

For General Release

REPORT TO:	CABINET 16 August 2021
SUBJECT:	Post Covid Vision for the Town Centre
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CABINET MEMBER:	Councillor Oliver Lewis Cabinet Member for Culture and Regeneration
WARDS:	Fairfield & Addiscombe West (in part)

SUMMARY OF REPORT

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

COUNCIL PRIORITIES

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

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

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

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

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

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

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

FINANCIAL IMPACT

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

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

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

Cabinet are recommended to agree:

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

2. EXECUTIVE SUMMARY

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

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

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

3. BACKGROUND

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

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

The CLP Perspective and CLP Partner Update

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

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

CLP Proposed Next Steps

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

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

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

DEVELOPING A NEW COLLABORATIVE VISION

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

Advisory Town Centre Board

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

Croydon Town Centre Community Collective

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

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

Croydon Urban Room

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

PLANNING CONTEXT

Croydon Local Plan Review

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

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

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

Class E and Permitted Development (PD)

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

REGENERATION AND CULTURAL CONTEXT

Borough of Culture

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

Croydon's Evening and Nighttime Economy Plan

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

Croydon Town Centre Regeneration and Recovery Plan

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

sense of ownership.

Growth Zone

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

Employment, Skills & Economy

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

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

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

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

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

Phase 4 Additional Restrictions Grant

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

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

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

CURRENT WHITGIFT LAND OWNERSHIP, CPO LEGACY AND LAND TRANSFER

Current Whitgift Land Ownership

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

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

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

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

CPO legacy matters

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

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

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

Land Transfer

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

Clause 11 discussions

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

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

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

4. CONSULTATION

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

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

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

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

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

5.2 The effect of the decision

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

5.3 Risks

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

5.4 Options

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

5.5 Future savings/efficiencies

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

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

6. LEGAL CONSIDERATIONS

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

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

7. HUMAN RESOURCES IMPACT

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

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

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

8. EQUALITIES IMPACT

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

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

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

9. ENVIRONMENTAL IMPACT

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

10. CRIME AND DISORDER REDUCTION IMPACT

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

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

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

12. OPTIONS CONSIDERED AND REJECTED

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

13. DATA PROTECTION IMPLICATIONS

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

(Heather Cheesbrough Director of Planning and Strategic Transport)

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

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

(Heather Cheesbrough Director of Planning and Strategic Transport)

CONTACT OFFICER:

Heather Cheesbrough Director of Planning and Strategic Transport

APPENDICES TO THIS REPORT:

Appendix 1 – Summary of events 2013 – 2018

BACKGROUND PAPERS

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

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

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

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