



Croydon

Key drivers of change



Key drivers of change for Croydon

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Summary of key issues

Important note on the current economic situation

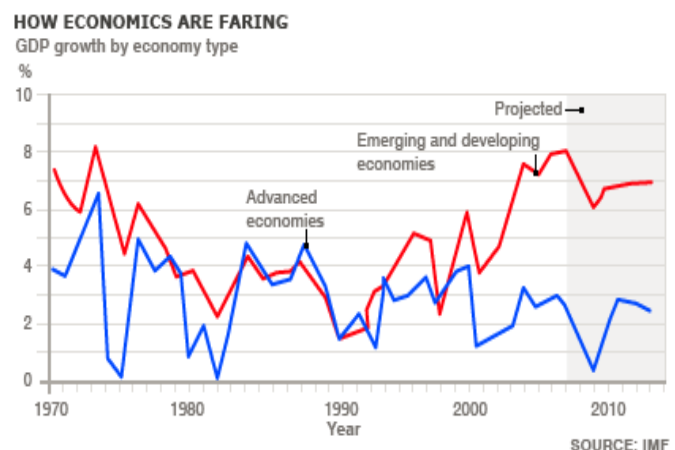
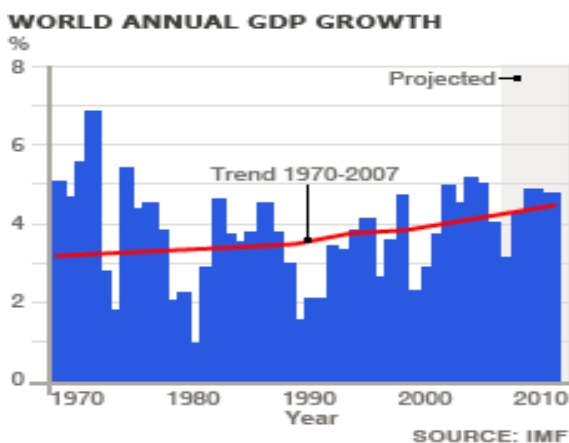
The credit crunch is expected to have a lasting impact on the United Kingdom and London economy over the medium term and perhaps the longer-term. However, over the 20–30 period of realising this vision we would expect to see, from even the most pessimistic of economic forecasting, growth recovering and pushing on again in the UK economy due to the fact that we successfully restructured our economy through the 1980s and 1990s. At this point in time it is unfortunate that few medium and no long-term economic forecasts have been updated for the region.

From the information currently available we know the following:

The UK economy is likely to enter into a technical recession in Q3 and Q4 2008 with Gross Domestic Product (GDP) shrinking by 0.2% each quarter.

The Organisation of Economic Co-operation and Development (OECD) has stated that the breakdown of financial markets – even if largely reversed through government interventions – will affect the short and medium-term prospects of activity and inflation throughout the world with at least several quarters of weak growth ahead for most OECD economies¹.

The International Monetary Fund (IMF) has produced a similar forecast, predicting that growth will only pick up late in 2009 and then only slowly with advanced economies lagging behind developing economies².



The knock-on effect of the shrinking finance and business sector in London is difficult to evaluate with any precision, but estimates to date suggest that 20–40,000 business and finance sector jobs may disappear between mid-2008 and the end of 2009. The

¹ Speech by Angel Gurría, OECD Secretary-General, to the Parliamentary Assembly of the Council of Europe, Strasbourg, October 2008

² International Monetary Fund, World Economic Outlook, October 2008

rate of job loss is likely to exceed that suffered in the fall-out from the dot.com bubble bursting in 2001/02³.

An important consideration is the secondary impact of job losses in other sectors linked to finance and business services. The dip in fortunes of the business and financial services sector after the 2001/02 dot.com crash led to a drop in employment in the creative industries in London in the period 2001-04. This amounted to a fall of almost 10 per cent, or approximately 50,000 jobs in the creative sector⁴.

Since the credit crunch began, property prices have fallen with significant drops in transaction levels in office, residential and retail markets. The property market has, unsurprisingly, witnessed some of the major initial impacts of the credit crunch with estimates of rents and capital values projected as falling. However, a CB Richard Ellis report for the GLA on the short to medium term outlook for office and retail rent and capital values predicts that outer London will suffer less than central London in a downturn or a recession, partly due to inner London's reliance on the City⁵. See table below.

Average Growth 2008-10

City offices:	Base	Downturn	Recession
Rental values	-3.5	-10.6	-17.4
Capital values	-6.9	-13.4	-20.3
West End offices:			
Rental values	3.3	-6.0	-13.2
Capital values	-0.2	-9.0	-16.3
Outer London offices:			
Rental values	0.0	-3.3	-6.2
Capital values	-3.5	-8.4	-12.4
Outer London retail:			
Rental values	2.0	-0.6	-2.4
Capital values	-2.0	-6.3	-9.6

As banks have tightened their lending criteria, a weakening of demand has had an impact upon the residential housing market in the wake of the credit crunch. This problem of translating need into market demand is likely to be exacerbated over the coming period. The historical imbalance between demand for housing and its supply has been the main feature of the residential property market for over 20 years, and an important cause of the rise in house prices.

The combination of recession then slower economic growth, higher levels of unemployment and a stagnated property market means that whilst there will always be change in an international city such as London that change will slow right down

³ Gavin Poynter. The 'Credit Crunch' and London's Economy, Rising East Online, University of East London, July 2008.

⁴ As above.

⁵ CB Richard Ellis, Credit Crunch and the Property Market, GLA Economic, May 2008.

over the short and medium-term. In the short-term we face a period of uncertainty with the immediate focus being on stabilising financial institutions.

Summary of key drivers

Population change and migration

Population change and international migration is likely to reduce as a result of a flat economy over the short and medium-term.

Regional migration is likely to reduce as a result of housing market stagnation, which will slow the rate of change in the ethnic make up of the borough. However, differences in birth rates amongst ethnic groups will still result in some change.

When the housing market picks up again, there is a risk that the regional migration flow of higher socio-economic groups out of the borough will leave higher proportions of lower socio-economic groups in the borough. Over time, this could lead to a reduction in spending power in Croydon centre and some district centres, particularly those in the north.

The regional migration pattern is likely to be linked to the performance of local schools and relative house prices. More research is needed to clarify this but it is likely that higher socio-economic groups with families are moving out of the borough to take advantage of alternative education offers in Sutton and Bromley - both achieve amongst the best GCSE results in the country.

Where lower socio-economic groups move into the borough, most likely moving out from adjacent central London boroughs, they are more likely to locate in areas where levels of deprivation are already higher. In some instances the population will begin to change in adjacent areas as part of an overspill effect. This can adversely affect local economies and local services by reducing local spending power and increasing the need for interventions through schools to improve educational attainment or the provision of health care services.

Housing

An up-to-date urban capacity study is urgently needed to confirm potential sites for housing that can be brought forward over medium and long-term timescales.

The GLA high population projections will represent a challenge if converted directly into housing targets. The challenge is based on the fact that Croydon currently has low population densities, especially in the south of the borough. The expectation of residents in the south is likely to be that these areas of the borough should be preserved. This offers the opportunity to create a diverse offer through the whole borough with Croydon centre offering modern apartment living amongst shops, restaurants and transport hubs. Bringing residential accommodation back into the centre may actually support development opportunities in a mixed-use form.

In the short-term the provision of affordable housing through private developments will become tougher to achieve as the target thresholds will make many developments unviable. However, the slack may be taken up by development through the new responsibilities of the Homes and Communities Agency and Registered Social Landlords with more opportunities presented by lower land values. The borough's 'Single Conversation' with the HCA will be important in setting the future direction in this respect.

Skills and jobs

Even higher proportions of lower-skilled workers living in Croydon will have a broader impact on how the economy functions. The flow of disposable income could be lower especially over a short to medium-term recessionary period.

As with many London boroughs there are local disparities in the levels of worklessness so a key issue for the future will be addressing areas of higher worklessness to improve education, skills, training and access to employment. This is particularly important to prevent further polarisation on a geographic basis as those with choice move away from these areas and those with less choice, e.g. lower socio-economic groups take their place.

Skill levels of Croydon residents are a key issue now and for the future. Whilst currently worklessness in the borough is well below the London average and also below the England average, the borough has a relatively high proportion of low skilled workers. Future skills requirements will be higher for jobs in London and residents need to be equipped to compete. It is expected that competition for jobs will be much fiercer through any recessionary period and the following early years of growth.

Local economy, retail and town centres

Croydon has considerable opportunities to grow two key aspects of the modern London economy: office accommodation and retail/leisure provision. In the short to medium-term the change in the London political and policy landscape will support this. Unfortunately the likely recession over the next year, at least, presents a threat.

A key issue will be the need for a modernisation of the office offer in Croydon centre. Much of the aging stock is less attractive to companies even if the rental rates are lower than central London. The planned regeneration of the centre, based on Will Alsop's proposals will be central to this.

Croydon centre is predicted to become the third largest retail centre, in terms of turnover, in London by 2016. This combined with an improved office offer will put Croydon centre in a powerful position but managing the development cycle through this period of recession will be key to maximising growth once an economic recovery begins.

The growth of Croydon centre could actually destroy the district centres in the borough. Careful and imaginative planning will be needed to develop a clear vision and role for all the borough's centres that ensure they interrelate but have a different

offer. The next stage will be to deliver that in the different locations perhaps building on some of the good work already taking place around the Crystal Palace triangle: an area where the borough borders mean little to residents.

Connections and transport

Part of Croydon's strong position is based on its status as a sub-regional strategic gateway with excellent transport links into central London, the tram network within the borough and future improvements to transport infrastructure such as East London Line extension the next few years. The fact that many borough residents work within the borough contributes to relatively high car usage.

A key component to the future success of Croydon's centre will be addressing the current road network that splits the centre. The regeneration of Croydon centre offers an excellent opportunity to showcase environmental sustainability and offer green, safe, walkable areas that will enhance the local office and retail offer.

There are potential opportunities for Croydon to take advantage of any expansion of international business traffic through Gatwick airport, which is a distinct possibility if the new owners attempt to compete with Heathrow and BAA's offer. The combination of Croydon's location between Gatwick and central London and a more competitively priced office offer may be attractive to international businesses looking to locate in London. However, much of this will depend on improvements to the quality of office stock and the town centre.

Health

A changing population and changing lifestyle patterns are key drivers of change in terms of healthcare provision in Croydon, particularly around obesity, mental health and disability.

The cost of treating obesity-related diseases is predicted to increase dramatically, with total NHS costs attributable to overweight and obesity projected to double to £10 billion per year by 2050, whilst over the same period, the cost to UK economy of mental health could treble from £17 billion per year today, to over £50 billion per year.

At the same time life-expectancy is increasing, and coupled with improvements in the efficiency of medical interventions this means that more people are living for longer with chronic diseases. More elderly people with chronic health issues means will require specialist services sited in convenient locations to support them.

Although cost implications and funding are national policy issues, Croydon has the opportunity to implement local-level changes that can mitigate the worst effects of such diseases: physical and social interventions that encourage general physical activity and healthy lifestyles, or fostering cohesive and inclusive communities that can help to reduce levels of depression.

At the same time Croydon should look to implement innovative local policies to adapt existing services to developing areas of need to reflect changing attitudes towards mental health and increasing awareness amongst residents of the need for healthier lifestyles.

Our community

A growing national and regional population

The UK population is projected to increase by 10.5 million to over 70 million over the period 2006 to 2031, and continue to grow still further after that date. This is due to natural increases (more births than deaths) and a continuing net inflow of migrants. It is estimated that up to half a million workers may have come to the UK from Eastern Europe since May 2004, although Labour Force Survey data suggest that perhaps around half of these may since have returned home. The age demographic of the population is also projected to change with higher proportions of 'older people' (over 65s) as people live longer due to improved medical science and social care practices⁶.

The Greater London Authority (GLA) population projections are only available up to 2026 so we are constrained by those figures. The GLA estimate London's current population at 7.5 million with projected growth of 1.1 million up to 8.6 million by 2026. Over this period the number of households is expected to rise from 3.2 million to almost 3.9 million, and 493,000 of this increase will comprise one-person households. The projections in age structure for the capital in 20 years' time show the largest rises among people of later working age (45-65 years)⁷.

Growth in Croydon

The recent GLA high level forecast for the borough's population predicts an increase of 16,220 people by 2026⁸. There are a number of difficulties in projecting future population forecasts including uncertainty over the number of births, the level of international & domestic migration and life expectancy. In particular future migration is becoming increasingly difficult to predict as individuals' migration patterns become more complex and difficult to assess.

The borough's age structure will certainly 'age' in line with that of London. There will be higher numbers of older people over the next twenty years and fewer young people. As with the rest of London, the working age population will fall slightly as people in this age bracket will continue to migrate into London for employment reasons. The table below shows GLA-projected changes to the borough's age structure:

⁶ Greater London Authority population projections 2007, February 2008.

⁷ As above.

⁸ As above.

A Breakdown of Population Growth by Age in Croydon⁹

Age Group	Population Change (2006-2026)
Children & Young People (0-19)	-7,971
Working Age People (20-64)	-2,771
Older People (65+)	10,504

It is important to note that changes in the age structure over the long-term are affected by the provision of housing supply and public service provision, among other factors, in the borough. The manner in which these elements are adjusted will affect, to some extent, the future age structure of the borough.

Changes in the ethnic make-up of Croydon

The ethnic make-up of Croydon was broadly in line with London in 2001 but is set to become much more diverse by 2026 with some of the most rapid changes of any London borough over the period. The estimated ethnic make-up of the whole population in 2026, perhaps unsurprisingly, closely resembles the current ethnic make-up of the school age population.

A Breakdown of Population Growth by Ethnicity in Croydon¹⁰

Ethnicity	2001	2008	2026	Change 2001-26	London 2026
White	70.14%	61.17%	49.34%	-30%	60.88%
Black Caribbean	7.87%	9.85%	12.98%	65%	4.88%
Black African	4.43%	6.39%	8.31%	87%	7.25%
Black Other	2.85%	3.83%	5.17%	81%	3.09%
Indian	6.43%	8.10%	10.31%	60%	7.52%
Pakistani	2.25%	3.07%	4.40%	95%	2.88%
Bangladeshi	0.54%	0.72%	1.01%	87%	3.00%
Chinese	0.67%	0.56%	0.49%	-28%	3.69%
Other Asian	3.17%	3.83%	4.50%	42%	1.73%
Other	1.64%	2.47%	3.50%	114%	5.08%

The figures predict that the net loss of White people from the borough will continue up to 2026. Persons from ethnic minority groups will compensate for this loss. In particular there will be significant rises among all major ethnic groups. The evidence suggests that Croydon will enter into an age of 'super-diversity' with substantial increases in the populations of the main ethnic minority groups, in particular Black Caribbean. In fact **compared to London, Croydon will** see one of the largest percentage changes in its ethnic minority population¹¹.

⁹ As above.

¹⁰ Greater London Authority population projections 2007, February 2008.

¹¹ As above.

There is also evidence of increasing diversity in terms of the number of people with disabilities. The 'Learning Disability Task Force' predicts that there will be a 15% increase in the numbers of people with learning disabilities from 2003 to 2011 and a 20% increase by 2021 across the UK. The increase is due partly to increasing numbers of children with learning difficulties surviving into adulthood. It has not been possible to evidence future trends for other forms of disability over the next twenty years but as more people live longer, some of those will be suffering from age-related disabilities. With more people with disabilities in the population there will need to be a shift away from the negatives of a disability, e.g. what the individual cannot do, to a focus on the positive's, e.g. what they can do.

It is clear that these changes to the borough's population make consideration of issues of cohesion, especially around the development and building of new housing, key. Relations between individuals, communities and institutions will increasingly be placed under strain as competition for public services and housing becomes more intense. The changing population will also impact on the local economy as currently there are a number of inequalities in terms of economic activity and the labour market for ethnic minority communities.

The change in ethnic make-up of the population will also bring changes in community cohesion. In some areas, where ethnic minority communities are establishing themselves for the first time there may be some tension and limited opportunities for bridging across communities. However, where a single ethnic minority group becomes the majority in an area then cohesion within that group should be high which could lead to more bridging with other communities. In cohesion terms the picture will certainly become complex and require public services and the third sector to think imaginatively.

Whilst there is uncertainty about the medium to long-term effects of the credit crunch, any sustained period of recession with lower levels of employment and a stagnated housing market will reduce the ability of people to migrate across the region and internationally. This could lead to slower rates of population change, especially in the growth of Eastern European populations. However, different birth rates amongst ethnic groups will still contribute to a reduced proportion of the White British community in most areas.

Single person household growth

The latest GLA estimates on household growth for the borough and London predict a strong growth of single person households. As cultural and social attitudes change more people will decide to live in single person households. The average household size will fall across London over the next twenty years.

Between 2001 and 2026 Croydon will experience a growth of almost 20,000 households¹². It is estimated a large proportion of these will be single person households. A fuller breakdown of household trends is presented below:

¹² Greater London Authority population projections 2007, February 2008.

A Breakdown of Household Change in Croydon

Household Type	2001	2006	2026	Change 2001-26
Married	57,596	53,070	42,286	-15,310
Cohabiting	10,891	13,105	19,596	8,705
Lone Parent	14,087	15,509	17,309	3,222
Other Multi-person	10,478	10,585	11,301	823
One person	46,093	49,756	68,596	22,503
Total households	139,145	142,025	159,087	19,942
Average household size	2.39	2.3	2.086	n/a

Household Type	2001	2006	2026	Change 2001-26
Married	41.39%	37.37%	26.58%	-15,310
Cohabiting	7.83%	9.23%	12.32%	8,705
Lone Parent	10.12%	10.92%	10.88%	3,222
Other Multi-person	7.53%	7.45%	7.10%	823
One person	33.13%	35.03%	43.12%	22,503
Total households	139,145	142,025	159,087	19,942
Average household size	2.39	2.3	2.086	n/a

However, it must be emphasised that these population and household growth forecasts are very dependent **on the supply of housing in the borough and the rest of London**. If housing targets and subsequently the supply of housing was to alter then household growth forecasts might change accordingly. Even more importantly, if the borough was to demand particular types of housing then this could also drive the type of households moving into, or staying in, the borough over the next thirty years.

Community safety

The complexity of issues that contribute to criminal activity are such that it is extremely difficult to predict potential levels of crime in the future. However, there are a number of factors that can be considered in relation to crime in the future. When the economy is buoyant and consumer spending rises then property crime generally falls as those who are economically marginalised have an increased capacity for the lawful acquisition of goods¹³. Long-term predictions for the economy to continue to grow therefore suggest a long-term trend of falling property crime. However, we can expect a spike in this downward trend in the short to medium term as we experience a recession.

¹³ Home Office, crime reduction toolkits, Anticipating Future Trends in Crime and Disorder Audits, undated webpage.

Demographics trends have also been identified as influencing long-term crime trends. For example increases of 1% in the population of young males aged 15 to 20 increases the risk of a rise in theft and burglary. In the long-term we are expecting a decrease in the number of younger adults in London suggesting that this pressure on crime levels might fall¹⁴. However, a counterpoint to this is that there will be more older people in London and Croydon in the future, which could create the potential for more muggings as older people are often perceived as easy targets for criminal attacks. It is possible that the current situation in many areas of relatively few young men being responsible for an increasing proportion of crime will become the key feature of crime in the future.

Other key drivers for crime in the future have been identified in a Home Office toolkit¹⁵:

- **Potential development of new illegal drugs** – new side effects will impact on users' behaviour and any harm will affect the health service. Depending on the country of origin then new criminal gangs and dealer networks will need to be tackled;
- **Increase in homeworking** – presents different opportunities for thieves to target properties or individuals. In some instances there may be fewer opportunities for criminals to target properties when empty which could result in more violent crime;
- **Regeneration of city centres** – leisure industries rely on attracted large numbers of people to an area, quite often involving bars and clubs which can have an impact on disorder offences and violent behaviour;
- **Mixed-use developments** – should lead to a reduction in crime in town centre areas as there is more likely to be people around to create an 'eyes on the streets' effect that deters vandalism, other property crime and car crime.
- **Reduction in the use of cash** – the increasing shift to various forms of payment cards rather than cash means that fraud is more likely to be the reason why someone's wallet or purse is targeted as less cash will be carried in the future. This change in behaviour could also lead to increases in violence as individuals are threatened and taken to cash points and forced to withdraw cash;
- **Availability of new technology 1** – increasingly credit or debit cards are at risk from being cloned and used for fraudulent activity. The rise in internet use and online shopping also increases the risk of identity theft to facilitate fraud. The kind of crime is increasing rapidly and is likely to become a higher proportion of all crimes in the future as the technology to conduct such crimes becomes more easily available;
- **Availability of new technology 2** – the increase in affordability and availability of sought after portable technology such as mobile phones, media players and now mini-laptops increases the chance of individuals being targeted for theft and these incidents will often involve violence or the threat of violence. This could be an important feature of the future unless the technology becomes so cheap that there is almost no resale value. It is more common now for homes to be packed with expensive technology from plasma screen TVs, computers, stereo systems and other cutting edge home entertainment. In the

¹⁴ As above.

¹⁵ As above.

future, if economic equalities are not address, this could drive an increase in burglaries.

- **Gang culture and lifestyle** – advances in technology and a requirement for higher levels of qualifications for jobs in the future could deepen the divide between the ‘haves’ and ‘have nots’. In some areas of our cities the young socially excluded are seeking a sense of belonging in estates-based gangs. This lifestyle is characterised by violent attitudes, drug taking and escalating criminal activity which further reinforces barriers to inclusion with society;
- **Role of the media** – media saturation and a corresponding increase in the sensationalism of the news has led to a mismatch between public perceptions and reality on many issues including crime. In the future the increasing availability of media technology and increased competition amongst media providers is likely to lead to increasing sensationalism and the potential for moral panic.

Our Health

A changing population and changing lifestyle patterns are key drivers of change in terms of healthcare provision in Croydon, particularly around obesity, mental health and disability.

General Health

Improvements in healthcare provision, medical technologies and treatment patterns mean that increasing numbers of people are living longer. This is contributing to the predicted changes in the country’s population structure where there will be more older people. However, not all of those older people will have aged healthily and the increased effectiveness of medical interventions mean that people diagnosed with many conditions are living longer. This will result in increased pressure on specialist care services and healthcare infrastructure in order to meet their needs.

The combination of an aging population, lifestyle patterns and more effective medical interventions means that chronic diseases are likely to increase in incidence¹⁶. Almost one in four of the population aged 65+ has more than one chronic condition. This currently represents 10,700 people and is estimated to constitute 11,000 by 2011 and 11,900 by 2018¹⁷.

¹⁶ The Collaborative City: Future Trends,

¹⁷ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

Projected prevalence increases for common long-term conditions¹⁸

	2008 projected	2011 projected	2013 projected	2018 projected
Hypertension	77,669	80,315	82,364	87,134
Diabetes	19,056	21,043	22,497	25,847
Chronic Obstructive Pulmonary Disease	12,395	12,771	13,078	13,797
Coronary Heart Disease	11,419	11,769	12,096	12,837

Living with a chronic condition increases the risk of acquiring associated disabilities and other illnesses. These residents will require a range of specialist healthcare facilities in conveniently accessible locations or delivered direct to their place of residence as their ability to travel far may be severely curtailed.

The population is also expected to change significantly in terms of its ethnic composition, becoming much more ethnically diverse. Research has shown that different ethnic groups are at increased risks of different conditions, such as cardiovascular disease, diabetes, and low birth weight births, which will influence future demands placed on health services.

The combination of the wide-ranging changes to the population will have a significant impact on the need for primary health care services. If current trends continue, the annual number of GP consultations in Croydon will rise from 1.1 million in 2008 to 1.2 million in 2013, and the annual number of total primary care consultations will rise from 1.8 million in 2008 to 2.1 million in 2013.¹⁹

Recent modelling undertaken on behalf of NHS London – which takes into account changes in the age, sex, ethnicity, and deprivation profile of the population, and also adjusts for increasing rates of obesity – indicates that the prevalence of type II diabetes will rise from 5.2% (17,900) in 2008 (4.5% among men and 5.9% among women) to 6.1% (21,300) in 2013 (5.3% among men and 6.9% among women). The prevalence of hypertension, which is also higher among certain ethnic groups, is expected to rise from 28% in 2007 to 29% in 2013. This increase of one percentage point equates to a further 4,700 people with hypertension and therefore at risk of morbidity and mortality from circulatory disease, particularly stroke. Prevalence rates of other long terms conditions – including chronic obstructive pulmonary disease (from 4.5% to 4.6%) and coronary heart disease (from 4.1% to 4.3%) are also expected to rise during the five years from 2008 to 2013, albeit to a lesser extent.²⁰

¹⁸ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

¹⁹ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

²⁰ Data supplied by NHS London based on analysis undertaken by a range of public health observatories, 2007

Obesity

Obesity is now one of the biggest health issues to address in this country. The analysis by the government’s Foresight programme shows that 40% of Britons could be obese by 2025 and over half of the UK adult population could be obese by 2050²¹.

Across the UK, by 2025, obesity among 11–15-year-olds will have increased by six percentage points for boys and 11 percentage points for girls. The table below shows projected statistics relating to obesity in children²²

Table 2.1 Percentage predicted to be obese (IOTF criteria), by sex and age¹

	Age	2004	2025	2050
Boys	6–10	10%	21%	>35%
	11–15	5%	11%	23%
	All under 20	8%	15%	25%
Girls	6–10	10%	14%	20%*
	11–15	11%	22%	35%
	All under 20	10%	15%	25%

*Very wide CI

Increasing levels of obesity drives a variety of other health problems, including an increase in prevalence of type 2 diabetes, hypertension, coronary heart disease and stroke, metabolic syndrome, osteoarthritis and cancer²³.

National estimates suggest that Croydon has a higher proportion of adults who eat healthily and a lower proportion of obese adults than the national average. However, local data show that obesity rates vary substantially across the Borough and appear to be closely linked to deprivation levels. Local data indicates that childhood obesity rates are above the national average in both of the school years (reception year and year 6) included in the National Child Measurement Programme. Breastfeeding contributes to reduced levels of childhood obesity and while the PCT is meeting its breastfeeding initiation targets, local data indicate considerable inequalities within the population which must be addressed.²⁴

Tackling obesity is important. Poorer, less well educated people are more likely to be obese and that will not change. In the absence of people being able to apply common

²¹ Tackling Obesities: Future Choices – Project Report by Foresight, 2007

²² Tackling Obesities: Future Choices – Project Report by Foresight, 2007

²³ Tackling Obesities: Future Choices – Project Report by Foresight, 2007

²⁴ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

sense to their eating and exercise habits we'll have to help but this is doomed to failure if people do not become more responsible

Mental Health

The Foresight report on Mental Health identifies the following drivers of change relating to mental health, grouped into three categories:

- ***Biographic characteristics:*** age, sex, ethnicity; family and socio-economic characteristics (marital status, number of children, family composition, employment); individual circumstances (life events, social supports, immigrant status);
- ***Household characteristics*** (accommodation type, housing tenure); geography (urban/rural, region);
- ***Societal characteristics:*** for example, crime, deprivation index.

Some mental disorders are set to grow substantially in the future, as they are strongly linked to trends in important drivers of change: in so doing, they could place a considerable strain on health and social services, and also on family carers. A prime example is dementias, where the number of affected individuals in the UK could double from 700,000 today, to 1.4 million over the next 30 years. Over the same period, the cost to UK economy could treble from £17 billion per year today, to over £50 billion per year. The costs of long-term care alone, for older people with cognitive impairment in England could rise from £5.4 billion to £16.7 billion between 2002 and 2031²⁵.

Changes in lifestyle patterns and household structures mean increasing numbers of people are living alone. Longer working hours, increased amounts of time spent commuting, the breakdown of traditional family units and social ties and growing numbers of people forced to live in single-bedroom apartments all contribute to an increase in the number of people with the characteristics associated with a higher risk of depression. The main characteristics are²⁶:

- Female
- Aged 35-54
- Unemployed
- Lack of formal qualifications
- Divorced or separated
- Living as a lone parent or living alone
- Tenants of local authority or housing associations

As healthcare technologies improve and life expectancies increase there are growing numbers of elderly people surviving their partners and living alone and who are isolated from wider family and social support networks.

²⁵ Mental Health: Future Challenges – Foresight Report

²⁶ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

Changing attitudes to depression and other mental illnesses also play a part. With taboos around mental health issues beginning to be broken down, we are likely to see growing numbers of people self-diagnosing themselves with diseases such as depression, and this will require a change in the way people interact with treatment services and may well engender a move away from the traditional referral-by-GP approach.

All of these factors will fuel the demand for increased mental health treatment and support services through a range of different channels and at a variety of locations.

Disabilities

Across the UK there is expected to be a rise in the number of disabled adults over the age of 60 requiring healthcare, from 4.6million in 2001 to 5.2million by 2011²⁷

The table below indicates the rise in the number of Croydon residents with a self-reported disability which will occur if the proportion of the population reporting such disability remains constant at 14%.

Croydon long term limiting illness projection figures²⁸

Year	Total no. of People with limiting long term illness	Children with long term limiting illness aged 0-15	People with limiting long term illness aged 16-64 (a)	People with limiting long term illness aged 65+
2001	48,660	2,932	25,452	20,276
2007	49,461	2,850	26,064	20,547
2011	50,503	2,845	26,220	21,438
2013	51,423	2,865	26,266	22,292
2018	53,315	2,938	26,520	23,857

There is also evidence of increasing diversity in terms of the number of people with disabilities. The 'Learning Disability Task Force' predicts that there will be a 15% increase in the numbers of people with learning disabilities from 2003 to 2011 and a 20% increase by 2021 across the UK. The increase is due partly to increasing numbers of children with learning difficulties surviving into adulthood.

It has not been possible to evidence future trends for other forms of disability over the next twenty years but as more people live longer, some of those will be suffering from age-related disabilities. With more people with disabilities in the population there will need to be a shift away from the negatives of a disability, e.g. what the individual cannot do, to a focus on the positives, e.g. what they can do.

²⁷ The Collaborative City: Future Trends, 2007

²⁸ London Borough of Croydon, Joint Strategic Needs Assessment, 2008

Our housing

Housing demand

National forecasts suggest that affordability will continue to be a problem for middle and low-income households. The National Housing and Planning Advice Unit suggest that the strong demand and limited supply of housing means the problem of affordability is likely to get worse over the next two decades²⁹. By 2026 the cheapest 25% of houses will cost 10 times the average earnings of the poorest 25% of people. At the moment these houses cost seven times earnings; a decade ago they were only four times.

The shortage of housing is greatest in London and the south-east of England. The GLA sees a need for an additional 353,000 homes over the next 10 years³⁰. This is a result of migration, household formation and homeless households as the table below sets out:

A Breakdown of Housing Need in London Over the Next 10 Years³¹

Housing type	Inward flow	Outward flow	Net gain (loss)
10 YEAR REQUIREMENT			
UK Migration	518,200	1,058,400	(540,200)
International migration	690,500	434,000	256,500
Indigenous change	846,400	225,600	620,900
Established household moves	1,448,700	1,448,700	-
Homeless households	16,400	-	16,400
TOTAL	3,520,200	3,166,700	353,500

Source: GLA

Although it has not been possible to produce similar information for Croydon, estimates referred to earlier indicate that the natural increase in population is largely responsible for growth in the borough.

GLA estimates point to demand for approximately 17,000 new households in Croydon between 2006 and 2026³². Higher proportions of new housing developments will need to be for one person to accommodate the increasing numbers of one person households. However, meeting housing demand will not be just about building flats as thought will need to be given to the best kind of housing to support single older people who may require some level of support in their day-to-day lives.

²⁹ National Housing and Planning Advice Unit, Meeting the Housing requirements of an Aspiring and Growing Nation, June 2008.

³⁰ Greater London Authority, London Plan with Early Alterations, December 2006.

³¹ As above.

³² As above.

In addition to 'new demand for housing' the borough will also have to deal with its existing backlog of demand for housing. As was mentioned in the 'Where We Are Now' section, over 11% of households in the borough were, in 2001, living in overcrowded housing with some areas in the north having over 20% households living with overcrowded housing. Latest figures indicate 11,059 households were on the Croydon Housing Register for social housing (2005/6) and 4,561 households were presented to the Council as homeless in 2005/06³³.

Whilst the credit crunch is expected to push house prices down over the next few years, this will also lead to a lower number of new housing developments proceeding. It is highly likely that once the economy recovers the supply of housing will again fail to match demand in London and lead to another sustained period of high house price inflation. High house prices have already affected many middle income earners, especially public sector workers, in this economic cycle which suggests that if house price inflation outstrips wage inflation in the future then very few middle income earners will be able to get onto the property ladder for the first time.

Housing supply and future capacity of Croydon

The London Plan is proposing that Croydon should build 1,100 homes annually over the 2006 to 2026 period. This would translate into an extra 11,000 new residential units by 2016/17. The Mayor has not provided a housing target for the borough for the period of 2016–2026 but the amendments to the London Plan suggested a requirement of another 4,000–5,000 new homes over the ten years. The 'Urban Capacity Study', currently being conducted by Entec for Croydon, will provide essential detail on land capacity issues for housing as well as all other land-uses.

The table below illustrates the breakdown in potential housing capacity of Croydon, from the GLA London Housing Capacity Study 2004, based on development type:

Urban Capacity of Croydon³⁴

Type of Development	Capacity	Link to London Capacity
Empty properties	1,946	16.91% of the total capacity of London; the highest of all boroughs
Small sites/Infill development	3,905	3.98% of the total capacity of London; average amongst the other boroughs
Major sites	5,130	2.74% of the total capacity of London; one of the highest of all boroughs
Total estimated capacity	10,981	

These figures also exclude any increase in housing through redeveloping some of the existing social housing stock, such as the properties in the New Addington area. It also does not take into account any private sector redevelopment, encouraged for example by the extension to the East London Line underground line.

³³ London Borough of Croydon, locally maintained statistics, 2008.

³⁴ Greater London Authority, Housing Capacity Study 2004, July 2005.

The table below provides details of major residential developments (30 units or more) in Croydon, which have been given planning permission but where work on site has not yet begun.

Street Name	Existing Residential Units	Proposed Residential Units	Net Residential Gain	Total Affordable Units	Planning Permission Type	Planning Permission Date
Purley Way	0	116	116	116	Outline	24/11/2005
Brighton Road	0	39	39	15	Full	25/01/2006
George Street	0	560	560	268	Full	01/06/2006
Cherry Orchard Road	0	55	55	20	Outline	02/10/2006
Pampisford Road	0	57	57	57	Full	21/12/2006
Whytelcliffe Road	0	87	87	39	Full	28/01/2007
Sydenham Road	7	86	79	34	Full	24/05/2007
Brighton Road	0	147	147	83	Full	11/06/2007
South Norwood Hill	4	36	32	36	Full	18/06/2007
Addington Road	4	34	30	0	Full	16/08/2007
London Road	0	99	99	47	Full	01/10/2007
Godstone Road	0	37	37	18	Outline	05/11/2007
London Road	0	37	37	6	Full	29/11/2007
Tavistock Road	0	35	35	6	Full	06/12/2007
Reddown Road	2	55	53	24	Full	23/03/2008
Kuala Gardens	18	33	15	0	Full	31/03/2008
Mayday Road	0	103	103	39	Full	08/05/2008
Total	35	1,616	1,581	808		

Information provided from London Development Database; correct as of 30th June 2008

This indicates that there are currently 1,581 residential properties proposed for Croydon, 808 of which will be affordable units. This exceeds the London Plan's target of 1,100 new properties per year, however this annual target is proposed for every year up to 2016/17.

If the borough experienced the GLA's 'high population projection' it would face a more difficult challenge. This scenario would result in the borough having to provide homes for 23,000 extra households in Croydon by 2026; greater than the target set out in the London Plan.

Meeting the high population forecast would require a major rethink over the borough's densities and land use. It is likely that it would not be possible to meet

this growth if the borough did not develop at higher densities than those adopted previously. Moreover, the borough might also have to convert more of its employment and industrial land into high density mixed use residential areas.

House prices

It is likely that house prices in Croydon will continue to fall, in line with the general correction right across London but the area will still remain attractive for many reasons. The combination of local jobs, good transport links into central London, family sized houses and relatively good local schools means there will always be demand in the local market. Once a recovery begins then Croydon can expect to be an area in London where house prices recover relatively quickly. Also, if housing supply across the London and South East region remains depressed due to a recession, with the government's ambitious house building programme becoming a victim of the recession, then prices will rise to unsustainable levels quite quickly.

Available housing and land for residential (and mixed use development)

Croydon's current housing stock is dominated by a large owner-occupied sector. Only 17% of households rent from the local authority or housing association; this is compared to 26% in London overall³⁵. This means there is reduced scope to meet affordable housing need through the provision of social rented housing and increased emphasis must be placed on the private sector.

Croydon has a housing density of 46 du/ha (dwelling units per hectare) compared to a London borough average of 70.2 du/ha³⁶. The density for major sites is significantly lower than small sites, because these sites will accommodate other uses and supporting infrastructure. In addition, the densities here are much lower than those planned for major new developments located close to transport nodes elsewhere in London, which should be around 165-275 units per hectare.

Croydon will share similar problems to the rest of London in accommodating a growing population. Working age people will always migrate to London for work and the history of London proves that it is very difficult to reduce demand – many people will continue to move to areas for work, or to live where they can travel to work, and simply accept over-crowded or poorer quality housing conditions. There are many jobs in Croydon, it currently has good transport links to central London and those will improve in years to come. This will always make it an attractive destination for people moving to London.

In the long-term, a strong regional and local economy plus good transport links suggests that the borough should plan for the 'high population forecast'. This would require a significant increase to the overall density of new developments over the medium and long-term. Alternatively or additionally, the borough could release more of its employment and industrial land for residential or mixed use development to accommodate this growth.

³⁵ Office of National Statistics, Census, 2001.

³⁶ Office of National Statistics, Land Use Statistics, 2001.

Social infrastructure and the capacity of Croydon

The social and community infrastructure needed to support household growth will place a strain on the Council's and its partners' available land and financial resources. The three biggest land-takes for social infrastructure will be schools, health centres and places of worship. It is very difficult on current information to assess whether Croydon and its partner organisations will be able to meet demand placed on the social infrastructure.

However, we can be clear about the pressures. Whilst the proportion of the population under 19 years of age will be lower there will be continued pressure on schools to improve the education offer for children. Better performing schools in London push up house prices within the catchment area. This can add to inequality within local authority areas and in the future, with information more readily available about performance through a variety of media, could be a problem for some areas.

Building Schools for the Future capital funding aims to improve school buildings and hopefully improve the benefit to the local community of the school building. Croydon is due to receive £350 million BSG funding and is currently seeking views from residents and stakeholders on a series of recommendations through their 'Transforming Croydon's Schools' consultation. One of the key aspects for BSG funding, beyond the core aim of improving educational attainment, is about integrating new schools closely into the community so they can act as community hubs and in turn reduce the stigma of school for segments of the community. Whilst Croydon's GCSE performance is improving steadily there seems to be much more of an issue about aspirations, especially amongst young males. Any opportunities to address this through how schools are built and the extended services provided in them needs to be carefully considered.

Although there is a range of health services people need, GPs are probably the most essential day-to-day health service for the majority of people. Croydon's ratio of full time GPs to population is approximately **58 to every 100,000** or approximately one GP for every 1,700 people³⁷, which is in line with the average in England. Croydon's population growth is not expected to require a significant growth in the numbers of GPs needed. However, the change in the make up of the population will require GPs to understand the needs of ethnic groups and older people much more.

Croydon, in line with all London borough's is about to consult residents on options to move towards the increased use of polyclinics to offer a range of health services at a more local level than hospitals. These changes to healthcare are driven by five key principles: individual needs and choices, localised service where possible, centralised where necessary, integrated care with an emphasis on communication, prevention is better than cure and inequalities and diversity.

There is a clear move to shift care away from hospitals and nearer to the home through polyclinics and to therefore improve specialised care within hospitals.

Polyclinics are likened to healthy living centres or an integrated one stop shop. They will consist of, for example, GPs, community services, most outpatient services, minor

³⁷ Renaisi calculation using ONS population statistics and information on the number of GPs provided the PCT.

procedures, urgent care, diagnostics (pathology tests and x-ray), healthy living classes, proactive management of long-term conditions, pharmacies and other services such as opticians and dentists. Croydon's consultation response to the Healthcare Review raised the issue of the practicality of polyclinics for a large population. This is overcome through a networked model of services linking local GP surgeries and offering a range of specialist services. The aim is that polyclinics could "provide better, more tailored healthcare closer to home for most people, whilst also delivering excellent specialised care in centralised major hospitals for those who need". Croydon's consultation also emphasised the importance of coupling healthcare with social care.

This new approach is important for addressing the future changes in population. Some health services will be much nearer to residents who need their support. The important thing is to get the services offered through polyclinics instead of hospitals right. There will also be a need to engage with residents on their current opinions as many see reductions in the number of GP surgeries as a bad thing in most cases since that is all they have ever known and they have not had the benefits of services offered through modern polyclinics explained.

One other important factor is places of worship, because the increase in ethnic and religious diversity will mean greater demand for places of worship in the borough. The resulting land-take for places of worship in the borough cannot be estimated at present on current data. Future work will need to take this into account along with other demands on social infrastructure

Personalised public services

Meeting our needs in 2035 will be a significant challenge for public services. Society is undoubtedly becoming more complex, diverse and difficult to design services for. In response to these changes public services will become more localised and closer to the 'service-user'.

Public service improvement has been moving towards more personalised services in recent years. As the population becomes increasingly diverse then so will the needs of service users. The focus of service delivery will also need to shift to a much more preventative approach in key areas:

- Encouraging healthier lifestyles to ensure the growing, older population is healthy and active.
- Provide everyone with the best 'first chance' in life through early years provision and supporting parents in deprived areas.
- Foster community resilience and reinforce the role of family and friends in supporting communities.
- Services will need to actively collaborate with local communities to reduce crime and anti-social behaviour.
- Targeted work with 'at risk' young people to equip them with the skills, knowledge and ambition to compete in London's global economy.

Our jobs and skills

Jobs growth in London

GLA Economics projects the number of **jobs in the capital to grow** by 912,000 between 2006 and 2026³⁸. Employment is expected to grow more rapidly in Inner than Outer London. The GLA estimate that over the period 2006 to 2026 employment in business services will increase by 560,000 and a 45,000 jobs growth in financial services³⁹. Employment in manufacturing is projected to fall by 124,000 over the next two decades.

Growth in jobs in Croydon

In Croydon, the most recent projections produced by the GLA forecast employment to grow from 149,000 jobs in 2006 to 155,000 jobs in 2026⁴⁰. There will also be an ample supply of jobs in central London, the City and the wider south-east, within easy reach of the borough, and it is within this broader labour market that Croydon residents will need to compete.

A Breakdown of Employment in Key South and South East London Boroughs⁴¹

Area	2006	2016	2026	Growth 2006-16	Growth 2006-26
Croydon	149,000	151,000	155,000	2,000	6,000
Bromley	119,000	121,000	125,000	2,000	6,000
Kingston	78,000	79,000	81,000	1,000	3,000
Lambeth	141,000	148,000	160,000	7,000	19,000
Lewisham	81,000	89,000	98,000	8,000	17,000
Merton	79,000	83,000	87,000	4,000	8,000
Richmond	83,000	84,000	87,000	1,000	4,000
Southwark	183,000	213,000	253,000	30,000	70,000
Sutton	71,000	71,000	73,000	0	2,000
Total sub-region job opportunities	984,000	1,039,000	1,119,000	55,000	135,000

In common with the rest of London, market forces in Croydon are polarising the labour market and there is a strong likelihood that this will continue. Rates of worklessness tend to be higher amongst lone parents, young people, black or minority ethnic individuals and those with low skills than they are for the working age

³⁸ Greater London Authority, Update Borough Level Employment Projections to 2026, February 2007.

³⁹ As above.

⁴⁰ As above.

⁴¹ As above.

population as a whole. According to the Treasury report on worklessness in London, this is partly attributable to a number of factors increasing competition for lower level and entry jobs, and the fact that people will travel only short distances to access such jobs⁴².

Skills requirements in the future

The 'Leitch Review of Skills' suggested that the nature of employment will change dramatically over the next two decades. In existing industries, most occupations already require **greater levels of skills** than in the past. Skills that were once seen as specialist and technical, such as in ICT, have increasingly become core requirements for most jobs⁴³.

There will be increased demand for more highly skilled occupations, such as managers and professional occupations, whilst lower and some intermediate-skilled occupations will provide a smaller share of employment. In some intermediate jobs, such as skilled trades, demand will be significant over the next 15 years (as older workers retire), even if those jobs account for a decreasing share of employment. By 2014, two-thirds of jobs could be filled by those with at least intermediate level skills. By 2020, more than 40 per cent of jobs could be filled by graduates, up from 30 percent in 2004⁴⁴.

Croydon already has lower skill levels amongst its working population than the London average and most of its neighbouring boroughs⁴⁵. This is important because in the future competition for jobs will become more intense, especially during a recessionary period and initial growth after that period. For local economies to be sustainable, residents need to be working, preferably in higher earning jobs, which generally have higher skills requirement. If Croydon's residents cannot compete in the regional job market then this could have a substantial negative impact on the future sustainability of Croydon's district centres.

In 'Building for a Low Carbon Economy' the government have stated the need to develop 'environmental skills' to help unlock the benefits of a low-carbon economy⁴⁶. This is a potential future growth area that could be exploited. The skills required to take advantage of the enormous potential of 'environmental markets' will shape the demand for skills over the next thirty years; requiring a greater need for engineering, applied science and a whole range of high skilled professions capable of specialising in environmental technologies⁴⁷.

⁴² HM Treasury, Opportunity for All: Analysing Labour Market Trends in London, March 2006.

⁴³ Lord Leitch, Review of Skills: prosperity for all in the global economy – world class skills, December 2006.

⁴⁴ As above.

⁴⁵ London Borough of Croydon, Economic Development Strategy, June 2008.

⁴⁶ Department of Environment, Food and Rural Affairs, Building a Low Carbon Economy, November 2007.

⁴⁷ As above.

Our economy

The UK economy

In September, the Treasury revised down its average growth forecasts for 2008 and 2009 with GDP growth predicted to fall to 1.1% and 0.3% respectively⁴⁸. The last medium term forecasts covering the period to 2012 were produced in August and they were more optimistic for 2008 and 2009. They also predicted stronger GDP growth of above 2% from 2010 onwards. However, it is possible that these medium forecasts will be revised down further when they are updated in November.

The London economy

In the long-term the UK and London remain well placed to recover then continue economic growth. In 2005 London was the sixth largest city economy, in terms of GDP. By 2020 London is projected to rise above Paris and Chicago to fourth largest and grow at a faster rate than the top three of Tokyo, New York and Los Angeles⁴⁹.

In comparison to the UK, London, whilst it will be more seriously affected by the credit crunch, is always likely to recover quicker and grow faster than the other regions. This is a combination of the link between the London economy and the performance of the financial and business sector and partly because the average London borough economy is almost twice the size of the average District in England⁵⁰.

The latest employment projections estimate an increase of 912,000 jobs from 2006 to 2026 with over half those jobs coming from business services. The table below outlines the main trends:

Fig 111: A Breakdown of Projected Employment Growth in London

Sector	2006	2016	2026	Growth 2006-16	Growth 2006-26
Manufacturing	237,000	164,000	113,000	-73,000	-124,000
Wholesale	235,000	243,000	250,000	8,000	15,000
Retail	406,000	439,000	473,000	33,000	67,000
Business Services	1,142,000	1,453,000	1,702,000	311,000	560,000
Financial Services	331,000	327,000	376,000	4,000	45,000
Health and Education	710,000	728,000	742,000	18,000	32,000

⁴⁸ HM Treasury, Forecasts for the UK Economy, comparison of independent forecasts, September 2008.

⁴⁹ Price Waterhouse Coopers, UK Economic Outlook, Special Feature on the largest city economies in the world and how this might change by 2020, March 2007.

⁵⁰ Gavin Poynter. The 'Credit Crunch' and London's Economy, Rising East Online, University of East London, July 2008.

Restaurants & Hotels	327,000	421,000	539,000	94,000	212,000
Other	1,199,000	1,263,000	1,304,000	64,000	105,000
All Jobs	4,587,000	5,038,000	5,499,000	451,000	912,000

London also has a large and growing creative sector and its rich cultural assets make it a major tourist destination. Tourism, as the table above demonstrates will fuel demand for growth in the hotel and restaurant sector.

The latest GLA 'London Office Policy Review 2006' predicts a growing office sector in London with rising demand over the next twenty years. The study expects 8,051,000 sq m of demand for office space between 2006 to 2026⁵¹. This growth offers areas such as Croydon, that have an established office sector, excellent opportunities but only if the right kind of office building at competitive rates is available. In fact, Croydon's office sector has been identified as under threat if it does not improve the quality of its stock.

Croydon – economic prospects

The GLA proposes that "the function of outer London locations is to accommodate employment growth of urban functions which cannot be accommodated outside London, and need to be protected"⁵². Unlike other outer London locations, Croydon is poised to grow its economy substantially over the next 30 years.

As the London School of Economics noted in their report on 'Future Growth in the Outer London Economy', Outer London areas have experienced slower growth in recent years because they are weak in key growth sectors, such as the business, financial and creative services. Generally, more of their employment is geared towards closer and local markets, and they **lack the locational advantages** of either central London or places outside London⁵³.

The GLA London Office Policy Review noted that "the absence of potential office development in these (outer) boroughs may well be of local concern, but in most cases it derives from a recognition by developers ... that over a long period of time there has been **insufficient demand for offices** in these locations to make development viable"⁵⁴. Nevertheless there may be some spreading out of city activity beyond the City Fringe.

Croydon is unique in London in this respect. It has a thriving and well-developed office economy that is second only to Central London. However, it needs to make sure the local office economy is attractive and competitive to capitalise on future investment. The planned redevelopment of parts of the town centre is a positive first step in achieving this as is increasingly residential development to bring the town centre to 'life' outside of standard work and leisure hours.

⁵¹ Greater London Authority, London Office Policy Review, August 2004.

⁵² Greater London Authority, London Plan with Early Alterations, December 2006.

⁵³ London School of Economics, Future Growth in the Outer London Economy: a review of employment projections and their implications, October 2006.

⁵⁴ Greater London Authority, London Office Policy Review, August 2004.

The London Office Policy Review also predicted that demand for office space in the borough would need to provide for an extra 110,000 office jobs⁵⁵. Therefore clear opportunities exist for the borough if the right policies and actions are taken to capture more of this demand for office growth.

Growth areas

Croydon is part of the Wandle Valley growth corridor and is located in close proximity to the Gatwick Diamond. Economic expansion along the Gatwick, Brighton, Thameslink corridor is important for Croydon. Any southward shift of economic activity presents both opportunities and threats to Croydon. One of the objectives of the Gatwick Diamond is to secure investment and job creation. Whilst this presents new employment opportunities for Croydon residents, any new employment centres, particularly in the office sector would be a direct competitor to the office sector in Croydon centre. The future direction of the Gatwick Diamond will be closely linked to any new business plan from the new airport owners, particularly if there is a move away from a business travel offer.

The new London Mayor has committed himself to the growth of outer London town centres. The GLA will establish a commission to investigate what changes to planning laws are needed to help stimulate growth in the capital's outlying boroughs. The GLA confirmed that further details are likely to be included in the assembly's 'direction of travel' which should detail planned changes to London's planning structure⁵⁶.

Changing leisure patterns

British people work the longest hours in western Europe, and Londoners work the longest hours and average the longest commutes of all. However, there are signs that this may be changing. Greater numbers of people are opting to take career breaks and request flexible working and home - working arrangements borne out of a desire for greater work-life balance⁵⁷. A MORI survey found that 52 per cent of office workers want to work at home because it offers greater freedom, and 42 per cent to reduce commuting time; while most employees still like to be connected to the office, a quarter would like to work from home everyday⁵⁸. The long - term impact of this is more complex, however, as employees also acknowledge that the infrastructure supporting home - working, such as laptop computers and palm pilots, may encourage a "less sharp separation of work and home"⁵⁹. These options are almost always likely to favour those in more high-status positions, while those with weak labour market status struggle to be able to negotiate similar arrangements with their employers.

Current planning policy has focused leisure back into London town centres rather than out of town. Croydon currently has a strong high street retail offer and the third largest creative industry in South London. However, Croydon was voted the "chav" capital of the UK in 2008⁶⁰ and there is a constant stream of negative press about the

⁵⁵ As above.

⁵⁶ Deputy Mayor of London, Estates Gazette London Development Summit, June 2008.

⁵⁷ London Collaborative, the Collaborative City – Future Trends, 2007.

⁵⁸ As above.

⁵⁹ As above.

⁶⁰ Online survey, Chavtown.co.uk website UK, July 2008.

area, which in fact has many strengths compared to other London borough town centres. The fact that Croydon almost constantly gets London press coverage is good since this greatly improves the chance of getting positive coverage as improvements are made in the future.

Rising retail expenditure in London

The GLA projects **continuing growth** of retail expenditure – and thus the retail sector of the economy across the capital, notwithstanding the growth of internet shopping⁶¹. Since 1984, the average annual growth rates have been 3.8 per cent for comparison retail (high street chains and durable goods), and 0.7 per cent for grocery retail⁶². London is planning for continuing population growth, and this will mean that the potential for growth in retail will increase.

In the longer term, the continued growth in spending per capita is forecast on the back of rising employment levels as well as population growth. This is likely to result in significant increases in total household expenditure across London over the next two decades. Spending on non-grocery goods is forecast to rise by 4.8 per cent per annum to 2016 and grocery retail spending by 2.0 per cent per annum⁶³.

'Super Town Centres'

The town centre network is changing and will continue to change. The town centre network continues to restructure into a broadly two-tier system of 'super centres' and 'local centres'; 'super-centres' being very large centres with a combined retail and leisure offer; local centres being those roughly serving local needs with a focus on convenience food. Croydon town centre will be ideally placed to benefit from these trends and has a massive opportunity to establish itself fully as a powerhouse of a centre within London. Along with Croydon, Stratford (Stratford City) and White City will also be poised to rise up the retail hierarchy, in terms of comparison expenditure, in the next ten to thirty years⁶⁴. The table below demonstrates how the network will re-structure over the next ten years:

⁶¹ Greater London Authority, Retail in London, October 2006.

⁶² As above.

⁶³ As above.

⁶⁴ As above.

Table 4.2: Timeline change in London comparison turnover ranking 2001-2016Source: Experian⁶⁴

Centre name	Class	Rank 2001	Turnover 2001, £m	Rank 2016	Turnover 2016, £m	Change in Rank 2001-2016
West End	International	1	4415	1	8441	No change
Knightsbridge	International	2	996	2	1953	No change
Croydon	Metropolitan	5	554	3	1300	+2
Kingston upon Thames	Metropolitan	4	565	4	1245	No change
Brent Cross	Additional	6	423	5	1173	+1
Stratford	Major	23	154	6	1149	+17
Bromley	Metropolitan	3	593	7	1079	-4
White City	Additional		-	8	632	New
Croydon Purley Way	Additional	7	328	9	591	-2
Kensington High Street	Major	8	292	10	523	-2
Romford	Metropolitan	9	278	11	513	-2
Kings Road East	Major	10	276	12	488	-2

Driving this restructuring will be the range of different forces mentioned in 'where we are now'; namely growing accessibility, the convergence of retail and leisure and the growth of e-tailing.

Future of Retail in Croydon's Local Centres

In communities like Croydon - with a large proportion of small independent shops in its district centres - there may be a decrease in the number of small retailers that occupy these centres. A study of the viability of small town centres in another London borough showed that retailers in these centres will need to become more specialised and provide for niche markets if they want to remain competitive⁶⁵. It is important that Croydon conducts a borough wide retail capacity study to inform decisions on a strategic approach to town centres and formulate a clear future for each of the district town centres.

The increasing diversity within the borough, over the next twenty years, presents a real opportunity to develop the retail, leisure and cultural sectors in the borough. As mentioned previously, ethnic minority communities are set to grow significantly, whilst white ethnic groups are set to decline. Moreover, as social attitudes, social care support and medicine changes allow more people with disabilities to play a fuller role within society, these groups' cultural needs will have to be provided for. Hence, the borough has a real chance to proactively manage the energy and opportunities into niche shops, inclusive cultural/community spaces and accessible leisure facilities.

⁶⁵ RB Kensington & Chelsea, Commission on Retail Conservation, Roger Tym, March 2007.

Our connections

The future of transport in London

Generally, total travel is projected to increase by four million journeys up to 31 million journeys every day by 2025⁶⁶. If climate change is to be tackled then there needs to be a modal shift from car travel to public transport, walking and cycling. Residents will only consider walking and cycling as a transport option if they feel safe which places a huge responsibility on borough planners to design places that support these forms of transport.

The London Plan has a target to increase the public transport capacity of London by 50% by 2026⁶⁷. Furthermore the plan calls for the intensification of uses and densities only in locations where there is adequate public transport capacity. Further public transport improvements are called for, especially in regard to improving and enhancing bus services by allocating road space for bus ways and giving high levels of road priority to buses on existing routes.

If current high prices of oil become the norm then the travel habits of city dwellers, who generally have easier access to public transport, are likely to change over the next thirty years. Whilst the extension of the East London Line, improvements on other underground lines and Crossrail will all help increase capacity a significant modal shift for commuters could become a major issue.

Improved connectivity for Croydon

The East London Line extension is expected to open in 2010. This will link West Croydon with Dalston Junction in Hackney and, in 2011, to Highbury and Islington. The East London Line extension will also link to Crossrail at Whitechapel and there are plans to extend the line west from Surrey Quays to Clapham Junction. When the extension is complete there will be greater connectivity with the Jubilee Line at Canada Water, creating rapid links to Canary Wharf. There are proposals to extend Croydon's Tramlink to Crystal Palace and for improvements to Thameslink.

These transport infrastructure developments will massively improve transport connectivity for Croydon, which is likely to have to have an effect on the residential mix in Croydon and to attract an increasing number of single-occupant commuter households.

Although Croydon already benefits from good transport connectivity the proposed improvements are likely to increase property prices and the demand for rental properties. This will likely have a knock-on effect in terms of the number of people who live and work in the borough, as more people are likely to be travelling out of the borough into central London. Improved public transport connectivity is important in

⁶⁶ Transport for London, Transport 2025, Transport Challenges for a Growing City, June 2006.

⁶⁷ Greater London Authority, London Plan with Early Alterations, December 2006.

opening up new areas of potential employment for those currently not in employment. The East London Line offers this opportunity for some of Croydon's residents.

Transport choices

There are broader issues on the transport user side. A recent Foresight report suggested that travel is an expressive activity with emotional and instrumental components⁶⁸. Also, people are both adaptable and resistant to change: they can adapt to change, but also value their habits and routines. There are key choices:

- 1 Activity choice: what do people want to do, what do they have time to do and what can they afford to do;
- 2 Destination choice: where are these activities available and where do people prefer to go to enjoy these activities;
- 3 Mode choice: how do people prefer to travel and what options are actually available to them; and
- 4 Departure time choice: when do people have spare time and when can the activity be accessed.

There are trade-offs and decisions to be made across these choices where complex drivers come to bear on individual choice. People will appraise the amount of emotional, affective, physical and cognitive energy a journey incurs along with time and cost in their own specific ways according to their identities. Ironically, technology can result in very different consequences to its intended consequences.

Sustainable transport choices will need to be created: sustainable travel will need to appeal to the convenient majority, involve lower cost and less time than the traditional car.

Introduction of new transport infrastructure or access to transport may have unintended consequences e.g. Hackney Overland Crew, which travels to nearby towns engaging in crime and bullying. So, any expansion of the tram network and East London Line needs to be considered against the type of new communities emerging in and around the borough.

Another key decision in terms of transport inconvenience is that the transport user will consider how often the train or bus departs from their nearest access point along with issues such as punctuality, speed, comfort and overall reliability. This becomes especially relevant with many bus routes affected by road traffic congestion as the reality is that the bus is often delayed, sometimes over-crowded and may be further delayed along the route. For short journeys many will choose their car over a bus as even if the cost of parking a car at the destination is more than a bus fare and the travel time is the same, due to using the same roads, the car can be accessed immediately and the level of comfort is known. Over longer distances the train and tram's effectiveness in competition with the bus and car are clear. Even when a train does not actually depart from the nearest station as regularly there is much higher certainty about departure times and how long the journey will take⁶⁹.

⁶⁸ Foresight report, Intelligent Infrastructure Systems, January 2006.

⁶⁹ As above.

Our environmental sustainability

Climate change

There is now a general consensus amongst scientists and politicians that climate change presents very serious global risks, and that it demands an urgent global response. There is a national target to reduce CO₂ emission by at least 26 per cent by 2020 and at least 60 per cent by 2050, compared to 1990 levels⁷⁰. The GLA has set a target to limit the total amount of carbon dioxide London produces between now and 2025 to about 600 million tonnes⁷¹. Meeting this CO₂ budget will require ongoing reductions of 4 per cent per annum. Croydon has set itself the target in its 2008-2011 LAA to reduce its carbon emissions by 9.5% by 2010/11.

London is particularly sensitive to increases in temperature in the future because of the urban heat island effect. Models show progressive increases in both summer heat island intensity and frequency with climate change. This will have detrimental effects on air quality, summer electricity demand, and comfort in the city's buildings and transport network.

All London boroughs, including Croydon, are expected to play a key role in tackling climate change at the local level. The expectation seems to be that local areas will take the lead on many of the issues where significant behaviour change is needed. This will require some changes in how Croydon's development is managed.

Transport

Traffic congestion is a key cause of CO₂ emissions, and TFL estimate that based solely on their investment programmes to 2010 that congestion will increase by 35% between 2006 and 2025 if nothing is done⁷². The London Plan proposes to reduce the growth of road traffic in outer London by a third, and to seek zero growth in outer London town centres.

In terms of emissions, the Government's recommended levels for nitrogen oxide and small particles were exceeded across large areas of London. Almost three-quarters of these emissions are from road transport. The future may see alternative fuels and engines developed for cars but this is dependent on a combination of national research and development programmes, related funding and the politics around oil production.

⁷⁰ Department for Environment, Food and Rural Affairs, UK Climate Change Programme, March 2006.

⁷¹ Greater London Authority, Climate Change Action Plan, February 2007.

⁷² Transport for London, Transport 2025, Transport Challenges for a Growing City, June 2006.

If there is success with encouraging London residents to use public transport rather than cars then the transport network, even with increased capacity will be placed under severe strain. Improvements to roads and encouragement to cycle will go some way to alleviate this problem but for some cycling will not be an issue. Far more important will be the combination of many of the drivers in this chapter.

Waste: learning to love waste

London produces about 18 million tonnes of waste every year. Of this, 4.2 million tonnes is collected by the London boroughs⁷³. Each household in Greater London creates over a tonne of municipal waste and this amount is increasing every year. If waste continues to grow at its current rate, there will be twice as much to deal with by 2020.

The Government has established a series of national targets, which require at least 25% of household waste to be recycled or composted and the recovery of value from 40% of municipal waste by 2005⁷⁴. The targets increase to 30% and 45% respectively by 2010 and to 33% and 67% by 2015⁷⁵.

The EU Landfill Directive requires that by 2010 the amount of biodegradable municipal waste going to landfill must be reduced to 75% of the total produced in 1995. By 2013, the amount must be reduced to 50% of the 1995 total, and by 2020, to 35%⁷⁶.

To meet these targets Croydon is required to recycle 40% of household waste by 2010/11. This means it will have to double its current recycling rate of 20% for 2006/7. One way to further increase recycling levels is to provide recycling bins in town centres. London produces approximately 263 tonnes of waste every lunchtime, enough to fill Trafalgar Square every week. Providing recycling bins in town centres would help to alleviate some of this waste.

Resources: closed-loops for open minds

Recycling cannot take all the strain: greater emphasis will also need to be placed on the reuse of waste materials and the repair of waste goods. Croydon will need to encourage this 'closed-loop' system by providing facilities to collect waste goods such as furniture, electronic equipment and white goods from residents and the means to distribute them to charities, community groups and people on low incomes. The majority of London's 17 furniture and white goods reuse projects principal aims centre around the alleviation of poverty through the provision of affordable goods and services⁷⁷. Whilst achieving this they divert over 100,000 items from landfill each year with enormous potential to increase this reuse.

The London Plan emphasises that the Mayor will look to work with waste authorities to facilitate and encourage greater reuse of waste products. This would be done by, for example, supporting the development of remanufacturing workshops and centres for

⁷³ Greater London Authority, the Mayor's Municipal Waste Strategy, September 2003.

⁷⁴ Department for Environment, Food and Rural Affairs, Waste Strategy for England 2007.

⁷⁵ As above.

⁷⁶ As above.

⁷⁷ Greater London Authority, the Mayor's Municipal Waste Strategy, September 2003.

brown and white goods, linking them with local charity shops and developing a London-wide scheme for the refurbishment of computer equipment to ensure affordable equipment for the voluntary and education sectors.

Furthermore, Croydon will need to encourage its residents to reduce the amount of waste they produce by, for example, refusing a carrier bag when it is not required, buying concentrated products and buying in bulk, which reduces the amount of material used in packaging the goods and opting to purchase items that have less packaging.

Energy: macro, meso and micro

There will be an increasing move away from macro-energy production (energy produced by power stations and distributed via the national grid) to more decentralised methods of energy production. The two main approaches are micro-renewable energy sources, such as solar panels and wind turbines attached to houses or businesses, and meso-energy produced by combined heat and power (CHP) sources.

The Mayor's Energy Strategy encourages the greater use of renewable energy. The plan sets a target for London to generate at least 665GWh of electricity and 280GWh of heat, from up to 40,000 renewable energy schemes by 2010⁷⁸.

To meet this target, London should aim to install at least 7,000 domestic photovoltaic installations, converting sunlight into electricity; 250 photovoltaic applications on commercial and public buildings; six large wind turbines; 500 small wind generators associated with public or private sector buildings; 25,000 domestic solar water heating schemes; 2,000 solar water heating schemes associated with swimming pools; and more anaerobic digestion plants with energy recovery and biomass-fuelled combined heat and power plants⁷⁹. These capacities should then be at least tripled by 2020.

The London Plan also makes it clear that boroughs should require all new developments to demonstrate that their heating, cooling and power systems have been chosen to minimise CO2 emissions; and should adopt a presumption that developments will achieve a 20% reduction from onsite renewable energy generation.

Urban form: by-products of progress- structure, styles and technology

The London plan requires that boroughs should ensure that future developments meet the highest possible standards of sustainable design and construction. This involves, amongst other things, designing homes to reduce CO2 and other emissions that contribute to climate change, designing new buildings for flexible uses throughout their lifetimes, minimising energy use through passive solar design, natural ventilation and vegetation on buildings and supplying energy efficiently through decentralised energy sources. For example, passive solar design involves careful consideration of the orientation of buildings, choice of materials, nearby vegetation and the

⁷⁸ Greater London Authority, the Mayor's Energy Strategy, February 2004.

⁷⁹ As above.

appropriate design of elevations to minimise dependence on artificial heating, cooling and lighting systems.

It is now mandatory for all new social housing to be built to a 3-star Code for Sustainable Homes (CSH) rating, although it is only voluntary for private housing to be rated against the code. The Government has also set ambitious targets for all new homes to be carbon neutral (6 Stars in the CSH) by 2016, and will seek to tighten the Building Regulations to achieve this.

The Mayor's Sustainable Design and Construction Supplementary Planning Document states that opportunities to significantly increase densities should only be taken where there is suitably accessible existing or planned public transport. The SPD also requires 100% of development to take place on previously developed (brownfield) land unless in very exceptional circumstances.

Existing buildings are responsible for over 70% of London's emissions of carbon dioxide, and a key challenge will be how to adapt existing homes to become more sustainable and reduce their carbon emissions. One of the biggest challenges for all local authorities will be to convince and support private homeowners to adapt their homes to make them more energy efficient and eventually link up to, or establish heat networks.

The London Plan makes it clear that boroughs should require new developments to make the fullest contribution to the mitigation of and adaptation to climate change. This means new buildings will have to provide the means for residents to recycle, secure places to store bicycles, and enhance the natural environment and biodiversity by, for example, integrating green roofs. A major impact of global warming is increasing flooding, something that can be mitigated against by having consideration for the permeability of surfaces which, if porous enough, allows water to flow down through the ground and back into the water table. Buildings will also need to integrate sustainable drainage systems (SUDS) to manage water pollution to reduce the risk of contaminating groundwater.

New buildings require a large amount of resources in their construction. In order to be sustainable they will need to be constructed from sustainable materials, if possible material recycled and reclaimed from demolitions and sourced locally. All this is particularly important if Croydon is to update its office stock but it is also an opportunity to create a unique selling point of a green office landscape in a hyper-modern city centre.

Communication: virtual worlds

There has been talk of the capability of new technology to eliminate the need to travel to work and reduce the need to engage in face-to-face meetings for at least 20 years now. However the technology to make these predictions a reality has never been closer. It is likely that the speed and transfer of larger and larger amounts of information will increase exponentially over the following decades.

A great hope has been that technology will eliminate the need for people to travel from where they live to where they work, which would cut down on congestion and

pollution. However the Foresight study⁸⁰ found that 'Historically, when we have improved the transport system and reduced costs, people have travelled more'. It also argues that we 'changed our patterns of behaviour to reflect the increase in ease of travel – living further away from our place of work, developing cities and shopping facilities that are based around use of the car, and travelling for leisure on a national and international basis.' Furthermore the report argues that 'people appear to have a need to travel to find resources and to socialise. Individuals have, on average, spent 55–65 minutes a day travelling since records were first kept'. This means that most people would feel frustrated if they travelled less⁸¹.

The need for face-to-face contact will never disappear despite the huge improvements in video-conferencing and 'virtual meeting' technologies. The popularity of online social networks has risen massively in recent years and whilst there has been a slow increase in home working, evidence so far suggests that this changes travel patterns rather than simply reducing travel. There is certainly a generational difference with the average young person spending up to 20 hours a week using the internet and claiming that their computer is central to their way of life⁸².

It is impossible to predict with any certainty the routes that technology will take. It is therefore vital that Croydon ensures that its residents and businesses are able to take advantages of the possibilities that advances in communications and information technologies create, in order to avoid widening the gap between technological haves and have-nots. Certainly gaining access to internet broadband and internet retailing can help households reduce their expenditure through e-tailing and getting the cheapest deals from the energy utilities companies.

⁸⁰ Foresight report, Intelligent Infrastructure Systems, January 2006.

⁸¹ As above.

⁸² Institute for Public Policy Research, Behind the Screen – the Hidden Life of Youth Online, March 2008

Our centre and the borough

Croydon town centre is in a strong position as an outer London metropolitan centre. It currently has the fifth strongest retail turnover in London. A projected increase of £746 million up to 2016 will see that position rise to third highest in London⁸³. It also has a large amount of office space and large companies employing high numbers of people. However the office accommodation stock is for the most part out-dated 1960s design and build. This is less attractive to businesses, even at lower rents, over the medium to long-term so there will need to be sustained work on updating the office stock. The risk in the future is that Croydon centre could lose out to other centres in the sub-region over the next 10-20 years.

With the right planning locally Croydon centre will grow with the London economy. However, the expected economic slump will require imaginative approaches as reduced lending and an adversity to risk stalls development. An economic slump may be the opportunity to commit effort to land assembly to benefit from lower land values and accept a delay in development.

The regeneration of Croydon centre through the Local Asset Backed Vehicle (LABV) offers the best chance, according to the CB Richard Ellis, of development progressing during a recession. One of the objectives of the LABV, and the broader planning framework locally, is to channel some of the predicted benefits for Croydon centre to the borough's district centres.

Croydon town centre has a key role both in the region and the borough. It is in a strong position to take a lead role in this sub-region in London and is capable of drawing in shoppers and workers from surrounding boroughs, including those from adjacent inner London boroughs. However, the borough's own district centres will never be able to compete with the main centre's retail or employment offer. To arrest and reverse their decline, which is quite common across many London boroughs, they must develop a clear role to ensure they do not wither on the vine.

There is the opportunity to build upon current work through district town centre management to revive them but putting in place a strategic approach would be a massive benefit. A strategic vision that encompasses Croydon centre and all the districts is needed along with a clear and realistic vision of place for each if they are to become sustainable.

The increased proportions of ethnic minority residents in some areas of the borough may offer the opportunity for some district centre to develop niche leisure and retail offers that maximise benefit from and for the diverse local population.

⁸³ Greater London Authority, Retail in London, October 2006