

REPORT TO:	Cabinet 6th July 2022
SUBJECT:	Town Centre Regeneration and the Levelling Up Fund
LEAD OFFICER:	Nick Hibberd, Corporate Director of Sustainable Communities, Regeneration & Economic Recovery Heather Cheesbrough, Director of Planning & Sustainable Regeneration
CABINET MEMBER:	Mayor Jason Perry, Executive Mayor of London Borough of Croydon Cllr Jeet Bains, Cabinet Member for Planning & Regeneration
WARDS:	Fairfield, Addiscombe West, Broad Green

SUMMARY OF REPORT:

Croydon's Levelling Up Fund bid seeks to bring external funding that will deliver infrastructure investment that will help in the wider regeneration of Croydon's Town Centre. This supports the Executive Mayor's manifesto commitment to put the Town Centre development back on track, bringing in much needed investment to provide a mixed use of jobs, homes, retail, education and culture.

Croydon Town Centre continues to face one of the most challenging periods in its economic history. Despite Croydon's many strengths the impact of COVID-19 (coronavirus), and the national decline in retail destination shopping has contributed towards a failure to deliver major redevelopments like that proposed for the Whitgift Centre and has led to a decline in footfall and resident satisfaction in the Town Centre. There is a need to secure investment in the Town Centre which will realise long term held ambitions to create a vibrant town centre that matches the needs of Croydon residents and businesses.

This report summarises Croydon's Levelling Up Fund bid that was submitted on the 6th July 2022 and which aims to realise long term held ambitions to actualise infrastructure investment, regeneration and placemaking in the town centre.

FINANCIAL IMPACT:

If successful Croydon's Levelling Up Fund will bring c.£20million of infrastructure investment into Croydon Town Centre, which will create positive changes to Croydon's transport infrastructure and public realm. This will support the Town Centre's economic recovery which will have a positive impact on the Council's finances in the longer term.

KEY DECISION REFERENCE NO.:

This is a key decision as defined in the Council's constitution.

RECOMMENDATIONS:

The Executive Mayor, in Cabinet, is recommended to:

- I. Note the submission of a Croydon Levelling Up Fund bid, following the announcement of Round 2 on 23 March 2022. The outcome of the bid will be reported directly to the Executive Mayor when announced.
- II. Subject to a successful bid, agree to delegate authority to the Corporate Director of Sustainable Communities, Regeneration & Economic Recovery to enter into any relevant funding agreement with the Government, in consultation with the Director of Legal Services and Croydon's Section 151 Officer
- III. Subject to a successful bid, agree to the implementation of all projects within the Levelling Up Fund programme as summarised in item 3 and Appendix 1.
- IV. Note that the implementation of projects will be subject to the Council's assurance framework, including the Growth Zone Board and approved by the Corporate Director for Sustainable Communities, Regeneration and Economic Recovery in consultation with the Croydon's Executive Mayor, Council's S151 Officer and the Corporate Management Team.

2. The Regeneration of Croydon Town Centre and the role of a Levelling Up Fund Bid

- 2.1 The Croydon Town Centre Levelling Up bid seeks to physically transform the town centre and act as the catalyst to reimagining it as a place of significant community and local pride through a number of infrastructure and public realm projects to reconnect and revitalise Croydon's streetscape. The bid seeks to deliver a series of carefully designed public realm improvements to stitch key town centre destinations back together and provide an interconnected network of beautiful neighbourhood streets that provide continuous passage throughout the town centre. Streets will be recalibrated to allow people to navigate seamlessly along safe, green and pleasant routes between the retail core, the South End restaurant quarter, East Croydon station, West Croydon station and its specialist independent shops, Old Town and the Minster. Central to the bid is the delivery of a new civic square for the Fairfield cultural

complex which will connect with the newly revamped Queen's Gardens and adjacent Surrey Street Market venues and bars to bring together a wider town centre offer, allowing ease of movement to and from East Croydon station with its adjacent Ruskin Square quarter consisting of 2m sq ft of new prime office space, shops and homes.

- 2.2 The Vision for the bid is to *'Reconnect, Refresh, Revitalise and Regenerate'*. The bid focuses on creating the right conditions in the town centre to deliver a thriving and prosperous place and to allow it to be greater than the sum of its parts by reconnecting cherished destinations with new audiences, communities and customers to provide a varied and dynamic offer.
- 2.3 The bid seeks to optimise on the regenerative potential of Croydon's world class education and cultural offer which is underpinned and informed by its unique local vibe; of music, art, entrepreneurialism and attitude and, by providing a quality physical environment, it is anticipated that people will want to come to Croydon, spend time and invest. This will also help position Croydon as the start-up location of choice and the place for culture, technology and innovative enterprises to thrive and help residents secure significant new learning and employment opportunities.
- 2.4 The repair of the fractured townscape will also help in the establishment of a vibrant town centre neighbourhood for the growing new residential community, who can safely and enjoyably explore and experience new concepts in leisure and retail which are slowly evolving in parallel through wider regeneration proposals.
- 2.5 It is anticipated that the projects within the bid will be both catalytic and add value to the regenerative proposals Croydon Limited Partnership (CLP) are seeking to deliver in the Whitgift. Discussions with CLP continue following the stalled redevelopment of the Whitgift Centre, and a revised approach to the overall regeneration of the Town Centre is being developed. The bid projects will complement these future plans for a wider and broader regeneration.
- 2.6 The projects have also been developed to help address the serious crime and anti-social behaviour that has long defined Croydon town centre, with hotspots in key areas. The public realm improvements have been specifically designed to address failures in the urban fabric which are significantly contributing to crime.
- 2.7 The projects have been carefully prepared to ensure that they deliver to the fund criteria, are deliverable within the funding period, and add value to new and proposed Town Centre development and regeneration projects.

Collectively these projects will deliver 21st century infrastructure and public realm for Croydon Town Centre.

- 2.8 Now more than ever it is imperative that Croydon takes advantage of societal changes to attract inward investment of new employers and businesses back into the Town Centre who see the opportunity of fantastic regional connectivity, a growing town centre population, a strong education offer and an environment that meets people's cultural, leisure and education needs, underpinned by improved public realm, and infrastructure.

The key objectives of Croydon's Levelling Up Fund Bid are:

- **Economic growth:** Working together with local businesses to improve shop fronts, increase footfall and turnover, diversify the high street economy, and tackle vacancy with new uses and initiatives; Increasing productivity and economic output by making it easier for businesses to trade, access suppliers and employees; Securing inward investment in an attractive and accessible place; Improving the flow of people and goods into and out of the town centre bus, tram and taxi access and delivery and customer access for businesses;
- **Levelling-up:** Improving access to jobs, education, local facilities and opportunities to level up social mobility and quality of life outcomes; Providing a liveable place for a growing residential community, as well as for those who work in and visit Croydon; Prioritising the access and safety of vulnerable road users; Supporting new housing and jobs;
- **Revitalising the Town Centre;** Creating a Town Centre that is a destination and neighbourhood of choice, that is an exemplar of good design and beauty which prioritises people and activities over vehicles. Croydon Town Centre will be vibrant providing a broad and rich mix of uses, throughout the day and evening, attractive for all ages and demographics, is safe and is perceived as safe and an environment that is green, biodiverse, with sustainability at its heart.
- **Decarbonising transport and adapting to climate change:** Making investments that support safe pedestrian access, promote public transport use, reduce congestion-related emissions and improving the infrastructure for all road users.

- 2.9 Appendix 1 sets out Levelling Up Background and Criteria

3. The Bid content and development

- 3.1 The bid is founded upon strategic visioning work for the Town Centre over the last 12 years, starting with the preparation of the Opportunity Area Planning Framework (OAPF) and five masterplans which identified areas of change and developed in consultation with TfL, GLA and local communities. An Infrastructure Funding Study provided infrastructure requirements and costs, which evolved into the Growth Zone. The five masterplan areas are the focus of the various bid projects, with interventions designed to create connections between the different town centre areas, to enhance their character and to improve legibility.

- 3.2 The North South structuring axis created by North End, High Street and South End, which links the key destinations of West Croydon station, the retail core, Surrey Street market and South End Restaurant will be punctuated with targeted environmental improvements whilst George Street and Church Street, forming the East West axis will be celebrated as bustling commercial streets with improvements designed to entice arrivals and spend from East Croydon station down into the retail core and the Old Town. The Park Lane and Wellesley Road barrier will be transformed into a green public transport corridor.

These interventions are provided in more detail below;

1. Fairfield Public Realm Scheme: a new civic square, centrally located and providing outdoor performance opportunities for Croydon's iconic cultural venue.

2. Walking and Cycling: Severance caused by main roads and conditions for pedestrians and cyclists in the town centre will be improved to realise the significant potential to shift demand from motorised modes for shorter distance journeys. Public safety will be improved and negative perceptions addressed by blocking up of subways with the reclaimed space used for tree planting and landscaping and the creation of surface level crossings. Dedicated cycle highways will be delivered on the three main roads leading into the town centre along with a comprehensive network of quieter routes on low traffic residential roads and neighbourhoods.

3. Public Realm improvements: To help address the serious crime and anti-social behaviour prevalent in the north of the town centre, in part caused by failures in urban form, public realm interventions will be co-designed with local traders, community groups and other stakeholders around West Croydon station. Opportunities to improve wayfinding between the South End Restaurant Quarter, Surrey Street Market and the North End shops will be co-designed with local traders to identify the most appropriate public realm interventions for supporting trade, encouraging footfall and dwell time.

4. **Bus Priority:** Working with TfL, initial designs have been prepared to provide high quality bus priority in central Croydon. Bus priority schemes are however, long-term propositions and much of this work is beyond the lifetime of the bid, therefore Croydon Council will continue to work with TfL to deliver through other funding streams.
 5. **Tackling Air Pollution:** The projects facilitating active travel and public transport will help with tackling air pollution, as well as moving towards ending reliance on non-renewable energy sources to help achieve the Council's target of being carbon neutral by 2030. Community concerns in respect of behaviour change are frequently informed by the lack of choice and safety concerns in making a modal shift, however the bid proposals seek to deliver on the missing connections and links that facilitate safe and continuous routes for active travel and public transport.
- 3.3 An illustrative bid slide deck demonstrating the linkage of the different areas of the town centre, together with the plan of interventions and illustrative sketch images are included in Appendix 2.
- 3.4 Croydon's Levelling Up Fund bid has submitted the costing of the projects as outlined below:

Connected Croydon	Cost
1) Fairfield Public Realm Scheme	£11.8m
2) East Croydon	£0.5m
3) Wellesley Road	£1.4m
4) West Croydon	£0.7m
5) Old Town Liveable Neighbourhood	£3.9m
6) South End to North End	£0.7m
Total:	£19.9m

- 3.5 Croydon's LUF bid is required to provide 10% match funding, this has been met through a combination of Growth Zone, Capital funding, TfL, GLA and s106 funding. Funding from other partners and developers may come forward during the lifetime of the bid, if successful and this will help extend or upgrade the projects within the bid.

4. CONSULTATION

- 4.1 Consultation has been undertaken with key partners and politicians, notably Croydon College, John Ruskin College, London South Bank University, Croydon Business Network (which includes the Business Improvement Districts, FSB, Chambers of Commerce), Safer Croydon Partnership Board, Croydon Culture Board, CVA, Creative Enterprise Zone Steering Group, Croydon Limited Partnership, The Home Office and DWP, TfL, GLA and Croydon Members of Parliament.

As a result, letters of support are being prepared.

5. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 5.1 The recommendations of this cabinet report have been made with particular consideration to the criteria and timings of the second phase of the Levelling Up Fund.

6. OPTIONS CONSIDERED AND REJECTED

- 6.1 Alternative options to the submitted Connected Croydon programme were considered. These included:

- **Not submitting a bid for the Levelling Up Fund**
This was rejected as it would not realise an opportunity for proactive regeneration and investment for the borough.
- **Creation of new projects designed to support the Town Centre Regeneration**
This was rejected as it would not be possible to deliver new regeneration projects in the current financial year and therefore would not fulfil the criteria of the Levelling Up Fund.

7. PRE-DECISION SCRUTINY

- 7.1 This item has not been to a Scrutiny meeting for a pre-decision debate due to the urgent measures needed to submit the bid in sufficient time. However, officers will request scrutiny over the governance, management and development of the Connected Croydon programme should the bid be successful.

8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 8.1 The Levelling Up Fund is a competitive fund, with funding distributed based on successful project selection. Each bid can submit for up to £20m of capital funding to support priority projects. Projects will be prioritised if they are able

to demonstrate deliverability on the ground in the 2022-23 financial year and it is expected that all funding will be spent by 31 March 2025. Croydon's submitted bid is £19.9m. The award of LUF investment would have a significant, positive impact on Croydon's regeneration programme.

1. The guidance to support 'levelling up' bids require at least a 10% match which can be made up from public and private funding. At this stage in the process, the bids are giving a high level of indication of the likely match funding which will be available to support proposals. The proposed Croydon bid is looking at a range of match funding to support the bid, including Growth Zone, capital funding, TfL and private sector which will need to be finalised as soon as practicable.
2. If successful, Croydon's match funding would be the subject of a further capital additions report for approval by the Executive Mayor.

The programme will be delivered with strict adherence to the financial governance policy of the Council

3. The full financial details and business cases would need to be considered in further detail and where appropriate, decisions made to support these if any of the bids were successful to the next stage in the process.
4. Administration and delivery costs would be borne by the LUF projects, with the potential for LUF to fully cover the recruitment of project management personnel.
5. To submit a viable LUF bid for Croydon, which meets all the bidding criteria, Croydon Council commissioned the preparation and writing of the bid to external consultants, Inner Circle Consulting, at a cost of £28,322.08. This was funded by the Regeneration feasibility budget.

8.2 The effect of the decision

The decision will enable the submission of a bid that if successful delivers a programme of investment in the transport and public realm infrastructure that realises long term ambitions to level up Croydon's economy.

8.3. Risks

There is a reputational risk that despite Croydon Council's best intentions this bid is not successful. It is important to note that this is a highly competitive process.

8.4. Options

Alternative projects were considered and rejected, this was because the projects were not developed sufficiently to initiate spend and deliverability to fit the criteria of the fund and therefore would not have constituted a successful bid.

The option of not submitting a bid was also considered but it was decided that this did not reflect the ambition of the Council to invest and deliver in town centre regeneration.

8.5. Future savings/efficiencies

If the bid is successful, it will initiate a programme that invests in Croydon Town Centre's infrastructure which will help bring new private sector investment into the town. This will help to support future savings and finances for the Council. All costs for the programme are outlined in the submission of the bid.

Approved by: Gerry Glover, Head of Finance – Sustainable Communities, Regeneration and Economic Recovery

9. LEGAL CONSIDERATIONS

1. The Government has issued guidance for Levelling Up Fund bids which sets out eligibility criteria (Appendix 1). The Council must follow the application guidance and the technical guidance, as well as any other updated guidance and any relevant funding agreement(s) entered if the bid is successful.
- 2 The technical guidance includes subsidy control guidance, which must be followed. From 1 January 2021, an interim UK subsidy control regime has replaced the EU State aid scheme which will no longer apply to the UK. All funding administered by a public authority must take account of subsidy control obligations. As part of this compliance, DLUHC requires all applicants to confirm if the LUF award has the potential to constitute a subsidy, and where it does, explain how that subsidy can be provided compliantly (the application could otherwise be rejected). Where relevant, applicants are responsible for ensuring appropriate legal agreements are in place with project partners, with adequate clawback provisions to protect public funds should it be later

found that the rules have not been followed correctly or awards have been made based on incorrect or misleading information. Public authorities are required to record how the terms of any award meet the appropriate subsidy control laws, including how they are delivered. For record keeping purposes, all public authorities will be required to record and submit information on any subsidies awarded, in accordance with international transparency requirements.

- 3 Individual projects will require legal support in relation to relevant contracts and consents. Where relevant, project related contracts will need to be procured in accordance with the Council's Tenders and Contracts Regulations and Public Contracts Regulations 2015. Where relevant, planning permission and any other relevant consents should be sought.

Approved by Kiri Bailey, Head of Commercial & Property Law, on behalf of the Interim Director of Legal Services & Deputy Monitoring Officer

10. HUMAN RESOURCES IMPACT

- 10.1 If successful the delivery of the Connected Croydon programme will require additional staffing in Sustainable, Communities, Regeneration and Economic Recovery.
- 10.2 To ensure the staffing requirements are met these will be managed under the Council's Recruitment Policy. If any other HR issues arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Housing Directorate and Sustainable Communities, Regeneration and Economic Recovery, for and on behalf of, Dean Shoesmith, Chief People Officer.

11. EQUALITIES IMPACT

- 11.1 Covid 19 and the decline in retail destination shopping has had an unprecedented impact on Croydon's town centre economy, both on businesses, workforce and residents, we acknowledge that this has exacerbated inequalities, where some parts of our communities are disproportionately impacted for the short, medium and long term. The Council has been acutely aware of the disproportionate impact that this can have on

particular demographics, such as older residents and those with pre-existing health conditions or disabilities.

- 10.2 Both the pandemic and the cost-of-living crisis have had a profound impact on individuals and families who were previously experiencing financial hardship. This may result in previously in debt experiencing more debt along with an increase in economic struggle generally resulting from job losses which arose as a result of the pandemic. This has been exasperated by the lack of financial support during the pandemic afforded to people working with zero hours contracts. Proposals to increase employment, education and retail outlets are likely to have a positive impact on individuals suffering from financial hardship and mental health illness as a result of the economic struggle. Consideration should also be given to the social value of projects on residents in the borough in respect of employment, education, and training.
- 10.3 Proposals to increase the number of homes in the borough are likely to have a positive impact on residents who are currently experiencing homelessness along with those in poor housing conditions. Again, having a positive impact on mental health illness exasperated by Covid 19 and the economic downturn.
- 10.4 The reduction of congestion will have a positive impact on older people, younger people and disabled people with conditions such as asthma which are exasperated by carbon emissions.
- 10.5 Increased safety in the town centre will prove beneficial for people affected by crime and fear of crime including: women, young people, ethnic groups including asylum seekers and the LGBTQ+ community.
- 10.6 The Levelling Up Fund is designed to invest in infrastructure that improves everyday life across the UK. This infrastructure should be mindful of the needs of disabled people or those with mobility challenges.
- 10.7 Croydon's Connected Croydon bid has been designed to improve transport and public realm in a way that encourages investment and regeneration that "levels up" opportunity for Croydon's residents and businesses. It also drives a green economy and active travel
- 10.8 An equalities impact assessment will be submitted as part of the bid and additional equality analysis will be carried out on all workstreams.

Approved by: Denise McCausland – Equality Programme Manager

12. ENVIRONMENTAL IMPACT

The funding bid and resulting programme, envisaged within this report seek to support achievement of Croydon Climate Crisis Commission key recommendations:

- '2. Driving a green economic recovery'
- '3. Greening our Neighbourhoods: Promote public transport and active travel to become the natural first choice'; and
- '5. Achieving the scale of change'

12.1 Transport for London has identified Croydon as the borough with the greatest potential for both walking and cycling with over 400,000 motorised trips (mostly being made by car) each weekday, being readily cyclable if conditions are put right, with that potential focussed into (and on) the Town Centre.

12.2 Of the estimated 1.08 million tonnes CO2 emitted in Croydon in 2019, the second largest source (after domestic heating/lighting etc (49%)) was Transport (29%). Helping people to choose to walk and to cycle is critical to addressing the climate crisis, the inactivity and resulting obesity and health crisis facing Croydon, and to help address levels of locally important air pollutants.

13. CRIME AND DISORDER REDUCTION IMPACT

13.1 If the Connected Croydon LUF bid is successful, Croydon Council will work with partners to ensure that the public realm and transport elements of the programme support the reduction of crime and anti-social behaviour within the borough.

13.2 In order to ensure partners, have full insight of the outputs and developments of the programme, the Safer Croydon Partnership will be invited to assess and input into the development and implementation of the nine projects.

13.3 The Safer Croydon Partnership acts as the statutory Crime and Disorder Reduction Partnership (CDRP) for Croydon, as stipulated by the Crime and Disorder Act 1998.

13.4 The LUF bid fits into the Community Safety strategy priorities, in particular, "*Focus on high priority neighbourhoods*".

Approved by: Christopher Rowney, Head of the Violence Reduction Network (VRN)

14. DATA PROTECTION IMPLICATIONS

14.1 There were no data protection implications that needed to be considered in the submission of the bid.

14.2 If Croydon's LUF bid is successful data would be managed under the guidance of Croydon Council's Information Management procedures and policies.

Approved by Heather Cheesbrough, Director of Planning and Sustainable Regeneration

CONTACT OFFICER: Carol Squires, Head of Employment, Skills & Economic Development, 07944 600228

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

YES/NO

No – this project does not involve processing personal data.

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

YES/NO

A DPIA has not been completed as this bid will not be processing personal data.

CONTACT OFFICER:

Carol Squires, Head of Employment, Skills & Economic Development, 07944 600228

APPENDICES TO THIS REPORT

<https://www.gov.uk/government/publications/levelling-up-fund-round-2-application-guidance>

<https://www.gov.uk/government/publications/levelling-up-fund-round-2-technical-note/levelling-up-fund-round-2-technical-note#annex-g-a-guide-to-subsidy-control-and-state-aid>

Appendix 1 Levelling Up Fund Bid Summary

Appendix 2 Levelling Up Fund Bid