

**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**

EXECUTIVE SUMMARY AND RECOMMENDATIONS

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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 effecting 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.

Members of the Working Party

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