

**For general release**

<b>REPORT TO:</b>	<b><i>Streets, Environment &amp; Homes Scrutiny Sub Committee</i></b> <b><i>20 July 2022</i></b>
<b>SUBJECT:</b>	<b><i>Sustainable Communities, Regeneration &amp; Economic Recovery Overview</i></b>
<b>LEAD OFFICER:</b>	<b><i>Nick Hibberd, Corporate Director, Sustainable Communities, Regeneration &amp; Economic Recovery</i></b>
<b>CABINET MEMBER:</b>	<b><i>Mayor Jason Perry, Executive Mayor</i></b> <b><i>Cllr Jeet Bains, Cabinet Member for Planning &amp; Regeneration</i></b> <b><i>Cllr Scott Roche, Cabinet Member for Streets &amp; Environment</i></b>
<b>PERSON LEADING AT SCRUTINY COMMITTEE MEETING:</b>	<b><i>Nick Hibberd, Corporate Director, Sustainable Communities, Regeneration &amp; Economic Recovery</i></b>

<b>ORIGIN OF ITEM:</b>	The Scrutiny Sub-Committee will receive an overview of the Sustainable Communities, Regeneration & Economic Recovery Directorate to assist in work programming for the rest of the year.
<b>BRIEF FOR THE COMMITTEE:</b>	This report provides an overview of the Sustainable Communities, Regeneration & Economic Recovery Directorate to inform the development of the Committee's work programme including: <ul style="list-style-type: none"><li>• Key priorities for the year</li><li>• Budget</li><li>• Performance</li><li>• Key risks and mitigations</li></ul>

## **1. EXECUTIVE SUMMARY**

1.1 The Sustainable Communities, Regeneration and Economic Recovery Directorate aims to make Croydon cleaner, greener and safer, a place of opportunity and economic recovery for all who live, work and visit.

The focus of this directorate is to:

- ensure the safe and effective delivery of the vital regulatory duties the Council has in terms of planning, building control, licensing, highways and

parking services, independent travel, trading standards and environmental health.

- safeguard vulnerable people at risk of violence and anti-social behaviour.
- facilitate the delivery of new strategic and sustainable regeneration proposals, drive the economic recovery of the borough post covid and offer skills development opportunities for local people.
- safeguard and manage the public realm and the many beautiful parks and open spaces in the borough, promote place making and;
- develop the Council's cultural offer for the Borough of Culture 2023, including the museum, libraries, music and arts and leisure services.

1.2 The Directorate is organised into 3 main services areas:

- **Planning & Sustainable Regeneration** comprises Building Control, Development Management, Spatial Planning, Growth Zone, Regeneration, Strategic Transport & Employment Skills & Economic Development.
- **Culture and Community Safety** is made up of Culture, Leisure, the Museum and Libraries; the Violence Reduction Network; and Croydon Music and Arts.
- **Sustainable Communities** is made up of Highways & Parking Services, Environment and Waste management, Parks and Open Spaces, Environmental Health, Private Sector Housing, Trading Standards & Licensing, and Independent Travel Services.

1.3 Not all of the service areas within the Directorate fall under the remit of the Streets, Environment & Homes Scrutiny Sub Committee. This report focuses on providing a brief introduction and overview of those aspects of the Directorate that relate to the Streets and Environment elements of the terms of reference of this Scrutiny Sub Committee, namely the built environment, planning policy, public realm, transport, highways and streets, green and clean, the environment, climate change and sustainability, flood risk management.

## 2. KEY PRIORITIES FOR THE YEAR ACROSS THE DIRECTORATE

2.1 The Directorate has the following priorities relating to Streets and Environment for 2022/23, which are subject to review over the coming months to ensure that work is aligned to the emerging priorities of the Executive Mayor:

- Convene stakeholders, developers, investors and Croydon's diverse communities to create economic opportunity for all through good work and tackling inequalities.
- Develop sustainable communities, planning and sustainable regeneration policies and strategies including action on climate change. Use our statutory powers to enable growth, development and investment as well as use them to retain heritage assets and preserve the uniqueness of the borough.

- Deliver high quality Planning and Building Control services which respond quickly and appropriately to meet the needs of developers, businesses and homeowners.
- Deliver key projects in the metropolitan centre, including the development of the Whitgift centre and wider town centre regeneration, working with partners including Greater London Authority, Transport for London, Croydon Local Partnership, the Metropolitan Police, Croydon BID and others to ensure the centre remains a safe, usable and vibrant destination for visitors which is attractive to residents, visitors and investors now and in the future.
- Work with regional and central government to unlock funding, investment and growth. Creating district centres that are vibrant, well-used places where people and businesses want to be.
- Work with key partners to ensure that the borough has high quality public places and parks that all our residents can enjoy.
- Drive improvements, efficiencies and added value from our waste, recycling, leisure, highways, and street lighting PFI contracts whilst exploring new service models and ways of working.
- Lead on the delivery of the carbon neutral action plan to achieve the council's ambition of being carbon neutral by 2030
- Deliver high quality universal services that keep the borough clean, green and safe.

### **3. KEY FACTS AND FIGURES**

#### **3.1 Refuse, recycling & street cleansing**

- Over 1.3million individual waste and recycling collections made each month from:
  - 131,000 kerbside households. 22,204 communal households.
- Over 40 waste collection rounds deployed on a daily basis. Over 138,000 tonnes of household waste collected each year, of which
- Recycling performance 2020-21 – 41.3% (current 2021-22 recycling rate c.44%) This performance represents the 6th highest Local Authority recycler in London Over 57,000 tonnes of separated recyclable and compostable waste collected each year, of which over 22,000 tonnes is garden waste.
- Over 500 kg of residual (non recycling) waste created per household per year. Over 800 bulky waste collections carried out each month. Over 3,000 new waste containers delivered each month.
- Over 777km of public highways swept and cleansed each week.

#### **3.2 Park & Open Spaces**

- 127 parks and green spaces. Croydon is in the top 7 London boroughs for distribution of green spaces in relation to total borough size. The borough has a diversity of habitats, ranging from ancient woodland and chalk grassland to urban parks and blue spaces, which host locally and nationally important flora and fauna. This includes 75 Sites of Importance to Nature

Conservation, 5 Local Nature Reserves, 2 Sites of Special Scientific Interest and 1 National Nature Reserve. With this wealth of important natural resource, it is incumbent on the council to manage and protect these spaces for the benefit of people and for nature.

- There is an estimated 5.5 million recreational visits to Croydon Council managed green spaces per year. This includes nearly 2.7 million 'active' visits which equated to an estimated £33.7m in welfare gains in 2018. For the health and wellbeing benefit of all our residents, it is vital that the council supports access to, and use of, these well-maintained spaces.

### 3.3 Highways

- 726km of Roads, 945km of footways, 28,863 streetlights, 63 bridges, 30,000 road gullies, 3500 soakaways.
- 33,000 on street trees.
- Estimated backlog of repairs c86m. Capital budget is c15m this year of which 3m is from TfL for contribution to bridge works.

### 3.4 Parking

- Off street we have 18 car parks which hold approximately 1400 parking spaces
- 22 Controlled Parking Zones around the borough
- 31 civil enforcement officers working - 7am-11pm Monday-Saturday and Sundays 9am-5pm.
- 26 school streets operational with 12 planned for 22/23 and a further 13 subject to funding. This would put the council in the top quartile in London
- Emission based pay and display and permits. Free one hour parking in 9 local and district centres and we have 2 locations where it is 30 minutes free.

### 3.5 Planning

- Croydon is a busy Local Planning Authority when benchmarked against other London boroughs. On the basis of government returns which record only certain types of applications, Croydon is the 8th busiest of 33 London authorities with 2,696 applications. However, if all applications are considered which includes conditions discharge, tree works and advertisements, the numbers rise to over c.5000 p/a.
- The approval rate is 68% which is the second lowest in London
- Planning appeals % allowed – Croydon are the 4<sup>th</sup> most successful of 33 London authorities
- Householder appeals % allowed – Croydon are 17<sup>th</sup> most successful of 33 London authorities.
- The borough currently has an up to date development plan with the existing Local Plan and South London Waste Plan, both are under review to ensure the statutory requirement of an up to date development plan is maintained.

## 4. **DIRECTORATE'S FINANCIAL POSITION AND BUDGETARY RISKS**

- 4.1 The SCRER directorate continues to deliver significant savings and service improvements as part of the Croydon Renewal Programme. The gross expenditure budget for 22/23 is £104m, and the net budget for 22/23 is £26.5m,

with savings to be delivered of £12.4m, with growth of £7.4m. There is a significant capital programme of £45m for 2022/23.

- 4.2 SCRER directorate generates significant levels of income, particularly within the Planning, Highways and Parking, and Sustainable Communities divisions. The socio-economic conditions post covid are creating an uncertain environment on which these income levels are predicated with fewer major applications, declining town centres and high streets and a reduction in commuting. This has led to an under recovery of income in the 2021/22 budget and could lead to budget pressures in 2022/23 across income generating teams, particularly in parking services.
- 4.3 The Sustainability and Climate Emergency priority will require a significant reduction in carbon emissions through levers such as extending the roll out of electric vehicle charging points and promoting active travel initiatives.
- 4.4 COVID restrictions in 2021 meant we saw a continued loss of parking income due to downturn in footfall/traffic within the borough. Despite restrictions lifting, the income has not yet significantly improved and this reflects the societal change where working patterns have now changed on a semi-permanent basis (COVID restrictions requiring increased working from home) and the shift to accessing retail and other services online. In addition, there have been some delays in implementing the Healthy Neighbourhood and School Streets programmes, which has also impacted our ability to recover enforcement income. This means that there is a risk that the parking income target for 2022/23 will not be met.
- 4.5 The Council applied to renew its Landlord Licensing scheme in 2021/22 to the Department of Levelling Up, Housing and Communities (DLUHC). In the 2022/23 Budget process the Council budgets for income to be delivered from the scheme in this financial year. However, the scheme was rejected by the Secretary of State for LUHC due to the lack of a Housing Strategy, one of the requirements for the scheme. The development of the Housing Strategy is being progressed but has not yet been completed due to the many other pressures in the Housing Service and the delivery of the Housing Improvement Plan and it also requires a review of the Council's policy for Landlord Licensing. This will result in the risk of non-delivery of the income target within the 2022/23 budget.
- 4.6 A number of services in the directorate are sensitive to inflation, particularly related to rising fuel/energy prices that could cause pressures for suppliers and/or service delivery.
- 4.7 There are new legislative burdens that the council will need to implement and respond to. Significantly, the Fire Safety Act and Building Safety Bill, which will mean the council has far greater responsibility for building safety; and the new Protect Duty that gives the council greater Counter Terrorism duties particularly in the context of sensitive buildings, sites and events.

## **5 Priorities for Improvement in the Directorate:**

- 5.1 An Improvement Plan is being developed for the Sustainable Communities, Regeneration and Economic Recovery Directorate. Some key improvement

projects have already been identified and are outlined below:

- **Town Centre Regeneration.** Town Centre Governance and area-based approach. The creation of a town centre governance model that provides a coordinated and cohesive response to the regeneration and management of the town centre.
- **Improvement in the Planning Service.** Planning services across the country are facing recruitment challenges. This, with Croydon's level of development, volume of applications, development requirements set by the London Plan 2021 and regeneration ambitions, mean that the service needs improvement, development, and probably additional resource. A review by the Planning Advisory Service (PAS) will help to inform appropriate resourcing levels and service improvements, particularly in respect of technology, increase approvals rates, reduce appeals, increase efficiency of enforcement activity, and better manage hostility to new development.
- Executive Mayor Perry made a clear manifesto pledge in the 2022 pre-election period to revoke the Croydon suburban design guide supplementary planning document (SPD2). The Mayor has indicated this pledge is to ensure new development respects character, is led by design over density and improves the quality of future development. A report was presented to Cabinet on 22 June which sets out the basis for the revocation for consideration by Council following Cabinet.
- The Levelling Up and Regeneration Bill, which includes a number of proposed legislative changes for the plan making process, which will need to be given regard as part of the continued work on the Local Plan Review. Proposals include simplifying and standardising the process for local plans so that they are produced more quickly, digitalising the system to make local plans easier to find, understand and engage with and are easier for communities to influence.
- **Improvement of waste collection and street cleansing.** Executive Mayor Perry has outlined 'Clean up Croydon' as one of his priorities, including improving street cleaning and refuse collection through effective contract management and enforcement against fly-tippers. The general graffiti removal service will be reintroduced and the grass cutting regime increased.
- The performance of the refuse, recycling and street cleaning service provider is below contract performance thresholds. The three key areas are missed residential collections, repeat missed residential collections and delivery of wheelie bins. The service provider has received a Service Improvement Notice under the formal contract escalation process. This requires the service provider to take action to remedy and provide a detailed Service Improvement Plan. The service providers performance and improvement plan are monitored through the monthly monitoring framework. The South London Waste Partnership contract for waste collection is a 24 year contract with an initial 8 year term with an option to extend by a further two 8-year terms (8+8+8yrs). The contract is approaching the end of its first term and the partnership and boroughs will consider options for extension of this contract or future service provision. A commissioning strategy is provisionally scheduled for October 2022.

- A review of the Neighbourhood Safety Officer and enforcement services is underway in line with the budget proposals agreed in March 2022.
- **Parking Services.** This programme will consider how to develop a new parking service, including new parking policies that achieve our statutory objectives and support both our Carbon Neutral and economic recovery objectives. All parts of the service are in scope and efficiency, for example more automated payments, will be a key part of improvement.
- **Building Control.** The project will address the building control service's need for transformation to ensure that it continues to meet its current and new statutory obligations. Local authority building control services struggle to compete for qualified building surveyors with the private sector that can cherry pick lucrative simple work. This is making it ever harder for the service to meet its fee income targets. New obligations under the Building Safety Bill will increase local authority duties and responsibilities, with unknown budget implications.

## 6. OTHER KEY RISKS FOR THE DIRECTORATE

- 6.1 **Energy costs** – our street lighting consumes a significant amount of energy over the year, and whilst the council is undertaking a trial with set dimming regimes. Energy price inflation is creating budget pressures.
- 6.2 **Fuel (petrol & diesel)** There has been a significant increase in the cost of fuel - this has been exacerbated by the conflict with Russia and the Ukraine. The councils supply chain partners are raising concerns regarding the contract mechanism to agree contract inflation / indices.
- 6.3 **Building Control** The lack of skilled and appropriately experienced building surveyors who wish to work in local authority Building Control teams. This is an issue throughout the country but is particularly acute in London. The need to maintain a continuous 24-hour Dangerous Structure Rota puts a particular strain across the service, with a workforce who are increasing in age and few young people wishing to enter the profession. The new regulations being brought in by the government with more onerous capability requirements is driving older and less qualified staff to retire and this is exacerbating the shortage of appropriate staff.

## 7. UPCOMING NATIONAL POLICY CHANGES AND THE IMPACT ON THE COUNCIL

- 7.1 The **Levelling-up and Regeneration Bill** seeks to empower local leaders to regenerate their areas with measures covering devolution, planning and local government finance reforms. As well as seeking to deliver against some of the ambitions set out in the Levelling Up White Paper, it also incorporates some of the proposals for planning reform outlined in the earlier Planning for the Future White Paper (August 2020), where those proposals support the governments approach to Levelling Up. The final content of the Act, including the transitional arrangements, will have a direct impact on the scope, budget requirement and programme for ensuring the borough has an up to date development plan.

- 7.2 The new **Building Safety Bill** was published in July 2021 and is progressing through Parliament will bring new duties and responsibilities to Local Authorities both as a building owner and as a Building Control team. A key part of these changes will be the new Building Safety Regulator which will allocate work on high-risk buildings thus removing the ability of developers/contractors to choose their preferred Building Control body. The Building Safety Regulator has stated that work should in the first instance go to Local Authorities rather than the private sector. We have been advised that it would be total fee recovery, however in view of the increased enforcement duties that are proposed, and that these are not fee chargeable, this will create a pressure.
- 7.3 The **Environment Act** was passed into law on 10th November 2021. Defra explained that the Environment Act will help the “transition to a more circular economy, incentivising people to recycle more, encouraging businesses to create sustainable packaging, making household recycling easier and stopping the export of polluting plastic waste to developing countries”. The Environment Act gave ministers the power to introduce a range of waste reforms such as extended producer responsibility (EPR), consistent collections and a deposit return scheme (DRS). There have been ongoing consultations regarding the EPR, DRS and consistent collection.

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**BACKGROUND DOCUMENTS:** None