

**WHAT KIND OF ECONOMY
DO WE NEED IN CROYDON?**

**Croydon Council's Growth Plan
and District Centre Investment;
Growth For All**

**A Commentary with Recommendations
by a Working Party of
Croydon Trades Union Council**

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Croydon TUC
Ruskin House
23 Coombe Rd
Croydon, CR0 1BD
www.croydontuc.org.uk
assistantsecretary@cwuslnh.org

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EXECUTIVE SUMMARY AND RECOMMENDATIONS

1. The Croydon TUC set up a working party to review the Growth Plan adopted by the Croydon Council Cabinet on 14 July with a view to assessing to what extent it forms the basis of a sustainable local diverse economic development policy capable of being resilient in the face of future economic changes, will contribute to reducing the inequalities and social deprivation experienced by many residents, and **will** improve the quality of life for existing residents, their children and new residents who move into the Borough.
2. This paper is the outcome of the Working Party's considerations, and is submitted to Councillors in the hope that it will have some influence on the development of the Growth Plan especially the next set of papers to the Cabinet on 15 September.
3. Since 2006 when Croydon's Conservatives took control of the Council, Britain's economy has been based on a neo-liberal agenda dominated by the needs of the finance industry and property development. With the banking crisis of 2008 Britain entered into a period of austerity especially after the formation of the Conservative/Liberal Government in May 2008. That Government has embarked on austerity measures involving cutting benefits, reducing public expenditure especially through local authorities, and further privatisations. Croydon's economy has suffered during these years with the loss of thousands of jobs and growing inequalities, with social deprivation being particularly concentrated in the North and in Fieldway and New Addington in the South. The Conservative Council's approach to economic development was to encourage property development with only 15% provision of 'affordable' housing in residential developments. It also put a great deal of faith in the potential benefits from the Westfield/Hammerson redevelopment of the Whitgift and Centrale shopping centres.
4. The new Labour administration elected in May this year has taken the first steps towards developing a new economic approach through the adoption of the Growth Plan and District Centre Investment: Growth for All report at the Cabinet on 14 July. This Plan is a first step. Further detail will be considered by the Cabinet on 15 September. The Croydon TUC decided to set up a working party to look at the Growth Plan to assess whether it was likely to be achievable given the national economic context and the particular way in which Croydon's economy is working.
5. The Working Party is concerned that while the Vision in the Plan is admirable, a set of contradictions are likely to prevent it being achieved. It is particularly concerned that forces outside the Council's control such as private developers rental and sale prices, the increasing role of private landlords, the continuing effect of the austerity measures, will simply increase the inequalities and largely benefit newcomers to Croydon rather than existing residents who have a wide variety of needs which are not being met.
6. The report examines these issues in detail and explore ways in which the Plan can be strengthened. It also takes into account the strongly held negative views among many Croydonians, especially among the disaffected working class. The Working Party examines:
 - the risks involved in relying on property development as a motor for 'regeneration
 - developing a policy that seeks to create a diverse, resilient economy
 - the need for more detailed analysis to ensure a better understanding of employment and social deprivation
 - the threats from other areas where modern offices are being developed e.g. Gatwick Airport area
 - the claims made re the benefits of the Westfield/Hammerson scheme and the need for more detail to be provided by them
 - the danger of relying too heavily on retail and other low wage job creation
 - the growth in residential rents in new private apartment developments
 - the problems associated with so-called 'affordable' housing
 - the need to work with employers which are committed to paying trade union rates or at least the London Living Wage, that the right of their workers to be members of trade unions
 - the development of a Council direct labour building department to work on the Council's new build housing projects
 - the pros and cons of Living Over the Shop schemes in District and local centres
 - the exploitation of workers in the night-time economy
 - the growing stresses faced by Croydonians living in the dense parts of the Borough, especially the North in relation to noise, transport, over development, car parking, litter and rubbish.
 - the complex nature of youth unemployment
 - the need for improved apprenticeship provision for young people
 - the pros and cons of having a University campus
 - the digital divide
 - the pros and cons of the development of Croydon as a Tech City
 - the job creation potential of recycling waste

- the advantages of supporting businesses which are member owned (mutuals), social and community enterprises
- the need for a Council purchasing power plan to improve support for local businesses
- the importance of understanding the inter-relationship between local heritage, culture and arts and the local economy
- the importance of involving local people in the decisions affecting their neighbourhoods
- equalities issues affecting particularly women, BME communities and others
- the links between the development of the Growth Plan and the findings and recommendations of the Fairness Commission
- how the millstone of the CCURV development vehicle with J. Laing could be turned to a more positive way of support starter and small businesses
- the potential economic role of Council building assets in the Town Centre
- the importance of having a green environmental perspective in the Plan
- issues that the Council should be campaigning and lobbying on
- The Working Party has made a series of recommendations which seek to strengthen the Plan and improve the Council's ability to make effective interventions - set out below.

Recommendations

- (1) that the Council should consult the Centre for Local Economic Strategies about its views on developing a resilient economy.
- (2) that the Growth Plan should include a set of principles, which should include the following based on the Centre for Local Economic Strategies ideas on components for a resilient economy.
- (3) that there should be a detailed analysis of the loss of jobs and the sectors they were in.
- (4) the publication of an updated version of the Economic Bulletin.
- (5) that the Director of Public Health and other appropriate Officers be asked to carry out an analysis of the social-economic changes in Fieldway and New Addington Wards starting with the analysis carried out for the start of the Neighbourhood Renewal programme in the Borough, setting out what the benefits were, the factors that may have held back further improvement, the current challenges and the programmes and policies currently being implemented into two wards with a view to submission to a future Cabinet meeting and to the Fairness Commission.
- (6) that a more detailed analysis by LSOAs and enumeration districts be carried out of the 2011 statistics for each ward.
- (7) that Cabinet members should ask the Officers whether in drawing up the Growth Plan they took into account the conclusions and recommendations of the URS Office, Industrial and Warehousing Land/Premises 2010 final and 2013 review reports and how these are reflected in the Plan, and that if Cabinet members are not happy with the Officers response to insist they be briefed with a view to relevant recommendations in the URS report being included in the next stage of the Growth Plan documentation.
- (8) that the Council seek to amend the membership of the Coast to Capital LEP so that local authority representation is based on population numbers.
- (9) that the Council explore ways to involve the Croydon Tech City movement and the Croydon social economy sector in advising the Council's representatives on Local Economic Partnerships.
- (10) that the Council encourage cross links with the South London Partnership and Wandle Forum in relation to the economic development potential along the river valley linked to the Regional Park proposal and environmental improvement priorities.
- (11) that the Croydon Partnership Town Centre Impact Assessment of the proposed redevelopment of the Whitgift/Centrale shopping Centres be made available for public scrutiny before any detailed planning application is approved.
- (12) that the Council should require the Partnership to address the following questions in the Impact Assessment:
 - What will happen to existing businesses when the property they rent is demolished - will they be offered temporary re-location at reduced rent?

- Given the massive investment in new buildings what will be rental cost of the new shop floor space and business rates be compared with current levels?
 - Will existing businesses be able to move back into new premises if rentals and business rates are substantially higher?
 - How many jobs in existing businesses could be lost if they have to close because of the redevelopment?
 - How many of the promised non-building construction jobs will be in retail?
 - What is the average wage of retail workers? How many of Croydon's existing retail workers have to claim benefits to have a living income?
 - How much of the current profits of retail businesses, especially the national chains, are subsidised by state benefits to their workers?
 - Given the amount of empty office space in Croydon is there really a need for more office space?
 - What will be the nature of the 5,000 promised jobs: full-time, part-time, zero hours contracts; and the potential low pay level for the retail jobs? Will the Partnership require in its rental agreements that employers pay at least London Living Wage, recognise trade unions, and not use zero hours contracts?
 - How the rise in property values in the Town Centre since outline planning permission has affected the economic calculations on which the 15% 'affordable' homes was calculated, to see if there is scope for a higher %?
 - What is the risk analysis to retail shopping centres from the growth in internet shopping?
 - What are the estimated rise in rentals and business rates in the new Centre?
 - Given the existence of many empty units in the existing two Centres how can new businesses be attracted bearing in mind there will be higher rental and business rates to be paid?
 - What support will be given to help maintain existing businesses that may collapse when they have to move out of the Centres as part of the redevelopment?
 - Will the Partnership agree to honour the right of free assembly, processions, etc on the public way through the development?
 - What changes in the economy might lead to the mothballing of the project?
 - What skills apprenticeships will be offered to young people?
 - Will Westfield end its off-shore tax base so that profits from the redevelopment are fed into the British economy?
- (13) that the Council should negotiate with Croydon Partnership to include as a requirement in the retail and leisure business letting agreements on units in the new Centre that employers pay at least London Living Wage to their employees, to require their contractor labour suppliers to pay at least London Living Wage, and that all employees and contract labour will have rights to belong to trade unions without penalties.
- (14) that action should be taken to either close down the bed and breakfast establishments it has been using, or to negotiate with other local authorities not to use them.
- (15) that the Council should explore whether it and housing associations can lease the units of 'affordable' homes in new private developments, and rent them at social rents to those in housing need.
- (16) that the Council establish a Direct Labour Building Department to carry out its house building programme.
- (17) that the Council only use private building contractors for its new homes programme which recognise trade unions, have not been involved in blacklisting trade union activists, pay trade union recognised wage rates, and have an apprenticeship programme that will take on local young people.
- (18) that the Council investigate helping to establish building workers co-operatives.
- (19) that priority be given to finding new build sites for new Council homes in the areas of the South of Croydon which have low population densities.
- (20) that it be an objective of the Council to try and ensure that Council housing once again becomes a form of tenure for all social groups, and not just for those experiencing inequality and social deprivation.
- (21) that the Council adopt a planning policy that prevents the creation of ghettos of tenants of 'affordable homes' in private developments.
- (22) that the development of district and local centre policies should examine the advantages and disadvantages of public and private Living Over the Shop schemes and conversion of office units above shops to residential, in the light of the increase in population and the potential generation of rubbish

and car parking problems, and develop policies which maximise the economic and social benefits and minimise the contribution to increasing stresses in these areas.

- (23) that the development of district and local centre and Town Centre policies should examine the possibilities of moving non-residential users of former housing and of converting office space above shops in the Town Centre to social housing use, by developing schemes to help businesses move to empty office blocks.
- (24) that discussions should begin soon with residents and other organisations in areas like Norbury, South Norwood and New Addington with a view to establishing joint committees of them and local Councillors to oversee the planning and implementation of expenditure on local regeneration.
- (25) that consideration should be given to using any Council owned empty or underused office blocks or purchasing blocks for letting to small and starter businesses.
- (26) that a travel to work analysis should be undertaken on the numbers of people coming into Croydon to work and the number of Croydonians going out of Borough to work, the analysis to include ward level so as to ascertain whether there are particular problems facing people living in the more deprived wards.
- (27) that discussions be held with local employers, the Job Centre and employment agencies, to develop improved ways in which Croydon residents can improve their chances of being employed in jobs in the Borough.
- (28) that the Growth Plan be amended to reflect the greater complexities of reducing unemployment among those with no or few low qualifications.
- (29) that the Council should adopt a policy that it will only work with employers who are prepared to pay at least London Living Wage, have not been involved in blacklisting trade unionists, recognise trade unions and encourage their employees to join trade unions.
- (30) that the Council examines whether the idea of funding employers to take on apprentices as in the Walsall Works programme could be implemented in Croydon.
- (31) that the Council should engage with the LGA/IPPR Apprenticeships project in order to be in a position to take quick action on any implementable recommendations.
- (32) that in the negotiations with potential Universities to set up a campus in Croydon the Council should include the issues of the nature of the jobs to be provided and their pay levels and student demand for housing.
- (33) that the negotiations with potential Universities should include discussions with the trade unions which represent different staff groups.
- (34) that the negotiations with potential Universities should include discussions over the way in which the University brings added value benefits to Croydon, perhaps through the establishment of a Centre for Croydon Affairs.
- (35) that the Growth Plan should measures to reduce the digital divide, such as building broadband access into the proposed new 800 Council homes and the two blocks being leased for housing homeless families.
- (36) that the Council review the LGA report *Transforming local public services using technology and digital tools and approaches* as part of further developing its role and support for the digital industry in Croydon.
- (37) that the Council should only support those digital firms that are prepared to employ staff on proper employment contracts, pay trade union rates, insist that contractors carrying out e.g. cleaning services for them, pay at least the London Living Wage, and recognise staff right to joint trade unions.
- (38) that Growth Plan should include reference to the Sustainability partial review consideration 'Increase recycling and composting and reduce domestic, commercial, and dumped and fly-tipped waste going to landfill.' There is scope for the development of recycling projects which would reduce the amount of material collected by the Council or other waste contractors, such as the collection of used cooking oil to turn into bio-fuel.

- (39) that as part of the Growth Plan the Council should investigate the possibilities of job creation in increasing waste recycling, including through collecting commercial waste in ways that enables recycling.
- (40) that support and guidance should be offered to businesses on how they can recycle themselves, collectively or through the establishment of social or community enterprises.
- (41) that there should be a full analysis of the 'social' sector of Croydon's economy.
- (42) that the Council should offer to facilitate the formation of a network of 'social' economy organisations in the Borough to enable them to contribute collectively to the future development of Croydon's economy.
- (43) that if there are adverse financial penalties involved in ending the Library management contract that consideration be given to the Council buying for a token monetary value the not-for profit Carillion subsidiary and turning it into a staff mutual, building on the experience being gained from creating the school service mutual.
- (44) that the National Trust be requested to take back the management of Selsdon Woods from the Council.
- (45) that consideration be given to the creation of a Croydon Bank with the Council, Whitgift Foundation, the local housing associations, and other not-for profits committing themselves to open accounts.
- (46) that if it is not possible to re-create direct labour street cleaning and refuse collection, consideration be given to ways in which worker co-operatives can be established to take over the street cleaning and refuse collection contracts?
- (47) that support for co-operative and co-ownership housing schemes be examined through e.g. leasing or asset transferring empty and redundant Council buildings to them for conversion?
- (48) that a purchasing power plan be drawn up listing:
- (a) the types of purchases and their value
 - (b) where they are currently sourced
 - (c) whether there are local suppliers who can meet the Council's need
 - (d) what action will need to be taken to assist the development of local suppliers including manufacturing products?
- (49) that the Growth Plan should take into account the need to ensure that:
- all new residential buildings have high levels of internal and external noise insulation.
 - the increase in higher densities in some parts of the Borough does not increase the noise levels in the streets.
- (50) that given there are serious shortcomings in the protection of the Borough's heritage, as heritage is an important element of the nature of different places, the Cabinet should consider convening a day long event to explore what can be done involving the local history and amenity societies, residents associations, and individuals involved in activity on the history of their neighbourhoods, as part of the preparation of Place Plans.
- (51) that the issue of protection of the historic environment should be a major element in the analysis of Environmental assessment of new developments under para 9.1 of the Growth Plan.
- (52) that sample Place Surveys be carried out as part of the preparation of Place Plans in neighbourhoods representing the typically most affluent, average and most deprived ones in order to obtain some insight into current attitudes about the quality of life, neighbourliness and civic participation.
- (53) that the Sustainability review considerations suggestions:
- to promote growth of creative industries and development of centralised hub to support creative businesses;
 - to support temporary use of vacant buildings and sites for creative/cultural activity;
 - to ensure that all communities have access to leisure and recreation facilities
- should be examined as part of the Growth and the Places Plans.
- (54) that the Equalities Impact Assessment be made publicly available immediately.

- (55) that the Equalities Impact Assessment should analysis the likely effects on women, young people, BME residents, the 50+ age group, the long-term unemployed and those with health problems.
- (56) that the Growth Plan as adopted in September 2014 and any subsequent refinements should re-examined in the light of the conclusions and recommendations of the Fairness Commission.
- (57) that the Scrutiny Committee hold a public investigation into the economic effects of the CCURV project.
- (58) that consideration be given to trying to turn CCURV to more positive uses as a vehicle that will provide employment workspace that is affordable to SMEs, start-up and 'social' economy businesses.
- (59) that consideration be given to the financial implications of ending the CCURV contract in the light of the decision of Northumbria Trust that it is financially beneficial to buy out its PFI contract.
- (60) that consideration be given to the applicability of the CLES/APSE recommendations to the role of Council assets in the Town Centre.
- (61) that the Growth Plan should include a section on Greening the Economy.
- (62) that the Council and the Croydon TUC jointly investigate the feasibility of setting up a local equivalent to the Furzedown Low Carbon Zone project.
- (63) that the Council organise a seminar with environmental groups to begin to discuss the environmental aspects of the Growth Plan.
- (64) that the Croydon Labour Group campaign with other councillors in the Labour Party against the Leadership's commitment to maintain the public sector pay freeze, abide by Tory-led Coalition Government's spending plans for one year after the general election and stick to a welfare spending cap for the entire parliamentary term.

CROYDON TRADES UNION COUNCIL

Growth Plan and District Centre Investment: Growth for All

A Commentary with Recommendations by a Working Party

Introduction

1. A key role of the Croydon TUC is to look at broader community affairs. Issues such as unemployment, the type of jobs available, education for work, poverty and inequality, racism, employment rights and housing conditions form part of that role. With the welcome election of a Labour administration for the Council CTUC decided to set up a working party to look at the Growth Plan which was considered by the Cabinet on 14 July (1) and approved by the Council on 15 July, with a view to submitting comments in advance of the next paper on the Plan to the Cabinet on 15 September.
2. While the Plan says that economic development policy cannot be based on 'business as usual', the big question is whether it sets out a new pathway which moves Council policy away from the neo-liberal agenda that has dominated since 2006, especially its reliance on the property development world.
3. The neo-liberal paradigm's dominant characteristics seem to be:
 - Acceptance, even celebration, of the dominance of the finance sector.
 - Support for flexible labour markets (a euphemism for 'weak trade unions').
 - Reliance on so-called 'public service reform' in general, and outsourcing in particular.
 - Prestige development projects.
 - Centrality of property development.
 - Physical re making of London and its neighbourhoods as a safe haven for the global elite.
4. From a labour movement perspective does the Growth Plan move Council policy onto:
 - a more socially just and sustainable basis
 - supporting improved protection for workers in new jobs through negotiating that trade union rights are honoured
 - protecting the loss of employment land to housing development?
5. One of the important aspects of trade unions has been highlighted in a recent report for the Joseph Rowntree Foundation has found that

'There are a range of studies which link the declining importance of collective bargaining and union membership to the growth in the prevalence of low pay. There is also evidence which suggests that union members in the UK receive a wage premium (although this appears to be relatively modest). One cross-national study of the direct link between unionisation and poverty showed that the level of unionisation limited earnings inequality, income inequality and poverty. There are also other areas where unions might also affect low pay and poverty, in particular around better access to training and to family friendly working practices, which might help improve individual earnings over the longer-term.'

(2)

Para 3.1. Our Vision for Croydon

6. The Vision in the Plan is admirable, but that there is a disconnection between it and whether the actual measures outlined will achieve it. At the centre of this disconnection are the following contradictions between:
 - private housing development and the need to provide affordable homes;
 - an emphasis on retail and leisure development which is traditionally low wage, and affordability of housing;
 - putting more homes into the already dense parts of the North as opposed to the less dense parts of the South;
 - the levels of social deprivation and increasing density of population in parts of the North compared with the better off and less dense parts of the South;
 - the need to improve the transport infrastructure to enable Croydon residents to move around compared with the likelihood of it aiding more people Croydon for work making it more difficult for Croydonians to work in the Borough.

A View of Croydon

7. A serious challenge to the Council and those concerned to improve Croydon is how to turn the current high level of negativity about Croydon outside its boundaries and among many of its residents.
8. The accompanying box (Box 1) reflects many views that have been expressed at public meetings and in private conversations. It raises serious questions as to the problems of the quality of life in parts of the Borough.

Box 1: A View of Croydon

'Croydon has not got have enough jobs for all the people who live in it. Central and North Croydon are already overcrowded with people in terms of the transport and car parking infrastructure and rubbish and litter. The railway, road and bus networks are overloaded. The Westfield/Hammerson development will not lift off in the way that the Westfield complexes in Stratford and White City have because of the overloaded transport system. The big employers, whose workers underpinned the retailers in the Whitgift Centre, have left the Borough. Public sector jobs have been cut. As employers cut back on workers and or cut wages there is less money for the local economy.

The projected 16,000 increase in the number of residents will further strain the system with people having to go out of Croydon for work. The building jobs will be short term; and the retail jobs low paid. Attempting to regenerate the neglected district centres could make things worse. The Growth Plan seems to be based on cramming more people in without improvements to the infrastructure. The quality of life has dramatically deteriorated in some of the districts with the increase in population and the further competition to use road space, both in terms of traffic flow and parking. There are not enough schools to meet the needs of children of the growing population. Moving around Croydon is now an uncomfortable challenge. More flats and houses along the London Rd will simply increase the number of residents. Unless there are more jobs there will be an increase in poverty. Proposals to increase the night time economy will add to the existing unacceptable level of noise.

For many long term residents the quality of life has deteriorated so much in the last 5-6 years that more and more are talking about moving out of Croydon. Council officers talk about people wanting to live in South Croydon but are forced to live in North Croydon because they have no other options because of housing costs. The high population turnover, especially in the North leads to disengagement from social and political action, and the danger of increasing racism and xenophobia.

The Council's Growth Plan seems committed to making these problems worse. Instead of a Growth Plan the Council should be adopting a strategy of reducing the population in North Croydon and easing the pressures on the infrastructure.'

9. This statement raises the following questions:
 - To what extent is this a common view held by particularly disaffected working class residents?
 - Is this a true reflection of the state of Croydon?
 - Is it unduly pessimistic?
 - Given unemployment and the large scale exodus elsewhere for work can more reasonably paid and skilled jobs be developed in the Borough?
 - What are the promised new jobs in Croydon to be, where are they to be located, and how are they to be serviced by transport?
 - What other changes are needed to relieve the growing pressures and to improve the quality of life in such a way that people do not feel driven out of Croydon or are forced out by increasing houses prices and rents to do so?
10. **The Riots.** Negative attitudes about Croydon have also been reflected in *The Croydon Advertiser* survey of 300 people 3 years on from the riots. It makes gloomy reading. It concludes that 'the people of Croydon still feel negatively about the town, three years since the riots' and that 'the scars are still evident in the victims, the businesses and the landscape of Croydon itself.' People have made 'it abundantly clear there is still plenty of work to do to lift the town from its post-riots gloom.'
11. Its key findings are:
 - 71% feel there could be another riot on the 2011 scale within the next ten years.
 - 63% agreed or strongly agreed that Croydon's reputation had been irreparably damaged by the riots.
 - 2/3rds believe not enough is being done to help them.
 - 57 per cent of you say you are not proud to come from the town.

One victim 'is now so disillusioned that three years later, he has given up all hope of any form of resolution to his problems.' (3)

12. Part of the problem with achieving change and public support for change are people's perceptions, and whether they think it is worthwhile spending time engaging to achieve change, whether they consider it a waste of time because however well-meaning Councillors are, the forces influencing Croydon are outside their control and influence. This may be a matter that the Fairness Commission will need to consider.

Objectives for the Growth Plan

13. Basing economic development on property development speculation is a risky business. New ways of thinking are required about Croydon's economic development by the private sector, the Council, the rest of the public sector and the NHS, and the community and voluntary sector. The Working Party considers that the Growth Plan's Vision needs to be underpinned by a set of objectives. Some of these could be based on the work of the Centre for Local Economic Strategies (CLES). (4)

14. CLES points out that 'Local economies aren't simply an isolated silo of private sector activity that can be encouraged and shaped. They are made up of a network of social, public and commercial economic activity. These aspects are interconnected and dependent on one another.'

15. It believes 'that local economic development in the UK needs to refocus on 'development' which works within environmental limits, the nature of the place, and fairness rather than just growth for its own sake.' The idea 'assumes that humans and nature are wedded together and evolving together, therefore they should be conceived as one.' It 'allows us to think about a place as a series of interconnected systems with relationships and feedback processes between topography, built environments, use functions, the people and so on'.

16. Resilience 'rejects a notion that systems change in a linear way. '(E)lements within a system are in constant flux, unpredictable and highly complex. Many changes and events occur at very different timeframes and speeds. Traffic jams occur over minutes, stock markets crash over days and weeks, housing markets change over months and years, whilst urban regeneration can take decades. All of this means that the application of resilience is a challenge to a mechanical and linear approach to place making and shaping. Places need to be understood as an interconnected system; the policy application of resilience is a search for qualities and attributes of place which make it adaptable and able to thrive on change.'

17. CLES's work enables us to ask the following questions about Croydon.

- How well has it been able to respond effectively to change and opportunities, whether they be economic, social, political or environmental?
- How well has it been able to withstand economic blows?
- How good is it at learning from more successful action elsewhere?

18. The local economy consists of the commercial, public and social sectors. CLES notes:

- 'The strength of the commercial economy is defined as economic wealth creation generated by businesses that are privately owned and profit motivated.'
- 'The public economy consists of services delivered on behalf of government organisations whether national, regional or local, and funded by the public purse.'
- 'The social economy embraces a wide range of community, voluntary and not-for-profit activities that try to bring about positive local change.'

19. A key question is how do each of these sectors relate to each other in Croydon? There are also other issues that inter-relate: health and wellbeing, environmental limits, local identity, history and context, governance. Local health and well being issues include ill health, quality of life, travel to work and leisure patterns, and the economic geography of the area.

- To what extent has the climate change agenda been integrated through mitigation and adaptation strategies into the local economy?
- To what extent has Croydon been shaped by and how does it manage its identity, history and culture?
- How does national and local governance affect the local economic territory?
- How does Croydon match up to CLES's suggestions of components that make for a resilient economy, as set out in Box 2.

**Box 2: Centre for Local Economic Strategies
Ideas On A Resilient Economy**

A thriving community and voluntary sector - which is able to respond to challenges in order to support vulnerable communities. They can also help ready a locality for change through increasing community capacity and by encouraging local enterprise development through the social sector;

Strong civic engagement - strong participative democracy can be good for your economy. People value the opportunity to live in an area where they have a strong say in how their area is run and feel part of the democratic process;

Strong public sector - a public sector which understands its economic footprint and uses this impact effectively to support local economies through procurement, employment and as a landowner;

A diverse finance sector - there should be opportunities for local people to access a range of financial services in their area, many of which can help to support and encourage local circulation of money (e.g. credit unions and local currency schemes);

High levels of diversity in the economy - in any economy, it's important that there is strong competition and an assumption in favour of sectoral diversity. The public, private and social sectors should work together to actively discourage sacral dependence on any one sector or aspect of that sector;

Effective public services - including transport, education, housing and adult social care, which ensure that the most vulnerable in society are cared for and proactively tackles issues relating to income inequality which can be bad for the local economy. Good services, particularly schools and hospitals, can also be important for helping to build stable local communities;

Closer integration of land use planning with economic development - a high quality environment which attracts people to the area either to work or live, including public green space, sports facilities and emphasis on environmental conservation. This could also include provision of allotments and strong policies on green space in planning;

Strong provision for young people - to encourage the development of a future labour force that can take advantage of the best opportunities for the local economy.

20. There needs to be an independent analysis of the Croydon economy from these perspectives. The Working Party **RECOMMENDS:**

- (1) that the Council should consult the Centre for Local Economic Strategies about its views on developing a resilient economy.
- (2) that the Growth Plan should include a set of objectives based on the Centre for Local Economic Strategies ideas on components for a resilient economy.

21. The Growth Plan states that 'There are 11,000 fewer jobs now than in 2007'. The figure may be higher than that because the Office of National Statistics recorded a fall of 17,5050 (13%) in Croydon's workplace employment between 2008 and 2011, significantly higher than the London average (a fall of 0.8%).

22. The study states that 'Broadly, the labour force structure in terms of occupational groups, qualifications and earnings have not changed significantly since 2010. The loss of employment is thought to be a factor of businesses rationalising their operations and downsizing rather than any change in the labour force size, skillset or functional flexibility than a fundamental change in the competitive position of Croydon.' (5)

23. The Working Party **RECOMMENDS:**

- (3) that there should be a detailed analysis of the nature of the jobs lost in Croydon since 2007.

24. This loss of jobs illustrates the problems of the statistics that underpin the Growth Plan and the lack of description of the nature of Croydon's economy. The Growth Plan needs to be underpinned by an analysis of what the local economy is made up of: office, retail, careering, other leisure, public services, manufacturing, warehousing, etc. The publicly available information in the Economic Bulletin No 2 (Winter 2011/12) on the Croydon Observatory website needs to be up-dated and published. (6) While it indicates which are the employment sectors there is no analysis of the employers in each sector and how many people they employ? Is this information available? The Working Party **RECOMMENDS:**

(4) the publication of an updated version of the Economic Bulletin with more detailed analysis of the nature of employment.

Para 3.2.2. Deprivation

25. In the context of the loss of jobs and housing need the Growth Plan acknowledges the level of social deprivation: ‘Several communities, mainly in the north suffer from high and [persistent levels of deprivation. By focussing attention on these key issues in the northern districts growth will provide much needed opportunities.’ The Plan document does not discuss the complexities involved in social deprivation.

26. At the Children and Young Persons Scrutiny Sub-committee meeting on 22 July, an Education Department officer said that people in South Croydon chose to live there while those in North Croydon are forced to do so. She was not questioned as to what she meant by this. The Working Party assumes that she meant that people moving into North Croydon are forced to do so because of cheaper housing costs compared with areas from where they are coming, and particularly the growing availability of private rented accommodation. This does raise questions about whether the levels of deprivation might increase in the North compared with the South, apart from areas like Fieldway and New Addington.

27. The annual Public Health Report concentrates on health and wellbeing in New Addington and Fieldway, highlighting the positive initiatives being carried out particularly through community projects. (7) Looking at the assets in Fieldway and New Addington is an important part of looking at the strengths and weaknesses of areas officially regarded as ‘deprived’. In 2000 Fieldway was ranked 578 and placed in the worst 10% block of deprived wards, while New Addington was ranked 1,180 and placed in the 20% block. (8) Croydon was given Neighbourhood Renewal status, but a very small budget compared with many of the other 88 designated authorities. It would appear that the interventions possible were not enough to make a significant difference to the adverse effects of other developments. The Economic Deprivation Index ranking showed Croydon’s ranking deteriorated from 140 in 2001 to 109 in 2005 (1 being the most deprived) (9). A study published last year by the Centre at LSE states: ‘For example in Croydon, a highly populated London borough with pockets of extreme deprivation, the Neighbourhood Renewal Fund accounted for only 1% of expenditure, compared with 31% of expenditure in Easington, a small extensively deprived authority.’ (10)

28. While by no means the worst affected London Borough the % change in estimated spending power per capita in Croydon between 2010/11 to 2013/14 was down 18%. At the same time the previous Conservative administration reduced overall spending by 13% between 2009/10 and 2013/14 with substantial changes in the mix:

- Highways and transport services up 31%
- Social care down 14%
- Housing services (GRFA only) down 8%
- Cultural and related services down 39%
- Environmental and regulatory services down 15%
- Planning and development services down 69%
- Central services up 26%

29. This despite building up £ 11,336,000 in unallocated financial reserves. (11)

30. The report to Cabinet on the Living Wage for Croydon states that Croydon ‘is ranked in the 100 most deprived places in the country and 19th out of 32 London boroughs in terms of overall deprivation. It has some wards with low level so disadvantage and others are among the most deprived in England’, and that it faces the challenge of ‘increased deprivation with significant areas of inequality’ (12).’ New Addington and Fieldway remain among the most socially deprived areas of the Borough so while interventions may help families and individuals they do not necessarily fundamentally change the situation facing the majority living there. One of the main reasons for this is the way in which Council housing has become the housing for those most in need. As people move out of New Addington and Fieldway they are replaced by new households classified as ‘socially deprived’. While community self-help and public sector projects can help individuals with their health and wellbeing problems the effects are always going to be limited. There are forces outside their control which help determine where people are in relation to social deprivation. Also there are many people who need much more intensive support than many projects and services can provide. There needs to be a better understanding why it has been so difficult to substantially reduce the nature of social deprivation in these areas. Aspects of this are discussed in Appendix 1. The Working Party **RECOMMENDS:**

(5) that the Director of Public Health and other appropriate Officers be asked to carry out an analysis of the social-economic changes in Fieldway and New Addington Wards starting with the analysis carried out for the start of the Neighbourhood Renewal programme in the Borough, setting out what the benefits were, the factors that may have held back further improvement, the current challenges and the programmes

and policies currently being implemented into two wards with a view to submission to a future Cabinet meeting and to the Fairness Commission.

31. One of the challenges that needs to be discussed and overcome is the lack of sufficient detailed analysis of the 2011 Census statistics on the Croydon Observatory (CO) website. (6). A lot more sophisticated research is needed. The purpose of the CO seems to be to give headline statistics. The categories chosen for inclusion on CO for the smaller areas within each ward (called LSOAs) do not provide a sufficiently nuanced insight into the complexities of the social-economic situation in each Ward, and in particular the differences that may exist between the situations experienced by different ethnic and nationality groups. Nor does it help understanding the differences between the different neighbourhoods in each ward. While the LSOAs are shown on a ward map, it is too small to work out which streets are included, and the Council does not appear to have a list.

32. Further analysis needs to be undertaken for each LSOA as follows:

- (1) Table: Population by age and gender by ethnicity, nationality, tenure, and housing type (houses/flats).
- (2) Table: All people by ethnic group by age, tenure, and housing type.
- (3) Table: Economic activity breakdown by ethnicity.
- (4) Table: People with no qualifications and degree level qualifications by ethnicity, age and tenure.
- (5) Table: Households by housing tenure by ethnicity and by household composition.
- (6) Chart: Poor Living conditions by tenure, age, household composition and ethnicity.
- (7) Chart: People living in houses and living in flats by ethnicity, economic activity breakdown and household composition.
- (8) Chart: Vehicle ownership profile by ethnicity, tenure, economic activity, housing type, household composition.

33. Other categories as in the Ward Overviews need to be provided for each LSOA:

- Occupation Group
- Industry of employment
- Qualifications
- Households containing multiple ethnic groups
- Population by country of birth
- Method of travel to work

34. The way the geography of LSOAs have been put together does not seem to make sense; therefore analysis is also needed into the enumeration districts that make up each LSOA? The Working Party

RECOMMENDS:

- (6) that a more detailed analysis by LSOAs and enumeration districts be carried out of the 2011 statistics for each ward.

Para 3.3. Creating 16,000 More Jobs Across the Borough

35. The Growth Plan expectation is that 16,000 jobs will be created, of which 5,000 will be in retail and leisure as part of the Croydon Partnership development. It is not clear what the other 11,000 jobs will be. If many of them are in construction a high percentage are likely to be short term for the period each new development is built, with the workforce moving on to other projects not necessarily in Croydon. Many of the new jobs will presumably be in new modern offices, the hotels and in cleaning jobs required for these. The latter jobs will be in the low pay category. (13)

36. If the Council wants to ensure there is a good supply of well paid and secure jobs for Croydon residents, then it will also need to protect existing employment land, especially industrial and warehousing. The Growth Plan paper does not appear to take account of the analysis and recommendations about the market assessment for office, industrial and warehousing land/premises reports by URS for the Council (3)(6) The first report made some solid recommendations with regard to safeguarding employment sites and a district centre strategy, and the second some revisions - attached as Appendix 2.

37. The Working Party **RECOMMENDS:**

- (7) that Cabinet members should ask the Officers whether in drawing up the Growth Plan they took into account the conclusions and recommendations of the URS Office, Industrial and Warehousing Land/Premises 2010 final and 2013 review reports and how these are reflected in the Plan, and that if Cabinet members are not happy with the Officers response to insist they be briefed with a view to relevant recommendations in the URS report being included in the next stage of the Growth Plan documentation.

Para 3.3.1. Gatwick Airport

38. The Working Party is not as optimistic as the Council when the latter says 'The expansion of Gatwick Airport is strengthening Croydon's competitive advantage and this will accelerate if a second runway is built at Gatwick.' The move of Nestle from Central Croydon to the Gatwick Airport area shows the potential negative effect. It is therefore vital that the Council plays its full role in the Coast to Capital Local Economic Partnership in order to know the detail of what is happening at Gatwick and elsewhere which could pose a threat to Croydon's economy, as well as seeking to ensure that Croydon benefits from funding channelled through the Partnership.

39. The area encompasses Croydon, West Sussex County, Brighton & Hove, Lewes, and four eastern Surrey districts, involving two county councils, two unitary authorities, 12 district and borough authorities and the South Downs National Park Authority. The area has just under 2 million residents and over 150,000 businesses and organisations. Croydon will however only have one out of 17 members, even though it has a substantially larger population than many of the other member local authorities. The ability of the Croydon representative to influence decisions will therefore be very weak.

40. The development of Gatwick Airport is just one of many potential threats. These include:

- The high level of empty offices across London (11% November 2011). Up to July last year the Shard had signed up no more than 10% tenants after its opening with tenants not moving in until this year. This despite London Mayor Boris Johnson's stating at the opening that it would be a 'commercial magnet'.
- The attraction to many tenants of high rent hot spots like Hammersmith (£47sqf) and Chiswick (£49sqf) over double the cost in Croydon and Gatwick. (14)
- The attraction of the office developments planned for the Vauxhall Nine Elms and Battersea Opportunity Area.

41. The Working Party suggests that there are a number of opportunities and specifically **RECOMMENDS**:

- (8) that the Council seek to amend the membership of the Coast to Capital LEP so that local authority representation is based on population numbers.
- (9) that the Council explore ways to involve the Croydon Tech City movement and the Croydon social economy sector in advising the Council's representatives on Local Economic Partnerships.
- (10) that the Council encourage cross links with the South London Partnership and Wandle Forum in relation to the economic development potential along the river valley linked to the Regional Park proposal and environmental improvement priorities.

Para 3.3.2. Westfield/Hammerson Development

42. Support for the Westfield/Hammerson redevelopment of the Whitgift and Centrale shopping centres remains a centrepiece of the Growth Plan. In January economics commentator Anthony Hilton reminded readers of the fragility of the property development industry and its economic dangers. (15)

43. The Whitgift Centre thrived when there were a large number of workers in offices. With the move of Nestle and others, the job cuts by other employers, the customer base for the Centre has been badly eroded. The previous redevelopment of Centrale completed in 2004 shows how unsustainable developers schemes can be. Whitgift's previous partnership also proved unsustainable. In 2005 using £225m from the Anglo Irish Bank investors bought 75% of the leasehold of the Whitgift Centre from the Foundation, which retained 25%. The investment was controlled by Howard Holdings plc (HH) which went into administration in 2010. HH's administrator will benefit because it is likely from Westfield's purchase of 50% of Centrale from Hammerson is helping to fund the 25% purchase by Hammerson of the lease of the Whitgift Centre. (16) The administrator is no doubt hoping to make a profit on HH's other Croydon developments: Altitude 25, The Exchange and the Bridge. Basing economic development on property development speculation is a risky business.

44. The Working Party has three other major sets of concerns about the emphasis placed on the development:

- the lack of a Plan B if the scheme either does not go ahead, or is not completed on time.
- The low pay nature of most of the 5,000 jobs in retail and leisure, and in cleaning jobs in modern and modernised office blocks coupled with the rising cost of renting housing will leave little disposal income for this workforce to spend in the Centre.
- The difficulties of public transport into Croydon will also make it a less attractive venue than for example Westfield's developments at Shepherds Bush and Stratford where the public transport is very close. The service into West Croydon will need to be considerably improved. The walking distance from East Croydon Station will make the Centre less appealing to visit.

45. It looks as if the proposed development is just another example of narrow thinking that will not help build a resilient local economy that can weather future economic challenges such as the collapse and withdrawal of firms such as Alders and Nestle. What is required is new ways of thinking about Croydon's economic development by the private sector, the Council, the rest of the public sector and the NHS, and the community and voluntary sector as discussed above Paras 13-19.

46. The scheme needs to be assessed in the light of the Government's National Planning Framework announced in early 2012. It instructs planning authorities to 'recognise town centres as the heart of their communities and pursue policies to support their viability and vitality'. Town centres will have to demonstrate their "individuality" and a "diverse" retail offer. Markets have to be enhanced and, where they can be, re-introduced. Bigger developments will require 'impact assessments' to see how they would affect "town centre vitality and viability" - not just now but five years ahead. New Economics Foundation (NEF) suggests that 'in the right hands, an imaginative and far-sighted local council, this is a huge tilt of the balance of power away from the big retailers.' (17)

47. The Working Party **RECOMMENDS:**

(11) that the Croydon Partnership Town Centre Impact Assessment of its proposed redevelopment of the Whitgift/Centrale shopping Centres be made available for public scrutiny before any detailed planning application is approved.

(12) That the Council should require the Partnership to address the following questions in the Impact Assessment

- What will happen to existing businesses when the property they rent is demolished - will they be offered temporary re-location at reduced rent?
- Given the massive investment in new buildings what will be rental cost of the new shop floor space and business rates be compared with current levels?
- Will existing businesses be able to move back into new premises if rentals and business rates are substantially higher?
- How many jobs in existing businesses could be lost if they have to close because of the redevelopment?
- How many of the promised non-building construction jobs will be in retail?
- What is the average wage of retail workers?
- How many of Croydon's existing retail workers have to claim benefits to have a living income?
- How much of the current profits of retail businesses, especially the national chains, are subsidised by state benefits to their workers?
- Given the amount of empty office space in Croydon is there really a need for more office space?
- What will be the nature of the 5,000 promised jobs: full-time, part-time, zero hours contracts; and the potential low pay level for the retail jobs?
- Will the Partnership require in its rental agreements that employers pay at least London Living Wage, recognise trade unions, and not use zero hours contracts?
- How has the rise in property values in the Town Centre since outline planning permission affected the economic calculations on which the 15% 'affordable' homes was calculated, to see if there is scope for a higher %?
- What is the risk analysis to retail shopping centres from the growth in internet shopping?
- What are the estimated rise in rentals and business rates in the new Centre?
- Given the existence of many empty units in the existing two Centres how can new businesses be attracted bearing in mind there will be higher rental and business rates to be paid?
- What support will be given to help maintain existing businesses that may collapse when they have to move out of the Centres as part of the redevelopment?
- Will the Partnership agree to honour the right of free assembly, processions, etc on the public way through the development?
- What changes in the economy might lead to the mothballing of the project?
- What skills apprenticeships will be offered to young people?
- Will Westfield end its off-shore tax base so that profits from the redevelopment are fed into the British economy?

(13) that the Council should negotiate with Croydon Partnership to include as a requirement in the retail and leisure business letting agreements on units in the new Centre that employers pay at least London Living Wage to their employees, to require their contractor labour suppliers to pay at least London Living Wage, and that all employees and contract labour will have rights to belong to trade unions without penalties.

48. The Plan welcomes the building of 9,500 homes as a way of meeting 'the shortages that residents face'. But the quotes in Box 3 from developers and estate agents in the Develop Croydon Forum suggest a different set of outcomes.

Box 3: The Effects of Private Developments (18)

"Impressive new housing developments are under construction and we have penthouses selling well in excess of £1m" - Richard Plant, the Chairman of the Develop Croydon Forum and partner in estate agents Stiles Harold Williams.

"We have a real issue in the mainstream market, in that 80 per cent of houses in London are only affordable by 20 per cent of the population" - London's deputy Mayor Richard Blakeway.

The Saffron development's 'appeal will continue to push rents again during 2014: "buy now - Croydon will not be this pocket friendly for long" - Paul Endacott of estate agents 1st Avenue.

"Saffron Square stands as the yardstick by which other developers will follow and its popularity is hard to ignore... Not just a city crash pad or a pied-a-terre but a lifestyle destination for the cash rich, time-poor busy young professionals looking for a private gymnasium, concierge and café on their complex"; and "is dragging price-savvy tenants" away from areas such as Clapham and Streatham -Paul Endacott of estate agents 1st Avenue)

"Since Saffron Square was launched we have seen a significant increase in demand for high-end homes in the area both from owner occupiers and investors. The development is already achieving some of the best rental yields in Greater London with a waiting list from prospective tenants proving the demand for rental properties in the area" - Berkeley Homes' Justin Tibaldi.

"The Morello scheme was extremely well received during the UK launch in March and also had a successful airing in Singapore and Hong Kong. Menta has already generated £2.5m in sales" - Craig Marks, Mentas's CEO.

"Croydon is exceptionally popular with buyers not only because of the excellent transport links to London but also for its green aspects, including the restored Wandle Park. Croydon is becoming increasingly popular with a range of buyer profiles.... Rental yields can only be expected to rise" with the Whitgift redevelopment' - Gary Patrick, Barratt's London regional sales director.

49. Sold to the public and Councillors as 'regeneration' the effects appear to be an influx of people from outside the Borough who can afford the sale prices and rentals of the new apartments. While there will be a small supply of so-called affordable homes, it will not be enough to meet the needs of the thousands of existing residents who cannot afford to become home-owners and who are finding life in private rented housing more costly and intolerable.

Para 3.5. Private Rents

50. The Growth Plan is based on an assumption that the average monthly private rent level in Croydon was £890 in September 2013. This appeared to be already out of date at the time of the Cabinet discussion having risen to £1,056 (median). By 28 August this had crept up to £1,075pcm, with average rent at £1,112. (19)

51. This rise in private rent levels has serious implications especially in the North of the Borough in terms of:

- affordability and increasing the need for tenants to claim housing benefit, both those in and those not in work;
- a possible increase in people on the waiting list for Council housing;
- an increase in homelessness.

52. Another factor that will influence rising private rent levels are the new developments for renting, including the conversion of redundant office space. These include Criterion Capital's plans to 600 new homes for private rental by October next year at Canterbury House (110 one and two beds private rental), Delta Point (348 one and two bed private rental), 5 Bedford Park (proposed 91 one and two bed private rental units) Durkan's Vertex development will include 20 apartments for private rent. (18)

53. The announcement since the Cabinet meeting that the Council has funding to provide 800 homes for 2,000 people is welcome as adding to the stock of homes at a more affordable level. It should be kept in mind that if the people housed are from the private rented sector, the landlords will re-tenant and the new tenants may then seek to be on the housing register and experience homelessness when landlords refuse to renew their tenancies. So the demands on the Council will continue to remain high and not be reduced.

54. The decision to lease two former office blocks being converted to residential for use by homeless families is understandable given the homeless crisis and the cost of housing them in bed and breakfast, it is putting more families with high needs into already stressed neighbourhoods in the North. The owners of bed and breakfast will seek to replace those taken out by the Council by taking homeless families from other local authority areas. This will simply bring more families under stress into the Borough.

55. The Working Party **RECOMMENDS:**

(14) that action should be taken to either close down the bed and breakfast establishments it has been using, or to negotiate with other local authorities not to use them.

Para 3.5. Affordable Housing

56. While the target for 'affordable homes' in new developments is the 30% pledge in the Labour administration's election campaign, there is no discussion in the Growth Plan on whether so-called 'affordable' homes are actually affordable.

57. It is important to know:

- what have been the rent levels charged on so called 'affordable' homes over the last two years have been and to keep monitoring rent levels in the future?
- how much higher are those rent levels compared with Council and housing association social rent levels?

58. The Working Party is concerned about the Government requirement that new rentals on social housing are to be at 80% of average market rent in the area. As long as private rents increase then the rents the Council and housing associations will have to levy will be unaffordable for many of their tenants requiring them to claim housing benefit. As the new up-market private rent developments in the Town Centre come on stream then the average market rent will continue to rise. Even though the 80% presents serious problems the Working Party **RECOMMENDS:**

(15) that the Council should explore whether it and housing associations can lease the units of 'affordable' homes in new private developments, and rent them at social rents to those in housing need.

59. Now that it is engaged in a significant house building programme, it should follow Islington's lead and establish a Direct Labour Department with an apprenticeship scheme at its heart. While it takes steps to do this it should set down conditions on those private building firms it uses. The Working Party **RECOMMENDS:**

(16) that the Council establish a Direct Labour Building Department to carry out its house building programme.

(17) that the Council only use private building contractors for its new homes programme which recognise trade unions, have not been involved in blacklisting trade union activists, pay trade union recognised wage rates, and have an apprenticeship programme that will take on local young people.

(18) that the Council investigate helping to establish building and maintenance workers co-operatives.

60. It is important that in its quest to build new homes the Council avoids concentrating all its efforts in the increasingly densely populated North of the Borough. The Working Party **RECOMMENDS:**

(19) that priority be given to finding new build sites for new Council homes in the areas of the South of Croydon which have low population densities.

61. To avoid the overconcentration of households suffering from inequality and deprivation in new Council homes the Council should seek to ensure that tenants represent a social mix. The Working Party is appalled by the way in which tenants of 'affordable' homes in private developments are treated as second class citizens. It **RECOMMENDS:**

(20) that it be an objective of the Council to try and ensure that Council housing once again becomes a form of tenure for all social groups, and not just for those experiencing inequality and social deprivation.

(21) that the Council adopt a planning policy that prevents the creation of ghettos of tenants of 'affordable homes' in private developments.

Para 3.6. District and Local Centres

62. The new emphasis on revitalising the district and local centres is welcome. As already suggested above the Working Party is concerned about the increasing stresses being created in district centres in the North of the

Borough as a result of rising population and inadequate infrastructure. It accepts that having empty units over shops is a waste of resources and enables opportunities to increase residential units. If a ground floor shop keeper has empty or underused rooms above then it makes sense to have the Council or a housing association work on a Living Over the Shop scheme to be let at social housing rents. It will help to underpin the economic viability of the shop by decreasing its business rates and increasing its income. However, the refuse collection and car parking implications need to be addressed so as not to add to stresses in the local area.

63. Where a private developer owning the freehold of a shop or a parade of shops with flats above seeks to undertake such a development this is not to the benefit of the ground floor shopkeeper. The same goes for parades of two stories between buildings of say 4/5 stories where a developer decides they want to build on top of the existing floors. This does not give economic advantage to the ground floor shop keeper and does not provide social rent housing. Such a developer will try to maximise the number of units, and may not provide adequate refuse collection and car parking facilities. This will have negative effects of putting up the value of the whole property and the business rates of retail units on the ground floor and add the stresses in the local area. An example is the scheme proposed for 1332-8 London Rd (and now withdrawn). Sometimes the rooms above shops are used as offices. There are schemes e.g. 1417-23 London Rd, where these are being converted into flats, again with inadequate parking provision. Such conversion also reduces the number of office employment units in district centres that might otherwise be available for SMEs and starter businesses.

64. The Working Party **RECOMMENDS:**

(22) that the development of district and local centre policies should examine the advantages and disadvantages of public and private Living Over the Shop schemes and conversion of office units above shops to residential, in the light of the increase in population and the potential generation of rubbish and car parking problems, and develop policies which maximise the economic and social benefits and minimise the contribution to increasing stresses in these areas.

65. The district and local centres and the Town Centre have a lot of property which was originally housing which is now used for office, commercial and specialist services. The question is can they move within the area into alternative accommodation like empty shop units, or into small empty or underused office blocks, thereby releasing the property back for housing use. If the Council wants to increase the amount of social rented housing in the Town Centre then it could seek to achieve the same aim so that office units above shops can be used for social rented housing. The Working Party **RECOMMENDS:**

(23) that the development of district and local centre and own Centre policies should examine the possibilities of moving non-residential users of former housing and of converting office space above shops in the Town Centre to social housing use, by developing schemes to help businesses move to vacant office block units.

66. While there is talk of consultation there is no promise to have district and local centre committees of Councillors and local people steering the plans, the expenditure and the implementation, in order that they address local needs and aspirations. The Working Party **RECOMMENDS:**

(24) that discussions should begin with residents and other organisations in areas like Norbury, South Norwood and New Addington with a view to establishing joint committees of them and local Councillors to oversee the planning and implementation of expenditure on local regeneration.

Para 3.6.3. Night Time Economy

67. The expansion of the night time economy may be welcome to affluent Croydon residents and to those willing to travel late at night to and from Croydon, but there are serious issues that need to be considered, especially where night time economy venues are close to housing.

- The noise level from music, from customers talking and laughing as they leave premises, the noise of drunks and street fights fuelled by drink, car doors being shut and engines run, not just near the venues but also in side streets used as rat runs.
- The noise of shops and restaurants closing their shutters at 11pm or afterwards.
- The increased exploitation of workers in the restaurant sector in relation to shift patterns and ability to get home on public transport.

68. In relation to the latter point the opt-out of the European Working-Time Agreement is used throughout the restaurant industry. Workers often have to be two double shifts a week. An individual's rota can often include (a) a late shift (3pm-12pm/1am); (b) an early shift the next day (7amff); or (i) a late shift, (ii) a double the next day; (iii) an early the next day. Bearing in mind the time it takes at night to get home, especially on night buses by those in the industry on low pay, this means that workers have very little sleep. This is not

conducive to health and well-being, and is a form of exploitation of people in work which is not publicly understood.

Para 3.8. Office Space

69. The more the demand for modern office accommodation is satisfied it is likely that commercial rents will increase, adversely affecting the affordability for SMEs and start-up businesses. Low rent spaces are needed for these. The Working Party **RECOMMENDS**:

(25) that consideration should be given to using any Council owned empty or underused office blocks, or purchasing blocks, to provide affordable accommodation for SMEs and start ups, especially in the tech sector.

70. Obsolete office blocks are already being purchased for conversion to residential. The URS Employment Land Review Update report estimates that the potential office space supply at sites considered marketable for residential in Croydon is 149,300 sqm. (20)

Para 3.9. Transport

71. The Growth Plan contains no reference to travel to work statistics; both inward and outgoing. Improving travel access in and out of Croydon could mean a significant number of the expected new jobs will not be filled by Croydon residents, leaving a continued pool of unemployed in the most disadvantaged parts of the Borough, and requiring Croydonians to go out of Borough to work even if they would prefer to have a job in the Borough.

72. The Working Party **RECOMMENDS**:

(26) that a travel to work analysis should be undertaken on the numbers of people coming into Croydon to work and the number of Croydonians going out of Borough to work, the analysis to include ward level so as to ascertain whether there are particular problems facing people living in the more deprived wards.

(27) that discussions be held with local employers, the Job Centre and employment agencies, to develop improved ways in which Croydon residents can improve their chances of being employed in jobs in the Borough.

73. The announcement by the Prime Minister since 15 July that there is a possibility of moving civil service offices to Croydon raises a new set of questions. (21) This is likely to mean an increase in the numbers of people travelling into Croydon for work putting pressure on the already inadequate rail service to and from Victoria and West Croydon, and to and from London Bridge. It may also mean an increase of road transport use by those civil servants who are essential car users, as well as in lorries and vans supplying the offices. London Rd is already over congested. Any further increase in road transport will further gridlock the system and also increase air pollution which is at its highest in terms of nitrogen dioxide in the Norbury stretch of London Rd.

The Challenge of Reducing Unemployment

74. The challenge of reducing unemployment may be much more difficult than the Plan suggests partly because of the nature of much so-called employment. Commenting on the latest unemployment figures by the Office for National Statistics, which saw regular pay growth fall to 0.7 percentage points - its lowest level since records began - TUC General Secretary Frances O'Grady said: "It's good to see unemployment falling, but with pay growth falling to a record low, serious questions must be asked about the quality of jobs being created in Britain today. "If all the recovery can deliver is low-paid, low-productivity jobs - many of which don't offer enough hours to get by - then it will pass most working people by and Britain's long-term economic prospects will be seriously diminished." (22)

75. The nature of youth unemployment is also very complex. The TUC warns that young people not in full-time education are now less likely to be in work than people of other ages and their prospects are declining, despite the recent recovery in the jobs market. The TUC report *Equitable Full Employment: A jobs recovery for all* looks at employment rates for different groups - finds while job prospects have improved for most over the last 17 years. In 1998, three-quarters of young people who weren't studying were in work and there has been a steady decline since. The job chances of young people not in full-time education have converged with workers aged 50-64, whereas in 1998 they were 25% more likely to be in work than older workers.

76. The report also shows that fewer than half of those who have no qualifications are in work, while the employment rate for those who only have basic (level 1) qualifications has fallen to around 63 per cent. Unless action is taken, the prospects for low-skilled youngsters and unqualified people of all ages will continue to deteriorate.

77. The report makes a number of recommendations to help raise employment rates for young people not in full-time education, including:

- Offering targeted employment support programmes, such as a job guarantee for any young person out of work for at least six months
- Identifying low skills as a reason to provide more intensive employment support. (23)

78. In March the Local Government Association warned that a third of all young people will be out of work or trapped in underemployment by 2018 unless local areas are given more control over skills and training.

‘The true scale of youth employment is being hidden because government headline figures focus on the unemployed and not young people who are only working part-time hours or are over-qualified for their current job. So while youth unemployment appears to be falling, in reality there are 738,000 more young people that are unemployed or underemployed than in 2005.’

79. The research report *Totally Hidden Talent: youth unemployment and underemployment in England and Wales* commissioned from the Centre for Economic and Social Inclusion by the LGA shows that while the Government invests around £15 billion each year in young people, ‘the current centrally-run schemes mean that thousands of providers respond to complicated national funding rules, rather than focus on the needs of young people and local employers across England. The result is that young people are leaving education and training with skills that don’t match local jobs.’

80. The LGA calls the youth unemployed ‘Hidden Talent, defined as:

- Unemployed young people, who are both seeking work and available to start.
- Economically inactive young people who want a job, but aren’t currently looking for various reasons.
- ‘Underemployed’ young people, who want more hours than they currently work.
- Young people on ‘government employment and training schemes’ not working full-time hours.
- Young people who are working in temporary jobs but want permanent work.
- Young people who are ‘over-qualified’ for the work they are doing. (24)

81. Recent figures on people aged 25 to 64 in 2011 released by the Office for National Statistics (ONS) show that:

- Fewer than half (48.5%) of those with no qualifications were in employment compared with 8 in 10 (80.7%) of those with at least one qualification - in Croydon 49.7%.
- The unemployment rate for both men (12.9%) and women (10.8%) with no qualifications was more than double the rate for those with at least one qualification (5.2% for men, 4.3% for women). (25)

82. The Working Party **RECOMMENDS:**

(28) that the Growth Plan be amended to reflect the greater complexities of reducing unemployment among those with no or few low qualifications.

Para 3.10. Pathways to Employment

83. There is no estimate of the number of jobs in Croydon that the Pathways to Employment programme may help local people fill. The Working Party is concerned not only about this but also about what the likely wage levels will be. It **RECOMMENDS:**

(29) that the Council should adopt a policy that it will only work with employers who are prepared to pay at least London Living Wage, have not been involved in blacklisting trade unionists, recognise trade unions and encourage their employees to join trade unions.

84. It should be remembered that membership of trade unions also opens up access to further education and training for workers.

85. Walsall Council pays employers to commit themselves to taking on apprentices. (26) The Working Party **RECOMMENDS:**

(30) that the Council examines whether the idea of funding employers to take on apprentices as in the Walsall Works programme could be implemented in Croydon.

86. The Local Government Association is working with the Institute of Public Policy Research (IPPR) to assess the state of apprenticeship provision to young people, particularly for 16 to 18-year-olds, and the potential role for councils in a future apprenticeship system. The programme will assess the strengths and weaknesses of the current national system, identify the opportunities and risks of the proposed reforms, and explore what councils are doing to create and fill quality apprenticeship opportunities locally. A final report will be launched in November giving the next Government propositions for enabling councils to help more young people benefit from

apprenticeships. The LGA is looking for councils to participate in this work, including examples of local apprenticeship initiatives to feature in the study, and to participate in a good practice learning event in October. (27) The Working Party **RECOMMENDS**:

- (31) that the Council should engage with the LGA/IPPR Apprenticeships project in order to be in a position to take quick action on any implementable recommendations.

Para 3.11. A University For Croydon

87. There may well be many advantages to attracting a major UK University to set up a campus in the Borough, and the news of the progress being made to negotiate providing a base to Roehampton University in Bernard Weatherill House is welcome. However, consideration will need to be given to the nature of the jobs that will be created. Many University support services are now contracted out, especially those jobs at the lower pay end of the market. An increasing number of lecturers are on short-term contracts. There may also be added pressures on the local private rented housing market from students wanting to live in the Borough. The Working Party **RECOMMENDS**:

- (32) that in the negotiations with potential Universities to set up a campus in Croydon the Council should include the issues of the nature of jobs and their pay levels and student demand for housing.
- (33) that the negotiations with potential Universities should include discussions with the trade unions **which** represent different staff groups.

88. By itself having a University campus in the Town Centre will not necessarily bring benefits to local people. The University will need to develop engagement with employers and the community to develop courses that assist up-skilling of existing workers, support and encourage secondary school pupils to consider University entrance, to ensure that courses involve elements which support policy development in Croydon, use student and academics projects to undertake research that is needed in the Borough, and to link with existing providers to improve the adult education offer. The Working Party **RECOMMENDS**:

- (34) that the negotiations with potential Universities should include discussions over the way in which the University brings added value benefits to Croydon, perhaps through the establishment of a Centre for Croydon Affairs.

Para 3.12. Broadband

89. While it is important for the Council to lobby for improved broadband infrastructure there is no discussion on the challenges faced by the digital divide and how reducing it can contribute to improving pathways to employment. The Working Party **RECOMMENDS**:

- (35) that the Growth Plan should include ways in which measures to reduce the digital divide can be reduced, such as building broadband access into the proposed new 800 Council homes and the two blocks being leased for housing homeless families.

91. In its report *Transforming local public services using technology and digital tools and approaches* the Local Government Association foresees:

- an ever greater role for councils in enhancing the digital infrastructure and capabilities of their areas in order to support local economic growth and regeneration. This might involve further work to implement superfast broadband, to build digital platforms on which local public, private and third sector organisations - or even volunteers - can advertise their services, or to provide local SMEs with support or advice on improving their digital skills;
- the opportunity for councils to be a 'platform' in a different sense, by providing the online locations and access to data for local community development, mutual support and greater self-service and self-help, and by encouraging the creation of apps and tools for local people to use local government and other public data more effectively;
- an increasing focus on addressing the cultural and organisational barriers to effective information sharing, since this is at the heart of so many initiatives to improve services and reduce costs - whether operating community budgets, improving public health, or delivering more joined-up services for troubled families;
- a major role for councils in providing 'assisted digital' support to those people who are unable or unwilling to use technology and digital tools, for instance working with carers so that they can help the people they are looking after. (28)

92. The Working Party **RECOMMENDS**:

(36) that the Council review the LGA report *Transforming local public services using technology and digital tools and approaches* as part of further developing its role and support for the digital industry in Croydon.

Para 3.13 Supporting Croydon Tech City

93. 1,000 new businesses are thought to have opened in the last two years. According to Perry Power of estate agents Power O'Shea, "People are trying to make their new opportunities rather than relying on others." Tech start-ups is a key reason for the growth according to Capital Business Centre manager Michael Hall. 'We are seeing a huge demand for state of the art office space where businesses aren't restricted by infrastructure or their ability to expand. A lot of businesses that come to Capital Business Centre aren't purely looking for space, but rather know the importance of having support services and being an environment that allows for collaboration and rapid growth.' 'South Croydon especially in fast developing as a prime neighbourhood for businesses.' (29)

94. This trend may partly be driven by the increasing rents in the Shoreditch tech area Silicon Roundabout. A report by GfK found that businesses there had 'mixed feelings' about the area, and costs were pushing out start-ups out the area. (30) (31)

95. The danger is that the same rent increase effect will happen in Croydon forcing tech businesses to move to the next area identified as having cheaper rents. It may be that Michael Hall is being over optimistic about the availability of appropriate space.

96. At the Croydon Tech City meeting on 20 December 2012 Simon Bird of dotmailer emphasised the problems of the type of workspace available for rent. He and his partners had been able to start because there was one complex of office space where the small units were let on a monthly basis. However as it has grown it has become more and more difficult to find expansion space, which the absence of a great deal of such units in Croydon made it difficult for start up companies as they grow. (32)

97. The GfK report also highlighted the lack of suitably qualified staff which was stunting some tech business growth. This was raised at the meeting with the MPs.

98. Technology can solve a whole range of problems as tools and aids in human interaction and processes. The tech world, however, often over values itself. An article in the *Evening Standard* on 10 April discussed whether another dot.com collapse was about to happen. If it does then new tech start ups may find funding even more difficult than was suggested at the Croydon Tech City's meeting with the Croydon MPs Steve Reed and Gavin Barwell the same day. (Sean Creighton. Debate with MPs highlights practical problems and vulnerabilities facing Croydon TechCity. (33)

99. The support the Council is giving to Croydon Tech City should be based on the principle that only those digital businesses that are committed to paying trade union pay rates and encourage their staff to be members of trade unions should be assisted. The Working Party RECOMMENDS:

(37) that the Council should only support those digital firms that are prepared to employ staff on proper employment contracts, pay trade union rates, insist that contractors carrying out e.g. cleaning services for them, pay at least the London Living Wage, and recognise staff right to joint trade unions.

100. Tech City needs to recognise that developing as a specialist sector does not make it part of the wider communities of Croydon; businesses can simply see the Borough as a base and decide to move away. It needs to consider:

- how it can contribute to the reduction of the digital divide in Croydon to help people who cannot afford it to have IT access.
- how it can develop a platform which helps non-tech businesses and community and voluntary organisations to promote their products, services and activities to each other, so as to build inter-
- trading and support that mutual strengthens each other and the money staying in the local economy.

101. Two important steps have been taken towards engagement with the community the setting up of code clubs in schools and the launch of Just Croydon social network site.

Para 3.14. SMEs

102. The Growth Plan rightly emphasises the importance of SMEs and start-ups, especially in the tech sector, which helps towards creating a diversity of employment opportunities, and the growth of some into larger scale businesses which might wish to stay in the Borough if there is workspace accommodation appropriate to their expanding needs. It is interesting to note that as part of its Space for Growth scheme, the 3Space charity has

turned the 5th Floor of Southern House in Wellesley Grove into a co-working space for local non-profits and start-up businesses. (34)

Para 3.15. Investing in the public realm

103. The Growth Plan acknowledges that ‘Parts of the borough suffer from litter, fly tipping and poor quality public realm.’ The Working Party welcomes the new policies underpinning the Don’t Mess with Croydon Campaign (35), but considers that as well as hopefully reducing Council expenditure in the long term on dealing with rubbish and fly-tipping, there may well be scope for job generation in dealing with waste recycling.

104. The Council’s Sustainability review consultation document (36) highlights Croydon’s poor record with regard to waste:

- the proportion of domestic waste that was recycled or composted in Croydon: 35% in 2011/12, despite it being estimated that 70% of could be;
- the lack of information on commercial and construction waste;
- the lack of information on construction sites with site waste management plans.

105. The Working Party believes that the Council must have some information on commercial waste:

- because it collects a proportion of commercial waste, even though it does not do so in a way that makes recycling and composting easy.
- because it checks that businesses have commercial waste contracts and therefore can ask them what the average weekly amount of waste is collected under non-Council contracts
- because it knows how much litter and fly-tipped waste it collects and what it does with this to ensure as much is re-cycled or composted.

106. The Working Party **RECOMMENDS:**

(38) that Growth Plan should include reference to the Sustainability partial review consideration ‘Increase recycling and composting and reduce domestic, commercial, and dumped and fly-tipped waste going to landfill.’ There is scope for the development of recycling projects which would reduce the amount of material collected by the Council or other waste contractors, such as the collection of used cooking oil to turn into bio-fuel.

(39) that as part of the Growth Plan the Council should investigate the possibilities of job creation in increasing waste recycling, including through collecting commercial waste in ways that enables recycling.

(40) that support and guidance should be offered to businesses on how they can recycle themselves, collectively or through the establishment of social or community enterprises.

Para 3.16. Mutuals, co-operatives and social enterprises

107. The importance of encouraging mutuals, co-operatives and social enterprises is welcome, but like the tech businesses these need to grow organically from below, rather than be solutions forced on employees under pressure to avoid their firms collapse or redundancies. A preliminary review of the ‘social’ sector of Croydon’s economy is set out in Appendix 3. The importance of ‘community enterprises’ within the ‘social’ sector is discussed in Appendix 4. The Working Party **RECOMMENDS:**

(41) that there should be a full analysis of the ‘social’ sector of Croydon’s economy.

(42) that the Council should offer to facilitate the formation of a network of ‘social’ economy organisations in the Borough to enable them to contribute collectively to the future development of Croydon’s economy.

(43) that if there are adverse financial penalties involved in ending the Library management contract that consideration be given to the Council buying for a token monetary value the not-for profit Carillion subsidiary and turning it into a staff mutual, building on the experience being gained from creating the school service mutual. (37)

(44) that the National Trust be requested to take back the management of Selsdon Woods from the Council.

(45) that consideration be given to the creation of a Croydon Bank with the Council, Whitgift, the local housing associations, and other not-for profits committing themselves to open accounts.

- (46) that if it is not possible to re-create direct labour street cleaning and refuse collection, consideration be given to ways in which a worker co-operative can be established to take over the street cleaning and refuse collection contracts.
- (47) that support for co-operative and co-ownership housing schemes be examined through e.g. leasing or asset transferring empty and redundant Council buildings to them for conversion.

Para 3.16. Council's Purchasing Power

108. The recognition of the important role of the Council as purchaser is welcome in being able to give priority to local businesses. This will require a detailed analysis of what it purchases, where it currently purchases from, and whether there are local businesses which can offer themselves as suppliers. There may need to be assistance to help existing local businesses adapt to supplying the products the Council needs, and setting up new businesses that can act as suppliers. It may be that some businesses will need to be encouraged to manufacture the goods the Council needs. However, there will be limits to the Council's role as its purchasing power decreases given the further cuts it will have to make in the next three years. The Working Party

RECOMMENDS:

- (48) that a purchasing power plan be drawn up listing:
 - (a) the types of purchases and their value
 - (b) where they are currently sourced
 - (c) whether there are local suppliers who can meet the Council's need
 - (d) what action will need to be taken to assist the development of local suppliers including manufacturing products.

3.17. Next Steps: The Promise and Place Plans

109. The Working Party welcomes the idea of Place Plans for each part of the Borough as a ways in which local people can be involved in shaping the strategies and policies for the different neighbourhoods. The drawing up of these Plans should take into account the conclusions reached in the consultation on the Croydon Local Plan: Strategic Policies - Partial Review which ended on 30 July.

110. The major challenges facing the Council and all the different Places within the Borough include differences within these geographic communities based on the existence of different types of communities based on ethnicity, class, interests and faith include:

- the estimated increase in population
- the housing shortage
- the increasing levels of deprivation
- the loss of jobs in the Borough available to local residents
- the increasing stresses being experienced in many neighbourhoods experiencing a fast rate of change, and higher densities of population.

111. The Sustainability review contains recognition of some of the details of this, but does not really address the following challenges:

- the anticipated further cuts in Council expenditure required by the Government
- the further loss of owner occupation housing (other than in new blocks) to the private rented sector
- the decisions taken by employers as to whether to move into or out of the Borough
- the decisions of property developers seeking to maximise profit regardless of whether it contributes to solving the Borough's needs
- the increasing trend of the Borough becoming a dormitory one where most people in work travel out of Borough
- the lack of an alternative plan if the Westfield/Hammerson development does not take place or is late in completion
- the absence of any reference to the role and potential contribution of the community and voluntary sector.

Some of these issues are discussed above.

112. The policy of sustainability that emerges from the review, and which should be reflected in the Growth Plan should include:

- recognition that the Borough wide strategic policies will need to be applied to different areas of the Borough (whether at ward, district or local centre level) in accord with the needs of and challenges faced within them;
- that the development of plans at these lower levels must involve local residents and businesses and their organisations in order to meet needs and aspirations in the light of the differing circumstances in each area.

Noise

113. The Sustainability review section discussing noise (para 4.4.7) does not take into account the increasing problems of noise in residential neighbourhoods especially in those leading off from main roads as housing densities increase in some parts of the Borough, competition on the streets for car parking, fast driving through side streets, the late evening and early morning hours economy, and anti-social behaviour. Noise can also be a further problem in blocks of flats and converted houses where noise insulation is not of a high quality.

114. This is a serious challenge affecting the quality of life of more and more residents, leading to negative attitudes towards each other and to living in Croydon (see Box 1 above). The Working Party **RECOMMENDS:**

- (49) that the Growth Plan should take into account the need to ensure that:
- all new residential buildings have high levels of internal and external noise insulation.
 - the increase in higher densities in some parts of the Borough does not increase the noise levels in the streets.

The Heritage of Places

115. The Sustainability Review document (para. 4.4.8. Conservation of the built environment) admits that as a result of past planning decisions ‘The setting of heritage assets has been significantly compromised over recent decades, for example the construction of bulky, deep plan, high rise modern buildings around the Grade I Listed church of St Michael in the 1990s. The lack of protection and ensuing disregard of the significance of a heritage asset’s setting is an ongoing problem that should be addressed in any review of existing policy.’ This admission is welcome.

116. It also states that there are data limitations:

- ‘Local authority records regarding designated and non-designated heritage assets are sparse in places and in need of updating in others.’
- ‘Most conservation areas do not currently have accompanying CAAMPs. A CAAMPs project and a listed building survey are underway, both of which will increase data available to inform baseline info.’ (CAAMPs are Conservation Area Appraisal and Management Plans.)
- ‘There is no heritage at risk register maintained at a local level to supplement that run by English Heritage.’
- ‘No further review of the Local List is currently programmed, despite the fact the last review took place 5 years ago, and several errors have been logged since.’

117. These represent serious shortcomings by the Council partly due to the 69% cut in spending on planning and development control activity. (38)

118. The Review considerations outlined are welcome, namely:

- ‘Increase the level of protection given to enable the preservation and enhancement of both designated and non-designated heritage assets
- Increase the level of protection given to enable the preservation and enhancement of the setting of heritage assets
- Consider ways in which Croydon’s wider historic environment and built and cultural heritage can be better protected and recognised.
- Bring forward investment in the historic environment for regeneration, reuse and adaptation
- Ensure the move from ‘Local Areas of Special Character’ to ‘Local Heritage Areas’ is based on a robust and transparent methodology.’

119. The Working Party **RECOMMENDS:**

- (50) that given there are serious shortcomings in the protection of the Borough’s heritage, as heritage is an important element of the nature of different places, the Cabinet should consider convening a day long event to explore what can be done involving the local history and amenity societies, residents

associations, and individuals involved in activity on the history of their neighbourhoods, as part of the preparation of Place Plans.

- (51) that the issue of protection of the historic environment should be a major element in the analysis of Environmental assessment of new developments under para 9.1 of the Growth Plan.

Neighbourhood Participation

120. The Sustainability review document states that the 2008 Place Survey indicated that 77% of residents from different backgrounds say they get on well together, that 51% of residents feel they belong to their neighbourhood, that 34% of residents thought they could influence decisions in the local area; but only 16% had engaged in local activity designed to increase participation; and that 23% participate in volunteering in the previous 12 months.

121. It admits the data limitation resulting from the Department of Communities and Local Government cancelling the biennial Place Survey, and that even if the Council continued ‘to collect similar inclusion and equality data via the “Citizens Panel” the sampling and statistical significance of responses may not provide comparable data.’

122. 2008 was the year of the global economic crash. The standard of living of many people’s lives has deteriorated since then, due to cuts in incomes and benefits and reductions in services. This has previously been recognised earlier in the document in its discussion on increasing deprivation. Anecdotal information also suggests that many people, especially long-term residents have found the socio-economic changes in their neighbourhoods difficult to understand and accept. (See Box 1) The growth in private renting has increased the turnover of residents leading to less connected and stable neighbourhoods.

123. The document suggests that the partial review considerations should ensure development:
- contributes to reducing the higher incidence of deprivation in the northern and south eastern wards
 - community facilities match the changing demographics of Croydon.

124. While it will be difficult to carry out a survey of the opinions of a large percentage of residents, it is vital to get some idea of current opinions by running smaller scale Place Surveys in say three neighbourhoods: one which represents the most affluent, one the average and one the most deprived. The Working Party

RECOMMENDS:

- (52) that sample Place Surveys be carried out as part of the preparation of Place Plans in neighbourhoods representing the typically most affluent, average and most deprived ones in order to obtain some insight into current attitudes about the quality of life, neighbourliness and civic participation.

Culture, sport & recreation

125. At the launch of the Just Croydon website on 13 August and in an interview with Develop Croydon published on 26 August Council Leader Tony Newman stressed the importance of the cultural offer in attracting employers. (39) The Growth Plan does not discuss this. The Sustainability Review document (Para 4.7.1) refers to the Croydon’s Sustainable Community Strategy (2010-15) which ‘states that the creative sector should play a significant role in driving arts and cultural enterprises to support regeneration and establish Croydon as a cultural destination.’

126. However no mention is made of the fact that since 2010 the Council was engaged in withdrawal from funding arts and culture, as evidenced by the closure of the David Lean Cinema Campaign, its role in shutting Warehouse Theatre, and its explicit budget aim (2013-14) which included a £50,000 cut to the Croydon Music Service which has led to the closure of its specialist piano centre. These negative trends have been opposed with many bottom up initiatives, leading to the Culture Seminar initiative of the new Cabinet member for Culture.

127. The document refers to the Council’s 2010 ‘Understanding and Shaping the Cultural sector in the London Borough of Croydon’ report as ‘providing a one-off snapshot of activity in this sector’ and that ‘The borough would need to develop a suitable repeatable and consistent indicator to measure progress in developing the creative sector.’ This is a welcome suggestion.

128. The Working Party **RECOMMENDS:**

- (53) that the Sustainability review considerations suggestions:

- to promote growth of creative industries and development of centralised hub to support creative businesses;
- to support temporary use of vacant buildings and sites for creative/cultural activity;

- to ensure that all communities have access to leisure and recreation facilities

should be examined as part of the Growth and the Places Plans.

Para 5. The Revolving Investment Fund

129. The Working Party is interested in seeing more details of this Fund, and wonders whether it is an alternative to creating, or something that would complement a Croydon Bank (see Recommendation 45 above).

Para 8. Equalities Impact

130. Although official unemployment figures are falling in Croydon, this may mask hidden un- and under-employment because people are not prepared to register because of the way they are treated at Job Centres, because of the growth of zero hours contracts, because of increased part-time and self-employment. There are serious concerns about youth unemployment especially among Black youth, and about those over 50 who have been made redundant and whose skills are no longer required by employers. The levels of unemployment and low economic activity vary between different neighbourhoods and are higher in the social deprived areas. The Working Party believes that it is very important that the Equalities Impact Assessment should be published before the next stage of the Growth Plan documentation goes to the Cabinet, so there can be public debate about its conclusions and recommendations which can be taken into account in making any amendments to the papers at the Cabinet meeting on 15 September. It therefore **RECOMMENDS**:

(54) that the Equalities Impact Assessment be made publicly immediately.

131. In view of the fact that one of the aims of the Growth Plan is to reduce poverty, the Equalities Impact Assessment needs to pay particular attention to the extent to which the Plan helps to reduce the excessive impact inequality and social deprivation have on women, the long-term unemployed and those with health problems. A recent report for the Joseph Rowntree Foundation has found that:

- ‘Women are strongly over-represented in both low pay and part-time work but have a similar poverty rate to men because poverty is measured at the household level and both partners’ income (in couple families) is assumed to be shared equally. Low paid women are less likely than low-paid men to be able to avoid poverty by their own wages alone, and are consequently more reliant on either a partner’s earnings or on tax credits and benefits to lift them out of poverty. This makes women particularly vulnerable to poverty if family relationships break down. While labour market events (e.g. work entry and work exit) are the predominant poverty triggers for men, both labour market and demographic change (e.g. divorce, separation) are equally important for women.’ (40)
- People at a greater distance from the labour market, with less recent work experience, such as the long-term unemployed or inactive, tend to require more intensive support. There is some evidence (not very robust) that intermediate labour market programmes can have positive outcomes for this group, and a recent pilot in the UK showed a positive, albeit small, employment impact of a 6-month work placement scheme for the very long-term unemployed (3 years out of work). However intensive support through a personal adviser was shown to be more effective for a greater range of clients, while the positive impact of both options (relative to a control group) wore off after a couple of years of tracking. People with health conditions appear to need more specialist support; poor outcomes from the Work Programme for this group may reflect a lack of targeted and specialist provision.’ (41)

132. The Working Party **RECOMMENDS**:

(55) that the Equalities Impact Assessment should analysis the likely effects on women, young people, BME residents, the 50+ age group, the long-term unemployed and those with health problems.

The Growth Plan and the Fairness Commission

133. The establishment of the Fairness Commission (42) is an important way in which to review the problems of inequalities and social deprivation in the Borough involving local people and their organisations, to ascertain what are the barriers to achieving the Growth Plan’s vision for ‘more inclusive and equal’ communities (para 3.1). Some of the issues it will need to consider are outlined in Appendix 5. Many of its conclusions and recommendations will have implications for the developing Growth Plan. It will therefore be important that the Growth Plan be re-looked at in the light of its conclusions and recommendations. The Working Party **RECOMMENDS**:

(56) that the Growth Plan as adopted in September 2014 and any subsequent refinements should re-examined in the light of the conclusions and recommendations of the Fairness Commission.

CCURV

134. The new administration has inherited the millstone of the CCURV development project with J. Laing. Its negative economic effects are not fully publicly understood. The Working Party **RECOMMENDS:**

- (57) that the Scrutiny Committee hold a public investigation to the economic effects of the CCURV project.
- (58) that consideration be given to trying to turn CCURV to more positive uses as a vehicle that will provide employment workspace that is affordable to SMEs, start-up businesses and 'social' economy businesses.
- (59) that consideration be given to the financial implications of ending the CCURV contract in the light of the decision of Northumbria NHS Trust that it is financially beneficial to buy out its PFI contract. (43)

135. Although CCURV project Bernard Weatherill House is a financial millstone, it is also a physical asset with potential to help aspects of the economy of the Town Centre. The Centre for Local Economic Strategies and the Association for Public Service Excellence have collaborated on a project looking at enhancing the value of local authority assets. They suggest that civic and other administrative centres should not just be the domain of the local authority but a strategic asset where multiple partners in the public, commercial and social sector provide services. (44) Their recommendations are in Box 4.

Box 4: Enhancing the Value of Local Authority Assets

Local authorities should promote the historical importance of their town centres and the assets that they own within them.

Local authorities need to engage cross sector stakeholders in realising the potential of assets and highlight the importance of effective asset utilisation to wider objectives in corporate and community strategy.

Local authorities should be encouraging direct and indirect employment in town centres and measure the impact of this to the local economy in terms of the multiplier effect.

Local authorities should look to develop town centre consortia involving the public sector, retailers, investors and the voluntary and community sector in order to develop priorities and strategy for town centres.

Local authorities need to measure and evidence the economic benefits their assets bring for town centres in order to demonstrate their importance and effectiveness.

Local authorities should work with the commercial and the voluntary and communities sectors to bring empty properties into meanwhile use and consider the transfer of town centre assets to the voluntary and community sector.

Local authorities should value public realm assets and the role of future improvements in the functionality of towns.

To enable viability, town centres need to have a mix of retail, civic and leisure uses - local authority assets should be integral to this mix, given their strategic, place, economic, social and environmental values. Local authorities and the wider public sector should develop comprehensive registers of their own assets, including details of their value and wider economic benefit.

136. The Working Party **RECOMMENDS:**

- (62) that consideration be given to the applicability of the CLES/APSE recommendations to the role of Council assets in the Town Centre.

137. The Growth Plan does not include a section relating to encouraging the greening of the Borough as an integral part of economic development and growth. The Council and other employers working with the trade unions operating in their workplaces can make at least energy and water savings. The Home Office in Croydon used to have a joint committee between management and trade unions looking at reducing environmental impact. For the Council and public service employers this reduces expenditure, contributing to a narrowing of the anticipated continuing budget deficits. The TUC report *The Union Effect: greening the workplace* demonstrates that in settings ranging from hospitals to offices and on the dockside as well as in the community, trade unions and their members are actively working with management, often taking the lead, to make their workplaces more sustainable and energy efficient. Whether by facilitating behavioural change or investing in

smart new plant and equipment, the report shows that joint union-management cooperation can make a real difference. (45)

138. Much of the focus in these case studies is on energy savings. Organisations are deliberately setting targets to reduce their “carbon footprint”. One of the case studies shows that Allianz, which has offices in Croydon, example, has cut carbon emissions by one third in five years. Another case study is in the nearby Wandsworth is the trade union-college-community partnership Furzedown Low Carbon Zone project established to integrate environmental awareness and sustainability issues across curriculum, among students, the workplace and community. The idea to develop the project emerged from discussions between the Greener Jobs Alliance (GJA) and South Thames College. The GJA was set up on the initiative of the University and College Union (UCU) with funding from Battersea and Wandsworth Trades Council BWTUC. Other GJA partners include the TUC, and the National Union of Students. The project has been supported by BWTUC, Unionlearn at the TUC, Kingston University and local environmental and community organisations. (46)

139. The Working Party **RECOMMENDS:**

(63) that the Growth Plan should include a section on Greening the Economy.

(64) that the Council and the Croydon TUC jointly investigate the feasibility of setting up a local equivalent to the Furzedown Low Carbon Zone project.

(65) that the Council organise a seminar with environmental groups to begin to discuss the environmental aspects of the Growth Plan.

Campaigning and Lobbying

140. Croydon Council can play an important role in conjunction with other local authorities and national and local organisations in campaigning and lobbying for changes that will improve its ability to provide services, and develop a diverse economy, and reduce social and economic inequalities. Some of the issues are:

- the abolition of the bedroom tax
- the abolition of the 80% affordable rent link to market rents
- the abolition of zero VAT on new build
- the abolition of VAT on rehabilitation and refurbishment of property
- the use of right to buy proceeds for new homes building
- the end of programmed cuts to local authority funding
- the establishment of increased protections for private sector tenants and rent controls
- the introduction of a land value tax
- the reinstatement of the link of social security benefits to cost of living rises
- the ending of the opt-out on the working hours directive
- excluding council housing expenditure and borrowing from counting against the UK index of public debt
- removal of the Housing Revenue Account borrowing cap
- use by councils of their reserves for housing investment
- use by Councils of the percentage of money already collected for energy efficiency schemes through fuel bills to insulate homes
- provision by councils of a joined up employment and skills service which focuses on individuals
- establishment by councils of locally led and integrated youth transition services
- setting by Councils of rates and discounts for council tax and business rates
- retention by councils of 100% of business rates growth without a corresponding cut in revenue support grant.

141. The crisis facing local government finances as discussed in Appendix 6 raises much broader campaigning issues. The Working Party therefore **RECOMMENDS:**

(64) that the Croydon Labour Group campaign with other councillors in the Labour Party against the Leadership’s commitment to maintain the public sector pay freeze, abide by Tory-led Coalition Government’s spending plans for one year after the general election and stick to a welfare spending cap for the entire parliamentary term. (47)

142. Hence there is vital work to do within and outside the Labour Party to persuade people in Croydon and across Britain that austerity is not necessary and that there is an alternative. For example, the estimated revenue from:

- two per cent wealth tax on the richest 10 per cent of the population - who owned 44 per cent of Britain’s wealth in 20010-12 estimated to be £4.2 trillion - would be £84 billion a year; (48)
- ending tax dodging by the super-rich and big business would be £70 billion a year; (49)

- a 'Robin Hood' tax on City transactions would be £7.5 to £112 billion a year. (50)

143. The threshold for income tax should also be raised to £30,000 by introducing a new 60 per cent rate of tax for incomes over £60,000; and, as argued above, land value taxation will be a crucial to fund increased provision of directly-provided de-privatised local authority and other public services. For, as the French economist Thomas Piketty told Andrew Hussey, failure to radically redistribute wealth and income at the same time as "the inequality gap is growing" will "mean for ordinary people....the degradation of the public sector". (51)

Conclusion

144. The Working Party is concerned that while the Vision in the Plan is admirable, a set of contradictions are likely to prevent it being achieved. It is particularly concerned that forces outside the Council's control such as private developers rental and sale prices, the increasing role of private landlords, the continuing effect of the austerity measures, will simply increase the inequalities and social deprivation, and largely benefit newcomer residents who can afford the Borough's rising housing costs, and non-residents who come into Croydon to work, rather than existing residents who have a wide variety of needs which are not being met. There are a number of issues which relate to economic development which we have not been able to explore in detail, including the school building and expansion programme, and the interlink with other drivers of economic developments through membership of the Local Strategic Partnership. The Working Party has made a series of recommendations which seek to strengthen the Plan and improve the Council's ability to make effective interventions to counterbalance the contradictions particularly created by the effects of private development.

August 2014

Members of the Working Party

Sean Creighton, member Unite Retired Members branch

Melanie Jenner, retired member Public and Commercial Services Union

Peter Latham, member UCU Retired Members Branch, author of *The State and Local Government* (2011) and *The Imminent Demise of Local Government?* (2014)

Kevin Smith, member Communications Workers Union

FOOTNOTES

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- (2) Kathryn Ray, Paul Sissons, Katy Jones and Sandra Vegeris. *Employment, Pay and Poverty: Evidence and policy review*. The Work Foundation, Policy Studies Institute and Coventry University. July 2014. p. 54.
- (3) <http://www.croydonadvertiser.co.uk/Croydon-riots-years-Survey-reveals-lack-pride/story-22211739-detail/story.html#ixzz3AHe3akmj>
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- (5) URS. *London Borough of Croydon. Office, Industrial and Warehousing Land/Premises Market Assessment* <http://www.croydon.gov.uk/contents/departments/planningandregeneration/pdf/evidence/industrial-warehouse.pdf>
- (6) Accessible at <http://www.croydonobservatory.org/economy>
- (7) Annual Public Health Report 2014. The report can be accessed from 14 July Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>
- (8) DETR. *Indices of Multiple Deprivation*. 2000.
- (9) *The English Indices of Deprivation 2007*. Communities & Local Government 2008
- (10) *Labour's Record on Neighbourhood Renewal in England: Policy, Spending and Outcomes 1997-2010*. Centre for Analysis of Social Exclusion. 2013.
- (11) *Hard Times, New Directions? The impact of the local government spending cuts in London*. Interim Report. Centre for Analysis of Social Exclusion.
- (12) Living Wage for Croydon. The report can be accessed from 14 July Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>. Paras 2.1. And 2.2 bullet point 412
- (13) Coast to Capital Joint Committee. The report can be accessed from 14 July Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>
- (14) Source: Q3 2013. M25 OFFICES. Investment, development & occupier markets. Frank Knight.
- (15) *It's vital we cool the property cycle*. *Evening Standard* Monday 14 January 2014.
- (16) *Hammerson and Westfield sign Croydon Joint Venture*. Hammerson Press Release 17 January 2013. <http://www.hammerson.com/media/press-releases/hammerson-and-westfield-sign-croydon-joint-venture>
Westfield and Hammerson win approval for £1bn redevelopment of Whitgift Centre. http://www.myretailmedia.com/blog/10101/westfield_and_hammerson_win_approval_for_1bn_redevelopment_of_whitgift_centre.php
- (17) New Economics Foundation. www.neweconomics.org/blog/entry/time-is-running-out-for-clone-towns
- (18) *Croydon News*. May 2014.
- (19) www.home.co.uk/for_rent/croydon/current_rents?location=croydon
- (20) URS. London Borough of Croydon. *Employment Land Review*. Update 2013. <http://www.croydon.gov.uk/contents/departments/planningandregeneration/pdf/evidence/employmentland.pdf>
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- http://www.yourlocalguardian.co.uk/news/local/11394363.Government_departments_could_move_to_Croydon_in_mini_Whitehall_plan
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- (29) <http://www.spaceforgrowth.co.uk/croydon-where-business-is-blooming>
- (30) *Silicon Roundabout is dying. Meet London's new tech hotspots.* 11 September 2013.
<http://www.londonlovesbusiness.com/business-news/tech/silicon-roundabout-is-dying-meet-londons-new-tech-hotspots/6275.article>
- (31) GkF's press release can be seen at: <http://www.gfk.com/uk/news-and-events/press-room/press-releases/pages/tech-city-growth-stunted-by-talent-shortage-and-lack-of-access-to-capital.aspx>, through which the full report can be accessed.
- (32) Sean Creighton. *Issues Facing Croydon TechCity Movement.*
<http://historyandsocialaction.blogspot.co.uk/2012/12/issues-facing-croydon-techcity-movement.html>
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- (35) *Cleanest and Greenest Borough in London.* The report can be accessed from 30 June Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>
- (36) *Sustainability Appraisal Scoping Report. Croydon Local Plan: Strategic Policies - Partial Review.* Croydon Council June 2014.
<http://www.croydon.gov.uk/contents/departments/planningandregeneration/pdf/localplan/clpreview-scopingreport>
- (37) Proposals for the establishment of a Mutual Trading Company for School Support Services. The report can be accessed from 30 June Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>
- (38) *Hard Times, New Directions? The impact of the local government spending cuts in London. Interim Report.* Centre for Analysis of Social Exclusion.
- (39) 'We are fast tracking a lot of arts and cultural provision because we want to make the offer for Westfield, Hammerson and others coming into Croydon a much better place. This is about a place to live, work and to spend your leisure time.' <http://www.developcroydon.com/News/Archive/1183/26-08-2014/Council-leader-Tony-Newman#sthash.CqIOTCDF.FwpmiTro.dpuf>
- (40) Kathryn Ray, Paul Sissons, Katy Jones and Sandra Vegeris. *Employment, Pay and Poverty: Evidence and policy review.* The Work Foundation, Policy Studies Institute and Coventry University. July 2014. p. 40)

- (41) Ibid. p.88.
- (42) Fairness Commission for Croydon. The report can be accessed from 30 June Cabinet meeting section on <https://secure.croydon.gov.uk/akscroydon/users/public/admin/kabmenu.pl?cmte=CAB>
- (43) *Northumbria NHS trust saves £67m by freeing itself from PFI deal.* <http://www.independent.co.uk/life-style/health-and-families/health-news/northumbria-nhs-trust-saves-67m-by-freeing-itself-from-pfi-deal-9517844.html>
- (44) *Enhancing the Value of Local Authority Assets in Town Centres.* <http://www.cles.org.uk/wp-content/uploads/2014/01/CLES-Findings-3-Enhancing-the-value-of-local-authority-assets-in-town-centres.pdf>
- (45) http://www.tuc.org.uk/sites/default/files/The_Union_Effect_Greening_The_Workplace_Covers_2014_All.pdf
- (46) <http://www.ucu.org.uk/greenerjobsproject>
- (47) At Labour's National Policy Forum in July 2014 just one contentious amendment was put to a vote calling for the party to hold an emergency Budget if elected and to reject the coalition's spending totals for 2015/16. Proposed by Yorkshire delegate George McManus, it was rejected by 125 votes to 14 with 6 abstentions - a margin of 86.2 per cent to 9.65 per cent (G. Eaton, 'Labour defeats rebellion over spending plans', *New Statesman*, 20 July 2014).
- (48) Office of National Statistics (2014), *Wealth in Great Britain Wave 3, 2010-2012*, 15 May, Chapter 2.
- (49) Public and Commercial Services Union (2010) *There is an alternative: The case against cuts in public spending*, October. These figures produced for the PCS by the Tax Justice Network show that £25 billion is lost annually in tax avoidance, £70 billion in tax evasion by large companies and wealthy individuals and an additional £26 billion is going uncollected - that is, the total annual tax gap is over £120 billion.
- (50) A 0.005 per cent tax to the foreign exchange market alone might raise around US\$25 billion per year (£17 billion) worldwide; the revenue potential for Britain would be around US\$11 billion (£7.5 billion). Applying a Financial Transactions Tax to other markets, for example, derivatives and OTC markets, is more difficult, but, if successful, could raise much larger sums (McCulloch, N and G. Pacillo, G. (2011) *The Tobin Tax: A Review of the Evidence*, Institute of Development Studies, Research Report 68, May, pp. 1-77, p. 12). Moreover, if a financial transaction tax equivalent to 10 per cent of existing levels of transaction costs in each market was to be applied globally and across the board to equity, foreign exchange and derivative markets (both on and off exchanges), the revenue potential could be as high as US\$482 billion, of which US\$163 billion (£112 billion) would accrue to Britain (ibid., p. 65).
- (51) Quoted in A. Hussey, 'It just doesn't add up', *The Observer*, 13 April 2014.

UNDERSTANDING THE PROCESS OF NEIGHBOURHOOD DECLINE

1. The processes that create decline into deprivation of neighbourhoods and their concentration of social excluded residents are complex. They include the effect on the individual residents. Often they experience a process of personal impoverishment, a drastic impoverishment of their sense of well-being with adverse effects on physical and mental health. This aspect of the 'spirituality' of human beings needs to form part of the analysis of why particular neighbourhoods are deprived, and what may be going on in others to push them into the downward spiral into decay. The concept of the process of 'impoverishment' has been missing from approaches to neighbourhood renewal since the adoption of the national strategy in the early 2000s. It was usefully given its due in a handbook commissioned by the European Commission: 'Rapid Appraisal Method of Social Exclusion and Poverty (RAMSEP)' by Emanuel Mastropietro. (CERFE/European Commission 2001).
2. RAMSEP definition: 'Social exclusion is the process produced by the accumulative and interaction between each other of various social and environmental risk factors, which tend to push human beings exposed to it and affected by it toward a state of poverty. Social exclusion is therefore a process of impoverishment.'
3. The Project suggested that :
 - due to the set of risk factors there is an impoverishment process taking a non-poor individual down into poverty
 - poverty involves a loss of identity, or a loss of wide-ranging control over the environment
 - different forms of deprivation produce different ways of reacting to poverty
 - different reactions to deprivation suggest different areas of poverty, the three main ones being: (a) transitional or intermittent, (b) overall condition of suffering, (c) extreme poverty involving a radical loss of control over one's existence

Risk Factors

4. The project identified 13 risk factors (some examples of detailed indicators are listed against each).
 - **Habitat.** These include dwellings built in inappropriate areas, overcrowded areas, dwellings, continuous/deafening noise for long periods, pollution, toxic substance in the ground, low presence of parks, green area
 - **Health.** Level of availability of services, incidence of AIDS and sexually transmitted diseases, illegal abortions, incidence of mental illness and physical disabilities, alcoholism, drug addiction
 - **Work.** Unemployment: general, youth, long-term; under-employment; employment locations not protected by trade union
 - **Intelligence.** Quality of educational services, level of cultural infrastructure, school drop rate, difficult of access to training, incidence of unemployment among those with school qualifications and degrees
 - **Crime.** Level of existence and maintenance of street lighting; police presence; hooliganism and vandalism; juvenile delinquency; bullying; crimes and thefts usury; drug dealing
 - **Gender.** Rape and sexual harassment, prostitution, adult women at home, discrimination in workplace, prejudice against single mothers
 - **Family.** Level of under 5s and youth provision, incidence of families separated by divorce, domestic violence, large families, one-parent families
 - **Communication.** Network of public transport, road network condition, internet cafes/points, newsagents/vendors, post offices
 - **Public Administration.** Emergency services, responsive of local government, health and other service agencies
 - **Institutional Disorder.** Discrimination, abuse of police authority, political conflict, emigration abroad, illegal immigration, conflict between immigrants and resident population, benefit stigmatisation, existence of cultural mediators/translators in public offices
 - **Social Security.** Income support, support for homelessness, elderly, employment is dangerous/unhealthy conditions (e.g. building sites without protection), employment without accident and illness insurance
 - **Social abandonment.** Non profit services of social assistance and home care, self-help groups, elderly people living alone, vagrancy and homelessness,
 - **Consumption (non-essential goods).** Malls, shopping centres, travel agencies, high tech shops, meeting places, gyms and swimming pools, exclusive shops

Types of Poverty

5. RAMSEP suggested that there are three types of poverty:
Intermittent/transitory: borders on non-poverty

- Overall poverty: involving serious lack of resources, use of survival strategies, and optimism, weak social ties
 - Extreme poverty: involves resignation so that there is less control over the environment and evidence loss of identity
6. Individuals react differently to their deprivation. RAMSEP suggests that reactions involve different levels of loss of control of identify, caused by
- intensity of material deprivation - low availability of goods enjoyed and/or basic services benefited from
 - loss of engagement in informal social networks and with formal social networks
 - lack of will and capacity to act.

It 'is often possible to enter a vicious circle of impoverishment due to an illness, due to the lack of professional help, due to unstable housing conditions, due to a high crime rate in the areas, etc'.

Life-Histories

7. An important set of information about the process of impoverishment alongside the more traditional statistical analysis (e.g. using the Census) is the use of life-histories to illustrate the way the risk factors have affected people, and people's reactions to their impoverishment.

Effective Interventions

8. 'Knowing the intensity with which social and environmental risks occur in a given area (social exclusion) and investigating the ways in which these social risks impact on the lives of individuals (individual social exclusion profiles) therefore allows us to collect basic information in order to plan an efficient, relevant poverty prevent policy.' (RAMSEP Project)

9. 'An effective policy to combat poverty requires preventative actions aimed at blocking the process of impoverishment. This action will be linked on the one hand to supporting any inadequacies in services (health, education, housing, communication, social security, etc.) and on the other hand to improving their quality.' (RAMSEP Project)

10. The following renewal interventions are needed to block the process of impoverishment:

- improving employment opportunities
- improving income support
- addressing inadequacies in services, improving their quality and establishing new services
- improving the environment
- community development
- neighbourhood renewal strategies need to include interventions to block the process of impoverishment

The Language of Regeneration: Spiritual Capital

11. The language of regeneration and neighbourhood renewal talks about 'social', economic', 'environmental' regeneration, 'social exclusion', and 'social', economic' and 'environmental' capital. Yet we know that the fear of crime, the general decay of the state of the local environment, the lack of prospects, can all have adverse effects on individuals' sense of well-being and mental health. The experience of social exclusion or the onset of sudden crises, whether economic or health, can adversely affect the way people feel.

12. The constant experience of negative material conditions has an adverse effect on the human spirit. We should also be talking about 'spiritual capital'. This not the same as the religious concept of 'spirituality'. A non-religious example is the conclusion of longitudinal historical medical research from the United States that the more intellectually stimulated very old people are, the healthier they remain.

13. The 'wellbeing agenda' comes closest to this concept.

LONDON BOROUGH OF CROYDON OFFICE, INDUSTRIAL AND WAREHOUSING LAND/PREMISES MARKET ASSESSMENT

URS Final Report. August 2010

Note. Those sections in italics indicate deletion from continuing support by URS in its 2013 review, with a summary of reasons where appropriate.)

Recommendation 1

Promote B1a office development in the CMC within tier 1 priority clusters:

Tier 1 priority clusters

- CMC 2b - East Croydon Masterplan Area (West)
- CMC 4a - College Green Masterplan (North of College Road)
- CMC 10a- George Street and Lansdowne Rd (Dingwall Road)
- CMC 10b- George Street and Lansdowne Rd (George Street)

Tier 2 priority sites, having characteristics highly suitable to office development, should also be the focus of promotion by the Council:

Tier 2 priority clusters

- CMC 2a- East Croydon Masterplan Area (East)
- *CMC 13 - Cross Road (planning permission for residential use granted)*
- *CMC 3b - Mid Croydon Masterplan (Katherine Street to Park Street) (planning permission for Nestle building been granted.)*
- CMC 3a - Mid Croydon Masterplan (North of Park Street)

Additional Recommendation 2013: *that the loss of office space as a consequence of PD rights should also be monitored for all sites across the borough, but in particular those listed in R1.*

Recommendation 2: The Council should seek to encourage the retention of office (B1a) floorspace in District Centres (as defined by the London Plan). *(Reiterated 2013)*

Recommendation 3: The Council should seek to encourage office (B1a) and light industry use (B1b/c and B2) floorspace in Upper Norwood, which support creative (and cultural) industries. *(2013 - no up-date undertaken)*

Recommendation 4: Protection of all clusters designated as Strategic Employment Areas and Employment Areas, as per the adopted UDP, and the 'Strategic Industrial Location' (SIL) designation, as per the London Plan All land and premises currently in B1 (a, b, or c), B2 and B8

Recommendation 5: As per policy EM5 of the existing UDP, allow unallocated sites to remain protected by ensuring that release to non-industrial uses only occurs where;

- 'The existing use materially harms residential amenity; and
- It has been demonstrated that there is no demand for an appropriate alternative employment use; and
- The proposal is for housing or a community use; and
- The proposed use would not prejudice the continued use of adjacent employment sites.'

Recommendation 6: Feasibility study to assess the potential for Cane Hill to accommodate a zero carbon technology park, with start up and grow on space for B1a/b/c land uses, as part of a wider mixed-use masterplan.

Recommendation 7: Promote the provision of start-up and grow-on units for light-industry/storage and distribution use classes, within the following UDP designated employment areas:

- C2B - Purley Way North (Progress Way/ Commerce Way)
- C2C - Purley Way North (North of Tramlink Bridge)
- C2D - Purley Way North (Mill Lane Area)
- C4 - Union Road
- C8A - Marlpit Lane - West of A23

Revised Recommendation with regard to C4 - Union Rd: 'Union Road (cluster area of 3.3ha) is a fragmented employment area, which contains a large number of established non-B use class uses such as retail SMEs and community uses, set within a predominately residential area. There is little B1 or B2/B8 activity remaining. A number of buildings were considered to be in a poor condition and the cluster has poor strategic road access. In our view there is potential to consider re-designation or release of the cluster of Union Road.

The 2013 Review also took a similar view about the Thornton Rd cluster.

Recommendation 8: Promote improved estate management at the following Strategic Employment Areas / Employment Areas, with the intention of encouraging redevelopment and intensification of land use, and improving environmental quality:

- C2D - Purley Way North (Mill Lane Area)
- C6A - Selsdon Road (North)
- C6B - Selsdon Road (Central)
- C7 - Vulcan Way

Also promote improved land management

Recommendation 9: Monitoring development and occupancy in all Strategic Employment Areas and Employment Areas

2013 Review reiterates the importance of this.

CROYDON'S SOCIAL ECONOMY SECTOR

1. Croydon people are working together 'co-operatively' in a multitude of ways, not for financial profits but for wider cultural, social and economic benefits. These include Save the David Lean Cinema Campaign, the Croydon Citizen collective, Croydon Radio and Croydon Tech City, the BME Forum, the Council for Voluntary Action, the Citizen Advice Bureaux and Women's Aid.
2. Croydon's social economy sector comprises hundreds of charities, mutuals, co-operatives, social enterprises, community and voluntary groups. Some are registered as charities, some as charities and companies limited by guarantee, some as friendly and industrial and provident societies, community interest companies. The majority are unregistered because their income and expenditure is too low. Collectively these can be called 'the 'Not-for Profits'.
3. 2013 saw the registration of several new not-for-profit limited guarantee companies: Croydon Almshouse Charities Trustee Company, Croydon Care Homes, Croydon Old Town Portas Team CIC, Croydon Somali Community Development, and Purley & Kenley Churches Together Food Hub.
4. Not all the over 700 charities which are registered by the Charity Commission as operating in the Borough will actually be operating here, but have the aspiration to do so.
5. Compared with many areas the economic value of Croydon's social economy sector is huge because of the land and property wealth of the historic charitable Whitgift Foundation. A large group of not-for profit organisations are the housing associations operating in the Borough and elsewhere, as well as locally based ones. The Co-op Group has a number of retail stores and funeral parlours.
6. Being poorly managed and stocked and with no connection with their local communities the Co-op's retail stores face an up-hill struggle to increase customer share and have to deal with the contradiction of not just selling their own and other co-operative producers brands, but those of their capitalist rivals. The Group owns some empty shop units on Norbury High St, and is believed to own a lot of property in West Croydon. It does not have a good record of providing information on this to local members or the MP.
7. There are many national not-for profit organisations which provide services in the Borough and many of which have branches, including Nationwide and the employee partnerships of John Lewis Partnership (JLP) with its retail store on Purley Way and Waitrose in George St. However, JLP is not unionised, and has contacted out its cleaners so they are no longer staff members benefiting from the profit share. The National Trust owns Selsdon Woods which is managed for it by the Council. Age UK has its own separate Croydon charity which had an income of in 2011/12.
8. The charities which run shops contribute to the local economy, enabling people to recycle unwanted possessions, others to purchase them and both thereby contributing to financially supporting the charities.

The Future for the Social Sector

9. As elsewhere Croydon's social economy sector is fragmented, often in separate silos, with inadequate methods of cross-communication and in some parts rife with historic personality disputes.
10. Questions that need asking include whether the role of not-for profits in Croydon can be improved, strengthened and their share of the local economy be grown? If the answers are affirmative how can this be achieved?
11. The freeing of Council assets through asset transfer to the social economy, as is the case of the Fairfield Halls building to the charity, and the creation of significant worker co-operatives linked to the establishment of a Croydon Bank, could create an institution with a secure base able to attract investors. This could be a significant jolt to the local economy in the short, and a locally controlled basis for growth in the long, term.

COMMUNITY ENTERPRISE

What is Community Enterprise?

1. There are many organisations involved in the business of development and training and community based economic, social and environmental regeneration. They include providers of low-cost housing for rent and shared housing to local people and Credit Unions.
2. Community enterprise activities range widely over:
 - Development of groups of mixed properties
 - Training and job creation programmes.
 - Local services meeting local people's needs. e.g. community care, and day services.
 - Leisure facilities.
 - Provision of specialist services to other organisations, helping them and individuals to achieve their aspirations.
 - Provision of social housing.
 - Provision of low cost loans and help to develop local Credit Unions.

Key Characteristics And Values Of Community Enterprises

3. **People Not Profit.** Most of the organisations prioritise people over profit. Pursuing the market for profit on the one hand or weighting up the needs and desires of local people on the other is the difference between top down and bottom up development approaches to economic development.
4. **Self-Managed.** They may be constrained by regulations, guidelines, but they clearly manage their own affairs.
5. **Community Led.** They define that the benefit of anything created or service used involves some degree of community ownership. They are committed to openness and accountability to local residents in their area. They are community led. This does not necessarily mean that all those involved live in the local community. There may be private, public and voluntary sector representatives on boards of management.
6. **Retention of Profits.** They do not distribute profits. Profits are retained for further development in the business or to develop new initiatives.
7. **Holistic Approach.** They are concerned about social economic and environmental problems, and regard regeneration as a holistic process. People do not see their lives in local authority boxes of refuse collection, rent and community charge. It is a good way to deliver services, but it is not the way the world appears to people.
8. **Sustainability.** They are committed to sustainability. To create confidence in an area continuity must be created. Changing decisions about which initiatives to support each year does not help. People have to have the time to settle into and form the community infrastructure. They are looking for financial sustainability. They are very clear about the short, medium and the long-term, that there are no quick fixes.

Some Key Issues

9. **Defining The Community.** Defining the community is problematic. There are dozens of definitions. Areas become economically and socially deprived because to some extent everyone participated in the process of decline, and therefore everyone must participate in regeneration. Therefore in any specific geographic area, 'the community' includes the public, private and voluntary sectors.
10. **Keeping Money In The Local Economy.** Money leaks out of the local economy. The majority of income on local estates is taken out at source (rent). The residents have small disposable incomes. They are used to buying basics. The money goes out in a few short hours. They pay more for debts because they are living in districts that have been red-lined as high credit risk. People with houses and good incomes keep more of their money. Some of it is tied up in their houses as an asset. They get more turns on the money cycle. How can money be kept for longer in the local economy? The different types of community enterprise are a way of helping to keep money in the local economy for longer than usual.
11. **Assisting Socially Deprived Estates.** Establishing Credit Unions on socially deprived estates was problematic because of the difficulties involved in recruiting volunteers and raise money. Those set up on poor estates do less well. This may be a problem also for other types of community enterprise, except possibly for the type of Development Trust, which while being accountable to the local community involve a number of people not

living on the estate as representatives of both public and private organisations. The activities of buying groups could be one possibility for helping to keep money for longer on estates .e.g. clothing as an alternative to high cost catalogues; making own clothing; buying in bulk.

12. **Marginal Areas.** As most marginal areas had taken 25 years or more to become like they are, regeneration is a long-term process.

13. **Small Scale of Community Enterprise.** The average size of most economic units is very small. Most employment in Britain is generated by businesses employing less than 20 people. Whatever work the local community needs, it is better done by smaller organisations. Co-operatives are a very good way of working on specific services needed in the community e.g. to run a small shop and with post office; to run a child-care services to liberate people to go to work.

14. **The Retail Co-operative Movement.** In order to reverse the current retail co-operative movement's crisis up, people should organise in their local communities to join the Co-op and insist that things be changed. Local co-op retail shops should have committees of members working with the managers and staff to improve the them Business Planning. It takes time for community enterprises to become sustainable. A straightforward commercial enterprise does not make a profit in the first year or two. Normally it is subsidised by the owner. Resources have to be found for community enterprises so that they do not collapse. There are a lot of difficulties to overcome. They need continuing support. Realistic targets should be set because every time a target is met confidence grows.

Job Creation And Community Independence

15. Two main objectives of community enterprise should be job creation and community independence. The good thing about community is that it results in "added value" which is a lot of those things at the community development end of the spectrum. Those community development objectives are, however, long term goals, and come as a result of achieving the core objectives. To achieve jobs and independence you need a strong core business capable of standing on its own two feet. Only after that business is established and confident of its viability should the other issues come in.

The Community Enterprise Contribution

16. Community enterprise has a special contribution to make to economic and social regeneration.
- It is the most effective means of generating economic activity where none would otherwise exist.
 - It is a very good means of getting people into jobs who are otherwise denied access.
 - It builds confidence in communities, raising their expectations giving some degree of control over their economic destiny.
 - It keeps wealth circulating within a community rather than allowing it to seep out.
 - It provides an infrastructure on which a whole range of initiatives can be built for the benefit of the community.

Resource Problems

17. Community enterprise is not, however, a solution to all community ills.

18. Community enterprise provides a model for an efficient economic entity which could be widely applicable in a different economic system. But the economic system is as it is, and you cannot ask disadvantaged people, living in economically devastated areas to achieve miracles through working in economically marginal businesses.

19. To a degree, community business can achieve a number of minor miracles which, put together, add up to quite a lot, but we cannot expect it to solve all our problems. And if this process is not sufficiently resourced nothing will be achieved.

20. Community enterprise is not a cheap process, but investment made in such strategies can pay great dividends at a later date.

It is the actions of local people themselves which will be the most important determining factor as to whether communities survive or disintegrate. If we really believe that people can be assisted out of poverty, and if we want to make a reality of the term "sustainable regeneration" local people must be in the driving seat, and community enterprise is an important vehicle.

21. Why Croydon Should Support Community Enterprises

- Investment Channels. They are good channels for investment and reinvestment.

- Keeping Money Longer In Local Economy. Community Enterprises help to keep the money for longer in the area.
- Partnerships. They are effective vehicles for partnership. They add very real value.
- Targeting Resources. They are a way of targeting resources.
- Relieves Pressure. They usually decrease the pressure on local services and increase the morale on estates.
- Stimulates Development. They can stimulate local economic development and work with others.
- Opportunities. Local authorities are large organisations. They do not move very fast. They have structures and processes which are slow. Community enterprises are not like authorities. They can therefore seize opportunities. They can help local authorities to achieve their aims and objectives.
- Action orientated. They want to do something.
- Building Capacity. They build the capacity of the local community helping people to be in control of their lives.
- Holistic Approach. There are no quick fixes, no panaceas. It is about empowering people to be more successful.

CROYDON FAIRNESS COMMITTEE

1. Fairness Commissions in other London Boroughs and cities are essentially about anti-poverty. They are a welcome recognition of the need to revive the former anti-poverty strategy approach of Councils in the 1980s and 1990s. At the core of the concept of 'fairness' is the growing wealth inequalities across the country, made worse by such things as people being paid below a Living Wage, zero hours contracts, and cuts to benefits both for those in work and the unemployed.
2. Fairness Commissions are a means to an end NOT an the end in themselves. The END is the try and halt the growing wealth diversity, and improve the incomes and living standards and opportunities for the least wealthy.
3. The Webb Memorial Trust, which is mentioned in the Cabinet report recently commissioned some work on poverty, inequality and Commissions for the All Party Parliamentary Group on poverty. A number of issues have emerged from Commissions elsewhere in the country that raise a number of questions for the Croydon one to consider.
4. **Pay differentials.** Are there other ways to reduce the wide disparities in income between the wealthiest and poorest households? Whilst the Living Wage focuses on the lowest paid, should the pay ratios with higher earners be reduced. A welcome start has been made with the reduced salary for the new Chief Executive.
5. **Debt and credit:** How can support be given to develop the credit union sector to provide an alternative to payday loans and competitive banking services for people on low incomes? Is it possible to have a bye-law restricting the activity of payday loan companies?
6. **Increasing job opportunities for local people.** How can new local businesses and social enterprises be created with a clear strategy and action plan? How can employers be encouraged to increase the proportion of local people they employ?
7. **Tackling youth unemployment.** Can larger businesses be persuaded to effect a step change in their engagement with local people, guaranteeing to provide an agreed % of work experience placements every year and committing to increasing apprenticeship and other local employment opportunities?
8. **Targeted support for mothers.** Can employers be persuaded to develop a targeted package of employment support to mothers, especially for those groups of women with particularly low rates of employment, combining advice on childcare, training, volunteering, and employment options?
9. **Health.** Can greater and more integrated provision of preventative and community based health and social care services, particularly for the elderly and the large gap in life expectancy between the least and most deprived areas be achieved? Can increased attention be given improving the physical health care of people with mental health problems?
10. **Housing.** Can a London living rent formula be developed? How can newly developed homes be prevented from standing empty? Can more premises over shops be brought into residential use?
11. **Internet Access.** Can a partnership be developed in which universities and the creative digital industries, play a role in making free access to wireless internet universal across the Borough?
12. **Reducing energy bills.** Should the Council and Housing Associations assess the feasibility of becoming an affordable energy provider?
13. **Food banks.** What support should be given to food banks and other providers of emergency food relief?
14. **Enhancing democracy.** What more needs to be done to encourage voter registration and increase the number of voters?
15. **Implementation.** There will be a problem of moving from identifying achievable recommendations to implementation and action where recommendations are too general or too ambitious. What will happen after the Commission has reported and published its recommendations? Who will be responsible for implementing the next stage?
16. **Partnership and Consensus.** 'Beyond partnership and calls for more collaboration between public, private and third sector bodies, there has been little in any of the reports about alternative political strategies

or recommendations about how tackling poverty and inequality might be advanced in the cut and thrust of public and political life. This is perhaps not surprising given the commission model and the nature of the process. However, the extent to which partnership and consensus alone can deliver the change that is required to significantly reduce poverty and inequality is debatable.'

17. Anyone who has been involved in partnership processes over the last two or three decades know how difficult they are to work in, especially when small partners like the community and voluntary sector, get marginalised and trodden all over.

18. Anyone who is nominated to be a Commission member will be taking on a very onerous, time consuming task. They will need to be lateral thinkers with wide experience across economic, regeneration and social policy, analysis and delivery. It needs people who are independent in their questioning and thinking, and who are not locked into existing Council, other public service or private enterprise structures.

19. A key issue for the Cabinet to consider is whether the proposed £200k cost of servicing the Commission is a typical officer trick witnessed over the years in many Councils. The paper does not give a budget breakdown so it does not show how much money will be needed to fund it this financial year 2014/15 and next year 2015/16 up to the end of the January 2016 when the Commission is timetabled to publish its Final Report.

20. A small project team is certainly needed to support the Commission, but these could come from existing staff seconded from Departments that are undergoing staff cuts. The experience of the team in public engagement and effective partnership work will be vital.

http://www.webbmemorialtrust.org.uk/download/publications_&_reports/CS-1452%20Civil%20Society%2036pp%20A4%5B1%5D.pdf

THE CRISIS OF LOCAL GOVERNMENT FINANCE

1. 'In nominal terms', according to the Office for Budget Responsibility, 'government consumption is forecast to fall from 21.8 per cent of GDP in 2012 to 16.1 per cent of GDP at the end of the forecast period, the lowest level on record in data back to 1948' (1) In May 2013 the Committee of Public Accounts found that local authorities are already becoming financially unviable. For, although they had £3.6 billion in unallocated general reserves in 2011-12, this was only enough to keep every council in the country going for two months; and 12 per cent of authorities were already at risk of not balancing their budgets. (2) Moreover, the National Audit Office in 2012 estimated that a third of unitaries and county councils in 2011-12 could be at medium-term risk of being unable to balance their budgets; and senior conservatives in local government have for some time been predicting privately that the scale of budget reductions means that some councils, including some large ones, are bound to fail. (3) For example, according to its mayor Joe Anderson, Liverpool could be bankrupt by 2016-17. The council has to make cuts of £156 million over the next three years - £45 million in 2014-15, £63 million in 2015-16 and £48 million in 2016-17 - on top of £173 million of cuts over the last three years. (4)

2. Responding to the Government's consultation on the Local Government Finance Settlement 2014-15, London Councils said the capital was shouldering a 'disproportionately large' share of the deficit reduction programme. The proposed average reduction in spending per dwelling in the capital was £544 between 2010-11 and 2015-16 - 81 per cent higher than national levels - and London will face an overall reduction in spending power per dwelling almost twice as large as the England average. Chair of London Councils, mayor Jules Pipe, said: "There is nothing to reassure Londoners in this settlement. London is facing the double whammy of disproportionately high cuts along with dramatic increases in demand and costs on multiple levels. By the end of 2015/16 we will have seen a reduction of 44 per cent in central government funding and we have worked flat out to protect and, where possible, improve local services". The London Councils' submission therefore concluded that: 'This settlement raises significant concerns about the transparency and long-term sustainability of the local government finance system' (5)

3. The LGA's updated funding outlook model - 'based on an optimistic view of future council funding, conservative estimates of increases in the cost of and demand for services, and extremely ambitious assumptions on councils' ability to discover ever-efficient ways of working' - on 13 September 2013 showed that:

- The financial black hole facing local government was widening by £2.1 billion a year and would reach £14.4 billion by 2020.
- The black hole was growing at a rate £100 million a year faster than it was 12 months previously - 'indicating that the current funding system is broken and that a radical overhaul of the way services are provided and paid for is required across the entire public sector'.
- The additional 10 per cent real-terms cut to council funding for 2015/16, which was announced on 26 June 2013, came on top of the 33 per cent real terms cut made across the then current comprehensive spending review period.
- The model also incorporated the widening of the health budget to allocate £2.1 billion to adult social care services in 2015/16 and noted that with 'our ageing population pushing up demand for adult social care services such as home care for the elderly and infirm, and the cost of providing councils two next-biggest-cost statutory obligations of children's social care and waste management also set to rise, the analysis shows that these three areas of spending will soak up an ever-larger share of council budgets'.
- The money available to deliver all other local services, including leisure and cultural facilities, school support services, fixing the roads, building new homes and promoting economic growth will shrink by 46 per cent by 2020, down from £26.6 billion in 2010-11 to £14.3 billion by the end of the decade.

4. Moreover, as the LGA's update concluded

....if councils use their financial reserves to cover the cuts, this invaluable safety net will be exhausted within three years and no money will be left to cushion the impact of future cuts. This would also mean that the funding shortfall in 2020 would be larger than if reserves were not used at all. This is because the funding trajectory remains unchanged, while the money available to cushion the cuts or deal with unexpected costs will have already been used up. Town hall leaders warn that the scale of cuts will have inevitable consequences on services right across the board. In response, local authorities will have to reduce care services and tighten eligibility criteria, placing a greater strain on our hospitals and emergency rooms. Cuts to the money available for infrastructure and growth projects will curb the economic recovery, reducing job opportunities

and increasing welfare costs. Reduced spending on leisure and cultural facilities will reduce the quality of life in many areas. (6)

5. The cuts from 2011-12 to 2014-15 represent the largest reduction in public spending since the 1920s. Revenue funding to local government falls 28 per cent in real terms by 2014/15, excluding schools, fire and police, with local government facing some of the largest cuts in the public sector. In addition, local government funding reductions were partially front-loaded, with 8 per cent cash reductions in 2011-12. The Chancellor subsequently announced that public finances will not be brought back into balance during the lifetime of the current parliament. By the end of 2015-16, local government will have seen spending reduce by 35 per cent compared with 8 per cent in education and a 4 per cent increase in health. Moreover, the majority of councils consider a tipping point will be faced in 2015-16 or 2016-17 (46 per cent and 33 per cent respectively) with the remainder considering it will be in 2017/18 or later. Though 'some commentators harbour serious doubts about the sustainability of the current model of local government beyond 2014/15'. (7) And '[m]ost local government leaders', according to Grant Thornton, are also 'realistic enough to accept that a change of government following the 2015 election will not see a radical change to the funding levels forecast by the coalition government' (2013, p. 7). Grant Thornton therefore consider that authorities 'will need to have a relentless focus on...increased commercialisation of services' and that: 'A move towards full-blown strategic commissioning models will mean a fundamental change for councils' (ibid.). (8)

6. That is - unless the alternative political and economic strategies advocated by the trade unions, TUC and the Broad left are adopted - the demise of local government will be realised with pre-1948 levels of privatised provision by 2020. For, as George Osborne said in a speech on 6 January 2014, the job of fixing the economy was not even half done. We've got to make more cuts - £17 billion this coming year, £20 billion next year, and over £25 billion further across the two years after. That's more than £60 billion in total. George Osborne also warned that after the next election council housing for the better-off and housing benefit for under-25s would also be targeted. And Ed Balls, the shadow chancellor, acknowledged that if Labour won the 2015 election it "will have to make cuts and in 2015-16 there will be no more borrowing for day-to-day spending" (9).

Peter Latham

- (1) Office for Budget Responsibility (2013) *Economic and fiscal outlook*, 5 December, p. 74, their emphasis).
- (2) Committee of Public Accounts (2013) *Department for Communities and Local Government: Financial sustainability of local authorities Third Report of Session 2013-14 Report*, together with formal minutes, oral and written evidence, 13 May, p. 8.
- (3) National Audit Office (2012) *Tough times 2012: Councils' financial health in challenging times*, November; J. Carr-West, 'Is local government heading for broke? The scale and speed of budget cuts mean that councils do not have the time and space to ensure permanent and sustainable reductions in cost', 8 October, 2013, <http://blogs.lse.ac.uk/politicsandpolicy/archives/36972>).
- (4) *BBC News Liverpool*, 2 October 2013.
- (5) *The MJ*, 16 January 2014.
- (6) Their analysis is based on reviews of the situation in 138 (40 per cent) of all English local authorities.
- (7) Local Government Association, *Future funding outlook for councils from 2010/11 to 2019/20*, 13 September.
- (8) Grant Thornton (2013) *2016 tipping point? Challenging the current*, December. p. 7
- (9) Quoted in G. Parker, 'Chancellor George Osborne targets £12bn of fresh spending cuts' *The Financial Times*, 7 January 2014.