

Cabinet Agenda



To: Mayor Jason Perry (Chair)

Councillors Jeet Bains, Jason Cummings, Maria Gatland, Lynne Hale,
Yvette Hopley, Ola Kolade, Scott Roche and Andy Stranack

A meeting of the **Cabinet** which you are hereby invited to attend, will be held
**Wednesday, 26 July 2023 at 6.30 pm. Council Chamber, Town Hall, Katharine
Street, Croydon CR0 1NX.**

Katherine Kerswell
Chief Executive
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

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AGENDA

1. **Apologies for Absence**

2. **Disclosure of Interests**

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider **in advance of each meeting** whether they have a disclosable pecuniary interest (DPI), an other registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer **in good time before the meeting**.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPIs and ORIs at the meeting.

- Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.
- Where the matter relates to an ORI they may not vote on the matter unless granted a dispensation.
- Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation. Where a matter affects the NRI of a Member or co-opted Member, section 9 of Appendix B of the Code of Conduct sets out the test which must be applied by the Member to decide whether disclosure is required.

The Chair will invite Members to make their disclosure orally at the commencement of Agenda item 3, to be recorded in the minutes.

3. **Minutes of the Previous Meeting** (Pages 5 - 14)

To approve the Minutes of the meeting of Cabinet held on Wednesday 28th June 2023 as an accurate record.

4. **Urgent Business (If any)**

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

5. **Scrutiny Stage 2** (Pages 15 - 24)
6. **Regina Road Project – Outcome of Ballot and Next Steps** (Pages 25 - 116)
7. **Update on the Housing Transformation Programme** (Pages 117 - 132)
8. **2023/24 - Period 2 Financial Performance Report** (Pages 133 - 164)
9. **Parking Policy 2023** (Pages 165 - 206)
10. **Brick by Brick Croydon Ltd Update Report and Land Acquisition by HRA - July 2023** (Pages 207 - 218)
11. **Lease Acquisition and Underlease Disposal at RedClover Gardens (Part A)** (Pages 219 - 242)
12. **Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works (Part A)** (Pages 243 - 286)
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 or item: “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 3 and 5 of Schedule 12A of the Local Government Act 1972, as amended.”

PART B AGENDA

14. **Exempt Appendices - Item 10 - Brick by Brick Croydon Ltd Update Report and land acquisition by HRA - July 2023** (Pages 287 - 332)
15. **Lease Acquisition and Underlease Disposal at Red Clover Gardens (Part B)** (Pages 333 - 388)
16. **Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works (Part B)** (389 - 398)

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Cabinet

Meeting of Cabinet held on Wednesday, 28 June 2023 at 6.30 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Executive Mayor Jason Perry (Chair);

Lynne Hale (Deputy (Statutory) Executive Mayor and Cabinet Member for Homes (Vice-Chair)), Councillors Jeet Bains (Cabinet Member for Planning and Regeneration), Jason Cummings (Cabinet Member for Finance), Maria Gatland (Cabinet Member for Children and Young People), Yvette Hopley (Cabinet Member for Health and Adult Social Care), Ola Kolade (Cabinet Member for Community Safety), Scott Roche (Cabinet Member for Streets and Environment) and Andy Stranack (Cabinet Member for Communities and Culture)

Also Present: Councillors Rowenna Davis (Chair of Scrutiny and Overview Committee), Stuart King (Leader of the Opposition), Callton Young (Deputy Leader of the Opposition and Shadow Cabinet Member for Finance), Janet Campbell (Deputy Leader of the Opposition and Shadow Cabinet Member for Health and Adult Social Care), Amy Foster (Shadow Cabinet Member for Children and Young People), Chrishni Reshekaron (Shadow Cabinet Member for Homes), Richard Chatterjee

Apologies: Councillor Mario Creatura

PART A

17/23 **Minutes of the previous meeting**

RESOLVED that the Part A minutes of the previous meeting of the Cabinet, held on 24 May 2023, were approved as correct records with the following amendments:

In Paragraph 15/23 – to remove the word ‘to’ from the sentence to read as “good quality long term best value”.

18/23 **Disclosure of Interests**

There were none.

19/23

Urgent Business (If any)

There were no items of urgent business.

The Executive Mayor updated Cabinet with a series of unrelated community safety issues which had occurred over the past couple weeks. The council had been working closely with police and local community groups to ensure the issues were being tackled.

Borough Commander and Council Officers had been supporting police in their investigations. There were additional police patrols in the borough to provide additional reassurance to residents, further, the council's youth engagement teams and wider council services had also been mobilised to ensure safer streets.

20/23

Croydon SEND Local Area and Alternative Provision Strategy 2023 – 2026

The Executive Mayor considered the Croydon SEND Local Area and Alternative Provision Strategy 2023-2026 report and informed Cabinet of the extensive work with key community partners.

The Executive Mayor further informed that the strategy affirmed the council's commitment as set out in the Mayor's Business Plan was to ensure that all children and young people in Croydon had a chance to thrive, learn and fulfil their potential.

The report outlined the aim, principles, and priorities for the next three years, with the ultimate goal of enhancing outcomes for children and young people with special educational needs or disabilities, and their families.

It was noted that the strategy was co-produced with many partners across the borough.

Cabinet was joined by pupils from Bensham Manor, Coulsdon Pathways, the BRIT school, and Croydon Active Voices, who had shared with Cabinet their collaboration nature of the strategy and working in partnership with the community.

The Executive Mayor thanked the young people, parents, Croydon Active Voices and council workers for their contribution and the amount of work and partnership put into the strategy additionally hearing their voices who shared a lot of pride and aspirations in the strategy.

The Cabinet Member for Children and Young People, Councillor Maria Gatland, welcomed the inspirational presentation from the young people present and thanked the officers for all the work they had put into the strategy.

The Shadow Cabinet Member for Children and Young People, Councillor Amy Foster, welcomed the passionate voices from young people, and raised a question relating to early intervention, why maintained nurseries was not mentioned within the strategy, and the impact the closure may have.

The Corporate Director of Children, Young People and Education, Debbie Jones responded to the question highlighting that Croydon was fortunate in having a sound and solid early years space, additionally, the strategy presented had captured all the work that had been and continued to be done in all early year's settings.

The Executive Mayor in Cabinet **RESOLVED:**

To approve the Croydon, SEND Local Area Strategy 2023-26 for children and young people with special educational needs and/or disabilities (SEND) and those accessing alternative provisions (AP) and to agree to receive an annual update report on progress against the strategy.

21/23

STAGE 1: RECOMMENDATIONS ARISING FROM SCRUTINY

The Executive Mayor considered the Scrutiny Stage 1 reports which detailed recommendations relating to the council's improvement journey.

The Chair of Scrutiny and Overview Committee, Councillor Rowenna Davis, addressed the Cabinet and highlighted two areas for the council's improvement journey:

- 1 To speed up the publication of the monthly monitoring reports by ensuring a maximum turnaround time of eight-weeks before publication to address any challenges that may arise; and
- 2 To track the progress of the key performance indicators of the Mayoral Business Plans by recommending that the indicators focused specifically on outcomes for residents.

Other remarks mentioned related to the proposed consultation for the future options of Maintained Nursery Schools in Croydon, and it was highlighted that any options that brought extra income for nursery's were welcomed, as should any nursery's close the deficits would be absorbed into the general fund of the council adding further pressure on the finances.

The Cabinet Member for Finance, Councillor Jason Cummings, responded to the monitoring reports that through scrutiny, the understandability of the reports was to be addressed through the members and development route; additionally the arbitrary eight-week request was difficult to maintain as the monitoring reports itself were

produced based on the timeline where resources and information were available, then published in the public domain imminently upon completion for transparency.

The Executive Mayor thanked Councillor Davis for her comments.

The Executive Mayor in Cabinet **RESOLVED**: To

- 1.1. Receive the recommendation arising from the meeting of the Scrutiny & Overview Committee held on 22 May 2023 (Appendix 1), 6 June 2023 (Appendix 2) and the Streets & Environment Sub-Committee on 14 March 2023 (Appendix 3)
- 1.2. Provide a substantive response to the recommendation (a Scrutiny Stage 2 Report) at the Cabinet meeting on 27 September 2023.

22/23

Future options for Maintained Nursery Schools

The Executive Mayor considered the Future Options for Maintained Nursery Schools report, and shared with Cabinet that nationally, Maintained Nursery Schools had faced financial challenges for several years, despite transitional and supplementary funding.

The report outlined a high-level option for the transformation of the delivery of Maintained Nursery Schools in the London Borough of Croydon, to deliver a financially sustainable model, and detailed the potential future options for Maintained Nursery Schools in the borough.

The Executive Mayor added that the council aimed to speak with local residents to receive their view on the future model through extensive consultation with partners, parents and residents. The results of the consultation were to be presented in a report to Cabinet later this year.

The Cabinet Member for Children, Young People and Education, Councillor Maria Gatland informed that the suggestions and options were welcomed from the Scrutiny Children and Young People Sub-Committee meetings. The report set out the background of the recommendation and highlighted different types of early years provision demonstrating sufficient and diverse supply of early education to meet demand which was a statutory duty. Five of the schools had accrued a deficit of £560k despite a recovery plan, thus, to do nothing was not a viable option. The consultation was to be open and transparent in search of a viable solution and address the deficit.

The Shadow Cabinet Member for Children and Young People, Councillor Amy Foster raised a question on the lack of communication with Maintained Nursery Schools for the difficulty of how the process had started, and whether the possible closure of two nursery schools was

linked to the boroughs search for two locations to site the new family hubs.

The Director of Education, Shelley Davies responded highlighting that there had been communication with the Maintained Nursery Schools ahead of the publication of any reports that was seen in the public domain, further, addressed that Family Hubs and Centres were different. The service was reviewing where family hubs would be placed. As for the Maintained Nursery Schools the proposal was to conduct a consultation period to address the future for the schools.

The Corporate Director for Children, Young People and Education, Debbie Jones added that the outcome of the consultation should be able to address the ongoing deficit pressures, and though currently there were not many solutions, it was not an option to do nothing, and thus a consultation was required to review the future of the Maintained Nursery Schools.

The Opposition Leader Councillor Stuart King raised a question on what specific options had been considered and discussed in closing good and outstanding nursery schools.

The Executive Mayor responded that a consultation was to be conducted to understand the future for the schools, further by working collaboratively with partners to find a sustainable model to ensure that Maintained Nursery Schools were financially viable and avoided any increased deficits whilst ensuring that they retain enough provision for the early years.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To agree to a formal consultation and publication of statutory notice on the proposed option: to agree to reduce the number of MNS within the borough via closure or amalgamation. This will give partners, residents, including the wider school communities and public the opportunity to comment on the proposed options.
- 1.2. To note the potential risks and benefits associated with this option.
- 1.3. To note that the responses to the consultation will be presented in a report to the Mayor in cabinet later this year, so that a determination on this option can be made by the council.

The Executive Mayor considered the 2023-2024 Period Financial Performance Report and informed Cabinet that the council intended to continue to demonstrate financial discipline and continue to project a balanced position for this financial year.

The report set out the narrative of the Council's financial position.

The Cabinet Member for Finance, Councillor Jason Cummings informed Cabinet that this report was different from the normal period monitoring report due to the short period into the year, additionally with the service closing accounts of the previous financial year, the early assessment of prediction for the year ahead with the small amount of data would be inaccurate. Period Two monitoring reports would see a return to the standard report with all information it would entail. All settings of the council financial position was included within the report including potential pressures that would arise from council specific circumstances.

The Shadow Cabinet Member for Finance, Councillor Callton Young welcomed the report confirmation that the 2022-23 budget remained in balanced and noted the narrative of this financial year and the risks on savings accordingly merged from the council carrying staff vacancies rather than having staff who worked to achieve savings through transformation, asked how the £10m pounds set aside in the budget for transformation be wisely used to deliver fundamental change leading to long-term sustainable savings.

The Executive Mayor announced that a new transformation director was recently appointed, and the service was very committed to deliver change. There was a transformation plan in place to tackle the money used into its best effect. Cabinet Member of Finance Councillor Jason Cummings added that transformation was a key area within the council which included significant changes for a long-term transformation. The projects applied for the funding were assessed for viability, potential savings and service improvements it may produce. Additionally, there were two pots of funds which related to transformation: a revenue of £10m pounds; and a £4m pounds capital budget which related to activities that generated physical assets as part of the transformation. This was a key part to deliver savings necessary to delivering the MTFS.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To note the General Fund revenue budget risks as detailed in the directorate sections of the report
- 1.2. To note the Housing Revenue Account (HRA) revenue budget risks as detailed in the report
- 1.3. To note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

- 1.4. To note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 1.5. To note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.43.

24/23

Joint Children's Social Care and Housing Protocol for Care Experienced Young People

The Executive Mayor considered the Joint Children's Social Care and Housing Protocol for Care Experienced Young People.

The report highlighted the collaborative efforts between Housing and Children's Services to establish an improved pathway that addressed these needs.

The Executive Mayor highlighted that the new approach would not only enable to effectively respond to the increasing demand but also improve the service offered by better addressing both the current and future housing and support needs of young individuals, by ensuring they reached their full potential to become independent confident adults.

The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale shared with Cabinet that the latest statistics had shown that the average aged for young people leaving home had increased to 23 years old, though the transition for care experienced young people was experienced at a much younger age with the accommodation provided below standard. This protocol offered an opportunity to do better to young people who were valued and cared for. As corporate parents, the council's responsibility was to ensure care and thus the joint protocol was an opportunity to work together and build shared responsibility for supporting care leavers through a successful transition to adulthood. Further, to proactively identify care leavers at risk of homelessness and act to prevent it, in which the protocol provided a swift, safe, and integrated response for.

The Cabinet Member for Children and Young People, Councillor Maria Gatland shared with Cabinet that this protocol was the first big step for a whole council approach into bringing forward an improved pathway for care experienced young people transitioning from care into independence, highlighting that the housing provision was one of the challenges to provide a good standard for young people. Further, Cabinet heard that as the Chair of the Corporate Parenting Panel, the Panel Members had worked very hard to deliver the first Corporate Parenting Strategy for Croydon. Feedback from care experienced young people had highlighted the work the council was to remedy. Cabinet further heard of the local offer, and the joint housing and children social care panel which

was to be established and meet regularly to ensure a clear pathway to secure accommodation for the young people.

The Shadow Cabinet Member for Children and Young People, Councillor Amy Foster, welcomed the emphasis that as corporate parents the council should want the best for Croydon's looked after children, and raised a question relating to homelessness and why Croydon was unable to make an offer to care leavers similarly to neighbouring boroughs, to which the Cabinet Member for Children and Young People responded that the local offer being made to care leavers were reviewed to be addressed.

The Shadow Cabinet Member for Homes, Councillor Chrishni Reshekaron welcomed the report and the proposed housing protocol and raised a question relating to the guarantee of specialist skilled support to ensure the best outcomes for some of the most vulnerable young people with complex needs.

The Executive Mayor responded that the protocols in place were to ensure better support for Croydon's young people. The Deputy Mayor and Cabinet Member for Homes, Councillor Lynne Hale, added that part of the staffing restructure was to ensure that skilled workforce was in place to deliver services.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To approve Croydon's Joint Children's Social Care and Housing Protocol for Care Experienced Young People which underpins a new way of working to improve outcomes for young people.
- 1.2. To note that the effectiveness of the new arrangements and measures of success will be reported through the Corporate Parenting Board and existing directorate performance management frameworks to ensure decisive actions are taken to address any issues

25/23

Gender, Ethnicity and Disability Pay Gap Report 2022

The Executive Mayor considered the Gender, Ethnicity and Disability Pay Gap Report 2022, which outlined the mean and median pay gap calculations for gender, ethnicity and disability characteristics applicable to the workforce for Croydon Council.

The Executive Mayor addressed Cabinet that there were areas of positive news particularly in the average hourly pay rates for men and women, and there was a negative pay gap for disability. There was more to be done to ensure other pay gaps in the Council continued to reduce, to ensure all employees had equal access to opportunities and fair remuneration.

The Cabinet Member for Communities and Culture, Councillor Andy Stranack shared with Cabinet that the pay gap report presented positive statistics for gender and disability pay and challenges on the ethnicity pay gap. Though there was no room for complacency, the report presented an important measure of how we are trying to build a society that treats people fairly. A full equality strategy was to be presented at the Cabinet in the future meeting.

The Shadow Cabinet Member for Finance, Councillor Callton Young supported publishing the figures as proposed and addressed the need to close the 8.5% gap for ethnicity minority employees in Croydon.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To note the gender, ethnicity and disability pay gap reports (Appendix A, B and C)
- 1.2. To approve the action plans as detailed in the gender, ethnicity and disability pay gap reports (Appendix A, B and C) to reduce pay gaps within the council.
- 1.3. To approve the publication of the disability and ethnicity pay gap reports on the Council's website - as good practice to support openness and accountability - alongside the already published gender pay gap figures (which are legally required).

26/23

Quarterly Procurement Plan Update

The Executive Mayor considered the Quarterly Procurement Plan Update report which set out the quarterly update to the Annual Procurement Plan 2023/24, and informed Cabinet that the report provided oversight to how well the Council was complying with meeting procurement timescales and proposed additions and amendments to the plan for the current year.

The Cabinet Member for Finance, Councillor Jason Cummings informed Cabinet that as part of the new approach to the annual procurement plan there would be quarterly updates. In this quarter there were fourteen additions to the plan detailed within the appendix.

The Shadow Cabinet Member for Finance requested for the updates to include track changes to reveal the changes and encourage challenge.

The Executive Mayor in Cabinet **RESOLVED**:

- 1.1. To approve the revised Annual Procurement Plan for 2023/24 as set out in Appendix A.
- 1.2. To approve the delegated decisions in the revised APP to those Lead Members or Officers as stated in Appendix A that includes

the procurement strategy and award decisions, the duration of the contracts and contract values.

- 1.3. The delegated decisions shall only be exercised following recommendations from the Contracts & Commissioning Board, which include approval from both the Lead Cabinet Member and the Cabinet Member for Finance.
- 1.4. To allow for minor changes to proceed whilst retaining the agreed delegated so long as none of the following thresholds for changes are exceeded:
 - i. Contract value exceeds that proposed in the APP/Quarterly Update Report, by the lesser of £500K or 25%, or the new aggregate value exceeds £1m and it becomes a key decision
 - ii. Substantial / material changes to procurement from that defined in the APP/Quarterly Update Report e.g. material risks are identified

(Should either of those thresholds be exceeded, the delegation cannot be exercised, and the decision shall be recommended to the Executive Mayor, unless a further delegation is approved. Where a delegated decision is a Key Decision to Officers, it must be made in consultation with the Lead Cabinet Member).

27/23

Exclusion of the Press and Public

Not required.

The meeting ended at 7:50pm

Agenda Item 5

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE	26 July 2023	
REPORT TITLE:	Scrutiny Stage 2 Responses to Recommendations arising from: Scrutiny & Overview Committee held 28 March 2023 (Appendices 1 & 2)	
LEAD OFFICER:	Jane West, Corporate Director for Resources Adrian May, Interim Head of Democratic Services T: 020 8726 6000 X 62529. Email: adrian.may@croydon.gov.uk	
LEAD MEMBER:	Councillor Rowenna Davis Chair, Scrutiny and Overview Committee	
AUTHORITY TO TAKE DECISION:	The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Executive Mayor 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 the progress made in implementing the action plan.	
KEY DECISION?	No	N/A
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

1.1 This report invites the Executive Mayor to approve the full response reports arising from the Stage 1 reports presented to the Cabinet meeting held on 24 May 2023, 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.

- 1.2** The Constitution requires that in accepting a recommendation, with or without amendment, from a Scrutiny and Overview Committee or Sub-Committee, the Executive Mayor 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 the progress made in implementing the action plan.

2 RECOMMENDATIONS

- 2.1** The Executive Mayor, in Cabinet, has the power to make the decisions set out in the recommendation below:

To approve the response and action plans attached to this report at Appendix 1 and 2 and that these be reported to the Scrutiny and Overview Committee or relevant Sub-Committees.

3 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 3.1** These are contained in the appendices to this report.

4 SCRUTINY RECOMMENDATIONS

- 4.1** The Scrutiny recommendations are set out in the appendices to this report.
- 4.2** The detailed responses, including reasons for rejected recommendations and action plans for the implementation of agreed recommendations are also contained in these appendices.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** These are contained in the appendices to this report.

6 CONSULTATION / PRE-DECISION SCRUTINY

- 6.1** The recommendations have been developed following the deliberations of either the Scrutiny and Overview Committee or one of its Sub-Committees.
- 6.2** The recommendations in the appendices to this report may involve further consultation and as each recommendation is developed, these implications will be explored and approved.
- 6.3** Some of the recommendations in the appendices to this report are the result of Pre-Decision Scrutiny.

7 CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** Outcome 1: The Council balances its books, listens to residents and delivers good sustainable services:

Priority 4: Ensure good governance is embedded and adopt best practice The Council must learn the lessons of past failures and embed sound governance processes to ensure that decision-making is transparent, open and honest. These must ensure effective control of our projects and programmes and encourage meaningful scrutiny and challenge.

8 IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1** The recommendations set out in the appendices to this report may have a financial implication and as each recommendation is developed the financial implication will be explored and approved.

8.2 LEGAL IMPLICATIONS

- 8.2.1** Under Section 9F Local Government Act 2000 (“The Act”), Scrutiny and Overview Committee (SOC) have the powers to review or scrutinise decisions made, or other action taken in connection with the discharge of any executive and non-executive functions and to make reports or recommendations to the executive or to the authority with respect to the discharge of those functions. SOC also has the power to make reports or recommendations to the executive or to the authority on matters, which affect the authority’s area or the inhabitants of its area. To discharge this scrutiny function, SOC has appointed Scrutiny Sub-Committees, which includes Streets & Environment (S&E) Sub-Committee. Pursuant to the above provision, S&E Sub-Committee has made a recommendation arising from its scrutiny of the budget areas under its remit, which is set out in the attached appendix.

- 8.2.2** Under Section 9FE of the Act, there is a duty on Cabinet to respond to the scrutiny report, indicating what (if any) action Cabinet proposes to take, within 2 months of receiving the report and recommendations.

8.3 HUMAN RESOURCES IMPLICATIONS

- 8.3.1** 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.

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must, in the performance of its functions, therefore, have due regard to:

1. eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
2. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
3. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.4.2 The recommendations set out in the appendices of this report have equality implications and will require an EQIA as part of the development of the proposals. The implications will be explored to identify impact and mitigation utilised to negate any adverse impact where necessary.

Approved by: Denise McCausland Equality Programme Manager 16/05/2023

8.5 ENVIRONMENTAL IMPACT

8.5.1 The recommendations set out in the appendices of this report may have an Environmental impact and as each recommendation is developed, these implications will be explored and approved.

8.6 CRIME AND DISORDER REDUCTION IMPACT

8.6.1 The recommendations set out in the appendices of this report may have a Crime and Disorder reduction impact and as each recommendation is developed, these implications will be explored and approved.

8.7 DATA PROTECTION IMPLICATIONS

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

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

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

NO

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

9 APPENDICES

9.1 Appendix 1 – Scrutiny Stage 2 Responses: Recommendations from Scrutiny & Overview Committee, Item: Council Tax Hardship Scheme 2023-24, 28 March 2023

Appendix 2 – Scrutiny Stage 2 Responses: Recommendations from Scrutiny & Overview Committee, Item: Financial Performance Monitoring – Month 9, 28 March 2023

10 BACKGROUND DOCUMENTS

10.1 Agenda for the meeting of the Scrutiny & Overview Committee held on 28 March 2023

<https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=166&MId=2930>

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Appendix 1 – Item: Council Tax Hardship Scheme 2023-24

Considered by Scrutiny & Overview Committee on 28 March 2023

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e. Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
1.	The Scrutiny & Overview Committee recommends, as a method of testing the effectiveness of the Council Tax Hardship Scheme, that once a sufficient level of base data is available, ward level data on the distribution of the fund is shared with Ward Councillors. This will allow any potential discrepancies in the volume of applications to be highlighted and appropriate action taken to target any areas of concern.	Councilor Jason Cummings Resources	Accepted	Jane West, Corporate Director of Resources & S151 Officer	None	Ward level data to be distributed to Ward Councillors by September 2023.	TBC

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Appendix 2 – Item: Financial Performance Monitoring – Month 9

Considered by Scrutiny & Overview Committee on 28 March 2023

REC No.	SCRUTINY RECOMMENDATION	DEPARTMENT AND CABINET MEMBER RESPONDING	ACCEPTED / PARTIALLY ACCEPTED / REJECTED (inc. reasons for rejection)	IDENTIFIED OFFICER	ANY FINANCIAL IMPLICATIONS	TIMETABLE FOR IMPLEMENTATION OF RECOMMENDATIONS IF ACCEPTED (i.e. Action Plan)	DATE OF SCRUTINY MEETING TO REPORT BACK
1.	<p>To ensure there is both clarity of purpose and transparency, the Scrutiny & Overview Committee recommends that reporting on the Transformation Programme should: -</p> <p>a. Cover all transformation projects, including those delivered through the Housing Revenue Account and any delivered in partnership with external bodies such as local healthcare providers.</p> <p>b. Set out the intended outcomes for individual transformation projects to ensure there is clarity of purpose and enable the relative success of each project to be easily assessed. For example, where savings are targeted, any reporting should include the cost of delivering a service before and after the conclusion of a transformation project as well as the project spend to date.</p>	<p>Councilor Jason Cummings</p> <p>Resources</p>	<p>Partially Accepted</p> <p>The monthly Financial Performance report will include a section on Transformation Funding agreed for projects and spend to date, and progress on savings achieved will be reported through the savings tracker.</p> <p>Progress on individual transformation projects will be monitored through the Transformation Board but it is not expected to be detailed within the financial performance report (which concentrates on overall financial performance and risks, rather than individual project delivery).</p> <p>Transformation Programme delivery will be picked up in a quarterly Transformation report to Cabinet.</p>	<p>Jane West, Corporate Director of Resources & S151 Officer</p>	<p>None</p>	<p>Information will be included in the 2023-24 monthly financial performance reports.</p> <p>Quarterly Transformation report to Cabinet – 27 September 2023.</p>	<p>Reported monthly as part of the financial performance report.</p> <p>26 September 2023</p>

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	26 July 2023	
REPORT TITLE:	REGINA ROAD PROJECT – OUTCOME OF BALLOT AND NEXT STEPS	
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen Corporate Director, Housing	
LEAD OFFICER:	Robin Smith Regina Road Project Lead	
LEAD MEMBER:	Robin Smith Regina Road Project Lead Email: robin.smith@croydon.gov.uk	
KEY DECISION 3823EM	Yes	REASON: Meeting of Financial Criteria £1m+ for Key Decision
CONTAINS EXEMPT INFORMATION?	No	Public
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

- 1.1** This report gives the outcome of the Ballot of residents at Regina Road held between 26 April and 22 May 2023. Residents voted ‘Yes’ to the Council’s Landlord Offer agreed by Cabinet on 22 March 2023 (Key decision ref. 8622EM). The Landlord Offer proposed the demolition of the three ageing towers and properties in the immediately surrounding area shown within the red line boundary on the Regina Road estate as the Council’s preferred way forward for rebuilding the area.
- 1.2** The report sets out the next steps towards rebuilding the area covered by the Ballot. This includes actions following on from the approval of the landlord offer at ballot: the purchase of leaseholder/freeholder interests; the decision around declaring existing homes obsolete; ensure decant capacity; progressing necessary planning applications and permissions and demolitions; and seeking authority to secure GLA funding towards rebuilding. It emphasises the importance of the continuing dialogue with residents throughout the rebuilding process.
- 1.3** A further report is planned for Cabinet on 25 October in relation to consideration and selection of the best delivery model.

2. RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet is recommended:

- 2.1** To consider the outcome of the Ballot (“Are you in favour of the proposal to demolish and rebuild homes as shown within the red line boundary on the Regina Road estate) in which the majority of eligible residents voted “Yes” as detailed at Section 4 of this report.
- 2.2** Subject to statutory processes for obtaining suitable Planning Permissions and other relevant permissions/ consents for the purposes of the project and having due regard to the equalities considerations, the financial and legal implications and risks set out within the report:
 - 2.2.1** To agree the demolition of the three towers and immediate surrounding area included within the red line shown in the Landlord Offer;
 - 2.2.2** To confirm and approve the Landlord Offer in Appendix A;
 - 2.2.3** To approve the project to deliver a minimum of 200 new social rented/shared equity homes on the Regina Road Estate, the exact split to be decided by the Corporate Director of Housing taking into account any needs of the existing leaseholders/freeholders for shared equity homes within the red line area;
- 2.3** In accordance with the Landlord Offer, approve the commencement of acquisition of freehold/ leasehold interests on the properties within the red line area via negotiation in the first instance and under terms that would apply pursuant to a Compulsory Purchase Order (CPO).
- 2.4** Delegate authority for the approval of compensation packages for the acquisition of individual freehold/leasehold interests to the Corporate Director of Housing in consultation with the Corporate Director of Finance and Section 151 Officer.
- 2.5** To authorise preparation in due course of a Compulsory Purchase Order to cover all properties within the red line shown in the Landlord Offer.
- 2.6** For the reasons set out in section 4, to delegate authority to the Corporate Director of Housing to agree whether or not homes within the red line shown in the Landlord Offer are considered to be obsolete in accordance with the definition used by the Greater London Authority in their Affordable Housing Capital Funding Guide.
- 2.7** To approve the continued rehousing of all secure tenants remaining in the properties within the red line area to enable vacant possession of the blocks in accordance with the Landlord Offer in order that the delivery of the proposed

redevelopment of the Regina Road Estate can proceed, including, if necessary, by way of service of the requisite statutory notice seeking possession from secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985.

- 2.8** To delegate authority to the Corporate Director of Housing, in consultation with the Cabinet Member for Homes, to serve demolition notices under the Housing Act 1985, as amended, in order to suspend qualifying tenants from exercising their Right to Buy (RTB) for a period of up to 5 years from the date of service. Further, in consultation with the Director of Legal Services and Monitoring Officer, to settle any claims pursuant to the service of such notices.
- 2.9** To note the following actions to provide early decant capacity for residents:
- (i) Allocation of the 12 new homes at Trellis Mews to residents of nos 1-87 Regina Road wherever possible, according to their Housing Need.
 - (ii) Subject to internal governance processes, purchase up to 50 homes suitable for rehousing sufficient residents on a temporary or permanent basis, according to Housing Need.
 - (iii) To ensure nos 1-87 Regina Road and other properties within the red line area are emptied as may be necessary as detailed design progresses through ongoing design engagement with Croydon Local Planning Authority, with the financial implications to be addressed via the Housing Investment Plan.
 - (iv) Subject to internal governance processes, build up to 9 new build homes at Malton House as part of Phase 1 social rent/shared equity homes at Regina Road
- 2.10** To authorise officers to apply to the Greater London Authority for Investment Partner Status, and for funding towards new homes, both social rented and shared equity, to be built to rehouse existing residents in phases at Regina Road and Malton House in accordance with the Landlord Offer in Appendix A.
- 2.11** To authorise the Corporate Director of Housing to apply to the Local Planning Authority for all the necessary Planning Permissions and other statutory consents for the demolition of all properties within the red line area and for the rebuilding on a phased basis within the context of an indicative Masterplan for the area within the red line in the Landlord Offer in Appendix A.

3. REASONS FOR RECOMMENDATIONS

- 3.1** Following the 'Yes' vote outcome of the Ballot of residents at Regina Road, the

Council needs to consider future actions to progress the rebuilding of the area and associated implications.

- 3.2** This report follows on from the statutory consultation undertaken with residents over the period 13 December 2022 to 26 January 2023, as authorised by Cabinet on 16 November 2022 (Key Decision ref 5122EM) in accordance with Section 105 of the Housing Act 1985 and, to the extent relevant, under section 137 of the Housing Act 1996 on proposals to refurbish or demolish and redevelop the three tower blocks and certain other properties within the Regina Road estate.
- 3.3** Cabinet subsequently agreed on 22 March 2023 (Key decision ref 8622EM), based on the outcome of the statutory and other consultations, that a Landlord Offer be put to a Ballot of residents eligible to vote under the rules of the Greater London Authority. The Ballot result has now been received from the Independent Party which conducted the Ballot - Civica Election Services - as detailed below in section 4 and the Council needs to consider the impact and next steps.

4. BALLOT RESULT AND NEXT STEPS

- 4.1** As previously reported, the Regina Road Estate was developed as social housing by the Borough in the mid-1960s. The area includes three 11 storey tower blocks (each containing 44 flats), 5 medium rise blocks (containing 50 flats) and 9 two-storey properties, all of which are included in the scope of this report. The towers were built using the Wates Large Panel System (LPS), firstly nos 1-87 in 1964 and then the other two towers. The background to this matter is set out in previous reports to members on [16 November 2022](#) and [22 March 2023](#) which can be accessed here for Members' information.
- 4.2** On 22 March 2023 Cabinet authorised a Ballot of eligible residents to be undertaken in accordance with GLA funding guidelines on the Landlord Offer agreed at that meeting. The Ballot subsequently took place between 26 April and 22 May and was run by an Independent Party, Civica Electoral Services, in accordance with GLA funding guidelines.
- 4.3** The Ballot results, independently verified and summarised by Civica Electoral Services in response to the ballot question set out below, are:

QUESTION: Are you in favour of the proposal to demolish and rebuild homes as shown within the red line boundary on the Regina Road Estate?

RESULT	No. votes	% of valid vote
Yes	118	88.1%
No	16	11.9%

Number of eligible voters		164
Votes cast by post:	40	
Votes cast online:	81	
Votes cast by telephone:	13	
Total number of votes cast:		134
Turnout:		81.7%
Number of votes found to be invalid:		0
Total number of valid votes to be counted:		134

The result was that 88.1% of eligible residents voted ‘Yes’ with a turnout of 81.7% of eligible voters.

- 4.4** Subject to statutory processes for obtaining suitable Planning Permissions and other relevant permissions/consent for the purposes of the project and having due regard to the equalities considerations and public sector equality duty requirements as set out in section 11 and in Appendix A, the financial and legal implications set out within the report and in light of the outcome of the Ballot, Cabinet is recommended to agree the demolition of the three towers and immediately surrounding area included within the red line shown in the Landlord Offer and to confirm and approve the Landlord Offer, Appendix A, and the commitments made therein, for the purposes of the rebuilding of the site.
- 4.5** Bearing in mind that several households appear to wish to move away from Regina Road, whether because of poor housing conditions, concerns about building or demolition works, or other reasons, further properties should be considered for acquisition by purchase or lease to boost supply. At this stage it is considered that budget allocation should be made for the purchase of up to 50 suitable properties for decant purposes as set out in the report recommendations.
- 4.6** On 31 May the Executive Mayor attended a public meeting held at the nearby Stanley Halls attended by many residents to discuss next steps. The feeling of many residents at that meeting was that the Council should make early progress on rebuilding homes. There were specific concerns about living next to a building site while the new homes are being built, how demolition might be phased, whether Planning Permission would be granted and whether the GLA would actually provide grant funding.
- 4.7** Assurances were given at the meeting that residents would continue to be engaged fully in developing the design work commenced at the end of last year through to the submission of Planning Applications for the entire site and during the rebuilding.

- 4.8** Subject to Planning Permission and other relevant permissions/ consents and the requirements of associated authorities (such as the GLA), the proposal is to build Phase 1 as soon as practicable, and discussions are ongoing with the Local Planning Authority on its location. The intention is to enable most residents who wish to remain at Regina Road the ability to move from their existing homes directly in a single move to new ones built to the latest standards.
- 4.9** The location of Phase 1 within the site is complex and subject to design and statutory processes for Planning Permission and other relevant permissions/ consents. In the Landlord Offer, Appendix A, the Design Process was broadly explained and that the Architects would continue to work with the Resident Working Group to draft a Masterplan for the area and to prepare a Planning Application for a Phase 1 project which will be developed ahead of any demolition, meaning that the necessary Planning Applications for Phase 1 would be prepared for submission ahead of any demolitions. It is not possible at the earliest stages of design to be precise about what might arise from a complex process that involves detailed discussions and advice from statutory authorities such as the Local Planning Authority.
- 4.10** The Council has appointed Arup structural engineers to review its Large Panel System (LPS) tower blocks and to undertake intrusive examinations on an empty block at Regina Road which will inform the Council's strategy on the future of similar LPS tower blocks across the Borough. Arups have established that nos 1-87 tower was the first to be built in 1964 and that the other two towers were built about two years later to a modified design.
- 4.11** As previously reported to members on 16 November 2022 the flats in the tower blocks – particularly in nos 1-87 Regina Road – have suffered in recent years from a variety of issues including water penetration, condensation and mould that have proved difficult to remedy and it was agreed at that meeting that no further tenancies, permanent or temporary, would be granted in the three tower blocks.
- 4.12** Since summer 2022 households have been moved from the tower blocks to the extent that the current situation is as shown in the following table:

Table 1 - Occupancy of the Regina Road Tower Blocks, as of 13 July 2023

REGINA ROAD Tower Blocks	TENANTS			L/H*	VOID	TOTALS
	SECURE	TA	5 Year Flexi (Secure)			
1-87 (1 bed flats)	28	0	0	1	15	44
2-56A (2 bed flats)	35	0	1	2	6	44
58-108A (2 bed flats)	31	0	2	0	11	44
Tower Block Totals	94	0	3	3	32	132

Table 1 shows that, as at 13 July 2023, nos 1-87 tower block has the highest number of empty flats at 15 flats, leaving only 29 flats still occupied in that tower. Bearing in mind the situation as reported on 16 November 2022 and the current number of voids, nos 1-87 tower block is suitable candidate for early decanting, intrusive examination and subject to the Landlord Offer, demolition.

- 4.13** To facilitate early demolition the Council has purchased 12 newly-built homes at nearby Trellis Mews, comprising 10 x 1 bedroom flats and 2 x 2 bedroom flats, as part of the re-provision of new homes. These will be reserved for Regina Road residents and allocated wherever possible to the residents in nos 1-87. For the remaining households, it is recommended that the Council purchase or lease several suitable properties, either local or where households might wish to move, to speed the process of decanting.
- 4.14** It is therefore possible that nos 1-87 tower block might be empty towards the end of 2023.
- 4.15** There is also the site recently purchased by the Housing Revenue Account at Malton House, South Norwood, which has a valid Planning Permission for up to nine small homes, although some variation may be needed because of the presence of an electricity sub-station. It should therefore be possible to build up to nine new social rent or shared equity homes for completion as part of Phase 1.
- 4.16** The principal next step, however, is the design and delivery of approximately 129 new homes (and replacement kindergarten) at Regina Road and Malton House in Phase 1 to enable decanting, according to housing need, to be progressed as soon as practicable. Resident engagement will be vital throughout the design and rebuilding process in accordance with the Council's Residents Charter and the Landlord Offer, Appendix A.
- 4.17** The preferred timeline for Phase 1 is a start on site just before Christmas 2024. This enables access to the current round of GLA funding to support the construction of new social rented housing and would enable most residents to

move directly into their new homes during the summer of 2026. In order to access funding from the GLA, the Council needs to apply for Investment Partner status, and this is reflected in the recommendations to this report. This indicative timeline is based on Council-led rebuild project by the Council for social rented, and shared equity replacement for leaseholders, using a Design/Build process with a main contractor. Planning Permission will be needed, and the intention is to progress a detailed Planning Application for Phase 1 of 120 homes at Regina Road (both social rented and shared equity) and replacement kindergarten at Regina Road in the context of an outline Masterplan for the whole of the red line area. Below are the main steps of a possible timeline to the essential outcome of Planning Permission, but please note that the timeline is tight and dependent on immediate full resourcing of the project, both internally and through the consultant team:

Event	Start	End
ITV feature on nos 1-87	March 2021	
ARK Report	June 2021	
Commissioning of Ridge reports on the tower blocks	December 2021	
Election of Executive Mayor	May 2022	
Resident Walkabout	July 2022	
Resident engagement meetings	October 2022	November 2022
Cabinet authorises formal consultation	16 November 2022	January 2023
Cabinet proposes Landlord Offer	22 March 2023	
Ballot	April 2023	May 2023
PPA/ Pre application meeting No.1	14 June 2023	
Cabinet Meeting	26 July 2023	
Application to GLA for Investor Partner and funding for new social rented homes	July 2023	August 2023
Residential Engagement, Masterplan	July 2023	July 2023
Place Review Panel No. 1	August 2023	August 2023
Public Exhibition on initial proposals	September 2023	September 2023
Informal Pre-Application Workshops/ Meetings	September 2023	February 2024
Additional resident/ public workshops and Exhibitions	October	December 2024
Place Review Panel No.2	November 2023	November 2023
Design Freeze & Preparation of Supporting Documentation	15 December 2023	February 2024
Pre-App Committee presentation	December 2023	January 2024
Place Review Panel No.3	January 2024	February 2024
RIBA Stage 4a (tender) Design Development	January 2024	April 2024

Planning Application – Ghost submission to test processes	February 2024	March 2024
Final Approval by Corporate Director of Housing to Submit Planning Application	March 2024	End of March 2024
Planning Application -Statutory Determination Period (13 weeks)	April 2024	July 2024
Planning Application - Statutory Consultation	April 2024	May 2024
Planning Application - GLA Stage 1 Response	May 2024	May 2024
Contractor Tender Process	May 2024	July 2024
Planning Application - Agreement of S106 equivalent	May 2024	July 2024
Planning Application - LB Croydon Planning Committee, determination of application by Borough	July/August/September 2024	July/August/September 2024
Planning Application - GLA Stage 2 Referral	August/September 2024	September 2024
Preparation of Details for Pre-Commencement Conditions	July 2024	September 2024
Issue of Planning Permission (if granted by the Planning Committee)	August 2024	September 2024
Judicial Review Period of 6 weeks (if the Planning Permission is granted by the Planning Committee)	October 2024	November 2024
Contractor Award	October 2024	October 2024
Submission and Discharge of Pre-Commencement Planning Conditions	September 2024	December 2024
Start on Site	December 2024	
Build Phase 1 homes	January 2025	August 2026

4.18 In parallel with obtaining Planning Permissions and other relevant permissions/ consents, decisions need to be made regarding the best method of delivery of the new homes and how best to finance them, considering all the issues and risks involved in a balanced way. Provisional costings and method of delivery options were outlined in the March Cabinet Report, with the assumption that the private housing element of the rebuilt Regina Road would be developed separately by a housebuilder. Paragraph 16.3 from March Cabinet report is relevant:

‘There are several options that can be considered on how any scheme at Regina Road might be delivered. These range from a Council-led rebuild project which would replace and add to the Council’s stock of social housing as well as possible partnership options with Housing Associations and/or private

housebuilders with different cost profiles. The options will consider the wider social need within the borough such as social care need and the demand for key worker accommodation.'

- 4.19** Savills have been engaged to advise on viability and delivery options. They confirm that rebuilding is the best option, as already demonstrated in the 16 November 2022 Cabinet Report because refurbishment is more costly than rebuilding. Savills also outline the challenge of designing a developer-led scheme that a developer would want to build without subsidy in the current market. The latest estimate of the deficit in this model needs further review if a developer-led approach is to be considered.
- 4.20** In summarising the issues that the Council faces regarding choice of the delivery option, it would appear unlikely that the deficit on a developer-led scheme can be eliminated in today's market. There is also the need for a selection and negotiation process for a Developer-led scheme through a Development Agreement. This can take time and may extend beyond current GLA funding scheme timelines, thereby creating another risk.
- 4.21** Quality is paramount. If speed is also paramount, a Council-led Rebuild scheme with 200 social rent/shared equity homes in two phases may be the most practicable and quickest replacement option, using a Design/Build approach whereby the Council obtains Planning Permission (in the context of an indicative Masterplan) and designs to RIBA Stage 4a to procure a main contractor who will then complete the detail design and build, monitored by the Council's agent.
- 4.22** The question then becomes the best way to dispose of the remainder of the site, whether to a private housebuilder for a capital receipt when market conditions improve, or even perhaps retain part of the site for an extra care sheltered housing scheme, possibly in partnership with a specialised provider. There would be risks that the undeveloped area might not sell quickly, or a purchaser might seek to landbank.
- 4.23** There is no easy nor quick answer. The Pros and Cons of the two main options above are summarised below:

OPTION	PROS	CONS/RISKS
Delivery Option A – Developer-led with Development Agreement	<ul style="list-style-type: none"> * Potential to achieve a better price for the affordable housing as a result of a single development partner delivering across the whole site/economies of scale * Potential share of any profits resulting from the programme, by way of a planning and sales overage 	<ul style="list-style-type: none"> * May need an element of Council subsidy over and above the cost of the affordable housing * Developer profit in this option may be between 20%-25% of cost (or 18.5% - 20% of Gross development Value) weighed against lower professional fees of 10% (although need to

	<p>clause</p> <ul style="list-style-type: none"> * Benefit from the expertise of a developer partner bringing specialist resource to optimise the value from the scheme * Less risk to the Council compared to direct delivery of the affordable homes where the Council would be fully exposed to construction risks 	<p>consider this against the likely higher costs in the Option B which could be significant)</p> <ul style="list-style-type: none"> * Council would still have some element of control over the affordable housing delivery, through signoff and approval gateways etc within the contract documentation. * Specification would need to be negotiated/agreed, and may result in less choice for residents Although less direct risk, there remains the exposure to developer failure * Potential that developers might not be interested in the opportunity (although Savills consider this risk to be small) * Potential longer procurement & therefore longer timescale for replacement homes delivery * Complexity of Development Agreement not to be underestimated * GLA grant route potentially more complex
<p>Delivery Option B – Council-led process with a Design/Build tender of the affordable housing only, and disposal of remainder of the site</p>	<ul style="list-style-type: none"> * Direct control on timescale, quality and programme * Ability to provide early delivery * Bespoke home options possible for residents (although this would be budget dependent) * Ability to sell the remaining cleared site(s) with planning permission when market conditions improve, and receive a better land receipt compared to disposal now, when land value is nil * Funding already allocated in HIP * Simple later phase option for extra care social housing * Potential to package the remaining site(s) with other Council owned regeneration sites for a more attractive opportunity to the market 	<ul style="list-style-type: none"> * Most likely to be a higher cost for the affordable housing due to higher build costs on smaller sites * Need for a larger consultant team, and additional internal resource to support the Council with competent clienting * Professional fees (including framework levies) up to 18% * Risk of land remaining unsold for a long period of time * Risk of land remaining vacant by developer land banking pending improved market conditions * Potential that some developers may not be interested in a fully market sale scheme, where they normally seek mixed tenure for a preferable cash flow profile * Direct exposure to contractor risk, cost inflation and contractor failure risk

	<p>* Potential to benefit from any profit associated with the market sale and (once the land is sold) through a planning and sales overage</p>	
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- 4.24** The key issue now is to avoid delay by progressing the design of the rebuilding scheme, to obtain Planning Permission and to apply for GLA grant funding. Steps are being taken to procure the teams necessary for this work.
- 4.25** Over the summer market testing can be carried out with major developers as to the possibilities that might arise, not only at Regina Road, but also at neighbouring sites with similar issues in South Norwood and where other LPS blocks are present.
- 4.26** Turning now to the existing homes within the red line of the Landlord Offer, GLA have indicated that the Council should consider declaring existing homes obsolete in accordance with their current condition and GLA funding criteria. If the GLA criteria are satisfied, this could enable the Council to access GLA grant for every new social rent home. Normally GLA grants are only available for additional social housing, not for replacement social housing. However, where existing social housing has been declared obsolete according to the GLA definition, it is possible, on an exceptional basis, to achieve grant for replacement social housing. Paragraph 2.3.6 of the GLA Capital Funding Guide (Section 2, London.gov.uk/cfg) sets out the GLA definition of, and approach to, obsolete homes:
 “AHP 21-26 grant can be used for new homes which are replacing existing homes, only where those existing homes are obsolete. An obsolete home is defined as one where an affordable home is no longer considered by the landlord to be capable for letting for long term tenancies for reasons pertaining to condition, type or building standards, regulations, or safety. The replacement of obsolete homes will only be funded when they are part of a project that also delivers a net increase in affordable housing. The GLA will only provide funding for replacement of obsolete homes on an exceptional basis.”
- 4.27** It is therefore recommended that authority be delegated to the Corporate Director of Housing to consider and as necessary agree on behalf of the Council as landlord, whether or not homes within the red line shown in the Landlord Offer are considered to be obsolete in accordance with the definition used by the Greater London Authority in their Affordable Housing Capital Funding Guide.
- 4.28** Under Schedule 5A of the Housing Act 1985 as inserted by clause 182 of the Housing Act 2004 and amended by the Housing and Regeneration Act 2008, the Council is able to issue demolition notices. There are two different types of demolition notice – initial demolition notices and final demolition notices. The

purpose of demolition notices is to either suspend or end a qualifying tenant's Right to Buy (RTB) claim, this will not affect homeowners who've already bought their homes.

- 4.29** In light of the proposed redevelopment and implications arising, it is also recommended that the Corporate Director of Housing, in consultation with the Cabinet Member for Housing be authorised to serve initial demolition notices under the Housing Act 1985, as amended, to suspend the progression of Right-to-Buy applications for the dwellings within the red line shown in the Landlord Offer. The only impact that the service of such a notice has is that it suspends the obligation on the Council to complete a Right to Buy purchase for a period of time. If a resident has already applied for the Right to Buy, they can still complete the purchase if demolition does not subsequently take place. Residents can also make a new application while an initial demolition notice is in force, but the Council would not be required to complete the sale under those circumstances.
- 4.30** However, if the Council serves a final demolition notice, then any existing Right to Buy claims are ended and no new applications can be made. The Council can only serve such a notice if all other premises which are to be demolished within the red line area have been acquired or are subject to binding agreements to acquire. This is to prevent tenants from being disadvantaged by unresolved compulsory purchase issues. A final demolition notice is valid for two years and can be extended by an application from the Council to the Secretary of State for DLUHC. If a tenant has established a valid claim to exercise the Right to Buy before either an initial demolition notice or a final demolition notice is served, the tenant has three months in which to claim compensation for expenditure connected with the conveyancing process, such as legal or survey fees.
- 4.31** If the Council subsequently decides not to demolish the property, a revocation notice must be served on the tenant as soon as is reasonably practicable. If it appears to the Secretary of State that the Council has no intention of demolishing properties, the Secretary of State may serve a notice revoking the initial or final demolition notice which has been served. It is important to note that Right-to-Buy carries over from the existing secure tenancy to a new secure tenancy on a new home.
- 4.32** In relation to existing freeholders/ leaseholders, while every effort will be made to reach agreements with those impacted by proposals for Regina Road, including the offer of shared equity homes where appropriate in accordance with the Landlord Offer, the Council may need to seek a compulsory purchase order which is a legal function that allows the Council to acquire land, for a specific purpose such as redevelopment, if the owner is not willing to sell by agreement. There are various statutory provisions relating to Compulsory Purchase Orders (CPO). The procedure for making and confirming CPOs is, in most cases, governed by the Acquisition of Land Act 1981 (as amended by the Planning and Compulsory Purchase Act 2004). There are various stages to a CPO process, such as confirmation by the Secretary of State and

implementation, including issuing relevant notices, before powers to take possession of land can be exercised. Compensation will need to be paid (primarily governed by the Compulsory Purchase Act 1965 and the Land Compensation Act 1973) and disputes in relation compensation can be referred to the Upper Tribunal (Lands Chamber). The Council may also be required to secure alternative accommodation for freeholders/ leaseholders if suitable alternative residential accommodation on reasonable terms is not otherwise available (section 39 of the Land Compensation Act 1973), hence the provision for shared equity housing in the Landlord Offer. Given the complexity of CPOs and the lengthy process, it is recommended that initial steps be taken to prepare to make a CPO whilst Planning Permission is sought for the rebuilding. Legal advice will need to be obtained prior to making a CPO and throughout the process, including considering claims for compensation which can be made up to a period of six years.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1** The report to Cabinet on 16 November 2022 explained in detail why it is better for all parties to demolish and rebuild. The Council considered this to be its preferred option and put the proposal forward to residents for formal consultation, subsequently leading to the proposals in the Landlord Offer for new modern homes fit for the 21st Century which have now been approved by residents via the ballot outcome. Rebuilding is also better for the Council in that the costs of refurbishment to meet the requirements of the Building Safety Act and other legislation exceeds the cost of rebuilding as new homes meeting modern standards.

6. CONSULTATION

- 6.1** Consultation with residents in accordance with the Residents Charter has been extensive and ongoing since July 2022. Previous statutory consultation and engagement with residents is also detailed in previous reports, most recently to Cabinet on 22 March. A key element of the Landlord Offer, Appendix A, is the emphasis on resident engagement throughout the design and development process.
- 6.2** Plans are also being prepared to engage with the wide range of local businesses and organisations that will be impacted by the rebuilding of Regina Road.
- 6.3** The Improvement & Assurance Panel have been consulted on the approach in this report.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** Resolving the future of the Regina Road homes contributes to Priority 4: ‘Croydon is a cleaner, safer and healthier place, a borough we’re proud to call home’
- 7.2** More specifically:
- Invest in council homes to drive up standards and develop a more responsive and effective housing service.
 - Ensure new homes are safe, well-designed and in keeping with the local area.

8. IMPLICATIONS

- 8.1** There are many risks associated with a major rebuilding scheme. Many of these have been outlined in the paragraphs above. Risk identification, and then especially mitigation of risks, will be key to the management of the scheme. A Risk Register has been produced and regular corporate workshops are held to review risks – these are reported to Members as appropriate. These will continue to be held until the rebuilding is complete.

9. FINANCIAL IMPLICATIONS

- 9.1** The costs approved by Cabinet on 22 March 2023 (Key Decision ref 8622EM) were based on best estimates and current market prices of £80m. Included within this is the purchase of the properties at Trellis Mews, a provision for demolition works and a provisional sum for leaseholder buybacks. This will need to be increased to allow for the increased number of leaseholders across the projects that maybe impacted, an additional £5m is requested to be added to this provision.
- 9.2** The purchase of an additional 50 properties to decant residents to would require an additional investment of £15m from the Council HRA and assumes that other grants would be available to support the purchases.
- 9.3** The purchase price for the site at Malton House was included in the 22 March paper estimate. The provision of £3m needs to be added to that for the estimated cost of building out of up to nine homes.
- 9.4** The additional funding request of £23m for Phase 1 is therefore assumed. The gross costs are prior to any grant or other funding. The funds would be borrowed by the HRA as and when draw down for the projects is required.
- 9.5** The request to agree to apply to restore the Councils Investment Partner Status with the GLA would allow the Council to access potentially £200k per unit (£24m for Phase 1 of 120 new homes).
- 9.6** The proposals are capital delivery projects with distinct elements that will need to be costed and have the funding profiled once agreement on the delivery options has been reached.

10. LEGAL IMPLICATIONS

- 10.1** The Greater London Authority (GLA) Affordable Housing Capital Funding Guide (CFG) contains the rules and procedures for Investment Partners (IPs) providing housing under the Affordable Housing Programmes (AHPs) with funding from GLA.
- 10.2** The GLA is empowered in the Greater London Authority Act 1999 inter alia, to make grants available for the development and provision of affordable housing. If the GLA enters into a Funding Agreement or Contract with investment partners (IPs) for a housing investment programme, pursuant to which the GLA agrees to provide grant funding to the IP this is done for the purpose of delivery by an agreed date of the number of affordable dwellings specified in the programme offer. Grant paid by the GLA to the IP pursuant to those Agreements/Contracts constitutes social housing assistance as defined in the Housing and Regeneration Act 2008. Any such funding is subject to not only the specific terms of the GLA Agreements and Contracts but is also subject to the requirements of the CFG.
- 10.3** The GLA funding guidance, compliance with which is necessary for applying for and receiving GLA funding in support of this project, provides that IPs must complete the GLA Resident Ballot Compliance Checklist, which must then be signed by the Independent Body, to confirm the resident ballot was held in accordance with the requirements of the Capital Funding Guide prior to claiming grant. In addition, the GLA will undertake further compliance checks at key points throughout each project.
- 10.4** The GLA may terminate a funding allocation and/or reclaim any funding paid (plus interest) on a project if in its view:
- the planning permission secured for a project materially deviates from the proposals set out in the Landlord Offer to residents;
 - a progress report to residents highlights that a project materially deviates from the proposals set out in the Landlord Offer to residents; and/or
 - the completed project materially deviates from the proposals set out in the Landlord Offer to residents.
- 10.5** Examples of material deviations include, but are not limited to, changes to:
- the right to return for social tenants;
 - the offer to leaseholders and/or freeholders;
 - the scale of demolition and number of units to be demolished;
 - the number of new homes; and/or
 - the tenure mix of the new development.

- 10.6** There is an Investment Partner qualification process, the requirements of which the Council will need to satisfy, in order to be eligible to apply for and receive Grant Funding. There is also an annual continuing partner qualification process with which the Council would need to comply. These requirements are set out as part of the GLA. Investment Partners are required to adhere to specific standards and requirements and provide specific information to residents.
- 10.7** The CFG defines obsolete in the context of the GLA funded projects as follows: “An obsolete home is defined as one where an affordable home is no longer considered by the landlord to be capable for letting for long term tenancies for reasons pertaining to condition, type or building standards, regulations or safety. The replacement of obsolete homes in the 21- 26 Affordable Housing Programme will only be funded when they are part of a project that also delivers a net increase in affordable housing. The GLA will only provide funding for replacement of obsolete homes on an exceptional basis.”
- 10.8** In relation to the acquisition of leasehold and freehold interests, the Council has power under s120 of the Local Government Act 1972 (the 1972 Act) to acquire land by agreement for the purposes of any of their functions under the 1972 Act or any other enactment, or for the benefit, improvement, or development of their area. Subsection (2) provides that even if the land is not immediately required for the purpose for which it is being acquired, it may be acquired and used for the purpose of any of the council’s functions.
- 10.9** In addition, the Council has power to acquire land by agreement under s227 of the Town and Country Planning Act 1990 (the 1990 Act) for any purpose for which a local authority may be authorised to acquire land under s226. That section includes purposes of development and redevelopment.
- 10.10** In this report the recommendation is that land is being acquired by agreement in order to facilitate the proposed redevelopment of the Regina Road Estate, which falls within the purposes set out in s120(1) of the 1972 Act and s226 of the 1990 Act. Accordingly, the Council has power to acquire leasehold and freehold interests by agreement as recommended by this report.
- 10.11** In relation to compensation payments, persons with a qualifying legal interest displaced from their properties because of demolition, such as tenants, leaseholders and freeholders, will be eligible for mandatory or discretionary statutory compensation and disturbance. These will be made in line with the applicable legislation and council policy (including the Landlord Offer) at the appropriate time.
- 10.12** Whilst the report makes clear that in accordance with the Landlord Offer, the council will seek to re-house remaining secure tenants by agreement, where agreement is not achieved the Council has the ability, following service of the requisite statutory notice seeking possession, to bring a claim for possession against its secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985, which provides as follows: “The landlord intends, within a reasonable time

of obtaining possession of the dwelling- house to demolish or reconstruct the building or part of the building comprising the dwelling-house, or to carry out work on that building or land let together with, and thus treated as part of, the dwelling-house, and cannot reasonably do so without obtaining possession of the dwellinghouse.” The court will not make an order for possession of a dwelling-house let under a secure tenancy under Ground 10 unless it is satisfied that suitable alternative accommodation will be available for the tenant when the order takes effect. Accordingly, the council will need to ensure suitable alternative accommodation is offered to secure tenants.

- 10.13** Under Schedule 5A of the Housing Act 1985 as inserted by clause 182 of the Housing Act 2004 and amended by the Housing and Regeneration Act 2008, the Council is able to issue demolition notices. The purpose of demolition notices is to either suspend or end a qualifying tenant's Right to Buy (RTB) claim, this will not affect homeowners who've already bought their homes.
- 10.14** Demolition notices are issued in two stages: Initial Demolition Notices (IDNs), which is a notice served on a secure tenant stating that the Landlord intends to demolish the premises and usually issued when the local authority intends to demolish the property but has not yet planned precisely when it will take place. Whilst the IDN remains in force the Council will not be obliged to convey the premises to the secure tenant. It is important to note that the IDN does not prevent a claim being made to exercise the Right to Buy (RTB). The IDN served must state that there is a right to compensation. The right to compensation under Section 138C of the 1985 Act is subject to: (i) the RTB claim having been established before the IDN comes into force; (ii) the claim for compensation being made within 3 months of the IDN coming into force; (iii) that claim for compensation being made for expenditure reasonably incurred by the tenant, before the coming into effect of the IDN, in respect of legal and other professional costs and fees in connection with the exercise of the RTB; and (iv) that expenditure being evidenced by receipts or other documents showing that it was in fact incurred by the tenant.
- 10.15** A Final Demolition Notice may be issued before the demolition can take place. This will suspend the council's obligation to complete the Right to Buy claim. The period of suspension must not allow the Council more than what is, in the circumstances, a reasonable period to carry out the proposed demolition but in any case, must expire no more than seven years after the date of service of the IDN on the tenant. Final Demolition Notices (FDNs) when issued will replace the Initial Demolition Notice and are usually issued when a date is set for the demolition to take place. Final Demolition Notices will end any existing Right to Buy claims and enable the Council to refuse new applications. The notice will be valid for up to 24 months. There is a statutory restriction on service of a further demolition notice in that no further demolition notice may be served during the period of 5 years following the time when the IDN comes in to force unless the further notice is served with the consent of the Secretary of State, who when consenting to an extension may impose further conditions. If the Council decides not to demolish properties affected by a notice, a Revocation Notice will be served.

10.16 Each demolition notice should clearly identify the properties affected by it, explain the reasons why those properties have been earmarked for demolition, give a broad indication of when the properties will be demolished, the date when the notice or notices will cease to be in force and that compensation is payable for certain reasonable expenditure incurred in respect of existing Right to Buy claims (as set out above).

10.17 The recommendations in this report indicate potential future decisions in respect of a Compulsory Purchase Order. Compulsory purchase is a legal mechanism by which certain bodies (known as 'acquiring authorities', such as the Council) can acquire land without the consent of the owner. This may be required if agreement cannot be reached with freeholders/ leaseholders for the purchase of their properties in accordance with the Landlord Offer. At the relevant time, this will require legal advice and following statutory processes under:

- the Acquisition of Land Act 1981 governs the procedures which applies to such an acquisitions and may require the conduct of a public inquiry if there are objections.
- the Compulsory Purchase Act 1965, which governs post confirmation procedures and;
- the Land Compensation Acts 1961 and 1973, which governs the amount and assessment of compensation.

10.18 As set out in this report, the proposals to bring forward a development of the Regina Road site will be dependent upon Planning Permission and other necessary permissions/ consents being granted. The Planning application, once submitted, will be determined on by the Local Planning Authority via Planning Committee on planning merits of the scheme.

Comments approved by the Director of Legal Services and Monitoring Officer,
17/07/2023

11. EQUALITIES IMPLICATIONS

11.1. The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 11.2.** The department have sought to collate some data on protected characteristics at Regina Road and now hold some data on: ethnicity, sex, sexual orientation and religion. Over the course of the forthcoming months more data will be gathered on the remaining characteristics and efforts will be made to build trust which will support residents sharing their data. During the consultation efforts were made to pay due regard to all equality characteristics by ensuring that the consultation was accessible to all residents in particular those who may not have English as a first language and residents who are non-neurotypical.
- 11.3.** An equality analysis has been carried out in respect of resident consultation at Regina Road. The data collected via the consultation at Regina Road indicates that the proposal will have a positive impact on age, disability, sex, race and religion and belief. This is a live document and will be updated with further data when available.
- 11.4.** The department will continue to consider equality implications throughout the duration of the project including the needs of disabled residents affected through any transitions.

Comments approved by Denise McCausland on behalf of Denise McCausland, the Equalities Programme Manager. Date 08/06/23

12. APPENDICES

- A Landlord Offer agreed by Cabinet on 22 March 2023 prior to Ballot
- B EQIA

13. PREVIOUS CABINET REPORTS

Cabinet, 16 November 2022– Regina Road Estate, Norwood,
Key Decision: 5122 EM

Cabinet, 122 March 2023 – Regina Road Estate, Norwood, Outcome of
Statutory
Consultation and arrangements for a Ballot of residents on the Landlord Offer
Key Decision: 8622 EM

Landlord Offer





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Dear Regina Road Resident

I am incredibly grateful for all the comments you and your neighbours have sent to the Council about Regina Road. The Council has now agreed to hold a Ballot of eligible residents on the future of your home and its immediate area. The Ballot paper will ask you to answer ‘Yes’ or ‘No’ to the question:

Are you in favour of the proposal to demolish and rebuild homes as shown within the red line boundary on the Regina Road Estate?

The Ballot will open on 26 April and close on 22 May. The Ballot will be organised by Civica Elections Services, also known as CES. They are an Independent Body appointed by the Council for this purpose.

The Council tendered for this organisation through the Council’s legal procurement process.

The homes included in the Council’s proposals are indicated by the red-line boundary on the map overleaf. When we refer to the ‘Regina Road Estate’ or the ‘Estate’ in our documentation, we are describing the homes within the red-line boundary. This red-line boundary is also the boundary of the Strategic Estate Regeneration Area for the purposes of the Greater London Authority (GLA) Ballot Rules.

Residents eligible to vote under the GLA Ballot Rules will receive a Ballot Paper and instructions on how to vote. Residents who are able to vote on the future of the Regina Road Estate are anyone aged 16+ who are:

- **Social tenants and any joint tenants who have been named on the secure tenancy agreement**
- **Resident leaseholders who are named on the lease and have resided in their home for at least a year prior to the publication of the Landlord Offer on 27 March 2023**
- **Resident freeholders who are named on the deed and have resided in their home for at least a year prior to the publication of the Landlord Offer on 27 March 2023**
- **Residents who live on the estate as their principal home and who have been on the council’s housing register for at least a year regardless of tenure.**

The results of the Ballot will be announced on 26 May and included in a special edition of the Regina Road newsletter.

You can also contact **Independent Tenant and Leaseholder Advisers (ITLAs)**, who are independent from the council. Their role is to make sure you understand the options available and to support you. Here are their contact details:

Rob Lantsbury: 07961 532 761 or email rob.lantsbury@publicvoice.london

Christine Searle: 07764 421 981 or email christine.searle@publicvoice.london

Public Voice freephone: 0800 169 8677 or email info@publicvoice.london

You can also write to Public Voice at: **Public Voice CIC, Tottenham Town Hall, Town Hall Approach Road, London N15 4RX.**

You can speak with the Croydon team on reginaroad@croydon.gov.uk or call **020 8726 6100** ext. 44524.

Do have a read through the Landlord Offer and think about what it means for you. It is important that every resident eligible under the GLA Ballot Rules expresses their view on the future of Regina Road.

Yours faithfully,



Susmita Sen, Corporate Director of Housing, Croydon Council



Fig. 1: Regina Road estate boundary map

This booklet contains details of the ‘Landlord Offer’, Croydon Council’s offer to you, the Regina Road Estate residents. It includes:

- **How the Council has listened to your views**
- **The option being presented by the Council**
- **Commitments being made to you**
- **The design process**
- **Details of how to vote**
- **The tenant offer**
- **The leasehold and freehold offer** (for resident and non-resident leaseholders and freeholders).

INTRODUCTION

This booklet has been designed to contain the information you need to make an informed decision about whether you are in favour of the redevelopment of the Regina Road Estate or not. Please read it carefully so that you fully understand the proposals before you vote.

The Council recognises that an unsatisfactory situation has developed on the Regina Road Estate over recent years, with living conditions in some homes below the standards that you should expect. We therefore want to work with residents to rebuild the area to the best possible modern standards.

The Council has listened to residents and acted on your views to shape this landlord offer.

This Landlord Offer document has been created to:

- **Clarify our proposals and give certainty to residents as to how these proposals will affect them**
- **Reassure residents that an appropriate housing option will be in place**
- **Set out how they will be compensated for the disruption**
- **Provide a basis to achieve vacant possession, ideally by negotiation**
- **Provide the foundation for a resident ballot**
- **Reassure residents that the Council has put adequate resources in place from the outset to deliver on commitments made.**

Back in November 2022 when the Council agreed to consult formally with residents on the future of this area of Regina Road, the Council set out nine guiding principles for Regina Road, based on best practice in London:



Exemplar and inclusive engagement and involvement of residents from the start



Keep the community together – one move where possible and Right to Return if required to move temporarily



Compensation for the costs and disturbance for moving home



High quality homes that meet or exceed minimum space standards



A home for secure tenants that meets their need (or need +1 if over-occupying) and the same tenancy rights



Access to free independent advice



Resident involvement in design and a choice of fixtures and fittings



A fair deal for leaseholders – including buying back at full market value and options for resident homeowners to purchase



Support residents with the move, with dedicated support for those with additional needs

YOUR VIEWS

You've shared your views of about the future of the estate in a variety of ways:

- Talking to us when we've visited you at home in our outreach activity
- Responding to the statutory consultation survey
- Speaking to us at engagement sessions held at Stanley Arts (Formerly Stanley Halls), online and at 62 Regina Road
- Meeting the architects, BPTW at design sessions
- Sharing your views with the **Regina Road Resident Support Group**, who have written to the Council with a response to the statutory consultation
- Meeting with the **ITLAs**, who have represented your views to the Council
- Through attending the **Resident Working Group (RWG)** – a group of residents living across the estate who have come forward in response to the Council's advertisement to the estate and outreach activity. The RWG has been involved with the council at a strategic level and have helped shape this offer.

In response to your views, we have:

- Worked on a design option that aims to decant as many existing residents as possible in **“One Move”**
- Increased the number of offers that can be made by the Council from one to two offers to three offers of accommodation, with a reviews process
- Made clear that households, regardless of tenure who have their principal home on the estate and who have been on the housing register for at least one year prior to the date the Landlord Offer is published, will be able to vote in the ballot
- Households currently in temporary accommodation within the estate will have their tenancies converted to a secure tenancy and will then have the same rights as others on the estate to the provisions within the offer
- Ensured that the Council will deal with cases of residents withholding rent due to disrepair sensitively. Tenants are still requested to pursue necessary channels of communication with the Council if unhappy about issues within their homes
- Clarified the reviews process
- Clarified the process for compensation by way of improvements. An application process will be in place, including a schedule of works undertaken which will be reviewed by a qualified surveyor to assess whether the improvements relate to damp, mould or disrepair not already addressed by the Council
- Increased the amount we will buy back leasehold properties from 'market value' to 'market value' plus 10%
- Extended the definition of 'market value' to take account of the value of properties based on a EWS1 (External Wall System) form with an A2 risk rating in respect of fire safety.

We will continue to work with you about the future of Regina Road estate through:

- Conducting drop-in sessions and community activity on the estate
- Continuing to conduct outreach activity on the estate
- Holding sessions with the architects to inform the future design
- Attending the **Resident Working Group (RWG)** – a group of residents living across the estate who have come forward in response to the Council's advertisement to the estate and outreach activity. The RWG has been involved with the council at a strategic level and have helped shape this offer. We continue to recruit to the RWG, if you'd like to take part please contact us on reginaroad@croydon.gov.uk or call **020 8726 6100 ext. 44524**.

What a Potential 'Yes' Vote Means

Our proposal to redevelop the Regina Road estate is based on the following key points and will be subject to the planning process, planning permission and other relevant permissions:

- Creation of new high-quality homes on under-utilised space within the estate.
- Aiming for as many existing residents as possible to return to new homes on the estate (if this is desired), Rehousing existing Council tenant households to a Council-rented property at or near Regina Road at social rent levels, ideally in a single move. The demolition and replacement of the Tower Blocks within early phases
- The provision of new houses to the rear of 125-157 Regina Road
- New council homes to be built to GLA space standards and conforming to high build standards.
- A new pre-school centre, that allows some community meeting facility
- New high quality external environment and play spaces
- An approximate doubling of density from 191 existing homes to approximately 380 -450 new homes, subject to the planning process and planning permission, to provide more new homes locally in addition to rehousing existing residents.
- A mix of social and private housing to help offset the cost of rebuilding homes for existing residents.

In consultation with residents the proposals have been developed to this level of detail. These proposals will result in an estimated 380-450 new homes being built (subject to the planning process and planning permission) - around 200 replacement homes for council tenants and possibly 25 replacement homes for leaseholders/freeholders.

Subject to a positive ballot, the scheme will be further developed in consultation with residents, as it is taken towards a RIBA Stage 3 design to securing planning permission. Once planning permission is granted, the overall number of homes will be fixed. The Planning application(s) will be determined against the London Plan 2021 and Croydon Local Plan 2018 unless material considerations indicate otherwise.

As a result, we know we will have to look at a range of funding to provide the additional new homes, external space and pre-school. This could be made up of loans, the sale of a proportion of the additional new homes, financial contributions from private developments elsewhere and grants from the Greater London Authority (GLA).

Therefore, we currently have a team of officers looking into all these sources of funding.

What a Potential 'No' Vote Means

If the majority of residents (eligible to vote and voting in the ballot) vote 'no' at ballot this would mean that the Council would need to reconsider its approach and we will do so in partnership with residents. We will consider different solutions to the property condition issues across the estate. A 'no' vote may present risks in relation to access to funding and potentially affect the timescales for change on the estate.

SUMMARY OF COMMITMENTS TO RESIDENTS OF REGINA ROAD ESTATE

These commitments are based upon feedback from consultation and have been drawn up in discussion with the Resident Working Group. If the vote at ballot is “yes” from the majority of residents, these commitments will include, subject to planning and other relevant permissions where relevant:

- **Dedicated support team:** We will help you to understand the proposals, the best options for you and support you move home. This team will support vulnerable residents with all aspects of their move and liaise with family members as necessary.
- **A new home for existing residents within the estate:** If you want to return to the estate we will offer you a new home in the new development that meets your housing needs. You will have your own private outdoor space or balcony.
- **A permanent move away if you want it:** If you would prefer to move away from the Regina Road Estate, we will support you to find a permanent home among the council’s existing properties in Croydon.
- **Your tenancy will stay the same:** Your tenancy rights will be the same in existing or new homes unless you choose a property with a Housing Association.
- Convert temporary accommodation licences into secure tenancies.
- **A fair and flexible offer to homeowners:** We are committed to ensuring no homeowners are worse off financially as a result of this offer. We will offer residents the option to sell your homes to us at an independently verified price plus where residents are eligible, a statutory home loss payment will be payable by the Council. Homeowners will be eligible to buy a new property on the estate on a leasehold basis. Ownership options for homeowners include shared ownership, shared equity and equity loan. We will cover all reasonable costs incurred as a result of sale/ shared equity arrangements. If homeowners don’t have enough equity to buy a new home on the Estate, we will work with you to try to find a solution that enables you to stay on the estate.
- **A commitment to high standards and high quality:** All new homes will be built to the latest standards as set out in current Building Regulations and planning policy. For existing residents all new homes will be as big, or bigger, than your current home and it will also have an outdoor private space. All homes will be energy efficient.
- **The right-of-return:** To a newly built home for households who have left Regina Road after 16 November 2022.
- **Help when moving:** We will also pay all reasonable removal expenses (as part of a ‘disturbance payment’) and help with arranging your move and setting up your home.
- **We will minimise disruption:** We will make every effort to limit disruption to you and your household.
- **You will receive compensation:** Where you meet the entitlement criteria, we will pay you a statutory home loss payment for the loss of your home. At present that statutory figure is £7,800. In addition, disturbance payments are available to cover the reasonable costs incurred as a result of moving.
- Non-resident freeholders and leaseholders are not eligible for statutory home loss but may be eligible for a basic loss payment which currently equates to 7.5% of the market value of the property or a maximum payment of £75,000, whichever is the lower. These levels are set by statute and are periodically reviewed by government.
- **Compensation for home improvements:** If you are a council tenant and have made improvements to your home, we will compensate you for these providing they were carried out with Croydon Council’s permission and you will be asked to complete an application with details of what is being claimed.
- **Tackling overcrowding:** Tenants who are overcrowded will be offered homes to meet their assessed housing need as part of this regeneration.
- **Meeting your housing need:** Council homes will be allocated according to need. Your need will be discussed and confirmed with you after planning permission has been agreed. If your need changes after this time this can be updated with the dedicated support team.
- **Ongoing consultation and communication:** We will consult you on proposals for the new development throughout the process, using a range of methods so you can influence the delivery.

THE DESIGN PROCESS

The Council has appointed BPTW Architects to work with a Resident Working Group to develop designs for the new Regina Road. Some residents will already have participated in the Design Workshops which will continue throughout the Rebuilding Project. The feedback from this initial engagement process has shaped the designs so far.



Fig. 2: Comments at design sessions made by residents



Fig. 3: Design sessions at Stanley Halls

The Architects will continue to work with the Resident Working Group to draft a Masterplan for the area and to prepare a Planning Application for a Phase One project which will be developed ahead of any demolition so the Council can start building as soon as possible.



Fig. 4: An example of a BPTW designed - regeneration [image credit BPTW]

All of the existing homes are included with the regeneration plans, and to be clear the final chosen option assumes replacement of all buildings. The Council is however aware that, on the fringe of the rebuilding area, there are blocks with differing build methods, and differing issues. The Council will work with residents of these properties to work together on the best solution for these homes as more detailed design work progresses. For now, in line with consultation feedback, we are including all blocks within the proposal.

Space Standards

Existing homes at Regina Road fall short on current space standards, have lower ceilings, no outdoor balcony space, and do not meet modern standards for thermal comfort and ventilation. There are no family-sized homes in the tower blocks, nor wheelchair accessible homes.

Fig. 5: Existing and new 1-bedroom flat size comparison

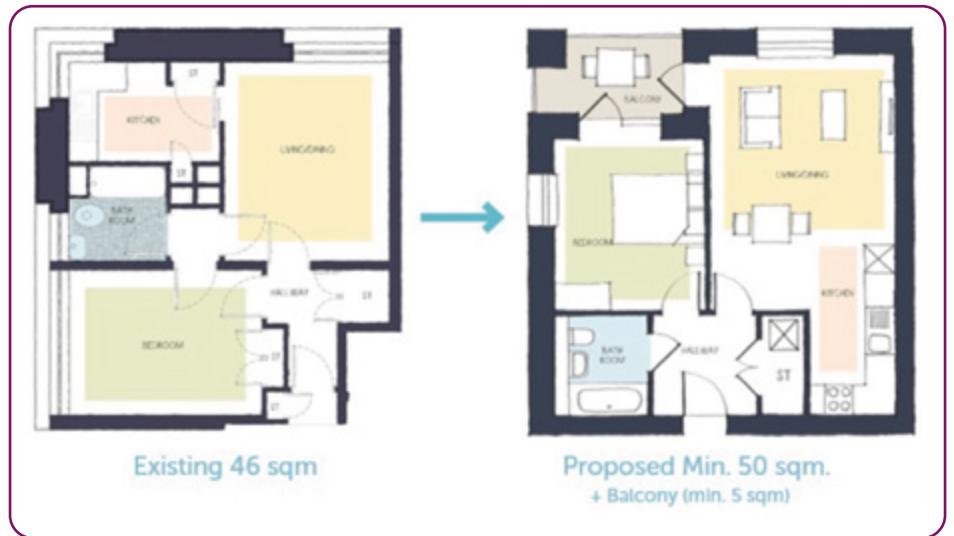


Fig. 6: Existing and new 2-bedroom flat size comparison



Nationally Described Space Standards

Table 1 - Minimum gross internal floor areas and storage (m²)

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) *			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	

* External private amenity, e.g., balconies/terraces, is additional to the areas above

Phasing Approach

Given the scale of the estate, and the specific needs of existing residents, redevelopment plans will be carried out on a phase by phase basis. The overarching aim of this is for residents to be able to move from their existing home into a new one in a single move without the need to move to temporary accommodation.

Phase 1 is proposed to include a nearby site for an estimated 9 new homes, plus around 120 new homes at Regina Road. This should be sufficient to rehouse all existing households who are living in Council tenanted property at Regina Road. The Council is also purchasing some newly built homes nearby for early moves.



Fig 7: Indicative phasing plan [image credit BPTW]



Fig 8: Indicative phasing plan [image credit BPTW]

Energy Efficiency

All new homes, including a mix of houses, maisonettes and flats will be designed to the latest standards in terms of internal space and storage, thermal comfort and air quality, fire safety, private amenity provision (e.g. balconies, terraces). All homes will be energy efficient which will ensure lower utility bills for the future users.

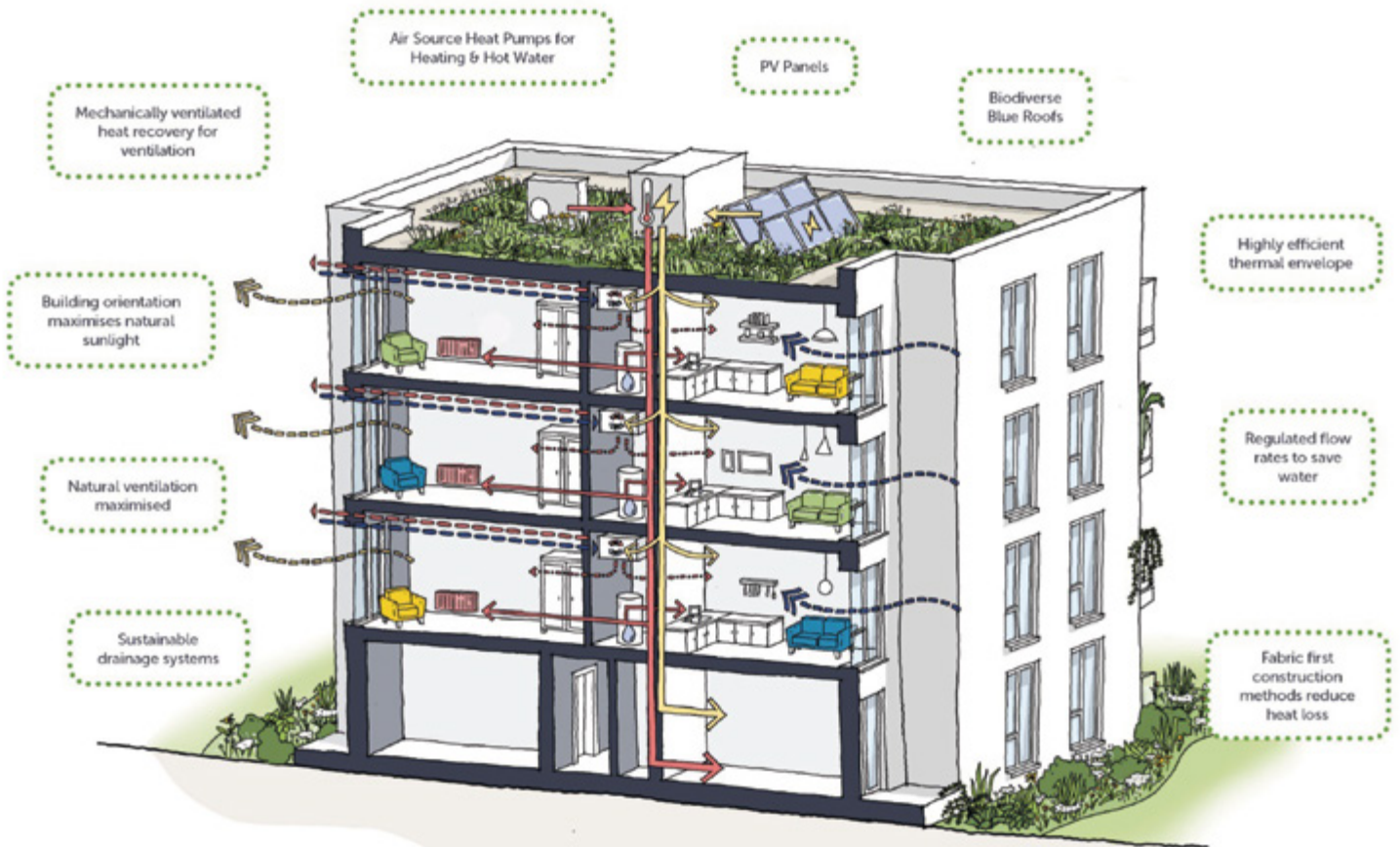


Fig 9: A typical block of flats – energy efficiency principles [image credit BPTW]

Shared outdoor areas

The public realm will be designed with inclusivity and safety in mind, in accordance with the residents' feedback, to ensure the needs of the local community are fully facilitated. Safe, well-lit routes, open green spaces, communal courtyards, front gardens, orchard/growing spaces, play and leisure facilities for all ages will be considered.



Fig 10: Indicative public realm – pedestrian boulevard - example from elsewhere in London [image credit BPTW]



Fig 11: Indicative public realm – Green open space – example from elsewhere in London [image credit BPTW]

The placement of the new buildings will be carefully considered to ensure there is no adverse impact on the adjacent neighbours, the adequate distances will be kept ensuring the privacy is maintained and there are no overlooking issues. The improvements to the pavements, lighting, landscaped edges will benefit all, existing and the new residents. The intention is that all homes on the estate will be tenure blind, this means that all new homes on the estate will be of the same quality, regardless of tenure.



Fig 12: Indicative public realm – existing and new buildings street example – from elsewhere in London [image credit BPTW]

THE VOTING PROCESS

The council is following Greater London Authority (GLA) Resident Ballot requirements for holding a ballot. This means there is no minimum turnout needed and the result will be based on a simple majority – in other words whichever vote (yes or no) receives the highest number of votes will decide if the scheme goes ahead or not.

It also means:

- **The ballot will be run by an independent organisation**
- **You can vote anonymously either in favour of our proposals or against them**
- **Voter eligibility is established by the GLA.**

Who will be running the independent ballot?

Civica Elections Services, also known as CES. CES is an impartial and independent organisation. Croydon Council will not be able to see how individuals have voted. It will manage the ballot process in line with Greater London Authority (GLA) guidance. CES is an independent company with over 100 years' experience of administering ballots and are the UK's leading provider of election services. They will be responsible for:

- **Receiving and counting the votes**
- **Verifying that all votes have been casted legitimately**
- **Issuing the result.**

Who can vote?

Residents who are able to vote on the future of the Regina Road Estate are anyone aged 16+ who are:

- **Social tenants and any joint tenants who have been named on the secure tenancy agreement**
- **Resident leaseholders who are named on the lease and have resided in their home for at least a year prior to the publication of the Landlord Offer on 27 March 2023**
- **Resident freeholders who are named on the deed and have resided in their home for at least a year prior to the publication of the Landlord Offer on 27 March 2023**
- **Residents who live on the estate as their principal home and who have been on the council's housing register for at least a year.**

What question will be on the ballot paper?

The question is:

Are you in favour of the proposal to demolish and rebuild homes as shown within the red line boundary on the Regina Road Estate?

How do I complete the ballot paper?

If you want to vote **'yes'** in favour of the proposal, **place an x in the box marked YES.**

If you want to vote **'no'** against the proposals, **place an x in the box marked NO.**

You may only vote once – the independent body checks and verifies every individual ballot paper, telephone vote and online vote to ensure that eligible residents only vote once. If a resident tries to vote more than once, only their first vote will be counted.

THE VOTING PROCESS

How do I cast a vote?

You will be able to vote using any of the following methods:

- **Post the completed ballot paper back to CES in the pre-paid envelope provided**
- **Vote online at www.cesvotes.com/reginaroad by providing the security code listed on your ballot paper**
- **Call the Freephone number listed on your ballot paper and provide the security code listed on your ballot paper.**

When can I vote?

You can vote between **Wednesday 26 April** and **Monday 22 May**. The vote lasts for 26 days. The ballot closes at 5pm on Monday 22nd May. To be counted, your vote must be received by this time.

Your ballot paper will be delivered to your door when the vote starts. Once you have your ballot paper you can cast your vote using the methods stated above.

If you are voting by post, your ballot paper must have arrived by the deadline to be counted. Please make sure you send your vote back with plenty of time to arrive as any ballot papers received after the close will not be counted under any circumstances.

When will I find out the result?

The results will be shared via a newsletter as soon as possible after CES issue the results to the Council. All residents will also receive a letter within five working days after the results are issued to confirm the results.

What do the results mean?

A 'Yes' vote

If the ballot result is in favour of the final option, we will deliver this option with resident input subject to relevant planning permission and other relevant permissions.

A 'No' vote

If the ballot result is against the preferred option, this would mean that the council would need to reconsider its approach and we will do so in partnership with residents. We will consider different solutions to the property condition issues across the estate. A 'no' vote may present risks in relation to access to funding and potentially affect the timescales for change on the estate. This offer document and its contents will cease to apply in the event of a 'no' vote.

What if I have questions about the process or my vote?

If you have any questions about voting, or if you have lost / spoilt your ballot paper and need a replacement, please contact CES on: support@cesvotes.com or call **020 8889 9203**.

What happens after the ballot?

We will continue to work with residents through all aspects of the work on the option that has the majority support from residents. This will include selecting teams to deliver the option, evolving the design and submitting a planning application and confirming housing allocations.

The Tenant Offer – Regina Road

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THE TENANT OFFER (“OFFER”) – REGINA ROAD

1. INTRODUCTION

1.1 CONTEXT

This offer sets out the Council’s proposed approach to secure tenants who currently occupy the area identified as outlined in the plan below at Regina Road Estate.

This offer provides for different offer options dependent upon whether the block in which the resident lives is to be demolished and redeveloped or its defects remedied via refurbishment.

The terms “regeneration” and “regeneration scheme” used within the offer refers to both the option of refurbishment and the option of demolition and redevelopment.

Secure Tenant Offer has the following objectives:

- **Fairly manage the rehousing, allocation, and payment compensation process**
- **Use the refurbishment or development opportunity to improve housing conditions in the Regina Road Estate**
- **Create a sustainable community in the Regina Road Estate area.**



Fig 9: Plan No.1 – Showing location of three tower blocks and surrounding medium and low rise development within a boundary

1.2 DEFINITIONS AND ELIGIBILITY

The Offer applies to permanent rehousing of all Council tenants who are affected by the Refurbishment or Rebuilding at Regina Road (“the Regeneration Scheme”) in respect of the site plan (Fig 9) for the Regina Road Estate.

Residents in Temporary Accommodation within the Regina Road site plan will be eligible to vote at ballot if their principal home is on the estate and have been on the local authority’s housing register for at least one year prior to the date the Landlord Offer is published. This is irrespective of their current tenure. However, Households currently in temporary accommodation within the Estate will have their tenancies converted to a secure tenancy and will then have the same rights as others on the Estate to the provisions within the offer.

DURATION

If accepted by a majority of residents eligible to vote and voting at ballot, the Offer will cease to apply once everyone who is entitled to exercise a right to return under this offer has exercised that right or declined to do so as provided for in this offer. The offer will only apply to those eligible to vote in the ‘ballot’. Once the regeneration is completed in full there will be no right of return. The Council’s main Allocation Scheme will continue to apply throughout and thereafter to all Council tenants.

If not accepted by a majority of residents eligible to vote and voting at ballot, the Offer will cease to apply at the point that the ballot concludes, and results are announced.

COUNCIL TENANTS

For the purposes of the Offer, Council tenants are secure tenants who rent a home from the Council, including those who live in sheltered housing, as defined by the 1985 Housing Act.

HOUSEHOLD MEMBERS

Subject to the exclusions below, all household members will be considered as part of the eligible tenant’s household for rehousing purposes.

This includes:

- **Secure tenants and their immediate household**
- **Co-habiting partners and spouses living together in a settled relationship with the eligible tenant for a continuous period of 12 months before being considered as part of the household**
- **Non-dependent children living continuously as part of the settled household since the start of tenancy or who have lived with the household since birth**
- **Children born since the start of the tenancy or other dependent children where the eligible tenant has principal care of the child on a permanent basis. Birth certificates will need to be produced to confirm relationship and dependency**
- **An adult relative who has become a settled member of the household because they need support and cannot live independently. This may be an elderly relative or someone who is disabled. Such persons must have resided with the household for a minimum of 12 continuous months before being considered as part of the household**
- **Live-in carers providing full time care to a member of the household.**

THE TENANT OFFER (“OFFER”) – REGINA ROAD

The following household members will be **excluded** from being rehoused:

- **Unauthorised and authorised occupants including friends, lodgers and sub-tenants living with the Tenant**
- **Licensees**
- **Other non-secure occupants and persons included on applications for rehousing but who are not considered to be part of the tenant’s household**
- **Squatters**
- **Any household member who has moved in and caused overcrowding**
- **Children of the tenant whose main, principal home is elsewhere**
- **Any other person deemed ineligible by the Housing Act 1996 and relevant regulations thereunder.**

The Council will consider any exceptions not covered by the criteria above on a case by-case basis. Any exceptions will be subject to written approval by the Corporate Director of Housing and will be supported by reasons for the decision.

If the composition of any household changes or is expected to change (i.e. pregnancy) the main tenant is required to inform the Council as soon as reasonably possible. Evidence will be required to support any change to a household’s composition. The Council reserves the right to refuse the addition of a household member or members if it considers, in its absolute discretion, the evidence submitted is insufficient.

2. RE-HOUSING OPTIONS FOR COUNCIL TENANTS

2.1 REHOUSING OPTIONS

2.1.1 The Council will rehouse any Council tenant being displaced from their home because of the Regeneration Scheme, with the following exceptions:

- **The Council will not rehouse any tenant who is awaiting eviction after a Court hearing for breach of their tenancy conditions for example, due to rent arrears or anti-social behaviour**
- **Tenants who have rent arrears will not be eligible to move into a new build property on any redeveloped site at Regina Road or any other site unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months. The Council will deal sensitively with residents who have withheld rent due to disrepair. Tenants are still requested to pursue necessary channels of communication with the Council if unhappy about issues within their homes.**

2.1.2 Tenants have a right to request a review undertaken by an Appeals & Reviews Officer against a decision not to rehouse under the above grounds. In undertaking this review, the Council will follow the statutory review process which is summarised in paragraph 2.1.3 below. If a tenant is unhappy with a decision, they and or their representatives can meet directly with the Council to present the case, or the presentation can also be in writing.

In conducting the review, the Council will consider personal circumstances, personal financial issues, issues around mental and physical health, economic circumstances, and all other relevant statutory information.

Reasons will be given for the outcome of the review and regardless of whether the outcome is successful or unsuccessful for the tenant. The Council must put the full reasons for their decision in writing to the tenant. The tenant can seek legal redress if they are not happy with the outcome of the review.

2.1.3 Requesting a Review

If you want a decision made with regard to your homeless application or accommodation provided in relation to that accommodation reviewed please tell us as soon as possible, preferably using the appropriate form (Review Form 1).

If we do not receive your request within 21 days of the day you received our decision letter, we are not obliged to review our decision.

Please ensure you give us an address where we may write to you during the period of review.

Conducting the Review

The council has a period of 56 days to reach a decision on review.

The officer who will carry out the review will not have been involved in making the decision which you want reviewed and will be senior to the person who made the original decision on your application.

You will be informed of the review decision and the reasons in writing within the timescale outlined above. However, if we need more time to look into your case, we will write to you about this and agree a new time limit with you.

You should not rely upon the review altering the decision of the original investigating officer. Also, the reviewing officer may reach another decision which is not in your favour.

Submissions

You – or someone acting on your behalf – may give us written details, including information from doctors, consultants, etc., of the reasons why you want us to review the Council's decision.

Please note: Under the Housing Act 1996 (as amended) not all decisions are subject to the review process. If, for any reason, the right of review does not apply to the matter which you raise in your request, we will write to you explaining the reasons.

The rehousing options available to Council tenants are set out below:

OPTION 1 – MOVE TO AN EXISTING COUNCIL PROPERTY ELSEWHERE IN THE BOROUGH

- Council tenants who wish to move to an existing council property elsewhere in the borough will be given the opportunity to do so.
- Tenants will be entitled to three direct offers of alternative accommodation that meet the housing needs of the household.
- For tenants who would like to move outside of Croydon Borough, the Council will identify suitable vacancies including through Homefinder UK.
- The Council will try and keep those wishing to move as close to their existing networks at Regina Road.

OPTION 2 – MOVE TO AN EXISTING HOUSING ASSOCIATION PROPERTY ELSEWHERE IN THE BOROUGH

- Council tenants who wish to move to a property owned and managed by a Housing Association elsewhere in the borough will be given the opportunity to do so.
- Tenants will be entitled to three direct offers of alternative accommodation.
- Tenants who choose this option will be supported by the designated Housing Officer to ensure they understand the differences between the Council and Housing Association tenancies and can afford the rent. The Independent Tenant Advisor is also available for advice.
- The Council will try and keep those wishing to move as close to their existing networks at Regina Road.

THE TENANT OFFER (“OFFER”) – REGINA ROAD

OPTION 3 – MOVE TO A SHELTERED HOUSING OR EXTRA-CARE SCHEME PROPERTY ELSEWHERE IN THE BOROUGH (SUBJECT TO ELIGIBILITY FOR THE PARTICULAR SCHEME)

- Council tenants who are eligible and wish to move to a property in either a Sheltered or an Extra Care housing scheme elsewhere in the borough will be given the opportunity to do so.
- Dedicated scheme officers will also provide residents with on-site support including for the viewing and moving processes.
- Tenants who meet the following criteria will be eligible for offers in a sheltered scheme:
 - 55 years and over; or
 - Aged 55 to 59 years and in receipt of Personal Independence payments; and
 - Single or joint applicants with no children; and
 - In need of the housing support provided by the scheme.
- Tenants will be nominated for consideration by a Panel for Extra Care accommodation. Extra Care housing is for people who require a high-level support due to:
 - Frailty;
 - Ill-health; or
 - Restricted mobility.
- Tenants will be entitled to three direct offers of alternative accommodation as close as possible to the regeneration area.

OPTION 4 – PURCHASE OF AN AFFORDABLE HOME ELSEWHERE THROUGH A LOW-COST HOME OWNERSHIP SCHEME

- Council tenants who are able to purchase a home or have savings will be supported in the process to purchase an affordable home.
- A number of affordable homes are being built in the borough under Shared Ownership and Shared Equity schemes and tenants can also be supported with advice on how to purchase such properties, as well as properties on the open market.
- Officers will endeavour to provide housing advice on whether this is an affordable and viable option based on individual financial circumstances.

OPTION 5 – RENT A PROPERTY ELSEWHERE WITH A PRIVATE LANDLORD

- The Council can help tenants to move to a property in the private rented sector. This may be a good option for a tenant who would like to move near a support network in another borough or outside London.
- The Council can provide assistance about affordable private rented accommodation by liaising with landlords in or outside of the borough as well as offering financial assistance towards the required deposit and first month's rent.

OPTION 6 – MOVE TO A NEW PROPERTY IN DEVELOPMENT ON THE ESTATE OR NEARBY ONCE COMPLETED

If redevelopment is how the project progresses (rather than refurbishment), the Council is proposing to build new council housing across the site as part of the Project. Priority for the new build homes will be given to those who have had to move because of the regeneration scheme. Tenants will only be given one opportunity to move back to the new homes that have been built.

This option will apply to tenants who have initially:

- **Moved to a council or housing association property elsewhere within the borough on a temporary basis**
- **Moved to a sheltered housing property elsewhere in the borough on a temporary basis.**

Tenants who have rent arrears will not be eligible to move into a new-build property in the redeveloped estate unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months.

The Council will judge each case on its merits and take a sensitive approach to each case.

2.2 ALLOCATION & ELIGIBILITY PRINCIPLES AND PROCEDURES

- **Officers will carry out one to one meetings with Council tenants to establish the needs of the household including whether they would like to register an interest to return to a new build property in the redeveloped area if redevelopment is the option progressed and when they are become available.**
- **As part of this process, the following information will be gathered:**
 - Proof of tenancy
 - Housing composition (*verifying who lives at the home and that all household members are eligible for rehousing*)
 - Rehousing option preference
 - Bed size requirement
 - Type of property preferences (*floor level, block type and house type*)
 - Location of property preferences (*area preference in Croydon or out of borough*)
 - Preference to be near to friends, family, current neighbours (*as a group move*) or support service
 - Any medical, health, mobility, social or risk factors that should be considered
 - Current location of children’s schools and workplace
 - Preference of when they would like to move (*i.e. as soon as possible, within a specific time frame*)
 - Equalities information for monitoring purposes.
- **Anonymised data will also be shared with any development partner for the project in accordance with the relevant privacy notice provided to residents, helping them to understand what existing tenant’s accommodation needs are for the provision.**
- **The tenant will be notified of the outcome following assessment of their eligibility and needs.**

This notification will:

 - Confirm the Housing Needs Band that the tenant has been placed in. (The Current Allocation Scheme provides that tenants will be placed in Band 1 if it is necessary for the Council to decant them due to refurbishment or redevelopment works such as are currently proposed)
 - Confirm the size (and if applicable, the type) of property the tenant is eligible for

THE TENANT OFFER (“OFFER”) – REGINA ROAD

- Confirm the tenant’s effective date (*the effective date will be based on the date their first Council tenancy commenced*)
- Include a reminder about informing the Council of any change in the household’s circumstances
- Provide details of the Review process.
- The tenant will be awarded the Highest Priority Band (i.e. Band 1) based on the requirement for them to move as a ‘decant’ for regeneration purpose. The effective date will be based on the date their first Council tenancy commenced.
- The Council will make direct lets to affected households and no household will be required to bid for a home.

2.3 IDENTIFYING AND MAKING AN OFFER OF ACCOMMODATION

- Tenants will be entitled to a maximum of three direct offers (*those eligible for either a Sheltered or an Extra Care housing scheme will also be entitled to three direct offers*) of accommodation.
- The Council will check whether a vacant property is suitable for a tenant on the regeneration decant waiting list.
- Once a suitable property has been identified, the Council will contact the tenant (usually by telephone) to give the details of the property that is being offered and make an arrangement for the tenant to view the property. This will be followed by a formal offer letter.
- The tenant will be asked to view the property within 14 days and then to sign the tenancy agreement. If they do not consider the property is suitable for themselves or their household, they will be asked to complete a form setting out their reasons for refusing the offer. If a tenant fails to view the property within this time frame, then this will be deemed a refusal of the offer.

A tenant can ask for a Review by a Reviews Officer of the suitability of the accommodation offered regardless of whether they accept the offer or not. The reasons will be considered as part of the Review and a decision will be made as to whether the offer was reasonable or not.

The review process is as set out at paragraph 2.1.3 above.

However, it is important to point out that the definition of suitability is enshrined in law. Factors the Council can consider are:

- Distance from school if studying for GCSEs
- Distance from work
- Medical conditions
- Whether a property is affordable
- Safety from domestic abuse or other violence as reported to the police
- Any other special circumstance.
- Should the tenant refuse all direct offers of suitable accommodation and their review options are exhausted; the Council may start early possession proceedings in order to obtain vacant possession of the property in time for potential demolition. Applicant has a right of review.
- Considering the long timescale of the programme and waiting times for rehousing, the Council will check the detail of the needs assessment at the point of making an offer to ensure that there has been no change of circumstances and the offer is suitable.
- The Council will liaise with other council services such as the Occupational Therapy Service, Adult Social Care, Children’s Services etc. to ensure the tenant’s health and support needs are addressed.
- All necessary adaptations will be considered.

2.4 ESTIMATED WAITING TIME FOR AN OFFER OF ACCOMMODATION

- **The timescales of when a tenant may be offered alternative accommodation will depend on:**
 - The available supply of accommodation that is suitable to meet their housing needs
 - Offers of accommodation will be prioritised based on the following criteria:
 - A tenant from regeneration site will be matched to a vacant property on or near Regina Road
 - The housing needs and vulnerabilities of each tenant matched will then be assessed to determine which tenant has priority for the match
 - If there is more than one tenant whose needs are suitable for the vacant property, the offer will be made to the tenant who has been a council tenant the longest (*based on the tenancy start date*).

2.5 BEDROOM SIZE ENTITLEMENT

The size and type of property that an applicant could have will depend on the size of their household.

When assessing the size of accommodation suitable for your household we will provide either bedsit or one bedroom accommodation for single person households. For other households we will assess as requiring a separate bedroom for:

- **You and your spouse or partner**
- **Each adult in your household aged 21 or older**
- **Every pair of adolescents in your household of the same sex aged between 10 and 20**
- **Every pair of children in your household aged less than 10 years regardless of sex.**

Tenants needing larger homes – For households who require more than four bedrooms, the Council will work with them to consider alternative housing options on a case-by-case basis as there is limited supply of larger council-owned accommodation. For example, the household might wish to consider separate housing for adult children. Such housing situations will be subject to approved by the Corporate Director of Housing.

Downsizing – If a tenant chooses to move into a smaller property that meets their housing needs as part of the Regeneration Scheme, they may, subject to budget availability, be entitled to a downsizing payment for any subsequent room returned to the Housing Service.

3. RIGHT TO RETURN

3.1 RIGHT TO RETURN

Previous tenants of Regina Road will retain the Right to Return until one or more of the following has occurred:

- **The tenant has informed the Council that they do not wish to return to Regina Road**
- **The tenant has received and accepted a permanent offer of a suitable alternative property elsewhere. This offer will be made based on their Housing Need at the time of the offer.**

THE TENANT OFFER (“OFFER”) – REGINA ROAD

4. PAYMENTS MADE TO TENANTS

4.1 HOME LOSS PAYMENTS

4.1.1 A Home Loss Payment is made where qualifying residents are required to leave their home due to a Local Authorities plans for regeneration. The payment is a sum in recognition of the inconvenience of having to move out of an existing home. The basis on which Home Loss Payments are made, is set out in statute, the Council has undertaken to make a Statutory Home Loss Payment to all qualifying residents displaced as a result of its regeneration proposals. Where there is no statutory requirement to make a Home Loss Payment the Council will instead offer qualifying residents, subject to application, a disturbance payment as detailed below.

Home Loss Payment entitlement criteria

4.1.2 A resident should:

- Have lived in the affected dwelling, or a substantial part of it, as their only or main residence for a period of at least 12 consecutive months. Proof of residency is required to support an application for a Home Loss Payment, for example, mortgage statements, Council Tax receipts, bank statements and utility bills; and
- Have an interest or right to occupy the property that is freehold, leasehold, statutory tenancy or restricted contract under the Rent Act 1977, or a right to occupy under the terms of the employment or under a licence where secure tenancy or introductory tenancy provisions apply
- Be displaced from a dwelling on any land in consequence of one of the reasons set out in Section 29 of the Land Compensation Act 1973.

(These reasons include where the Council uses its compulsory purchase powers, makes a housing order in respect of the dwelling and the making of an order for possession on ground 10 or 10A in Part II of Schedule 2 to the Housing Act 1985)

Additional criteria

4.1.3 The following criteria are additional to the criteria in 4.1.2 above, and applicable:

- Home Loss Payments will only be paid once, in all circumstances, for the displacement from the property affected by the Regeneration; and
- Home Loss Payments are subject to the resident surrendering their tenancy of the property affected and giving vacant possession to the Council in order for it to be redeveloped through the programme, and will only be payable once the tenant or owner has handed back the keys to their property to the Council (unless there are exceptional circumstances as agreed by the Corporate Director of Housing); and
- Joint tenants or co-owners will be entitled to one Home Loss Payment to share between them; and
- Squatters and trespassers will not be paid compensation in the form of a Home Loss Payment, basic loss payment or Disturbance Payment; and
- Tenants who are being evicted prior to the decant will not receive a Home Loss Payment; and
- Home Loss Payment will not be paid to a tenant living in the property on a temporary or non-secure tenancy or licence as a result of being homeless.

Home Loss Payment Levels

4.1.4 The level of home loss compensation is set by the Government in accordance with the Planning and Compensation Act 1991, the Land Compensation Act 1973 and HomeLoss Payments (Prescribed Amounts) (England) Regulations (2022). The level is currently £7,800 and is reviewed annually.

Set-off of debts owed to the Council

4.1.5 The Council reserves the right to seek to debit part or all of the Home Loss Payment to settle outstanding debts owed by council tenants i.e. rent arrears by way of equitable set-off. Residents must therefore make every effort to clear any debt owed.

4.1.6 Home loss payment will be paid following deductions of:

- Any rent arrears against the property (including former tenant arrears);
- Any court costs regarding the tenancy;
- Any garage rent arrears owed by the tenant;
- Any Council Tax arrears in respect of the property;
- Any re-charges in relation to property damage, caused either deliberately or through neglect.

Administration of Home Loss Payment

4.1.7 Property owners – When the Council completes the valuation of the home, a valuation letter will be sent which will include the market value of the home and any entitlement for home loss, disturbance or basic loss payment.

4.1.8 Council tenants – When a property has been identified for a tenant to move into, the Council will notify you of any Home Loss Payment/disturbance payment entitlement. Home Loss Payments will be made net of the above debts. Council tenants have the right to request a review of any proposed or actual deductions providing this is received in writing within 14 days of notification of such deductions.

4.1.9 The compensation payments set out within any documentation will be conditional on occupiers providing vacant possession of the property and payments will only be made after keys to the property have been handed to the Council with vacant possession.

4.1.10 Depending on individual circumstances, the Council is required to make payment on or before the latest of:

- The date of displacement; or
- Within three months from the date of the displacement; or
- The date on which the market value of interest was agreed or determined or paid.

4.1.12 The Council will make payments directly into the resident's bank or savings account.

4.1.13 Home Loss Payments are only made where the property is acquired compulsorily – for example under Compulsory Purchase Orders or possession orders under ground 10 or 10A in Part II of Schedule 2 to the Housing Act 1985.

4.2 DISTURBANCE COMPENSATION

4.2.1 Disturbance compensation is paid where residents are required to leave their home to compensate for reasonable financial costs associated with moving and acquiring a new home. The aim of the payment is to cover the expenses of moving so that the resident is not financially better or worse off as a result of the regeneration programme.

4.2.2 Disturbance compensation is generally restricted to legal occupiers. However, investment owners (non-resident leaseholders/freeholders) can claim for reimbursement of the reasonable legal costs incurred in acquiring a replacement UK property within 12 months of the acquisition of the new property if they are not eligible for statutory homeloss or basic loss payments. 'Reasonable costs' do not include weekly rent payments or any other personal loss incurred through the process that should normally be covered by an occupier's own insurance policy.

THE TENANT OFFER (“OFFER”) – REGINA ROAD

4.2.4 Disturbance compensation can be claimed for:

- Expenses related to arranging own removal or the Council would arrange removals and pay for these directly
- Re-direction of mail for each authorised surname living at the address (for one year only)
- Alterations to furnishings, e.g. uplifting, refitting and alteration of carpets and curtains
- Disconnection and re-connection of services e.g. broadband, phone line and domestic appliances
- Special adaptations previously assessed as required in the new property
- Costs of new school uniforms if being rehoused in a different area and children need to change schools
- Replacement carpets, curtains white goods or furniture (*reasonable costs allowed if residents can demonstrate existing furnishings, white goods or furniture will not fit in new home or be modified*)
- Legal fees arising from the sale of the property and the acquisition of a replacement property including:
 - Solicitor and surveyor fees arising from the sale of the current home and acquisition of a replacement property
 - Mortgage redemption and arrangement fees
 - Stamp Duty land tax arising from the acquisition of a new property (*up to the agreed value of the home*).

This list is not exhaustive and other reasonable additional costs incurred by residents may be met. Housing Officers will be able to advise whether an expense will be considered reasonable.

Disturbance Compensation Levels

4.2.5 The level of disturbance compensation will vary from claim to claim and is dependent on claimant’s specific circumstances. Payments will be made for each eligible item.

4.2.6 Property owners will be entitled to claim for reimbursement of the purchase costs reasonably incurred when acquiring a new property. The level of reimbursement will be assessed in line with normal compensation principles. Owners should be aware that purchase costs in excess of those that would be incurred for the purchase of a home of equivalent value to their existing home may not be reimbursed.

4.2.7 Council tenants – for tenants who move into alternative accommodation as their settled accommodation, the payment will be made once. For tenants who move twice (to an initial home and back to the redeveloped home), the payment will be made twice. This does not apply to Home Loss Payments which are only paid once to eligible residents.

4.2.8 The following criteria will also apply:

- Joint tenants or co-owners will be entitled to one disturbance Payment to share between them; and
- Squatters and trespassers will not be paid compensation in the form of a Home Loss Payment, basic loss payment or Disturbance Payment; and
- Tenants who are being evicted prior to the decant will not receive a disturbance Payment; and
- Disturbance Payment will not be paid to a tenant living in the property on a temporary or non-secure tenancy or licence as a result of being homeless.

Administration of Disturbance Compensation

4.2.9 In line with Government guidance, it is the Council’s policy to require resident to provide supporting evidence for the claim. Therefore, residents will be asked to complete a claim application form detailing the items sought to be claimed and provide receipts or invoices or alternative proof for each item being claimed for. For audit and administration purposes, individuals will need to establish their claims for compensation.

4.2.10 In order to make a claim, an application form must be completed. The claim should be made in writing and it is advisable for it to be made as soon as possible after all the information necessary to support the claim is available.

4.2.11 Payments will be paid directly to the resident (main or joint bank account).

4.2.12 The Council will have a contractor to help residents to assist with removals, disconnection and reconnection of appliances and other actions associated with the moving process. In such cases, residents can choose to have an 'assisted move' through the Council or make their own arrangements. The Council can refuse costs which are considered unreasonable, and all services used must comply with the appropriate trading standards. In all cases residents are advised to check with the Council before choosing their own service providers in order to ensure that the cost is considered reasonable to be covered by a disturbance compensation.

4.2.13 Should a property owner use their own service provider, it is advised that receipts and invoices are on a company headed paper with information about VAT number, company registration and contact details.

4.2.14 If there is a dispute over whether the Council will pay for an item or an amount, then either the person concerned, or the Council can apply to the Upper Tribunal (Lands Chamber) for a decision on this. Independent advice or a third party arbitration process may also be considered depending on the individual circumstances of the case.

Advance Payments

4.2.15 The Council will ensure that, where eligible, displaced residents and property owners are advised of their entitlement to receive an advance payment

4.2.16 If the Council has taken possession of any land under its compulsory purchase powers, there is an obligation to make an advance payment of compensation, if the claimant makes a request (section 52, LCA 1973).

4.2.17 In this case, the advance payment must be 90% of the amount estimated by the Council or 90% of the amount agreed between the Council and claimant. The payment is registerable as a local land charge by the Council and can be set off against any payment to a subsequent owner.

5. LOCAL LETTINGS PLAN

5.1 BACKGROUND AND NEED FOR LOCAL LETTINGS PLAN

This Local Lettings Plan is made pursuant to the provisions of s.166A(6) Housing Act 1996 (as amended) and/or s.21 Housing Act 1985 and sets out the principles and procedures adopted by the Council for the allocation of housing to Council tenants who will be affected by the Regeneration Scheme.

The Tenant Offer for Regina Road offers a Right to Return to all tenants in Regina Road estate who have been required to move due to refurbishment/redevelopment works. To honour this commitment, this Local Lettings Plan sets out the priorities for vacant homes on the Regina Road estate once redeveloped.

- **Application of the Plan as set out in the areas marked on the map on page 5**
- **This lettings plan will remain in place until there are no remaining tenants with the Right to Return.**

This plan does not apply to lets where a property is unavailable due to successions or legal reasons.

This plan does not apply where decisions have been taken not to fill vacancies within Regina Road estate due to upcoming decisions regarding refurbishment or redevelopment and associated works.

5.2 PRIORITY FOR VACANT PROPERTIES ON REGINA ROAD ESTATE

- **Each vacant property on the estate will be offered to households in the following order of priority. With the exception of those returning to their original home (priority a), priority will be given to household with the earliest Regina Road tenancy start date.**

THE TENANT OFFER (“OFFER”) – REGINA ROAD

- Where repairs have been completed on properties within Regina Road Estate Priority will be given to the previous tenant of that particular property who retains a Right to Return, regardless of their Housing Needs.

5.3 WHERE THERE REMAIN TENANTS WHO NEED TO BE REHOUSED THE PRIORITY WILL BE IN THE BELOW ORDER:

- Tenants from these blocks who are vulnerable
- Tenants from these blocks with a local connection
- All other tenants from these blocks.

5.4 WHERE A DECISION IS MADE TO DEMOLISH BLOCKS AT REGINA ROAD ESTATE, PRIORITY WILL BE GIVEN IN THE BELOW ORDER:

- Tenants retaining a Right to Return and who have a Housing Need for this size property, with priority to those with the earliest Regina Road tenancy start date.
- Households as determined by the Allocations Scheme.

5.5 DEFINITIONS

- Housing Needs and suitability of properties will be determined by the Allocations Scheme in force at the time.
- Tenants will have the right to a review if they believe that the property is not suitable unless they are the original tenant of that property. The review process is at paragraph 2.1.3 above.
- The start date for those who succeeded to their tenancy will be the start date of the original tenancy so long as the tenancy was also in the same property.
- Vulnerable tenants are tenants (or members of their household) who are vulnerable, at high risk to themselves or the property, or who have specialist needs such as mobility requirements.
- Local connection is taken to mean where a tenant or member of their household is attending a local school or have support services only available in the local area or those who are working locally.
- Tenants who need to be rehoused are those who need to move prior to any repair works or demolition and living in the Regina Road Estate.

5.6 PREVIOUS TENANTS WILL RETAIN THE RIGHT TO RETURN UNTIL ONE OR MORE OF THE FOLLOWING HAS OCCURRED:

- The tenant has informed the Council that they do not wish to return to their original home
- The tenant has received an offer to return to their original home. This offer will be made regardless of their Housing Need
- The tenant has received an offer of a suitable alternative property on the Regina Road Estate. This offer will be made on the basis of their Housing Need at the time of the offer regardless of the size of their temporary original home
- The tenant’s tenancy at their temporary home has been ended.

5.7 DISCRETION

This plan cannot cover every eventuality and the Council reserves the right to make offers outside of this letting plan in exceptional circumstances and authorises the Corporate Director of Housing to do so. Any exercise of such discretion shall be recorded in writing with reasons.

Leaseholder and Freeholder Offer

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LEASEHOLDER AND FREEHOLDER OFFER

1. INTRODUCTION

The options available to leaseholders and freeholders on LB Croydon Estates

This offer is designed for leaseholders and freeholders who own a property on the Regina Road Estate which is affected by the need to refurbish or demolish and redevelop at the site who have been living in their properties as their only or principal home for at least one year prior to the date the Landlord Offer is published and are named on the lease or freehold title for their property, and have been in occupation of their property.

This is a special status which has been given to an estate because it has specifically been identified as needing refurbishment or redevelopment due to its current poor condition, which falls below the Government's Decent Homes Standard.

If, following the ballot, the decision is taken to demolish and redevelop on the site of the Regina Road Estate, Croydon Council will need to purchase your property before any redevelopment can proceed. This offer sets out the financial compensation and general assistance you will receive from the Council if your property is identified for demolition. This offer also outlines the Council's overall proposed approach to acquiring your property and the options available to assist you to find a new home. If not accepted by a majority of residents eligible to vote and voting at ballot, the Offer will cease to apply at the point that the ballot concludes, and results are announced.

We understand that having to sell your home to the Council can be an unsettling experience. We hope that the information set out here will reassure you about the process and the options available to you. Whatever your preferred option is, we aim to make the purchase of your home and your move from it easy and as stress-free as possible.

Based on feedback from residents, the Council has sought to improve the options available to affected leaseholders and freeholders so that any future proposed development in the local area maximises the benefits to local people.

No party (either the Council or any leaseholder) is financially better or worse off as a result and leaseholders should not be financially disadvantaged by the regeneration.

We know that the offer cannot cover every eventuality, and provision needs to be made to ensure there is sufficient flexibility to address the personal circumstances of affected leaseholders. The principles set out in this document therefore set out the general approach. Where cases fall outside the offer, the Corporate Director of Housing will consider leaseholders' and freeholders' individual circumstances on a case-by-case basis based on the principles set out in this document.

2. WHO DOES THE OFFER APPLY TO?

This offer applies to all resident and non-resident leaseholders or freeholders on the Regina Road Estate who are going to be affected by proposals to refurbish or demolish and redevelop at the Estate.

For the purposes of this offer a resident leaseholder or freeholder (hereafter referred to as resident leaseholders) is one that has been in occupation of the property as their only or main home for at least one year preceding the date of the Notification Letter from the Council setting out its intention to acquire the property. A non-resident leaseholder is one that does not meet this criteria.

The entitlement for non-resident leaseholders or freeholders (hereafter referred to as non-resident leaseholders) differs slightly from resident leaseholders and is set out in section 5.

If your property is earmarked for a later phase of a regeneration scheme and you wish to sell your property, for whatever reason, the Council will consider purchasing your home at an earlier stage. This is referred to as an Early Buyback.

3. WHEN WILL MY HOME BE PURCHASED?

If a decision is taken to demolish and redevelop on the Regina Road Estate, and this will impact on your property, the Council will share timescales for the redevelopment at the earliest opportunity to help you plan. Redevelopment of larger estates is often organised on a phased basis. This means that properties are redeveloped in accordance with a programme, which is agreed (wherever possible) at the beginning of the scheme. This will be fully explained to leaseholders and freeholders during the consultation process.

Whilst the Council will endeavour to adhere to the agreed programme, please note that multi-phase developments planned over many years will almost inevitably encounter unforeseen events that can either delay or require changes to the original programme or lead to a re-ordering of phases. The Council will communicate any material change to the programme, if necessary, as soon as possible.

4. THE PURCHASING PROCESS

This section outlines the Council's overall approach to purchasing your property and the options available for both resident and non-resident leaseholders. This is subject to the outcome of statutory consultation which will indicate whether refurbishment or demolition and redevelopment is the most appropriate option for the Regina Road Estate.

4.1 CONSULTATION

Notification Letter

At the start of any potential redevelopment process (or relevant redevelopment phase for larger projects) that affects your home, officers from the Council will seek the necessary approvals to commence the purchasing of leaseholders' or freeholders' properties. Once these approvals are in place leaseholders or freeholders will be sent a Notification Letter. This will set out the Council's intention to purchase your property and will invite you to an initial meeting.

Meeting

At this initial meeting the redevelopment proposals will be shared with all leaseholders and freeholders. Council officers will explain how leaseholders and freeholders will be affected and will explain the purchase process, the options available to leaseholders and freeholders, and the assistance and support that can be provided for the Regina Road Estate.

One-to-one meeting

Each leaseholder and freeholder will be invited to an individual meeting with a Council officer from the Regeneration Team to discuss your case and to answer any questions that you may have about the process.

The aim of the meeting is to provide clear information about what you can expect from the purchase process and to discuss the options available to you. The Council is committed to ensuring that all residents are treated fairly and equally, have confidence in the process, and receive a high level of service.

At this point you should advise the Council officer whether you are a resident or non-resident leaseholder. If you are a non-resident leaseholder, it is important to note that the Council is under no formal obligation to rehouse either your tenant or any other occupant in the property, and the purchase will only be concluded with vacant possession of the premises provided by you. Further information about the entitlements for non-resident leaseholders is detailed in section 5.

The Council understands that the purchase process can be a difficult time, so you are free to request further meetings with the Council officer to discuss any queries or issues you may have. Where possible and reasonable, the Council officer will make themselves available for meetings outside of normal working hours.

LEASEHOLDER AND FREEHOLDER OFFER

4.2 VALUING

After the consultation stage an independent surveyor acting for the Council will arrange to visit you and carry out a valuation of your home. Following this visit, the surveyor will send you a written offer for your home. This will be the market value of your property plus 10% Homeloss payment.

The surveyor considers the following matters in assessing the market value of your property:

- **The internal condition**
- **The location of the property and amenities within the area such as transport links, shops, and services**
- **The housing market in the immediate area, including recent completed sales prices of similar ex-local authority properties in areas nearby of a similar age and condition**
- **Anything else that in the reasonable opinion of the valuer has a material impact on the value of the property**
- **An acceptable fire rating. Valuation will take into account acceptable fire rating and good external repair (based on EWS1 with an A2 risk rating).**

Please note that valuations are not based on website estimates or estate agent asking prices, but instead on actual completed sales recorded at the Land Registry and the professional assessment of the Council's surveyor, as above.

The written offer will also include details of the compensation to which you are entitled. Please see **Section 5** for further information regarding compensation. The valuation is valid for a three-month period from the date of the valuation letter, although this period can be extended with the agreement of both parties.

Market value

The definition of market value, as prescribed by the Royal Institute of Chartered Surveyors, is, in short, the price at which the property would change hands between a willing buyer and a willing seller. This means an assumption that neither the buyer nor the seller are under any compulsion to buy or to sell, and both have a reasonable knowledge of the relevant facts. The Council's offer will be at the market value plus 10%

What should I do if I disagree with the Council's valuation?

If you disagree with the Council's valuation of your home, you are encouraged to obtain your own valuation completed by an independent chartered surveyor.

If you decide to obtain your own valuation, there will be costs attached. The Council will pay a reasonable amount to cover these costs. The surveyor you choose should be completely independent of the Council and must be a member of the Royal Institution of Chartered Surveyors (RICS).

More information about appointing a surveyor can be found on the **RICS website** (www.rics.org), by contacting them on **024 7686 8555**, or by email at contactrics@rics.org.

Expert Determination

After a period of negotiation, if the valuations of the Council's surveyor and your surveyor differ and there is no prospect of the two surveyors reaching agreement, then with your written agreement the Council may choose to make an application to the RICS for an independent expert to carry out a determination of market value.

Whilst the RICS will determine the identity of the expert, the Council will agree the form of application to the Dispute Resolution Service with you, and there will be the opportunity to tell the RICS if there are any firms that we know to be conflicted. If the Council seeks to pursue this option, you will be asked to speak to your surveyor to confirm that they would be happy to participate in the Expert Determination as they may need to undertake some additional work to assist the process. The Council will reimburse their additional reasonable and proper costs in relation to this.

The outcome of the Expert Determination is not legally binding.

Where necessary, this process will be followed in respect of valuations for existing properties. In relation to existing properties if a higher value than its current offer is determined because of the Expert Determination, the Council commits to pay the higher amount. If a lower value is determined, the Council will honour its existing higher offer.

4.3 COMPULSORY PURCHASE

If agreement is not reached either through negotiation or by the Expert Determination process, then the Council will seek to proceed with the purchase of your home through use of a Compulsory Purchase Order (CPO). This will be a last resort for the Council as our preference is always to reach an agreement with you through negotiation wherever possible.

Due to the amount of time a CPO takes to put in place and the importance of the refurbishment or redevelopment of the Regina Road estate proceeding the Council will start preparing for a CPO once the consultation phase has commenced. This will be explained to you during the consultation phase. If we are unable to agree a price for your property by the time the Council needs possession of your home, we will write to you about using our powers of compulsory purchase to take possession of your property. In this scenario, and where the Council has implemented a CPO, either party is able to apply to the Upper Tribunal (Lands Chamber) to determine compensation. This is an independent judicial body set up by the Government to resolve disputes concerning property issues.

The tribunal has the powers of a court of law equivalent to the High Court but is intended to be a more informal, less expensive, and faster route to resolving property disputes. If an appeal is necessary on a point of law, then the decision lies with the Court of Appeal. Cases are usually heard by a single member, but in certain circumstances they may be heard by two or even three members. The decision of the Upper Tribunal (Lands Chamber) and, if necessary, the Court of Appeal is final. The value agreed by the Tribunal is the value you will receive for your home, with no further negotiation or right of appeal, and this could be higher or lower than the Council's offer.

Leaseholders and freeholders should be aware that the Upper Tribunal (Lands Chamber) determines who should pay the costs of the tribunal. This cost can be charged to you personally in some cases. You are strongly advised to seek legal advice in this respect.

In circumstances where a CPO is implemented, you are entitled under the law to request an advance payment of compensation. We recommend that you seek legal advice regarding this process if necessary.

The level of advance payment will be 90% of the Council's estimate of the market value of your property. Please note that if a property is mortgaged the Council is required to retain sufficient funds to discharge that mortgage and cannot make an advance payment if the mortgage(s) are 90% or more of the Council's valuation.

We will also seek to make you a proportional Home Loss or Basic Loss payment at the same time as your advance compensation is paid if you are entitled to this.

5. ENTITLEMENT TO COMPENSATION

As it is the Council that wants to buy your property, it is important that you are reimbursed for any relevant and reasonable costs that you incur as a result. This section details what you as a leaseholder or freeholder are entitled to from the Council in terms of compensation. The type of compensation you are entitled to depends on your circumstances and whether you are a resident or non-resident leaseholder. There are different types of compensation you may be entitled to, and it is therefore recommended that you seek legal advice.

5.1 COMPENSATION FOR RESIDENT LEASEHOLDERS

Home Loss Payment

A Home Loss Payment is an additional sum of money that you are legally entitled to if you are being compelled to leave your home in certain circumstances, such because of a potential regeneration scheme. This payment is in addition to the payment of the market value for your home. It is designed to compensate you for the inconvenience, stress and upset caused by the move.

If you qualify for Home Loss Payments, you would currently be entitled to 10% of the market value of your home, with a minimum payment of £7,800 and maximum payment of £78,000. These payments levels were set statutorily and are effective for any displacements on or after 1 October 2022. These are set by statute and are annually reviewed.

You will also be required to provide sufficient proof that you have owned and lived in the property for at least a year in the form of bank or mortgage statements, council tax statements, utility bills etc. The Council may carry out other checks to ensure that those who claim to be resident leaseholders actually are.

The Home Loss Payment is paid when the Council completes the purchase of your home (*or you will receive a proportional Home Loss Payment while the Council makes an advance payment of your compensation, if that is what you have requested – see [Section 4.3](#) above*).

Disturbance Payment

A Disturbance Payment is additional compensation that you may be entitled to, which is designed to compensate you for certain costs that you may incur because of having to move home.

Some of the items that may be claimed are listed below, although this is not an exhaustive list:

- Removal costs
- Special adaptations to the replacement premises, (*e.g. for those with disabilities*)
- Altering soft furnishings and moveable fittings and fixtures to fit your new home
- Disconnection and reconnection of services (*gas, electricity, telephone etc.*)
- Redirecting mail (*for one year only*)
- Carpet alterations
- Curtain alterations
- Disconnection and reconnection of appliances (*e.g. washing machines, cookers*).

It is important that you keep a detailed record of the costs incurred in connection with the move. For the Council to reimburse you for these reasonable costs, you are required to provide the Council with receipts for all reasonable costs. It is important to get a receipt or pro-forma invoice from the companies that you use to carry out any works or services that you wish to seek reimbursement for.

To claim costs owed to you, you must use reputable companies that will provide genuine receipts and invoices stating the following information:

- **Their VAT Number**
- **Company headed paper**
- **Contact details**
- **Company registration details**
- **Date**
- **Invoice number**
- **Description of services provided**
- **Invoice total.**

If any items that you wish to claim for are over £500, the Council will require three quotes from reputable companies to ensure that value for money is achieved. For works or services over £500, the Council will need to approve all payments in advance of the work being commissioned.

If you require help in making upfront payments please contact the Council, who may be able to assist.

Additional costs incurred in selling your home and/or purchasing another property

In addition to Home Loss and Disturbance Payments, you can also claim for reimbursement of legal and/or surveyor's costs you incur that are linked to the sale of your current property and (where relevant) the purchase of your new home and to the extent that these costs have not already been considered as part of other payments. These costs may include, for example:

- **Legal (*conveyancing*) fees arising from the sale of your home to the Council and the purchase of a new property**
- **Stamp Duty Land Tax (*relevant to the value of your existing property*)**
- **Surveyor's fees arising from the acquisition of a replacement property**
- **Survey fee and costs in connection with the redemption/transfer of an existing mortgage or raising a new one.**

Once you have found a solicitor and/or a surveyor you will need to obtain a quotation from them and provide a copy of this to the Council for approval. Please make sure that your surveyor and/or solicitor knows that they will only be paid at the end of the process once the sale has been completed.

You should note that it is your responsibility as leaseholder to prove to the Council that any claims for compensation you make are reasonable and have been incurred directly because of the Council acquiring your property. In practice this is likely to involve the provision of proper receipts and the prior agreement of costs where appropriate.

If you are unsure about any payments or invoices you receive from suppliers, we strongly recommend that you speak to the Council before you make any payment or commitment to a company.

The Council will also reimburse you for any other relevant costs as set out in the relevant Ministry of Housing, Communities and Local Government guidance to the extent that these costs have not already been considered as part of other payments.

LEASEHOLDER AND FREEHOLDER OFFER

5.2 COMPENSATION FOR NON-RESIDENT LEASEHOLDERS

Basic Loss Payment

A Basic Loss Payment is an additional sum of money that you may be entitled to if you are being compelled to sell your property in certain circumstances, such as, because of a regeneration scheme. This payment is in addition to the payment of the market value for your property. As a non-resident leaseholder you are entitled to receive 7.5% of the market value of your property, or a maximum payment of £75,000, whichever is the lower. Please note these amounts are set by central government and may change from time to time.

You must have owned the property or been a tenant for at least a year to qualify.

You must make a claim for a Basic Loss payment in writing to the Council.

Additional costs incurred in selling your property and/or purchasing another property

In addition to a Basic Loss Payment, you can also claim for reimbursement of legal and/or surveyor's costs you incur that are linked to the sale of your current property and (where relevant) the purchase of a new property and to the extent that these costs have not already been considered as part of other payments. These costs may include, for example:

- **Legal (*conveyancing*) fees arising from the sale of your home to the Council and the purchase of a new property**
- **Stamp Duty (*relevant to the value of your existing property*)**
- **Surveyor's fees arising from the acquisition of a replacement property**
- **Survey fee and costs in connection with the redemption/transfer of an existing mortgage or raising a new one.**

Once you have found a solicitor and/or a surveyor you will need to obtain a quotation from them and provide a copy of this to the Council for approval. Please make sure that your surveyor and/or solicitor knows that they will only be paid at the end of the process once the sale has been completed. You should note that it is your responsibility as leaseholder to prove to the Council that any claims for compensation you make are reasonable and have been incurred directly because of the Council acquiring your property.

In practice this is likely to involve the provision of proper receipts and the prior agreement of costs where appropriate.

If you are unsure about any payments or invoices you receive from suppliers or what costs will be met by the Council, we strongly recommend that you speak to the Council before you make any payment or commitment to a company.

The Council will also reimburse you for any other relevant costs as set out in the relevant Ministry of Housing, Communities and Local Government guidance to the extent that these costs have not already been considered as part of other payments.

6. YOUR NEW HOME OPTIONS

6.1 RESIDENT LEASEHOLDERS

Many leaseholders will wish to make their own arrangements when they have agreed a valuation for their existing property and simply purchase a new home on the open market without any further involvement from the Council. However, if you are a resident leaseholder the Council can offer you options which are designed to allow you to stay on the estate.

We recognise that each freeholder or leaseholder will be unique in both their choice of where to move and in their personal situation. We can help you explore the option/s that best suit you and provide you with support.

In the first instance the offer of taking up one of the options below and moving to a new home will be offered to in phase leaseholders on the same estate. Once the Council has received notification from all in-phase leaseholders on that estate who wish to take up one of the options for a new home, the Council will make an assessment of whether there are any 'surplus' properties available that can be offered to other leaseholders (*please note that in-phase leaseholders will not be allowed to defer their move to a new property in a later phase of the regeneration if suitably sized new homes are available in the current phase*). If the Council decides that this is the case then these 'surplus' homes will be offered in accordance with the priority criteria as set out in The Local Lettings Plan set out in [section 5](#) of the "tenant offer" above.

Housing Options

A) Open Market Purchase B) Shared Equity C) Shared Ownership

A) Open Market Purchase

This option is the straightforward purchase of your property for the agreed market value. When leaseholders reach agreement with the Council regarding their valuation and compensation payments, they will then make their own arrangements to find a suitable new home.

B) Shared Equity

If the market value of your current property is less than the market value of a new similar sized (by bedrooms) or smaller property and you are unable to afford the difference (as per option B) then the option of shared equity will be offered to you.

To be eligible for this option you will be required to invest the full market value of your existing property into the purchase of your new home. This will buy a proportion of the equity of the new property.

The Council will retain the remaining unpurchased proportion of the equity of the property. This remaining proportion can be purchased by you at its market value at any future point. No rent is charged on the unpurchased proportion.

LEASEHOLDER AND FREEHOLDER OFFER

Key information for this option includes:

- Your existing property will be valued by the Council in accordance with Section 4.2
- You will select one of the available new build properties on the estate of a similar size (by bedrooms) or smaller and this will be valued by the Council
- Any planned maintenance contributions not covered by the service charge will be charged as per the terms and conditions of the lease. You will be responsible for 100% of these costs irrespective of the proportion of equity you own in the new property
- You will be notified of the estimated annual service charge. You will be responsible for 100% of these costs irrespective of the proportion of equity you own in the new property
- You will have the normal rights and responsibilities of a full owner-occupier
- The length of lease will be 125 years
- You will be able to sub-let the property with written permission from the Council
- There is no minimum stake that you would need to purchase in order to qualify for shared equity. However, you are required to invest the full market value of your existing home to be eligible for this option
- The proportion of equity that you own in the new property is recorded on the lease
- You do not have to pay any rent on the unpurchased proportion of the property
- You can increase the proportion of equity you own in the new property up to 100% in accordance with the provisions of the lease. This is known as staircasing
- Provided you have not staircased to 100% ownership of the property, assignment (at nil value) of the property can only occur once, after which the unpurchased proportion of the property must be acquired from the Council at market value
- If the new owners choose not to acquire the unpurchased proportion at this point then the Council will exercise its right of pre-emption and acquire their proportion of the property from them at market value
- The single succession to or single assignment (at nil value) of the property can be to whomever the leaseholder chooses
- Prior to the single assignment (at nil value) of or succession to the property, if you wish to sell the proportion of equity that you own in the new property then the Council will exercise its right of pre-emption.

C) Shared Ownership

Shared ownership is a part-buy, part-rent scheme under which you own a proportion of the property and pay a rent on the unpurchased proportion, which is retained by the Council.

If you choose, for whatever reason, not to invest the full market value of your current property (*or the maximum that you can afford to – please see Section 6.3*), then you will be offered the shared ownership option. After an initial period, you will have the right to purchase additional proportions of equity in the property up to 100% in accordance with the provisions of the lease. This is known as staircasing. If you increase the proportion of equity you own in the new property, the amount of rent you pay will decrease.

If you purchase 100% of the equity in the new property, then no rent will be payable.

Key information for this option includes:

- Your existing property will be valued by the Council in accordance with Section 4.2
- You will select one of the available new build properties on the estate and this will be valued by the Council
- You will be notified of the estimated annual service charge. You will be responsible for 100% of these costs irrespective of the proportion of equity you own in the new property
- Any planned maintenance contributions not covered by the service charge will be charged as per the terms and conditions of the lease. You will be responsible for 100% of these costs irrespective of the proportion of equity you own in the new property
- The length of lease will be 125 years
- You will have the normal rights and responsibilities of a full owner-occupier
- You will be able to sub-let the property with written permission from the Council
- The proportion of equity that you own in the new property is recorded on the lease
- You can increase the proportion of equity you own in the new property up to 100% in accordance with the provisions of the lease. This is known as staircasing
- Succession to the property can occur an unlimited number of times to whomever the leaseholder chooses
- Provided you have not staircased to 100% ownership of the property, assignment (at nil value) of the property can only occur once, after which the unpurchased proportion of the property must be acquired from the Council at market value
- If the new owners choose not to acquire the unpurchased proportion at this point, then the Council will exercise its right of pre-emption and acquire their proportion of the property from them at market value
- Prior to the single assignment (at nil value) of the property, if you wish to sell the proportion of equity that you own in the new property then the Council will exercise its right of pre-emption
- For the first year of the shared ownership lease, the rent that you pay will be equivalent to 2.5% of the unpurchased proportion of the property, payable in monthly instalments. This amount will then be adjusted each year in line with the Retail Price Index (RPI) + 0.5%
- When additional proportions of equity are purchased, the rent is recalculated in the same way, at 2.5% of the new unpurchased proportion, adjusted each year thereafter in line with the Retail Price Index (RPI) + 0.5%.

6.2 OPTIONS FOR NON-RESIDENT LEASEHOLDERS

If you do not live in the property you own, the Council will purchase your property for the agreed market value. On completion of the sale of your property to the Council you will need to give the Council vacant possession. If your property is tenanted it is your responsibility to ensure that any tenants have left the premises by the date of completion.

6.3 OPTIONS FOR LEASEHOLDERS IN NEED OF ADDITIONAL SUPPORT AND ASSISTANCE

It is recognised that some leaseholders may require additional support and assistance in securing a suitable new home. For example, the financial position of the leaseholder may preclude them from being able to satisfy all of the minimum purchase requirements of the various options outlined in section 6.1.

To qualify for additional support, we will ask for supporting documents to be provided to confirm income and expenditure. Where it can be confirmed that a leaseholder is in financial difficulties and qualifies for additional support and assistance, the following options will be explored and offered through the Corporate Director of Housing.

LEASEHOLDER AND FREEHOLDER OFFER

Shared Equity

The starting point for eligibility for a shared equity offer requires you to invest the full market value of your existing property into the purchase of your new home.

To do this, if you are only able to raise some borrowing, but at a level that is less than the mortgage on your existing property, you will be offered shared equity to the level you can afford to purchase based on investing all the equity you hold in your existing property and the maximum new mortgage you can obtain.

If you are unable to raise any borrowing (*e.g. mortgage*) at all and cannot otherwise invest the full market value of your existing property, then you will be offered shared equity to the level you can afford to purchase based on investing all the equity you hold in your existing property.

Shared ownership will be available and offered to leaseholders who choose not to re-invest the full value of their existing home or the maximum amount that they can afford to invest. Therefore, if a leaseholder wants to purchase on a shared equity basis, provided they invest the maximum amount that they can afford to in line with the criteria above, they should be able to purchase on this basis. This will be subject to an independent financial assessment and would require approval by the Corporate Director of Housing. In both options, the leaseholder would be able to staircase, increasing the proportion of the property they own.

6.4 OPTIONS FOR LEASEHOLDERS ASSESSED AS VULNERABLE AND IN NEED OF ASSISTANCE AND SUPPORT

The Council is also aware that there are leaseholders that have complex needs which make them vulnerable. We may be able to provide additional support to those leaseholders with complex needs that are assessed as being vulnerable and assist them with their move.

Criteria for vulnerability assessment

A vulnerable leaseholder for the purpose of this offer is someone that is “less able to safeguard his or her personal welfare or the welfare of any children in the household and will be in need of care and attention by reason of age, infirmity, or suffering from chronic illness or mental disorder, or substantially handicapped by being disabled”.

Detailed consultations will be conducted with social services and relevant health practitioners to obtain the necessary information and documentation (*e.g. care needs/packages*) regarding the needs of the household to assess and determine vulnerability. The assessment will be subject to an independent financial assessment.

If the outcome of the assessment is that the household is vulnerable, the leaseholder must meet all the following criteria to qualify for extra assistance and support:

- The leaseholder must have been exclusively resident in their property for the previous two years
- The leaseholder must not own any other leasehold or freehold interests in the UK or abroad; and
- The leaseholder is deemed by the Council to be in financial hardship and as result will not be able to rent or buy in the private sector.

Any request from vulnerable leaseholders for additional assistance not covered by this Options Document will require approval by the Corporate Director of Housing (see [Section 6.5](#)).

6.5 CORPORATE DIRECTOR OF HOUSING

The Corporate Director of Housing will assess the need for flexibility for leaseholders who wish to make a claim for assistance in respect of one or more of the following:

- **Additional financial support or assistance**
- **Being assessed as vulnerable and in need of assistance and support**
- **Early Buybacks.**

To assess a leaseholder's individual circumstances the following information will be requested:

- **The option you would like to take**
- **Your current financial situation, including monthly/annual housing costs**
- **The amount you can reinvest in your new property**
- **Any relevant supporting information relating to financial difficulty or vulnerability.**

A Project Officer will work with you to complete the required forms.

Based on the information provided by the leaseholder, and if required a social services representative, health practitioner or GP, the Project Officer will make a recommendation to the panel, which will then make the decision formally at a meeting. A representative of the Residents Association may be in attendance to present the case at the meeting.

The panel will:

- **Assess each case presented to it**
- **Consider the case in accordance with the criteria set out in this document.**

The panel will consider each case within four weeks of being provided with recommendations and supporting information. The leaseholder will be notified of the decision of the panel in writing within one week of the meeting.



CROYDON

www.croydon.gov.uk

If you need help understanding this document,
contact your **Independent Tenant and Leaseholder Advisers (ITLAs)**:

Rob Lantsbury: 07961 532 761 or email rob.lantsbury@publicvoice.london

Christine Searle: 07764 421 981 or email christine.searle@publicvoice.london

Or you can write to **Public Voice** at:

Public Voice CIC, Tottenham Town Hall, Town Hall Approach Road, London N15 4RX

UNDERSTANDING COMMUNICATIONS

If you, a family member, or neighbour would like us to provide this information in a different language, large print or audio format, please contact the team on reginaroad@croydon.gov.uk or call 020 8726 6100 ext. 44524.

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Housing
Title of proposed change	Future of Regina Road
Name of Officer carrying out Equality Analysis	Katherine Monk

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

The Regina Road estate was developed as social housing by the Borough in the mid-1960s. It includes three 11-storey tower blocks built using the Wates Large Panel System (LPS), each with 44 flats. There are four medium-rise blocks close to the tower blocks, with an additional 48 flats, within the wider estate of mainly two-storey housing. There is also some green space, a play area and a kindergarten that should be considered as part of any redevelopment and re-provision.

The flats in the tower blocks – particularly in nos 1-87 - have suffered in recent years from a variety of issues including water penetration, condensation and mould that have proved difficult to rectify. The council is proposing to begin the process of addressing the current unsatisfactory situation at the Regina Road estate where three ageing tower blocks require radical action to ensure modern social housing fit for the 21st Century. In summary, improved living conditions at the blocks would involve either refurbishment or redevelopment, and a report considering the options open to the council is to be presented to Cabinet in September 2022.

It is a legal requirement under Section 105 of the Housing Act and a legal requirement as part of the Building Safety Act 2021 to ‘develop a Resident Engagement Strategy so residents can influence and are involved in decisions regarding building safety, are informed of their rights and of their obligations, have clear reporting arrangements for building safety concerns, and a clear escalation process for all residents’. Since July 2018 the GLA has required any landlord seeking GLA funding for estate regeneration projects which involve the demolition of any social homes (and the construction of 150 or more homes of any tenure) to show that residents have supported their proposals through a ballot. This is to make sure that GLA funding only supports estate regeneration projects if residents have a clear say in plans and support them going ahead.

Subject to Cabinet, next steps include exploring options for the future of the Regina Road estate with all the residents affected.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

- **Table 1 – Positive/Negative impact**

<p>Regina Road is home to a wide range of residents, including families, aging residents and a mix of backgrounds, needs and ethnicities. The data we hold about residents living on the estate regarding protected characteristics is not complete and so it is not currently possible to paint an accurate picture of the extent to which residents share a protected characteristic.</p> <p>The Council has undertaken a series of actions since March 2021 to address the concerns of residents and try to start to re-build trust and relationships with residents on the estate. A team of housing officers spoke to residents at the door to get an understanding of the issues residents were experiencing in their homes. A number of meetings - to which all residents were invited - have taken place and a drop-in has been operational since September 2021. A regular newsletter and bulletin for Regina Road is produced for residents. These contain contact details for key housing officers for Regina Road, ways to get involved, and who to talk to if there are problems. Noticeboards are updated with new information and bulletins as they are published.</p> <p>A reference group was also formed at the beginning of 2022 consisting of a small group of residents representing all three blocks on the estate. It was created to support and engage with residents about repairs, works and improvements taking place at Regina Road over the short, medium and looking ahead to the future.</p> <p>A Walkabout was held with residents of the three tower blocks during the evening of Wednesday, 13 July 2022. Main issues raised were repair issues, some dating back several years and related to general whole block fabric/service failures which re-occur. Residents present understood the difficulties associated with blocks nearly 60 years old and said they would appreciate new homes in preference to the continuous process of patching old</p>
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homes. Some residents said they would be happy to move away from Regina Road. A Walkabout Action Plan has been prepared which follows up on all the issues raised by residents to ensure progress and resolution.

Further meetings are being held with residents to listen to their views, starting with residents of the medium-rise blocks adjacent to nos 1-87.

We do not have any data currently which would tell us whether groups that share a protected characteristic (compared to non-protected groups have a better or worse experience of housing services at Regina Road. We do have some data for a small percentage of our customers following an engagement exercise carried out in Summer 2021 but this exercise took place across the borough and is worth consideration in this analysis.

Although we do not hold information about the protected characteristics of residents in these blocks, what we do know in no uncertain terms is that the poor living conditions at Regina Road – and ongoing issues in the flats – are ongoing and continue to impact on the quality of life for many residents living in these blocks. The impact of poor housing is well documented and evidence of this for some protected characteristics groups is provided in the section below.

(Statistics documenting protected characteristics in the borough of Croydon, and available information about our residents is documented in Appendix 1.)

It is anticipated that the overall impact of the proposal to either refurbish or redevelop on the Regina Road estate will improve the living conditions and their experience of Croydon housing services, for most if not all residents living there. The aim is for this improvement to be experienced by all residents, including those within protected characteristic groups.

The intensive and rigorous consultation process which is required for a programme of this scale, will enable us to clarify the needs of the diverse group of residents living on the estate and is an opportunity to identify improvements that could be made. Listening to residents will help us to understand and address any equalities issues which arise during the consultation process. This EQIA will be updated to reflect this as engagement with residents gains pace.

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided

that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence	Data obtained to date through outreach
Age	<p>Residents of all ages should benefit from the proposed scheme as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services. Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities.</p>	None anticipated.	No clear data to evidence positive or negative impact on age but feedback from an engagement exercise in 2021 shows that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males. The (small) youngest group surveyed appeared to be the most satisfied and least dissatisfied and the mid-age range groups appeared to be slightly more dissatisfied. However, there didn't appear to be any clear conclusions to be drawn from this demographic breakdown, with satisfaction levels fluctuating across the age ranges.	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Elderly (65+): 16% Under (<65+) 72% prefer not to say: 13%</p>

	<p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents with of all ages.</p> <p>.</p>			
Disability	<p>Residents with disabilities should benefit from the proposed scheme as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services, including residents in need of adaptations as a result of a disability. Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p>	None anticipated.	<p>Ref 1) Housing for older and disabled people, Department for Levelling Up, Housing and Communities.</p> <p>Feedback from an engagement exercise in 2021 showed that satisfaction and dissatisfaction levels appear to be fairly consistent between those who did not state their day to day activities were limited because of a health problem or disability and those who did. The small 'unknown' group, who did not provide an answer to this question, showed greater dissatisfaction with their overall experience.</p>	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Disability Yes 21% No 12% Undisclosed 67%</p>

	<p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents with disabilities.</p>			
Sex	<p>Residents should benefit from the proposed scheme regardless of their sex as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services. Other benefits will be documented as the consultation process is developed and implemented. Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities</p>	None anticipated.	<p>Feedback from an engagement exercise in 2021 showed that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males.</p>	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Male: 22% Female: 78% Prefer not to say/other: 0%</p>

	<p>Pledge as the Council’s standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents of any sex.</p>			
<p>Gender Identity</p>	<p>None anticipated. Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council’s standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents.</p>		<p>No data to evidence positive or negative impact on gender reassignment</p>	<p>Further data to be identified through ongoing outreach.</p>

<p>Marriage or Civil Partnership</p>	<p>Residents should benefit from the proposed scheme regardless of marriage or civil partnership groups as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on</p>	<p>None anticipated.</p>	<p>No data to evidence positive or negative impact on marriage or civil partnership.</p>	<p>Further data to be identified through ongoing outreach.</p>
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	the estate embrace the needs of residents.			
Religion or belief	<p>Residents should benefit from the proposed scheme regardless of their religion or belief group, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents.</p>	None anticipated.	Currently no data to evidence positive or negative impact on religion or belief groups.	Religion/belief Muslim : 1% Christian : 2% Other : 1% Not Known: 96 %

	Other benefits will be documented as the consultation process is developed and implemented.			
Race	<p>Residents should benefit from the proposed scheme regardless of their race, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on</p>	None anticipated.	Feedback from an engagement exercise in 2021 showed that whilst around 35% of White, Asian and other groups rated their experience of housing services as excellent or good, this was true of only 25% of Black residents and less than 20% of those in the Mixed/Multiple ethnicity group. There was also increased dissatisfaction amongst Black, Mixed/Multiple and Other groups – all around 41%, 10 points higher than the White group at 31%. These figures relate to housing services in general. The ARK report, commissioned by the council following unacceptable living conditions of some of our tenants at Regina Road, investigated allegations of discrimination on race ground. The report published in May 2021 concluded that it did not find evidence of this allegation.	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Asian background: 7% White background): 22% Black British/Caribbean/African: 47% Mixed multiple: 17% Other ethnic group: 9% Prefer not to say/undisclosed: 5%</p>

	the estate embrace the needs of residents.			
Sexual Orientation	<p>Residents should benefit from the proposed scheme regardless of their sexual orientation, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation</p>	None anticipated.	No clear data to evidence positive or negative impact on age but feedback from an engagement exercise in 2021 shows that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males. The (small) youngest group surveyed appeared to be the most satisfied and least dissatisfied and the mid-age range groups appeared to be slightly more dissatisfied. However, there didn't appear to be any clear conclusions to be drawn from this demographic breakdown, with satisfaction levels fluctuating across the age ranges.	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Bisexual 0% Heterosexual/straight 68% Homosexual 0% Prefer not to say/undisclosed 32% Other 0%</p>

	<p>process so that future changes on the estate embrace the needs of residents.</p>			
<p>Delivering Social Value</p>	<p>Once the future of Regina Road is determined through consultation with residents, the council would work to ensure social value provided by contractors helps more people into work This will assist the more socially excluded in our community to become financially stable thereby reducing social isolation etc. Opportunities for work experience, training, and jobs will be offered to local residents through the social value aspect of any refurbishment or redevelopment scheme.</p>	<p>None. The council will explore opportunities for local residents, including work experience, training and job opportunities. The council will encourage the successful contractor to adhere to and sign up to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities. This commitment to delivering social value supports the council's Community Sector strategy 2019-2023 and the Equality Strategy for Croydon 2020-2024 to help Croydon become a more equal place through by tackling poverty, gaps in equality and inequality</p>	<p>Social value element of any refurbishment or redevelopment scheme. contract will ensure these benefits are delivered.</p>	<p>Ref 1) Housing for older and disabled people, Department for Levelling Up, Housing and Communities.</p> <p>Feedback from an engagement exercise in 2021 showed that satisfaction and dissatisfaction levels appear to be fairly consistent between those who did not state their day to day activities were limited because of a health problem or disability and those who did. The small 'unknown' group, who did not provide an answer to this question, showed greater dissatisfaction with their overall experience.</p>
<p>Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.</p>				

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics.
Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion
<ul style="list-style-type: none"> Review data we hold about the protected characteristics of our customers at Regina Road cross-departmentally. Update 14 March 2023: Privacy statements were prepared and approved to request information about protected characteristics and this has been built into the resident engagement plan as the project progresses. Although we have been able to collect some equalities information and protected characteristics, as detailed in the breakdown in the next page, we will need to continue to collect information through additional engagement opportunities, such as the housing needs assessment. 	Social care services, major adaptations team, tenancy services, allocations, outreach team	Ongoing
<ul style="list-style-type: none"> Review how and what information will be collected once new IT system is implemented to enable us to analyse customer satisfaction levels across protected characteristics. <p>Update 14 March 2023: Reviewing collection of protected characteristics and equalities information as part of preparation for rollout of Housing Online (NEC)</p>	NEC project documentation	May 2023
<ul style="list-style-type: none"> Consider how to analyse customer satisfaction by protected characteristics as part of ongoing contract monitoring. <p>Update 14 March 2023: Once the contractors have been formally announced, they will be asked to formally sign up to the George Floyd Race Matters Pledge and Equalities Pledge as the council's standard in equalities. The same applies to the council's support of the Stop Social Housing Stigma Campaign and the Residents' Charter, which was formally adopted in December 2022.</p>	Procurement development best practice, 2022 Equalities Pledge	During mobilization From March to August 23

- | | | |
|--|--|--|
| <ul style="list-style-type: none">• Recruitment is underway to recruit a diverse group of residents to be involved in monitoring the performance of the new contractors once in place so we can monitor whether all residents are equally able to access services. | | |
|--|--|--|

Ethnicity	
Asian background	8%
White background	19%
Black British/Caribbean/African	48%
Mixed multiple	8%
Other ethnic group	8%
Prefer not to say/non disclosure	8%
*Rounded to the nearest decimal point	
Disability	
Yes	29%
No	16%
Non disclosure	55%
Sexual orientation	
Bisexual	0%
Heterosexual/Straight	70%
Homosexual	0%
Prefer not to say/non disclosure	29%
Other	1%
Gender	
Male	27%
Female	72%
Prefer not to say/Other	1%
Other (Tenants/leaseholders)	
Elderly (65+)	13%
Under (<65+)	74%
prefer not to say/ undisclosed	13%
Religion/belief	
Muslim	8%
Christian	2%
Other	2%
Not Known	83%
Prefer not to say	5%

Tenure	
Freeholder	2%
Leaseholder	12%
Secure tenants	80%
Temporary Accommodation resident	5%
Not known	1%

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

<p>Column 1</p> <p>PROTECTED GROUP</p>	<p>Column 2</p> <p>LIKELIHOOD OF IMPACT SCORE</p> <p>Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 3</p> <p>SEVERITY OF IMPACT SCORE</p> <p>Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 4</p> <p>EQUALITY IMPACT SCORE</p> <p>Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group.</p> <p>Equality impact score = likelihood of impact score x severity of impact score.</p>
Age	1	1	1
Disability	1	1	1
Gender	1	1	1
Gender reassignment	1	1	1
Marriage / Civil Partnership	1	1	1
Race	1	1	1
Religion or belief	1	1	1
Sexual Orientation	1	1	1
Pregnancy or Maternity	1	1	1

4. Statutory duties

4.1 Public Sector Duties

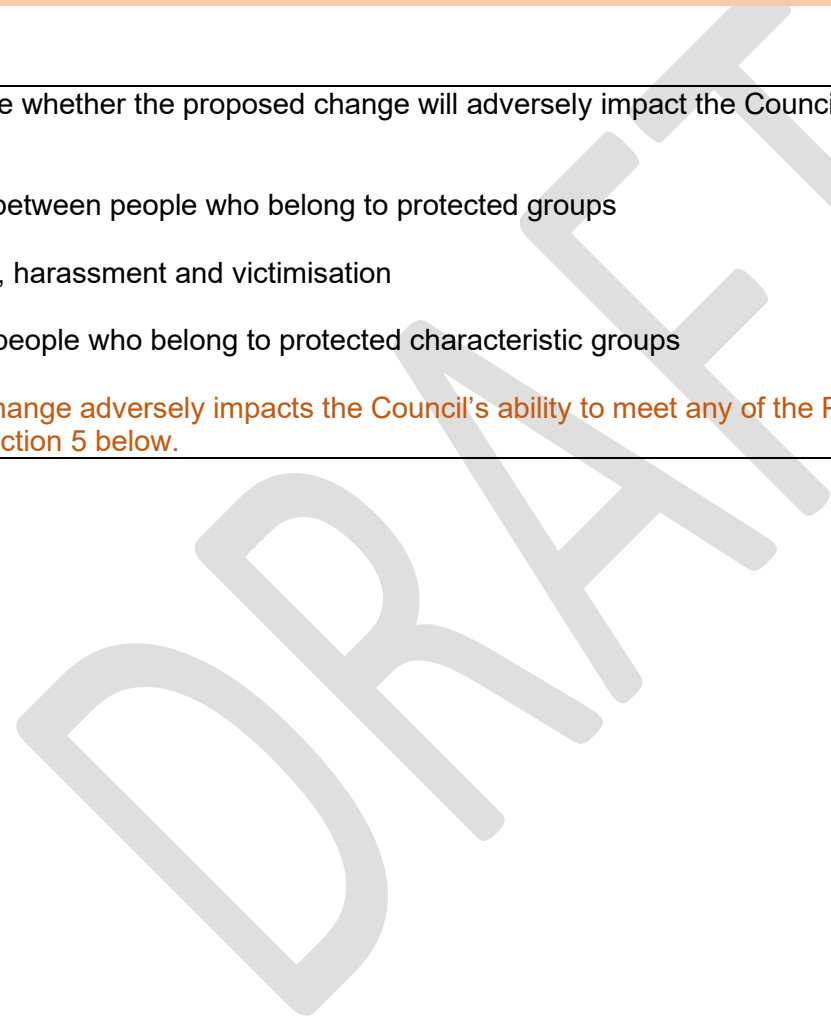
Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.



5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.

Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	None anticipated			
Race	None anticipated			
Sex (gender)	None anticipated			
Gender reassignment	None anticipated			
Sexual orientation	None anticipated			
Age	None anticipated			
Religion or belief	None anticipated			
Pregnancy or maternity	None anticipated			
Marriage/civil partnership	None anticipated			

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter **X** in column 3 (**Conclusion**) alongside the relevant statement to show your conclusion.

Decision	Definition	Conclusion - Mark 'X' below

Equality Analysis

No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision. Engaging with residents about the options for the future of Regina Road is an opportunity to ensure that homes for those living on these ate are fit for purpose and provide equal and equally accessible housing provision and services across all protected characteristics. The consultation has been an opportunity to make significant enhancements in these areas where provision is currently lacking. We have facilitated consultation in a variety of methods (online, face to face, independent advisors) so that all residents are able to contribute. We have also offered to provide consultation materials in different formats or languages if required.	Yes
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council's ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form	No
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	No
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	No
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name:	Date:
	Position:	
Director	Name:	Date:
	Position:	

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Appendix 1

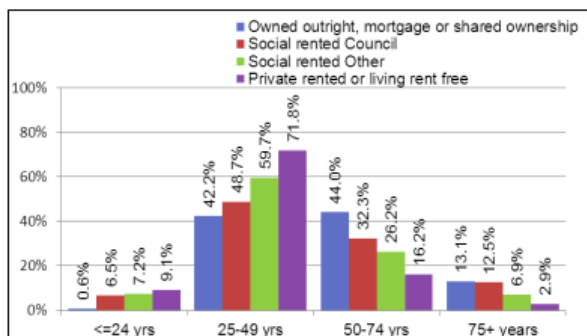
Croydon Council has a social housing stock of approximately 13,500 properties (61% flats, 39% street properties). In addition, there are also approximately 2,500 leaseholders. The information we hold about our residents in relation to protected characteristics is incomplete. Whilst we have insight into the age, sex and race / ethnicity of our tenants and leaseholders, information in relation to disability, sexual orientation and other protected characteristics is not available to us. Therefore, we need to draw on data that is available via Croydon Observatory to draw some conclusions about the profile of residents living in our homes.

Age

We know the age of 95% of our customers (13607/14345). The majority of the missing 5% are tenancies held for many years (going back to early 1970's) so are most likely to be older/elderly. We know that 4.4% are aged between are 20-29, 15.6% are 30-39, 19.4% 40-49

Age	20-29	30-39	40-49	50-59	60-69	70-79	80+
%	4.4%	15.6%	19.4%	25.0%	17.7%	10.8%	7.1%

Figure 1 - Tenure type by age bands in Croydon in 2011



Source: ONS, Census 2011, Table DC4201EW

Figure 1 - Tenure type by age bands in Croydon in 2011 Source: ONS, Census 2011, Table DC4201EW.

Race

We know the ethnicity of 78.3% of our customers (11236/14345). Again, where there are gaps, these are for the longer held tenancies.

Ethnicity	Asian	Black	Mixed/multiple	White	Other
%	9.2%	37.9%	4.2%	46.2%	2.5%

The Croydon population continues to grow from long-term international migration and 34.6% of the population is made up of non-UK born residents according to ONS 2020 estimates. Croydon has a higher proportion of residents from Asian/Asian British, mixed or multiple ethnic groups, Black/African/Caribbean/Black British and other ethnic groups compared to the national average. proportion of Asian and Black residents in Croydon has been increasing since the 2011 Census. The proportion of White population was predicted to decrease by almost 10% by 2021. Source: GLA 2016 Housing-led projections by ethnicity.

Gender

Records are held for 14343/14345 = 99.99% of our customers as follows:

Female	67.0%
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Equality Analysis

Male	33.0%
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Disability

We hold disability information for housing applicants and for council tenants but much of this data is held in “free text” fields making it difficult to analyse and is not easily extractable from our housing tenant database. Currently we This figure accounts for just 5% of our customers. Looking to other data for insight there is not one comprehensive figure that can give a true picture of the total number of people with a disability in Croydon. The 2011 Census figures showed that 14.1% of the population in Croydon had their day-to-day activities limited to some extent by a long-term health problem or disability. 22,493 people had their day-to-day activities limited a lot, whilst 28,134 had their day-to-day activities limited a little.

We know that since 2008, our major adaptations team in housing have carried out 1556 adaptations to council properties. On top of that figure would be any level access showers installed via the decent homes program, plus any adaptations carried out before 2008.

Social value

According to the borough profile 2018 Croydon is the bottom third (220th most deprived authority out of 336 district authorities) for the Education, skills and training domain. Social housing is often associated with the council’s more deprived residents, so social value can provide key benefits to this group of residents in a number of ways, including: employment opportunities for local and disadvantage people, improved skills for local people or those facing barriers to employment and improved employability of young people.

Deprivation

There remains geographic inequality in the distribution of deprivation in the borough with the North and East of the borough remaining more deprived than the South. Ref [Borough Profile \(croydonobservatory.org\)](http://croydonobservatory.org) Dec 2021 81% of Council owned homes are in areas identified with high levels of social deprivation, (Indices of Multiple Deprivation Decile 1-3). Four Places have large concentrations of social deprivation. These are in Addington, Broad Green & Selhurst, Shirley, and Waddon.

Sexuality

We have significant gaps in our data concerning sexual orientation in respect of council tenants, housing applicants and homeless households. Equality and Human Rights Commission guidance on this protected characteristic is to collect it where relevant, ONS produced its Integrated Household Survey for the calendar year of 2014 with its mid-year population estimates. By applying the London average to the Croydon population it was estimated that there were about 9,800 people in Croydon who would have identified as being gay, lesbian or bisexual.

Equality Analysis

Social deprivation

81% of Council owned homes are in areas identified with high levels of social deprivation, (Indices of Multiple Deprivation Decile 1-3). Four Places have large concentrations of social deprivation. These are in Addington, Broad Green & Selhurst, Shirley, and Waddon. According to the borough profile 2018 Croydon is the bottom third (220th most deprived authority out of 336 district authorities) for the Education, skills and training domain.

Working adults

Based on the ONS annual population survey for the calendar year 2020, only 5.0% of Croydon's resident population aged 16-64 years had no qualification. Adults from a White ethnic background in Croydon in the 2011 Census were more likely to have no qualifications than adults from any other ethnic background. Over a half (51.4%) of the residents from the Asian community had level 3 and level 4 qualifications which was the highest proportion compared to the other ethnic communities.

Housing

According to the 2011 Census, 60% of all Croydon 145,000 households were owner occupied, 20% were private rented and 18% were households living in social housing. Social housing in Croydon is mainly concentrated in the northern parts and the eastern edge of the borough. Census 2011 showed that in the east, the former wards of Fieldway, (now New Addington North), and New Addington, (now New Addington South), had the highest proportions of social housing (council homes and other) with 60.6% and 42.2% respectively

Gender identity

We have significant gaps in our data concerning gender reassignment; however, recent improvements in our data collection methods will address this gap over time, however we will only collect this data where relevant to service delivery.

Language

The Census 2011 showed that 14.5% of people in Croydon had a language other than English recorded as their main language. The majority could speak English well but around 1 in 6 of this group (17.2%) amounting to 2.5% of the total Croydon population at the time could not speak English well or at all. Residents are able to request that information is provided in different formats or alternative languages to ensure that that they are able to understand information relating to the consultation. This provision will continue through the project and will be especially important in the event of a resident ballot.

Equality Analysis

Sexual orientation

We have significant gaps in our data concerning sexual orientation in respect of council tenants, housing applicants and homeless households. Census data provides a good estimate of the diversity of religious belief in Croydon.

Marital status

We do not hold marital status data for around one in three council tenants.

DRAFT

LONDON BOROUGH OF CROYDON

REPORT:	CABINET
DATE OF DECISION	26 July 2023
REPORT TITLE:	Update on the Housing Transformation Programme
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen, Corporate Director of Housing
LEAD OFFICER:	Lara Ashley, Housing Transformation Lead
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes
Key Decision?	No
CONTAINS EXEMPT INFORMATION?	No
WARDS AFFECTED:	All

1 SUMMARY OF REPORT

- 1.1** The current report provides an update on the Housing Transformation Programme following the approval of the Programme by Cabinet in December 2022. The Programme has been informed by the Council's need to return to compliance with the Regulator of Social Housing's consumer standards and reflects feedback from the independent Housing Improvement Board. The transformation of the Council's housing services remains a priority for the Council following the diagnostic report on 1-87 Regina Road commissioned in May 2021. Improvements to the Council's housing services have been identified as one of three key priorities by the Secretary of State and the government-appointed Improvement & Assurance Panel in March 2023.
- 1.2** The breadth of work within the Housing Transformation Programme has progressed at pace since December 2022, with 32 projects currently live and ten projects closed following completion. Appendix One provides status updates against each of the projects.
- 1.3** This paper details the progress to date on all the live projects, according to each workstream.

2 RECOMMENDATIONS

For the reasons set out in the report and Appendix One, the Executive Mayor in Cabinet is recommended:

- 2.1 To note the progress since December 2022 on the Housing Transformation Programme.

3 BACKGROUND AND DETAILS

- 3.1 In response to conditions at 1-87 Regina Road, South Norwood, and the diagnostic report the Council had commissioned in May 2021, it was recognised that a significant transformation programme was required to address the issues and failings that had been highlighted in the report.
- 3.2 The Housing Transformation Programme plays a key role in providing assurance to the Council's external partners and a path to compliance with the Regulator for Social Housing's Home Standard and Tenant Involvement and Empowerment Standard. At Cabinet (July 2022), the Executive Mayor agreed to review and strengthen the Housing Transformation programme, previously the Housing Improvement Plan.
- 3.3 In December 2022, Cabinet noted and approved the Housing Transformation programme which addressed previous criticisms and included the programme's high-level workstreams, future governance and next steps. It is anticipated that this is a three-to-five-year programme, with delivery in phases and evolution in the workstreams as the delivery of the programme progresses.
- 3.4 There are a total of 67 projects across eight workstreams. Progress updates on high impact projects will be presented to Cabinet through the regular channels and will also be scrutinized by the Housing Improvement Board. Since December 2022, workstreams have been finalised with workstream leads and a clear programme plan.
- 3.5 The Transformation Steering Board, which oversees the delivery of the Housing Transformation Programme is held monthly and chaired by the Cabinet Member for Homes. Representatives from directorates across the Council also participate in attend the Steering Board meeting.

Key achievements to-date

- 3.6 There have been a number of key achievements since delivery of the programme began in the summer of 2022.
 - 1.1 Vision & Mission Set: The housing directorate has established a clear vision and mission, providing a guiding direction for their work. This was co-created through visioning workshops held with residents, staff, and HIB members.
 - 1.5: Changes to Leadership Team: The housing directorate has strengthened and improved capacity at the leadership team to ensure suitably experienced leaders can drive through transformational improvements.

- 2.5: HRA Recharge: A review of HRA (Housing Revenue Account) recharges has been conducted and 15 service-level agreements between the Housing directorate and other services have been created. The service-level agreements are linked to standards and outputs to ensure that services funded by tenant and leaseholder service charges, such as grounds maintenance and waste management, are used appropriately to provide a good level of service. The review has resulted in the recovery of circa £9 million.
- 3.1: Residents' Charter Co-Created and Approved: This Charter is a declaration of our commitments to residents and has been embedded in restructuring and operating models.
- 3.15: NEC System: A new customer interface and asset management system went live on 7th June 2023. The system replaces outdated manual systems, including ROCC and OHMs, therefore, streamlining operations and improving efficiency. As part of the implementation of the NEC system, a thorough data cleansing exercise has been carried out. This ensures that clean and accurate data is uploaded into the new systems, enhancing data reliability and integrity.
- 3.11: Consultation on 2023/2024 Rent Increases: A thorough consultation process was carried out with residents, including Tenant & Leaseholder Panel, to inform residents about rent increases and the subsequent impact on services, ensuring that residents were well-informed of changes.
- 4.1: Regina Road Consultation Completed: The Regina Road resident's ballot has now been completed, with 88.1% voting 'yes' to the Council's Landlord Offer to demolish and rebuild.
- 4.3 Development of an Asset Management Strategy: A comprehensive stock condition survey has been conducted, sampling 5% of the housing stock. This survey helps to understand the extent of further surveys required and provides valuable insights for future planning and cost estimation.
- 6.1: Repairs Contract Re-Procurement: A successful re-procurement process (with residents as part of the procurement project) has been completed for the repairs contract. Three new contractors have been selected to deliver improved services for repairs, voids, and heating. The borough will now have two suppliers for repairs and voids, a separate contract has been awarded for heating maintenance. Mobilisation and demobilisation activity is currently underway. A Social Value officer has been recruited to ensure that social value commitments made through tendering are delivered appropriately.
- 6.2: Repairs Contact Centre: A new, in-house Housing Repairs Contact Centre will replace our current contractor in August 2023. The in-house Housing Repairs Contact Centre was established in May 2023 and has received four weeks of intensive customer service training to ensure readiness for go-live including training on our system, and the Council's customer service approach and expectations. The customer service training was provided in addition to shadowing existing staff in the corporate contact centre. The Contact Centre staff will also benefit from wider customer service training beginning in September 2023.
- 6.4: Voids Lettable Standard: A clear standard has been drafted for acceptable voids to ensure that residents are provided with fit-for-purpose homes. This standard sets out 56 clear commitments regarding the quality of void properties, including the services and

supplies of gas, electricity, and water, and the condition of bathrooms and kitchens. The standard was co-created with social housing residents.

- 6.8: New Damp & Mould Response Team: A dedicated response team has been established to effectively triage and proactively manage cases of damp and mould within the housing stock. The team has currently delivered 791 Stage 1 visits and mould washes as well as 73 Stage 2 jobs, with 27 currently in progress. Learning from complaints and historical data analysis is being undertaken to better understand conditions and patterns.

Progress updates against live projects

3.7 A total of 32 projects across all eight workstreams are now live. The progress to date for each workstream is detailed below. RAG-ratings have been provided for each of the projects in the left-hand column. Red indicates that the project is not on track and requires an immediate intervention to plan to return to committed deadlines. Amber indicates that the project is not on track but does have a plan to ensure it delivers the agreed outcomes by committed deadlines. Green indicates that the project is on track to deliver the agreed outcomes by committed deadlines. Please note that the projects are constantly progressing and may change in RAG status from the point of report submission to Cabinet meeting.

3.8 *Vision, Direction & Transformation Plan for Housing Directorate*

1.3 Housing Strategy	Delivery of the Strategy moving at pace and due to be presented at Cabinet in September 2023. Resident and partner consultation and workshops on the draft priorities and objectives began in June 2023 and will run for seven weeks.
1.5 High-level re-structure and recruitment	This restructure intends to stabilise leadership at a senior level to lead and deliver improvements. The initial scoping of the high-level restructure is underway with recruitment set to commence in July 2023.

3.9 *Governance & Information Management*

2.1 Revised Performance Framework and Business Intelligence	This sets out clear measures of performance for services areas and enables appropriate objective setting, with a focus on customer services. A performance dashboard of KPIs has been co-created with the independent Housing Improvement Board to allow the Board to gain assurance of the Council’s progress in improving housing services. Additional performance dashboards are being developed to meet the needs of the housing directorate management team and residents, in line with the Social Housing White Paper.
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3.10 *Customer Excellence*

3.2 Resident Engagement Strategy	The strategy will set out how residents will be engaged in decision-making, information-sharing and consultation. A draft strategy will be shared with Tenant and Leaseholder Panel and Housing Improvement Board in
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	September with a final strategy due to be presented to Cabinet in December 2023. The housing directorate is working with TPAS, a resident engagement specialist, to develop this strategy. A self-assessment exercise was recently completed as part of the project, with feedback and an action plan to be received shortly.
3.3 Short-term customer services improvement plan	The project aims to create and implement a plan to deliver improvements and additional support to tenancy services in the short-term prior to the new tenancy service model. The Housing Directorate has launched an estate walkabout programme to identify issues and engage residents. The Directorate has met with residents to agree pictorial standards for conditions on estates.
3.4 Customer Information Review	This review will evaluate the information captured for customers, profiling customer information, ensuring characteristics are used to inform communication channels and service delivery. OHMS gap analysis has been completed to identify gaps in existing equalities data. An Action Plan will emerge by the end of June outlining how the gaps will be addressed.
3.5 Customer Journey Review	The aim of the project is to co-review our residents' pathways through housing services to create and inform a new operating model and deliver a fit-for-purpose website.
3.7 Customer Service Training	Discussions with procurement have commenced and a brief is now being finalised to procure customer service training for housing staff to ensure residents are treated in line with the Residents' Charter and transform customer interactions.
3.8 Customer Learning & Review of Process	The project aims to improve and standardise the quality of responses to Housing complaints, and create a culture where complaints are viewed as an opportunity to deliver better services. A Housing Customer Insight Manager has successfully been recruited and starts in July 2023 which will enable project delivery to be accelerated.
3.9 Stop Housing Stigma Campaign	The project aims to encourage a better understanding of the discrimination experienced by social housing tenants and the impact this has on tenants' lives. The project aims to ensure communications, language, engagement and behaviour of both staff and contractors does not perpetuate negative stereotypes regarding social housing. The Council is considering its involvement with the campaign as a pilot organisation and is discussing possible timescales.
3.10 Consumer Standards Review	A draft report setting out recommendations as to how the Housing Directorate can meet the Regulator of Social Housing's Consumer Standards has been completed. The finalised report will include an action plan which sets out prioritised actions to address areas of non-conformance or marginal conformance.
3.12 Know our Neighbourhoods Programme	A cross- Council development of ground maintenance service level agreements has begun, with standards based on the Housemark standard. These SLAs will set out the standard of service that residents should be receiving, including aspects such as litter and fly-tipping.
3.13 Community development	The project aims to develop and deliver a community development and inclusion programme to improve resident satisfaction with their homes and

and inclusion programme	communities. Meetings have been held with key voluntary and community sector partners to determine summer activities for residents.
3.16 NEC Post Go-Live Product Development	The project aims to ensure the successful development and adoption of the NEC system after it the system went live in June 2023.

3.11 Long-term Homes & Neighbourhood Planning

4.1 Resolution programme for Regina Road	The ballot for Regina Road residents closed on May 26 th , with an 81.7% turnout with 88.1% voting 'Yes' to the Council's Landlord Offer to demolish and rebuild homes at Regina Road.
4.2 Resolution programme for LPS blocks	This programme addresses the future of 16 ageing LPS tower blocks across the Borough where action is needed to ensure modern social housing fit for the 21 st century. The first four resident meetings having been held for; Belgrave & Grosvenor Houses, Sevenoaks & Tonbridge Houses and South Norwood cluster.
4.3 Development of an Asset Management Strategy	The Asset Management Strategy will be presented to Cabinet in March 2024. A review of stock data and implications to the HRA business plan to take place in September 2023.
4.4 Estates & Improvement Re-Structure	New structure conversations initiated and will be worked into the Target Operating Model project. New director post will go to advert in the summer.

3.12 Asset Compliance

5.1 Compliance with the Fire Safety Act 2021	The aim of the project is to ensure the Housing Directorate is satisfied that the actions relating to the Fire Safety Act 2021 have been completed robustly and information shared with key partners, including the London Fire Brigade. The Housing Directorate has assessed its completion of the actions and is improving internal systems to ensure continued robustness.
5.2 Compliance with the Building Safety Act 2022	The aim of the project is to ensure the Housing Directorate is satisfied that the actions relating to the Building Safety Act 2022 have been completed robustly. A project has been scoped which includes structural surveys and retrospective fire strategies. There is also a continuation of assistance being provided to the Fire Safety team to audit the contents of premises information boxes and provide suitable building and floor plans.

3.13 Maintaining our Homes

6.1 Re-procurement of the responsive repairs contracts	The repairs re-procurement is well underway and was agreed at Cabinet (March 2023), the report can be found here . Meetings having been put in place to configure the IT necessary for the commencement of mobilisation. Draft contracts have been shared
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	with Wates, Mears and K&T. There are still risks associated with mobilising by the 1 st August 2023 but plans are being formulated to mitigate those risks.
6.2 Repairs Contact Centre	Initial IT workstream meetings were held in May around mobilisation of the repairs contact centre. The shadow contact centre personnel have now been recruited to, with the Contact Centre Manager onboarded to support this set up.
6.3 Repairs Re-Structure & Behaviour Change Programme	This project is closely aligned in part with the Repairs mobilisation (6.1) and includes the resourcing of contract management skills to ensure effective repairs contract mobilisation. It will also include a restructure of the Repairs function in the mid to longer term and supporting change management to ensure the operating model is customer focused and delivers a quality service.
6.4 Voids Transformation:	The project aims to clear the backlog of voids, reduce key to key void time and improve the quality of the service. The Council developed a Voids Resident Satisfaction Survey which gathers resident feedback on void properties. A Voids Lettable Standard has also been developed which agrees the condition of a home prior to being offered to a tenant. Significant progress has been made on clearing the backlog of voids which totalled 333 in July 2022, down to 198 in June 2023. From March 2023 to June 2023, 75% of properties were pre-allocated, with the average time taken to let properties at 6 days. 30 capital voids are on target to complete works in December 2023, with 7 already handed back. 12 hard to let voids have now been let having been carpeted and with window coverings and white goods.
6.5 Disrepair Transformation	The aim of the project is to develop a fit-for-purpose approach to dealing with and remedying disrepair cases and improve conditions to reduce the number of cases being made by residents. Two disrepair surveyors and one resident liaison officer have been recruited to progress the project and re-design internal processes.
6.8 Damp & Mould Response Team	The project aims to improve the Council's approach to damp and mould. The revised approach to damp and mould was agreed at Cabinet in May 2023 and can be viewed here . A specialist Damp and Mould team have been created who manage a dedicated mailbox for enquiries from tenants. The team are currently reviewing the success of the new approach and will iterate the process based on these findings.

3.14 People & Organisational Development

7.2 Intra-directorate communication and engagement plan	The plan is currently being developed, with a housing communications lead having been onboarded. The fourth newsletter was circulated at to all housing staff using "Sway" and the first all staff webinar was delivered in mid-June 2023.
7.10 Enabling high-performing teams and setting behavioural expectations	A competency model has been drafted which sets out clear behavioural expectations for staff, managers and senior managers and will be linked with succession planning, recruitment and recognition. A plan to engage on the competency model has been devised.

3.15 *Managing our Housing Needs*

8.1 Housing Needs Re-Structure	Formal consultation with staff and unions continues to be underway regarding the Housing Needs restructure. The re-structure is due to go-live in the Autumn 2023. The re-structure will ensure that the Housing Needs and Homelessness service is fit-for-purpose with appropriate staff delivering an efficient and effective service. The ambition is to create a service that is understood, fair, accessible and enables residents to be active participants in their journey towards finding a settled home.
8.3 Dynamic Purchasing System for Emergency Accommodation	Work on the implementation of a dynamic purchasing system for the procurement of emergency accommodation contracts is underway and the system is due to go-live in October 2023. Engagement has been undertaken with the top ten suppliers of emergency accommodation to ensure partner buy-in with the procurement process. This project is currently being reviewed against the NEC functionality to ensure VFM and reduce duplication.
8.4 Homelessness Prevention & Rough Sleeping Strategy 2024- 2028	This project aims to produce a Homelessness Prevention & Rough Sleeping Strategy which will enable the Council to meet its statutory obligations and receive essential Government funding, including the Homelessness Prevention Grant. A review of housing need and homelessness in the borough is due to commence which will underpin the strategy's priorities and objectives.
8.9 Data Cleanse and Income Collection	This project includes carrying out occupancy checks of emergency and temporary accommodation and to provide accurate information on the reasons for accommodating households. Further work has found that backdated rent accounts resulted in approximately a further £930k of property charges. In total it is estimated that over £6.5m of property charges have been opened in rent accounts to date.

3.16 Following the re-structure of the Housing Needs and Homelessness service to create more effective and efficient services, the Council will take a multi-disciplinary approach to ensuring that the homelessness accommodation provision meets both demand and the needs of our vulnerable residents. Housing staff will work together with Adult Social Care & Health and Children, Young People & Education colleagues to ensure that there is appropriate provision for care-experienced young people, and adults with support needs.

3.17 Ten projects have been closed following their completion; these include:

- 1.1 Vision & Mission Setting
- 1.2 Root Cause Diagnostic/Delivery
- 1.4 HIP/Transformation Plan
- 1.6 Governance structure for Housing Transformation Programme
- 2.5 Financial governance review
- 3.1 Resident Charter development and delivery

- 3.11 Rent setting consultation initiative
- 3.14 Customer Satisfaction Standards
- 3.15 NEC Migration
- 7.1 Culture and transformation discovery

3.18 Risks and challenges

3.19 Risks and issues regarding the delivery of the Housing Transformation Programme are captured at a project level within monthly highlight reports. Risks, issues, and mitigations are reviewed at the monthly Housing Transformation Steering Board meetings chaired by Councillor Hale. Risks or issues which impact the Council as a whole are escalated to the Corporate Management Team through inclusion on the corporate risk log, JCAD. Major projects such as the Resolution Programme for Regina Road and Repairs Re-Procurement have their own risk and issues log which are reviewed and assessed at weekly or fortnightly project board meetings.

3.20 The Council faces several challenges in the delivery of the Housing Transformation Programme. The current Government has introduced the following legislation applicable to social housing, housing needs, and homelessness:

- Fire Safety Act 2021
- Building Safety Act 2022
- Social Housing Regulation Bill
- Renters (Reform) Bill
- Supported Housing (Regulatory Oversight) Bill

3.21 The Council must balance the need to meet requirements within the new legislation against existing transformation projects to improve our business-as-usual provision. In addition to the new legislation, the Regulator of Social Housing and the Department for Levelling Up, Housing & Local Government are currently revising the consumer standards and Decent Homes Standard. The standards that social homes and our landlord services must meet are therefore due to be revised.

3.22 The Council's economic context also creates challenges for the delivery of the Housing Transformation Programme. Inflationary costs to building materials and labour have needed to be considered when determining the budgets of certain projects. The cost-of-living crisis has increased pressures on the Council's homelessness services and therefore the need to transform the Housing Needs service must be balanced with the need to continue to deliver front-line services. The Section 114 notice issued by the Council's Section 151 officer for the current financial year limits the Council's spending which has an impact on General Fund funded projects.

4. CONTRIBUTION TO COUNCIL PRIORITIES

- 4.1** This programme, alongside the development of the Housing Strategy 2023-2028 is key to ensuring the Council delivers against the Mayor’s priorities to “Invest in council homes to drive up standards and develop a responsive and effective housing service” and “Develop our workforce to deliver in a manner that respects the diversity of our communities.”

5. IMPLICATIONS

5.1 FINANCIAL IMPLICATIONS

- 5.1.1** The delivery of the Housing Transformation Programme required an upfront investment to ensure we transform the directorate to create services that meet the needs of residents. The Finance, Legal & Environment enabler is providing the necessary financial governance of the projects within the Housing Transformation Programme as they are developed, including ensuring the projects are financially viable, deliver value-for-money and are managed to budget. Financial costs incurred in year will be funded using HRA reserves to ensure this investment delivers the right plan for the community. The Managing our Housing Needs workstream must be funded through Transformation Funding.
- 5.1.2** The draft HRA budget for financial year 2023-2024 has been updated to reflect known budgetary requirements and the next iteration of the HRA Business Plan and subsequent budgets will reflect the needs.
- 5.1.3** Comments approved by Orlagh Guarnori- Head of Finance (Housing) on behalf of the Director of Finance (20/06/2023)

5.2 LEGAL IMPLICATIONS

- 5.2.1** The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services that the legal basis for the Housing Transformation Programme is the Council’s general power of management of its housing stock in Section 21 of the Housing Act 1985. In addition, the Council has legal obligations in relation to how it maintains and repairs its housing under Sections 9A and 11 of the Landlord and Tenant Act 1985, Section 4 of the Defective Premises Act 1972, under common law nuisance and negligence principles, and under express or implied terms of the tenancies it has granted.
- 5.2.2** The Housing Transformation Programme is assisting the Council in complying with the consumer standards set by the Regulator of Social Housing.
- 5.2.3** There are statutory requirements on the Council to consult with tenants where they are likely to be substantially affected by changes in housing management practice or policy,

and the Council must ensure that it meets these requirements as part of the development and delivery of the Housing Transformation Programme.

5.2.4 Comments approved by the Head of Litigation and Corporate Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 29/06/2023)

5.3 EQUALITIES IMPLICATIONS

5.3.1 The transformation of the housing directorate must champion inclusion through the services it provides to residents, and inclusion of our diverse resident communities will be central to the training and support offered to staff.

5.3.2 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 comply with the three aims of the general equality duty. These are to • Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act • Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and • Foster good relations between people who share a protected characteristic and people who do not share it.

5.3.3 Having due regard means to consider the three aims of the Equality Duty as part of the process of decision-making. This means that decision makers must be able to evidence that they have taken into account any impact of the proposals under consideration on people who share the protected characteristics before decisions are taken.

5.3.4 Regard for the Council’s public sector equality duty will be central to Housing Transformation Programme. The creation of a revised Housing Transformation Programme will be accompanied by the development of equalities impact assessments at a project level, where necessary, which will be developed in conversation with the Equalities Programme Manager. Work undertaken as part of the Change & Enablement Focus will be key to ensuring the projects address the public sector equality duty. The project managers responsible for the delivery of projects within the workstreams will ensure the EQIAs produced accurately assess the potential impact on vulnerable groups, and groups that share protected characteristics. All EQIAs produced will be treated as living documents and will be updated when data becomes available and new equality objectives identified where appropriate. The Transformation Programme includes a new IT system designed to improve data collection for residents. However the department should ensure that residents data is collected both by the Council and its contractors.

5.3.5 Improving data collection from service users across the nine protected characteristics will benefit decision making by ensuring that decisions are based on clear evidence. Departments will also evidence customer satisfaction and dissatisfaction using this method across the protected characteristics to ensure that the Council is delivering a fair and equitable service to all protected groups. Satisfaction surveys should include a

question on discrimination to ensure that there is no repetition of allegations of racial discrimination by service users which were considered by the ARK Consultancy report. There should be an onus on both officers and contractors to ensure that their behaviours to residents is both helpful and respectful and that residents should no longer perceive that they have been discriminated against in relation to their race or treated without dignity and respect irrespective of equality characteristic.

- 5.3.6** Poor housing conditions and perceptions of unfair treatment are likely to exasperate existing mental health conditions or create new mental health conditions. In particular, when exasperated by other socio-economic impacts such as poverty, unemployment and the cost-of-living crisis. It is important that residents are treated in a fair, respectful and equitable manner to ensure that existing or new conditions are not triggered by behaviour of staff or suppliers. It is important that staff training reflects this.
- 5.3.7** Residents with disabilities or parents of children with disabilities may be treated more favourably than others in relation to housing improvements. This will not amount to discrimination in relation to the Equality Act 2010.
- 5.3.8** The Council will also encourage its suppliers to adopt the Council's standards for equality in the borough: Croydon's Equalities Pledge and the George Floyd Race Matters Pledge.
- 5.3.9** Comments approved by Denise McCausland Equalities Programme Manager 08/06/23

5.4 CRIME & DISORDER IMPACT

- 5.4.1** Crime and disorder have a disproportionate impact on our housing tenants, across the whole crime spectrum from anti-social behaviour through to domestic violence, and is one of the highest concerns of residents. The Housing transformation plan and the reconciliation of the HRA budget is strengthening our response to these concerns and is improving how we work as a council and partner to support our residents, reduce crime and disorder, and make Croydon safer.
- 5.4.2** Comments approved by Kristian Aspinall, Director of Culture & Community Safety, 05/07/23

5.5 HUMAN RESOURCES IMPACT

- 5.5.1** There are no immediate human resources impacts arising directly from the recommendations in this report. However, there will be impacts associated with the development and delivery of the Housing Transformation Programme. The Housing Transformation Programme constitutes a key part of the Mayor's Plan, and it is inevitable that the Plan will have an impact on the Council's workforce. This will be managed under the Council's policies and procedures as the need arises. And will include but not limited to, the Recruitment Policy as well as the Restructure & Re-

organisation Policy, which may include redundancies/redeployment/insourcing/TUPE of staff.

5.4.2 To achieve an enduring culture change in the housing service directorate a set of appropriate and carefully designed organisational development initiatives will need to be created and delivered to enable that change, with contextual relevance and sensitivity. To implement this action input will be required from the Council's Learning and Development Team and may incur extra costs if the Team cannot deliver the required change programme and an external provider will have to be procured.

5.4.3 Any HR issues arising will be managed under the Council's Corporate Policies and Procedures.

5.4.4 Approved by Jennifer Sankar, Head of HR Housing Directorate & Head of HR SCRER for and on behalf of Dean Shoesmith, Chief People Officer June 2023

6 APPENDICES

Appendix A- live Housing Transformation Projects (July 2023)

Appendix B- projects due to commence (July 2023)

7. BACKGROUND DOCUMENTS

N/A

8. URGENCY

N/A

Appendix A- live Housing Transformation Projects (July 2023)

A total of 32 projects across the eight workstreams are now live:

- 1.3 Housing Strategy
- 1.5 High-level restructuring & recruitment
- 2.1 Revised Performance Framework and Business Intelligence
- 3.2 Resident Engagement Strategy
- 3.4 Customer Information review
- 3.5 Customer journey review
- 3.7 Customer Service Training
- 3.8 Customer Learning & review of process
- 3.9 “Stop Social Housing Stigma” Campaign
- 3.10 Review of Consumer standards
- 3.12 Know our Neighbourhoods programme & Estate Inspections
- 3.14 Customer Satisfaction standards
- 3.15 NEC Migration
- 4.1 Resolution programme for Regina Road.
- 4.2 Resolution programme for LPS blocks
- 4.3 Development of Asset Management Strategy
- 4.4 Estates and Improvement restructure
- 5.1 Compliance plan for Fire Safety Act 2021
- 5.2 Compliance plan for Building Safety Act
- 6.1 Repairs re-procurement
- 6.2 Repairs Contact Centre
- 6.3 Repairs restructure and behaviour change programme
- 6.4 Voids transformation
- 6.5 Disrepair transformation
- 6.8 Targeted Approach to Damp and Mould
- 7.2 Enabling high performing teams and setting behavioural expectations
- 7.10 Intra-directorate communication and engagement
- 8.1 Housing Needs restructuring
- 8.3 DPS – Procurement of contracts
- 8.4 Homelessness Prevention and Rough Sleeping Strategy
- 8.9 Data Cleanse & Income Collection
- 8.10 Supported Exempt Accommodation Review

Appendix B- projects due to commence (July 2023)

A total of 25 projects have not yet begun but are programmed in. The key next steps over the upcoming 12 months are detailed below:

September 2023	4.1 Commencement of delivery of Regina Road rebuilding Programme
October 2023	7.4 Professionalisation of the workforce underway
December 2023	1.5 Finalise the new Housing Directorate structure and complete recruitment to posts
	4.2 Resolution programme for the remaining LPS blocks begins
	6.7 Review of capital delivery contracts commences
January 2024	7.3 Conduct a training audit following completion of the re-structures
February 2024	6.4 Voids transformation target of 40 days is met
	7.5 Leadership development programme finalised
	7.11 New operating model launches
March 2024	8.4 Homelessness Prevention & Rough Sleeping Strategy 2024- 2028 presented to Cabinet
	4.3 HRA Business Plan and Asset Management Strategy presented to Cabinet
	Financial Inclusion Strategy presented to Cabinet

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LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	26 July 2023	
REPORT TITLE:	2023-24 Period 2 Financial Performance Report	
CORPORATE DIRECTOR	Jane West Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Allister Bannin, Director of Finance (Deputy S151)	
LEAD MEMBER:	Cllr Jason Cummings, Cabinet Member for Finance	
KEY DECISION?	Yes	Reason: Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates
CONTAINS EXEMPT INFORMATION?	No	Public Grounds for the exemption: N/A
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

1.1 This report provides the Council’s financial performance as at Period 2 (May 2023) for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The report forms part of the Council’s financial management process for publicly reporting financial performance on a monthly basis.

Financial Performance Summary Table

Financial Performance Area	2023-24 Proposed Revised Budget (to be agreed by Cabinet) (£m)	2023-24 Forecast (£m)	2023-24 Forecast Variance (£m)
Revenue Forecast (General Fund)	340.9	340.9	-
Revenue Forecast (Housing Revenue Account)	-	1.7	1.7
Capital Forecast (General Fund)	144.3	144.3	-
Capital Forecast (Housing Revenue Account)	33.2	37.3	4.1

2 RECOMMENDATIONS

For the reasons set out in the report, the Executive Mayor in Cabinet is recommended:

- 2.1** to note the General Fund revenue budget outturn is forecast to breakeven at Period 2, after the forecast utilisation of £63m capitalisation directions requested from DLUHC and £3.8m of the corporate risk contingency budget. It is not planned in advance to utilise the risk contingency budget and directorates will work to bring the service directorate positions within budget.
- 2.2** to approve an increase to revenue expenditure budgets fully funded by new government funding for the Homelessness Prevention Grant (£1.9m) and Asylum Dispersal Scheme (£0.9m).
- 2.3** to note the progress in MTFS savings achievement as set out in paragraph 4.85.
- 2.4** to note the work that has commenced on the Council's Transformation Programme as set out from paragraph 4.81.
- 2.5** to note the Housing Revenue Account (HRA) revenue budget outturn is forecast to overspend by £1.7m.
- 2.6** to approve the net budget increase in 2023-24 General Fund and HRA capital programme budgets resulting from 2022-23 net slippage of £18.422m (GF) and £0.625m (HRA).
- 2.7** to approve a net budget increase to the 2022-26 General Fund capital programme budget of £1.541m (in addition to slippage), as set out in paragraph 4.101.
- 2.8** to note the General Fund capital programme 2023-24 forecast underspend of £0.040m against the revised capital budget (to be agreed by Council) of £144.332m.
- 2.9** to approve a budget increase to the 2022-26 HRA capital programme budget of £11.232m (in addition to slippage), as set out in paragraph 4.102.
- 2.10** to note the HRA capital programme 2023-24 forecast overspend of £4.073m against the revised capital budget (to be agreed by Council) of £33.248m.
- 2.11** to note the Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues,

and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

- 2.12** to note that the Council continues to operate Spend Control Panels to ensure that tight financial control and assurance oversight are maintained.
- 2.13** to note that current forecasts are based on the best available information at the time and will be subject to review and change during the financial year.

3 REASONS FOR RECOMMENDATIONS

- 3.1** The Financial Performance Report is presented monthly to Cabinet and provides a detailed breakdown of the Council's financial position and the in-year challenges it faces. It covers the General Fund, Housing Revenue Account (HRA) and Capital Programme. The Financial Performance Report ensures there is transparency in the financial position, and enables scrutiny by the Executive Mayor, Cabinet, Scrutiny & Overview Committee and the public. It offers reassurance regarding the commitment by Chief Officers to more effective financial management and discipline.

4 BACKGROUND AND DETAILS

- 4.1** The 2023-24 budget approved by Council in March 2023 set a net revenue budget of £340.9m. This required capitalisation directions from government of £63m to balance, due to resolving historical inaccurate accounting treatments and to fund the ongoing annual servicing of debt.
- 4.2** The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget.
- 4.3** The current forecast is that the Council will breakeven against the 2023-24 General Fund revenue budget, however this is following the forecast utilisation of the £63m capitalisation directions requested from DLUHC and £3.8m of the corporate risk contingency budget.

Cost of Living Considerations

- 4.4** There are a number of inflationary pressures that the Council, like all local authorities, is managing. The UK's Consumer Prices Index (CPI) inflation rate was 8.7% in the 12 months to April 2023, remaining high albeit lower than the Office for National Statistics (ONS) reporting in November 2022 that the CPI hit 11.1% in October 2022. This impact goes beyond the Council as the cost of living is affecting all households and businesses.

- 4.5** These macro-economic factors are impacted by international events and, therefore, well beyond the control of Croydon Council. Despite the limitations, the Council is seeking to support households wherever possible.
- 4.6** A dedicated cost of living information hub has been established on the Council's website. This provides a single source of information, informing residents of the financial support available and signposting to further support, advice and guidance. This information is continually reviewed, updated and improved.
- 4.7** At a national level, household support was announced in the form of a revised energy price guarantee, designed to limit the inflation on household energy bills. Households with a domestic energy connection have been eligible for a £400 discount over the winter and residents on means-tested benefits have been eligible for a £650 cost of living payment from Government.
- 4.8** The Council provides a wide range of support for residents that may be struggling owing to cost of living pressures. These include:
- Discretionary support for residents in financial hardship, including the Household Support Fund
 - Council Tax support – for residents on a low income or in receipt of benefits, Council Tax bills could be reduced by up to 100%
 - Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax)
 - Benefits calculator, to ensure residents receive the support to which they are entitled
 - Energy advice, including heating and money saving options, through our Croydon Healthy Homes service
 - Free holiday activity clubs with healthy meals for children
 - Croydon Works to help residents into employment or to receive training to support them into work and funding of the voluntary sector to provide advice and guidance
- 4.9** The cost of living information hub also signposts residents to a range of support provided by other organisations in Croydon, including:
- NHS Healthy Start vouchers for families
 - Free school meals
 - Support from voluntary, community and faith sector organisations
 - Support for businesses through the London Business Hub and the British Business Bank
 - CroydonPlus credit union which offers affordable ways to manage money, including savings accounts and loans

GENERAL FUND REVENUE BUDGET SUMMARY

4.10 The General Fund revenue forecast outturn shows an overall balanced position following the forecast utilisation of the £63m capitalisation directions requested from DLUHC. The service directorates show a forecast overspend of £3.8m which is offset by utilisation of the corporate risk contingency budget.

Table showing the revenue forecasts by Directorate

Directorate	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Adult Social Care and Health	129.8	28.2	131.1	1.3
Assistant Chief Executive	40.8	1.3	40.6	(0.2)
Children, Young People and Education	92.3	7.1	95.4	3.1
Housing	15.7	3.2	15.7	-
Resources	35.5	35.3	35.1	(0.4)
Sustainable Communities, Regeneration & Economic Recovery	65.6	11.0	65.6	-
Subtotal Service Directorates	379.7	86.1	383.5	3.8
Corporate Items and Funding	(38.8)	1.2	(42.6)	(3.8)
Total Net Expenditure Budget	340.9	87.3	340.9	-

- 4.11** It is not planned in advance to utilise the risk contingency budget and directorates will work throughout the year to manage those areas with forecast overspends to ensure the Council remains within budget.
- 4.12** The Council continues to build on the improvements in financial management that were made last financial year. However, there is a considerable amount yet to do, which is fully recognised within the organisation.
- 4.13** A monthly budget assurance process and independent challenge of expenditure takes place. This is in addition to Cabinet and Scrutiny & Overview Committee review. The assurance meetings provide the Corporate Director of Resources (Section 151 Officer) and the Chief Executive with an opportunity to scrutinise and challenge the forecast outturn, review risks and opportunities, and ensure that savings are delivered and income targets are met. The meetings ensure the Council is doing all it can to reduce overspends and deliver a balanced budget.

DIRECTORATE VARIANCES

Adult Social Care and Health (ASCH)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Adult Social Care Operations	111.3	26.2	112.8	1.5
Adult Strategic Commissioning, Policy & Improvement	16.7	1.7	16.7	-
Central ASCH	1.8	0.3	1.6	(0.2)
Total ASCH	129.8	28.2	131.1	1.3

4.14 At period 2, the ASCH directorate has a forecast overspend of £1.3m (0.96%) against a budget of £129.8m.

4.15 The ASCH Directorate has challenging savings targets totalling circa £10m to deliver in 2023-24 on placements and care packages through demand management, commissioning and review of care packages. Risks continue in the provider market from inflation including higher fuel, labour and property costs which may result in claims for increased fees and/or financial instability with the potential for 'handing back' contracts.

Adult Social Care Operations - Forecast overspend of £1.5m

4.16 Staffing across this division demonstrates a forecast underspend (broken down by area below) due to periods of vacancy above the £1m MTF5 5% vacancy factor saving applied to staffing budgets in 2023-24. There is a national shortage of both social workers and occupational therapists and recruitment to many roles is proving challenging. The periods of vacancy are a barrier to achieving savings as staff are focussed on statutory delivery rather than delivering transformation to improve performance, data management and reduce operational risks across the directorate.

4.17 Localities & LIFE have an underspend of (£1.4m) due to a staffing underspend of (£0.4m) and income over-achievement of (£1.0m).

4.18 Working Age Adults has an overspend of £3.8m. This comprises an overspend on care of £4.3m which is partly mitigated by an underspend in staffing of (£0.3m) and an overachievement of income. The overspend includes unachievable savings of £1.9m, against a challenging target of £5.3m. It should also be noted that this area was overspent by £2.3m in 2022-23. The service has committed to achieving further savings which will be reflected once robust plans have been developed.

4.19 Provider Services has a (£1.0m) forecast underspend on staffing due to vacancies.

4.20 Mental health services have a forecast overspend of £0.1m due to a £0.3m overspend on care packages partly mitigated by a (£0.2m) underspend on staffing. The overspend on care is due to increasing demand and work is ongoing to bring this area to a balanced budget.

Adult Social Care Policy and Improvement – Forecast breakeven

- 4.21 The Policy and Improvement division is forecasting a breakeven position.

Adult Social Care Directorate – Forecast underspend of (£0.2m)

- 4.22 The underspend is a result of the delays in recruitment to fixed term and temporary positions to provide additional capacity to improve performance, data management and reduce operational risks across the directorate.

Assistant Chief Executive (ACE)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Policy, Programmes and Performance	6.1	0.8	5.9	(0.2)
Croydon Digital and Resident Access	31.8	5.7	31.7	(0.1)
Chief People Officer	2.9	0.5	3.1	0.2
Asylum Seekers and Homes for Ukraine	-	(5.7)	-	-
Central ACE	-	-	(0.1)	(0.1)
Total ACE (General Fund)	40.8	1.3	40.6	(0.2)
Public Health Grant Ringfenced Services	-	(3.0)	-	-

- 4.23 At period 2, the ACE directorate has a General Fund forecast underspend of £0.2m (0.4%) against a budget of £40.8m.

Policy, Programmes & Performance Division - £0.2m forecast underspend

- 4.24 Recruitment is continuing into the new staffing structure for the Policy, Programmes and Performance Division. The forecast underspend is the result of some posts in the structure currently being held vacant.

Croydon Digital and Resident Access Division - £0.1m forecast underspend

- 4.25 Underspends in Concessionary Travel are forecast owing to staff vacancies and a favourable final concessionary travel settlement for the year. These underspends offset a predicted overspend in Bereavement & Registrars owing to the delayed opening of Green Lawn Memorial Park.

- 4.26 The Digital and Resident Access Division is undergoing a review to achieve in-year MTFS savings for staffing and IT contracts.

Chief People Officer Division – £0.2m forecast overspend

- 4.27 An overspend in payroll staffing is due to delay in the implementation of the payroll restructure. This has impacted the delivery of the associated MTFS saving.

Asylum Seekers and Homes for Ukraine funding – breakeven position after movement in reserves

4.28 The Council has received Asylum Dispersal Scheme grant funding in 2023-24 of £0.9m. The unspent grant of £0.3m in 2022-23 has been carried forward to fund ongoing expenditure in 2023-24.

4.29 The Council carried forward unspent grant under the Homes for Ukraine scheme of £5.5m, of which £1.3m is ringfenced for educational purposes. This will be used to fund ongoing expenditure in 2023-24.

Central Assistant Chief Executive - £0.1m forecast underspend

4.30 This saving is the result of some posts in the structure currently being held vacant.

Public Health Division – breakeven position in ringfenced grant after movement in reserves

4.31 It is currently forecast that the Public Health grant will be underspent by circa £3m in 2023-24. This will be added into the Public Health reserve. This is on top of increased one-off contributions to Public Health eligible spend across the Council, pending 2024-25 MTFs General Fund savings to be found through permanent Public Health grant allocations.

4.32 A Council wide task and finish group has been set up to address underspends in the Public Health Grant (for the current year and the accumulated balance on the balance sheet as an earmarked Public Health reserve from underspends in previous years) by identifying appropriate commissioning opportunities.

Children, Young People and Education (CYPE)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Children's Social Care	68.6	7.2	70.9	2.3
Unaccompanied Asylum Seeking Children (UASC) and Care Leavers	(0.3)	4.0	(0.1)	0.2
Quality, Commissioning and Performance Improvement	6.6	(5.2)	7.2	0.6
Non-DSG Education Services	16.8	1.1	16.8	-
Central CYPE	0.6	0.1	0.6	-
Total CYPE (General Fund)	92.3	7.1	95.4	3.1
Dedicated Schools Grant (DSG) High Needs Education Services	82.6	26.7	83.3	0.7

4.33 At period 2, the CYPE directorate has a General Fund forecast overspend of £3.1m (3.4%) against a budget of £92.3m.

Children's Social Care Division – forecast overspend of £2.5m (including UASC and Care Leavers)

£0.9m staffing overspend owing to pension budget shortfall of £1.2m which was previously fully offset by underspends owing to vacancies and delays in recruitment
£1.2m placements overspend owing to three high-cost placements (2 Residential Education SEND and 1 Semi-Independent)

£0.1m potential overspend on Adopt London South, over and above the agreed budget owing to interagency fees and staffing costs across the consortium calculated at year end

£0.1m under-achievement in income (including £0.5m unachieved 2022-23 MTFS NHS Funding savings which have been partially offset through other income)

£0.2m overspend on Unaccompanied Asylum Seeking Children (UASC) and Care Leavers owing to the extension of current placements and lack of independent housing for our care leavers.

- 4.34** The Children's Social Care Division will monitor placement and care package expenditure during the year. There may be staffing underspends from periods of vacancy and an underspend in legal costs (if the lower numbers of care proceedings and UASC age assessment challenges continue) to help mitigate pressures. The division is producing service level agreements for reviewed HRA funding towards Youth Engagement and Youth Offending services, and these may result in a General Fund pressure. The Division is also reviewing the housing accommodation charges from the Housing General Fund for Care Experienced Young People.

Quality, Commissioning and Performance Improvement Division – forecast overspend of £0.6m

- 4.35** The division is forecasting a staffing overspend of £0.2m from the 5% vacancy factor MTFS saving of £0.3m applied to the 2023-24 budget as a number of teams are fully staffed. The pressure may reduce during the year if there are periods of vacancy.

There is also an 2022-23 MTFS savings shortfall of £0.4m.

Non-DSG Education services – forecast breakeven

- 4.36** Non-DSG Education services are forecasting a breakeven position owing to an underspend from staffing vacancies offsetting income pressures. This includes a forecast £0.3m income shortfall from under-achievement of an historical MTFS income saving (NHS funding towards speech and language therapy) not likely to be achieved.

Dedicated Schools Grant (DSG) High Needs education services – forecast overspend of £0.655m

- 4.37** There is a High Needs forecast overspend of £0.655m against the budget of £82.566m. This initial position represents £0.070m favourable variance from the expected overspend of £0.725m submitted to the Department of Education (DfE) Safety Valve Team as part of the approved Deficit Recovery Plan. The service is still hopeful that

the original target will be met considering the increasing placement demands for complex needs pupils with limited local provision.

4.38 See below the key areas:

£2.174m Out of Borough and Independent – Forecast overspend owing to an increase in complex cases above that expected with high top up funding placed at these sectors owing to inadequate local provisions to meet the demand type. The service is in discussions with some local providers to set up Enhanced Learning Provision in September.

£0.954m overspend owing to increased placements in Mainstream Education provision exceeding the budgeted allocation. This forms part of the invest to save SEND strategy in year 2.

(£0.250m) underspend in Early Years provision owing to successful demand management.

(£0.250m) underspend in Top up funding related to delayed implementation of the proposed expansion of Enhanced Learning Provision across a few schools.

(£0.953m) underspend in the Service Transformation budget set up to support the DSG Deficit Recovery strategy.

(£0.400m) underspend in funding related to staffing cost in therapies and support services cost owing to service re-alignment to maximise savings.

(£0.620m) expected clawback from specific Resource Provision (academies) for extra funding received from DfE.

4.39 Dedicated Schools Grant (DSG) High Needs education services will continue to closely monitor the demands pressures in Independent and Out of Borough placement owing to costs implications. There are ongoing projects (Addington Valley Academy, St Nicholas, Coulsdon College Croydon, and Waddon Youth Disability Services) which are delivering savings to reduce pressures within the high needs block as part of the DfE Safety Valve programme. Almost all the agreed plans are within the expected milestones.

4.40 The DSG net deficit brought forward from 2021-22 was £21.295m. The final year end position for 2022-23 was £15.384m after Safety valve payment of £10.960m. [£21.295m + £5.049 - less £10.960m from DfE Safety Valve]. The £15.384m position represents a minor adverse variance of £0.029m from the DfE target of £15.355m.

4.41 The 2023-24 period 2 High Needs forecast outturn variance of £0.655m leads to an overall DSG deficit projection of £16.039m at the end of 2023-24 compared to the Safety Valve target of £16.080m prior to the £3.29m Deficit Recovery payment expected from the DfE as per the Safety Valve agreement.

Whilst the service is pleased with the positive variance, there are risks of adverse deviation from the Safety Valve target owing to increasing complexity of need requiring additional funding for special schools and extra out of borough placements to meet the needs of some CYP with complex needs.

Housing

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Resident Engagement and Allocations	15.6	3.1	15.6	-
Housing Estates and Improvement	0.1	0.1	0.1	-
Total Housing	15.7	3.2	15.7	-

4.42 At period 2, the Housing directorate has a General Fund forecast breakeven against the budget of £15.7m.

Emergency Accommodation – breakeven forecast

4.43 Forecast to budget at period 2 with inflationary pressures to be covered from corporate budget. The numbers of households supported in homelessness accommodation have not increased significantly over the last year but as landlords are withdrawing accommodation from the temporary accommodation schemes more families are housed in the expensive nightly-paid B&B and hotel accommodation.

4.44 A top-up to Homelessness Prevention Grant (HPG) of £1.9m has been announced by DLUHC to cover homelessness pressures related to Ukrainian refugees. This funding may also be used to fund wider homelessness pressures and reporting requirements are in line with the existing HPG requirements.

4.45 There is an additional pressure owing to the corporate revision to the calculation of increase to the bad debt provision which at Period 2 is forecast to be covered by the grant top-up.

Temporary Accommodation – breakeven forecast

4.46 Numbers of households in temporary accommodation are expected to fall slightly and steadily across the year. Inflationary pressures will be covered through allocation from the corporate non-pay inflation budget.

4.47 There is a potential financial risk from the fire at Sycamore House in Thornton Heath depending on the insurance claim settlement not yet finalised at period 2. This risk was considered in closing the 2022-23 accounts and so any difference in the estimated income of 70% of costs from the insurers will either be a charge or a benefit in the 2023-24 accounts.

Other services – breakeven forecast

4.48 There is currently a temporary structure within Housing, however a restructure is being carried out to strengthen the directorate.

4.49 The Housing Directorate continues to be impacted by the rapidly worsening housing market within London as private sector landlords are increasing rents or leaving the market, and tenants are struggling with cost of living pressures.

- 4.50** The challenge for Croydon in dealing with such rapid inflation has multiple strands. There are forecasting difficulties in predicting how much prices are expected to move and at what pace. This is being addressed alongside a wholesale review of the forecasting process to ensure that reporting provides the full position on risk in 2023-24.
- 4.51** There are difficulties in negotiating and approving price rises without losing properties or fuelling the rises further. Regular meetings with neighbouring boroughs are being held to ensure collective agreements are being made with the larger providers of emergency accommodation.
- 4.52** There is also the issue of entering into 2 to 5 years lease deals with landlords as 39% exited the market in 2022-23 and prices have dramatically increased as a result. In 2022-23 this meant a 10% increase in the use of nightly paid accommodation was seen. The strategy work currently underway in the Directorate will address this issue.
- 4.53** There has been a concerted effort to hold homelessness accommodation costs down across London through partnerships with organisations like Capital Letters and via the agreed Pan-London temporary accommodation rates. The rates can no longer be contained though as demand outweighs available affordable supply. At a Pan London meeting, all boroughs confirmed that they are no longer paying the agreed Pan London rates to ensure they meet their demand challenges. A combination of all these factors has led to an increase in both the average cost of emergency and temporary accommodation that Croydon can secure to meet demand, as well as an increase in the use of nightly paid emergency accommodation to compensate for the loss of some longer-term leased accommodation because of landlords leaving the market.
- 4.54** Pressures are expected to continue in 2023-24. The restructure for Housing Options is underway and will form the bedrock for process change and a more cohesive journey for a homeless household. An immediate switch to better practice and dramatically reduced spend on homelessness cannot be expected within 2023-24 whilst significant change is underway, and the financial benefits are expected to be realised in the longer term.
- 4.55** Income collection rates will need to be monitored closely in 2023-24. There may be a requirement to increase the loss allowance (bad debt provision) again in 2023-24 if income collection is not significantly improved. A new housing IT system (NEC) has been implemented in June 2023 which will improve monitoring and reporting.

Resources

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Commercial Investment	18.9	3.4	18.7	(0.2)
Finance	15.7	29.3	15.7	-
Legal Services and Monitoring Officer	2.3	0.5	2.2	(0.1)
Insurance, Anti-Fraud and Risk	0.6	1.6	0.4	(0.2)
Internal Audit Service	0.4	0.3	0.5	0.1
Pensions and Treasury	0.3	0.2	0.3	-
Central Resources	(2.7)	-	(2.7)	-
Total Resources	35.5	35.3	35.1	(0.4)

4.56 At period 2, the Resources directorate has a General Fund forecast underspend of £0.4m (1.2%) against a budget of £35.5m.

Commercial Investment Division - £0.2m forecast underspend

4.57 There is a £0.4m underspend predicted owing to staffing vacancies. This is offset by increased facilities management costs across Council properties of £0.2m.

Finance Division – breakeven forecast

4.58 There is a £0.5m forecast staffing underspend across the Division. This is mainly owing to predicted periods of vacancy in the Payments, Revenues, Benefits and Debt Service. This is offset by pressure on income streams in this service of £0.5m. This reflects the potential impact of cost-of-living pressures.

4.59 A cross Council working group is currently operating to mitigate pressures by maximising HB subsidy income claims, increasing collection of HB overpayments and reducing costs. The actuals to date are high in the Division owing to Housing Benefits expenditure which will be reimbursed through DWP funding.

4.60 The Finance Division will undergo a restructure of the accountancy service in 2023-24 and then commence recruitment into roles which are currently covered by agency staffing. The capacity and skills levels required in the accountancy service are being reviewed and a growth bid may be submitted for 2024-25 if needed.

Legal Services and Monitoring Officer Division – £0.1m forecast underspend

4.61 There is a £0.1m underspend in the Monitoring Officer service owing to a nil inflationary increase on Member's Allowances and staff vacancies.

4.62 A forecast underspend in Legal Services of £0.3m owing to staff vacancies and reduced running cost expenditure. This is offset by a reduction to the recharge income forecast.

4.63 The Legal Services and Monitoring Officer Division is reviewing usage of external legal advice, with a view to increase the inhouse staffing structure (moving budget

from external legal expenditure in directorates) to provide more legal services internally and therefore reduce overall legal expenditure for the Council.

Other Service Areas and Central Resources - £0.1m forecast underspend

- 4.64** There is a £0.2m forecast underspend in Insurance, Anti-Fraud & Risk owing to increased recharge income and staffing vacancies, which is partially offset by a £0.1m forecast overspend in Internal Audit expenditure.

Sustainable Communities, Regeneration & Economic Recovery (SCRER)

Division	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Sustainable Communities	50.3	7.9	50.3	-
Culture and Community Safety	8.6	0	8.6	-
Planning & Sustainable Regeneration	6.7	3.2	6.7	-
Central SCRER	-	(0.1)	-	-
Total SCRER	65.6	11.0	65.6	-

- 4.65** At period 2, the SCRER directorate has a General Fund forecast breakeven position against a budget of £65.6m. The main potential risk areas relate to income in the areas of parking, parking enforcement, moving traffic offence and planning.

Sustainable Communities Division - breakeven forecast

- 4.66** There is a forecast £2.5m under-achievement in parking, parking enforcement and moving traffic offence income. Demand for parking services has not returned to pre-pandemic levels and this is affecting all areas of parking which includes Automated Number Plate Recognition (ANPR), pay and display and on-street parking.
- 4.67** Parking Services have had delays in connection with the roll out of new ANPR cameras which affect the income levels within the service.
- 4.68** The Division has a forecast underspend of £2m in staffing owing to periods of vacancy and a £0.5m forecast underspend in waste services owing to reduced levels of domestic waste.
- 4.69** The Environment Act 2021 operates as the UK's new framework of environmental protection. Given that the UK has left the EU, new laws that relate to nature protection, water quality, clean air, as well as additional environmental protections that originally came from Brussels, needed to be established. The Act is a vehicle for a number of Department for Environment, Food and Rural Affairs' (Defra) different environmental policies and sets out the legal framework for significant reforms to local authority waste and recycling services, as well as creating new statutory duties for local authorities on nature recovery. The government has stated that additional burdens funding will be provided to local authorities for the new requirements as they come into force. However, the Council will need to monitor closely the extra costs involved.

- 4.70** There is a potential risk to new Roads and Street Works Act income owing to delays and disputes with utility companies. Further work is being undertaken to quantify these risks and where possible mitigate the effect.

Culture and Community Safety Division – breakeven forecast

- 4.71** The Culture and Community Safety Division leads on the London Borough of Culture 2023 activities, funded through external funding sources. This is a year-long celebration of Croydon’s unique identity, diverse communities and rich heritage, culture and creativity. The programme for “This is Croydon” showcases Croydon to the world. It includes major events with international headliners performing alongside emerging home-grown talent, plus hundreds of cultural activities from our communities.

Planning and Sustainable Regeneration Division – breakeven forecast

- 4.72** Pressures are being experienced within Building Control and Planning income owing to lower activity levels in planning major applications and planning performance agreements.

Corporate Items and Funding

Area of Spend	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Inflation and Economic Demand Pressures	36.6	-	36.6	-
Risk Contingency Budget	5.0	-	1.2	(3.8)
Transformation Programme	10.0	-	10.0	-
Other corporate items	(90.4)	1.2	(90.4)	-
Total Corporate items and Funding	(38.8)	1.2	(42.6)	(3.8)

- 4.73** At period 2, the Corporate directorate has a General Fund forecast underspend of £3.8m (9.8%) against a net budget of (£38.8m). The underspend relates to the risk contingency budget which is offsetting the pressures across the service areas.
- 4.74** The corporate area holds funding streams such as Council Tax, retained share of Business Rates and Core Grants. The corporate budget also holds the Council-wide risk contingency budget (£5m) and the budgets for borrowing and interest received.
- 4.75** The corporate area funds redundancy, severance and pension strain costs which contribute to achieving General Fund MTFs savings. There may be a pressure in 2023-24 from this area of costs owing to the implementation of staffing savings.
- 4.76** The corporate area holds the central budget for pay and non-pay inflation. The requirement for directorates will be reviewed during 2023-24 (based on inflation experienced on contracts and NJC national negotiations on the pay award for staff) and the required budget allocation may create a pressure above the central allowance of £31.1m. There is a further budget of £5.5m held centrally for the potential impact of economic demand pressures on Croydon.

- 4.77** The corporate area also holds the 2023-24 Transformation budget of £10m, which will fund work carried out in directorates and cross-Council to achieve MTFs savings and improve services for local residents and businesses. The Transformation budget reduces to £5m from 2024-25.
- 4.78** There is £7.3m budget held in Corporate for adjustments to correct General Fund recharge budgets for recharges to the HRA, Public Health, capitalisation of salaries and corporate support (overhead) recharges. This budget will be allocated during 2023-24 as the service level agreements (SLA's) are finalised for HRA and Public Health recharges, and when the review of salary capitalisation and corporate support recharges is finalised.
- 4.79** There is a funding risk in the Collection Fund if cost of living pressures impact the collection of Council Tax and Business Rates income. The impact of the Council Tax increase is partially mitigated through the Council Tax Hardship Fund (supporting low income households that cannot afford to pay their full increase in Council Tax).
- 4.80** There is borrowing cost uncertainty from interest rates (with the Bank of England currently continuing to increase the base rate) and the timing of capital receipts from asset disposals (assumed in the MTFs at circa £50m per annum).

Transformation Programme

Project	2023-24 Draft Budget Allocation (£m)
Transformation Revenue Budget	10.000
Transformation Capital Budget	4.049
Total Transformation Funding	14.049
Approach to Strategic Planning and Commissioning	0.290
Parking Policy Review	0.200
Community Hubs Programme	0.250
HR Transformation	0.078
Digital & Resident Access Review/Digital Workforce	0.080
SEND Review	0.240
Passenger/SEND Transport Transformation	0.100
Family Justice Service Review	0.100
S117 Project	0.178
Joint Funding Arrangements	0.110
Sustaining Demand at the Front Door	0.190
Fostering Transformation	0.286
Dynamic Purchasing System	0.920
Callydown Transformation	0.134
Income & Debt Review	0.050
Outcomes Based Domiciliary Care Model	0.110
Transition Commissioning Care Model	0.082
Croydon Campus	0.250
Customer Access Review	0.200

Project	2023-24 Draft Budget Allocation (£m)
Building Control Transformation	0.450
Planning& CIL Transformation	0.300
CALAT	0.050
Housing Needs Restructure	0.060
Temporary Accommodation Case Review	0.291
Housing Occupancy Checks	0.291
Rent Accounts and Data Cleanse	0.026
Housing Association Recharges	0.059
Supported Housing Review	0.080
Adult Social Care Transformation	1.100
Review of Social Care Placements	0.461
Reablement & Hospital Discharge	0.060
Strategic Operating Model Design Partner	0.500
Transformation PMO	1.100
Total Revenue and Capital Budget Allocated to Date	7.848
Unallocated To Date	6.201

- 4.81** The Transformation Programme has £14m of resources allocated to it, £4m in the 2022-23 Capital Programme and £10m in the 2023-24 revenue budget. The Transformation Programme published in November 2022 set out £5.9m of project commitments with recognition that further sums were still to be confirmed. Capital funding can only be utilised for spend that creates an asset, eg. an IT system. Please note that project plans are under development and following review of these project plans the draft budget allocations to projects as listed above could change through the year.
- 4.82** A new project to review the Croydon Adult Learning and Training (CALAT) service has been added to the programme with an initial £0.050m budget approved by the Corporate Director of Resources (S151 Officer).
- 4.83** The Transformation Board has agreed additional project allocations totalling £1.4m. The 'Review of Social Care Placements' project has secured £600,000 alternative funding from the Market Sustainability Grant thereby reducing the funding required from the Transformation budget. The revenue budget also funds the costs of the transformation Programme Management Office currently estimated at £1.1m
- 4.84** In total there is currently £7.8m of the Transformation Programme budget allocated with £6.2m unallocated.

Savings

4.85 The 2023-24 budgets include a challenging new savings target of £33.1m. Progress in achieving savings is being monitored throughout the year. Directorates are identifying any risks to achievement of individual savings and making plans to mitigate these risks where possible or identify alternative savings as required.

Table showing 2023-24 forecast savings achievement by directorate

2023-24						
Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	
Directorate						
Adult Social Care & Health	12,243	-	12,243	10,368	-	1,875
Assistant Chief Executive	2,924	-	2,924	2,924	-	-
Children, Young People & Education	6,920	490	7,410	5,842	68	1,500
Housing	2,305	-	2,305	1,309	1,099	(103)
Resources	6,347	-	6,347	6,347	-	-
Sustainable Communities (SCRER)	1,859	2,490	4,349	4,124	225	-
Cross-Directorate / Corporate	500	-	500	500	-	-
Total	33,098	2,980	36,078	31,414	1,392	3,272

Reserves

4.86 There are no budgeted contributions to, or drawdowns from, the General Fund balances of £27.5m in 2023-24. The current breakeven forecast for 2023-24 maintains this reserve.

General Fund Balances	Forecast (£m)
Balance at 1 April 2023	27.5
Forecast Contribution to/(Drawdown from) Reserves	-
Forecast Balance at 31 March 2024	27.5

4.87 The General Fund balances serve as a cushion should any overspend materialise by the end of 2023-24. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.

Unresolved Issues

- 4.88** The Council's overall financial position is still subject to a number of unresolved historic legacy issues. The latest position on these was set out in the 22 February 2023 Cabinet report titled 'Revenue Budget and Council Tax Levels 2023-24' which incorporated the findings of the 'Opening the Books' review undertaken in 2022-23. The report stated that a request has also been made of government to provide the Council with a Capitalisation Direction of £161.6m to cover the historic finance issues that have been revealed through the 'Opening the Books' programme.
- 4.89** The Council needs to correct a range of misstatements in its legacy accounts from 2019-20 which are currently still not fully closed. This was more than the £74.6m previously identified in the MTFs Update report to Cabinet in November 2022.
- 4.90** The Council's Provision for Bad Debt was found to be understated by £46m rather than the £20m previously assumed and a prudent decision was made to include the potential £70m gap in the accounts caused by incorrect accounting for Croydon Affordable Homes and Tenures, instead of the £9m previously assumed.
- 4.91** With four years of accounts still open, there remains a risk that further legacy issues will be uncovered. The Capital Programme for 2022-23 included the £161.6m Capitalisation Direction requested, which was in addition to the £25m capitalisation direction previously approved.

Housing Revenue Account (HRA)

- 4.92** At period 2, the Housing Revenue Account (HRA) has a forecast overspend of £1.7m.

Repairs

£3.8m overspend on disrepair costs including void and repair costs, legal fees and settlement costs.

Tenancy and Income

Breakeven forecast at period 2. Additional budget was allocated in 2023-24 to meet known pressures.

Staffing and other

(£1.6m) underspend from staffing vacancies owing to difficulties recruiting to specialist posts.

(£0.5m) underspend on non-pay expenditure (including the contingency budget).

Table showing the 2023-24 HRA forecast

Description	Net Budget (£m)	Actuals to Date (£m)	Forecast (£m)	Forecast Variance (£m)
Rental Income	(82.1)	(12.1)	(82.1)	-
Service Charge Income	(4.6)	(0.7)	(4.6)	-
Other Income	(9.4)	1.0	(9.4)	-
Subtotal Income	(96.1)	(11.8)	(96.1)	-
Centralised Directorate expenditure	52.2	(0.9)	50.1	(2.1)
Responsive Repairs & Safety	20.4	4.6	24.2	3.8
Asset Planning	1.6	0.1	1.6	-
Capital Delivery (Homes & Schools)	1.5	0.1	1.5	-
Tenancy & Resident Engagement	10.3	4.6	10.3	-
Homelessness & Assessments	3.4	0.4	3.4	-
Service development and income	6.7	0.0	6.7	-
Subtotal Expenditure	96.1	8.9	97.8	1.7
Total HRA Net Expenditure	-	(2.9)	1.7	1.7

4.93 The main risks within the Housing Revenue Account are:

- Repairs and maintenance:
 - pressures from the exit of the current Axis repairs contract, ending in August 2023.
 - extra expenditure to deal with the backlog of repairs and maintenance.
 - void and disrepair costs carried out by specialist contractors to reduce void losses and minimise future disrepair claims.
 - settlement of disrepair cases and related legal fees, including those relating to Regina Road.

- Tenancy and income:
 - the impact of cost of living pressures on rent collection (including a potential increase in bad debt cost).
 - loss of income due to void (empty) residential properties.
 - loss of income due to void garages.

- Recharge review:
 - General Fund services are producing service level agreements (SLA's) to evidence recharges of costs to the HRA, which could result in increased charges to the HRA.

Capital Programme and Financial Sustainability

- 4.94** The Capital strategy and programme was approved by Council in March 2023. This recognised the complex and challenging financial and operational circumstances in which the Council continues to operate. It showed a 2023-24 Capital Programme that is reduced in scale and cost compared to previous years. With circa £1.3bn of General Fund debt and an environment of rising interest rates, the delivery of an effective Asset Management Plan and an ambitious Asset Disposal Strategy, including reducing the number of buildings used by the Council, will be essential to mitigate rising cost pressures, reduce the overall debt burden and help the Council balance its books.
- 4.95** The strategy reflected the progress made to date by the Council to improve the governance and financial management of the Capital Programme following recommendations from the two Reports in the Public Interest (RIPI). The Council understands that the initial improvements put in place are the foundations of good practice and is focused on building upon these over the coming months and years.
- 4.96** Concerns were highlighted regarding value for money and investment decisions as the Council has incurred debt in investing in assets which have not retained their value and, therefore, the level of debt exceeds the value of the investment assets. In the three years between 2017-20 the Council borrowed £545m with no focused debt management plan in place. The majority of this debt comprises short-term borrowings which has left the Council exposed to current higher interest rates. The debt is anticipated to be refinanced from 2023 onwards and therefore likely to drive significant increases in annual repayment levels.
- 4.97** An estimated circa £66m is required to service this debt from the General Fund which represents around 16% of the Council's net budget. The Council's historic legacy borrowing and debt burden has, therefore, become critical to the sustainability of the Council's revenue budget.
- 4.98** The Council has concluded that the expenditure it is anticipated to incur in each year of the period of 2023-27 is likely to exceed the financial resources available and that reaching financial and operational sustainability without further government assistance will not be possible. The Council's 2023-24 budget required capitalisation directions from government of £63m to balance and the Medium Term Financial Strategy (MTFS) demonstrated an ongoing estimated budget gap of £38m per annum from 2024-25.
- 4.99** Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of historic legacy indebtedness and balancing the budget to ensure it can deliver sustainable local government services. It must be noted that annual capitalisation directions (transferring revenue cost into capital cost which must be funded over 20 years) increases the Council's debt burden. Debt write-off is the Council's preferred option and, therefore, a request was made to DLUHC in January 2023 for government funding to write-off £540m of the Council's General Fund debt.

DLUHC has subsequently asked the Council to propose a wider range of options, and these are currently being worked on.

Capital Programme Budget Changes

4.100 The 2023-24 capital budgets agreed at the Council budget meeting in March 2023 were £124.369m for General Fund and £32.623m for the HRA.

4.101 The following General Fund capital budget adjustments are requested to be agreed by Cabinet:

Scheme	2023-24 budget increase / (decrease) £m	Comments
Bereavement Services	0.127	Increase to apply slippage from 2022-23
My Resources Interface	0.067	Increase to apply slippage from 2022-23
Network Refresh	0.013	Increase to apply slippage from 2022-23
Technology Refresh	(0.168)	Reduction to future year budget due to expenditure incurred earlier in 2022-23
Geographical Information Systems	0.052	Increase to apply slippage from 2022-23
Laptop Refresh	0.022	Increase to apply slippage from 2022-23
Cloud and DR	0.110	Increase to apply slippage from 2022-23
Synergy Education System	0.372	Increase to apply slippage from 2022-23
NEC Housing System	0.961	Increase to apply slippage from 2022-23 (partially HRA funded)
Uniform ICT Upgrade	0.056	Increase to apply slippage from 2022-23
Education – Fire Safety Works	0.772	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Fixed Term Expansions	0.325	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Major Maintenance	1.666	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Miscellaneous	0.100	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - Permanent Expansion	0.297	Increase to apply slippage from 2022-23 (DfE grant funded)
Education - SEN	1.497	Increase to apply slippage from 2022-23 (CIL and DfE grant funded)
Disabled Facilities Grant	1.717	Increase to apply slippage from 2022-23 (DFG grant funded)
Corporate Property Maintenance	0.580	Increase to apply slippage from 2022-23
Corporate Property Maintenance	(0.300)	Reduction to 2023-24 budget to align to expected overall spend
Fairfield Halls - Council	0.125	Increase to apply slippage from 2022-23
Growth Zone	7.245	Budget increase to reflect Annual Delivering the Growth Zone Report presented to Cabinet on 22 February 2023

Scheme	2023-24 budget increase / (decrease) £m	Comments
Grounds Maintenance Insourced Equipment	1.000	Increase to apply slippage from 2022-23 due to delay in delivery of equipment.
Highways	(0.532)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - flood water management	(0.031)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - bridges and highways structures	(0.695)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Highways - Tree works	0.050	Increase to apply slippage from 2022-23 (GLA grant funded)
Local Authority Tree Fund	0.016	Increase to apply slippage from 2022-23 (Forestry Commission grant funded)
Trees Sponsorship	0.042	Increase to apply slippage from 2022-23 (Trees for Streets grant funded)
Leisure centres equipment contractual agreement	(0.007)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Leisure Equipment Upgrade	(0.017)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Tennis Court Upgrade	0.075	Increase to apply slippage from 2022-23
Libraries Investment - General	0.224	Increase to apply slippage from 2022-23
Parking	0.507	Increase to apply slippage from 2022-23
Cashless Pay & Display	0.366	Increase to apply slippage from 2022-23
Play Equipment	(0.283)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Safety - digital upgrade of CCTV	1.540	Increase to apply slippage from 2022-23
South Norwood Good Growth	0.634	Increase to apply slippage from 2022-23 (GLA grant & S106 funded)
Kenley Good Growth	0.140	Addition due to extra GLA grant funding received
Kenley Good Growth	(0.011)	Reduction to future year budget due to expenditure incurred earlier in 2022-23.
Sustainability Programme	0.550	Increase to apply slippage from 2022-23 (CIL funded)
TFL - LIP	(5.544)	Budget reduction to reflect decreased levelling up grant funding
Cycle Parking	0.226	Increase to apply slippage from 2022-23 (TfL grant and S106 funded)
Electric Vehicle Charging Point (EVCP)	0.651	Increase to apply slippage from 2022-23 (ORCS, TFL & VPACH grant & S106)
Waste and Recycling Investment	1.558	Increase to apply slippage from 2022-23
Transformation Spend (Flexible Capital Receipts)	3.868	Increase to apply slippage from 2022-23
Total GF capital budget change	19.963	

4.102 The following HRA capital budget adjustments are requested to be agreed by Cabinet:

Scheme	2022-23 budget increase / (decrease) £m	2023-24 budget increase / (decrease) £m	Comments
Major Repairs and Improvements Programme	9.399		The HRA spent more than budgeted in 2022-23 (funded by reserves) due to over-achievement in delivering repairs. It is requested that the multi-year budget agreed by Council in March 2023 is increased so that the 2023-24 budget can continue at the level agreed in March (not reduced by the previous year over-achievement).
Regina Road	1.400		This capital budget addition was for the purchase of land to support the Regina Road regeneration scheme and has been funded through HRA reserves.
Affordable Housing	0.433		This capital budget addition was for the purchase of Affordable Housing and was funded through Section 106 monies.
NEC Housing System		0.625	Increase to apply slippage from 2022-23.
Total HRA capital budget change	11.232	0.625	

General Fund Capital Programme

4.103 At period 2, the General Fund capital programme has a forecast underspend of £0.040m against the revised budget (to be agreed by Cabinet) of £144.332m.

Table showing 2023-24 General Fund Capital Programme budget and forecast

General Fund Capital Scheme	2023-24 Original Budget (agreed at Council March 2023) (£000's)	2023-24 Proposed Revised Budget (to be agreed by Cabinet) (£000's)	2023-24 Actuals to Date (£000's)	2023-24 Forecast (£000's)	2023-24 Forecast Variance (against proposed revised budget) (£000's)
Bereavement Services	-	127	(84)	127	-
My Resources Interface Enhancement	185	252	-	252	-
ICT	-	-	1	-	-
Network Refresh	335	348	8	348	-
Tech Refresh	300	132	84	132	-
Geographical Information Systems	260	312	-	312	-
Laptop Refresh	3,349	3,371	-	3,371	-

General Fund Capital Scheme	2023-24 Original Budget (agreed at Council March 2023)	2023-24 Proposed Revised Budget (to be agreed by Cabinet)	2023-24 Actuals to Date	2023-24 Forecast	2023-24 Forecast Variance (against proposed revised budget)
	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)
Cloud and DR	221	331	26	331	-
People ICT	-	-	1	-	-
Synergy Education System	673	1,045	-	1,045	-
NEC Housing System	1,764	2,725	(37)	2,725	-
Uniform ICT Upgrade	-	56	-	56	-
Subtotal Assistant Chief Executive	7,087	8,699	(1)	8,699	-
Education – Fire Safety Works	152	924	-	924	-
Education - Fixed Term Expansions	2,540	2,865	146	2,865	-
Education - Major Maintenance	4,200	5,866	280	5,866	-
Education - Miscellaneous	-	100	-	100	-
Education - Permanent Expansion	-	297	-	297	-
Education - SEN	4,792	6,289	35	6,289	-
Angel Lodge Children Home	329	329	-	329	-
Subtotal CYPE	12,013	16,670	461	16,670	-
Disabled Facilities Grant	2,993	4,710	(199)	4,710	-
Empty Homes Grants	400	400	(15)	400	-
Subtotal Housing	3,393	5,110	(214)	5,110	-
Asset Strategy - Stubbs Mead	500	500	-	500	-
Asset Strategy Programme	240	240	-	240	-
Clocktower Chillers	382	382	-	382	-
Corporate Property Maintenance Programme	2,500	2,780	42	2,730	(50)
Fairfield Halls - Council	500	625	-	625	-
Former New Addington Leisure Centre	600	600	-	600	-
Fieldway Cluster (Timebridge Community Centre)	248	248	-	248	-
Contingency	1,000	1,000	-	1,000	-
Subtotal Resources	5,970	6,375	42	6,325	(50)
Allotments	-	-	(14)	-	-
Growth Zone	4,000	11,245	10	11,245	-
Grounds Maintenance Insourced Equipment	200	1,200	-	1,200	-
Highways	8,618	8,086	-	8,086	-
Highways - flood water management	435	404	-	404	-
Highways - bridges and highways structures	1,663	968	20	968	-
Highways - Tree works	-	50	26	50	-
Local Authority Tree Fund	67	83	10	83	-

General Fund Capital Scheme	2023-24 Original Budget (agreed at Council March 2023)	2023-24 Proposed Revised Budget (to be agreed by Cabinet)	2023-24 Actuals to Date	2023-24 Forecast	2023-24 Forecast Variance (against proposed revised budget)
	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)
Trees Sponsorship	-	42	10	42	-
Leisure centres equipment contractual agreement	146	139	-	139	-
Tennis Court Upgrade	-	75	-	75	-
Leisure Equipment Upgrade	165	148	-	148	-
Libraries Investment - General	807	1,031	(410)	1,031	-
Central Library Digital Discovery Zone	175	175	-	175	-
New Investment to South Norwood Library	520	520	-	520	-
Parking	1,336	1,843	10	1,843	-
Cashless Pay & Display	1,097	1,463	-	1,463	-
Play Equipment	300	17	27	27	10
Safety - digital upgrade of CCTV	-	1,540	(11)	1,540	-
HIGHWAY Road Markings/Signs (Refresh)	137	137	-	137	-
South Norwood Good Growth	139	773	9	773	-
Kenley Good Growth	265	394	(267)	394	-
Sustainability Programme	550	1,100	-	1,100	-
TFL - LIP	10,112	4,568	70	4,568	-
Cycle Parking	106	332	-	332	-
Electric Vehicle Charging Point (EVCP)	368	1,019	-	1,019	-
Park Asset Management	700	700	-	700	-
Waste and Recycling Investment	1,000	2,558	-	2,558	-
Subtotal SCRER	32,906	40,610	(510)	40,620	10
Capitalisation Direction	63,000	63,000	-	63,000	-
Transformation Spend (Flexible Capital Receipts)	-	3,868	-	3,868	-
Subtotal Corporate Items and Funding	63,000	66,868	-	66,868	-
TOTAL GENERAL FUND CAPITAL	124,369	144,332	(222)	144,292	(40)

Table showing General Fund Capital Programme Financing

General Fund Capital Financing	2023-24 Original Budget (agreed at Council March 2023)	2023-24 Proposed Revised Budget (to be agreed by Cabinet)	2023-24 Forecast	2023-24 Forecast Variance (against proposed revised budget)
	(£000's)	(£000's)	(£000's)	(£000's)
CIL	1,628	9,684	9,684	-
s106	1,606	1,712	1,712	-
Grants & Other Contributions	24,266	25,832	25,832	-
Growth Zone	4,900	12,145	12,145	-
HRA Contributions	1,147	1,772	1,772	-
Capital Receipts	45,000	48,868	48,868	-
Borrowing	45,823	44,320	44,279	(40)
Total GF Capital Financing	124,369	144,332	144,292	(40)

4.104 The Council is identifying alternative funding for the extra forecast cost of play equipment of £10k to avoid the use of borrowing. This could include the application of Section 106 funding. The Corporate Property Maintenance Programme is currently forecasting to use £50k less borrowing in 2023-24, so the overall forecast use of borrowing is currently £40k lower than budgeted.

HRA Capital Programme

4.105 At period 2, the HRA capital programme has a forecast overspend of £4.1m (12%) against the revised budget (to be agreed by Cabinet) of £33.248m. This is due to increased repairs and improvements activity to reduce the backlog of repairs.

Table showing 2023-24 HRA Capital Programme budget and forecast

HRA Capital Scheme	2023-24 Original Budget (agreed at Council March 2023)	2023-24 Proposed Revised Budget (to be agreed by Cabinet)	2023-24 Actuals to Date	2023-24 Forecast	2023-24 Forecast Variance (against proposed revised budget)
	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)
Major Repairs and Improvements Programme	31,476	31,476	5,234	35,549	4,073
NEC Housing System	1,147	1,772	-	1,772	-
TOTAL HRA CAPITAL	32,623	33,248	5,234	37,321	4,073

HRA Capital Programme Financing

HRA Capital Financing	2023-24 Original Budget (agreed at Council March 2023) (£000's)	2023-24 Proposed Revised Budget (to be agreed by Cabinet) (£000's)	2023-24 Forecast (£000's)	2023-24 Forecast Variance (against proposed revised budget) (£000's)
MRR	15,457	16,082	16,082	-
Revenue	13,900	13,900	13,900	-
Reserves	1,148	1,148	5,221	4,073
Right To Buy (RTB) Receipts	2,118	2,118	2,118	-
Total HRA Capital Financing	32,623	33,248	37,321	4,073

4.106 It is currently assumed that the forecast overspend in the Major Repairs and Improvements Programme will be financed through HRA reserves, however the source of HRA financing is still to be finalised.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 None.

6 CONSULTATION

6.1 None.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 The monthly financial performance report supports the Mayor's Business Plan 2022-2026 objective one "The council balances its books, listens to residents and delivers good sustainable services".

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 Finance comments have been provided throughout this report.

8.1.2 The Council continues to operate with internal spending controls to ensure that tight financial control and assurance oversight are maintained. A new financial management culture is being implemented across the organisation through increased communication on financial issues and training for budget managers.

- 8.1.3** The Council currently has a General Fund Reserve of £27.5m which serves as a cushion should any overspend materialise by the end of 2023-24. The use of reserves to support the budget is not a permanent solution and reserves must be replenished back to a prudent level in subsequent years if used.
- 8.1.4** The Council's historic legacy borrowing and debt burden continues to be critical to the sustainability of the Council's revenue budget. Dialogue with the Department for Levelling Up, Housing and Communities (DLUHC) continues, and the Council is seeking further financial support from Government in regards to its level of indebtedness and balancing the budget to ensure it can deliver sustainable local government services.

Comments approved by Allister Bannin, Director of Finance (Deputy s151 Officer).

8.2 LEGAL IMPLICATIONS

- 8.2.1** 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.
- 8.2.2** Section 28 of the Local Government Act 2003 provides that the Council is under a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 8.2.3** In addition, 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.
- 8.2.4** The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and, therefore, this report also demonstrates compliance with that legal duty.
- 8.2.5** As the government funding for the Homelessness Prevention Grant (£1.9m) and Asylum Dispersal Scheme (£0.9m) relate to executive functions of the Council, the Executive Mayor's approval is sought to receive the grants and apply them to the specific purposes for which they have been provided. By its nature, the additional expenditure is fully funded and is in accordance with budgetary

framework rules. Actual spend decisions will be made by officers in accordance with the Executive Mayor's Scheme of Delegation and the Constitution.

Comments approved by Looqman Desai, Deputy Monitoring Officer on behalf of the Director of Legal Services and Monitoring Officer.

8.3 HUMAN RESOURCES IMPLICATIONS

8.3.1 There are no immediate workforce implications as a result of the content of this report, albeit there is potential for a number of the proposals to have an impact on staffing. Any mitigation on budget implications that may have direct effect on staffing will be managed in accordance with relevant human resources policies and where necessary consultation with recognised trade unions.

8.3.2 The Council is aware that many staff may also be impacted by the increase in cost of living. Many staff are also Croydon residents and may seek support from the Council including via the cost of living hub on the intranet. The Council offers support through the Employee Assistant Programme (EAP) and staff may seek help via and be signposted to the EAP, the Guardians programme, and other appropriate sources of assistance and advice on the Council's intranet.

Comments approved by Dean Shoesmith, Chief People Officer.

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council has a statutory duty to comply with the public sector equality duty set out in section 149 of the Equality Act 2010. The Council must therefore have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.4.2 In setting the Council's budget for 2023-2024, all savings proposals must 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. If any impacts arise, officers will offer mitigation to minimise any unintended impact.

- 8.4.3** This report sets out a number of proposals that will change the services and provisions we provide for residents across Croydon. These proposals are subject to further work decisions.
- 8.4.4** The Council must, therefore, ensure that we have considered any equality implications. The Council has an established Equality Impact Assessment [EqIA] process, with clear guidance, templates and training for managers to use whenever new policies or services changes are being considered. This approach ensures that proposals are checked in relation to the impact on people with protected characteristics under Equality Act 2010.
- 8.4.5** Assessing the impact of proposed changes to policies, procedures, services and organisational change is not just something the law requires; it is a positive opportunity for the council to ensure it makes better decisions, based on robust evidence.
- 8.4.6** Our approach is to ensure the equality impact assessments are data led, using user information, demographic data and forecasts, as well as service specific data and national evidence to fully understand the impact of each savings proposal. This enables the Council to have proper regard to its statutory equality duties.
- 8.4.7** We have a large number of vulnerable children and asylum seekers who are in need of our services. We have also been faced with the rise of costs of the provision of adult social care, which has been exasperated following the pandemic. Alongside this our residents are dealing with the increased cost of living. We have supported residents by providing mitigation for changes where possible and signposting to other support organisations in the borough who can provide support. We will continue to seek mitigation during the equality analysis process where possible.
- 8.4.8** Our initial data suggests that residents across all equality characterises may be affected by changes. National and local data highlights that this may have a greater impact on race, disabilities, sex, pregnancy and maternity and age. We will continue to assess the impact and strive to improve our evidence and data collection, to enable us to make informed decisions.
- 8.4.9** Where consultations take place, we will ensure that we make it accessible for all characteristics including those with disabilities including neurodiversity by ensuring that we adopt Disability standards in our consultation platform. Notwithstanding those residents who are digitally excluded. We will also consult using plain English to support our residents who do not have English as a first language.
- 8.4.10** With regard to potential staff redundancies, as a diverse borough we will undertake equality analysis and seek mitigation for staff by offering redeployment and employability support. We will also assess the impact of job losses on protected characteristics. We will also ensure that disabled staff are treated more favourably

during restructure in that they will be required to meet the minimum standard prior to being offered an interview.

8.4.11 Research from existing EQIAs identifies that rising costs impact on some Disabled groups, communities from the Global Majority, African, Asian, African Caribbean households, young people, some people aged 15 – 64 and some people in the pregnancy/maternity characteristic . Research also indicates that there is an intersectional impact on young people from the Global Majority and both Disabled and Dual Heritage communities. Deprivation in borough is largely focused in the north and the east where the Global Majority of residents from the African, African Caribbean and Asian communities reside.

Comments approved by Denise McCausland, Equalities Programme Manager, Policy and Strategy 26/06/23.

9. APPENDICES

9.1 None.

10. BACKGROUND DOCUMENTS

10.1 None.

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	26 July 2023	
REPORT TITLE:	PARKING POLICY 2023	
CORPORATE DIRECTOR / DIRECTOR:	NICK HIBBERD, CORPORATE DIRECTOR OF SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY	
LEAD OFFICERS:	STEVE ILES, DIRECTOR OF SUSTAINABLE COMMUNITIES	
LEAD MEMBER:	CLLR SCOTT ROCHE, CABINET MEMBER FOR STREETS AND ENVIRONMENT	
KEY DECISION?	YES	Meets the Community Impact Criteria KEY DECISION REFERENCE NO.1323EM
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

1.1 This report sets out a new parking policy to play its part in transforming the council into one that delivers sound and sustainable local government services, and in so doing will transform our borough into one that Croydonians can once again be proud to call home. The policy will support efforts for our town centre and high street recovery. The draft policies ambition is underpinned by four policy drivers, to ensure that it supports the Executive Mayor’s Businesses Plan:

- Fair – parking which will be provided to benefit our users, robustly enforcing blue badge fraud and targeted enforcement in non-compliant areas.
- Supportive – Providing free limited stay parking in our district and local centres.
- Efficient – managing the parking service effectively and putting the customer at the forefront of everything we do and introducing virtual permits and technologies to aid our customers.
- Transparent – communicating openly with our customers, making fair assessment of footway parking across the Borough and introducing transparent parking tariffs.

- 1.2 The way that the council manages its parking and balances the competing uses of its limited roadside space is vitally important to the vibrancy and vitality of the town, district and local centres. The successful and safe movement of people and goods is critical to the borough including residents, businesses and visitors.
- 1.3 This new draft policy replaces the current policy 2019 – 22 and this report presents this council's approach to the Parking Policy and to ensure that it meets the needs of residents, businesses and partners, we intend to consult on the draft policy in the summer of 2023.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended to:

- 2.1 Note the priorities of the draft new parking policy to be fair, supportive, transparent and efficient as set out in Appendix A.
- 2.2 Delegate authority to the Corporate Director of Sustainable Communities, Regeneration and Economic Recovery, in consultation with the Executive Mayor, Cabinet Member for Streets & Environment and the Cabinet Member for Finance to:
- 2.2.1 Approve the draft Parking Policy for public consultation.
- 2.2.2 Adopt the Parking Policy taking into account the outcome of the consultation to ensure the policy addresses the needs of the community, whilst enabling the objectives of the Executive Mayor's Business Plan.
- 2.2.3 Develop the proposed action plan into a programme of initiatives to meet the objectives of the parking policy.
- 2.2.4 Recognise that the Parking Policy is a live document and in accordance with this to review and amend the policy periodically to ensure that it reflects the needs of the community and remains compliant with legislation.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The proposed new parking policy has been developed to provide a service that is fair, supportive, transparent and efficient for our residents, businesses and partners. The Parking Policy is framed around five specific policies to deliver on these ambitions by:
- supporting our local economy
 - appropriate parking management
 - supporting our disabled residents
 - efficient service management
 - Intelligence led enforcement

- 3.2 The importance of community feedback is recognised and to ensure we are listening to the community and that the policy is addressing both their needs and supporting the objectives set out in the Executive Mayor's Business Plan, we propose to undertake a public consultation exercise during the summer of 2023. To maximise the engagement with the community, the proposed consultation will be across multiple channels, including the council's website and social media and will include community workshops.
- 3.3 Croydon is the largest London borough, with an estimated resident population of 390,506 in 2021, which represents a 7.5% increase in population since 2011. This, along with the fact that Croydon is one of the largest commercial districts in Greater London, means that we continue to experience pressure and competing demands on Croydon's finite road space. The policy sets out the council's strategic approach to managing the road space. The policy will be a live document with a customer focus and as such will need to respond fairly to the community needs.
- 3.4 The Road Traffic Regulation Act 1984 gives the council power to introduce and operate parking schemes and the opportunity for the public to engage with the council on proposals. The policy needs to be responsive to this legislation to ensure that the council is meeting its statutory requirements. We also need to embrace and utilise new technologies to drive forward improvements and efficiencies into the Parking Service.

4 DETAIL

4.1 The new parking policy proposes a number of action points to support the five policies with an aim of revitalising the borough and ensuring that Croydon is a place that people want to live, work and shop:

- supporting our local economy
- appropriate parking management
- supporting our disabled residents
- efficient service management
- intelligence led enforcement

4.2 The following paragraphs set out the proposed action points and provide an explanation on how they support the policy objectives and the Executive Mayor's Business Plan.

4.3 Policy One – Supporting our Local Economy

Proposed Actions:

4.3.1 Developing a loading / servicing policy

The council will review how it will manage delivery and servicing vehicles and the roadside interactions with those vehicles going forward. With online shopping, there is increased demand for home deliveries, plus with renewed focus on revitalising town centres and high streets the council needs to ensure that loading / unloading and servicing for businesses is available and practical.

4.3.2 **Review of free short stay parking provision**

The council's current free parking arrangements in town centres and high streets supports local businesses but we need to ensure turnover of available spaces to encourage vibrancy of these businesses. It is proposed that the current free period will be reviewed to maximise spaces for short-term visits and provide consistency across the borough.

4.4 **Policy Two – Appropriate parking management**

Proposed Actions:

4.4.1 **Develop and deliver a programme of appropriate parking and traffic management schemes including controlled parking zones**

The council will develop a programme of reviews of areas of parking and traffic management schemes across the borough, using best available information to not only address any existing parking and traffic stresses and resident requests in areas, but to also take steps to avoid developing preventable parking pressure in the future as the borough grows. A targeted approach will help ensure schemes are implemented in areas that efficiently deliver the most support to residents and businesses.

4.4.2 **Review of operational hours of on-street controls**

For consistency, fairness, and to help support local businesses, a review of existing hours of control within areas of controlled parking will be undertaken. Many existing parking controls and zones have been in place unchanged for decades, so it is appropriate to review those to ensure they remain the most appropriate hours of operation for the area. This is particularly relevant in light of changing work patterns, commuter behaviours etc.

4.4.3 **Update Electric Vehicle Charging Strategy**

The council will continue to rollout electric vehicle charging points and where possible seek external funding through government grants. As electric vehicle take-up continues at pace over the coming years, the council will revisit and articulate its position regarding public on street charging provision.

4.4.4 **Developing a car club policy**

Shared mobility is an important factor in supporting residents where parking stress is particularly high. The council currently has several commercial providers of car clubs operating in the borough utilising borough roads and roadside space at no cost. The policy will review and establish whether limiting numbers of operators – or potentially contacting exclusively with one provider – will deliver a better and fairer provision for the borough users.

4.5 **Policy Three – Supporting our disabled residents**

Proposed Actions:

4.5.1 **Boroughwide Review of Disabled Bay Parking Provision**

It is proposed that the current disabled parking provision across the Borough will be reviewed to meet the needs of our disabled residents and visitors now and in the future. In reviewing this the council will also update related exemptions and disabled bay provisions on its streets and car parks, ensuring that the service to the disabled is fair to help support the council's overall ambitions for accessibility and vibrancy of its town centres and high streets.

4.5.2 **Blue Badge Fraud**

Fraudulent use of Blue Badges undermines the entire Blue Badge scheme and disadvantages the very people the scheme is intended to support. The council will work internally across relevant departments and outside the council with key external partners (e.g., Police, Department for Transport) to tackle fraudulent use of Blue Badges. Specialist third parties may be utilised where required and any enforcement campaigns will be supported by effective communications.

4.5.3 **Review of existing footway parking provision across the borough**

There are in the region of 300 roads (or parts of roads) across Croydon that currently allow footway parking. Although such parking may be necessary in certain locations it can significantly impact on the health and wellbeing of disabled and less mobile pedestrians. It is proposed to review and assess the footway parking provision.

4.6 **Policy Four – Efficient Service Management**

Proposed Actions:

4.6.1 **Review of Pay & Display machine provision across the borough**

As part of the budget setting process, at Budget Council on 7 March 2022, a savings proposal was ratified as part of the Medium-Term Financial Strategy (MTFS) proposal (2022/23 MTFS Saving COR Sav13x) for removal of Pay and Display Machines. The proposal identified a saving of £300,000 associated with the removal of the 683 Pay & Display machines across the borough. Also, the mobile communication technology within the Pay & Display machines is impacted by the mobile providers 3G sunset clause, where the phasing out of the 3G network will mean that machines would require upgrading so that they could operate on the 5G network.

With the increasing demand for cashless transactions, post Covid, and a decrease in Pay & Display usage and the acceptance new technologies, we are developing a phased programme for the removal of Pay & Display machines across the borough.

4.6.2 **Update and simplification of parking fees and charges**

The council will review parking fees and charges and parking permit products, simplifying the structures and improving the fairness of the tariffs. The updated fees and charges will be established in a way that simplifies the charging levels. This will help those parking with more transparent information to understand the tariff rates and make more informed decisions about when, where and how long they park.

4.6.3 **Rollout of virtual parking permits**

The council intention is to replace the current process of issuing paper-based parking permits. Technology has existed for several years which can mean applications, payments and issuing of parking permits no longer requires a physical permit being issued. The process of moving to what is commonly referred to as 'virtual permits' is well established and has been done by the majority of London boroughs and is relatively straightforward. It will be supportive of residents and contribute to a more efficient service.

4.7 **Policy Five – Intelligence led enforcement**

Proposed Action:

4.7.1 Review of parking enforcement operations

Our enforcement efforts will be 'intelligence led', striking a balance between achieving an acceptable standard of compliance and being robust and responsive to local problems and concerns. Our enforcement actions will be carried out in a way that is proactive, transparent and supported by good communications. We will be consistent and fair but also sensitive to local businesses across the different areas of the borough. Priority will be given to enforcing locations and at times of the day where compliance with restrictions is low. The enforcement will be proactive to target illegally parked vehicles and aim to boost levels of compliance across the borough.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The council has a statutory duty under the Traffic Management Act 2004 to manage road space and the expeditious movement of traffic. The current Parking Policy has expired, and the new Policy needs to align with the Executive Mayor's Business Plan. There are no alternative options if the council is to deliver on the ambitions and policies of supporting the local economy, introducing appropriate parking management, supporting our disabled residents, introducing efficient service management and intelligence led enforcement.

6 CONSULTATION

- 6.1 The council will consult on the parking policy document during the summer of 2023. To maximise the engagement with the community, the proposed consultation will be across multiple channels, including the council's website and social media and will include community workshops.
- 6.2 Following the public consultation if it is agreed that amendment of parking charges is necessary and / or the introduction of parking schemes would require the making of a Traffic Management Order. The legal process for making a Traffic Management Order requires statutory consultation to take place in the form of Public Notices published in the London Gazette and a local newspaper (Croydon Guardian). Although not a legal requirement, this council may fix street notices to lamp columns in the vicinity of the proposed scheme and writes to occupiers who are directly affected to inform as many people as possible of the proposals.
- 6.3 Official bodies such as the Fire Brigade, The Pedestrian Association, Age UK and bus operators are consulted under the terms of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Additional bodies, up to 27 in total, are consulted depending on the relevance of the proposals.
- 6.4 Once the notices have been published, the public has 21 days to comment or object to the proposals. If no relevant objections are received, the Traffic Management Order may then be made. Any relevant objections received following the giving of public notice will be considered by the relevant decision-maker, being either the Corporate Director, Sustainable Communities, Regeneration and Economic Recovery, or the Executive Mayor in Cabinet in accordance with Executive Decision No: 8222EM.

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 As a key Mayoral pledge, we are committed to include improving the quality and appearance of our street space environment and encourage investment. This service is directly linked to the Executive Mayor's Business Plan 2022-26. The Executive Mayor's Business Plan sets out to transform the council into 'one that delivers sound and sustainable local government services, and in so doing will transform our borough into one that Croydonians can once again be proud to call home'.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1 The new parking policy for Croydon forms part of the Transformation programme for the Borough and £0.200m of capital funding is available to develop the policy and improve the efficiency of the service.
- 8.1.2 Further to this, there is £1.463m allocated in the 3-year Capital Programme for the phased programme for the removal of Pay & Display machines to move to Cashless Pay and Display.
- 8.1.3 The transformation project for the parking policy aims to generate savings of £200,000 annually.
- 8.1.4 Comments approved by Nish Narendran Finance Manager SCRER on behalf of the Director of Resources & S151 Officer (07/07/2023)

8.2 LEGAL IMPLICATIONS

- 8.2.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance Sections 6, 45, 46, 47, 49, 124, Schedule 1 and Part IV of Schedule 9 of the Road Traffic Regulation Act 1984 (RTRA) provides the council with the power to implement the changes proposed in this report. This legislation gives a local authority the power to make Traffic Management Orders (TMO) to control parking by designating on-street parking places, charging for their use and imposing waiting and loading restrictions on vehicles of all or certain classes at all times or otherwise.
- 8.2.2 In making such Orders, the council must follow the procedures set out at Schedule 9, Part III of the Road Traffic Regulation Act 1984 and detailed in the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996 (the 1996 Regulations). The 1996 Regulations, prescribe inter alia, specific publication, consultation and notification requirements that must be strictly observed. It is incumbent on the Council to take account of any representations made during the consultation stage and any material objections received to the making of the Order, must be reported back to, and considered by, the decision maker before the Order is made.
- 8.2.3 By virtue of Section 122(1) of the RTRA, the council must exercise its powers under that Act so as to secure the expeditious, convenient and safe movement of vehicular

and other traffic including pedestrians, and the provision of suitable and adequate parking facilities on and off the highway. Decisions by the Courts show that this duty needs to be balanced in substance against the factors which may point in favour of imposing a restriction on that movement specified in Section 122(2). Broadly, these factors are, the desirability of securing and maintaining reasonable access to premises, the effect on the amenities of any locality affected, including the importance of regulating and restricting heavy commercial vehicles, the national air quality strategy, the importance of facilitating public service vehicles, and the safety and convenience of people using or wanting to use such vehicles, and any other matters appearing to the authority to be relevant.

- 8.2.4 The council must have proper regard to the matters set out at Section 122(1) and (2) and specifically document its analysis of all relevant Section 122 considerations when reaching any decision.
- 8.2.5 Comments approved by the Head of Litigation and Corporate Law on behalf of the Director of Law and Governance (13/07/2023)

8.3 EQUALITIES IMPLICATIONS

- 8.3.1 Under the Public Sector Equality Duty (PSED) of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.
- 8.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic
 - Foster good relations between people who share a protected characteristic and people who do not share it.
- 8.3.3 An equality analysis was undertaken and identified an adverse impact for some older people and some disabled people and the programme of phasing the removal of Pay & Display machines aims to mitigate the impact on the disabled people by initially retaining machines that are more likely to be used such as in town, district and local centres. Should there be any changes to the proposals and, for example, all the Pay & Display machines are to be removed then it will be necessary to re-visit and update the EQIA which is a live document.
- 8.3.4 Approved by: Denise McCausland – Equalities Programme Manager (13/07/2023)

9 HUMAN RESOURCES IMPACT

- 9.1 Subject to consultation, if a decision is made to remove the majority of ticket machines there are potential staff implications with a reduction in the amount of work required to maintain machines. It is likely that the removal will be phased over a number of months which will give sufficient time to consult with affected staff over potential re-deployment.
- 9.2 As staff may face job losses which could result in redundancy or redeployment the process will be formally managed under the council's Reorganisation and Restructure Policy and Procedure.
- 9.3 If any other HR issues arise these will be managed under the council's Corporate Policies and Procedures.
- 9.4 Approved by: Jennifer Sankar, Head of HR – Housing Directorate and Sustainable Communities, Regeneration, Economic Recovery, for and on behalf of Dean Shoemith, Chief People Officer (12/06/2023)

10 APPENDICES

- 9.1 The following appendices are attached to this report:
- Appendix A: Draft Parking Policy 2023
- Appendix B: Equalities Impact Assessment

11 BACKGROUND DOCUMENTS

- 10.1 None

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****DRAFT****

Parking Policy

2023

CROYDON

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Policy Ambition

“The ambition of Croydon’s new policy is for it to play its part in restoring pride in the borough and to support efforts for our town centre and high street recovery. In reaching this ambition, the Parking Service will operate in a way that is supportive, fair, transparent and efficient.”



MAYOR'S BUSINESS PLAN



CROYDON PARKING POLICY

Customer focused in everything we do
Provide safe, accessible parking for all users
Efficiently manage the parking service
Be transparent in how we approach parking



FAIR

- We will aim to provide parking that will benefit businesses and all our users
- We will robustly enforce blue badge fraud
- We will provide targeted enforcement in non-compliant areas

SUPPORTIVE

- We will provide free limited stay parking in our town and district centres
- We will continue to consider the needs of businesses and our community when implementing parking schemes

EFFICIENT

- We will manage the parking service effectively, putting the customer at the forefront of everything we do
- We will introduce virtual permits and technologies to aid our customers

TRANSPARENT

- We will communicate openly with our customers
- We will undertake a fair assessment of footway parking across the borough
- We will continue to be transparent when setting parking tariffs

Introduction

Parking management matters. It matters to Croydon and it matters to its residents, businesses and partners.

Residents across the borough need - and rightfully expect - sensible, safe and fair access to their homes, whether they are drivers or users of other forms of transport. Businesses seek vibrant town centres and high streets which people can easily access to support the local economy.

Croydon is serious about sustainable forms of transport, reducing emissions and improving air quality, but this policy is not seeking to be anti-car. The way the council manages its parking and balances the competing uses of its limited roadside space is vitally important to the vibrancy and vitality of Croydon's town centres and high streets; creating an accessible and safe space.

Everyone living, working or visiting the London Borough of Croydon is affected to some degree by parking. The successful and safe movement of people and goods is critical to the vitality of the borough and to the wellbeing of residents, as well as existing and prospective businesses and visitors.

The roadside is everywhere and the way it is used can help – or hinder – all of the council's desired outcomes (set out in the Executive Mayor's Business Plan).



Objectives

The scope of this Parking Policy is necessarily broad, in part reflecting the complex and challenging linkages between parking and transport, environmental, economic, health and planning issues.

Although the policy areas in this document are focused on what a parking service can deliver within its limited remit, it has been written with an awareness of and an intention to complement other strategic policies such as the emerging Air Quality Action Plan. Particular attention has been given to the Executive Mayor’s Business Plan.

The Executive Mayor’s Business Plan sets out to transform the council into *“one that delivers sound and sustainable local government services, and in so doing will transform our borough into one that Croydonians can once again be proud to call home.”*

The Business Plan sets out five priorities:



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Priorities

This policy will guide the council's parking management activities and Parking Service operations in a way that builds on and improves existing arrangements and addresses the longer term challenges.

The council seeks to position Croydon as a borough of opportunity for business, earning and learning and a place that people are proud to call home.

Demand for roadside space often exceeds available capacity, so a sound understanding of users and what benefits Croydon the most, helps to prioritise the allocation of this finite space.

Local needs and characteristics will mean that it may be necessary to flex and vary what is prioritised in different areas.

For example, in town centres and high street retail areas, the parking needs of visitors to businesses would be prioritised to help ensure the ongoing vitality of the local economy in those areas. Whereas in residential areas it would be the parking needs of residents that would be prioritised.

In playing its part to deliver the Executive Mayor's Business Plan, the policy drivers of this Parking Policy are for the council's Parking Service to be:

- ✓ Fair
- ✓ Supportive
- ✓ Transparent
- ✓ Efficient

These four policy drivers are linked to the five specific parking policies and each policy highlights which of these policy drivers they relate most strongly to.



Policy One – Supporting Our Local Economy

In the borough there is a growing population and a finite amount of available roadside space, which has a variety of competing uses. Where the roadside is used for car parking, it is important that the value of this space is properly understood and considered in light of any potential alternative uses for that space and the council's ambitions around **supporting** the rejuvenation of our town centres and high streets.

The council is proud to be able to offer limited stay free parking within our town centre locations, it is vital we use all our available resource to encourage our community to visit our local businesses and support our local economy. Limited stay parking ensures a regular turnover of spaces and we will continue to develop schemes that are easy to use for customers and will provide economic support to our local businesses.

Sensitive consideration will be given when setting our parking charges to balance the needs of the user against the demand for roadside parking spaces. Parking charges should not prohibit those who wish to visit our borough, but they should also act as a deterrent to inconsiderate parking activities.

Where parking tariffs apply – whether that be for permits or short stay parking – drivers benefit from simple, **transparent**, and easy to understand tariff structures. Discounted parking tariffs for electric vehicles has limited to no impact on the overall move towards electric vehicle take up in Croydon, so consideration will be given to the appropriateness - and extent - of any ongoing discounts going forward.



Policy Two – Appropriate Parking Management

With a growing population and finite roadside space available for parking, it is appropriate that the council develops a programme for reviewing and assessing parking controls.

The full range of parking management approaches are available to Croydon and it is fully accepted that what is appropriate in one area may not be appropriate in another.

Schemes to **support** our communities could include:

- **Permit parking schemes**
- **Free and paid for time limited parking**
- **Yellow line restrictions – to deter commuter parking**
- **Junction protection for safety**

Listening and engaging with our residents and business will ensure the council can ascertain and prioritise areas for review which would benefit from the protection and priority for residents and partners that an efficient parking control scheme could afford.

Any new parking schemes will include ensuring designs and projects deliver sufficient future and shared mobility provision across the borough, which would include electric vehicle charging and suitable space for 'car clubs'. Any parking controls introduced will be enforced transparently, robustly and fairly to help stop and prevent inappropriate, illegal and anti-social parking.

Through a variety of planning mechanisms, conditions and legal agreements, the council may require developers to contribute towards prevention of local parking pressure in existing streets.



Policy Three – Supporting our Disabled Residents

Blue Badges are issued to people with genuine need to have prioritised parking based on specific criteria around their disability. The council rightly gives a degree of **support** and priority to Blue Badge holders when designing its parking schemes, its Healthy Neighbourhoods and even in its setting of parking charges.

The council will review disabled parking provision across the borough to ensure it meets the needs of our disabled residents now and into the future. In reviewing this, the council will also update related exemptions, permitting and limitations on its streets and in its car parks, ensuring restrictions and permit products are **fair** and help **support** the council's overall ambitions for accessibility and vibrancy of its town centres and high streets.

To protect the integrity of the Blue Badge scheme, the council will robustly investigate and enforce against those people found to be defrauding the scheme. A typical example of Blue Badge fraud would be a driver who is not disabled using someone else's Blue Badge (whether it be a friend, relative, or stolen) to park for free or in locations restricted to Blue Badge holders only. This is unacceptable and takes away much needed parking space from those that need it most. London Councils estimated that the fraudulent misuse of Blue Badges could be costing local government (Transport for London and the boroughs) [£5,000 - £10,000 a year per badge](#).

Footway parking may be necessary in certain locations but where not considered properly, it can significantly impact on the health and wellbeing of disabled and less mobile residents, as well as those choosing to walk. In association with the council's work protecting its disabled residents, reviews and possible reprovisioning of existing footway parking exemptions and suspensions will be considered.



Policy Four - Efficient Service Management

The Parking Service will be customer focused and the council will embrace and utilise industry best practice and new technologies to drive forward improvements and **efficiencies** in its parking operations, to provide a fit for purpose service that **works for all users**.

The Parking Service will collaborate with and **support** other departments and partners both internal and external to the council to identify and introduce increasingly **efficient** practices while delivering an improved customer experience.

Technology is readily available to help modernise the Parking Service.

- Virtual Permits to replace the traditional paper permits.
- Cashless parking phone apps are already used throughout the borough and are far more **efficient**, than physical pay and display machines.
- We will deal with all enquiries in a timely manner ensuring these are dealt with **fairly, efficiently** and **transparently**.

Efficiencies in service management will be balanced by the ongoing commitment to provide services that residents and businesses can access and use. The service will also need to ensure it positively contributes towards delivering the Executive Mayor's five key priorities .

Such use of technology would eliminate issues that may arise with delayed postage of permits, doctoring of permits etc. and provide an improved customer experience throughout the permit application process and when utilising the council's parking provision.



Policy Five - Intelligence-led Enforcement

Our enforcement efforts will be “intelligence led”, striking a balance between achieving an acceptable standard of compliance and being robust and responsive to local problems and concerns.

Our enforcement actions will be carried out in a way that is proactive, **transparent** and supported by good communications. We will be consistent and **fair** but also sensitive to local businesses across the different areas of the borough. Priority will be given to enforcing locations and at times of day where compliance with restrictions is low. The enforcement will be proactive to target illegally parked vehicles and aim to boost levels of compliance across the borough.

Various sources of data are available to help our Civil Enforcement Officers (CEOs) to be pro-active and target locations with compliance issues at the time the issues are prevalent, which could mean certain days of the week or even particular times of day. Where available intelligence improves over time, the Parking Service will evolve its operations and update its approach, continually reviewing and targeting illegal parking to boost compliance.

The Parking Service will be collaborative with other council departments and external organisations. Where known issues may exist with – for example – a motor garage parking customer vehicles on street, the Parking Service would collaborate with and **support** partners such as Police and the relevant licensing teams within the council to address the behaviours even where parking enforcement is not technically possible.



Delivering the Policy

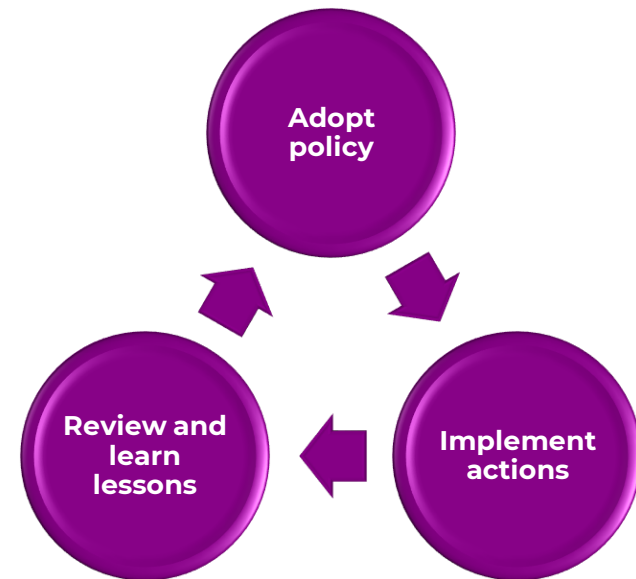
Adopt – Implement - Review

Once formally **adopted**, this new Parking Policy will be owned and championed by the entire council but responsibility for **implementing** individual actions and delivery can and will be assigned to relevant service managers within the council as necessary. On a day to day basis, the mechanisms for delivering the policy will include the actions of the council's Civil Enforcement Officers when on-street, the approach taken by its design engineers, and advice provided by senior managers.

This policy is forward looking. However, it is reasonable given the pace of change that this policy may need to be updated as the actions and policies it delivers are updated.

Any updates will be considered mindful of the overall council ambitions around working productively with its residents and ensuring the vitality of its town centres and high streets.

It is also appropriate that periodically, the policy is **reviewed** and assessed to determine how much progress is being made towards achieving its overall objectives and in delivering the proposed actions set out in the Action Plan.



Action Plan

Summary of Proposed Actions to be Developed...

Action Plan Items	Related Policy/ Policies	Links to Policy Drivers
Borough-wide Review of Disabled Bay Parking Provision	<ul style="list-style-type: none"> • Appropriate Parking Management • Supporting our Disabled Residents 	<ul style="list-style-type: none"> • Efficient • Supportive • Fair
Blue Badge fraud initiative	<ul style="list-style-type: none"> • Supporting our Disabled Residents • Intelligence-led Enforcement 	<ul style="list-style-type: none"> • Supportive • Transparent
Review existing footway parking provision across the borough	<ul style="list-style-type: none"> • Supporting our Disabled Residents 	<ul style="list-style-type: none"> • Fair • Transparent
Review of pay & display machine provision across the borough	<ul style="list-style-type: none"> • Increasingly Efficient Service Management 	<ul style="list-style-type: none"> • Efficient • Supportive
Review of free short stay parking provision	<ul style="list-style-type: none"> • Valuing the Roadside • Increasingly Efficient Service Management 	<ul style="list-style-type: none"> • Supportive • Fair
Update and simplification of parking fees and charges	<ul style="list-style-type: none"> • Valuing the Roadside • Increasingly Efficient Service Management 	<ul style="list-style-type: none"> • Fair • Transparent
Rollout of virtual parking permits	<ul style="list-style-type: none"> • Increasingly Efficient Service Management 	<ul style="list-style-type: none"> • Supportive • Efficient

Summary of Proposed Actions to be Developed...

Action Plan Items	Related Policy/ Policies	Links to Policy Drivers
Develop a programme of appropriate parking and traffic management schemes	<ul style="list-style-type: none"> • Appropriate Parking Management 	<ul style="list-style-type: none"> • Efficient • Supportive
Review existing and identify potential future controlled parking zones.	<ul style="list-style-type: none"> • Appropriate Parking Management 	<ul style="list-style-type: none"> • Efficient • Supportive • Fair
Review of parking enforcement operations	<ul style="list-style-type: none"> • Intelligence-led Enforcement 	<ul style="list-style-type: none"> • Transparent • Efficient
Review of operational hours of on-street controls	<ul style="list-style-type: none"> • Appropriate Parking Management 	<ul style="list-style-type: none"> • Fair • Supportive
Update Electric Vehicle Charging Strategy	<ul style="list-style-type: none"> • Appropriate Parking Management • Increasingly efficient service management 	<ul style="list-style-type: none"> • Efficient
Develop a Car Club Policy	<ul style="list-style-type: none"> • Appropriate Parking Management • Increasingly efficient service management 	<ul style="list-style-type: none"> • Supportive • Fair
Develop a Loading/ Servicing Policy	<ul style="list-style-type: none"> • Appropriate Parking Management • Increasingly efficient service management 	<ul style="list-style-type: none"> • Transparent

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Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	SUSTAINABLE COMMUNITIES, REGENERATION & ECONOMIC RECOVERY
Title of proposed change	PARKING POLICY 2023
Name of Officer carrying out Equality Analysis	David Wakeling – Parking Design Manager

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

The proposed Parking Policy 2023 sets out the priorities for the next few years for parking in the Borough and changes to support the Borough and the recovery of the Council. Notable proposed changes include tackling blue badge fraud to improve access for those that rely on parking close to their destination, introducing virtual permits and new technologies to improve efficiency and the service we give to our customers.

Also included is a review of the roads with footway parking exemptions and where enforcement of the footway parking ban has been suspended. Only having clearly marked and signed footway exemptions will ensure that it is clear where such parking should take place and ensure that footways are retained for pedestrians including those with wheelchairs.

Part of the new policy includes the phased removal of Pay & Display machines recognising the increased cost of maintaining and emptying over 700 machines across the Borough and the significant rise in the use of Pay by Phone methods of payment. Parking charges will be reviewed as part of the new policy with a move away from the existing linear tariff.

Other proposed changes include a review of the Controlled Parking Zone (CPZ) hours of operation to recognise the changes in parking demand and habits since most CPZs were introduced back in the mid-1990s. Developing the Electric Vehicle Charging Strategy, car club policy and loading and servicing policy will ensure that the authority is up to date with changes to the motor industry, increased car free developments where car club vehicles provide an important role in reducing demand for the ownership and use of the private motorcar and changes with shopping habits recognising the greater use of delivery vehicles.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

Table 1 – Positive/Negative impact

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence
Age	<p>A higher proportion of older residents, visitors and commuters are likely to be disabled blue badge holders where the policy of tackling blue badge fraud should have a positive impact by ensuring that only those with genuine mobility needs will have greater access to parking as close as possible to their destinations.</p> <p>Likewise, the proposed improved footway parking policy will benefit those with restricted mobility including those with walking aids including wheelchair users who are more likely to be more senior.</p> <p>Surplus from parking charges is ring-fenced and, for example, contribute significantly to sustaining public transport fare concessions such as the Freedom Pass scheme for the elderly. The parking permit charges therefore indirectly supports the portion of the elder population that do not have a car or who choose to use public transport</p>	<p>The removal of Pay & Display machines may have an impact on older residents, visitors and commuters who are less likely to have smart phones and may find this technology more challenging than the younger population.</p> <p>The program of phasing the removal of Pay & Display machines aims to mitigate the impact on the elderly by initially retaining machines that are more likely to be used such as in town, district and local centres.</p> <p>The majority of machines in residential non-shopping areas are little used and their removal is unlikely to have a significant impact on elderly motorists.</p> <p>There is concern that the elderly are less likely to have smart phones which make booking time by phone relatively easy and the fact that elderly groups struggle more with technology than the younger groups. However, time can be booked using non-smart phones by phoning the RingGo number and following a set of commands. Also consideration is being given to PayPoint payments for parking on and close to high streets as an alternative to Pay by Phone.</p>	<p>Office for National Statistics using data from the 2021 census showed that after the ages of 70 to 74 years, the prevalence of disability rose considerably for both males and females. Activities were limited a lot for over 16% of this age group.</p> <p>In Croydon 2021 census data shows that 65+ year age group makes up 13.6% of the population which is higher than the London average at 11.9% although lower than nationally where 18.4% of the population are in this age group.</p>
Disability	Valid disabled blue badge holders will benefit from increased enforcement of the blue	Although the removal of Pay & Display machines should not affect disabled blue badge holders, who can park for unlimited	In Croydon 2021 data shows that of 32 London boroughs (plus City of London)

	<p>badge fraud which is having a negative impact on parking for genuine users.</p> <p>The proposed improved footway parking policy will benefit those with restricted mobility including those with walking aids including wheelchair users.</p> <p>Reviewing the times of the CPZs with likely increase in controlled hours should benefit blue badge holders who can park for up to 3 hours on a yellow line waiting restrictions and being able to park for unlimited time on Permit / Payment parking bays.</p>	<p>time on Permit / Payment bays, the removal may affect those disabled groups who may have restricted mobility but not necessarily qualify for a blue badge. There is more likelihood that they are more elderly and therefore less likely to have smart phones and find new technology more challenging.</p>	<p>Croydon is the 24th most disabled with 14% of the population classed as disabled under the Equality Act compared to a London average of 12.5%.</p> <p>Under the Equality Act day-to-day activities are limited a lot for 23,716 residents representing 6.1% of the population compared to 5.7% for London as a whole. Figures for day-to-day activities limited a little are 31,136 and 8% compared to 7.5% for London.</p>
Gender	<p>As above – all protected characteristic groups will benefit from tackling blue badge fraud, reducing obstructive footways and from funding for the freedom pass scheme.</p>		<p>Office for National Statistics using data from the 2021 census showed that after the ages of 70 to 74 years, the prevalence of disability rose considerably for both males and females. Activities were limited a lot for over 16% of this age group.</p> <p>In Croydon of the 390,719 population, 52% are females and 48% males compared to 51.5% and 48.5% respectively for London.</p>
Gender Reassignment	As above		
Marriage or Civil Partnership	As above		
Religion or belief	As above		
Race	As above		
Sexual Orientation	As above		
Pregnancy or Maternity	As above		

Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics. **Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact**

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3

		1	2	3
Likelihood of Impact				

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

<p>Column 1</p> <p>PROTECTED GROUP</p>	<p>Column 2</p> <p>LIKELIHOOD OF IMPACT SCORE</p> <p>Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 3</p> <p>SEVERITY OF IMPACT SCORE</p> <p>Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 4</p> <p>EQUALITY IMPACT SCORE</p> <p>Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group.</p> <p>Equality impact score = likelihood of impact score x severity of impact score.</p>
Age	3	2	6
Disability	3	2	6
Gender	3	2	6
Gender reassignment	3	1	3
Marriage / Civil Partnership	3	1	3
Race	3	1	3
Religion or belief	3	1	3
Sexual Orientation	3	1	3
Pregnancy or Maternity	3	1	3

4. Statutory duties

4.1 Public Sector Duties

Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.

5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.				
Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	Potential negative impact on people with disabilities &/or long-term health conditions accessing some locations in the Borough where there are no Pay & Display machines for receiving payments for parking.	The program of phasing the removal of Pay & Display machines aims to mitigate the impact on the disabled people by initially retaining machines that are more likely to be used such as in town, district and local centres. Consideration is being given to	Jayne Rusbatch, Head of Highways and Parking	TBA

Equality Analysis

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		<p>PayPoint payments for parking on and close to high streets as an alternative to Pay by Phone.</p> <p>Please note that this is a living document and will be updated as we receive more information through the life of the project.</p>		
Race	There is no evidence that the removal of some Pay & Display machines will impact on different race groups.			
Sex (gender)	There is no evidence that the removal of some Pay & Display machines will impact on gender.			
Gender reassignment	There is no evidence that the removal of some Pay & Display machines will impact on gender reassignment.			
Sexual orientation	There is no evidence that the removal of some Pay & Display machines will impact on sexual orientation.			
Age	The removal of Pay & Display machines may have an impact on older residents, visitors and commuters who are less likely to have smart phones and may find this	The program of phasing the removal of Pay & Display machines aims to mitigate the impact on the elderly by initially retaining machines that are more likely to be used such as in	Jayne Rusbatch, Head of Highways and Parking	

Equality Analysis

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	technology more challenging than the younger population.	town, district, and local centres. Consideration is being given to PayPoint payments for parking on and close to high streets as an alternative to Pay by Phone.		
Religion or belief	There is no evidence that the removal of some Pay & Display machines will impact on religion or belief.			
Pregnancy or maternity	There is no evidence that the removal of some Pay & Display machines will impact on pregnancy or maternity.			
Marriage/civil partnership	There is no evidence that the removal of some Pay & Display machines will impact on marriage / partnership.			

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter X in column 3 (Conclusion) alongside the relevant statement to show your conclusion.		
Decision	Definition	Conclusion - Mark 'X' below
No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision.	

Equality Analysis

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Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council’s ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form Consideration is being given to PayPoint payments for parking on and close to high streets as an alternative to Pay by Phone.	X
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name: Denise McCausland	Date:13/07/23
	Position: Equality Programme Manager	

Equality Analysis

Director	Name: _____ Date: _____ Position: _____

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LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	26th July 2023	
REPORT TITLE:	Brick by Brick Croydon Ltd Update Report and land acquisition by HRA - July 2023	
CORPORATE DIRECTOR	Jane West – Corporate Director of Resources Susmita Sen – Corporate Director of Housing	
LEAD OFFICER:	Huw Rhys Lewis – Director of Commercial and Property	
LEAD MEMBER:	Mayor Jason Perry – Executive Mayor Cllr Jason Cummings – Lead Member for Finance	
KEY DECISION?	YES	Key Decision 5623EM – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates
CONTAINS EXEMPT INFORMATION?		Yes – Confidential Appendix A and B Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure.
WARDS AFFECTED:	All	

1 Summary of Report

- 1.1 The report provides Cabinet with an update with regards to Brick-by-Brick Croydon Ltd (BBB/ the Company), a wholly owned housing development company. This report builds on the progress made since the last update provided to Cabinet, in November 2022. The Company has reached Practical Completion on all their development sites and has disposed of most sites with the exception of Lion Green Road (Red Clover Gardens), 7 residential units at Drummond and Warminster and a handful of commercial and land sites.
- 1.2 Progress has been made by BBB to dispose of the 157 units at Lion Green Road (Red Clover Gardens).
- 1.3 As at the end of March 2023 BBB have also now repaid a further £47.30m in loans and interest in addition to the £30m that was paid at the end of March 2022. The Council received £8.56m in interest income and the balance of £38.71m was used to settle the loan balance. It is expected that a further £50m will be paid to the Council in 2023/24.

- 1.4** Once Lion Green Road and the Belgrave and Grosvenor sites have been disposed of, material activity at BBB will end and the Council will work with the Company to finalise remaining assets and liabilities. A further report on winddown process and approach will be brought back to Cabinet including a position in relation to potential debt write off. Key winddown considerations and implications remain the same as indicated in the November 2022 Part B Confidential report.
- 1.5** The Council's HRA has identified that acquiring the Belgrave and Grosvenor will provide needed land to help with potential future re-development of the Belgrave and Grosvenor estate.

2 Recommendations

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 2.1** To note the progress on asset disposals and the financial position of Brick by Brick Croydon Ltd (BBB) since the last update report presented to Cabinet on 30th November 2022.
- 2.2** To approve that the Council under its Housing Revenue Account (HRA) purchase the freehold of the previous Printworks site on Portland Place in South Norwood for a consideration of £0.854m from BBB with the aim of the site being allocated for future housing regeneration opportunities in South Norwood.
- 2.3** To approve that the Council can vary the Belgrave and Grosvenor Option Agreement, subject to agreement with BBB, to include the ability to acquire the Belgrave & Grosvenor site for £1.217m all-inclusive of costs incurred by BBB.
- 2.4** To approve that once the variation to the Belgrave and Grosvenor Option Agreement has been agreed with BBB, the Council via its HRA can acquire the site from BBB with the aim of the site being allocated for future housing regeneration opportunities in South Norwood.
- 2.5** To delegate to the Corporate Director Resources and S151 Officer, in consultation with the Executive Mayor, Lead Member for Finance and Director of Commercial and Property to acquire any asset (including land and property) from BBB subject to appropriate due diligence.

3 Reasons for recommendations

- 3.1** The Council is committed to updating Cabinet on progress being made with regards to its wholly owned development company, Brick by Brick Croydon Ltd. This report will be a penultimate report, subject to final disposal of Red Clover Gardens, with one final report expected to Cabinet before December 2023 stating clear winddown terms for the company.

- 3.2** Under the Council's constitution all decisions to acquire sites with a value higher than £0.500m need to be made by Cabinet. The Council also sees the potential benefit of holding the assets identified within the recommendations for future regeneration purposes.

4 Background and details

- 4.1** The Council last updated Cabinet on 30th November 2022 on plans and progress being made to dispose of all land and property assets owned by BBB. BBB continues towards winding down the company and key work is ongoing to sell off remaining assets and pay off liabilities.
- 4.2** BBB remains insolvent however the Council issued a new Letter of Comfort in January 2023 to the Company and its Directors to assure them and their auditors that the company can remain a going concern. The Council continues to deliver on its plan to place BBB into a solvent position and for BBB to then winddown the company to dormant position. This will happen once all assets and liabilities have been settled. Subject to disposal of the Lion Green Road/ Red Clover Gardens development, a further report will be brought to Cabinet by December 2023 detailing the final debt write off balance and closure of BBB activities.

5 Asset disposal update

- 5.1** Since the update provided in November 2022 significant progress has been made by BBB to dispose of various development sites. BBB is in the process of disposing of the largest remaining site at Red Clover Gardens and has a handful of residential and commercial units at 3 sites. At the time of writing this report, there were 164 residential units, 3 land sites and 3 commercial units in the process of being disposed of with offers made across 159 residential units and 1 offer on a commercial unit.
- 5.2** Since the November 2022 report BBB have now disposed of the following sites and developments and generated a total of £38.2m in capital receipts
- Kindred House
 - Trellis Mews
 - Heathfield Road development Block B
 - Land at Malton House and Regina Road
- 5.3** BBB are at an advanced stage in their disposal of the Red Clover Gardens to a private investor.
- 5.4** The residential market has been challenging in light of the macroeconomic environment however the company continues to make progress with its disposal plan. Despite the rise in the Bank of England interest rate to 5.0% at the time of writing this report, which has increased the cost of financing acquisitions, interest in BBB properties remains on stable grounds.

- 5.5** BBB also continues to hold 3 land sites which have been earmarked for disposal. These land sites include Academy Gardens, Eagle Hill and Coombe Road. The total value of these sites is £1.050m and BBB continues to find potential buyers for these sites working actively with estate agents. These land parcels are infill sites that sit in between other large developments and therefore there is a niche of potential interested parties making it difficult to identify a buyer.
- 5.6** BBB will also be handing back their leased office accommodation on George Street to the Landlord in the first week of August 2023 and remaining BBB staff will be given temporary office accommodation within Bernard Wetherell House (BWH). The provision of office space at BWH will be on flexible commercial terms, but at a commercial rental rate and more importantly the move ensures BBB begins to exit from its lease liability with the Landlord.
- 5.7** The Council is seeking flexibility to acquire BBB assets to support potential Council needs. Whilst this decision will be made on a case-by-case basis the flexibility to acquire remaining assets will be tested against Council business needs.

6 Financial Update

- 6.1** BBB remains insolvent however is currently supported by the Letter of Comfort issued by the Council. The company however has repaid loans to the Council a total of £47.3m in 2022/23. This is in addition to the £30.4m that was repaid in 2021/22. The outstanding loan balance as at the end of March 2023 was £103.93m and all accrued interest has now been paid back to the Council.
- 6.2** Projections based on the latest management accounts submitted by BBB indicate that a further £45m will be repaid back to the Council in principle loans and a further £4.6m in interest income. This projection is based on all activity within BBB coming to a close by end of December 2023. Should this date be delayed then further operational costs will be incurred by BBB and therefore reduce the final amount of Loans paid back.
- 6.3** In addition, as at 31st March 2023 BBB has paid a total of £5.27m related to initial land payments as required under various option agreements. BBB is yet to pay a further £1.9m of land value payments related to Belgrave and Grosvenor and Red Clover Gardens development. These final payments will be settled in 2023/24 as soon as both remaining developments have been disposed.
- 6.4** As part of the final assets and liabilities assessment the Council will further review potential for any additional overage due to the Council as required to be tested under the Option Agreements. Option agreements stipulated that the Council should receive an additional share of any profits generated by each development that is above a pre-agreed value between the Council and BBB.
- 6.5** The Council must ensure that it receives best consideration for disposing its assets. When the Council initially entered into the Option agreements a land value was indicated that BBB would need to pay at either disposal of the land or at Practical Completion of the development.

- 6.6** By the end of 31st March 2023 Brick by Brick had not submitted their 2021/22 Final Accounts to Companies House due to delays in receiving confirmation from HMRC in relation to an outstanding VAT matter. The November 2022 report flagged a VAT assessment being conducted by HMRC which flagged concerns in relation to treatment of VAT as part of the Fairfield Halls works. Due to the extensive work required to substantiate HMRC requests the auditors for BBB refrained from signing off the BBB accounts until conclusion of the HMRC review.
- 6.7** During the financial year 2022/23, HMRC carried out a regular VAT and various concerns were flagged with treatment of VAT on Fairfield Halls. HMRC raised concerns that the VAT was not accounted correctly, and timely reporting was not done to HMRC. This could have resulted a maximum fine of over £2m. However, with joint working between the Council and BBB the HMRC review on the VAT matter at Fairfield Halls has now been resolved with a positive outcome and a zero fine has been confirmed. The audited Accounts were filed at Companies House on 4th July 2023.
- 6.8** The year end accounts to indicate a loss of £20.02m for the year ending March 2022, a £5.24m reduction from March 2021. The Company generated a net £13.82m in cash compared to a cash generation of £4.69m by the end of March 2021.
- 6.9** The Council has not lent any new funds to Brick by Brick and the company remains cashflow solvent and is successfully covering all its day-to-day operational needs. BBB continues to exit their liabilities where possible to minimise ongoing costs and retain more of the cash balance.

7 Belgrave and Grosvenor & Portland Place Site

- 7.1** The Council has identified that the site at Belgrave Road and Grosvenor Road, identified within Appendix 1 of the Belgrave and Grosvenor Option Agreement (Option agreement provided in Confidential Appendix A of this report), as future development opportunity for provision of social housing.
- 7.2** The acquisition also includes an additional site, known as Portland Place, which Brick by Brick Croydon Ltd (BBB) purchased in 2018. The site consists of a commercial building that was previously used as a printing business and was acquired to support a larger development opportunity.
- 7.3** The total value of both sites is £2.075m, with the Belgrave and Grosvenor site valued at £1.217m and the Portland Place site valued at £0.854m. The calculation to the value of these sites has been provided within Confidential Appendix B of this report and the valuation has been conducted by a RICS qualified internal valuer.
- 7.4** The sites will be acquired by the Council's Housing Revenue Account (HRA) and the sites will support future housing regeneration projects and ensure there is land

available to deliver additional homes within the Borough. This is in line with the Mayor's business plan to invest in council homes to drive up standards.

- 7.5** The July 2021 Cabinet update report explained that there were six sites where work had not commenced on site. These sites are: Academy Gardens, Belgrave and Grosvenor, Coombe Road, Eagle Hill, Malton House and Regina Road. It was therefore agreed that the six sites should not progress to development.
- 7.6** Of the six sites indicated in paragraph 7.5, Belgrave and Grosvenor, is the largest and is likely to generate a significant value. The Council had originally only transferred the three parcels of land, as detailed within Appendix 1 of the Option agreement, provided within Appendix A. Subsequently, BBB bought the Portland Place site in 2018.
- 7.7** All 6 sites are bound by Option agreements that the Council and BBB previously entered into. Those agreements include an option for the Council to buy back undeveloped sites after a longstop date and within a certain amount of time, with each option having a different exercise date. However, the mechanism for buy back within the Option Agreement does not allow for the Council and BBB to agree a price to transact with the site as a result a variation is required to give both parties that option.
- 7.8** Giving the Council and BBB the ability to acquire the site at right valuation allows for a better and more transparent accounting entries where each transaction is accounted for gross.
- 7.9** The Council considered its position on all sites and identified that in order to deliver a more meaningful development it would need to acquire all parcels of land adjoining the Belgrave and Grosvenor Estate. The Council is already the freeholder of the Estate and therefore the additional site provides significant land to deliver a future scheme. Whilst the Council has no plans to develop the Belgrave and Grosvenor Estate at this stage, acquiring these land sites now gives the Council (within the HRA) necessary freehold to efficiently deliver a comprehensive scheme.
- 7.10** The Portland Place site did not have an Option Agreement as the site was acquired from the market by BBB and therefore was not a site previously owned by the Council. In this regard the Council's HRA is simply buying the Portland Place site as it would any other site in the open market.

Future Viability

- 7.11** The Council is keen to progress the Regina Road redevelopment which will act as a potential driver for future developments to support the Council's aim of providing better homes to its residents. There are four others similar LPS tower blocks in the Belgrave and Grosvenor estate and the emerging strategy, working with the Local Planning Authority, is to consider these seven South Norwood LPS blocks within one local Masterplan. The acquisition of land sites adjacent to existing Council land at Belgrave and Grosvenor Houses provides the Council with a great opportunity to develop a

holistic scheme which could deliver, not only more and better homes, but also provide the necessary amenities for modern living.

8 ALTERNATIVE OPTIONS CONSIDERED

- 8.1** In relation to the acquisition of Belgrave and Grosvenor the alternative option was to let BBB dispose of the sites in the open market. The outcome for BBB would be the same as the proceeds from the disposal in the open market would have generated the same cash receipt, however such an outcome would have limited options for the Council's HRA, as it will limit its development opportunities outlined above.

9 IMPLICATIONS

9.1 FINANCIAL IMPLICATIONS

Purchase of Belgrave & Grosvenor and Portland Place site

- 9.1.1** The purchase of the two sites for a total of £2.075m will be funded within the HRA using borrowing or internal resources. The HRA will review at year end the best course of funding the acquisition however should borrowing be used then further borrowing costs will be incurred by the HRA. Borrowing rate for a 20 year PWLB loan is c5.60% resulting in ongoing interest charges of £0.116m per annum. The capital receipts generated by BBB from the disposal of the Belgrave and Grosvenor and the Portland Place sites will be used to pay down the Council's loan.
- 9.1.2** There is sufficient headroom within the current HRA Business Plan to allow for the purchase of these sites and the potential interest charges should borrowing be required to meet the costs. As the report indicates that the parcels of land at Belgrave and Grosvenor Road and at Portland Place are being purchased for a future development opportunity, this does mean that if borrowing is used the HRA will incur the interest costs until the development is progressed and generates additional rental income to support the interest costs.

Brick by Brick Update

- 9.1.3** Under the preferred option of a solvent run off, the Council as a lender and as the largest creditor to BBB, will need to write off a material amount of the loan to bring BBB into a solvent position. The cashflow and the balance sheet clearly indicate that BBB will not be able to cover all its liabilities.
- 9.1.4** The write off of the loan balance will not add any further pressures to the Council as the Council has covered the risks of the loans via the MRP provision. However, recovering more of the remaining loan will result in a benefit to the Council's revenue position as the repayments can be used to

pay down the loan (via the Capital Financing Requirement) which reduces the MRP the Council has to set aside.

- 9.1.5** As part of the final calculations of the remaining assets and liabilities at BBB the Council will also review accounting implication to the HRA and ensure each account will be appropriately compensated in line with Local Authority Accounting regulations and practices.

9.2 LEGAL IMPLICATIONS

- 9.2.1** The recommendations in this report updating Cabinet on the position of Brick By Brick Croydon Ltd are to note only. Legal advice will be required in respect of any future proposals to write off debt and wind up the company, including in relation to subsidy control.

- 9.2.2** In relation to the recommendations regarding the purchase of sites for future housing redevelopment, the Council has various powers to acquire the properties which are the subject of the recommendations:

- Under Section 8 'Periodical review of housing needs' of the Housing Act 1985 and Part 7 'Homelessness' of the Housing Act 1996, the Council is required to consider housing conditions and needs within the Borough including addressing homelessness. This duty can be discharged through future development opportunities. Section 9 'Provision of Housing Accommodation' of the Housing Act 1985, under which the Council has the power to provide housing accommodation by acquiring houses (including flats). These powers may equally be exercised in relation to land acquired for the purpose (a) of disposing of houses provided, or to be provided, on the land, or (b) of disposing of the land to a person who intends to provide housing accommodation on it.
- Section 17 'Acquisition of land for housing purposes' of the Housing Act 1985, under which the Council has the power to acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings. This includes power to acquire land for the purpose of disposing of houses provided, or to be provided, on the land or of disposing of the land to a person who intends to provide housing accommodation. Section 120 'Acquisition of land by agreement by principal councils' of the Local Government Act 1972, under which the Council has the power to acquire land to enable the fulfilment of its functions (in this case housing functions).
- Section 12 'power to invest' of the Local Government Act 2003 and the Council's powers to invest for any purpose relevant to its statutory functions or for the purposes of prudent management of its financial affairs.

- 9.2.3** In relation to potential borrowing, as described in the section 9.1 of the report (above), Section 1 ‘power to borrow’ of Local Government Act 2003 gives the Council the power to borrow (a) for any purpose relevant to its statutory functions under any enactment; or (b) for the purposes of the prudent management of its financial affairs. This power is subject to Section 3 ‘duty to determine affordable borrowing limit’ of the Local Government Act 2003, requiring a local authority to determine and keep under review how much money it can afford to borrow.
- 9.2.4** In relation to the recommendations regarding amendments to the existing Option Agreement the Council has the power to vary pursuant to Section 1 of the Localism Act 2011, which states that a local authority “has power to do anything that individuals generally may do”. This enables a local authority to act as though an individual with full capacity, unless otherwise expressly prevented or restricted by some other statutory provision. The Option Agreement relating to the Belgrave & Grosvenor site, dated 26th February 2021, currently includes an option for the Council to buy back the site under Schedule 5 of that agreement. However, this is only exercisable after a longstop date, which has not yet expired, and the price to be paid by the Council would be a combination of costs already incurred by Brick By Brick less buy back costs. As such, variations to the Option Agreement are required to enable the Council to buy back the site earlier and to buy at an agreed price.
- 9.2.5** When making decisions in respect of purchasing Brick By Brick sites via an existing Option Agreement mechanism (including variations thereto), the Council will need to consider its responsibilities as Land Owner/ Purchaser, Shareholder and Lender. It is important to separate what is in the interests of Brick by Brick from what is in the interests of the Council (including in its capacity under the HRA). Fundamentally, decisions need to be made solely having regard to what is in the interests of the Council (allowing for the fact that the interests of the company are intertwined with those of the Council).
- 9.2.6** The proposed variations to agreements and acquisitions of land set out in this report will also require independent decisions of Brick By Brick, which may require Director and/or Shareholder decisions. The company will follow its own decision-making processes in that regard and, if required, the Council’s power to make decisions as sole Shareholder may be exercised pursuant to the general power under Section 1 of the Localism Act 2011 (set out above).
- 9.2.7** In making decisions under this report, the Council will need to be mindful of its financial position, its fiduciary duties and the requirement to have regard to all relevant factors and to disregard irrelevant ones. The Council must act in accordance with the principles of Wednesbury reasonableness, meaning decisions that a rational person might make, having regard to all relevant considerations.

- 9.2.8** The Council is under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).
- 9.2.9** The Subsidy Control Act 2022 (the Act) provides a new framework for the provision of subsidies within the UK, building on the provisions in the subsidy control chapters of the Trade and Co-operation Agreement (TCA), which have applied in the interim of the UK's exit from the EU. The Act took effect in January 2023 but the TCA is still relevant and the Act.
- 9.2.10** Under the Act, a subsidy is defined as:
- 2(1) In this Act, "subsidy" means financial assistance which—
 - (a) is given, directly or indirectly, from public resources by a public authority,
 - (b) confers an economic advantage on one or more enterprises,
 - (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and
 - (d) has, or is capable of having, an effect on—
 - (i) competition or investment within the United Kingdom,
 - (ii) trade between the United Kingdom and a country or territory outside the United Kingdom, or
 - (iii) investment as between the United Kingdom and a country or territory outside the United Kingdom.
- 9.2.11** Section 3 of the Act (Financial assistance which confers an economic advantage) explains how to determine whether financial assistance confers an economic advantage on an enterprise for the purposes of section 2(1)(b) above, and states:
- 9.2.12** (2) Financial assistance is not to be treated as conferring an economic advantage on an enterprise unless the benefit to the enterprise is provided on terms that are more favourable to the enterprise than the terms that might reasonably have been expected to have been available on the market to the enterprise.
- 9.2.13** On the basis of the internal Valuation Calculations Report at confidential Appendix B, the acquisition price reflects terms that might reasonably have been expected to have been available on the open market, recognising the uncertain economic climate.
- 9.2.14** Under the TCA, a subsidy is financial assistance which confers an economic advantage on one or more economic actors (in this case BBB), and "is specific, insofar as it benefits, as a matter of law or fact, certain economic actors over

others in relation to the production of certain goods or services, and has, or could have, an effect on trade or investment between the parties (meaning the UK and the EU). However, the Market Economy Operator Principle (MEOP) (now sometimes referred to as the Commercial Operator Principle) is the principle that where a public authority does something on the same terms as a comparable economic actor would, then no subsidy arises because there is no specific 'economic advantage' to any other economic actor as a result.

9.2.15 In relation to subsidy control therefore, the acquisition does not represent a subsidy to BBB where the price reflects a fair market value. Confidential Appendix B sets out the Council's internal valuer's assessment and supports a reasonable view that the price can be judged to be on-market, having regard to the factors referred to in that Appendix and any wider consideration of market uncertainties.

Insert at the end of the legal section: Comments approved by the Kiri Bailey Head of Commercial and Property Law on behalf of the Director of Legal Services and Monitoring Officer (Date 06/07/2003)

9.3 EQUALITIES IMPLICATIONS

9.3.1 Under the Public Sector Equality Duty (PSED) of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and how they commission and procure services from others.

9.3.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected. Characteristic
- Foster good relations between people who share a protected characteristic and people who do not share it.

9.3.3 An equality analysis has been carried out in respect of resident consultation at Regina Road. The data collected via the consultation at Regina Road indicates that the proposal will have a positive impact on age, disability, sex, race and religion and belief. This is a live document and will be updated with further data when available.

9.4 HR Implications

- 9.4.1** There are no HR implications arising from this report. Should any implications arise these will be managed under council policies and procedures.

Approved by: Gillian Bevan, Head of HR Resources and Assistant Chief Executives on behalf of the Chief People Officer. (Date 07/06/2023)

10 Background documents

- 10.1** Brick by Brick Croydon Ltd Update Report – **30th November 2022**
- 10.2** Delegated Decision - Acquisition of Land sites, Regina Road and Malton House, from Brick by Brick Croydon Ltd - **15th March 2023**
- 10.3** Delegated Decision - Increasing Housing Supply - purchase of Brick-by-Brick Trellis Mews (Avenue Road) – **23rd March 2023**
- 10.4** Delegated Decision, acting as lender, to approve that Brick by Brick may dispose of Block B, Heathfield Gardens development with a further price reduction as detailed in Part B of the report. – **March 2023**
- 10.5** Delegated decision, acting as lender, on Warminster and Drummond Road development – **May 2023**

11 Appendices

Confidential Appendix A – Belgrave and Grosvenor Option Agreement

Confidential Appendix B – Valuation Calculations Belgrave and Grosvenor and Portland Place.

REPORT:	Cabinet	
DATE OF DECISION	26th July 2023	
REPORT TITLE:	Lease acquisition and Underlease disposal at Red Clover Gardens	
CORPORATE DIRECTOR	Jane West – Corporate Director of Resources and S151 Officer Susmita Sen – Corporate Director of Housing	
LEAD OFFICER:	Beatrice Cingtho-Taylor - Head of Temporary Accommodation Housing Resident Engagement Allocations Huw Rhys Lewis – Director of Commercial and Property	
LEAD MEMBER:	Mayor Jason Perry – Executive Mayor Cllr Jason Cummings – Lead Member for Finance Cllr Lynne Hale – Deputy Mayor and Lead Member for Housing	
KEY DECISION?	Yes	Key Decision 5123EM – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates
CONTAINS EXEMPT INFORMATION?	Yes	Public with exempt Part B report and exempt appendices 2, 3, 4,5 & 6 Exempt under paragraph(s) 3 & 5 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure.
WARDS AFFECTED:	All	

1. Summary of Report

- 1.1 This report seeks Cabinet approval to enter into a Headlease with Regen Capital of 85 units at Red Clover Gardens, Coulsdon, and to subsequently underlease the units to a Registered Provider (RP) subsidiary of Mears Group. The entire development is being acquired and funded by Regen Capital with the Council not making any upfront payment and will not be required to do so for two years.
- 1.2 The Council has identified a significant need for new affordable homes as demands levels for housing support are high whilst at the same time private sector landlords are exiting the affordable market in return for better returns elsewhere.
- 1.3 An offer from Mears has been received, and agreed in principle, to take on the underlease from the Council and to grant tenancies to help support delivery of affordable housing. The key criteria to engage with an underlease is to ensure the

Council avoid Right to Buy risks and therefore have a sustainable allocation of properties for a period of time whilst giving the Council flexibility to change tenures.

- 1.4** This report details the key considerations of Regen Capital's proposal, including an explanation of the financial benefits and the options that were available to the Council in relation to selecting an underlessee.

2. Recommendations

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 2.1** To approve that the Council enter into a Headlease with Regen Capital or an associated entity for 125 years of 85 units at the RCG development as detailed in this report, with lease payments over 50 years but with a 2 year rent free period at the start of the term of the Headlease and the option to buy the freehold interest for a £1 at the end of the 50th year of the term of the Headlease and to delegate authority to the Corporate Director of Housing in consultation with the Corporate Director of Resources, Lead Member for Finance and Lead Member for Housing to enter into final agreements subject to final financial and legal due diligence.
- 2.2** To approve that the Council enter into an Underlease with Mears or one of its subsidiaries for 10 years of 85 units at the RCG development as detailed in Sections 5 and 6 of this report and delegate authority to the Corporate Director of Housing in consultation with Corporate Director of Resources, Lead Member for Finance and Lead Member for Housing to enter into final agreements subject to final legal due diligence.
- 2.3** To note that the proposal set out in this report can only progress once final funding is confirmed by Regen Capital, which is subject to financial funding rates and macroeconomic conditions that will be prevalent on the day of completion.
- 2.4** To delegate authority to the Corporate Director of Housing, in consultation with Corporate Director of Resources, the Executive Mayor, Lead Member for Finance and Lead Member for Housing, to renegotiate terms of the Headlease or Underlease, should this be required due to macroeconomic conditions prior to completion, but not to deviate by more than £2.00m from reported benefits of this proposal as set out within this report.
- 2.5** To note that the Council will receive 85 affordable housing units subject to the approval by the Council's Local Planning Authority to a variation of the existing S106 Planning Agreement, to provide much needed affordable homes which are currently being sourced from the private rental market at a premium.
- 2.6** To note subject to Recommendation 2.3 that the Council will hold 100% Nomination rights for all 85 affordable units for the period of the lease as (originally) required under

the S106 Agreement entered into between the Council's planning authority and Brick by Brick Croydon Ltd, the developer (BBB).

3. Reasons for Recommendations

- 3.1** New proposal for the Council taking a long lease and disposing to an Underlessee on new residential units that will cost above the levels delegated to officers within the constitution. The offer of these units also generates cost reductions compared to costs currently incurred by the service.

4. Background and details

- 4.1** The deal with Regen Capital requires the Council to take a headlease of three blocks currently comprising of 33 affordable rent, 46 shared ownership and 6 private units. The Council has an option to convert the 46 shared ownership and the 6 private units to affordable rent and has agreed in principle to exercise that option, subject to planning approval. A variation to the S106 agreement will be required and if approved the proposal will provide the Council with 85 affordable rent units within 3 blocks. The 2 other blocks within the RCG development will remain for private use with a total of 72 units and these will be held by Regen Capital for either onward disposal or private rental.
- 4.2** Regen Capital have yet to fully determine the final funder and there is at least some risk that the pricing set out may not be able to be achieved, in which case careful consideration of the various terms will be required and further report will be brought back to cabinet or proposal rejected if material gains are not achieved by the Council.
- 4.3** The affordable housing units will consist of 10 3-beds, 22 2-beds and 53 1-bed properties. Housing Services have confirmed that the mix of properties will be suited for their needs and will be able to occupy all properties within a very short space of time and therefore avoiding a prolonged void period. Housing Services have also indicated that they will be used to support the discharge of the Council's Homelessness duty.
- 4.4** The Council proposes to underlet the 85 units to Mears (or one of their subsidiaries), which is a registered provider (RP). The Council is keen to work with a RP so that the level of service provided to tenants and the properties is in line with standards issued by the Housing Regulator. The Council will then rely on the nominations agreement to place tenants. This will ensure assured shorthold tenancies will be provided to tenants at affordable rents. In formulating the proposed arrangements being recommended, the Council took legal advice from its external solicitors Browne Jacobson, provided in Confidential Appendix 3, confirming that the proposal to underlease would be a better option as opposed to the direct Council management within the HRA as it removes any prospective challenge from tenants to claim potential RTB rights.

- 4.5** The Council directly engaged with a number of organisations to take on the underlease and this process included contacting nine RPs and non-RPs. It has been a challenging process and a number of RPs have declined to proceed largely on the grounds that the proposal does not fit with their business objectives. Key concerns have been around the level of revenue against the risk associated with taking on the underlease in the current economic climate. However, the response from Mears was ideal as its business model specialises in the provision of homes to those who are faced with Homelessness and need affordable rent properties.
- 4.6** The Council has a legal duty to provide housing to eligible residents and therefore has a legal obligation to meet that need. Housing Services need affordable homes to support the growing demand within the homelessness sector whilst at the same time Housing Services is experiencing the loss of many properties from private landlords. This is not only causing significant risk to the type and quality of accommodation provided but will also result in significant budget overspends within Housing Services as the Council is required to subsidise higher rents.
- 4.7** Whilst the Council can fulfil its obligation via a number of options, the supply of housing is critical to ensure a value for money service is provided. The supply of housing needs to be at a cost-effective rate as otherwise the Council subsidises the difference between rents and the benefits or contributions tenants can make towards their rent.
- 4.8** To test the financial implications of Regen Capital's proposal, a financial analysis has been carried out to compare against the current Homelessness costs. Section 4 provides further detail and the financial schedule has been attached to confidential Appendix 4 in respect of the lease schedules. The analysis has been tested and updated against advice sought from Savills, who have provided assurance that the financial modelling and the assumptions applied to it are sound and in line with general market approach. Savills' advice note has been attached as Confidential Appendix 5a and 5b. Savills advice was commissioned under a two-step arrangement, which included pre and post agreement of the Heads of Terms. This was done to ensure that, once key terms were agreed, these were in line with the Council's initial expectation and that the proposal remained commercially sound.
- 4.9** Whilst the advice points to a number of risks with the proposal, which is further explored in paragraph 4.9 below, it largely provides the assurance that the approach to modelling is in line with market norms.
- 4.10** The Council, in common with many other Local Authorities, increasingly finds itself in a challenging position to balance costs associated with Temporary Accommodation (TA) procurement and management while acquiring an affordable supply of accommodation to meet the growing demand for housing. The problem has been made worse by rising rents, benefit shortfalls, the acute shortage of affordable housing and a sharp reduction in the supply of private rented sector (PRS) properties. A high percentage of households approaching the Council for housing assistance have been evicted from the private rented sector due to their inability to afford the high rents.

- 4.11** The Council currently has responsibility for approximately 3,500 homeless households (as of 22nd May 2023) living in TA. The majority are living in TA in the private rented sector acquired via managing agents. Managing Agents are requesting annual increases in rents, due to the growing gap between the Council's offer of local housing allowance and the market rents. The Council has seen an increase in the number of families living in emergency accommodation in 2022/23 as it is becoming increasingly challenging to retain a cost-efficient longer-term TA portfolio.
- 4.12** The Council is also holding onto significantly expensive rental properties from private tenants, some costing more than £500 per week. A review identified that in total 44 properties have rents in excess of £500 per week, for 2 and 3 bed properties. The average cost per unit under the proposed headlease between the Council and Regen Capital is priced at £291 per week and therefore this opens up significant opportunities for the Council to acquire affordable units and reduce costs, by exiting the more expensive tenancies. With 1 bed properties being of a decent size and standard, these properties can also house young families and therefore increases the potential for usage by a larger tenancy cohort.
- 4.13** This proposal contributes to the Council's ambition of meeting housing need and ensuring that those who do qualify for housing support are able to live in good quality and affordable settled homes. As part of the allocation process the Council will ensure all cohorts of Council service users are considered for these properties and this may include care experienced people, young working families, key workers, and those on independent living schemes.
- 4.14** Over the past couple of months, the Housing market has faced a number of challenges. The increases in the Bank of England base rate coupled with general slowdown in the economy seems to be causing caution in the market for property transactions including funding opportunities. The Council is wary of these risks and is keen to ensure despite those challenges the best deal achievable is delivered.

5. Key features of Regen Capital Proposal – The Headlease

- 5.1** This section provides some of the key characteristics with the Regen Capital offer. It is important to note that no proposal is risk free as some degree of risk is inherent in all projects. The key to risk will be the options available to the Council to manage those risks but also those risks will need to be analysed considering the broader context of demand for services, supply of housing need and cost of the alternatives. There is always future unknown risk particularly with regards to national policy and the future direction of legislative changes.
- 5.2** Regen Capital's proposal is not unique, and a number of such proposals have previously been presented to the Council. However, taking into account the wider commercial terms and the details of the offer from Regen (as detailed in Part B), this proposition is better financially with additional non-financial benefits. A key feature to note however is that this proposal will not lead to budget savings but will lead to cost

reductions, supporting the service to deliver more housing provision within its existing budget and cut the significant level of overspends for some properties.

5.3 Regen Capital have priced their lease payments at South East Inner London Local Housing Allowance. Based on the bed sizes this equates to a starting lease of £1.285m for the 85 units. The Council engaged to negotiate this price down to match the Outer London Local Housing Allowance, however the proposal was rejected due to significant increases in financing costs currently experienced by investors. The Bank of England base rate along with the UK gilts have increased by over 2% in the past year which is adding to development and property acquisition costs.

5.4 Looking into specifics of the proposal the following are a number of qualitative and quantitative benefits from the Regen Capital proposal:

1. Regen Capital will actively take a stake for 72 units over 2 blocks and therefore the arrangement does not solely rely on the Council taking the risk and therefore the Red Clover Garden development therefore allows for a genuine private public arrangement. This could act as a test bed for a future regeneration consideration.
2. Most proposals require inflationary uplifts linked to CPI or another benchmark, however Regen have agreed to fix this at 3% inclusive and applied every 5 years, therefore effectively providing uplifts that are below 3% as no compounding interest is applied.
3. The Council will have the option to buy the freehold for £1 at the end of 50th year of the term of the Headlease.
4. The Council will not pay any rent under the Headlease for a period of 2 years from the start date of the Headlease.
5. The Council can flexibly use the properties to meet any tenure including social housing requirements, as long as the Headlease commitments are observed and performed by the Council.
6. The Council will achieve a minimum of £0.450m in revenue cost reductions by exiting the most expensive private sector tenancies based on like for like property sizes.
7. Rent increase only every 5 years at the fixed rate and no annual lease increase and therefore allows for time to plan when the rent under the Headlease is due.
8. 85 properties will be made available to the Council to support the growing demand for Housing need under a structure that is priced below market rents for the tenants of those properties.
9. No upfront payment for the properties by the Council and therefore no additional charge for Minimum Revenue Provision and Interest. The costs associated with the Headlease will be funded from existing budgets within Housing Services.
10. Regen Capital have agreed to take on Grounds Maintenance at their sole cost and pay for CCTV monitoring subscriptions. Regen Capital will provide the Ground Maintenance to the Council/Underlessee without any cost during the first 10 years of the term of the Headlease and allow the Council and its underlessee access to the CCTV subscription at nil cost during the same period.

- 5.5** The deal with Regen Capital provides the flexibility to underlease the properties and therefore receive a lease payment in return. The net cost to the Council is therefore reduced as the lease income from the underlease will help meet payment under the Headlease. The Council will set the underlease rent at below market rents and will aim to charge as close as possible to the Local Housing Allowance levels to match the benchmark used when assessing Housing Benefits eligibility.
- 5.6** The key benefits can be improved if the variation of the S106 Agreement is approved by the Local Planning Authority to increase rents charged to the tenants, whilst still being within the affordable rent range. The financial viability to the Council is improved whilst ensuring an affordable property is made available if the rent is increased by a minimum of 9.5%. Paragraph 7.6 in section 5 within this report explains this further.
- 5.7** The benefits listed above are broadly confirmed subject to final due diligence and are certain to be achieved. However, as stated all proposals will contain an element of risk that may or may not materialise. The Table below sets out the risks and risk mitigations associated with the Regen proposal.

Risks and risk mitigations

- 5.8** Table below details some of the key risks that are prevalent with this proposal and suggests risk mitigation options considered along with further options to minimise the financial impact.

Risks	Risk Mitigations	Other considerations
LHA for the Council may not rise as expected due to Govt policy	The model already assumes no rises in Council's LHA for 5 years and therefore the financial model is prudent to highlight future gains. Savills report already states that Govt will need to increase LHA rates for the Council rates in the near future as current levels are unsustainable and will only lead to pressures for local government.	Savills have picked this up as a key policy risk and one that is fully in the control of the National Government.
The Council will take on a 50-year commitment to pay the rent and other payments under the Headlease with no break clause.	The level of need for Housing support is likely to be there for years to come. Whilst the market for housing in UK is buoyant this adds to the pressure on Council to source affordable properties. Therefore, receiving properties at below market rates is beneficial financially and sustainable over a longer term.	The Council ends up owning the freehold interest in the 85 units/properties and will have the flexibility of using the properties for TA or Social Housing purposes.

<p>Potential reduction in Temporary Accommodation demand in the future and therefore these properties fail to meet the initial objective</p>	<p>The agreement with Regen Capital provides the Council with flexibility to use the properties for Social Housing and support the housing register.</p> <p>As these properties are priced at below market level they can always be retained for affordable housing which help in avoiding taking on expensive properties at market rates from private landlords.</p>	<p>The risk of housing demand falling below 85 over the next 50 years is highly unlikely.</p>
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6. Underlease Options

- 6.1 The Council is keen to ensure there is a clear separation between the Council's role as the Housing authority and the management of the tenancies and the properties. Furthermore, the Council also needs to avoid the risk of Right to Buy and secure tenancies and legal advice assures that seeking an underlease allows the Council to secure properties over a longer period whilst ensuring a company with the right skills and experience delivers a better property management service.
- 6.2 Underleasing the properties allows for the Council to achieve its objectives whilst ensuring the Council receives an income. In order to ensure the properties, remain affordable, the Council is committed to setting the rents for the underlease at Local Housing Allowance levels.
- 6.3 The underlease rate considers the need for voids and bad debt risks and the need to pay for management and maintenance (services). All of these will need to be deducted from the gross lease charge and a net lease payment will be due to the Council. The voids and bad debt could range between 2% and 3% whilst the cost for the services could range between £2,000 to £3,000 per annum per property. The final cost set by the chosen underlessee is indicated within Section 6 of this report.
- 6.4 When selecting an underlease the Council had 3 high level options and the considerations are detailed below.

Independent Register Provider (RP)

- 6.5 Independent Registered Providers are regulated by the Housing Regulator and therefore are required to meet set standards to retain their RP status. Some RPs such as Mears have built their business model to work closely with Local Authorities to support provision of affordable housing across a number of cohorts. A key cohort is for those in need of a homeless service along with housing with care and general affordable housing.

- 6.6** The fact that RPs are regulated would provide the Council with added assurances that the management of tenancies and properties would be at standards set by the regulator.
- 6.7** The Council approached a number of other RPs, however some RPs did not have the same model as Mears and other feedback received indicated that this proposal may not be of the right scale to meet their business objectives.

Independent Non-RP

- 6.8** Non-RPs would largely constitute private companies that provide standard property management services. The private market has a number of such companies, however the challenge with private firms was to identify one that had the necessary experience with provision of services that the Council was seeking.
- 6.9** The Council approached Capital Letters to see if the entity would be interested in taking the underlease. Interest was expressed and a formal Bid was also made. Capital Letters is a not-for-profit (but not a charity) company limited by guarantee and is owned by Member London Councils with financial support from Government. Capital Letters was set up to respond to the capital's homelessness crisis, by working in partnership with London councils and private landlords to provide the much-needed affordable homes.
- 6.10** The business model of Capital Letters suits the need of the Council and there are direct synergies between the Housing objectives of each organisation. Capital Letters have a dedicated business objective of tackling homelessness and are keen to work with Local Authorities to make this happen. However, Capital Letters do not have the same volume of properties as Mears and are a smaller outfit with limited history of trading.
- 6.11** Capital Letters submitted a similar bid to Mears. As with Mears, Capital Letters also indicate that they would take a 10 year lease under standard terms. However, upon review of all options, it is not recommended the Council proceed with Capital Letters owing to the size of the entity and having less experience than Mears and not being a RP.

Croydon Affordable Housing LLP Company

- 6.12** The Council is very familiar with the existing LLP structures that is jointly owned between the charity Croydon Affordable Housing and the Council's subsidiary London Borough of Croydon LLP. The Council has already transacted through the existing LLP companies and currently the Council has access to 344 properties via two existing LLP companies, Croydon Affordable Homes LLP and Croydon Affordable Tenures LLP.
- 6.13** As with the existing structures the Council would seek to enter into a contract to provide property management services. Various commercial adjustments would need to be made to allow for an effective provision of services. Currently, the provision of services

to the LLPs is provided by the Council for existing properties. However, when commissioning repairs and maintenance works the LLPs are bound by existing Council policies, due to the Council's legal responsibility to follow internal governance and procurement regulations, which hinder the ability to deliver an efficient service. This is not in tune with the level of service a private entity would expect. It is recommended that for this option to be most effective it would be necessary to provide a greater degree of autonomy from the existing structure so that they could appoint their own repairs and maintenance contractors and have the right staffing structures in place.

6.14 The LLP did not bid for the underlease but it is known that the average cost based on the existing structure is c£2000 per unit per year and therefore considerably less than the other two bidders. The Council has the option to enter a longer lease with the LLP which would not be possible with the other two bidders.

Advantages and Disadvantages with each underlease options

6.15 Table below provides a summarised position on key advantages and disadvantages for each of the options for proceeding with an underlessee.

Underlessee	Criteria	Advantages	Disadvantages
Independent RP	Lease Period	<ul style="list-style-type: none"> ▪ 10 Years - This provides the Council and the Underlessee flexibility to exit should issues occur with either tenancies or property management <p>After 10 years the Council will always have the fall back option to provide the underlease to the Council's LLP structure.</p>	<ul style="list-style-type: none"> ▪ 10 Years – risk of needing to identify a new underlessee in 10 years. This provides a risk and potential void period whilst new operator/terms are agreed. ▪ May ask for a termination clause within the 10 year agreement, which may not be commercially appropriate for the Council
	Property Services	<ul style="list-style-type: none"> ▪ Extensive experience in managing affordable housing/homelessness tenancies as well as residential property management ▪ Regulated by the Housing Regulator and therefore subject to audits. This provides the Council with added assurance that the provision of housing services will conform with Government set standards. 	Some RPs may seek certain commercial concessions within the underlease or nominations agreement. This may relate to the lease point above where a termination clause maybe requested which may complicate matters for the Council
	Cost	<ul style="list-style-type: none"> ▪ £2200 - £3100 per unit per year. The Council generates a net NPV cost reduction of c£0.300m to £0.450m. 	▪ This cost is likely to be higher than other options due to the extra scrutiny on RPs.
	Homelessness Service	<ul style="list-style-type: none"> ▪ Experience with provision of services that meets Council expectations. Some RPs have built models on 	▪ The price quoted reflects core provision of property services and therefore Mears may not be incentivised to

		working with Local Government to help ease Homelessness pressures.	provide an effective homelessness service.
Independent Non-RP	Lease Period	<ul style="list-style-type: none"> ▪ 10 Years - This provides the Council and the Underlessee flexibility to exit should issues occur with either tenancies or property management <p>After 10 years the Council will always have the fall-back option to provide the underlease to the Council's LLP structure.</p>	<ul style="list-style-type: none"> ▪ 10 Years - The Council will need to go through the process of identifying a new underlessee in 10 years <p>This provides a risk and potential void period whilst a new operator/terms are agreed.</p>
	Property Services	<ul style="list-style-type: none"> ▪ Some Non-RPs such as Capital Letters Ltd have a business model that is directly focused on provision of homeless service. ▪ Private property management companies have a strong commercial experience of managing properties. 	<ul style="list-style-type: none"> ▪ Such organisations are not a RP and a similar level of assurance and control cannot be expected as from RP or the LLP option respectively.
	Cost	<ul style="list-style-type: none"> ▪ £2200 - £2700 per unit per year. <p>The Council generates a net NPV cost reduction of £0.300m to £0.460m.</p>	
	Homelessness Service	<ul style="list-style-type: none"> ▪ Few organisations are set up to provide Homelessness Service. However, Capital Letters have been set up specifically to provide homelessness service and help tenants become less reliant on state support. Their experience and skill set should ensure more households are moved out of affordable housing and into private accommodation. 	<ul style="list-style-type: none"> ▪ With the level of service focused on provision of property private property management companies may not be incentivised to provide an effective homelessness service. The level of price quoted seems to reflect property management only and does not indicate additional services would be provided. Such additional service would include, support to employment, health support and various other guidance to take a private sector tenancy.

LLP Company	Lease Period	<ul style="list-style-type: none"> ▪ The Council has an option to agree a 10 year or a longer lease period. ▪ 10 Years - This provides the Council and the Underlessee flexibility to exit should issues occur with either tenancies or property management. As the underlessee would be the LLP companies, the Council with its minority interest and existing property arrangements, is more familiar with the LLPs. ▪ 50 Years - the possibility of entering into an upfront 50 year lease allows the Council to avoid any risks in 10 years time and also passes the risk of Lifecycle works to the LLP. 	<ul style="list-style-type: none"> ▪ 10 Years - The Council will need to go through the process of identifying a new underlessee in 10 years. ▪ 50 year – this may lock the Council in and reduces the flexibility to change providers.
	Property Services	<ul style="list-style-type: none"> ▪ The LLPs currently manage 344 properties and have built up 3-5 years of experience. The RCG properties are new and therefore highly unlikely that much work will need to be undertaken in the early years and therefore this will allow the LLP to gain further experience. ▪ Gives the Council an opportunity to bid for management services which provides control to the Council to ensure suitable and industry standard provision of care to tenancies and properties. 	<p>May need additional internal resource.</p> <p>The Tenants may perceive the landlord as the Council and previous experiences show that this may affect the ability to achieve 100% rent collection and adversely impact the tenant and landlord relationship.</p>
	Cost	<ul style="list-style-type: none"> ▪ £2000 - £2200 per unit per year. This is the most cost-effective option and will result in the Council achieving cost reduction of £0.510m. 	
	Homelessness Service		<ul style="list-style-type: none"> ▪ The LLP has no experience of supporting households in Temporary Accommodation and will only be able to provide property and tenancy management services. Careful placement of tenants will therefore be required to ensure those with the lowest support needs are placed within these properties

6.16 Council's assessment is that a RP provides the better option as it ensures a clear distinction between key stakeholders whilst at the same time proven expertise on

housing management and homelessness services is provided. The returns to the Council may be less under this option but working with an established and regulated organisation allows for assurance on tenancy and property management.

7. Mears – The Underlease

- 7.1** The attraction of Mears is their track record and ability to work with Local Authorities to provide temporary accommodation to alleviate homelessness and help people get back on their feet. This meets the needs of the Council for proceeding with the Regen Proposal.
- 7.2** Mears Group is a publicly listed company listed on the FTSE-All Share index. The company started trading in 1988 and has c5400 employees. Being a public company provides added assurance to the Council that the company will be held to a high corporate governance and commercial standards.

8. Financial Cost Benefit Analysis

- 8.1** The financial objective from this proposal is to generate efficiencies within the Housing service, specifically a reduction in Homelessness costs. Over the past two years the Housing services has been under pressure from increase in demand for housing support whilst at the same time faced with shortage of supply of affordable properties.
- 8.2** The Council's financial position is stretched and with high debt levels it makes it difficult to take on more debt to finance upfront acquisitions. Taking on a lease allows the Council to use its existing budget to pay for the lease without needing to add growth to the budgets such as additional minimum revenue provision and interest costs.
- 8.3** The opportunity to acquire 85 affordable units in a single development supports the need for additional homes. The financial assessment has considered the net cost of acquiring the 85 units at the RCG development versus the net costs incurred against existing arrangements. In order to ensure these homes are affordable the Council is aiming to lease them as close to Local Housing Allowance levels as possible.
- 8.4** The deal structure as provided in Appendix 1 shows that the land interest or use of properties will flow as indicated by the black arrow and the flow of funds by the red arrow. The Tenants will pay rent to the underlessee who will then deduct their costs for managing the properties and pay the Council a pre-agreed lease payment and the Council will then pay Regen Capital the Headlease payment.
- 8.5** The proposal will result in cost reductions for the Council where the properties at RCG development will be used instead of commissioning properties from the private market sector. Whilst the headlease payment is larger than the underlease income the

proposal will generate a benefit to the Council due to alternative accommodation costs from private landlords being considerably higher than the net cost of this proposal.

- 8.6** To improve the financial viability to the Council, a proposal to uplift rates to the tenants is being considered, subject to planning approval. Outer London LHA rates are c60% of market rents and therefore if the Council can increase those rents by c10% whilst ensuring the tenants can meet their rental commitments then more income will flow to the Council. This will require the Housing team to carefully select the tenants that are placed within these properties. During the assessment stage the Council will need to ensure that the tenant can contribute towards their rent and the rest can be funded from Housing Benefits or Universal Credit.
- 8.7** The Council also engaged with the Greater London Authority (GLA) to seek grant funding to support the delivery of affordable housing. However, the GLA indicated that they would not be able to fund the proposal as the proposal did not meet the criteria under which grant funding can be awarded. Furthermore, the Council will not incur a Stamp Duty Land Tax (SDLT) charge as the acquisition is being carried out under planning obligations as advised by the Council's Tax Advisors PSTAX. Advice note has been provided in confidential Appendix 6.
- 8.8** The Lease payment and income schedule is attached in confidential Appendix 4 and a detailed financial analysis has been provided in Part B. The model compares the costs of the Regen Capital proposal versus the cost currently incurred by the Council in using the private rented sector. It is expected that a c£0.450m of costs reduction will be achieved with an additional savings in the first two years of the Headlease by way of a rent-free period.
- 8.9** The financial model has been attached in confidential Appendix 4. The model compares the costs of the Regen Capital proposal versus the cost currently experienced by the Council using the private rented sector. It is expected that a c£0.450m of costs reduction will be achieved with additional savings in the first two years of the Headlease by way of a lease free period.
- 8.10** The modelling for current temporary accommodation costs is based on best available data from the Housing Services. Whilst detailed work is ongoing to obtain the most accurate data, certain assumptions have been made to ensure an accurate reflection of the current costs. As indicated in paragraph 3.14 there are c44 households in expensive accommodation and therefore by acquiring the 85 affordable units the Council will be able to transfer households into cheaper yet excellent quality accommodation.
- 8.11** As the difference in cost between the Regen Capital properties and very expensive council rented properties is c£500 per week per property a total maximum cost reduction potential is £1.320m. However, there are a number of risks and potential delays that could arise from allocations and the assessment process. Identifying the right and acceptable property can take time and therefore impacts the total cost

reduction achievable. The Council has taken a prudent view in light of the operational challenges and therefore projects a c£0.450m in cost reduction.

9. Alternative Options Considered

- 9.1** The Council considered acquiring the 85 affordable units directly. Selling part of the RCG development to the Council would have made it extremely difficult to sell the remaining part and this would have directly impacted on the values achieved.
- 9.2** The Council also considered buying the entire site, which would include 157 units however this was deemed not viable as the Council would not have the capacity to manage the wider site and did not have the capacity to operate and deal with the private units. Furthermore, with the Council's significant debt burden, an upfront acquisition would have meant that the Council would add to its borrowing costs through growth in Budget for Minimum Revenue Provision and Interest costs.
- 9.3** There are a number of benefits for the Council with the Regen Capital proposal and also some terms offered by them are more favourable than what the Council has previously been offered. The availability of homes to the Council supports Housing Services to reduce costs, provides a genuine mixed development scheme and gives the Council an opportunity to work with a new Housing partner in Mears.
- 9.4** Financial and operational risks are inherent with the proposal and it is imperative that these are mitigated by Housing Services in the future.
- 9.5** The Council also considered not taking on the Headlease, however with the increase in demand for Homelessness services and the shortage of affordable properties, it was assessed that not doing anything would be costly due to alternative accommodation costs needing to be procured at private market rates.
- 9.6** The proposal to enter into the Headlease and the financial assessment has been tested and reviewed with the Independent Assurance Panel set up by Central Government along with advice sought from Legal and Housing advisors in Browne Jacobson and Savills respectively.

10. Implications

10.1 Financial Implications

10.1.1. The Council's Homelessness service is facing considerable overspends against budget and in 2022/23 the service experienced a net overspend of £3.7m after adjusting for one off grant monies. The cause of this overspend relates to increase in demand for Homelessness service and the reduction in affordable homes.

- 10.1.2.** The proposal from Regen Capital will provide affordable homes that will allow Housing Services to discharge the duty to those households whose needs are not met by the private sector. This proposal will result in a cost reduction of c£0.450m but will not result in budget savings. The receipts generated by BBB from Regen Capital will be used to pay down the loan to the Council, which will contribute towards reducing future Minimum Revenue Provision (MRP) charges to the Council.
- 10.1.3.** The cost of acquisition is spread over 50 years via the payment of rent under the Headlease, however the Council will receive rent income under the underlease. The total cost of the Headlease will be £127.91m but the Council will receive rents from the underlease of £73.64m. This will generate a net cost of £54.57m. In addition, the Council will achieve a total cost avoidance of £43.68m over the next 50 years and will achieve a reduction of MRP costs therefore generating a net benefit of £31.61m over the 50 years.
- 10.1.4.** The Council will retain responsibility for lifecycle and major works for the affordable blocks. The financial modelling has taken this into account and as advised by Savills a proportion of rent will be set aside annually to cover the lifecycle works when needed. The rent model has accounted for £0.030m per property over the 50 years which results in a total allocation of £9.59m and this considers the impact of inflationary increases. This will mitigate the need for the Council to find additional funds to cover lifecycle in the future.
- 10.1.5.** An outright acquisition of the freehold interest in the 85 properties/units (which is only part of the RCG development) would have provided a better outcome, however the Council is unable to acquire part of the RCG development.
- 10.1.6.** The Council also considered acquiring the whole of the RCG development, which would consist of 157 units. To acquire the whole of the RCG development, the Council will need to borrow to fund the acquisition, and this will result in an increase in budgets for interest and minimum revenue provision, which is something the Council cannot afford. If the Council bought these properties using PWLB borrowing over a 50-year period, assuming the private units could be sold over a 3-year period, it would have cost the Council c£106.34m at interest rates of 6.50%. Further analysis of the next benefits and net cost of this proposal has been provided in Part B.
- 10.1.7.** The option to purchase the entire RCG development, would carry a significant level of risk that would not be appropriate for the Council to take in the current unstable macroeconomic climate. The Council would be taking on a greater financial and operational risk associated with the private properties.
- 10.1.8.** The Council also has the option to do nothing and not pursue this proposal. Based on the review of costs currently faced by the Council for procuring properties to support Homelessness, not doing anything would cost the Council £80.2m over 50 years. This will be very costly as the Council will

continue to utilise expensive private accommodation and with increase in demand for Homelessness the costs of delivering the service will only increase.

10.1.9. Further detailed analysis has been provided within Part B of the report.

10.1.10. The Council has tested the accounting of this arrangement and believes that key risks and benefits from this arrangement remains with the Council. The Council will hold 100% nominations rights and therefore will benefit by using the properties for its tenants, but at the same the Council will retain key lifecycle expenditure responsibilities for the three blocks.

10.1.11. The financial model includes an allocation of lifecycle costs and is in line with Savills report provided in Appendix 5a and 5b. It would be recommended that proportion of lifecycle costs is transferred to a lifecycle reserve annually. This fund could be drawn down when needed to fund the necessary costs. Alternatively, the Council could take the contribution as revenue gains and identify an alternative capital resource when lifecycle works need to be carried out.

10.1.12. The Council will also need to provide some furnishings for the 85 units and these will be funded from various Housing support grants the Council receives from Central Government and will not cost more than £0.160m. This will have no financial impact as these grants are used as part of ongoing placements in the private sector where needed. The need for furnishing will only apply to affordable units as the shared and private units have most furnishing fitted as part of the build.

10.1.13. Under Accounting regulation, SIC-27 the entity that retains the risk and reward is required to hold the assets and liabilities on their balance sheet. This applies to the Council under this proposal and the assessment agrees with the independent assessment carried out by the Underlessee.

Comments approved by the Sarah Attwood - Head of Finance Date 06/07/2023

10.2 Legal Implications

10.2.1. The recommendations in this report seek to support the discharge of the Council's duties under Section 8 'Periodical review of housing needs' and of the Housing Act 1985 and Part 7 'Homelessness' of the Housing Act 1996, in which the Council is required to consider housing conditions and needs within the Borough including addressing homelessness.

10.2.2. The Council has various powers to acquire and dispose of properties, including to discharge statutory duties. Of particular relevance are the following provisions:

- 10.2.3.** Section 9 ‘Provision of Housing Accommodation’ of the Housing Act 1985, under which the Council has the power to provide housing accommodation by acquiring houses (including flats). These powers may equally be exercised in relation to land acquired for the purpose (a) of disposing of houses provided, or to be provided, on the land, or (b) of disposing of the land to a person who intends to provide housing accommodation on it.
- 10.2.4.** Section 17 ‘Acquisition of land for housing purposes’ of the Housing Act 1985, under which the Council has the power to acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings. This includes power to acquire land for the purpose of disposing of houses provided, or to be provided, on the land or of disposing of the land to a person who intends to provide housing accommodation.
- 10.2.5.** Section 120 ‘Acquisition of land by agreement by principal councils’ of the Local Government Act 1972, under which the Council has the power to acquire land to enable the fulfilment of its functions (in this case housing functions).
- 10.2.6.** Section 12 ‘power to invest’ of the Local Government Act 2003 and the Council’s powers to invest for any purpose relevant to its statutory functions or for the purposes of prudent management of its financial affairs.
- 10.2.7.** The Council is under a duty not to dispose of land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained other than with the consent of the Secretary of State (SoS). A short tenancy for these purposes is where the lease term is 7 years or less (which is therefore not applicable here in respect to the 10 year lease to Mears). The duty does not require a particular disposal process to be followed (including e.g. seeking offers) and therefore it is the outcome that is important. A general consent is in place (avoiding the need to seek SoS consent) where the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of: (i) the promotion or improvement of economic well-being; (ii) the promotion or improvement of social well-being; (iii) the promotion or improvement of environmental well-being; and the “undervalue” (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2,000,000 or less. However, in the context of the proposed transaction, the Council has taken valuation advice from Savills which concludes that the transaction (taken as a whole) *“would not appear to be out of kilter with the market, save for the unusual 5-year “ratchet” mechanism within the headlease and the “fixing” of indexation within the lease. In fact, there are aspects of the proposed financial arrangements that would appear to generate value compared to other similar sorts of offers in the market, in particular what we have interpreted as the expected net initial yield.”* Notwithstanding the caveats made, this advice supports a conclusion that in overall terms the transaction satisfies the “best consideration” requirement. In relation to the underlease to Mears, the report explains why they are a suitable counter-party and notwithstanding a financial

offer made by Capital Letters. The s123 duty does not oblige seeking alternative offers where other factors relevant to the overall “consideration” are demonstrated (including the nature and relevance of the Mears business model and their consequent ability to meet tenant obligations under the lease), and on the basis that their offer is within the scope of what would ordinarily be expected in the market.

- 9.2.7** In conjunction with these statutory provisions, the Council may rely upon the General Power of Competence (“general power”) provided for in Section 1 of the Localism Act 2011. The general power is a wide power which allows the Council to do anything that an individual may do (subject to public law principles), but it is subject to certain statutory limitations. There is no statutory limitation in relation to this exercise of the general power in this context. As mentioned, the Housing Act 1985 impose a duty on local authorities to review housing needs in their district and provides them with related powers to provide housing accommodation. These powers can include provision via third parties. As such, this further statutory duty remains relevant and supports the decisions being taken.
- 9.2.8** Whilst therefore the Council has sufficient statutory powers to pursue the recommended scheme, the Council is nonetheless under a fiduciary duty. It must be prudent in its use of public funds and base its decision on all relevant facts (disregarding irrelevant ones), acting in a rational manner. This means, in practice, that the Council should be generally satisfied that the arrangements described in this report are capable of rational justification in that sense. Section 7 of this report sets out the financial cost benefit analysis of the recommendations in this report.
- 9.2.9** The Council also needs to have regard to the Subsidy Control Act 2022 which came into force on the 4 January 2023 in order to ensure no subsidy is passed on to Regen Capital or Mears as a result of the transaction. The easiest practical way of doing this is to ensure that the transaction is on market terms. The regime under the Act introduces a concept of the “commercial market operator” which acts in a similar way to the previous “market economy operator principle” in the EU State aid regime. Therefore, provided the Council ensures the transaction is on terms that would be acceptable to a prudent private sector investor in the same circumstances and disregarding any public sector benefits, there will be no subsidy. Given the way in which the transaction has been put together on arms’ length terms and assessed against other options available, the Council’s external solicitors, Browne Jacobson confirm that no unlawful subsidy is present.
- 9.2.10** The Council is also under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).
- 9.2.11** Further legal advice is included within the external legal advice note, at confidential Appendix 3.

Comments approved by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 13/07/2023)

10.3 Equalities Implications

9.3.1 The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

9.3.2. An equality analysis has been carried out it identified a positive impact for residents of all characteristics in respect of alternative housing. However, there may be a potentially negative impact for all characteristics in that it will be necessary to move to Coulsdon. There is a negative impact for disabled residents in that the properties in Coulsdon may not be suitable for some disabled people. In mitigation the department will engage and seek agreement from each household in line with homelessness legislation. Alternative accommodation will be sought for disabled residents who are unable to move to the accommodation in Coulsdon.

9.3.2 The department will continue to consider equality implications throughout the duration of the project including the needs of disabled residents affected through any transitions.

Comments approved by Denise McCausland Equalities Programme Manager. Date 08/06/23

10.4 HR Implications

10.4.1. There are no HR implications arising from this report.

Approved by: Gillian Bevan, Head of HR, Resources and Assistant Chief Executive Directorates, on behalf of the Chief People Officer. (Date: 09/06/2023)

11. Background documents

11.1 Brick by Brick Croydon Ltd Update Report – **30th November 2022**

12. Appendices

Appendix 1 – Property Deal Structure

Appendix 2 – Valuation from BBB – Confidential

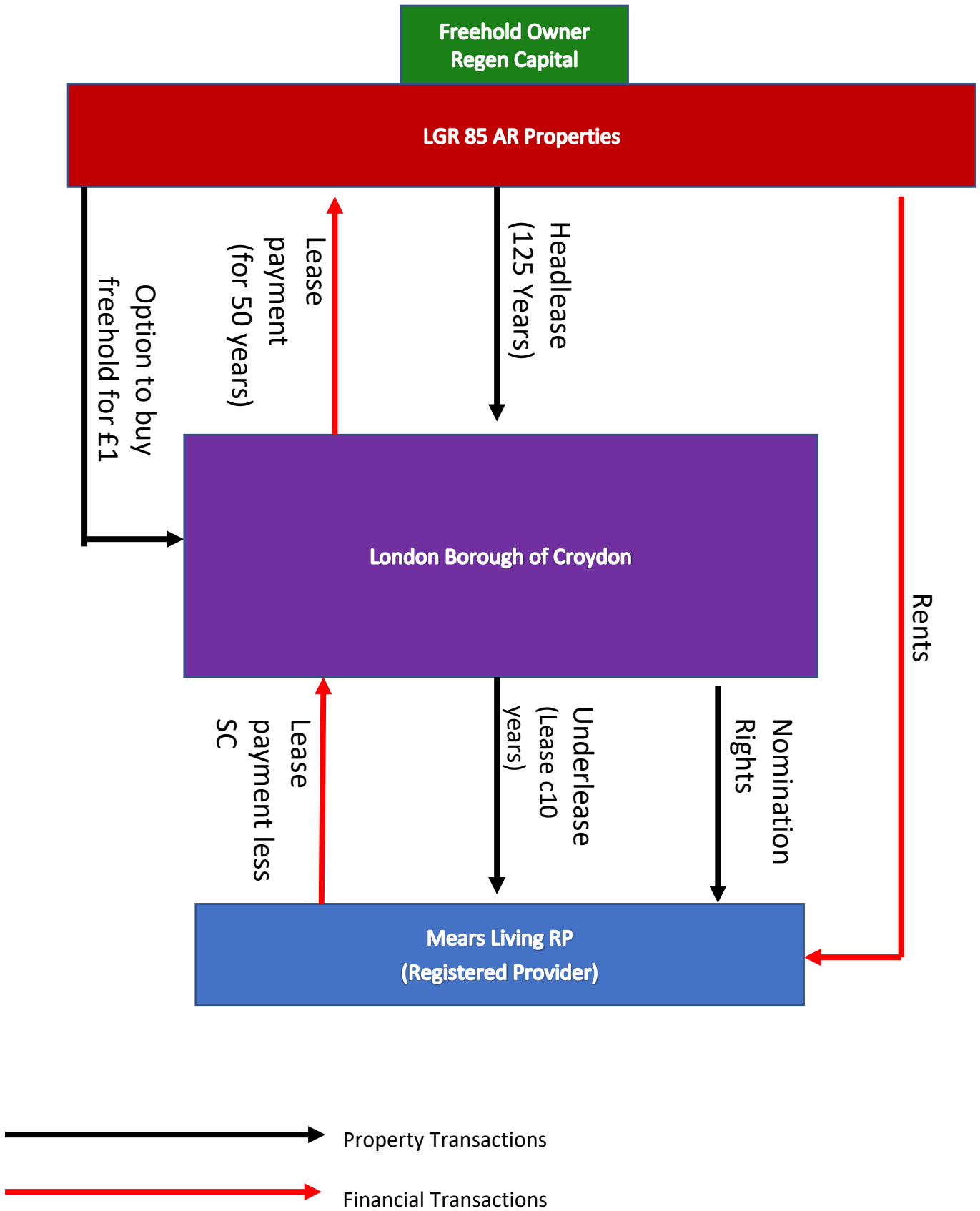
Appendix 3 – Legal Advice – Confidential

Appendix 4 – Lease schedules - Confidential

Appendix 5a – Initial Savills Commercial Advice - Confidential

Appendix 5b – Updated formal Savills Commercial Advice - Confidential

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Accounting Steps

1. Council takes on 85 properties over a 125 year lease
2. The Council will pay no upfront monies to the lessor
3. The Council will pay pre-agreed lease payments over 50 years
4. The lessor will provide 2 years of lease free periods – however the lessor will refund the Council in year 1 for both year however the Council will need to make the lease payments
5. The Council will then underlease the properties for a period of 10 years to another entity
6. The underlessee will be required to pay the Council a pre-agreed amount of lease over the 10 years [IFRS16]
7. The Council will be responsible for the lifecycle/major works.

Proposal

Council Balance Sheet

1. DR – Non-Current Assets Dwelling
2. CR – Non-Current Liabilities
3. DR – Bank for the Cash for 2 years lease free
4. CR – Reserves [to be drawn down in each of the years]

LONDON BOROUGH OF CROYDON

REPORT:	CABINET and EXECUTIVE MAYOR DECISION	
DATE OF DECISION	JULY 26 TH 2023	
REPORT TITLE:	Procurement of Architectural Professional Consultancy Services for Regina Road Project, South Norwood, and Malton House, to the Grant of Planning Permission and production of technical design for contractor procurement and on-site works – Part A	
CORPORATE DIRECTOR / DIRECTOR:	Susmita Sen: Corporate Director of Housing	
LEAD OFFICER:	Robin Smith: Regina Road Project Lead	
LEAD MEMBER:	Councillor Lynne Hale, Cabinet Member for Homes	
KEY DECISION?	Yes 4523EM	Financial Criteria £1m+
CONTAINS EXEMPT INFORMATION?	YES	Public Part A Appendix 1, 2, and Part B Report and exempt Appendix 3, 4, 5 Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 To seek approval for the procurement of Architects and supporting consultant team via a suitable framework which is compliant with Public Procurement regulations. The procurement package is made up of three phases of work. Stage 2 will be optional and will be dependent on the performance and output of the chosen Architects. **Stage 1** is the delivery of a Planning Consent for the Regina Road sites. **Stage 2** is to progress the technical design and contract information required to enable the procurement of a contractor/ developer to enable an early start on site in December 2024 at Regina Road and Malton House. This proposed procurement including the supporting consultants essential to obtain a Planning Consent and the technical design covered under Stage 2.

- 1.2** The three exempt appendices are confidential because they contain commercially sensitive information in relation to estimates of construction costs and fees payable. If these are disclosed, it will guide developers, contractors and consultants towards the upper end of internal estimates, and this will not be in the public interest because it will result in higher prices than necessary.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet, is recommended:

- 1.3** To approve the procurement strategy contained within this report to appoint Architects and supporting consultant team via a suitable framework which is compliant with Public Procurement regulations to progress the Regina Road project, including the Malton House site. The scope of services is to progress the technical design and contract information required to enable the later procurement of a contractor/ developer to start on site.
- 1.4** To note the procurement actions already taken by the project team to appoint consultants using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations to undertake key surveys.

3 BACKGROUND & STRATEGIC CONTEXT

- 1.5** Key Background Reports are those considered by Cabinet on 16 November 2022 – Regina Road Estate, Norwood (Key Decision: 5122EM) - and on 22 March 2023 – Regina Road Estate, Norwood: Outcome of Statutory Consultation and Arrangements for a Ballot of Residents on the Landlord Offer (Key Decision: 8622EM) which set out a wealth of background and technical information on the Regina Road Project and the Large Panel System (LPS) tower blocks within the Borough.
- 1.6** Cabinet considered the position at Regina Road in detailed reports on 16 November 2022 and 22 March 2013. The Council's preferred option for Regina Road is to demolish the three LPS tower blocks and surrounding property in a phased redevelopment that will deliver additional homes. A Ballot of residents concluded on 22 May, and the results of the 'yes' vote will be reported to Cabinet on 26 July.
- 1.7** To progress design work between November 2022 and, initially, a Cabinet meeting in February 2023, BPTW Architects were appointed using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations. Subsequently, the report was made to Cabinet on 22 March 2023 and BPTW were asked to continue work through March and the April/May Ballot until at least Cabinet on 26 July 2023

when the results of the Ballot will be formally reported and key decisions on next steps made.

- 1.8** In view of the original process adopted by the Council to appoint BPTW Architects, the Council is not in position to exceed the value of BPTW current commission and undertake a direct award. Such action would leave the Council in breach of Procurement regulations. To progress the appointment of the Architect and supporting consultant teams a new procurement workstream is now required.
- 1.9** The enclosed schedule sets out the Professional Consultancy Services necessary to support and progress the Regina Road Project to Planning Permission in 2024 (subject to permission being granted by the Local Planning Authority). The Architectural team will need certain key information to satisfy Planning Policy and will cover matters such as the following:
- Main architectural design team
 - Planning & Related Services including carbon assessments.
 - Landscape Architects
 - Quantity Surveyor
 - Daylight & Sunlight assessments
 - Site Surveys
 - Arboriculturist
 - Car Parking Surveyor
 - Traffic Consultant
 - Structural Engineer
 - Mechanical & Electrical
 - Drainage engineer
 - GLA grants

Procurement action has already been taken by the project team to progress key surveys and investigation work using a waiver with Director's Delegation under the Council's Tenders and Contract Regulations Details are set out in Part B appendix 4.

1.10 Malton House

A site at Malton House, South Norwood, with live Planning Permission for up to nine homes, has been purchased by the HRA with a view to early construction to assist with the decanting of residents from the Regina Road phase 1 tower block. Malton House is included in the Regina Road Phase 1 delivery procurement set out below.

1.11 LPS Block Assessment Stages 1 & 2

Arup special structural engineers have been appointed by the Council to undertake a structural survey and analysis of the LPS blocks at Regina Road and elsewhere. Stage 1 is data analysis; Stage 2 is intrusive investigations. This will provide further information on the likely structural condition of the LPS block which will inform the wider strategy to be adopted by the Council of the remaining LPS blocks. A further paper is proposed for October to set out recommendations and next steps on the next phases.

1.12 Programme & Key dates – Regina Road Phase 1

The schedule below sets out the proposed key programme dates for the Phase 1 works at Regina Road. Please note that it is intended that Malton House will be built as part of Phase 1 at Regina Road, so the start on site date below also includes Malton House.

Event	Start	End
PPA/ Pre application meeting No.1	14 June 2023	
Residential Engagement, Masterplan	July 2023	July 2023
Place Review Panel No. 1	End of July 2023	August 2023
Cabinet Meeting	26 th July 2023	
Public Exhibition on initial proposals	September 2023	September 2023
Informal Pre-Application Workshops/ Meetings	September 2023	February 2024
Additional resident/ public workshops and Exhibitions	October	December 2024
Place Review Panel No.2	November 2023	November 2023
Design Freeze & Preparation of Supporting Documentation	15 December 2023	February 2024
Pre-App Committee presentation	December 2023	January 2024
Place Review Panel No.3	January 2024	February 2024
RIBA Stage 4a (tender) Design Development	January 2024	April 2024
Planning Application – Ghost submission to test processes	February 2024	March 2024
Final Approval by Corporate Director Housing to Submit Planning Application	March 2024	End of March 2024
Planning Application - Statutory Determination Period (13 weeks)	April 2024	July 2024
Planning Application - Statutory Consultation	April 2024	May 2024
Planning Application - GLA Stage 1 Response	May 2024	May 2024
Contractor Tender Process	May 2024	July 2024
Planning Application - Agreement of S106 equivalent	May 2024	July 2024
Planning Application - LB Croydon Planning Committee, determination of application by Borough	July/August/September 2024	July/August/September 2024
Planning Application - GLA Stage 2 Referral	August/September 2024	September 2024

Preparation of Details for Pre-Commencement Conditions	July 2024	September 2024
Issue of Planning Permission (if granted by the Planning Committee)	August 2024	September 2024
Judicial Review Period of 6 weeks (if the Planning Permission is granted by the Planning Committee)	October 2024	November 2024
Contractor Award	October 2024	October 2024
Submission and Discharge of Pre-Commencement Planning Conditions	September 2024	December 2024
Start on Site	December 2024	
Commence Build Phase 1 homes	December 2024	August 2026

- 1.13** Quality modern housing fit for purpose is a critical aspect and intrinsic part of the HRA asset management strategy and business plan to ensure the correct management and health & safety of our homes.
- 1.14** This project supports the Mayor's key priority of housing improvement and Croydon is a cleaner, safer, and healthier place by ensuring health and safety of the Council's housing stock.

4 CONSULTATION

- 1.15** Consultation within Housing via DMT, with Procurement and with CMT has been undertaken in compiling this report. Also, with the Corporate Project Board attended by the Cabinet Member for Housing.

5 REASONS FOR PROPOSED DECISION

- 1.16** To enable the Council to progress the Regina Road phased scheme in a compliant and legal manner. To make early progress and have the teams in place soon, mini competitions will be held between experienced consultants via recognised Framework arrangements where competition on pricing rates has already been undertaken.
- 1.17** The framework will tender and evaluate in accordance with Most Economically Advantageous Tender, with the apportionment for this project funded through the Housing Revenue Account set as 50% cost, 10% social value and 40% quality.

- 1.18** The tender responses will be evaluated in accordance with the Tenders and Contracts Regulations to ensure probity, value for money and that the most economically advantageous providers chosen to deliver the service. The successful provider(s) who achieves the highest combined quality/price/social value score.
- 1.19** The Council will seek to satisfy itself that the supplier can meet its Professional Consultancy Services requirements – through assessment of the following elements:

- **Quality 40%:**

Quality Criteria:	Tier 2 Weighting
Overall strategic delivery and resource allocation.	10%
Operational Service Delivery	10%
Staffing Experience – strategic and operational	5%
Quality Assurance and Compliance	5%
<u>Technical Competency</u>	10%

- **Social Value 10%:**

Social Value Criteria:	Tier 2 Weighting
Social Value	10%

- **Pricing 50%:**

Pricing Criteria:	Tier 2 Weighting
Pricing Value	50%

Potential bidders will be evaluated for price based on project specific rates and day rates where applicable. All pricing methods will be captured in the pricing schedule / Cost Model supplied in the ITT. The Bidder(s) which submit the lowest project rates together with the highest quality & social value presentation will receive the maximum score where applicable in relation to each of these scoring sections.

6 Contract Terms and Condition

- 1.20** The intention is to use a standard contract that goes with the chosen Framework which will be compliant with Public Procurement contracts.

7 Savings and Efficiencies

- 1.21 The new procurement workstream will enable the Council to progress at pace the wider scale development of the Regina Road avoiding costly delays.

8 Contract Management

- 1.22 Contract Management will be carried out by the Regina Road/LPS Blocks Team within Housing which is currently being recruited to support the Regina Road/LPS Blocks Lead. Regular fortnightly meetings are already held, with monthly reports to the Corporate Project Board to ensure transparency and good governance.

9 Premier Supplier Programme (PSP):

- 1.23 The chosen Architects have the opportunity to sign up for the Council's Premier Supplier Programme, to enable them to receive prompt invoice payment. This is an accelerated payment scheme offered to suppliers to pay them in advance of the standard Council 30 days payment terms in exchange for a small discount on the value of the invoice.

10 Information Management

- 1.24 The contract may include the processing of personal data, as access to tenants' properties may also be required. The personal data will relate to information on tenants' contact details, including name, address, phone number and/or email address. This is required to allow consultants / contractors to contact tenants to gain access to properties, where required.

11 Social Value

- 1.25 As the Council is committed to delivering on social value, the service provider will be expected to demonstrate their commitment to deliver and/or adhere to the following social value requirements:

- Local supply chain opportunities
- Social Investment (Community voluntary engagement and sponsorship)
- Joint training and development (Work Experience placement opportunities for young people and those who have been on long term unemployment and school engagements)
- Employment opportunities for those who live in Croydon (via Croydon Works)
- Apprenticeship
- London Living Wage

- 1.26 The service provider will also be given an opportunity to offer alternative ways in which they feel they could contribute to the delivery of social value in the borough which may not be included in the above list.

12 London Living Wage

1.27 The London Living wage will form part of the proposed service contract.

13 OPTIONS CONSIDERED AND REJECTED

The Table sets out the options which have been explored for Regina Road. Malton House is a relatively small project that will provide up to nine homes for decant capacity. Malton House is a vacant site with Planning Permission previously owned by Brick-by-Brick and bought by the Housing Revenue Account as the most feasible option for addressing the empty site. The site will be built as part of Phase 1 for Regina Road.

REF:	OPTION SUMMARY	PROS	CONS	COMMENTS
1	Do nothing.	None.	Residents have voted overwhelming in a recent Ballot to demolish and rebuild housing at Regina Road. The Regina Road LPS blocks are nearly 60 years old and likely to be approaching the end of their structural life. The blocks must be registered by September 2023 with the Building Safety Regulator who will in due course consider granting a licence for continued residential occupation. Surveys already undertaken demonstrate that structural strengthening is likely to be required at greater cost than rebuilding. Failure to address the requirements of the Regulator under the new Licensing Scheme would require the removal of all residents for the LPS blocks	This option is not recommended.
2	Bring the professional services in-house.	Greater control of the workforce in its deployment and strengthens the retention of current staff knowledge.	There are no staff capable of handling the extensive and specialised work involved. An extensive and lengthy recruitment would be involved. The competency of newly recruited in-house staff will be untested compared to experienced external consultants.	This option is not recommended.

			Also, the Council do not have the current internal resources or infrastructure to manage a significant professional recruitment programme.	
3	Issue invitation to tender via a suitable public sector Framework.	To enable the Council to progress the Regina Road phased scheme in a compliant and legal manner	The Framework contains approved providers which includes the current Architects where all suppliers have passed scrutiny.	This is the recommended option.
4	Extend contract by Direct Award	Continuity of design work with the existing team, who have built rapport with residents and with the Local Planning Authority	This is not compliant with Public Procurement Regulations and consequently not open to the Council to pursue	This option not recommended

1.28 Financial

- The cost for the appointment of the Architectural Consultant Team for Phase 1 at Regina Road and Malton House will be met from the HRA Capital budget.
- Budget estimates of likely spend costs are set out in Part B – Exempt Appendix.4 and Exempt Appendix 5
- Expenditure will be in 2023/2024 and 2024/2025 financial years and will be included in the next iteration of the HRA Capital programme and the HRA Business Plan.

1.29 Viability

The current scheme does have viability challenges and **Part B Exempt Appendix 5** sets out what these are and the likely mitigation measures that the Council can take.

1.30 Essential Spend and S114 Rationale

This expenditure is essential expenditure from the Housing Revenue Account, not the Council's General Fund, and is therefore outside of the current S114 restrictions.

1.31 Risks

The schedule below sets out the key risks associated with this phase 1 scheme.

Risk	Detail	Mitigation	RAG
Funding Risk	The GLA have set a target start on site of Dec 2024 for the Council to secure GLA funding. In the event that the start on site date is not achieved there is a risk of a loss of grant funding from the GLA	Discussions with the GLA are on-going to define a 'start on site' given that there will be need for site enabling and site clearance to take place prior to new construction works commencing.	
Planning Risk	The proposed scheme does propose an outline scheme design which increases both development height and density as compared with the local plan for the areas	Discussions are continuing with the LPA to develop a scheme which would with the GLA are on-going to define a 'start on site' given that there will	
Development costs increases due to market conditions.	The current market conditions are challenging due to external factors e.g., inflation is increasing due to factors overseas.	Robust contract management of the Service Providers and the intention to enter into fixed price contracts where possible.	
Programme delay	Delays in workstream outputs resulting in planning and contractor procurement delays	A detailed project programme and timetables will be developed with the chosen Architects which will include contingency to address any potential unforeseen activities that may occur.	

Approved by Orlagh Guarnori Head of Finance – Housing on behalf of the Director of Finance.

14 LEGAL CONSIDERATIONS

- 14.1** Pursuant to clause 1(1) of the Localism Act 2011 a local authority has power to do anything that individuals generally may do. The Council also has power under section 1 of the Local Government (Contracts) Act 1997 to enter into a contract

with another person for the provision or making available of assets or services, or both, (whether or not together with goods) for the purposes of, or in connection with, the discharge of a statutory function by the local authority.

- 14.2** The Executive Mayor has the power to exercise executive functions pursuant to s9E of the Local Government Act 2000. The Executive Mayor has not delegated the decision making authority relating to the recommendations in this report.
- 14.3** The Council is under a duty to comply with the Public Contracts Regulations 2015 (PCR) when entering into regulated contracts. The proposed procurement strategy to appoint Architects and supporting consultants set out in the recommendations of this report is to utilise existing compliant frameworks. The use of frameworks agreements is set out in Regulation 33 of the PCR. The Council should comply with the requirements of the PCR and any other requirements included within the established framework.
- 14.4** The Council is also under a general Duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007)).

Pending approval by the Head of Commercial & Property Law on behalf of the Director of Legal Services and Monitoring Officer.

15 HUMAN RESOURCES IMPACT

- 15.1** There are no immediate Human Resource impacts arising from the content of this report for the Council employees or staff.

16 EQUALITIES IMPACT

- 14.5** The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 14.6** The department have sought to collate some data on protected characteristics at Regina Road and now hold some data on: ethnicity, sex, sexual orientation and religion. Over the course of the forthcoming months more data will be gathered on the remaining characteristics and efforts will be made to build trust which will support residents sharing their data. During the consultation efforts have been made to pay due regard to all equality characteristics by ensuring that the consultation was accessible to all residents in particular those who may not have English as a first language and residents who are non-neurotypical.
- 14.7** The EQIA produced in November 2022 is a live document and has been updated by Housing and this was last reported to Cabinet on 22 March 2023 to help comply with the Equalities Act 2010. There have already been improvements on the collection of data regarding protected characteristics. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively. This is attached as Appendix 2.
- 14.8** The Equalities Strategy including the Pledges named above, are provided to all bidders during the tendering stage of the procurement process. Social Value objectives also mirror the Council's commitments to equalities and diversity.
- 14.9** Approval by: Denise McCausland – Equality Programme Manager 18/05/2023

17 ENVIRONMENTAL IMPACT

There are no adverse environmental impacts expected with carrying out these services. Ensuring Council buildings are safe helps mitigate environmental risks.

18 CRIME AND DISORDER REDUCTION IMPACT

There are no adverse crime and disorder impacts expected with carrying out these services. Ensuring Council buildings are safe helps mitigate crime and disorder risks.

19 DATA PROTECTION IMPLICATIONS

Some of the project work will require contact details for the arrangement of mutually agreed survey appointments to undertake internal property surveys at existing properties and will therefore involve the processing of personal data or special category data. A Data Protection Impact Assessment was completed on 28 November 2022, and this was agreed by the Data Protection Officer on 9 December 2022 in relation to the data to be collected up to and including the ballot.

20 **PROCUREMENT IMPLICATIONS**

All procurement implications are set out in the report.

CONTACT OFFICER: Robin Smith – Regina Road/LPS Blocks Project Lead

APPENDICES TO THIS REPORT:

Part A – Public

Appendix 1 - Site Location Plans

Appendix 2 - EQIA (attached)

Part B – Exempt

Appendix 3 – Professional Fees

Appendix 4- Waiver Schedule

Appendix 5 – Viability

PREVIOUS CABINET REPORTS

Cabinet, 16 November 2022– Regina Road Estate, Norwood

Key Decision: 5122 EM

Cabinet, 16 November 2022– Regina Road Estate, Norwood, Outcome of Statutory Consultation and arrangements for a Ballot of residents on the Landlord Offer

Key Decision: 8622 EM

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Part A - PUBLIC APPENDIX 1 – site location plans



PREFERRED OPTION



380 new homes / 180 social rent homes / Delivered over 4 phases



DRAFT

Equality Analysis Form

1. Introduction

1.1 Purpose of Equality Analysis

The council has an important role in creating a fair society through the services we provide, the people we employ and the money we spend. Equality is integral to everything the council does. We are committed to making Croydon a stronger, fairer borough where no community or individual is held back.

Undertaking an Equality Analysis helps to determine whether a proposed change will have a positive, negative, or no impact on groups that share a protected characteristic. Conclusions drawn from Equality Analyses helps us to better understand the needs of all our communities, enable us to target services and budgets more effectively and also helps us to comply with the Equality Act 2010.

An equality analysis must be completed as early as possible during the planning stages of any proposed change to ensure information gained from the process is incorporated in any decisions made.

In practice, the term '**proposed change**' broadly covers the following:-

- Policies, strategies and plans;
- Projects and programmes;
- Commissioning (including re-commissioning and de-commissioning);
- Service review;
- Budget allocation/analysis;
- Staff restructures (including outsourcing);
- Business transformation programmes;
- Organisational change programmes;
- Processes (for example thresholds, eligibility, entitlements, and access criteria).

2. Proposed change

Directorate	Housing
Title of proposed change	Future of Regina Road
Name of Officer carrying out Equality Analysis	Katherine Monk

2.1 Purpose of proposed change (see 1.1 above for examples of proposed changes)

The Regina Road estate was developed as social housing by the Borough in the mid-1960s. It includes three 11-storey tower blocks built using the Wates Large Panel System (LPS), each with 44 flats. There are four medium-rise blocks close to the tower blocks, with an additional 48 flats, within the wider estate of mainly two-storey housing. There is also some green space, a play area and a kindergarten that should be considered as part of any redevelopment and re-provision.

The flats in the tower blocks – particularly in nos 1-87 - have suffered in recent years from a variety of issues including water penetration, condensation and mould that have proved difficult to rectify. The council is proposing to begin the process of addressing the current unsatisfactory situation at the Regina Road estate where three ageing tower blocks require radical action to ensure modern social housing fit for the 21st Century. In summary, improved living conditions at the blocks would involve either refurbishment or redevelopment, and a report considering the options open to the council is to be presented to Cabinet in September 2022.

It is a legal requirement under Section 105 of the Housing Act and a legal requirement as part of the Building Safety Act 2021 to ‘develop a Resident Engagement Strategy so residents can influence and are involved in decisions regarding building safety, are informed of their rights and of their obligations, have clear reporting arrangements for building safety concerns, and a clear escalation process for all residents’. Since July 2018 the GLA has required any landlord seeking GLA funding for estate regeneration projects which involve the demolition of any social homes (and the construction of 150 or more homes of any tenure) to show that residents have supported their proposals through a ballot. This is to make sure that GLA funding only supports estate regeneration projects if residents have a clear say in plans and support them going ahead.

Subject to Cabinet, next steps include exploring options for the future of the Regina Road estate with all the residents affected.

3. Impact of the proposed change

Important Note: It is necessary to determine how each of the protected groups could be impacted by the proposed change. Who benefits and how (and who, therefore doesn't and why?) Summarise any positive impacts or benefits, any negative impacts and any neutral impacts and the evidence you have taken into account to reach this conclusion. Be aware that there may be positive, negative and neutral impacts within each characteristic.

Where an impact is unknown, state so. If there is insufficient information or evidence to reach a decision you will need to gather appropriate quantitative and qualitative information from a range of sources e.g. Croydon Observatory a useful source of information such as Borough Strategies and Plans, Borough and Ward Profiles, Joint Strategic Health Needs Assessments <http://www.croydonobservatory.org/> Other sources include performance monitoring reports, complaints, survey data, audit reports, inspection reports, national research and feedback gained through engagement with service users, voluntary and community organisations and contractors.

3.1 Deciding whether the potential impact is positive or negative

- **Table 1 – Positive/Negative impact**

<p>Regina Road is home to a wide range of residents, including families, aging residents and a mix of backgrounds, needs and ethnicities. The data we hold about residents living on the estate regarding protected characteristics is not complete and so it is not currently possible to paint an accurate picture of the extent to which residents share a protected characteristic.</p> <p>The Council has undertaken a series of actions since March 2021 to address the concerns of residents and try to start to re-build trust and relationships with residents on the estate. A team of housing officers spoke to residents at the door to get an understanding of the issues residents were experiencing in their homes. A number of meetings - to which all residents were invited - have taken place and a drop-in has been operational since September 2021. A regular newsletter and bulletin for Regina Road is produced for residents. These contain contact details for key housing officers for Regina Road, ways to get involved, and who to talk to if there are problems. Noticeboards are updated with new information and bulletins as they are published.</p> <p>A reference group was also formed at the beginning of 2022 consisting of a small group of residents representing all three blocks on the estate. It was created to support and engage with residents about repairs, works and improvements taking place at Regina Road over the short, medium and looking ahead to the future.</p> <p>A Walkabout was held with residents of the three tower blocks during the evening of Wednesday, 13 July 2022. Main issues raised were repair issues, some dating back several years and related to general whole block fabric/service failures which re-occur. Residents present understood the difficulties associated with blocks nearly 60 years old and said they would appreciate new homes in preference to the continuous process of patching old</p>
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homes. Some residents said they would be happy to move away from Regina Road. A Walkabout Action Plan has been prepared which follows up on all the issues raised by residents to ensure progress and resolution.

Further meetings are being held with residents to listen to their views, starting with residents of the medium-rise blocks adjacent to nos 1-87.

We do not have any data currently which would tell us whether groups that share a protected characteristic (compared to non-protected groups have a better or worse experience of housing services at Regina Road. We do have some data for a small percentage of our customers following an engagement exercise carried out in Summer 2021 but this exercise took place across the borough and is worth consideration in this analysis.

Although we do not hold information about the protected characteristics of residents in these blocks, what we do know in no uncertain terms is that the poor living conditions at Regina Road – and ongoing issues in the flats – are ongoing and continue to impact on the quality of life for many residents living in these blocks. The impact of poor housing is well documented and evidence of this for some protected characteristics groups is provided in the section below.

(Statistics documenting protected characteristics in the borough of Croydon, and available information about our residents is documented in Appendix 1.)

It is anticipated that the overall impact of the proposal to either refurbish or redevelop on the Regina Road estate will improve the living conditions and their experience of Croydon housing services, for most if not all residents living there. The aim is for this improvement to be experienced by all residents, including those within protected characteristic groups.

The intensive and rigorous consultation process which is required for a programme of this scale, will enable to us to clarify the needs of the diverse group of residents living on the estate and is an opportunity to identify improvements that could be made. Listening to residents will help us to understand and address any equalities issues which arise during the consultation process. This EQIA will be updated to reflect this as engagement with residents gains pace.

For each protected characteristic group show whether the impact of the proposed change on service users and/or staff is positive or negative by briefly outlining the nature of the impact in the appropriate column. . If it is decided

that analysis is not relevant to some groups, this should be recorded and explained. In all circumstances you should list the source of the evidence used to make this judgement where possible.

Protected characteristic group(s)	Positive impact	Negative impact	Source of evidence	Data obtained to date through outreach
Age	<p>Residents of all ages should benefit from the proposed scheme as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services. Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities.</p>	None anticipated.	No clear data to evidence positive or negative impact on age but feedback from an engagement exercise in 2021 shows that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males. The (small) youngest group surveyed appeared to be the most satisfied and least dissatisfied and the mid-age range groups appeared to be slightly more dissatisfied. However, there didn't appear to be any clear conclusions to be drawn from this demographic breakdown, with satisfaction levels fluctuating across the age ranges.	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Elderly (65+): 16% Under (<65+) 72% prefer not to say: 13%</p>

	<p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents with of all ages.</p> <p>.</p>			
Disability	<p>Residents with disabilities should benefit from the proposed scheme as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services, including residents in need of adaptations as a result of a disability. Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p>	None anticipated.	<p>Ref 1) Housing for older and disabled people, Department for Levelling Up, Housing and Communities.</p> <p>Feedback from an engagement exercise in 2021 showed that satisfaction and dissatisfaction levels appear to be fairly consistent between those who did not state their day to day activities were limited because of a health problem or disability and those who did. The small 'unknown' group, who did not provide an answer to this question, showed greater dissatisfaction with their overall experience.</p>	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Disability Yes 21% No 12% Undisclosed 67%</p>

	<p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents with disabilities.</p>			
Sex	<p>Residents should benefit from the proposed scheme regardless of their sex as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services. Other benefits will be documented as the consultation process is developed and implemented. Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities</p>	None anticipated.	<p>Feedback from an engagement exercise in 2021 showed that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males.</p>	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Male: 22% Female: 78% Prefer not to say/other: 0%</p>

	<p>Pledge as the Council’s standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents of any sex.</p>			
<p>Gender Identity</p>	<p>None anticipated. Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council’s standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents.</p>		<p>No data to evidence positive or negative impact on gender reassignment</p>	<p>Further data to be identified through ongoing outreach.</p>

<p>Marriage or Civil Partnership</p>	<p>Residents should benefit from the proposed scheme regardless of marriage or civil partnership groups as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities.</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on</p>	<p>None anticipated.</p>	<p>No data to evidence positive or negative impact on marriage or civil partnership.</p>	<p>Further data to be identified through ongoing outreach.</p>
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	the estate embrace the needs of residents.			
Religion or belief	<p>Residents should benefit from the proposed scheme regardless of their religion or belief group, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on the estate embrace the needs of residents.</p>	None anticipated.	Currently no data to evidence positive or negative impact on religion or belief groups.	<p>Religion/belief Muslim : 1% Christian : 2% Other : 1% Not Known: 96 %</p>

	Other benefits will be documented as the consultation process is developed and implemented.			
Race	<p>Residents should benefit from the proposed scheme regardless of their race, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation process so that future changes on</p>	None anticipated.	Feedback from an engagement exercise in 2021 showed that whilst around 35% of White, Asian and other groups rated their experience of housing services as excellent or good, this was true of only 25% of Black residents and less than 20% of those in the Mixed/Multiple ethnicity group. There was also increased dissatisfaction amongst Black, Mixed/Multiple and Other groups – all around 41%, 10 points higher than the White group at 31%. These figures relate to housing services in general. The ARK report, commissioned by the council following unacceptable living conditions of some of our tenants at Regina Road, investigated allegations of discrimination on race ground. The report published in May 2021 concluded that it did not find evidence of this allegation.	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Asian background: 7% White background): 22% Black British/Caribbean/African: 47% Mixed multiple: 17% Other ethnic group: 9% Prefer not to say/undisclosed: 5%</p>

	<p>the estate embrace the needs of residents.</p>			
<p>Sexual Orientation</p>	<p>Residents should benefit from the proposed scheme regardless of their sexual orientation, as we would anticipate seeing a significant improvement in the quality of all residents' homes and their experience of our housing services.</p> <p>Other benefits will be documented as the consultation process is developed and implemented.</p> <p>Any decisions about the future of the estate will be shaped in consultation with residents and designed to provide better housing for them. Individual elements of the project will need to be assessed, predominantly through the planning process, as more detailed plans are developed to ensure they produce either positive or neutral effects on people with protected characteristics. The council will adhere to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities</p> <p>The council will ensure that its engagement approach enables a wide and diverse range of tenants and leaseholders to be fully involved in the consultation</p>	<p>None anticipated.</p>	<p>No clear data to evidence positive or negative impact on age but feedback from an engagement exercise in 2021 shows that females were less happy with their overall experience as a tenant/leaseholder with 28% finding the service excellent/good compared with 34% of males. 38% of females reported their experience to be poor/very poor compared with 32% males. The (small) youngest group surveyed appeared to be the most satisfied and least dissatisfied and the mid-age range groups appeared to be slightly more dissatisfied. However, there didn't appear to be any clear conclusions to be drawn from this demographic breakdown, with satisfaction levels fluctuating across the age ranges.</p>	<p>We have obtained the following data through outreach activity on the estate to date:</p> <p>Bisexual 0% Heterosexual/straight 68% Homosexual 0% Prefer not to say/undisclosed 32% Other 0%</p>

	<p>process so that future changes on the estate embrace the needs of residents.</p>			
<p>Delivering Social Value</p>	<p>Once the future of Regina Road is determined through consultation with residents, the council would work to ensure social value provided by contractors helps more people into work This will assist the more socially excluded in our community to become financially stable thereby reducing social isolation etc. Opportunities for work experience, training, and jobs will be offered to local residents through the social value aspect of any refurbishment or redevelopment scheme.</p>	<p>None. The council will explore opportunities for local residents, including work experience, training and job opportunities. The council will encourage the successful contractor to adhere to and sign up to the George Floyd Race Matters Pledge and Equalities Pledge as the Council's standard in equalities. This commitment to delivering social value supports the council's Community Sector strategy 2019-2023 and the Equality Strategy for Croydon 2020-2024 to help Croydon become a more equal place through by tackling poverty, gaps in equality and inequality</p>	<p>Social value element of any refurbishment or redevelopment scheme. contract will ensure these benefits are delivered.</p>	<p>Ref 1) Housing for older and disabled people, Department for Levelling Up, Housing and Communities.</p> <p>Feedback from an engagement exercise in 2021 showed that satisfaction and dissatisfaction levels appear to be fairly consistent between those who did not state their day to day activities were limited because of a health problem or disability and those who did. The small 'unknown' group, who did not provide an answer to this question, showed greater dissatisfaction with their overall experience.</p>
<p>Important note: You must act to eliminate any potential negative impact which, if it occurred would breach the Equality Act 2010. In some situations this could mean abandoning your proposed change as you may not be able to take action to mitigate all negative impacts.</p>				

When you act to reduce any negative impact or maximise any positive impact, you must ensure that this does not create a negative impact on service users and/or staff belonging to groups that share protected characteristics.
Please use table 4 to record actions that will be taken to remove or minimise any potential negative impact

3.2 Additional information needed to determine impact of proposed change

Table 2 – Additional information needed to determine impact of proposed change

If you need to undertake further research and data gathering to help determine the likely impact of the proposed change, outline the information needed in this table. Please use the table below to describe any consultation with stakeholders and summarise how it has influenced the proposed change. Please attach evidence or provide link to appropriate data or reports:

Additional information needed and or Consultation Findings	Information source	Date for completion
<ul style="list-style-type: none"> Review data we hold about the protected characteristics of our customers at Regina Road cross-departmentally. Update 14 March 2023: Privacy statements were prepared and approved to request information about protected characteristics and this has been built into the resident engagement plan as the project progresses. Although we have been able to collect some equalities information and protected characteristics, as detailed in the breakdown in the next page, we will need to continue to collect information through additional engagement opportunities, such as the housing needs assessment. 	Social care services, major adaptations team, tenancy services, allocations, outreach team	Ongoing
<ul style="list-style-type: none"> Review how and what information will be collected once new IT system is implemented to enable us to analyse customer satisfaction levels across protected characteristics. <p>Update 14 March 2023: Reviewing collection of protected characteristics and equalities information as part of preparation for rollout of Housing Online (NEC)</p>	NEC project documentation	May 2023
<ul style="list-style-type: none"> Consider how to analyse customer satisfaction by protected characteristics as part of ongoing contract monitoring. <p>Update 14 March 2023: Once the contractors have been formally announced, they will be asked to formally sign up to the George Floyd Race Matters Pledge and Equalities Pledge as the council's standard in equalities. The same applies to the council's support of the Stop Social Housing Stigma Campaign and the Residents' Charter, which was formally adopted in December 2022.</p>	Procurement development best practice, 2022 Equalities Pledge	During mobilization From March to August 23

- | | | |
|--|--|--|
| <ul style="list-style-type: none">• Recruitment is underway to recruit a diverse group of residents to be involved in monitoring the performance of the new contractors once in place so we can monitor whether all residents are equally able to access services. | | |
|--|--|--|

Ethnicity	
Asian background	8%
White background	19%
Black British/Caribbean/African	48%
Mixed multiple	8%
Other ethnic group	8%
Prefer not to say/non disclosure	8%
*Rounded to the nearest decimal point	
Disability	
Yes	29%
No	16%
Non disclosure	55%
Sexual orientation	
Bisexual	0%
Heterosexual/Straight	70%
Homosexual	0%
Prefer not to say/non disclosure	29%
Other	1%
Gender	
Male	27%
Female	72%
Prefer not to say/Other	1%
Other (Tenants/leaseholders)	
Elderly (65+)	13%
Under (<65+)	74%
prefer not to say/ undisclosed	13%
Religion/belief	
Muslim	8%
Christian	2%
Other	2%
Not Known	83%
Prefer not to say	5%

Tenure	
Freeholder	2%
Leaseholder	12%
Secure tenants	80%
Temporary Accommodation resident	5%
Not known	1%

For guidance and support with consultation and engagement visit <https://intranet.croydon.gov.uk/working-croydon/communications/consultation-and-engagement/starting-engagement-or-consultation>

3.3 Impact scores

Example

If we are going to reduce parking provision in a particular location, officers will need to assess the equality impact as follows;

1. Determine the Likelihood of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the likelihood of impact score is 2 (likely to impact)
2. Determine the Severity of impact. You can do this by using the key in table 5 as a guide, for the purpose of this example, the Severity of impact score is also 2 (likely to impact)
3. Calculate the equality impact score using table 4 below and the formula **Likelihood x Severity** and record it in table 5, for the purpose of this example - **Likelihood (2) x Severity (2) = 4**

Table 4 – Equality Impact Score

Severity of Impact	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
	Likelihood of Impact			

Key

Risk Index	Risk Magnitude
6 – 9	High
3 – 5	Medium
1 – 3	Low

Table 3 – Impact scores

<p>Column 1</p> <p>PROTECTED GROUP</p>	<p>Column 2</p> <p>LIKELIHOOD OF IMPACT SCORE</p> <p>Use the key below to score the likelihood of the proposed change impacting each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 3</p> <p>SEVERITY OF IMPACT SCORE</p> <p>Use the key below to score the severity of impact of the proposed change on each of the protected groups, by inserting either 1, 2, or 3 against each protected group.</p> <p>1 = Unlikely to impact 2 = Likely to impact 3 = Certain to impact</p>	<p>Column 4</p> <p>EQUALITY IMPACT SCORE</p> <p>Calculate the equality impact score for each protected group by multiplying scores in column 2 by scores in column 3. Enter the results below against each protected group.</p> <p>Equality impact score = likelihood of impact score x severity of impact score.</p>
Age	1	1	1
Disability	1	1	1
Gender	1	1	1
Gender reassignment	1	1	1
Marriage / Civil Partnership	1	1	1
Race	1	1	1
Religion or belief	1	1	1
Sexual Orientation	1	1	1
Pregnancy or Maternity	1	1	1

4. Statutory duties

4.1 Public Sector Duties

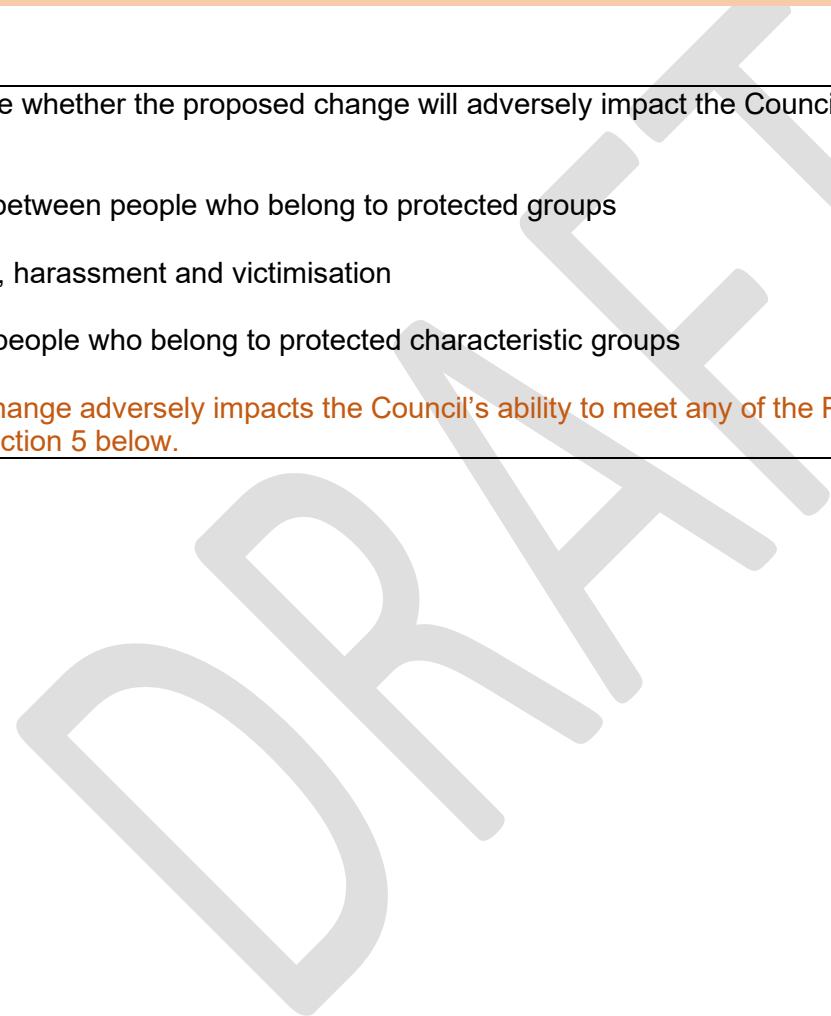
Tick the relevant box(es) to indicate whether the proposed change will adversely impact the Council's ability to meet any of the Public Sector Duties in the Equality Act 2010 set out below.

Advancing equality of opportunity between people who belong to protected groups

Eliminating unlawful discrimination, harassment and victimisation

Fostering good relations between people who belong to protected characteristic groups

Important note: If the proposed change adversely impacts the Council's ability to meet any of the Public Sector Duties set out above, mitigating actions must be outlined in the Action Plan in section 5 below.



5. Action Plan to mitigate negative impacts of proposed change

Important note: Describe what alternatives have been considered and/or what actions will be taken to remove or minimise any potential negative impact identified in Table 1. Attach evidence or provide link to appropriate data, reports, etc:

Table 4 – Action Plan to mitigate negative impacts

Complete this table to show any negative impacts identified for service users and/or staff from protected groups, and planned actions mitigate them.

Protected characteristic	Negative impact	Mitigating action(s)	Action owner	Date for completion
Disability	None anticipated			
Race	None anticipated			
Sex (gender)	None anticipated			
Gender reassignment	None anticipated			
Sexual orientation	None anticipated			
Age	None anticipated			
Religion or belief	None anticipated			
Pregnancy or maternity	None anticipated			
Marriage/civil partnership	None anticipated			

6. Decision on the proposed change

Based on the information outlined in this Equality Analysis enter **X** in column 3 (**Conclusion**) alongside the relevant statement to show your conclusion.

Decision	Definition	Conclusion - Mark 'X' below

Equality Analysis

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No major change	Our analysis demonstrates that the policy is robust. The evidence shows no potential for discrimination and we have taken all opportunities to advance equality and foster good relations, subject to continuing monitoring and review. If you reach this conclusion, state your reasons and briefly outline the evidence used to support your decision. Engaging with residents about the options for the future of Regina Road is an opportunity to ensure that homes for those living on these ate are fit for purpose and provide equal and equally accessible housing provision and services across all protected characteristics. The consultation has been an opportunity to make significant enhancements in these areas where provision is currently lacking. We have facilitated consultation in a variety of methods (online, face to face, independent advisors) so that all residents are able to contribute. We have also offered to provide consultation materials in different formats or languages if required.	Yes
Adjust the proposed change	We will take steps to lessen the impact of the proposed change should it adversely impact the Council’s ability to meet any of the Public Sector Duties set out under section 4 above, remove barriers or better promote equality. We are going to take action to ensure these opportunities are realised. If you reach this conclusion, you must outline the actions you will take in Action Plan in section 5 of the Equality Analysis form	No
Continue the proposed change	We will adopt or continue with the change, despite potential for adverse impact or opportunities to lessen the impact of discrimination, harassment or victimisation and better advance equality and foster good relations between groups through the change. However, we are not planning to implement them as we are satisfied that our project will not lead to unlawful discrimination and there are justifiable reasons to continue as planned. If you reach this conclusion, you should clearly set out the justifications for doing this and it must be in line with the duty to have due regard and how you reached this decision.	No
Stop or amend the proposed change	Our change would have adverse effects on one or more protected groups that are not justified and cannot be mitigated. Our proposed change must be stopped or amended.	No
Will this decision be considered at a scheduled meeting? e.g. Contracts and Commissioning Board (CCB) / Cabinet		Meeting title: Date:

7. Sign-Off

Officers that must approve this decision		
Equalities Lead	Name:	Date:
	Position:	
Director	Name:	Date:
	Position:	

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Appendix 1

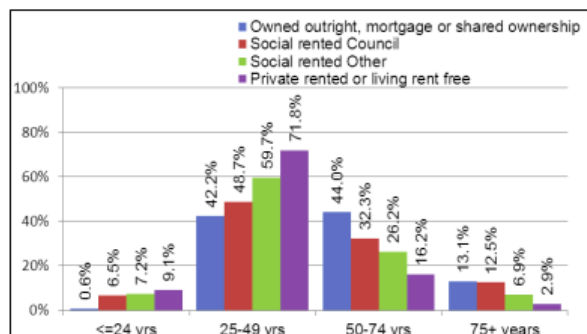
Croydon Council has a social housing stock of approximately 13,500 properties (61% flats, 39% street properties). In addition, there are also approximately 2,500 leaseholders. The information we hold about our residents in relation to protected characteristics is incomplete. Whilst we have insight into the age, sex and race / ethnicity of our tenants and leaseholders, information in relation to disability, sexual orientation and other protected characteristics is not available to us. Therefore, we need to draw on data that is available via Croydon Observatory to draw some conclusions about the profile of residents living in our homes.

Age

We know the age of 95% of our customers (13607/14345). The majority of the missing 5% are tenancies held for many years (going back to early 1970's) so are most likely to be older/elderly. We know that 4.4% are aged between are 20-29, 15.6% are 30-39, 19.4% 40-49

Age	20-29	30-39	40-49	50-59	60-69	70-79	80+
%	4.4%	15.6%	19.4%	25.0%	17.7%	10.8%	7.1%

Figure 1 - Tenure type by age bands in Croydon in 2011



Source: ONS, Census 2011, Table DC4201EW

Figure 1 - Tenure type by age bands in Croydon in 2011 Source: ONS, Census 2011, Table DC4201EW.

Race

We know the ethnicity of 78.3% of our customers (11236/14345). Again, where there are gaps, these are for the longer held tenancies.

Ethnicity	Asian	Black	Mixed/multiple	White	Other
%	9.2%	37.9%	4.2%	46.2%	2.5%

The Croydon population continues to grow from long-term international migration and 34.6% of the population is made up of non-UK born residents according to ONS 2020 estimates. Croydon has a higher proportion of residents from Asian/Asian British, mixed or multiple ethnic groups, Black/African/Caribbean/Black British and other ethnic groups compared to the national average. proportion of Asian and Black residents in Croydon has been increasing since the 2011 Census. The proportion of White population was predicted to decrease by almost 10% by 2021. Source: GLA 2016 Housing-led projections by ethnicity.

Gender

Records are held for 14343/14345 = 99.99% of our customers as follows:

Female	67.0%
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Equality Analysis

Male	33.0%
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Disability

We hold disability information for housing applicants and for council tenants but much of this data is held in “free text” fields making it difficult to analyse and is not easily extractable from our housing tenant database. Currently we This figure accounts for just 5% of our customers. Looking to other data for insight there is not one comprehensive figure that can give a true picture of the total number of people with a disability in Croydon. The 2011 Census figures showed that 14.1% of the population in Croydon had their day-to-day activities limited to some extent by a long-term health problem or disability. 22,493 people had their day-to-day activities limited a lot, whilst 28,134 had their day-to-day activities limited a little.

We know that since 2008, our major adaptations team in housing have carried out 1556 adaptations to council properties. On top of that figure would be any level access showers installed via the decent homes program, plus any adaptations carried out before 2008.

Social value

According to the borough profile 2018 Croydon is the bottom third (220th most deprived authority out of 336 district authorities) for the Education, skills and training domain. Social housing is often associated with the council’s more deprived residents, so social value can provide key benefits to this group of residents in a number of ways, including: employment opportunities for local and disadvantage people, improved skills for local people or those facing barriers to employment and improved employability of young people.

Deprivation

There remains geographic inequality in the distribution of deprivation in the borough with the North and East of the borough remaining more deprived than the South. Ref [Borough Profile \(croydonobservatory.org\)](http://croydonobservatory.org) Dec 2021 81% of Council owned homes are in areas identified with high levels of social deprivation, (Indices of Multiple Deprivation Decile 1-3). Four Places have large concentrations of social deprivation. These are in Addington, Broad Green & Selhurst, Shirley, and Waddon.

Sexuality

We have significant gaps in our data concerning sexual orientation in respect of council tenants, housing applicants and homeless households. Equality and Human Rights Commission guidance on this protected characteristic is to collect it where relevant, ONS produced its Integrated Household Survey for the calendar year of 2014 with its mid-year population estimates. By applying the London average to the Croydon population it was estimated that there were about 9,800 people in Croydon who would have identified as being gay, lesbian or bisexual.

Equality Analysis

Social deprivation

81% of Council owned homes are in areas identified with high levels of social deprivation, (Indices of Multiple Deprivation Decile 1-3). Four Places have large concentrations of social deprivation. These are in Addington, Broad Green & Selhurst, Shirley, and Waddon. According to the borough profile 2018 Croydon is the bottom third (220th most deprived authority out of 336 district authorities) for the Education, skills and training domain.

Working adults

Based on the ONS annual population survey for the calendar year 2020, only 5.0% of Croydon's resident population aged 16-64 years had no qualification. Adults from a White ethnic background in Croydon in the 2011 Census were more likely to have no qualifications than adults from any other ethnic background. Over a half (51.4%) of the residents from the Asian community had level 3 and level 4 qualifications which was the highest proportion compared to the other ethnic communities.

Housing

According to the 2011 Census, 60% of all Croydon 145,000 households were owner occupied, 20% were private rented and 18% were households living in social housing. Social housing in Croydon is mainly concentrated in the northern parts and the eastern edge of the borough. Census 2011 showed that in the east, the former wards of Fieldway, (now New Addington North), and New Addington, (now New Addington South), had the highest proportions of social housing (council homes and other) with 60.6% and 42.2% respectively

Gender identity

We have significant gaps in our data concerning gender reassignment; however, recent improvements in our data collection methods will address this gap over time, however we will only collect this data where relevant to service delivery.

Language

The Census 2011 showed that 14.5% of people in Croydon had a language other than English recorded as their main language. The majority could speak English well but around 1 in 6 of this group (17.2%) amounting to 2.5% of the total Croydon population at the time could not speak English well or at all. Residents are able to request that information is provided in different formats or alternative languages to ensure that that they are able to understand information relating to the consultation. This provision will continue through the project and will be especially important in the event of a resident ballot.

Equality Analysis

Sexual orientation

We have significant gaps in our data concerning sexual orientation in respect of council tenants, housing applicants and homeless households. Census data provides an good estimate of the diversity of religious belief in Croydon.

Marital status

We do not hold marital status data for around one in three council tenants.

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