing YourCare Ltd and improvement in delivery of the CES savings delivery
- Housing and Gateway £1.441m **adverse** movement, pressures on homelessness budgets due to increased cases and increases in bad debt provisions.
- Children's Families and Education £0.554m **favourable** movement due to staff vacancies.

Further details can be found in section 4 of this report.

Risks and Risk mitigations

- 3.7 As mentioned within paragraph 3.1 the forecast has been reported excluding further potential risks and risk mitigations. Risks and Risk mitigations are split into quantified and unquantified items.
- 3.8 As with the forecast set out in Table 1 risks are separately reported for those elements that relate to potential under-delivery of approved savings, and those that are new and not directly related to agreed savings plans.
- 3.9 Table 2a below provides for details of MTFs savings at risk with a brief commentary of the projects that are at risk of delivery and Table 2b provides a list of quantified and unquantified other risks. The savings are subject to a separate assurance process involving both the Chief executive and the Section 151 officer meeting with the directorates and the director of policy and programmes, the most recent of these was in early July. This identifies savings at risk and mitigations for both the current and future years. Where risks are quantified currently, these are based on high level information and departmental experiences of the service. At this stage, services are sufficiently confident in being able to manage or mitigate these risks that they are not included as part of the present forecast year-end position. However, the figure has been provided to indicate to Cabinet the likely financial impact on the budget and therefore the need to take action to deal with the risk should they materialise.

Table 2a – MTFS Savings Risk

MTFS Savings Ref	MTFS Savings Description	Savings at risk month 3	Savings at risk-month 2	Change From Prior Month
		(£,000's)	(£,000's)	(£,000's)
CFE Sav 07	Improve Practice System Efficiency	1,065	177	888
CFE Sav 09	Review Children's Centres Delivery Model	237	223	14
CFE Sav 10	Additional Education Savings	15	15	-
CFE Sav 17c	Release of one off investment / full year effect of savings from 2020/21 (for work on social care with children looked after and care leavers)	-	13	(13)
CFE Sav 14	Reduce Family Group Conference Service	-	60	(60)
CFE Sav 03	Reconfiguration of Adolescent Services	-	166	(166)
Children, Families and Education Total		1,317	654	663
HWA Sav 17	PLAN B Contact centre and Access Croydon: Reduction in line management	23	87	(64)
HWA Sav 21	C13767 - Reduction in Welfare Rights (PLAN B - deletion of service)	73	112	(39)
Gateway & Housing Total		96	199	(103)
PLA Sav 08	Public Protection and Licensing Highways & Parking Services merger	50	50	-
PLA Sav 13	Public Protection and Licensing - Discontinue providing a night time noise service.	13	13	-
PLA Sav 24	Parking charges increase 30p/30min	754	754	(1)
Place Total		817	817	(1)
Total Savings at Risk		2,229	1,670	662

Data above taken from Savings Tracker 19th July 2021

- 3.10 Table 2a indicates that there are potential £2.229m worth of savings (£1.670m in Month 2) that may not be achieved, however services are currently carrying out further work to ensure these can be delivered or otherwise mitigated. So far no specific mitigations have been fully identified. Directorates are working up proposals to bring these savings at risk back on track.
- 3.11 Future FPR reports will update progress on these savings at risk. If these savings are deemed to be definitely non-deliverable they will be factored into the monthly forecast and incorporated into the forecast outturn position provided in Table 1. The services have been instructed to find mitigations for all savings that cannot be delivered to meet their budgetary total per directorate.
- 3.12 Section 4 gives details of all the movements between month 2 and month 3 and identifies and movements in delivery of MTFs savings, risks and mitigating items that are factored into the forecast assumptions.

Table 2b – Other quantifiable and unquantifiable risks

Quantified Risks	£'000	£'000	Details of Risk
	P3	P2	
Children, Families and Education	4,963	4,963	<p>£4,571k - Asylum Seekers (UASC)</p> <p>£232k - CSC Staffing Pressure</p> <p>£160k - Education service for schools (Covid impact on income generation)</p>
Adults, Health and Social Care	700	700	£700k - Transitions - value of late prior year payments based on 20/21
Gateway & Housing	500	1,232	£500k - Demand for Emergency/Temporary Accommodation likely to increase.
Place	1,500	1,500	<p>SEN Travel - No Travel Training occurring currently and this could impact - current estimates are based on 10% of the overall £2m being at risk, and also the impact on the supplier relief programme of discounts on early payment being at risk.</p> <p>Parking income risks - £1m parking penalties at risk relating to notices issued and collection rates.</p>
Resources	734	1,776	<p>£334k - Complaints recharges of £334k in Revenue and Benefits (£290k + £44k)</p> <p>£400k Insurance and Risk - forecast to budget on basis that schools income pressure can be mitigated by reduction in premiums and claims - risk is currently up to £400k</p>
Total Quantified Risks	8,397	10,171	
Un-Quantified Risks			

Children, Families and Education			Children Social Care -Placement costs – validation of growth approved currently being completed
Adults, Health and Social Care			TBC - Impact of long Covid - not quantifiable at this stage
			TBC - Potential for further NHS funding for Covid depending on 3rd wave impact - not known at this stage
Housing & Gateway			Housing Additional unquantified risk related to landlord eviction ban being lifted at the end of May 2021 leading to a significant increase in demand for homeless services.
			<p>TBC - Potential DFG fees income pressure due to Covid as the service were unable to conduct adaptations 2020/21 - aiming to catchup all outstanding work in 21/22</p> <p>TBC - NRPF service is demand led so projected underspend could change</p>
Place			SEN PRESSURE - Some routes split due to Covid social distancing role, No Travel Training occurring over the last 12 months, this potentially has an impact of around £1million/year, Addington Valley Academy additional students, Single students attending schools, Changes to contractors providing services in year, due to performance issues.
			TBC - Waste Collection and Street Cleansing Contract - Income Risk to Commercial Waste Income Collection in 20/21 due to COVID & 21/22 - under commercial dialogue with Veolia
			TBC - Further commercial tenants are not able to pay rental income and will need to be written off, or will give notice on leases
Resources			None
Corporate			None

3.13 Table 3 provide a list of quantified and unquantified risk mitigations. These are potential risk mitigations that will require further assurance to be included within the forecast. Services managers have identified these as potential mitigations to the risks identified Tables 2a and 2b. Any additional risk mitigations also help the overall financial position of the Council as these would help generate a larger underspend that can be put away into reserves to support future MTFS gaps.

Table 3 - Quantifiable and unquantifiable risk mitigations

Quantified Opportunities	P3 £'000	P2 £'000	
CFE	0	(312)	
HWA	0	(73)	
Gateway & Housing	0	0	
Place	0	(422)	
Resources	0	(142)	
Corporate	(7,799)	(7,799)	Potential reduced spend against the Covid Grant
Total Quantified Opportunities	(7,799)	(8,748)	

Un-Quantified Opportunities	P3	P2	
CFE			None
HWA			<p>TBC - The impact of health funding / Scheme 3 funding on care packages</p> <p>TBC - Scheme (3) HDP funding ceases on 30th September. Currently NHSE is taking views on the impact of this funding ending. We have input with SWLCCG requesting that funding continue to the end of the financial year</p> <p>TBC - Leases – renegotiate the lease. Need to confirm the numbers due to expire this financial year TBC</p>
Gateway & Housing			TBC - Property acquisition coming into HRA portfolio will allow tenants in nightly paid accommodation to move onto Assured Shorthold Tenancy
Place			<p>Highways - Highways are speaking to FM Conway to negotiate the cost pressure</p> <p>Street Lighting Team reconsidering operational arrangements to consider options to mitigate the risks</p>
Resources			<p>Revs and Benefits - Recharge to HRA for some Complaints costs to bring income to GF.</p> <p>TBC - Over-achievement of legal income budgets (although internal income would be matched by reduced forecasts costs in departments been charged)</p>
Corporate			None

3.14 As at Month 3, if all risks and risk mitigations were to materialise, along with the forecast reported in Table 1 the General Fund would overspend by £2.547m.

However, budget holders at this stage of the financial year tend to be over cautious in terms of identifying potential underspend whilst being more aware of budget pressures. The situation will be clarified as the year progresses and the monthly budget reports show more detail on the patterns of income and expenditure and the longer term impact of Covid on Council services becomes clearer. Service managers have been instructed to identify and implement mitigations to spend within their approved funding envelopes. As such compensating measures are developed the impact of the net risks is expected to decline. Successful examples of this are the positive variances in adult social care & Resources between months 2 and 3.

- 3.15 A number of the projected variances or risks relate to the continued impact of the Covid pandemic and would not be expected to continue for the whole year or over future years. In particular parking and traffic income continues to be affected for which part grant compensation is only receivable for the first quarter of 2021/22. Other pressures such as SEN costs (with no grant funding) have been impacted in delays in delivering travel training impacting on transport cost pressures.
- 3.16 There are however areas where budgets will need to be reviewed with a view to being rebased as they were not adjusted as part of the right sizing of budgets in the 2021/22 budget setting. Two significant areas that will need to be reviewed before budget setting in 2022/23 are SEN transport costs, and costs relating to Emergency and Temporary accommodation. Additional costs arising will need to be funded from within the existing Council wide budget envelope.

4 SERVICE VARIANCE DETAIL

4.1 Children, Families and Education (CFE)

The CFE directorate is forecasting a £0.554m underspend for Month 3 (favorable movement of £0.554m from Month 2). This is a net position after factoring all budgeted income and expenditure within the directorate.

The main cause of this underspend is due to the voluntary redundancy savings previously identified as mitigations now being included within the forecast. Furthermore the service has been carrying a number of other vacancies since the start of the financial year which is contributing towards a projected underspend.

Whilst the forecast is indicating an underspend the Directorate are indicating potential risks that could adversely impact on the forecast. Table 2a details MTFs savings, totaling £1.317m (£0.654m in Month 2), that are at risk of non-delivery. Furthermore, Table 2b indicates that there is a further £4.963m of other risks (£4.963m in Month 2) which could materialise through this financial year. There are no risk mitigations being projected (Month 2 £0.312m) as these have now been included within the forecast. The Directorate is undertaking a review of the UASC model and also discussions are being held with the Government to seek direct funding to support the USAC pressure.

Both MTFs risks and further risks have moved adversely by £0.663m due to reduced confidence in delivery of the operational efficiency saving project.

4.2 **Adults, Health and Social Care**

The HWA directorate are forecasting a small underspend of £0.187m (an improvement of £0.018m from Period 2).

Whilst the department is showing a slight underspend, table 2b identifies a further £0.700m of potential additional risks. The risks identified of £0.700m that relate to transitions of children social care clients to adult services have not moved since the last report and still remain the same.

4.3 **Gateway & Housing**

Housing Directorate is forecasting an overspend of £1.675m. This is an adverse movement of £1.441m to the projection reported at Month 2.

The main cause of this movement relates to cost and demand increases within the Emergency and Temporary Accommodation services. Demand for Emergency Accommodation is assumed to increase due to the negative economic after effects of Covid-19. Furthermore, this is also likely to impact the need to maintain a sufficient level of bad debt provision to cover risks of non-payment of outstanding rents.

The Forecast is based on 1,774 properties in use as Temporary accommodation at the end of June 2021 with a projected additional 8 properties per month till the end of the year across various rent levels. This results in additional pressures of £325k.

Gateway Services are forecasting a net £0.028m overspend, which is a £0.287m adverse movement in their position from Month 2. This is largely due to projected non-achievement of registrars' income due to Covid restrictions.

Furthermore the service is projecting £0.096m (£0.199m in Month 2) risk of non-delivery of savings as per table 2a. These have been identified as a result of more detailed monitoring being carried out at month 3 and are being explored further to see if they can be delivered or other savings identified to mitigate these. A further £0.500m of other risk is identified within this portfolio relating to potential further temporary accommodation pressures emerging. Further work will be done to ensure the bad debt risks are minimised and that risk does not materialise.

4.4 **Place**

The Place directorate is forecasting a net overspend of £3.450m (£3.944m at Month 2) – a reduction of £0.494m. Month 2 reported a range of pressures that contributed to the overspend most of which were focused around Highways, SEN Transport and Environmental services. In Month 3 these overspends are

continued to be provided within the monitor, however the Place Directorate has benefited from reductions within non-staffing spend across the Library service along with receiving additional income from British Library. These benefits have contributed towards the reduced overspend projected in month 3.

In addition to the forecasted overspend the Place directorate, as indicated in Table 2a and 2b, have provided for additional risks due to non-delivery of MTFS savings of £0.817m and £1.500m for other risks. Non delivery of MTFS savings relate to the fall in P&D parking income, and risks have been identified around both SEN in relations to travel training which would lead to an increase/requirement to continue to provide transport and level of penalty charge notices.

4.5 **Resources**

The Resources directorate is forecasting a significantly improved underspend position of £0.914m (overspend £0.025m in Month 2) which is a reduction of £0.939m in pressures from Month 2. This is a net position after factoring all budgeted income and expenditure within the directorate.

The main reasons for this underspend relate to better than projected collection of court cost income in relation to Revenue & Benefits activities and various staffing related underspends. Main causes of staff related underspends are for vacancies not being filled.

These movement in risks have been so far been identified but whilst they may still materialize work is ongoing to try and work to mitigate these as we progress through the financial year.

4.6 **Corporate**

The Council received a non-fenced grant of £11.250m from Central Government in relation to additional costs that may be incurred in the current financial year as a result of Covid 19 and was announced in the December Local Government Finance Settlement. Any costs incurred by departments are expected to be met from existing service budgets and the grant is available to meet any additional service costs over expenditure. Where practicable additional costs including lost income arising from Covid will be identified and reported separately in future reports. The forecast General Fund variance of £3.471m is currently offset by utilizing £3.451m of this grant.

4.7 The cost of financing the capital programme is retained corporately, this will be reviewed in the next month and any variance will be reported in a future monthly report.

4.8 Table 4 below summaries the overall positions

Table 4 – Summary – Month 3 Position

Month 3	(£,000's)
Table 1 - Forecast	20
Table 2a - MTFS Savings Risk	2,229
Table 2b - Quantifiable Risks	8,397
Table 3 - Quantifiable Opportunities	(7,799)
Total	2,847

Housing Revenue Account (HRA)

4.9 Table 4 provides a summary of the HRA Month 3 monitor, which is currently indicating a £0.802m overspend (Month 2 £1.595m). The HRA is a self-financing ring-fenced account and will need to ensure it remains within the resources available, taking into account levels of HRA reserves. The improvement from the month 2 forecast is due to the fact that more detailed monitoring has been undertaken and this has identified a number of service underspends in the main due to staff costs and legal fees.

4.10 The Service Finance team are currently working on the HRA business plan that takes a 30 year forward look and this will be presented to Cabinet in September 2021.

4.11 The forecast overspend reported in Table 5 can be contained within HRA reserves provisionally forecast at £27.6m as at 31st March 2021.

Table 5 – Housing Revenue Account (HRA) at Month 3

SERVICES	Projected Variance For Month 3	Variance For Previous Month 2	Change From Previous Month	Explanation of Variations
	£'000	£'000	£'000	
Responsive Repairs	719	719	0	<p>£119k - Higher volume of uncompleted PPP repairs work carried over from last year</p> <p>£250k - Increase in average costs due to higher value voids, due to their condition when vacated.</p> <p>£350k - Additional spend particularly linked to disrepair cases relating to damp and mould eradication works, roofing repairs, drainage, door entry repairs and plumbing.</p>
Asset Management & Involvement	(381)	0	(381)	<p>This area is being split and as new BM's have no access to the system yet this has been manually forecasted</p> <p>(£162k) - Vacancies & secondments not being covered</p> <p>(£219k) - Reduction in forecast on Legal Fees & Employee Recharges, and other minor savings</p>

Homes & Schools Improvement	(281)	0	(281)	(£281k) - Staffing underspend due to vacancies and long term sick. Service also have supplies & services budget which have been released as staffs still working from home.
Regeneration Growth	(273)	(282)	9	(£273k) - A restructure targeting general fund savings has resulted in a disbanding of the whole team, including those posts funded by the HRA
Neighbourhood Operations	(102)	(123)	21	3 fte vacancies covers non budgeted shift allowance (on overtime code); reduction in forecasting on Supplies & Services Recharge - based on previous years
Housing Renewal	(19)	(19)	0	(£19k) - Under spend due to reflecting current years demand for home safety equipment
Housing Solutions	207	460	(253)	£250k - Concord, Sycamore & Windsor overspend on costs combined with a high level of voids based on 20/21 outturn (£43k) - Housing Standards Team staffing variance (1 fte vacant)
People Centralised	0	0	0	
Service Development	(54)	(54)	0	(£54k) - Various Supplies & Services budgets released to offset pressure within service area.
Income & Lettings	137	98	39	£133k - Unachievable income recharges £41k - Bank charges incurred when payments are made by debit/credit cards (£37k) offset by underspend of -£37k within supplies & services
Neighbourhood & Tenancy Service	258	274	(16)	£100k - Overtime for caretakers, due to week end work £125k - Security costs - CAYSH & Profile security services £29k - Ombudsman subscription £22k - Regina road expenses (£18k) - Supplies & Services underspend
Emergency Accommodation	10	120	(110)	(£51k) - staffing variance (2 fte vacant) £18k - Consultancy - medical advice £43k - Membership and subscriptions - Home Connections
Leaseholder Services	30	0	30	£30k - increase on premises insurance
Tenants Income	0	0	0	

Garage and Commercial Properties	224	157	67	<p>£27k - Rent allowance</p> <p>£20k - shortfall in other sources of income</p> <p>£121k - Garage rent loss through voids due to additional garage in a disrepair state being handed over by BBB</p> <p>£80k - Court costs income</p> <p>(£24k) - Minor Variation</p>
Directorate & Centralised costs	327	245	82	<p>£200k - Unbudgeted Executive Director / Corporate Director posts plus support costs for 10 months</p> <p>£45k - Supernumerary Policy & Performance post to progress Housing Strategy for 9 months</p> <p>£82k - unbudgeted insurance cover for HRA excess liabilities historically charged to the general fund</p>
Total HRA	802	1,595	(793)	

5 Capital Programme as Month 3

- 5.1 The General Fund and HRA capital programmes have currently spent a gross £8,433m to the end of the third month against approved budgets of £321,897m. Actuals to date are still impacted by accruals brought forward from 2020/21 which have yet to be invoiced and do not take into account accruals for works so far completed.
- 5.2 The table below summarises the capital spend to date by department with further details of individual schemes provided in Appendix 2.

Table 6 – Capital Programme

Department	Revised Budget 2021/22 (including approved slippage from 2020/21)	Actuals 2021/22 as Month 3	Forecasts 2021/22 as Month 3	Variance
	£'000	£'000	£'000	£'000
Adult Social Care and Health	2,499	28	2,606	107
Housing	5,711	-646	4,773	-938
Children, Families and Education	26,078	3,648	26,207	129
Place	78,055	992	61,359	-16,696
Resources	26,345	350	20,706	-5,639
General Fund Total	138,688	4,372	115,651	-23,037
Housing Revenue Account	183,209	4,061	102,396	-80,813
LBC CAPITAL PROGRAMME TOTAL	321,897	8,433	218,047	-103,850

5.3 Further work will be done over the coming months to review the budget provision for 21/22 and the review will focus on ensuring the capital budgets are properly profiled to reflect the actual delivery of various projects. This work will include the reflection of 20/21 slippage and will be reported to a future meeting of the cabinet for approval.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Finance comments have been provided throughout this report.

Approved by Chris Buss, Interim Director of Finance, Investment and Risk (S151 Officer)

7 LEGAL CONSIDERATIONS

7.1 The Council is under a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.

7.2 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report

7.3 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report also complies with that legal duty.

Approved by Doutimi Aseh, Director of Law and Governance & Deputy Monitoring Officer (interim)

8 HUMAN RESOURCES IMPACT

- 8.1 There are no immediate workforce implications as a result of the recommendations in this report. Any mitigation on budget implications that may have effect on direct staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

Approved by: Sue Moorman the Director of Human Resources

9 EQUALITIES IMPACT

- 9.1 There are no specific equalities issues set out in this report.
- 9.2 In setting the Council's budget for 2021/22, all savings proposals were required to complete an Equality Impact Assessment. As Officers deliver against the approved budget, including the savings within it, they will continue to monitor for any unanticipated equality impacts.

Approved by: Gavin Handford, Director of Policy & Partnership

10 ENVIRONMENTAL IMPACT

- 10.1 There are no specific environmental impacts set out in this report

11 CRIME AND DISORDER REDUCTION IMPACT

- 11.1 There are no specific crime and disorder impacts set out in this report

12 DATA PROTECTION IMPLICATIONS

- 12.1 There are no specific data protection impacts set out in this report

REPORT AUTHOR: Matthew Davis, Deputy Section 151 Officer

APPENDICES: Appendix 1 – Service Budgets and Forecasts
Appendix 2 – Capital Budget and Spend

BACKGROUND DOCUMENTS: None

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SERVICE BUDGETS AND FORECASTS

	Approved	Current	% Actual	Full-Yr	Projected	<i>Covid</i>	<i>Non-Covid</i>
	Budget	Actuals	v Budget	Forecast	Variance	<i>Variance</i>	<i>Variance</i>
Divisions	(£,000's)	(£,000's)	(%)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
C1410Q : ADULT SOCIAL CARE DIRECTORATE	6,264	(1,318)	(21%)	6,255	(9)	-	(9)
C1417Q : 18-25 DISABILITY TRANSITIONS	9,533	3,681	39%	9,533	-	-	-
C1412Q : ADULT SAFEGUARDING AND QUALITY ASSURANCE	2,782	501	18%	2,782	-	-	-
C1431Q : PROVIDER SERVICES	7,438	1,379	19%	7,381	(57)	-	(57)
C1416Q : 25-65 DISABILITY	49,413	11,303	23%	49,413	-	-	-
C1430Q : ADULT MENTAL HEALTH SOCIAL CARE	9,405	3,514	37%	9,291	(114)	-	(114)
C1432Q : OBC COMMISSIONING	6,300	2,541	40%	6,300	0	-	0
C1433Q : OBC PROVIDER SERVICES - SOCIAL CARE	29,392	(2,062)	(7%)	29,392	-	-	-
C1410P : ADULT SOCIAL CARE AND ALL-AGE DISABILITY	120,527	19,539	16%	120,347	(180)	-	(180)
C1415Q : SERVICE COMPLIANCE	1,531	560	37%	1,525	(6)	-	(6)
C1420Q : CHANGE AND INNOVATION	1,803	346	19%	1,802	(1)	-	(1)
C1415P : INTEGRATION AND INNOVATION	3,334	905	27%	3,327	(7)	-	(7)
C1662Q : PUBLIC HEALTH - MANDATORY SERVICES	-	-	0%	-	-	-	-
C1691Q : PUBLIC HEALTH 1	8,383	8,188	98%	8,383	-	-	-
C1692Q : PUBLIC HEALTH 2	3,355	(79)	(2%)	3,355	-	-	-
C1693Q : PUBLIC HEALTH 3	5,599	148	3%	5,599	-	-	-
C1694Q : PUBLIC HEALTH 4	1,021	(1,701)	(167%)	1,021	-	-	-
C1695Q : PUBLIC HEALTH 5	(18,358)	(4,416)	24%	(18,358)	-	-	-
C1662P : PUBLIC HEALTH	-	2,140	0%	-	-	-	-

TOTAL HWA	123,861	22,584	18%	123,674	(187)	-	(187)
	Approved Budget (£,000's)	Current Actuals (£,000's)	% Actual v Budget (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)	<i>Covid</i> Variance (£,000's)	<i>Non- Covid</i> Variance (£,000's)
C1248Q - Enablement and Welfare	19,664	4,760	24%	19,684	20	-	20
C1252Q - Bereavement and Registrars	(861)	(170)	20%	(659)	202	200	2
C1256Q - Gateway Directorate	79	621	786%	82	3	-	3
C1259Q - Gateway Service Improvement	242	25	10%	184	(58)	-	(58)
C1618Q - Resident Access & Homelessness Service	4,174	466	11%	4,021	(153)	-	(153)
C1250P : GATEWAY SERVICES	23,298	5,702	24%	23,312	14	200	(186)
C1440Q - Housing Renewal	(47)	88	(187%)	(77)	(30)	-	(30)
C1446Q - Housing Assessment and Risk Directorate	3,039	19	1%	3,624	585	-	585
C1448Q - Temporary Accommodation	388	2,304	594%	698	310	-	310
C1464Q - Garage and Commercial Income	(104)	(344)	331%	(98)	6	-	6
C1449Q - Southwark Pest Control Contract	-	(6)	0%	-	-	-	-
C1258Q - Emergency Accommodation	2,452	909	37%	3,242	790	-	790
C1420P - Housing Assessment & Solutions	5,728	2,970	52%	7,389	1,661	-	1,661
Share of London Excess death costs	-	-	0%	-	-	-	-
TOTAL Gateway & Housing	29,026	8,672	30%	30,701	1,675	200	1,475

	Approved Budget (£,000's)	Current Actuals (£,000's)	% Actual v Budget (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)	<i>Covid</i> <i>Variance</i> (£,000's)	<i>Non- Covid</i> <i>Variance</i> (£,000's)
C1120P : PLANNING	896	321	36%	881	(15)	-	(15)
C1160P : GROWTH EMPLOYMENT AND REGENERATION	1,454	3,251	224%	1,241	(213)	65	(278)
C1114P : CROYDON CULTURE GROWTH	11,213	615	5%	10,888	(325)	13	(338)
C1110P : PUBLIC REALM	36,346	10,309	28%	40,501	4,155	794	3,361
C1130P : VIOLENCE REDUCTION NETWORK	1,931	(88)	(5%)	1,847	(84)	-	(84)
C1100P : PLACE DIRECTORATE SUMMARY	(167)	311	(186%)	(167)	-	-	-
C1116P : CROYDON GROWTH FUND	40	83	207%	40	-	-	-
C1150P : HOMES AND SOCIAL INVESTMENT	10,105	2,422	24%	10,414	309	-	309
C1140P : PLACE HOLDING AND SUSPENSE ACCOUNTS	-	(131)	0%	-	-	-	-
C1115P : DEVELOPMENT	-	9	0%	-	-	-	-
C1135P : PLACE BALANCE SHEET SUMMARY	-	0	0%	(377)	(377)	-	(377)
TOTAL PLACE	61,818	17,101	28%	65,268	3,450	872	2,578

	Approved Budget (£,000's)	Current Actuals (£,000's)	% Actual v Budget (%age)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)	<i>Covid</i> <i>Variance</i> (£,000's)	<i>Non- Covid</i> <i>Variance</i> (£,000's)
C1245P : CHILDREN, FAMILIES AND EDUCATION DIRECTORATE SUMMARY	10,732	183	2%	11,032	300	-	300
1205P: QUALITY, PERFORMANCE AND IMPROVEMENT	428	286	67%	133	(295)	-	(295)
1205P: QUALITY, PERFORMANCE AND IMPROVEMENT	80,585	11,217	14%	80,437	(148)	-	(148)
C1210P : CHILDREN'S SOCIAL CARE	738	4,412	598%	738	-	-	-
C1220P : EDUCATION	14,069	12,189	87%	13,657	(412)	-	(412)
EDUCATION HIGH NEEDS DSG CLOSED SCHOOL	-	25,869	0%	-	-	-	-
	-	-	0%	-	-	-	-
TOTAL CHILDRENS, FAMILIES AND EDUCATION	106,552	54,156	51%	108,969	(554)	-	(554)

	Approved Budget (£,000's)	Current Actuals (£,000's)	% Actual v Budget (%)	Full-Yr Forecast (£,000's)	Projected Variance (£,000's)	<i>Covid</i> <i>Variance</i> (£,000's)	<i>Non- Covid</i> <i>Variance</i> (£,000's)
C1900P : STRATEGY AND PARTNERSHIPS	3,578	1,214	34%	3,278	(300)	-	(300)
C1610P : DIRECTOR OF COMMISSIONING AND PROCUREMENT	8,082	(3,960)	(49%)	7,694	(388)	-	(388)
C1620P : DIRECTOR OF HUMAN RESOURCES	191	1,770	927%	(39)	(230)	-	(230)
C1655P : RESOURCES DIRECTORATE SUMMARY	(173)	(21,686)	12535%	203	376	-	376
C1665P : DIRECTOR OF FINANCE INVESTMENT AND RISK	10,885	40,853	375%	10,570	(315)	-	(315)
C1670P : CROYDON DIGITAL SERVICE	406	3,816	940%	284	(122)	-	(122)
C1675P : DIRECTOR OF LAW AND GOVERNANCE	7,147	2,038	29%	7,214	67	-	67
C1605P : DIRECTOR OF FM AND SUPPORT SERVICES	258	-	0%	258	-	-	-
C1650P : RESOURCES SUSPENSE AND HOLDING ACCOUNTS	-	542	0%	-	-	-	-
TOTAL RESOURCES	30,374	24,587	81%	29,460	(914)	-	(914)

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CAPITAL BUDGET AND SPEND PERIOD 3

CAPITAL BUDGETS, MONITORING AND FORECASTS - PERIOD 3	Approved Budget	Actuals to Date Month 2	Forecast for Year	Variance
Scheme Name	2021/22 (£,000's)	2021/22 (£,000's)	2021/22 (£,000's)	2021/22 (£,000's)
Adults ICT	284		284	-
Adult Social Care Provision	4	4	4	-
Bereavement Services	1,711	24	1,818	107
Provider Services - Extra Care	500	-	500	-
Adults, Health and Social Care Sub Total	2,499	28	2,606	107
Disabled Facilities Grant	4,373	(221)	4,373	-
Empty Homes Grants	400	(425)	400	-
Sheltered Housing	938		-	(938)
Housing Sub Total	5,711	(646)	4,773	(938)
Education – Fire Safety Works	2,057	-	1,052	(1,005)
Education - Fixed Term Expansions	2,124	178	2,600	476
Education - Major Maintenance	7,523	418	8,761	1,238
Education - Miscellaneous	821	96	366	(455)
Education - Permanent Expansion	403	76	410	7
Education - Secondary Estate	134	34	87	(47)
Education - SEN	13,016	2,846	12,931	(85)
Children, Families and Education Sub Total	26,078	3,648	26,207	129
Allotments	309	-	309	-
Brick by Brick programme	20,000	-	10,000	(10,000)
CALAT Transformation	396	-		(396)
Community Ward Budgets	1,616	-	1,616	-
Electric Vehicle Charging Points	1,700	-	1,700	-
Feasibility Fund	505	13	200	(305)
Fieldway Cluster (Timebridge Community Centre)	3,023	2	3,023	-
Growth Zone	8,210	263	4,000	(4,210)
Grounds Maintenance Insourced Equipment	1,200	-	1,200	-
Highways - maintenance programme	17,531	632	12,945	(4,586)
Highways - maintenance programme (staff recharges)	567	-	280	(287)
Highways – flood water management	286	2	1,076	790
Highways – bridges and highways structures	141	37	4,542	4,401

Highways - Tree works	-	7	-	-
Measures to mitigate travellers in parks and open spaces	73	-	-	(73)
Leisure centres equipment upgrade	628	7	596	(32)
Libraries Investment - General	1,914	7	1,914	-
Libraries investment – South Norwood library	512	-	512	-
Museum Archives	100	-	100	-
Neighbourhood Support Safety Measures	50	-	50	-
New Addington wellbeing centre	979	-		(979)
Parking	3,401	-	4,305	904
Park Life	381	-	381	-
Play Equipment	1,522	-	1,522	-
Safety - digital upgrade of CCTV	1,559	-	1,559	-
Section 106 Schemes	4,674	12	4,674	-
SEN Transport	1,289	-	1,289	-
Signage	137		137	-
South Norwood & Kenley Good Growth	5	10		(5)
Sustainability Programme	625	-		(625)
TFL - LIP	392	-	392	-
Unsuitable Housing Fund	14	-	14	-
Walking and cycling strategy	-	-	875	875
Waste and Recycling Investment	3,116	-	1,558	(1,558)
Waste and Recycling – Don't Mess with Croydon	1,358	-	590	(768)
Schemes with completion date prior to 2020/21	(158)	-	-	158
Place Sub Total	78,055	992	61,359	(16,696)
Asset Strategy - Stubbs Mead	3,298	-	700	(2,598)
Asset Strategy Programme	770	-	405	(365)
Asset Acquisition Fund	415	-		(415)
Clocktower Chillers	462	-	462	-
Corporate Property Programme	4,248	33	2,000	(2,248)
Crossfield (relocation of CES)	(146)	8		146
Finance and HR system	598	111	393	(205)
ICT Refresh & Transformation	9,185	183	9,185	-
People ICT	7,515	13	7,421	(94)
Uniform ICT Upgrade	-	2	140	140
Resources Sub Total	26,345	350	20,706	(5,639)
GENERAL FUND TOTAL	138,688	4,372	115,651	(23,037)
Asset management ICT database	155	-	155	-
Fire safety programme	5,555	104	5,555	-
Larger Homes	1,339	-		(1,339)
Major Repairs and Improvements Programme	35,306	3,924	35,306	-

Affordable Housing Programme	31,932	-	30,000	(1,932)
BBB Properties part funded by GLA and HRA				
RTB	108,120	-	31,200	(76,920)
Special Transfer Payments	802	33	180	(622)
HOUSING REVENUE ACCOUNT TOTAL	183,209	4,061	102,396	(80,813)
LBC CAPITAL PROGRAMME TOTAL	321,897	8,433	218,047	(103,850)

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For General Release

REPORT TO:	CABINET 16 AUGUST 2021
SUBJECT:	STAGE 2: RESPONSE TO RECOMMENDATIONS ARISING FROM: SCRUTINY & OVERVIEW COMMITTEE ON 27 MAY 2021
LEAD OFFICER:	Asmat Hussain, Interim Executive Director of Resources and Monitoring Officer Stephen Rowan, Head of Democratic Services and Scrutiny
CABINET MEMBER:	All
WARDS:	All
COUNCIL PRIORITIES 2020-2024	
The constitutional requirement that Cabinet receives recommendations from scrutiny committees and to respond to the recommendations within two months of the receipt of the recommendations.	
FINANCIAL IMPACT	
The recommendations in the appendix to this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.	
FORWARD PLAN KEY DECISION REFERENCE NO.: not a key decision	

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

1. RECOMMENDATIONS

1.1 Cabinet is recommended to approve the response and action plans attached to this report at Appendix A and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

2. EXECUTIVE SUMMARY

2.1 This report asks the Cabinet to approve the full response reports arising from the Stage 1 reports presented to the Cabinet meeting held on 12 July 2021 including:

- Action plans for the implementation of agreed recommendations, or
- Reasons for rejecting the recommendations

and that these be reported to the Scrutiny and Overview Committee or relevant

Sub-Committees.

- 2.2 The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Cabinet shall agree an action plan for the implementation of the agreed recommendations and shall delegate responsibility to an identified officer to report back to the Scrutiny and Overview Committee or Sub-Committee, within a specified period, on progress in implementing the action plan.

3. SCRUTINY RECOMMENDATIONS

- 3.1 The Scrutiny recommendations are contained in the schedule in the appendix to this report.
- 3.2 The detailed responses including reasons for rejected recommendations and action plans for the implementation of agreed recommendations are contained in the appendices.

4. CONSULTATION

- 4.1 The recommendations were developed from the deliberations of either the Scrutiny & Overview Committee or one of its Sub-Committees.
- 4.2 The recommendations in the appendix to this report may involve further consultation and as each recommendation is developed these implications will be explored and approved.

5 PRE-DECISION SCRUTINY

- 5.1 The recommendations in the appendix to this report are the result of Pre-Decision Scrutiny.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 The recommendations in this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.

Approved by: Chris Buss, Interim Director of Finance, Investment & Risk

7. LEGAL CONSIDERATIONS

- 7.1 The Constitution requires that Cabinet both receives recommendations from Scrutiny Committees and responds to the recommendations within two months of their receipt.

Approved by: Doutimi Aseh, Director of Law & Governance & Deputy Monitoring Officer (interim)

8. HUMAN RESOURCES IMPACT

- 8.1 The recommendations in the appendix to this report may have a Human Resources impact and as each recommendation is developed these implications will be explored and approved.

9. EQUALITIES IMPACT

- 9.1 The recommendations in the appendix to this report may have an Equalities impact and as each recommendation is developed these implications will be explored and approved.

10. ENVIRONMENTAL IMPACT

- 10.1 The recommendations in the appendix to this report may have an Environmental impact and as each recommendation is developed these implications will be explored and approved.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 The recommendations in the appendix to this report may have a Crime and Disorder reduction impact and as each recommendation is developed these implications will be explored and approved.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 These are contained in the appendix to this report.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 These are contained in the appendix to this report.

14. DATA PROTECTION IMPLICATIONS

14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

The recommendations in the appendix to this report may involve the processing of 'personal data' and as each recommendation is developed these implications will be explored and approved.

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

NO

The recommendations in the appendix to this report may require a DPIA and as each recommendation is developed these implications will be explored and a DPIA carried out where necessary.

CONTACT OFFICER:

Stephen Rowan, Head of Democratic Services and Scrutiny
T: 020 8726 6000 X 62529
Email: stephen.rowan@croydon.gov.uk

APPENDICES:

Appendix A: Scrutiny Stage 2 Responses

BACKGROUND DOCUMENTS:

Background document 1:

Report to Scrutiny & Overview Committee on 27 May 2021.

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2697>

SCRUTINY RECOMMENDATION	CONCLUSIONS	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
Report: Call-In: Ongoing Review of Brick by Brick Croydon Ltd and associated matters relating to the company (Considered by Scrutiny & Overview Committee on 27 May 2021)							
<p>1. That a report on any remedial work required on Fairfield Halls be provided to the Scrutiny and Overview Committee. This breakdown should include confirmation of:-</p> <p>a. The work required and the estimate cost</p> <p>b. Confirmation of whether the cost of work would need to be funded by the Council or would be under the existing contract novated to the Council.</p> <p>c. If work is to be funded by the Council, how the cost would be met.</p>	<p>There was concern amongst the Committee about the potential additional expenditure required to carry out any remedial works required to address issues not picked up in the original refurbishment and a request was made for a report on this, once available.</p>	<p>Hamida Ali Leader of the Council</p>	<p>Accept – A briefing can be provided to the Committee on the remedial work required at Fairfield Halls, once the report has been completed.</p>	<p>Chris Buss</p>	<p>None</p>	<p>Pending completion of the report</p>	<p>19 October 2021</p>
<p>2. That the Scrutiny & Overview Committee is provided with the full Grant Thornton report on its Value for Money Review of Fairfield Halls, once it was available.</p>	<p>The Committee felt there needed to a thorough explanation of how the cost for the refurbishment of Fairfield Halls rose from the original £30m estimate at the start of the project to £69m. It was accepted that the Council's external auditor was in the process of finalising a value for money review of the project and a request was made for the full report to be share with the Committee once available.</p>	<p>Hamida Ali Leader of the Council</p>	<p>The Grant Thornton report on the Value for Money Review of the Refurbishment of Fairfield Halls will be scheduled for review by the General Purposes and Audit Committee (GPAC), once it has been received by the Council. Scrutiny members will be able to access the report once the GPAC agenda has been published.</p>	<p>Chris Buss</p>	<p>None</p>	<p>Pending completion of the report</p>	<p>N/a Report will be made to GPAC when available</p>

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<p>3. It was recommended that future reports on Housing Revenue Account purchases include confirmation on whether the purchase included the freehold for the properties in order to clarify who would be responsible and accountable for access / maintenance of shared amenities.</p>	<p>The Committee agreed that the decision for the Council's Housing Revenue Account to purchase 104 residential units from Brick by Brick should proceed as it would lead to a significant saving in the cost of temporary accommodation and provide new homes for those on the council's housing waiting list.</p>	<p>Hamida Ali Leader of the Council</p>	<p>Accept</p>	<p>Chris Buss</p>	<p>n/a</p>	<p>Ongoing</p>	<p>19 October 2021</p>
<p>4. The Administration is asked to make a commitment to making historic information on decision making over Brick by Brick available to Members and the public. Where it is not possible to provide information, there needs to be a transparent process in place to confirm why it is not being shared.</p>	<p>There was significant concern about the lack of transparency on historic decision making on Brick by Brick and that the documents requested in the call-in had not been provided. The Committee agreed that the documents needed to be provided, in line with the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, as a matter of urgency or failing that a written statement be provided in justification of the refusal of each requested document.</p>	<p>Hamida Ali Leader of the Council</p>	<p>Accept All documentation that is readily available and relevant for the committee to discharge its function, subject to the Council's consideration on commercially sensitive or confidential issues, will be released to the appropriate council committee in accordance with the relevant committee's work programme.</p>	<p>Chris Buss</p>	<p>N/A</p>	<p>Underway</p>	<p>19 October 2021</p>

REPORT TO:	CABINET 16 AUGUST 2021
SUBJECT:	INVESTING IN OUR BOROUGH
LEAD OFFICER:	RACHEL SONI, INTERIM DIRECTOR OF COMMISSIONING & PROCUREMENT ASMAT HUSSAIN, INTERIM EXECUTIVE DIRECTOR OF RESOURCES
CABINET MEMBER:	COUNCILLOR CALLTON YOUNG CABINET MEMBER FOR RESOURCES AND FINANCIAL GOVERNANCE
WARDS:	ALL
COUNCIL PRIORITIES 2020-2024	
Effective outcome based commissioning and prudent financial transactions contribute to all corporate priorities.	
The Council's Commissioning Framework (2019 – 2023) sets out the approach to commissioning and procurement and puts delivery of outcomes at the heart of the decision making process. As the Council develops more diverse service delivery models, it is important to ensure that our contractual and partnership relationships are not only aligned to our corporate priorities but also represent value for money for citizens and taxpayers.	
FINANCIAL SUMMARY: Financial implications are set out in each individual report.	
KEY DECISION REFERENCE NO.:	
There are key decisions mentioned in this report, but approval of the Recommendations would not constitute a key decision.	

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

1 RECOMMENDATIONS

1.1 The Cabinet is requested to note:

1.1.1 The list of delegated award decisions made by the Director of Commissioning and Procurement since the last meeting of Cabinet, as set out in section 5.1.1.

2 EXECUTIVE SUMMARY

2.1 This is a standing report which is presented to the Cabinet, for information, at every scheduled Cabinet meeting to update Members on:

- Delegated contract award decisions made by the Director of Commissioning and Procurement since the last meeting of Cabinet;
- Contract awards and strategies to be agreed by the Cabinet at this meeting which are the subject of a separate agenda item;
[As at the date of this report there are none]
- Contracts between £500,000 and £5,000,000 anticipated to be awarded under delegated authority from the Leader by the nominated Cabinet Member, in consultation with the Cabinet Member for Resources and Financial Governance and with the Leader in certain circumstances, before the next meeting of Cabinet;
[As at the date of this report there are none]
- Delegated contract award decisions under delegated authority from the Leader by the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Resources and Financial Governance related to the Health and Social Care Services - DPS 3 Lot 3 – Young People Semi Independent Accommodation;
[As at the date of this report there are none]
- Delegated contract award decisions under delegated authority from the Leader by the Cabinet Member for Families, Health & Social Care in consultation with the Cabinet Member for Resources and Financial Governance related to the Adult and Young People Social Care Dynamic Purchasing Systems (DPS);
[As at the date of this report there are none]
- Property lettings, acquisitions and disposals agreed by the Cabinet Member for Resources and Financial Governance in consultation with the Leader since the last meeting of Cabinet;
[As at the date of this report there are none]
- Partnership arrangements to be agreed by the Cabinet at this meeting which are the subject of a separate agenda item.
[As at the date of this report there are none]

3 DETAIL

- 3.1 Section 5.1.1 of this report lists the delegated award decisions made by the Director of Commissioning and Procurement since the last meeting of Cabinet.
- 3.2 The Council's Procurement Strategy and Tender & Contracts Regulations are accessible under the Freedom of Information Act 2000 as part of the Council's Publication Scheme. Information requested under that Act about a specific procurement exercise or contract held internally or supplied by external organisations, will be accessible subject to legal advice as to its

commercial confidentiality, or other applicable exemption, and whether or not it is in the public interest to do so.

4 PRE-DECISION SCRUTINY

- 4.1 This report does not require pre-decision as all the reports listed below are compliant with the Council's Tender & Contracts Regulations.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Contract Awards

- 5.1.1 Revenue and Capital consequences of delegated decisions made by the Director of Commissioning and Procurement for contract awards (Regs. 19, 28.4 a & b) between £100,000 and £500,000 and contract extension(s) previously approved as part of the original contract award recommendation (Reg. 28.4 d) and contract variations (Reg.30).

Contract Title	Contract Revenue Budget	Contract Capital Budget	Annual Spend	Dept
Children Looked After: Personal Education Plans (PEPs) and Education Tracking & Monitoring Award	£173,148 (Contract length 4 years)		£43,287	Children, Families & Education
SENDIASS Award	£239,760 (Contract length 3 years)		£79,920	Children, Families & Education
DfE Holiday Activities and Food Programme 2021 Award		£165,835 (Contract length 2 weeks)	£165,835	Children, Families & Education

CONTRACT VARIATIONS & EXTENSIONS

Contract Title	Value of Contract to Date	Value of Extension Term	Total Revenue value including extension term	Contract Capital Budget	Annual Spend	Dept.
Midland HR & Payroll System data archiving solution Variation	£92,255	£159,008 (10 year extension)	£251,263		£15,901	Resources
Croydon College – SEND Post 19 Educational Programme Variation	£1,277,712	£638,856 (12 months extension)	£1,916,568		£638,856	Children, Families & Education
Passenger Transport Minibus Contract – Lot 2 Extension	£3,183,470	£1,200,000 (12 months extension)	£4,383,470		£1,200,000	Place

Approved by: Matthew Davis, Head of Finance – MTFs, on behalf of Chris Buss, Interim Director of Finance, Investment and Risk and Section 151 Officer

6 LEGAL CONSIDERATIONS

- 6.1 The information contained within this report is required to be reported to Members in accordance with Appendix B of the Council's Tenders Contracts Regulations and, in relation to the acquisition or disposal of assets, Regulation 9.3 of the Council's Financial Regulations which states 'Recommendations on acquisitions or disposals valued between £500k and up to £5m must also be approved by the Cabinet Member for Finance and Resources in consultation with the Leader of the Council, subject to the intention to do so having been reported to a previous meeting of Cabinet and in accordance with the Leader's Scheme of Delegation. Recommendations on acquisitions or disposals valued over £5m will be reported for approval to Cabinet.'

Approved by: Doutimi Aseh, Interim Director of Law and Governance

7 HUMAN RESOURCES IMPACT

- 7.1 There are no immediate HR issues that arise from the strategic recommendations in this report for LBC staff. Any specific contracts that arise as a result of this report should have their HR implications independently assessed by a senior HR professional.

Approved by: Sue Moorman, Director of Human Resources

8 EQUALITY IMPACT

- 8.1 An Equality Analysis process has been used to assess the actual or likely impact of the decisions related to contracts mentioned in this report and mitigating actions have been defined where appropriate.
- 8.2 The equality analysis for the contracts mentioned in this report will enable the Council to ensure that it meets the statutory obligation in the exercise of its functions to address the Public Sector Equality Duty (PSED). This requires public bodies to ensure due regard to the need to advance equality of opportunity; foster good relations between people who share a “protected characteristic” and those who do not and take action to eliminate the potential of discrimination in the provision of services.
- 8.3 Any issues identified through the equality analysis will be given full consideration and agreed mitigating actions will be delivered through the standard contract delivery and reporting mechanisms.

9 ENVIRONMENTAL IMPACT

- 9.1 Any issues emerging in reports to the relevant Cabinet Member will require these considerations to be included as part of the standard reporting requirements, and will not proceed without full consideration of any issues identified.

10 CRIME AND DISORDER REDUCTION IMPACT

- 10.1 Any issues emerging in reports to the relevant Cabinet Member will require these considerations to be included as part of the standard reporting requirements, and will not proceed without full consideration of any issues identified.

11 DATA PROTECTION IMPLICATIONS

- 11.1 Will the subject of the report involve the processing of ‘personal data’?

NO

11.2 Has a Data Protection Impact Assessment (DPIA) been completed?

NO

Data Protection Impact Assessments have been used to assess the actual or likely impact of the decisions related to contracts mentioned in this report and mitigating actions have been defined where appropriate.

Approved by: Rachel Soni, Interim Director of Commissioning & Procurement

CONTACT OFFICER:

Name:	Bianca Byrne
Post title:	Head of Commissioning and Procurement (Corporate)
Telephone no:	63138

BACKGROUND DOCUMENTS:

The following public background reports are not printed with this agenda, but are available as background documents on the Croydon Council website agenda which can be found via this link [Cabinet agendas](#)

- *None.*